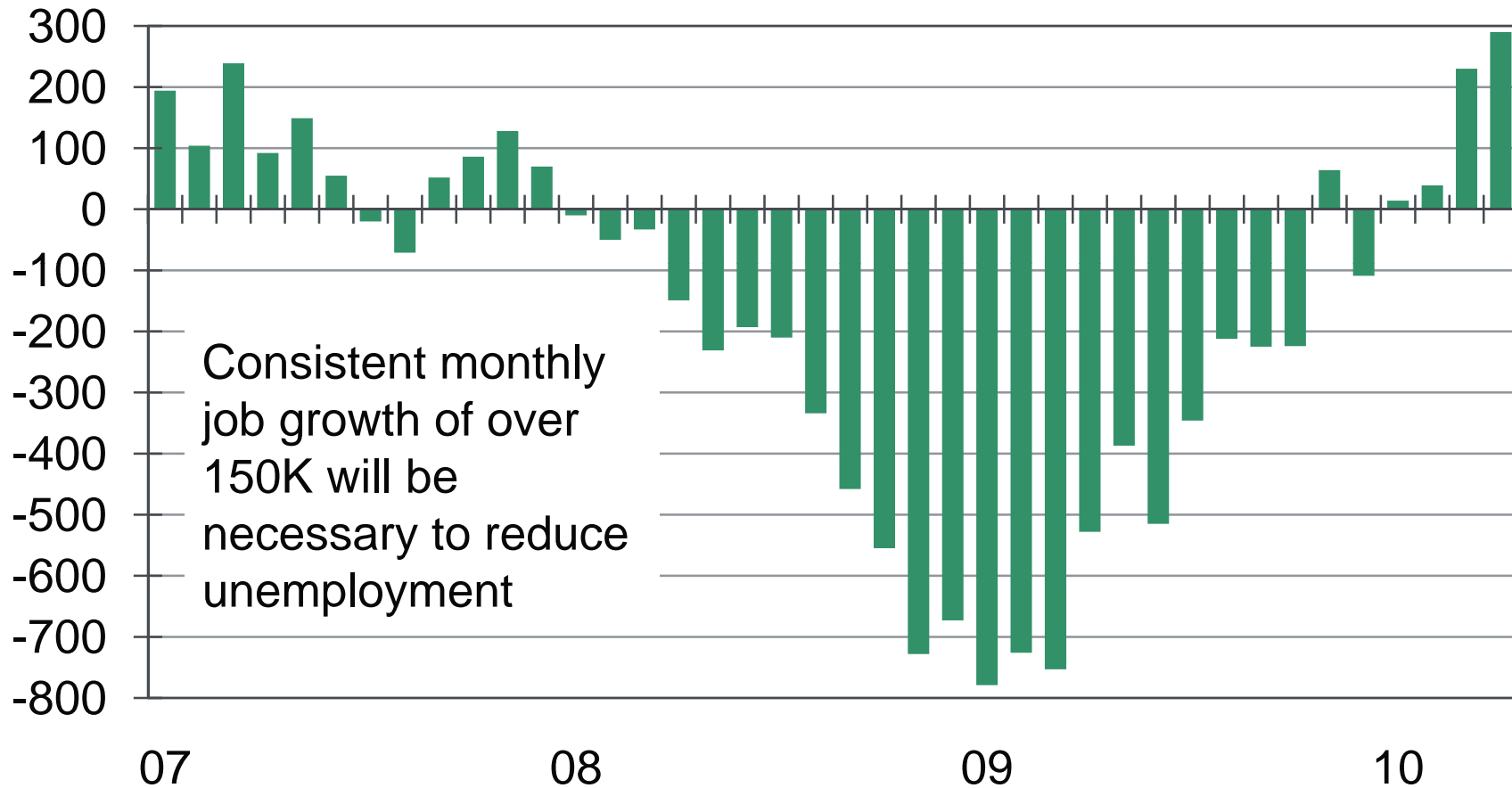


# Connecticut Recovery Profile

Andres Carbacho-Burgos, Senior Economist

# The U.S. Recovery Is Gaining Traction...

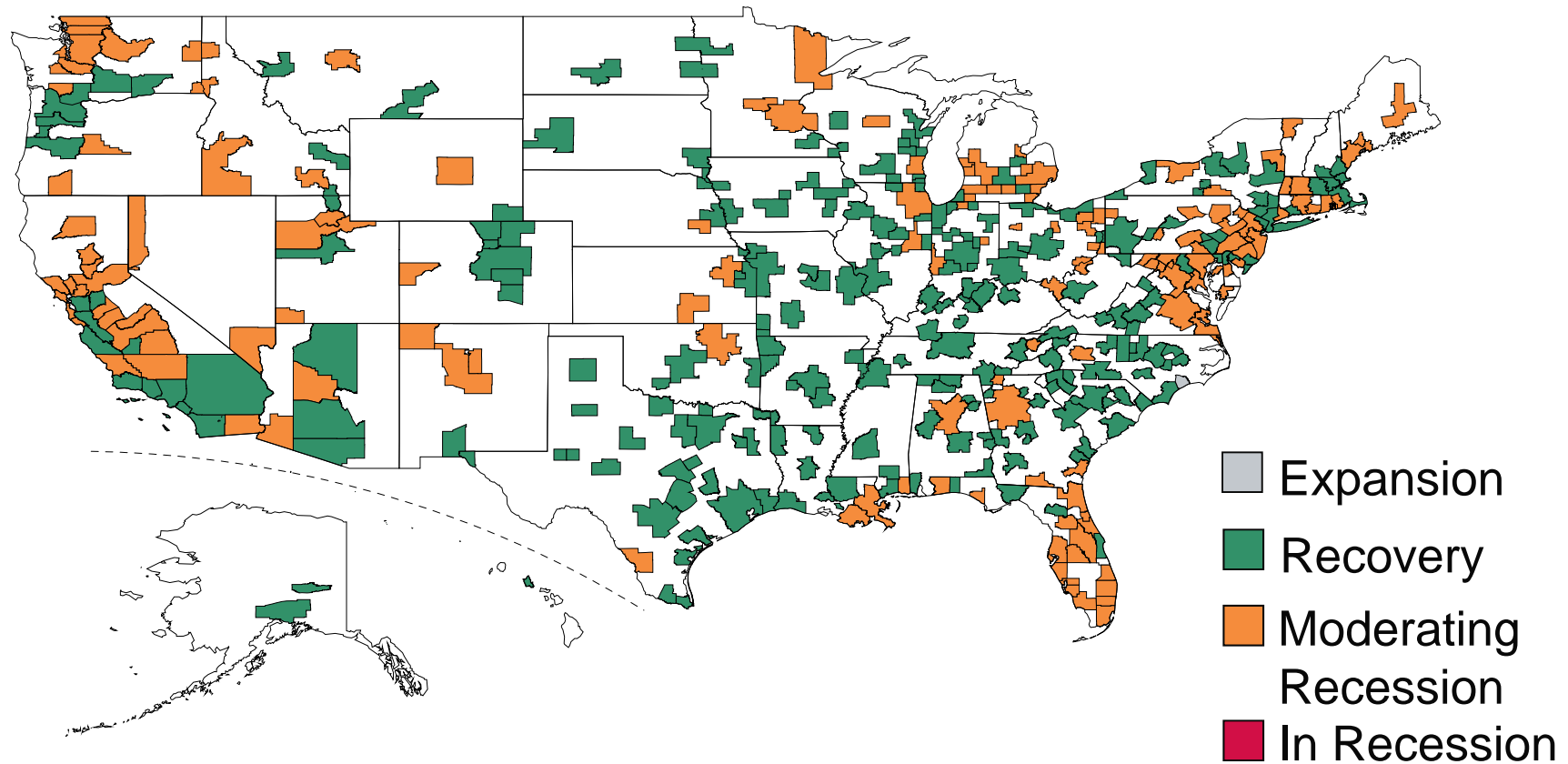
Monthly payroll employment change, ths



Source: BLS

# ...As the Economic Recovery Broadens Out

Status as of March 2010 data



