

SOUTHERN CONNECTICUT ECONOMIC ACTIVITY REPORT

Winter 2016



Prepared by the
NEW HAVEN ECONOMIC PERFORMANCE LABORATORY

in association with the
Department of Economics of the University of New Haven

Online at www.nhepl.org.



University of New Haven

COLLEGE OF BUSINESS

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The Winter 2016 edition of the Southern Connecticut Economic Activity Report, published by the New Haven Economic Performance Laboratory, represents a collaborative and pedagogical effort by faculty and students of the Department of Economics. It contains trustworthy and relevant socio-economic information and analysis that focuses on the economic conditions in Connecticut. The report can also be found on the laboratory's website (www.nhepl.org).

The report contains a set of economic data series. Senior-level economics students have written the accompanying data series narrations. Students were charged to instruct, inform and evaluate the data series. The process enhances their understanding of economics and the economy of our region. The University of New Haven student analysts of today are the analysts on which our future turns. Their names and e-mail addresses are enclosed. Please do not hesitate to contact them.

Three original data series, jointly developed by faculty and students, are included: the Connecticut Sentiment Index; the New Haven Region Economic Performance Index; and the Connecticut Value Index. The objective of each data series is to fill the gap created by official government statistics. These series reflect the strengths of our program in Data Analytics and Behavioral Economics.

In addition to visiting the Laboratory's website, you are invited to visit another student initiative that involves posts along with commentary and noteworthy contributions from students, faculty, alumni and members of the broader community: The UNH Economics Collective (<http://unheconomiccollective.ning.com>). The Collective, as it is affectionately known, is a thought-leadership and learning space that fosters the integration of theory, technical competencies, real-life learning and communication skills.

Kind regards,

Brian T. Kench, Ph.D.
Dean, College of Business

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Executive Summary

While general economic conditions appear to be improving, this report also shows that the State of Connecticut seems to be lagging other states in the New England region (despite ranking in the top five of the most innovative states, ahead of New Hampshire, Rhode Island, Vermont, and Maine and neighboring state, New York) as well as the nation. Further complicating matters is Connecticut's budget deficit and the recently announced departure of General Electric's headquarters, which raises serious political-economic and policy issues confronting state government and the congressional delegation representing the State of Connecticut. Priorities need to be established that address the improving, yet anemic, mixed state of affairs.

- **New Haven Region Economic Performance Index**

Based upon the latest officially released available data (December 2015), the index declined by 5.9% from the previous month. Earnings showed improvements, while unemployment benefit claims, new housing permits, weekly hours worked, along with the Federal Reserve's Connecticut leading index were a drag on the index. The 2016 forecast suggests the region's economy may stabilize with a potentially modest improvement in the state economy.

- **The Connecticut Sentiment Index**

This index reflects an improvement in "sentiment" in February 2016 from January 2016 by 2.8%; whereas, the State of Michigan, as a point of comparison, showed a decline between January and February of 1.4%. Connecticut's improvement appears to be consistent with the outlook suggested by the New Haven Region Economic Performance Index.

- **The Connecticut Value Index**

A rudimentary market capitalization, this trading-volume-weighted price index illustrates the economic value concentrations in Southern Connecticut. It identifies certain centers as more prominent in economic value than others, most notably, Norwalk, Stamford, Danbury, Cheshire, and Greenwich.

- **Housing and Population**

While housing prices show improvement from the 2008 recession, Connecticut's improvement in median housing prices appears to be lagging the growth rate of surrounding states. The most recent data for Connecticut shows a decline. Population trends as reflected in resident population rates have also shown improvement since the 2008 recession; of late, however, Connecticut appears to be experiencing a downward trend, which is not being experienced by surrounding states.

- **Employment — Labor Force — Unemployment**

The data illustrates that employment in New Haven is steadily improving since the 2008 recession. The recovery in New Haven appears to be proceeding in fits and starts, however. Labor participation in Connecticut appears to be lagging the nation, although New Haven appears to have shown improvement. While unemployment for Connecticut and the nation declines, unemployment for Connecticut appears to be higher than the national rate since February 2012. Similarly, the Connecticut unemployment rate also appears to be higher than the New England region, but for a longer period (since September 2010). New Haven's rate of unemployment also appears to be the highest in the state.

- **Gross Domestic Product**

Based upon the latest officially released available data, the Gross Domestic Product (GDP) expanded in the last three months of 2015 (on an annualized basis of 1%); projected estimates indicate a 2016Q1 and 2016Q2 growth rate of 2% and 2.4%, respectively. Connecticut's GDP ranked 35th in the nation: 1.6% during 2015Q3, while national GDP increased 1.9%; the Connecticut increase appears to lag the New England GDP.

- **Conclusion: New Haven Region Assessment**

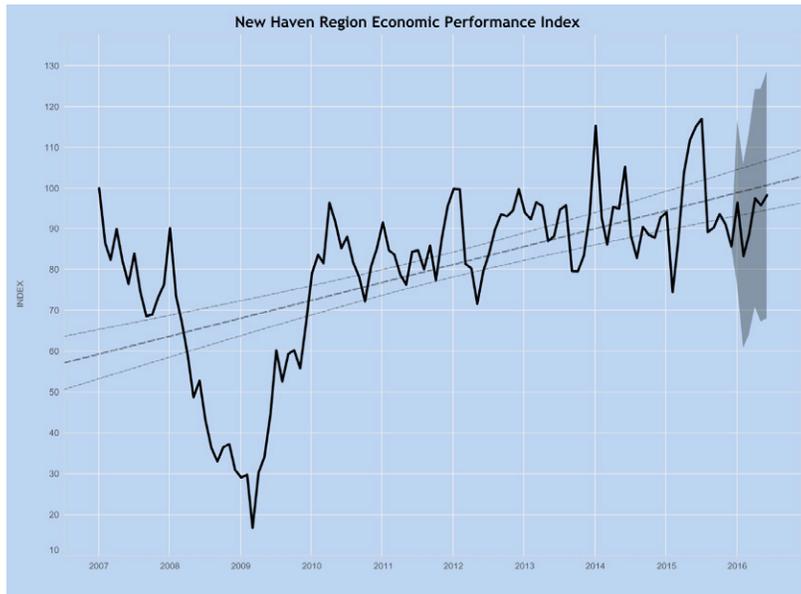
The data appears to reflect a mixed message: there appears to be improvement, but Connecticut and New Haven appear to be lagging behind the nation. From an entrepreneurial perspective, the departure of General Electric, while being minimized, reflects a significant concern for the State. Further muddying matters is the relative performance of Connecticut vis-à-vis Massachusetts and New York; Connecticut is lagging in its performance. A renewed emphasis on entrepreneurship could reverse many of the negative trends reflected in the data.

New Haven Region Economic Performance Index

Comments should be directed to Esin Cakan, Ph.D. at ecakan@newhaven.edu.

The New Haven Region Economic Performance Index (NHREP Index) gauges the performance of the economy for the southern part of the State of Connecticut, specifically, the region around and including New Haven County. As illustrated in Figure 1, below, the NHREP Index reflects data as of December, 2015, the latest officially-issued data available. The NHREP Index declined by 5.9% from the previous month; the index is 85.75 as of December 2015.

Figure 1



The NHREP Index is constructed with five (5) components: the Federal Reserve Monthly Leading Index for Connecticut (FED Leading Index – CT); Connecticut Initial Claims for Unemployment Benefits; New Haven Building Permits; Average Weekly Hours of Work of New Haven Employees; and Average Weekly Earnings of all New Haven Employees. Earnings show improvements, while unemployment benefit claims, new housing permits, weekly hours worked, along with the Federal Reserve’s Connecticut leading index were a drag on the index.

Table 1, below, summarizes the component changes from the previous month and the previous year.

