## Connecticut

Connecticut is New England's second largest state, accounting for approximately 28 percent of the region's economy. Its population is fourth oldest in the nation and its per-capita income is the highest (even after three years of considerable hardship). Dominant industries include machinery and metal manufactures, insurance, and transportation equipment (especially defense-related). Connecticut is also home to the head offices of many large, nationally-oriented firms.

Coping with declining defense expenditures will be Connecticut's major challenge in the new-term. Virtually every large contractor to the Pentagon has reduced its highly paid workforce in the past three yeas and further cutbacks are likely.

## Rhode Island

Rhode Island, accounting for 6 percent of the New England region's economic activity, is dominated by metal and machinery manufacturing, textile production, and jewelry manufacturing. Unfortunately, these have not been rapidly growing industries over much of the past decade, which goes a long way towards explaining the state's moderate growth during the 1980s. Like its southern New England neighbors, Massachusetts and Connecticut, it has an older and more slowly growing population.

Rhode Island has successfully recovered from a savings and loan insurance fiasco that put a crimp in consumer confidence and spending. Its next challenge will be to develop new industries capable of creating the jobs that its traditional manufactures are no longer creating.

## Maine

Maine, like its western neighbor New Hampshire, accounts for roughly 8 percent of the region's economic activity. Its population, not as old as in the southern three New England states, has been growing at a moderate pace (about the national rate of growth). Of all the New England states, Maine has been least affected by the region's economic difficulties. In part, this is attributable to its industrial composition, which is dominated by relatively stable consumers goods industries: footwear, textiles, seafood, and recreational services. Forest products (paper and lumber) are also large in the state.

In general, Maine is a relatively affordable place to live and its home prices are the most attractive in the region. For this reason, many younger families from southern New England have moved there to live, a trend likely to continue in the coming years.