Source: Moody's Analytics

# Recovery Remains Fragile as Hiring Is Soft...

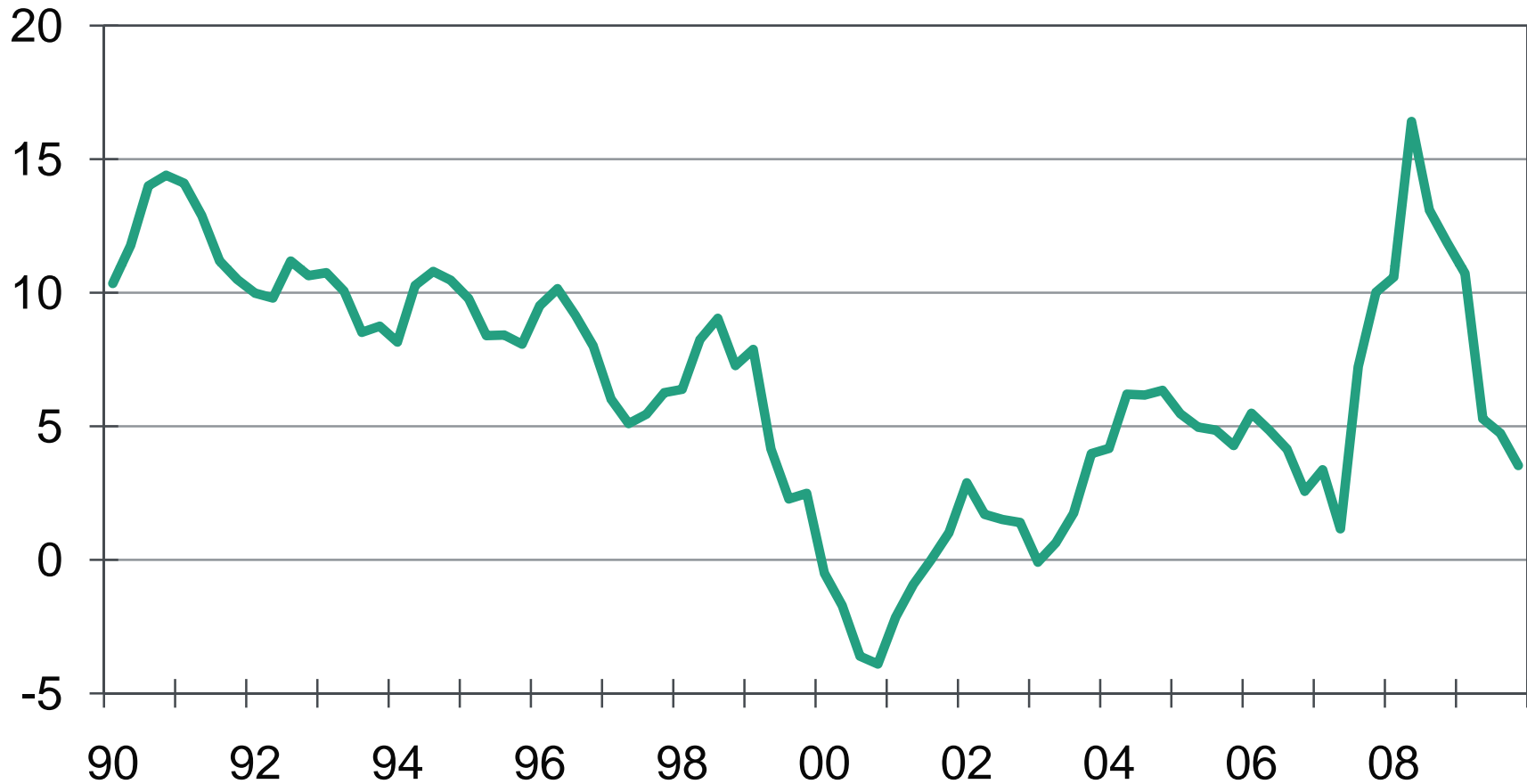
Number of monthly hires, ths, SA



Source: Bureau of Labor Statistics

# Consumers Have Been Surprisingly Resilient...

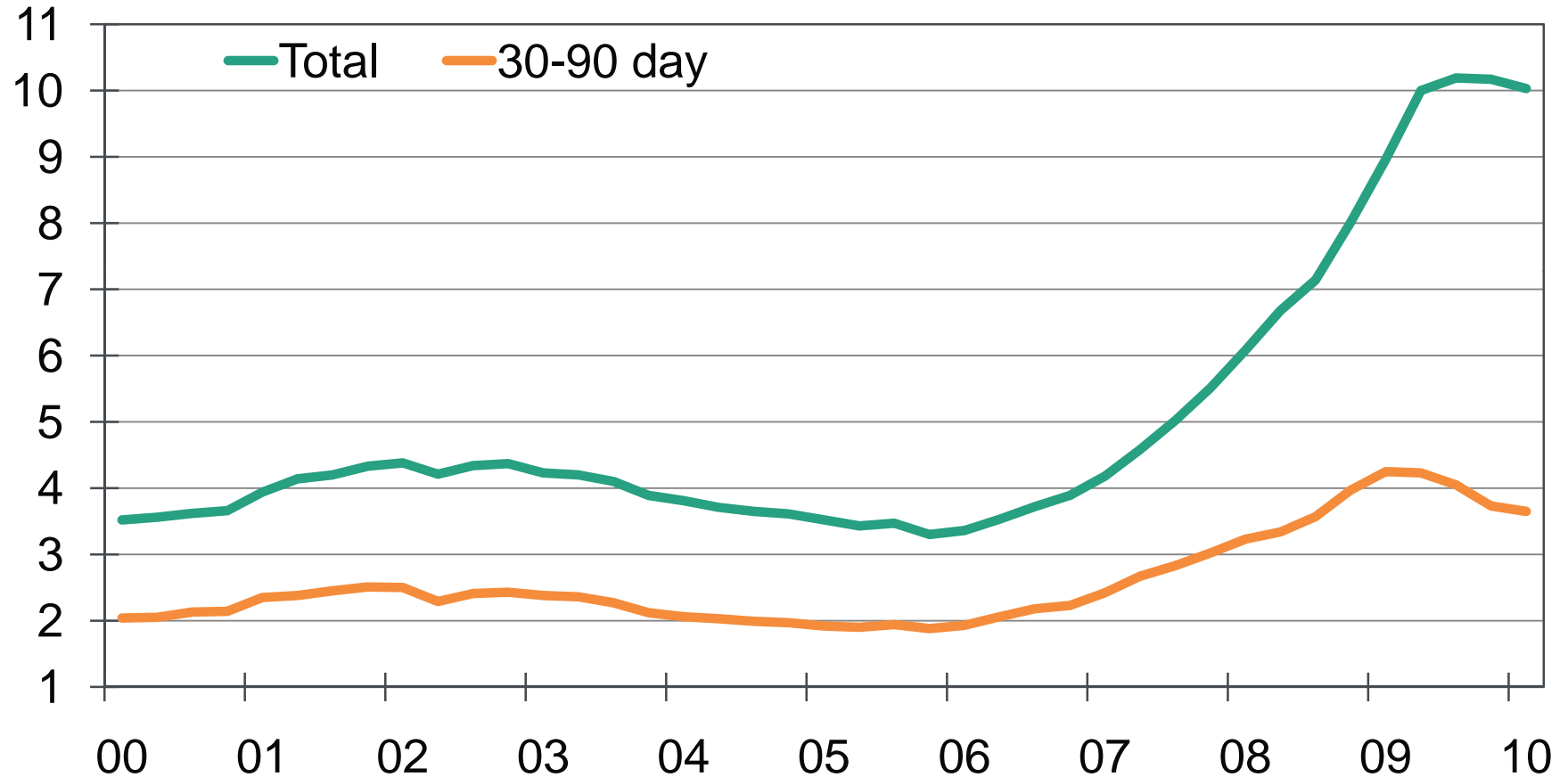
Personal saving rate for families in top fifth of income distribution