Table 1

	Percent Change from Previous Month	Percent Change from Previous Year
NHREP Index	-33.6%	-37.3%
FED Leading Index – CT	-32.2%	-43.0%
Initial Claims Unemployment Benefits – CT	53.0%	-18.9%
Building Permits – New Haven	-21.0%	69.8%
Average Weekly Hours of Work Employees – New Haven	-0.3%	-4.4%
Average Weekly Earnings Employees – New Haven	0.3%	-0.65%

The following table, Table 2, reflects the NHREP Index forecast for the economy; the data are also reflected in Figure 1. The index indicates, at least directionally, improvement in the economy. That is, the forecast suggests the region’s economy may stabilize (with modest improvement) after a year-end decline.

Table 2

Month	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016
Forecast	96.48	83.43	88.72	97.55	95.83	98.31

In sum, the NHREP Index declined by 5.9% from the previous month. The 2016 forecast suggests the region’s economy may stabilize with a potentially modest improvement in the state economy.

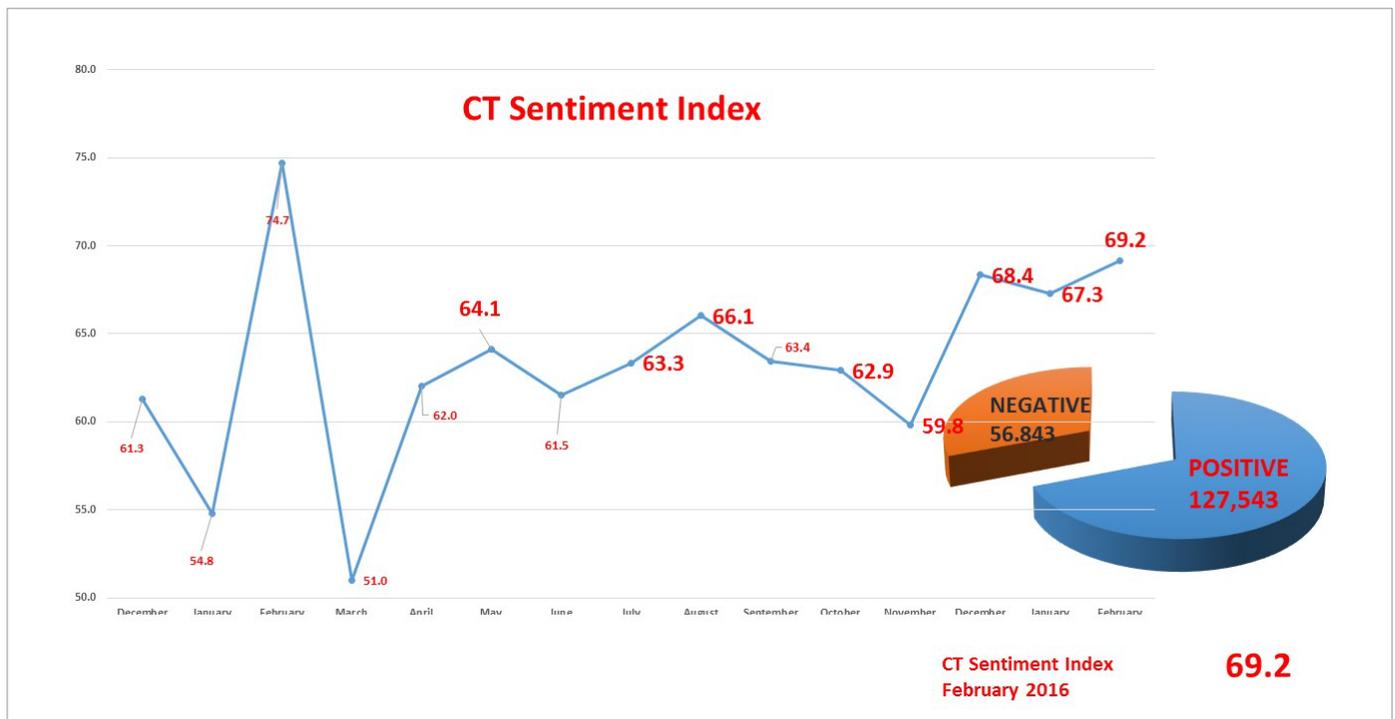
About the Performance Index: All data are seasonally adjusted and modified for differences in prices levels where appropriate. Data are from the Federal Reserve Bank of St. Louis FRED data (<https://research.stlouisfed.org/fred2/>). All calculations performed by Esin Cakan, Ph.D., and A. E. Rodriguez, Ph.D.

The Connecticut Sentiment Index

Comments should be directed to A.E. Rodriguez, Ph.D., at arodriguez@newhaven.edu.

The Connecticut Sentiment Index (Sentiment Index) captures, at a particular point in time, the general sentiment associated with news and commentary in Connecticut. As depicted in Figure 2, below, the February Sentiment Index turned upward from the previous month by 2.8%, albeit based upon a more limited dataset and the exclusion of blogs, which usually tend to be more acerbic and critical in tone. Blogs aside, the upturn may reflect net positives over the period.

Figure 2



The following should be noted in the context of the Sentiment Index: Valentine's Day, Mardi Gras, Chinese New Year, Trump and Sanders victories in New Hampshire, a deep, deep freeze, a snowstorm, Justice Scalia's death, and the Emmy Awards; as well as weather – we are back toward warmish temperatures because of El Nino.

The Michigan Survey, the report's benchmark for comparison, showed a decline from January to February of 1.4%. The Michigan Survey's chief economist, Richard Curtin, hesitated to characterize the decline, noting that while consumers' expectation of economic growth declined, continued low inflation is a source of optimism. The applicability to Connecticut is unclear.

The Sentiment Index appears to be consistent with the NHREP Index forecast, which indicated a modest upturn.

About the Sentiment Index: All data are based on a count of positive and negative words displayed in approximately 5,302 web pages across Connecticut scraped on February 16, 2016 and obtained in the afternoon. Posts scraped include blog posts, newspapers' web pages, and independent news sites. The sentiment classification is obtained using the Hu & Liu Lexicon of Opinion Words in English, supplemented by known New England and Connecticut slang and colloquial terms. The index is the ratio of positive to the sum of positive and negative words, multiplied by 100. All calculations performed by A. E. Rodríguez, Ph.D.

¹The data capture is usually obtained on the 15th of each month in the evening. For this report, however, the data was captured on February 16 during the day, resulting in a more limited run; e.g., no blogs.

The Connecticut Value Index

Comments should be directed to Esin Cakan, Ph.D., at ecakan@newhaven.edu.

The Connecticut Value Index (CVI) is a rudimentary market capitalization, trading-volume-weighted price index that illustrates the economic value concentrations in Southern Connecticut. Figure 3, at right, displays the performance of the CVI alongside the S&P 500 for the period 2010Q1 through 2016Q2.

It should be noted that the data and its interpretation may be skewed. That is, companies headquartered in Connecticut fail to exactly represent the state of affairs in Connecticut. For example, AETNA and United Technologies are global businesses with valuation and market capitalization dependent upon more than Connecticut's economy, in isolation. The observable data indicates greater CVI volatility. In addition, the movement of one or a few very large stocks and/or very large short-term movements could explain the short-term volatility of the CVI. Thus, the smaller numbers in the CVI may explain all, or part, of the observed difference in variability between the two indexes. In short, it is entirely plausible that the performance is not related to anything endemic to Connecticut-based companies. However, the broader question of whether the economic environment in Connecticut handicaps its private sector is worth examining in greater detail.

The CVI related data as reflected in Figure 4, at right, identifies certain locations, cities, and towns, as more prominent in economic value than others, most notably, Norwalk, Stamford, Danbury, Cheshire, and Greenwich.

