



# State Budget | Fiscal Stability

## Strong financial governance puts Connecticut in a solid position to weather potential economic downturns

- ✓ Closing FY 22 with a budget surplus of \$1.3 billion (6.1% of General Fund), **for the fourth consecutive year**
- ✓ Midterm adjustments provided tax relief totaling over \$600 million—**the largest tax cut in state history**
- ✓ **The “rainy-day” fund is maxed out** at its statutory cap of 15% General Fund or \$3.3 billion
- ✓ Strong savings have allowed the state to contribute **an additional \$5.8 billion in supplemental payments towards unfunded pension liabilities**, saving taxpayers \$500 million per year and \$12 billion over the next 25 years
- ✓ **All four credit agencies upgraded our ratings** in the last 18 months, including Moody's for the first time in 20 years

# State Budget | Over \$600 million in Tax Cuts

## Largest Tax Cut in CT history

**Gas Tax** Suspended through November 30, saving residents \$0.25/gallon each time at the pump

**Child Tax Rebate** \$250 per-child for lower and middle-earning families

**Car Taxes** Lowers the mill rate from 45 mills to 29 mills, giving property tax relief for an additional 1.7 million vehicles in 103 cities/towns

**Property Tax Credit Increase** The credit will be increased from \$200 to \$300, available to more people and no longer limited to those over 65

**Pension & Annuity Income Tax Elimination** There will be no more income taxes on pension & annuities

**Earned Income Tax Credit (EITC)** The credit will increase from 30.5% to 41.5%

# State Budget | Investments to Drive Business Development

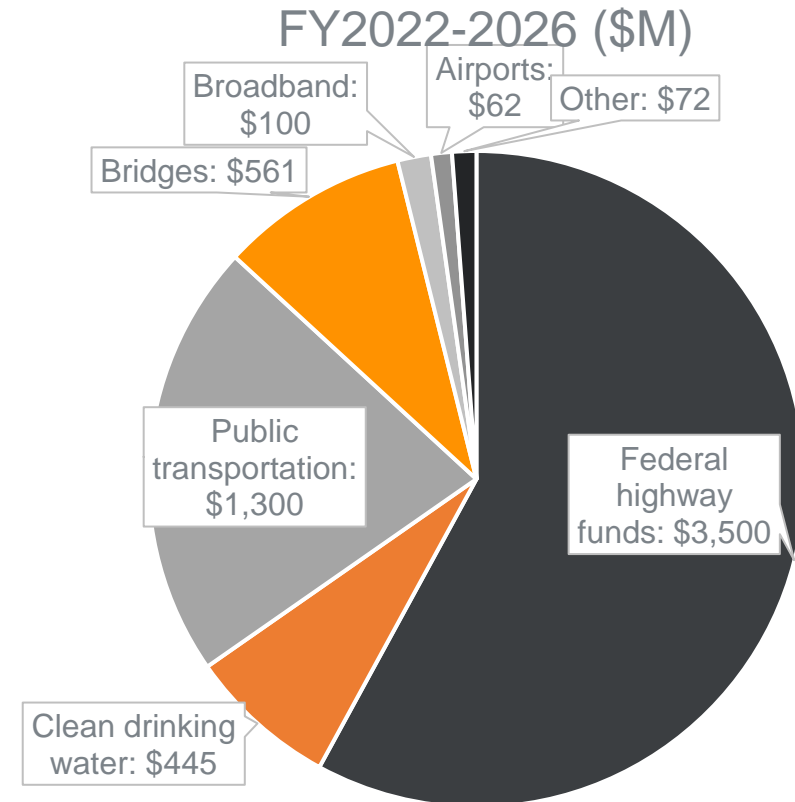
## Strategic investments in workforce development, technology and childcare

**Workforce Development** over \$110 million, expanding CareerConnect program to reach an additional 2,000 workers

**Child Care & Mental Health** Approximately \$100 million in new investments in childcare and \$28 million for mental health-related grants

**Broadband & Technology** Expands capacity and resiliency of CEN, provides rail commuters with on-board, high-speed internet access