Sources: Federal Reserve, Moody's Analytics

## ...And the Credit Cycle Turns for the Better

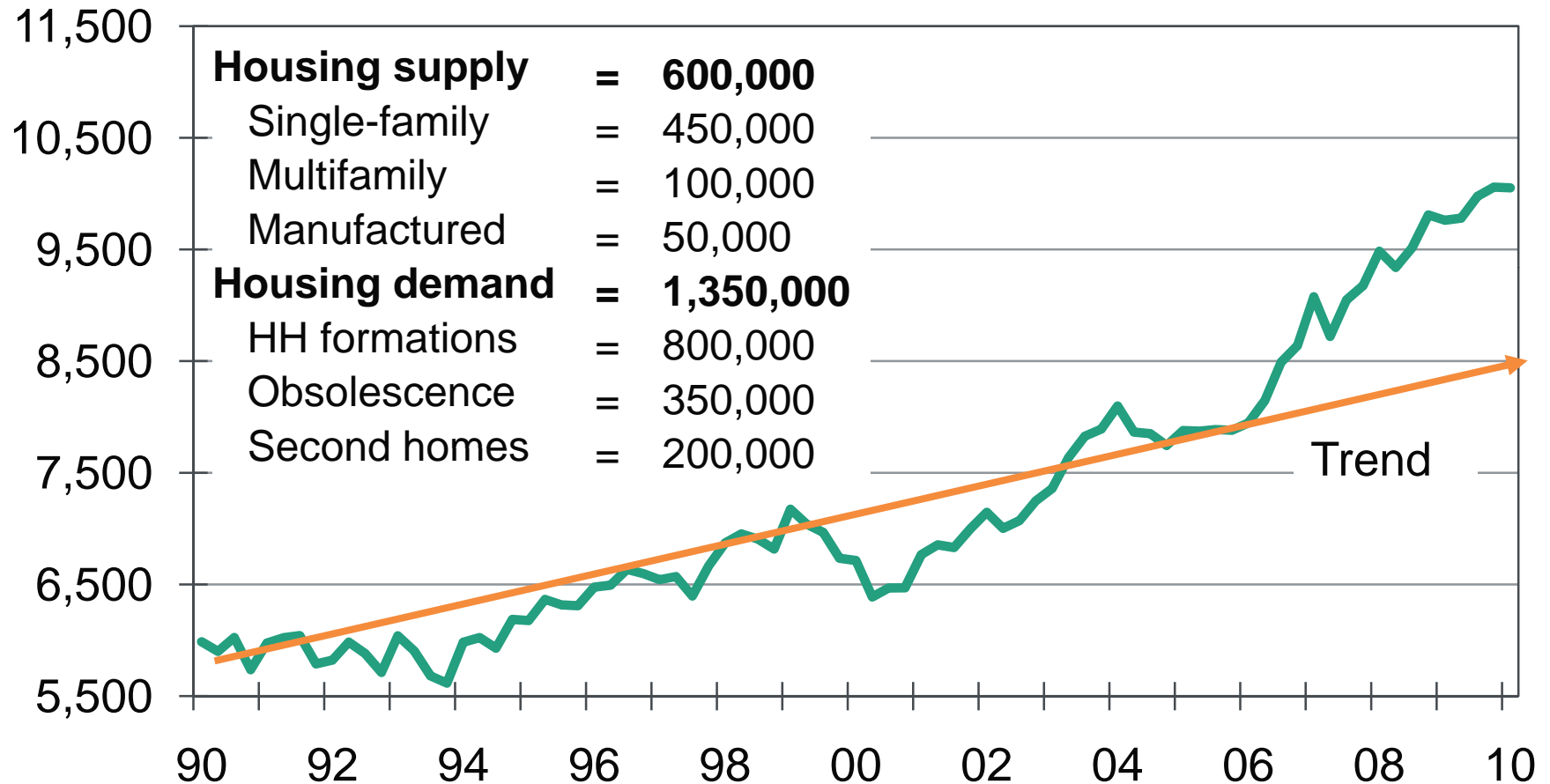
% of household debt in delinquency and default, % of \$



Sources: Equifax, Moody's Analytics

## ...And Housing Inventories Have Peaked

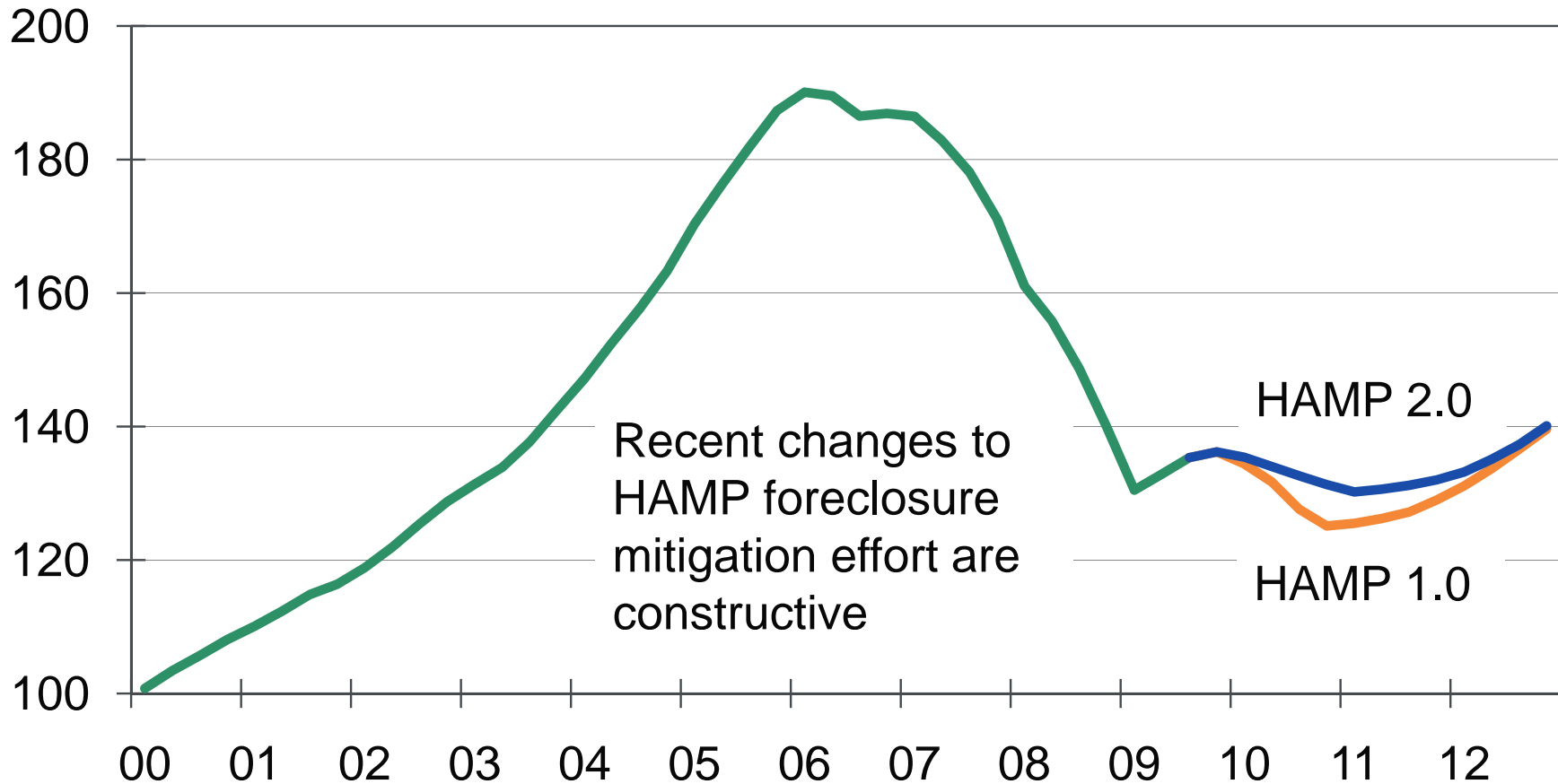
Vacant homes for sale, for rent and held off market, the