In particular, the presence of these companies, the social value they generate, and the derivative benefits associated with both their utilization of factors of production as well as their output constitute important elements in the domestic discourse of our state and our region. Figure 4 displays the map of Connecticut with several towns distinguished by varying shades of red. This representation conveys an understanding of the geographic distribution of the CVI's constituent firms. The fact that a city or town is shown identifies it as the home base of one (or several) of the CVI's constituent firms. The shade of red provides the same information enhanced to reflect the specific amount of market capitalization associated with the particular firm or firms in each city or town, as the case may be.

Figure 3

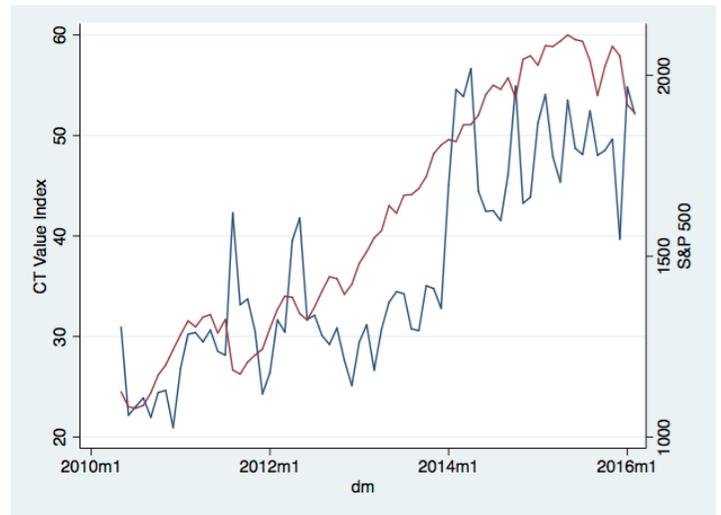
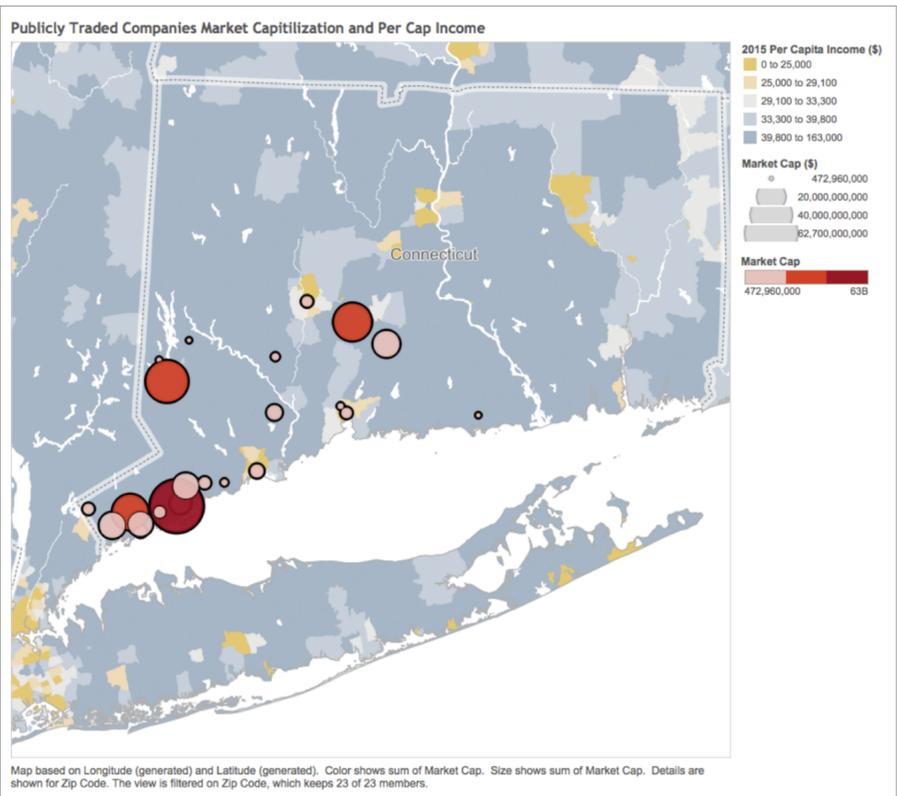


Figure 4



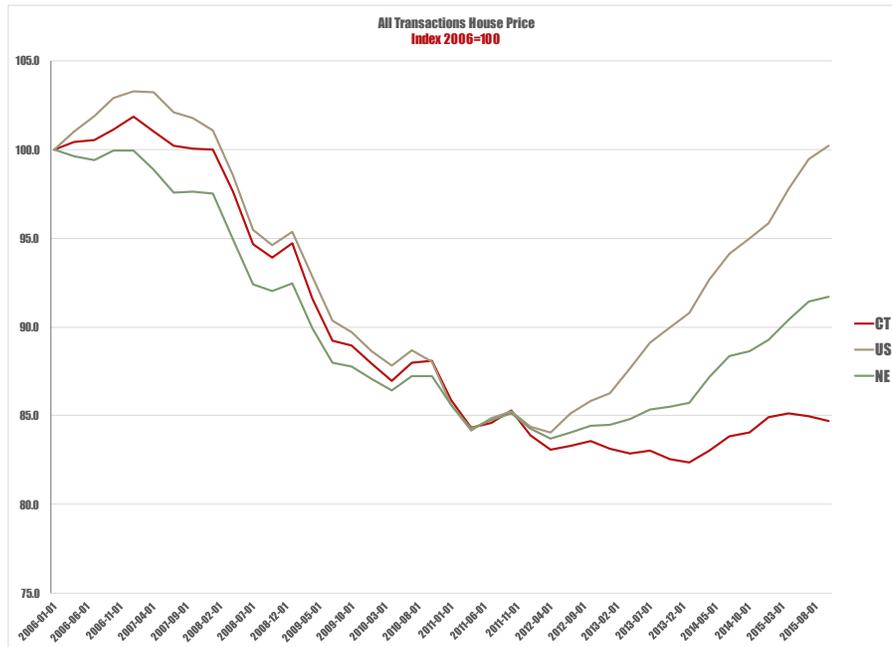
About the Connecticut Value Index: The data are the sum of trading-volume-weighted stock price data for a sample of fifty (50) publicly traded stocks of Connecticut corporate headquartered companies or companies with significant operations within Connecticut traded on the New York Stock Exchange or quoted on NASDAQ, consolidated on a monthly basis. The formulation and components of this index were part of a faculty-student research project, along with the insights and assistance of Murat Akgun, David Sacco, Carolyn Cebrian, and John Rosen (MCAworks), who provided concise and persuasive analyses and explanations associated with limitations and pitfalls of small numbers.

Housing and Population

Comments should be directed to Kevin Lauber at klaub1@unh.newhaven.edu.

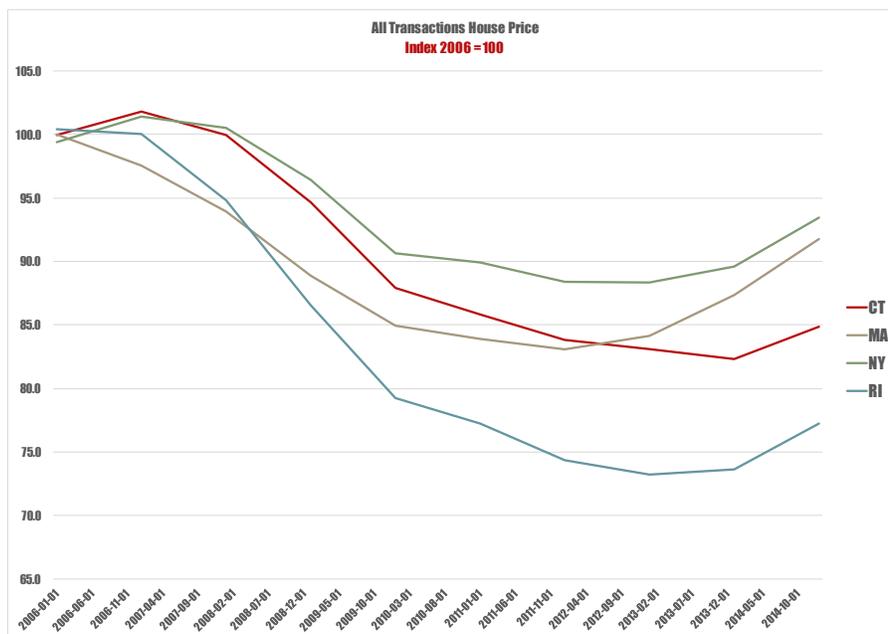
The All Transactions Housing Price Indices were constructed for Connecticut, New England, and the United States, as well as the neighboring states of New York, Massachusetts, and Rhode Island. The indices reflect Median House Prices. Connecticut appears to be underperforming, even though there is evidence of recovery since the 2008 recession. In other words, Connecticut seems to be adjusting to the effects of the recession more slowly. As Figure 5, below, illustrates, Connecticut underperforms New England and the United States, in general.