### Federal Infrastructure Bill \$6.04 billion over 5 years to CT



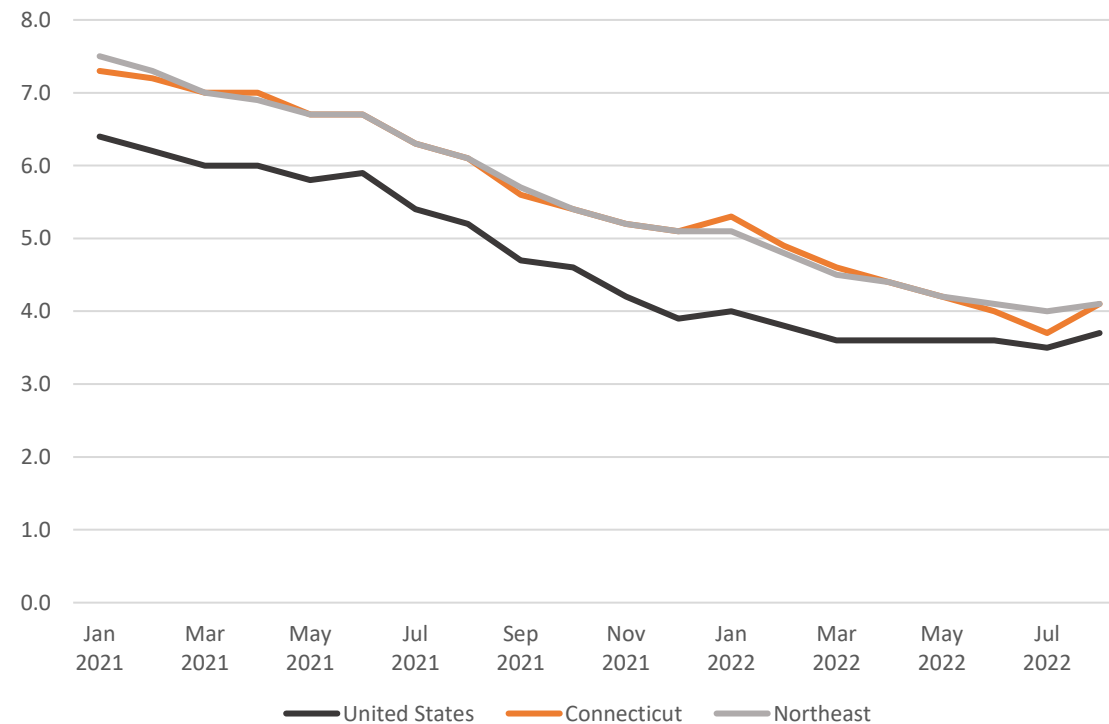


# Overall Trends | Employment

Unemployment rate continues to decline, keeping pace with the region

## Unemployment Rate vs US and Region

(January 2021 - August 2022)



# Overall Trends | Labor Force Participation

## CT's labor force participation rate continues to increase and outperform the nation

Connecticut's labor force participation rate is currently 2.3% above the US rate (compared to approximately 4.0 % pre COVID), but it continues to grow steadily.

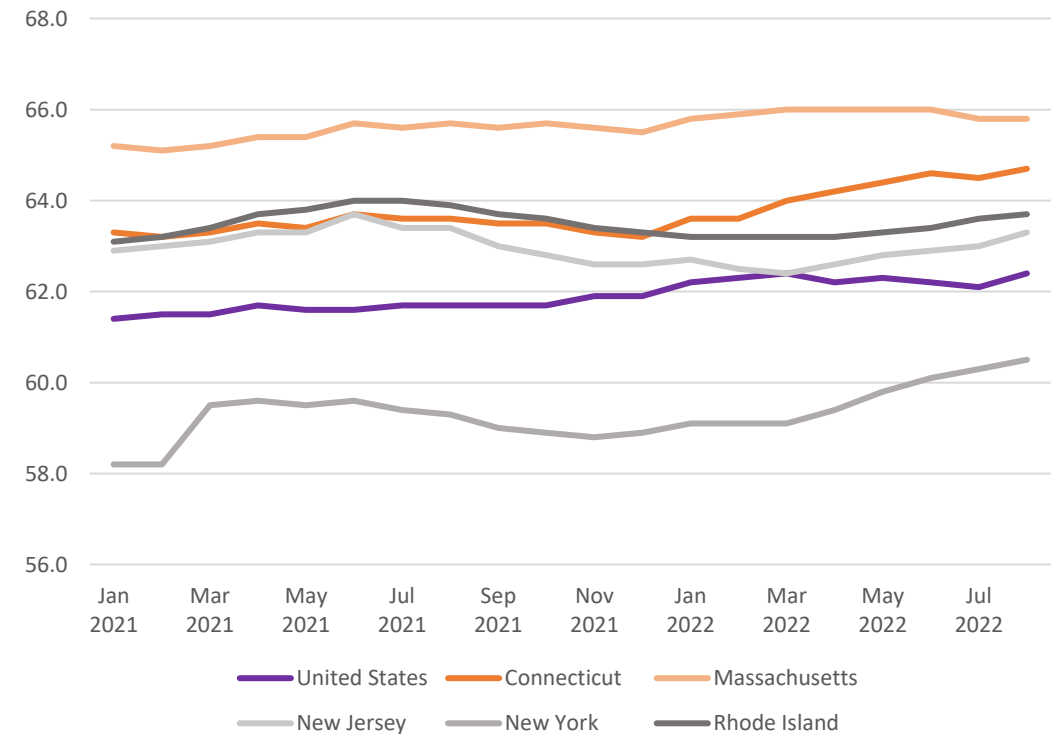
Opportunity: Workforce development, increase childcare funding, Paid Family Medical Leave for all help get residents back into the labor force.