Sources: Census, Moody's Analytics

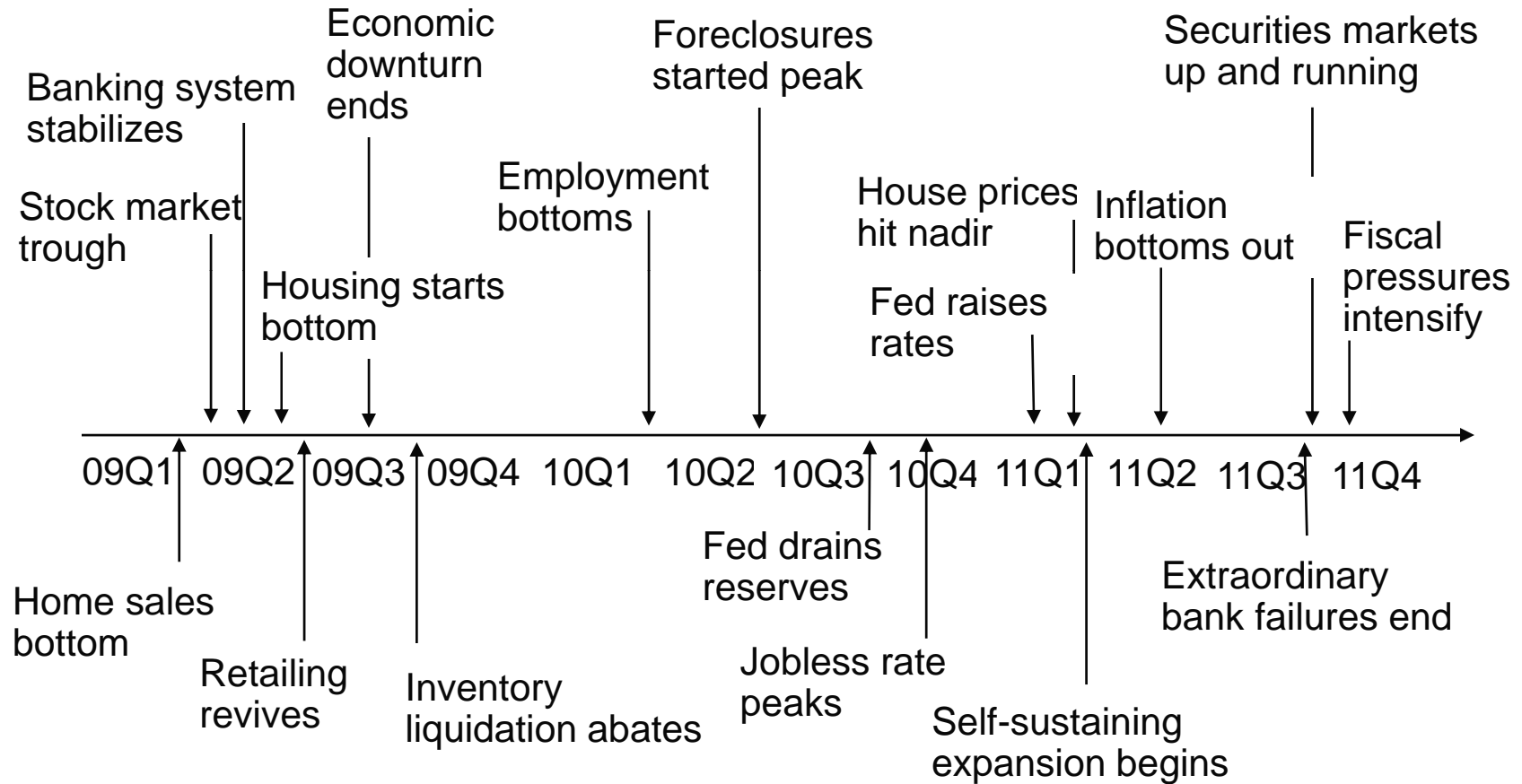
## ...Weighing on House Prices

Case Shiller<sup>®</sup> Home Price Index, 2000Q1=100



Sources: Fiserv, Moody's Analytics

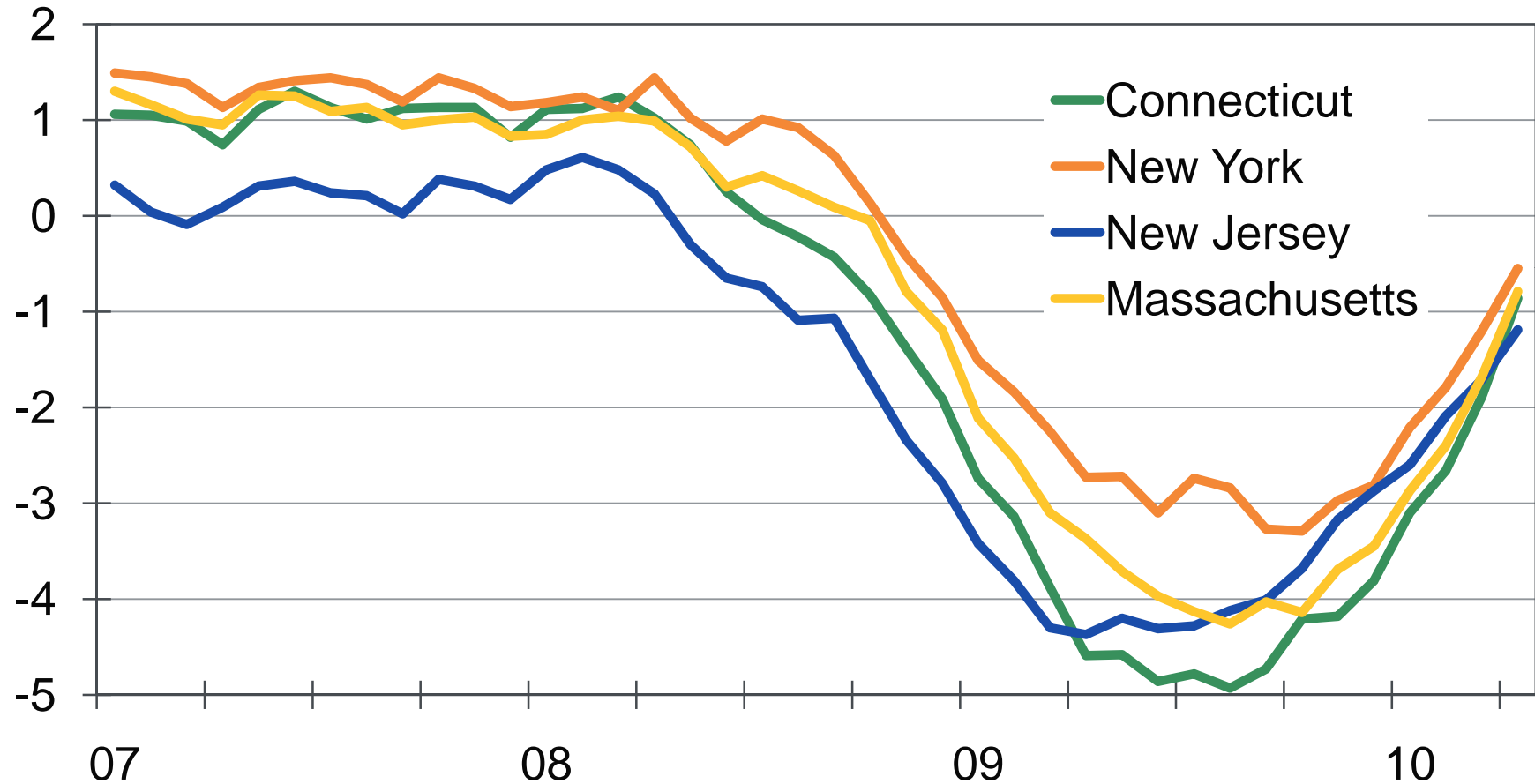
# Economic Timeline



Source: Moody's Analytics