Figure 5



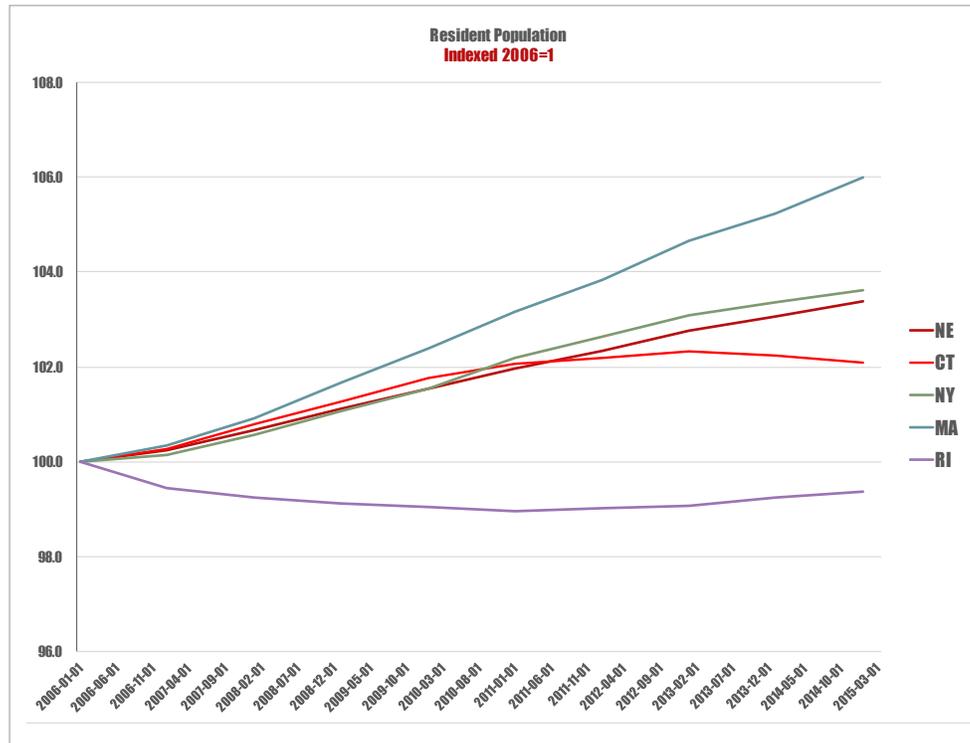
Similarly, Figure 6, below, illustrates Connecticut underperforms its neighboring states of New York, Massachusetts, and Rhode Island, although, like its neighbors Connecticut did see an improvement in housing prices.

Figure 6



Despite improvements since the 2008 recession, it is troubling that the latest data indicates that Connecticut recently experienced a decline in prices while the surrounding states have not. In fact, the top ten cities/towns in the state have experienced a decline in the median list price. These declines could be indicative of a number of factors associated with the general state of the economy in Connecticut as well as population trends, which are reflected in Figure 7, below.

Figure 7



Casual observation of the above trends based upon an index similar to the Median Housing Price Index, using 2006 as the base year, indicates that Connecticut (other than in comparison to Rhode Island) experienced an increase in population vis-à-vis the other states depicted in Figure 7 until 2013; 2013–2014 marked the first time in decades that Connecticut experienced a decline in its resident population. Recently, its neighboring states have not. Departure from the state could be indicative of a broader problem for Connecticut. Certain residents are finding greater economic opportunities elsewhere in the country.

About the All Transactions Housing Price Index: Data are from www.movoto.com in the Market Snapshot dataset. The index was constructed using 2006 as the base year.

About the Population Index: Data are from the Federal Reserve Bank of St. Louis FRED data (<https://research.stlouisfed.org/fred2/>). The index was constructed using 2006 as the base year.

Employment — Labor Force — Unemployment

Comments should be directed to:

Henry Adegunle at hadeg1@unh.newhaven.edu,
James Callan at jcall3@unh.newhaven.edu, and
Howard McGruder at hmcgr1@unh.newhaven.edu.

The employment data series represents seasonally adjusted employment levels for the New Haven Region. It does not include farm workers, private household employees, or non-profit organization employees. The trend indicates improvement since the 2008 recession; New Haven was significantly and adversely affected by the recession by late 2009, as illustrated in Figure 8, at right.

Manufacturing and new developments across New Haven helped increase employment in the region for 2016. With that said, Figure 9, below right, reveals a less-than-smooth recovery when compared to the national recovery. The recovery in New Haven appears to be proceeding in fits and starts. Among the factors that could explain the sluggish recovery is the steady exodus of people leaving the state because of assertions of a higher cost of living, increased regulatory burdens, high business and personal taxes, and the weather.

The Civilian Labor Force represents a measure of those over the age of 16 who are working or are available to work in a particular area or region. Specifically, it is the sum of civilian employment and civilian unemployment. The figure excludes non-civilians; that is to say, it excludes members of the armed forces. Labor participation in Connecticut appears to be lagging the nation, although New Haven appears to have shown improvement.

Figure 10, bottom right, shows the monthly change in the civilian labor force in the broader New Haven area. The latest information available is December 2015. Labor force participation in the region for December 2015 was 324,755. In December 2014, labor force participation was slightly higher: 325,525; the data reveals a modest decline of 755 individuals in 2015, a change of -0.22 percent. The decline, however, is nominal and appears to be within the historic average of changes, which is 0.22 percent. Despite a seeming increase in the employment outlook, the December 2015 nationwide civilian labor force participation rate stands at 62.6 percent, the lowest level in nearly four decades. The comparable figure for Connecticut was 65.5. The recent figure is a little better than the nation and still somewhat removed from our historic low of 62.3 percent, in February 1976.