# Connecticut Has Done Slightly Worse

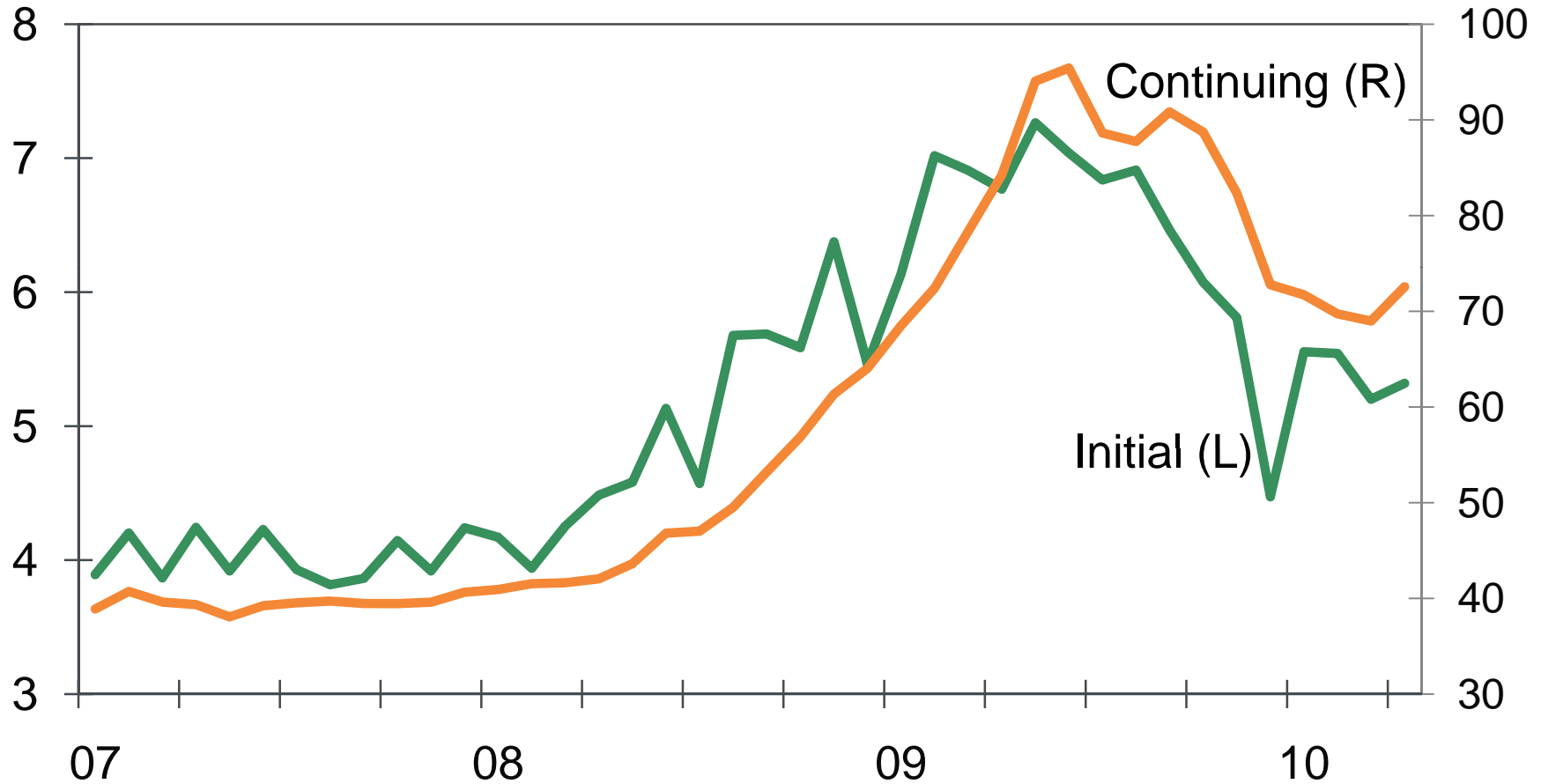
Employment, % change yr ago



Source: BLS

# Unemployment Claims Are Trending Downward

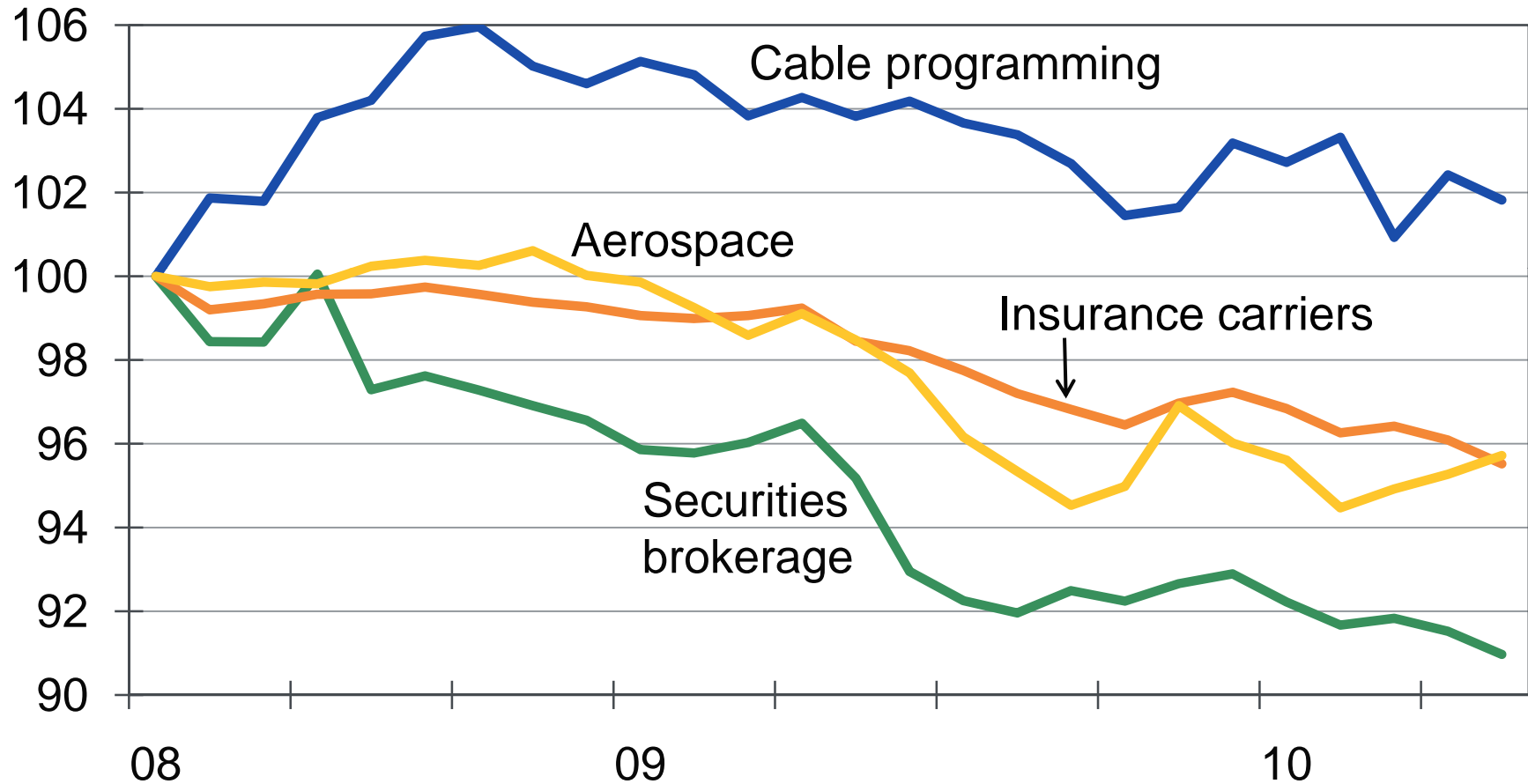
Connecticut unemployment insurance claims, ths, SA