The local figure is a concern because it reflects a number of things, including changing local demographics and local events. The greater New Haven region's population is graying and retiring,

Figure 8

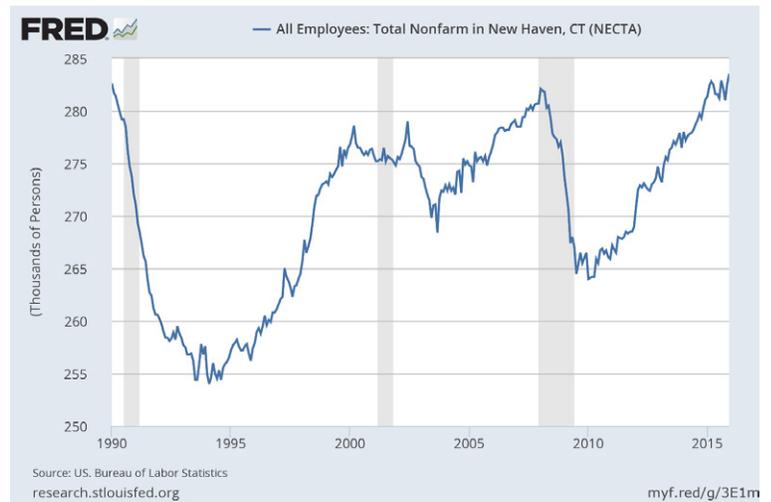


Figure 9

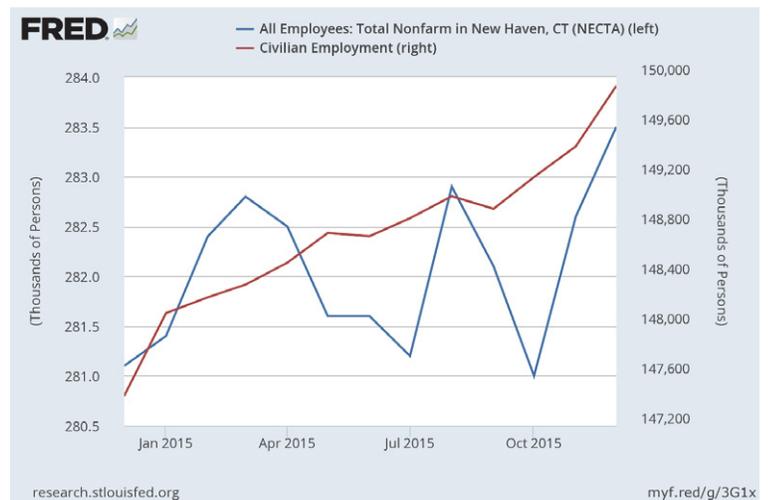
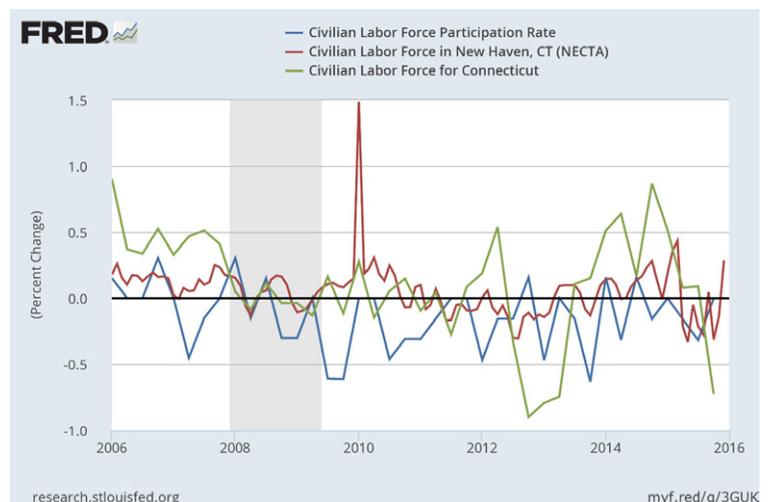


Figure 10

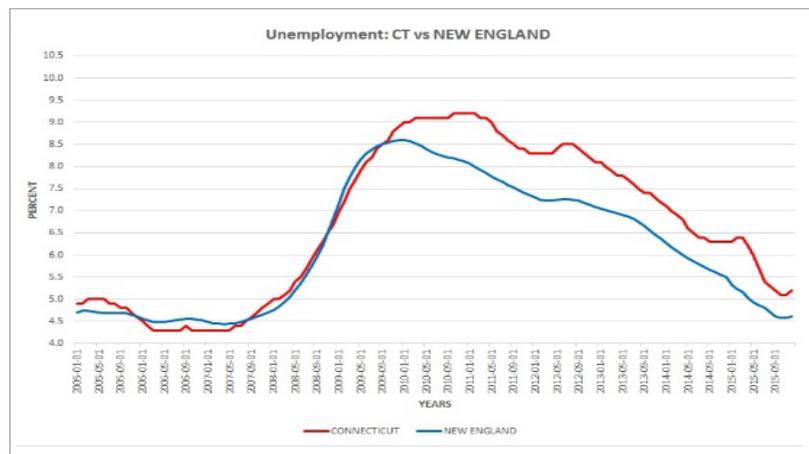


and younger people are opting to educate themselves rather than work. The historic increases in the participation rate of women have abated. And the anti-immigrant rhetoric may have impacted high-end jobs. Other than the outlier that occurred around 2010, the data sets follow a similar pattern across multiple months through the years. It is evident that Connecticut's rate is worse than the national Labor Force Participation Rate.

Figure 11



Figure 12



level of unemployment was 5.0%, the region was at 4.6%, and the state of Connecticut was at 5.2% (with the latest U.S. Department of Labor noting unemployment rate of 5.5% for Connecticut in January 2016).

The recent trends could be indicative of recent and forthcoming issues confronting Connecticut, such as the departure of General Electric's headquarters and the acquisition of Sikorsky by Lockheed Martin.

About the All Employees Series: Total Nonfarm in New Haven, CT and Civilian Employment: All data are from the U.S. Bureau of Labor Statistics; All Employees: Total Nonfarm in New Haven, CT (NECTA) [NEWH709NA], retrieved from FRED, Federal Reserve Bank of St. Louis <https://research.stlouisfed.org/fred2/series/NEWH709NA>, March 3, 2016; and U.S. Bureau of Labor Statistics, Civilian Employment [CE160V], retrieved from FRED, Federal Reserve Bank of St. Louis <https://research.stlouisfed.org/fred2/series/CE160V>, March 3, 2016.

Other local events may have also influenced short-term movements in the labor force. Due to the abnormally warm winter, the city of New Haven has not had to spend additional money on snow removal projects as it has in previous years. This may be the case with the various neighboring municipalities. Less snow means less overtime pay for cleanup crews, which translates into money saved. Providing further budget savings, which is generally considered a positive, police and emergency crews have not had to respond to increased vehicle accidents because of inclement weather conditions, as well as not having to monitor icy roads. It should also be noted and further complicating matters, have been law enforcement agency budget cuts. All of the foregoing, in addition to reducing the demand for labor, could translate into less consumer spending in the region. Also, there has been recent speculation as to whether Sikorsky will be moving out of Connecticut. Sikorsky has a huge influence in this region. Although recent reports indicate that Sikorsky has categorically committed itself to the region, the December number may still reflect some of the uncertainty associated with Sikorsky. The uncertainty may have compelled people to leave the state or influenced decisions to look for work.

While unemployment for Connecticut and the nation declined, unemployment for Connecticut appears to be higher than the national rate since February 2012, as illustrated in Figure 11, above left.

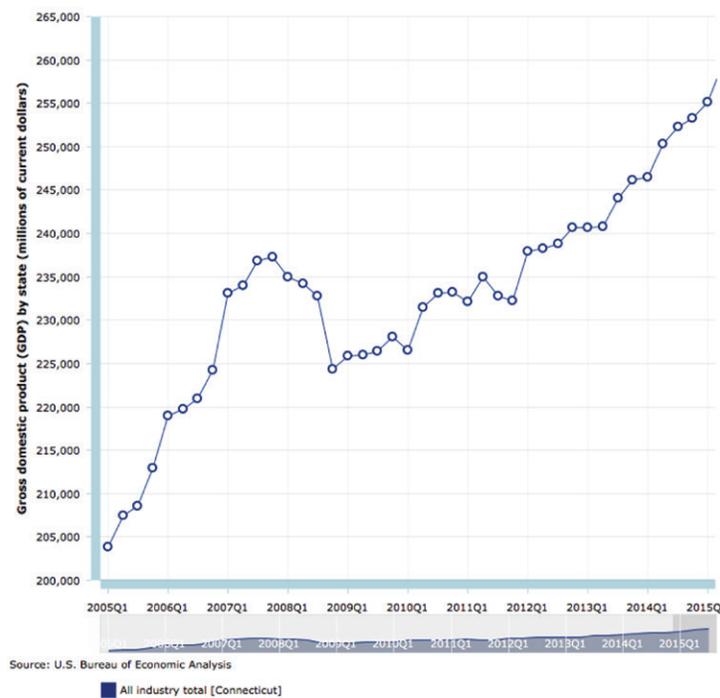
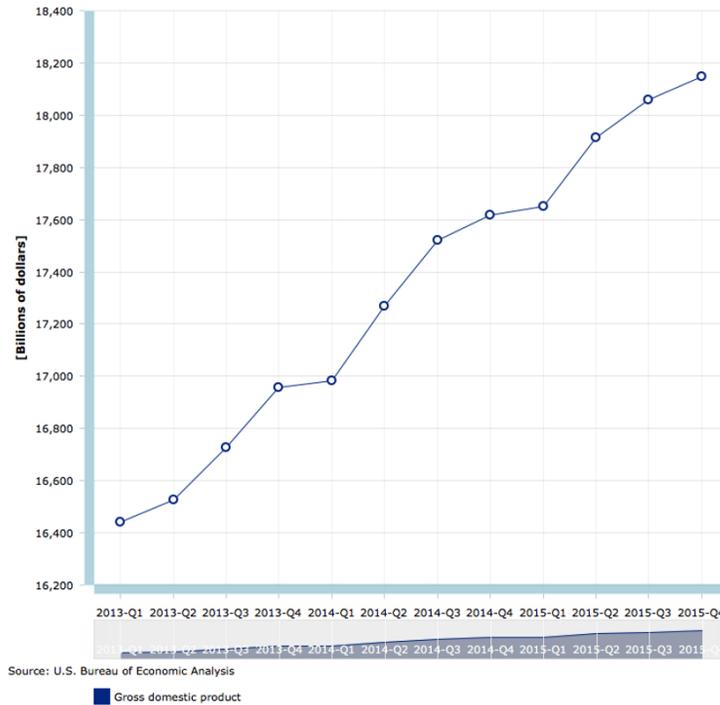
Similarly, the Connecticut unemployment rate also appears to be higher than the New England region, but for a longer period, since September 2010 as shown in Figure 12. New Haven's rate of unemployment also appears to be highest in the state. In particular, as of December 2015, the national

Gross Domestic Product

Comments should be directed to Michael P. Parlato at mparl1@unh.newhaven.edu.

Based upon the latest officially released available data, the Gross Domestic Product (GDP) expanded in the last three months of 2015 (on an annualized basis of 1%); projected estimates indicate a 2016Q1 and 2016Q2 growth rate of 2% and 2.4%, respectively as illustrated in Figure 13 below.

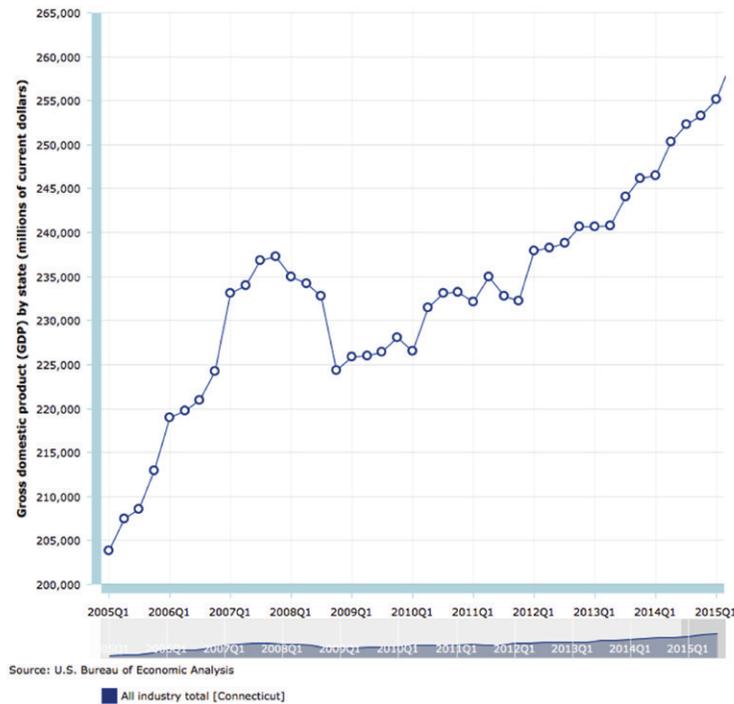
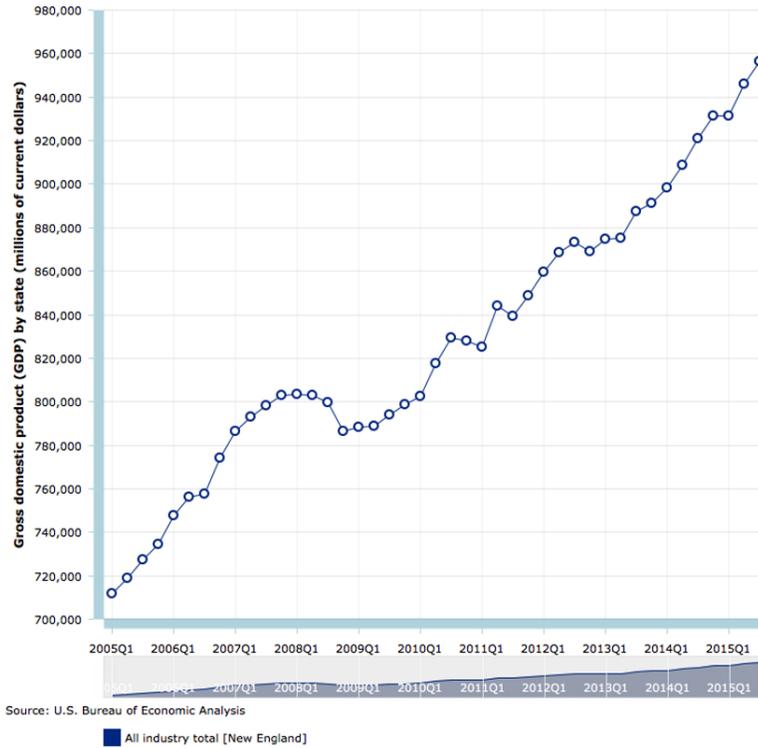
Figure 13



Connecticut's GDP ranked 35th in the nation (1.6% during 2015Q3), while the national GDP increased 1.9%; the Connecticut increase appears to lag the New England GDP as reflected in Figure 14.

It should be noted that Connecticut's GDP in 2015Q3 was \$262.2 billion, compared to \$253.2 billion for the same period the previous year. The retail sector and the construction sector grew at a rate of 0.37% and 0.24%, respectively, while wholesale trade fell by 0.34%.

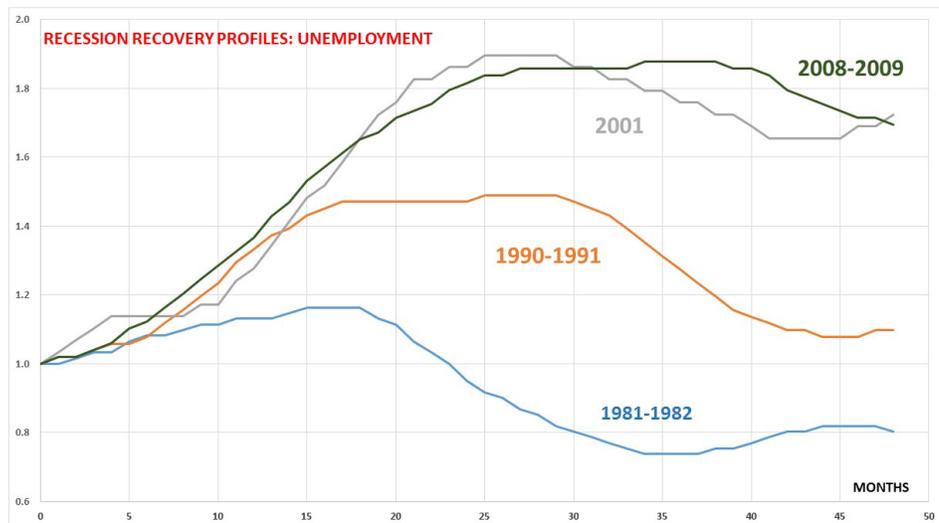
Figure 14



Conclusion: New Haven Region Assessment

The subdued optimism reflected by the Sentiment Index and the NHREP Index is overshadowed by a recovery that has been a lot more fitful in Connecticut than elsewhere. Figure 15, below, contains profiles of Connecticut's response to recession – measured in terms of the rate of unemployment.