Source: BLS

# Flagship Industries Still Have to Recover

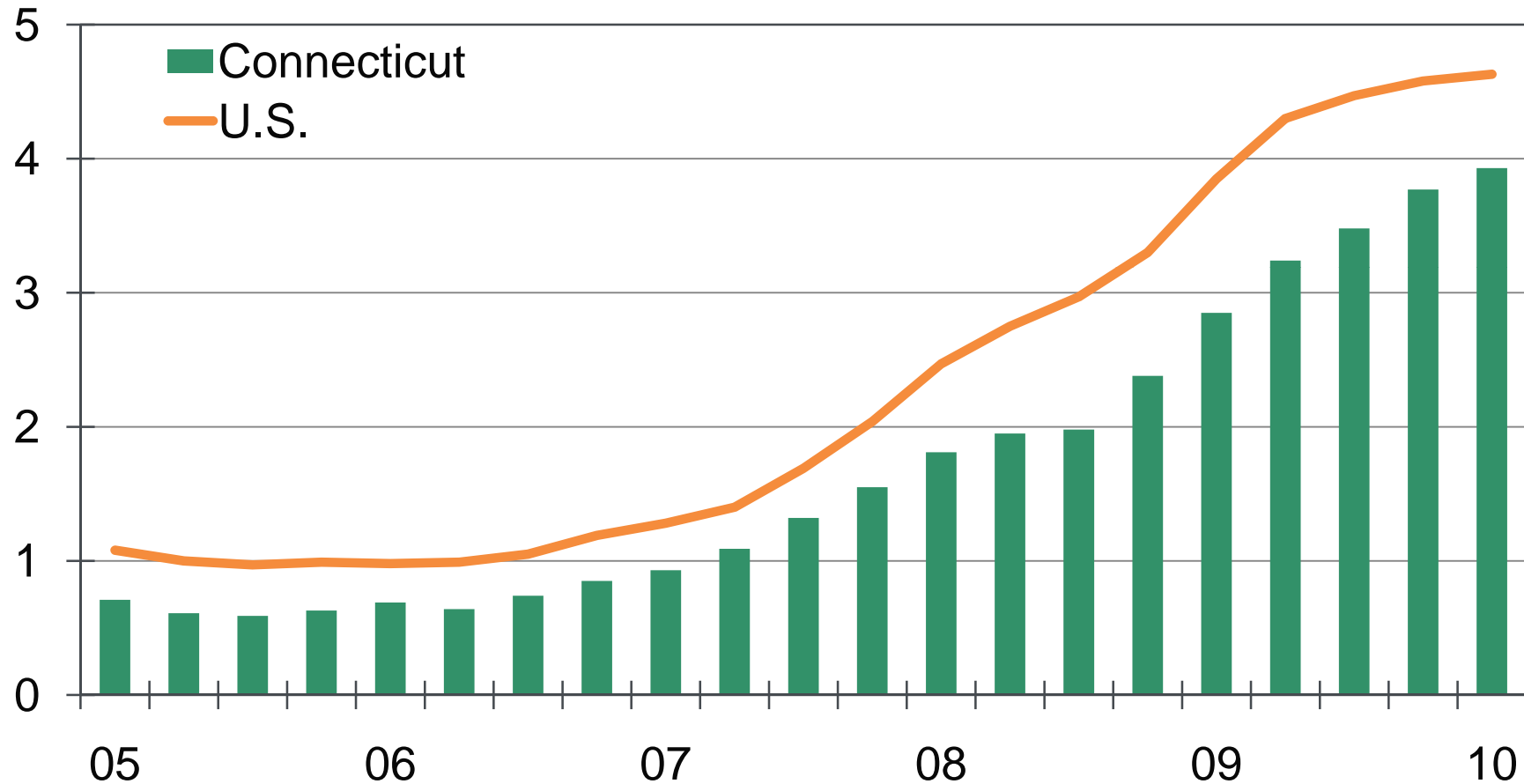
Employment, Mar 2008=100



Sources: BLS, Moody's Analytics

# Foreclosures Are Still Getting Worse...

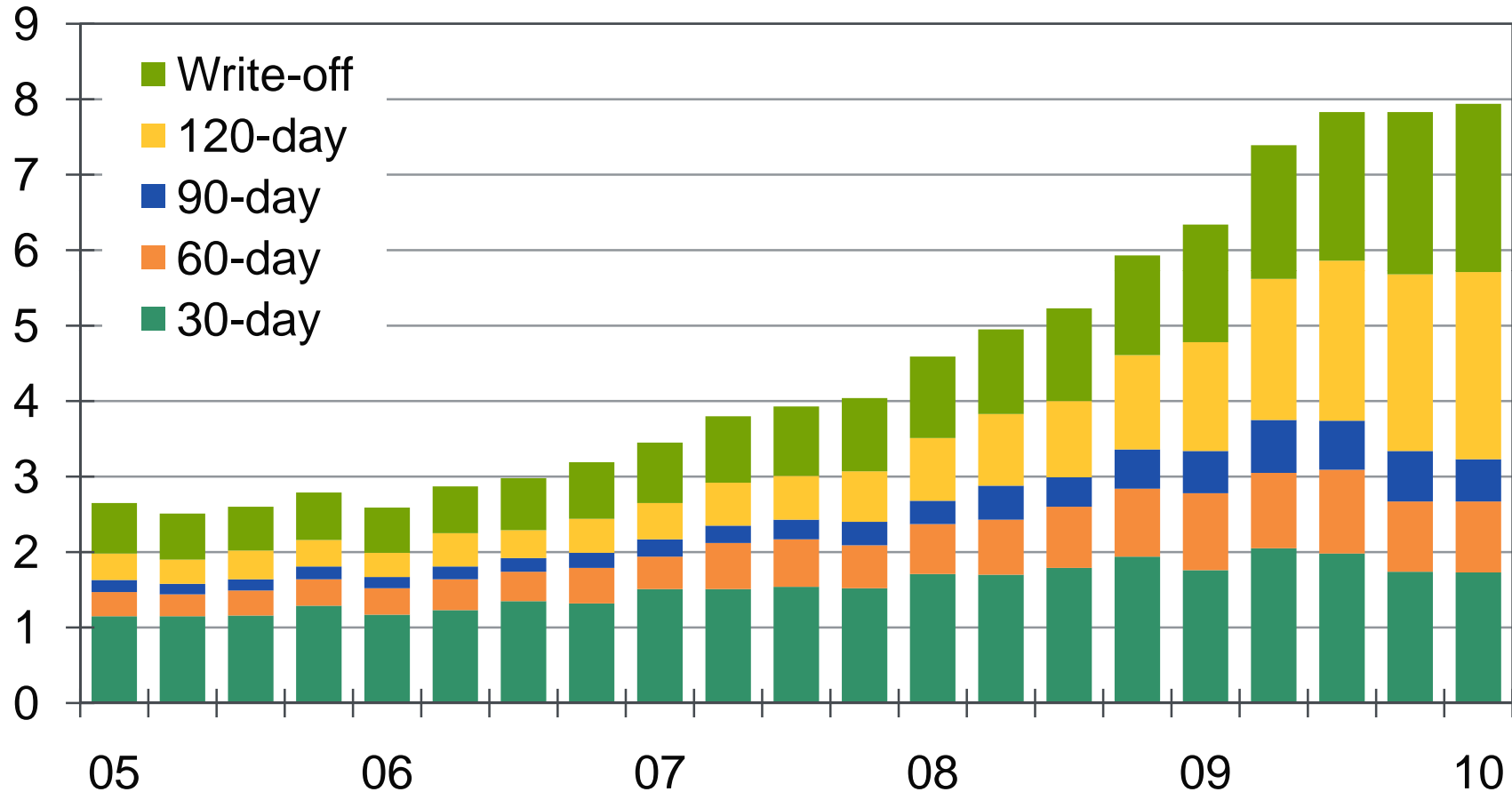
% of first mortgages in foreclosure



Source: Mortgage Bankers Association

## ...But Short-Term Delinquencies Are Falling

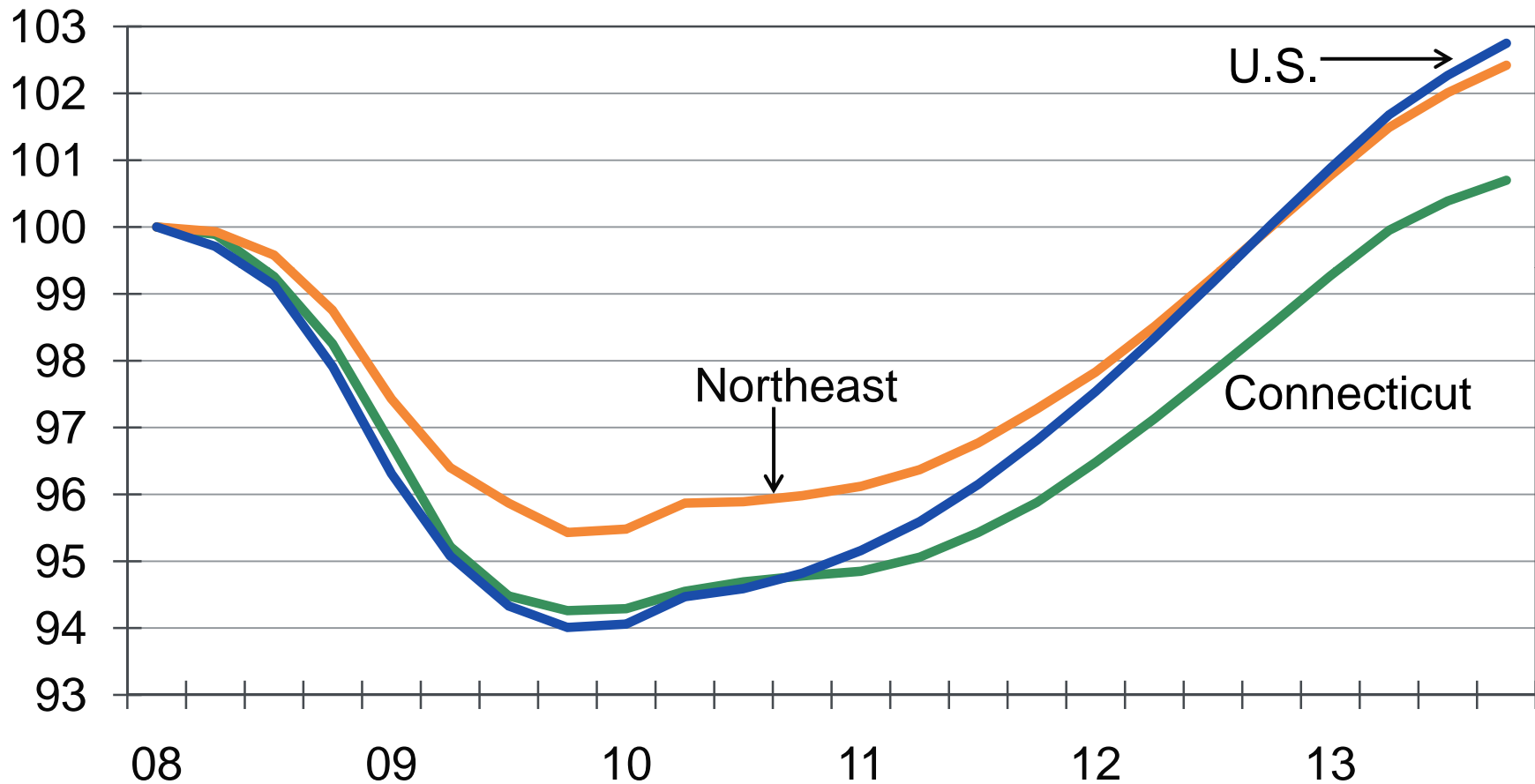
Connecticut loans in delinquency, % of \$ balances



Sources: Equifax, Moody's Analytics

# Connecticut Will Have a Slower Recovery

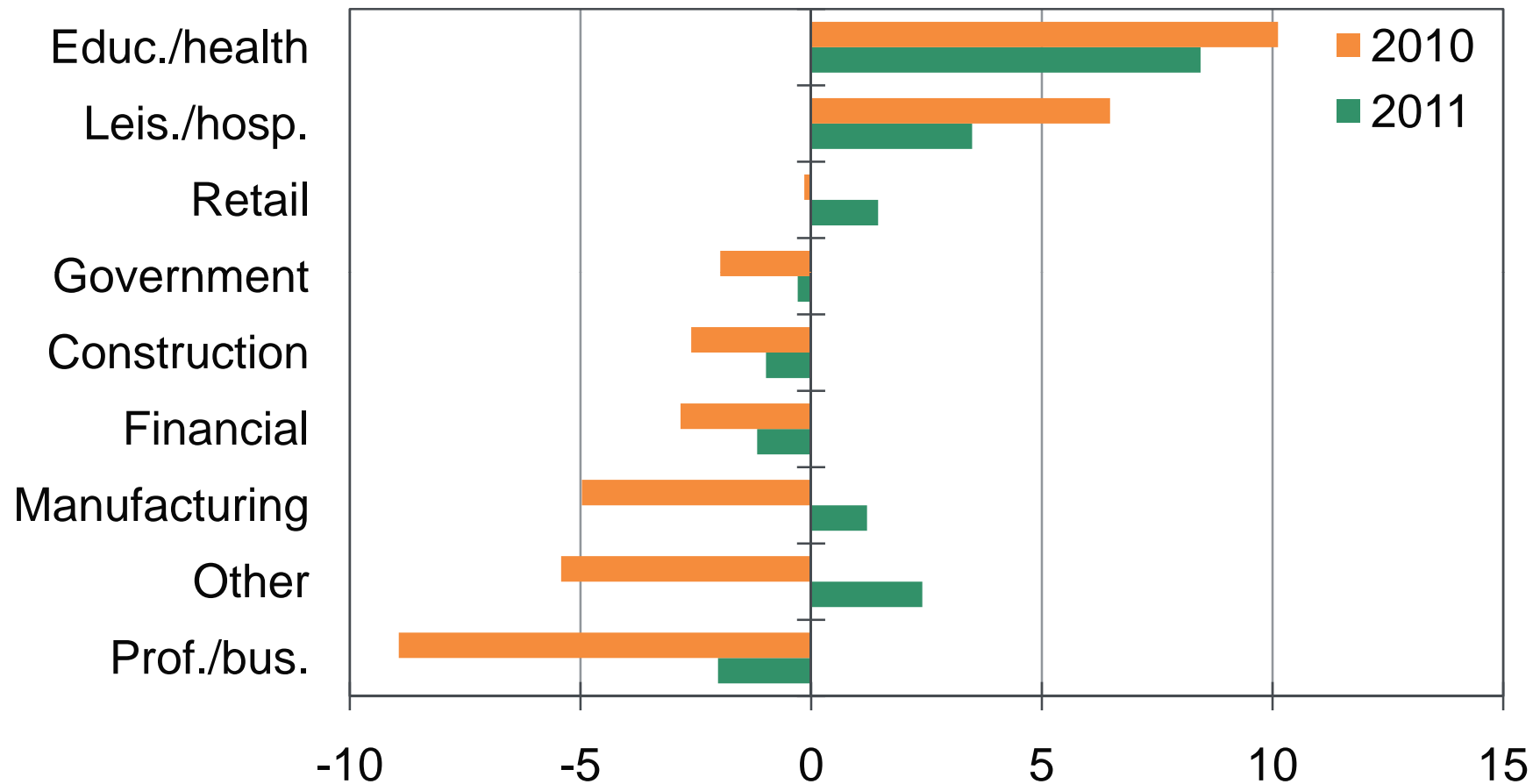
Employment, 2008Q1=100



Source: BLS, Moody's Analytics

# Finance, Manufacturing Will Not Lead Recovery

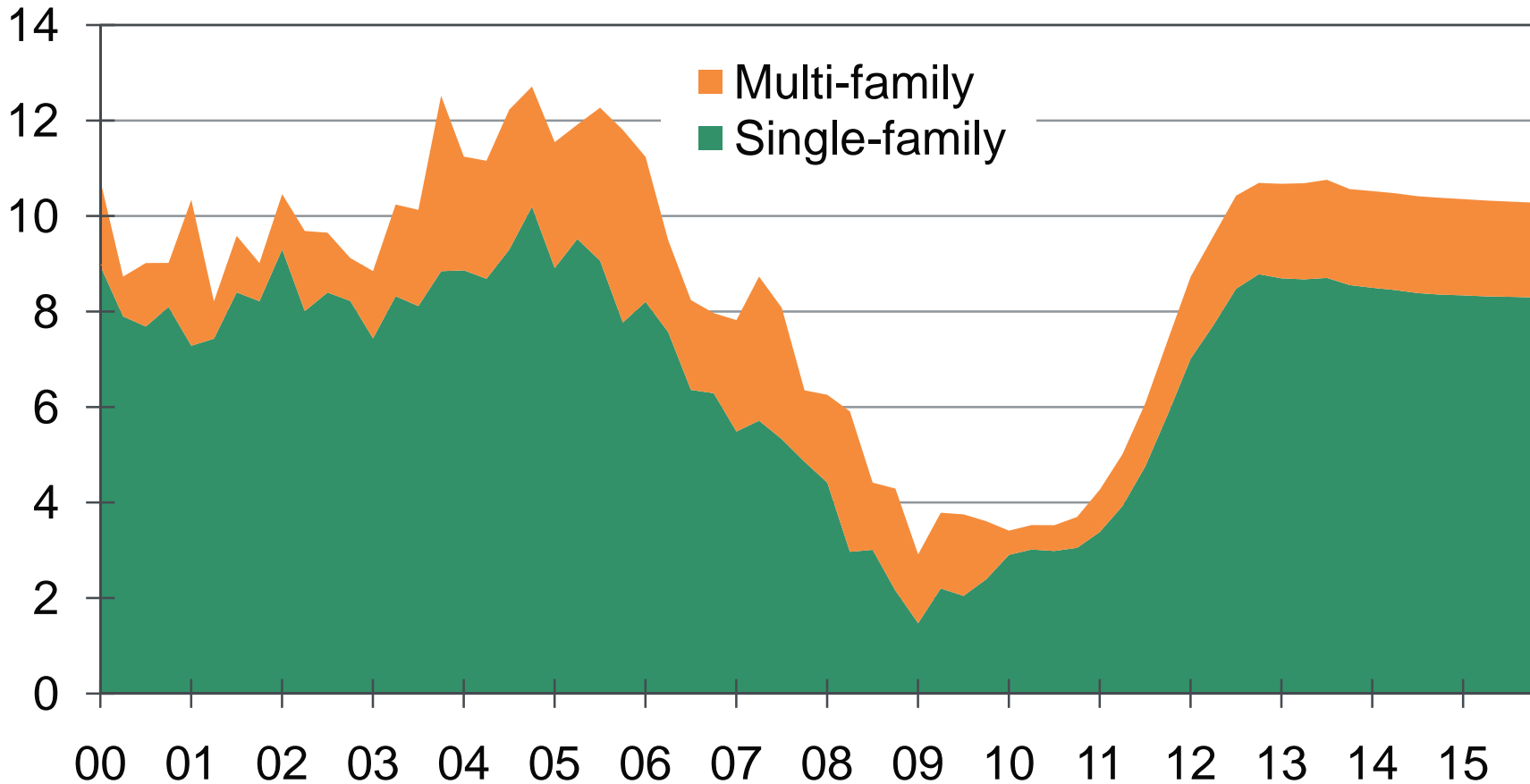
Employment change, ths



Sources: BLS, Moody's Analytics

# Residential Construction Recovers By 2012

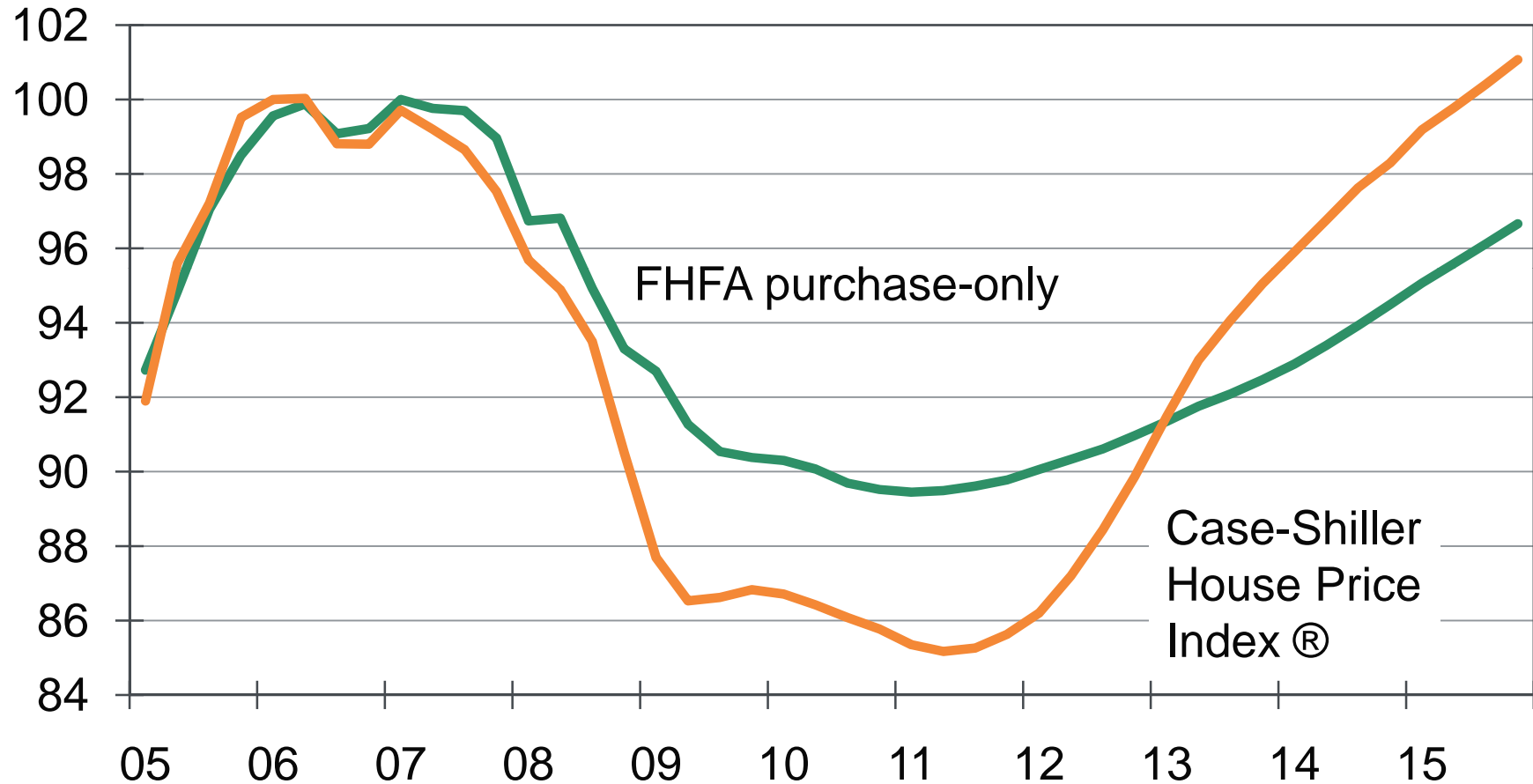
Housing permits, ths, SAAR



Sources: Census, BLS