Figure 15



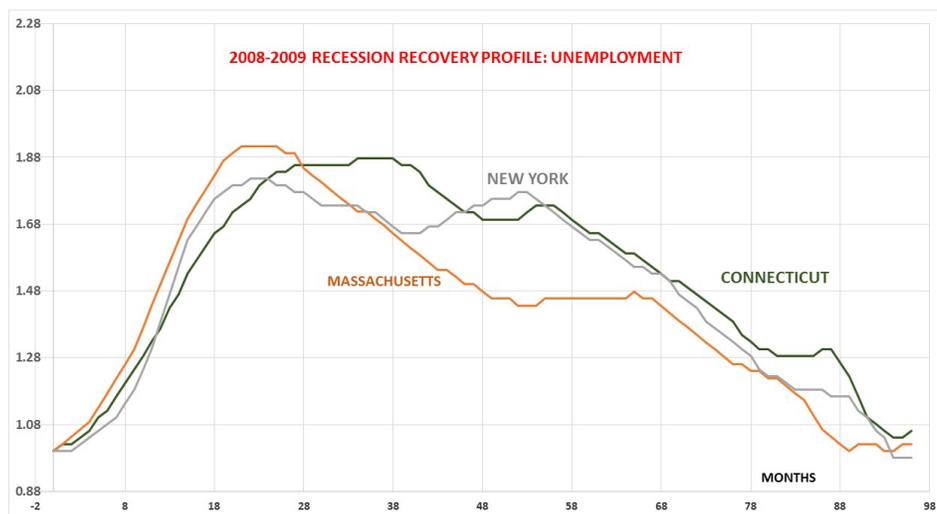
Our response to past recessions has been increasingly sluggish. In fact, in December 2007, the unemployment rate in Connecticut stood at 4.9 percent. December 2007 was the highest point immediately prior to the recession of 2008–2009, and serves as point 0 in the graph at left. The recovery profiles measure the number of months from this initial high point to the point where the unemployment rate returns to that initial level.

In December 2015, the unemployment rate in Connecticut stood at 5.2 percent and in January 2016 stood at 5.5 percent, as recently reported. It is now 96+ months later, and we have yet to see unemployment levels comparable

to December 2007. By comparison, and using an identical procedure, it took 23 months for the economy to rebound after the 1981–82 recession; it took 83 months to overcome the 1990–91 recession. And we never did “recover” from the 2001 recession, as it were: we started out from a relatively healthy 2.9 percent unemployment, a figure we have yet to see again.

The figure below displays the 2008–09 recession recovery profile for Connecticut and our neighboring states.

Figure 16



As reflected in Figure 16, Massachusetts made it back to its starting point of 4.6 percent by May 2015, 89 months later. New York took a little longer. By October 2015, 94 months later, New York achieved 4.9 percent. As mentioned above, Connecticut has yet to return to where it was when the 2008–09 recession hit.

The recent announced move of General Electric to Massachusetts along with other issues facing the state, continues to raise concerns. Of some comfort is the perception that renewed emphasis on enhancing our entrepreneurship and small business creation capabilities can contribute to an improvement in our economic resiliency and with it a

renewal of growth in Connecticut. Overall, new firms and young businesses account for a considerable share of gross job creation. They also disproportionately contribute to net job creation. And, as a result, they constitute one of the key drivers of growth.

However, a closer look at state and regional trends over the last two decades reveals a deterioration of our entrepreneurial bench-strength. Figure 17, on page 15, displays the Opportunity Share of New Entrepreneurs component of the *Kauffman Index of Entrepreneurship Activity (KIEA)* for the State of Connecticut. This component reflects business created to exploit or take advantage of a business “opportunity” as opposed to “necessity” business creation.

“Necessity” entrepreneurs are those people who are compelled to go entrepreneurial for reasons such as a lack of employment opportunities. Until they have exhausted other options, starting a business is not their prime consideration. Necessity entrepreneurs are forced to be entrepreneurs in order to weather, or survive, unemployment. “Opportunity” entrepreneurs, on the other hand, are those who desire to go entrepreneurial to exploit some identifiable business opportunities. Identifiable business opportunities include the perception of a market opportunity, an innovative idea, or an existing network to exploit.

“Necessity” entrepreneurial activities are more likely to occur in the traditional (and informal) sectors. “Opportunity” entrepreneurial activities occur in the modern sector. The Opportunity Share metric may also convey a sense of the entrepreneurial spirit of the state along with the quality of the ancillary institutions that foster and support entrepreneurship.

How do we fare relative to our neighbors? Figure 18, below, repeats the same metric for Connecticut alongside the figures for Massachusetts and New York.

The Opportunity Share of New Entrepreneurs is one of the three components of the *Kauffman Index of Entrepreneurship Activity (KIEA)*. The data here has been rebased to 100 in 1998 to better visualize relative trends. The evidence presented here reveals noticeable differences in the performance of the state compared to our neighbors. That is, Connecticut is underperforming and, therefore, priorities need to be established that address this mixed state of affairs.

Additional analysis and data may be found on the UNH Economics Collective at <http://unheconomicscollective.ning.com>.

Figure 17

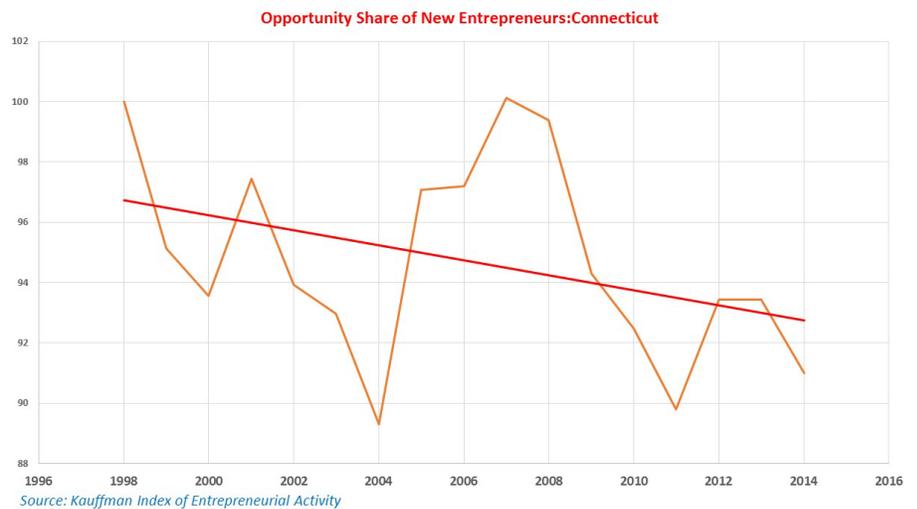
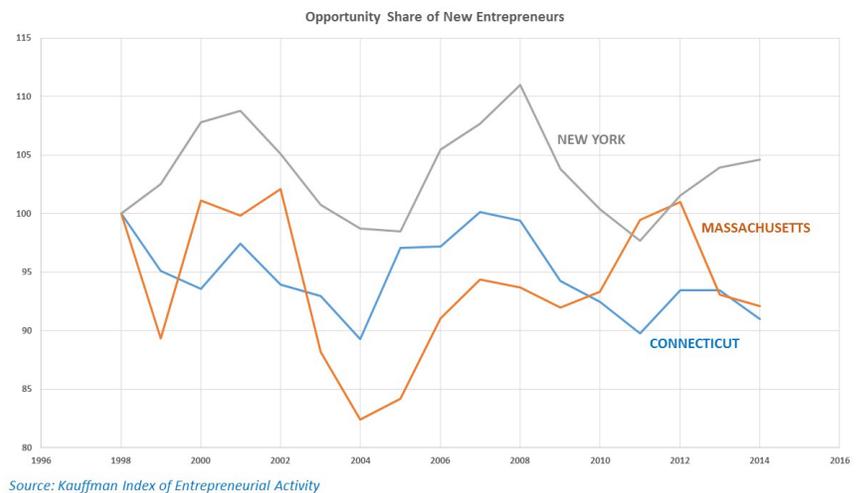