# House Prices Are Not Yet Done Falling

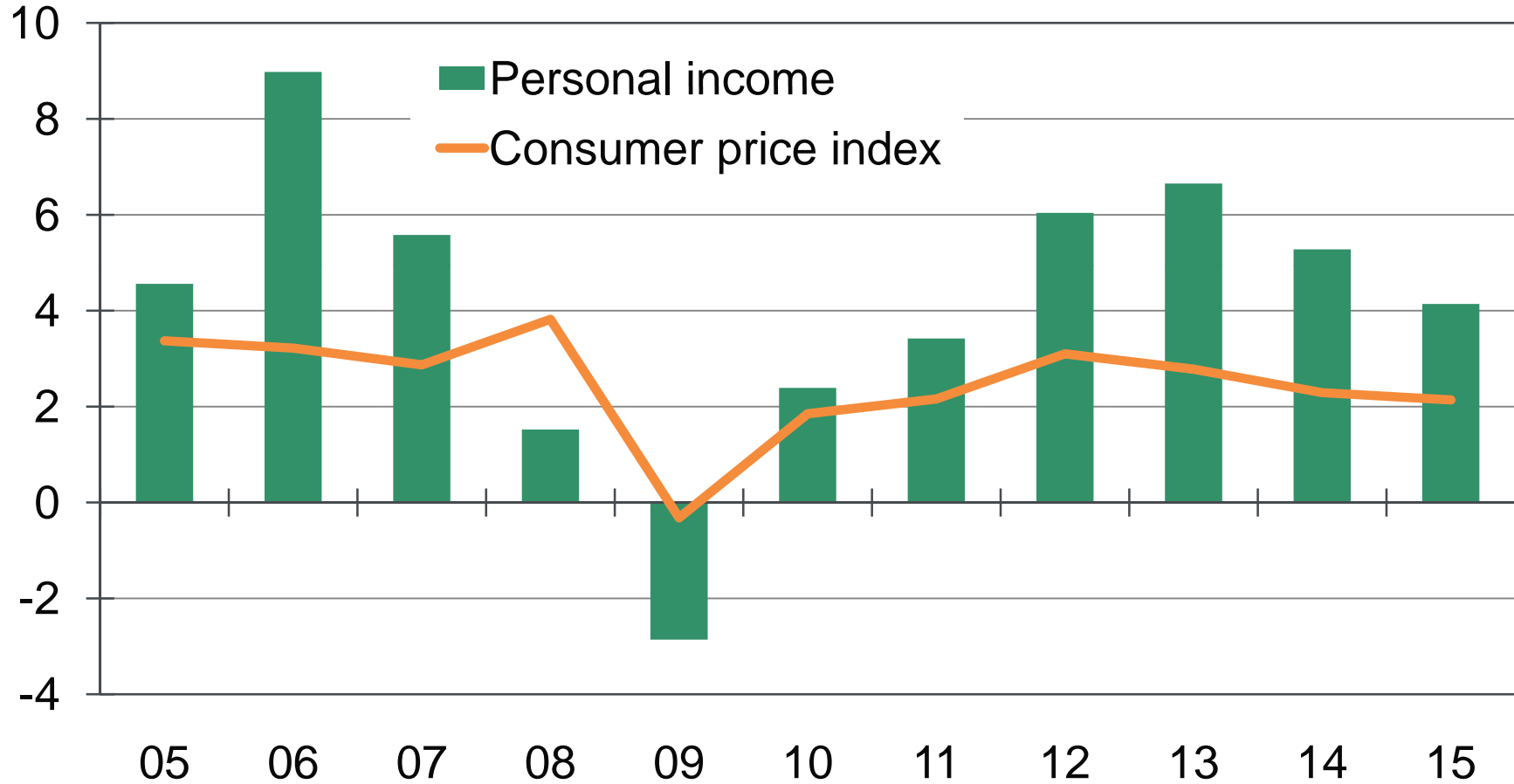
Connecticut house price indices, % of peak



Sources: FHFA, Fiserv, Moody's Analytics

# Real Income Growth Will Be Slow Until 2012

% change yr ago



Sources: BEA, Moody's Analytics

**MOODY'S**  
ANALYTICS

121 North Walnut Street  
Suite 500  
West Chester, PA 19380  
610.235.5299

[www.economy.com](http://www.economy.com)



© 2010 Moody's Analytics, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding, or selling.