Figure 18



About the Kauffman Index of Entrepreneurial Activity: The KIEA is a state-level measure of entrepreneurship published by the Kauffman Foundation. The KIEA uses the monthly data files from the Current Population Survey (CPS) to create a representative panel of U.S. adults. From that data set, the number of non-business owning adults (ages 20–64) who start a business each year is measured and used to create the index. The KIEA index appears to more accurately measure dynamic entrepreneurial activity than other variables and indicators typically used as gauges. For instance, many commentators rely on the number of sole proprietorships within a state to gauge the state of entrepreneurship. Sole proprietorships reflect past economic activity as well as current conditions. But sole proprietorships are a stock variable — reflecting the current historical amount of sole proprietorships in the state. The KIEA, on the other hand, is a flow variable, reflecting current movements in entrepreneurial activity. And, importantly, the KIEA is derived from the monthly Current Population Survey, whereas other data are based on records of incorporation or payroll records. Records of incorporation and payroll data can often understate entrepreneurial activity. Many businesses do not incorporate or have zero employees. And including entrepreneurs who have no employees is likely to be most important in measuring entrepreneurship in high-technology areas.

A Collection from the Collective

The UNH Economics Collective is an online space for faculty, students, and business professionals to connect by sharing content, whether it be report analysis, political commentary, or anything else on their minds. Members are able to comment on each other's posts, creating a meaningful and enriching dialogue that extends beyond the classroom. On the Collective, all members are economists, whether the poster is a freshman student or Nobel Prize winner. The lines of stature are blurred through the medium of the internet, lending to a more thoughtful and genuine discussion. These moments of connectivity construct social capital, which helps build up the Economics Department as more than an office of the University of New Haven, but rather a community that cares for one another beyond the academic setting. The Collective has already been used as a method of surveying and will be used in the future to further employ the method of using the wisdom of crowds. The following selections are just a glimpse of content shared on the Collective.

Economists Getting Closer to Spotting Recessions: “Economists (and society for that matter) have longed for answers as to why recessions hit when they do. And there has been work done to increase the chances of spotting a recession, however, the best models and tools at an economists’ side can only show what the economy might do one quarter in advance. But what if there was a way to increase that model to predict, say, the next two years? Enter economists David Lopez-Salido, Jeremy Stein, and Egon Zakrajsek of the Federal Reserve.” – JC

<http://unheconomicscollective.ning.com/blog/economists-getting-closer-to-spotting-recessions>

Disney Succumbs to Supply and Demand: “Disney has finally decided to change single-day ticket pricing based on different periods of attendance for the park. The Disney calendar is now to be divided into value, regular, and peak periods. While the attendance at Disney has caused this change, Disney has also announced that they want to spread out the attendance throughout the year. Because of Disney’s price changes, they may have very well created a change for people that will cause another change in demand and attendance to certain times. We’ll see in the near future whether or not this change may bring some drop in profits due to people deciding to go to the cheaper times than at their normal times.” – SK

<http://unheconomicscollective.ning.com/blog/disney-succumbs-to-supply-and-demand>

Sodex-No: “Recently I have taken up arms against the dining services provider, Sodexo, for its widely denounced performance on our campus. While I am fully aware that there should be some marginal benefits through the sale of meal plans and dining dollars, evidence would suggest they are pushing the benefits on their end further and further away from their own costs – and I do not mean they are simply making more money. They are lowering their marginal costs by cutting corners in matters of both ingredient quality and worker performance.” – EBM

<http://unheconomicscollective.ning.com/blog/sodex-no>

February Sentiment Index: “The Connecticut Sentiment Index turned UP 2.8 percent for the month of February. I ran the scrape on February 16 during the day – a day later than when I usually run it (I usually run the scrape on the 15th of every month in the evening). I’ve been having computer failure and assorted software snafus. As a result, this was a more limited run, scraping news outlets for the most part and no blogs this time.” – AR

<http://unheconomicscollective.ning.com/blog/february-connecticut-sentiment-index-1>

Costs of Snowmageddon in DC: “Airlines, newsstands, restaurants, and hourly employees are only some of the many areas of our daily commerce that feel sometimes devastating economic impacts of snowfall. Luckily for most hourly workers and small businesses, the storm happened over the weekend. But as Chris Christopher, macroeconomist with HIS Global Insight points out regarding restaurants, “If you don’t go out and eat for one weekend, it doesn’t mean you’re going to eat twice as many hamburgers the following weekend.” – KL

<http://unheconomicscollective.ning.com/blog/costs-of-snow-mageddon-in-dc>

Climate Change: How COP 21 addresses some French economists’ views on carbon pricing: “The United Nations Conference on climate change (COP 21) held in Paris this past December was hailed as a success when all 195 participating countries agreed to cap temperatures at 1.5oC for the remainder of the 21st century and to establish binding “nationally determined contributions” (NDCs) to reduce greenhouse gas emissions. Yet, while carbon pricing has emerged over the years as an effective way to mitigate greenhouse gas emissions, the agreement does not prescribe any use of “internationally transferred mitigation outcomes”, leaving countries free to implement domestic measures as they see fit to achieve their NDCs.” – CJC

<http://unheconomicscollective.ning.com/blog/climate-change-how-cop-21-addresses-some-french-economists-views->

Additional readings, discussion, and commentary can be found at the UNH Economics Collective: <http://unheconomicscollective.ning.com>

About the New Haven Economic Performance Laboratory

The **Southern Connecticut Economic Activity Report** (www.nhepl.org) is a publication of the Department of Economics, College of Business, University of New Haven, 300 Boston Post Road, West Haven, Connecticut 06516.

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The Research Staff are seniors in the Department of Economics. Although each student works under the auspices of the Supervising Faculty and Research Directors, each student is individually responsible for interpreting and analyzing the data. The Laboratory is a teaching space, and this Report reflects a product of that space. In addition, staff members work closely with the University of New Haven Economic Collective (<http://unheconomicscollective.ning.com>), which brings together students, faculty, alumni, and members of the broader community, to foster a meaningful and relevant exchange of ideas. A fundamental focus of the Laboratory is to formulate, construct, and examine non-traditional socio-economic metrics applicable to the Southern Region of Connecticut by employing traditional empirical methods as well as data and text mining methods.

The New Haven Economic Performance Laboratory is affiliated with the University of New Haven Department of Economics; it is not officially supported by the University of New Haven. Any opinions contained herein are not to be construed as reflecting the opinion of the University of New Haven or its College of Business. The support for printing this report was provided by the College of Business. Should you be interested in supporting this student initiative in collaboration with faculty, please contact Ms. Mary F. Murphy, Director of Development, University of New Haven at mfmurphy@newhaven.edu or 203.932.7174.



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