For CT's labor force participation to get back to pre-COVID levels relative to the US, another 41,000 employees and job-seekers need to enter our labor force.

\*The LFPR is the percentage of the working-age population that is either working or actively looking for work.

### Labor Force Participation Rates\*

(January 2021 - August 2022)

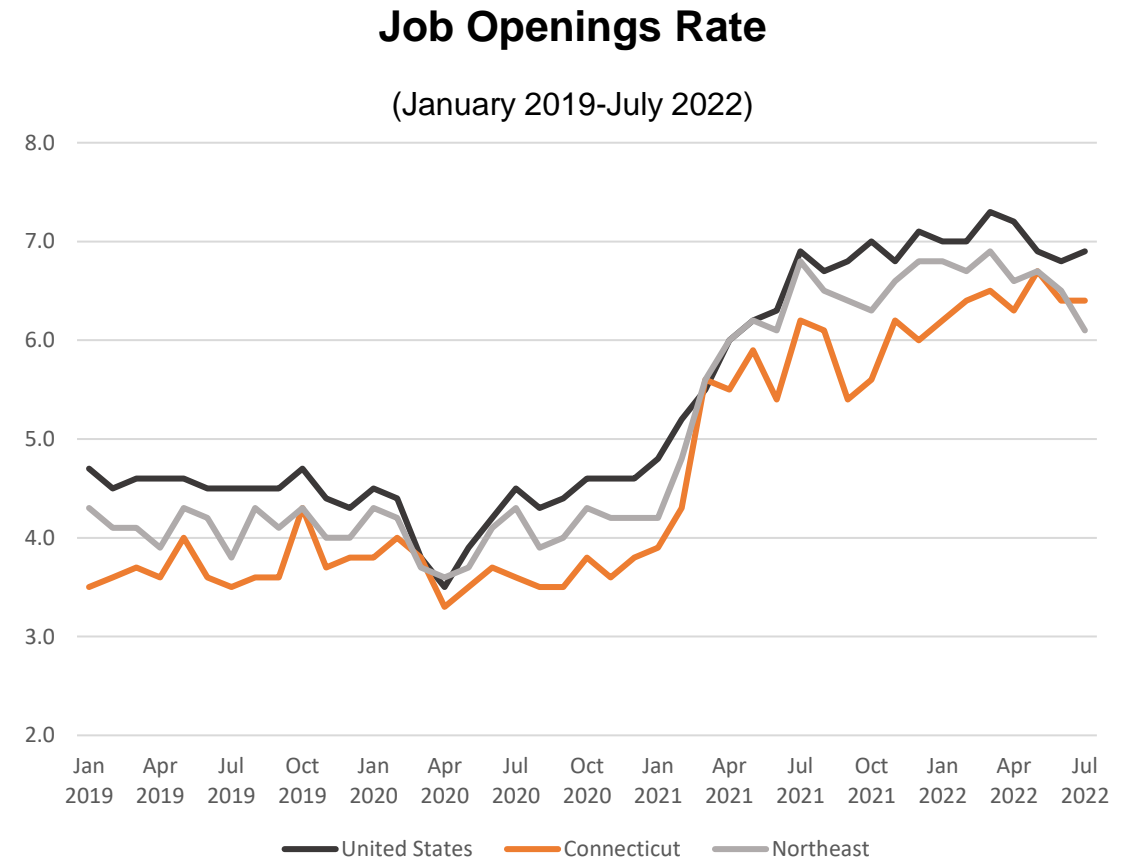


# Challenges | Job Vacancies

## CT's job openings rate has increased and is approaching the national rate

Connecticut's job openings rate is on an upward trend and raises the need to expand our labor force.

Opportunity: Recent budget invests \$110 million in workforce development, training residents to fill open jobs in fields such as manufacturing, healthcare, IT, construction, clean energy, and bioscience.



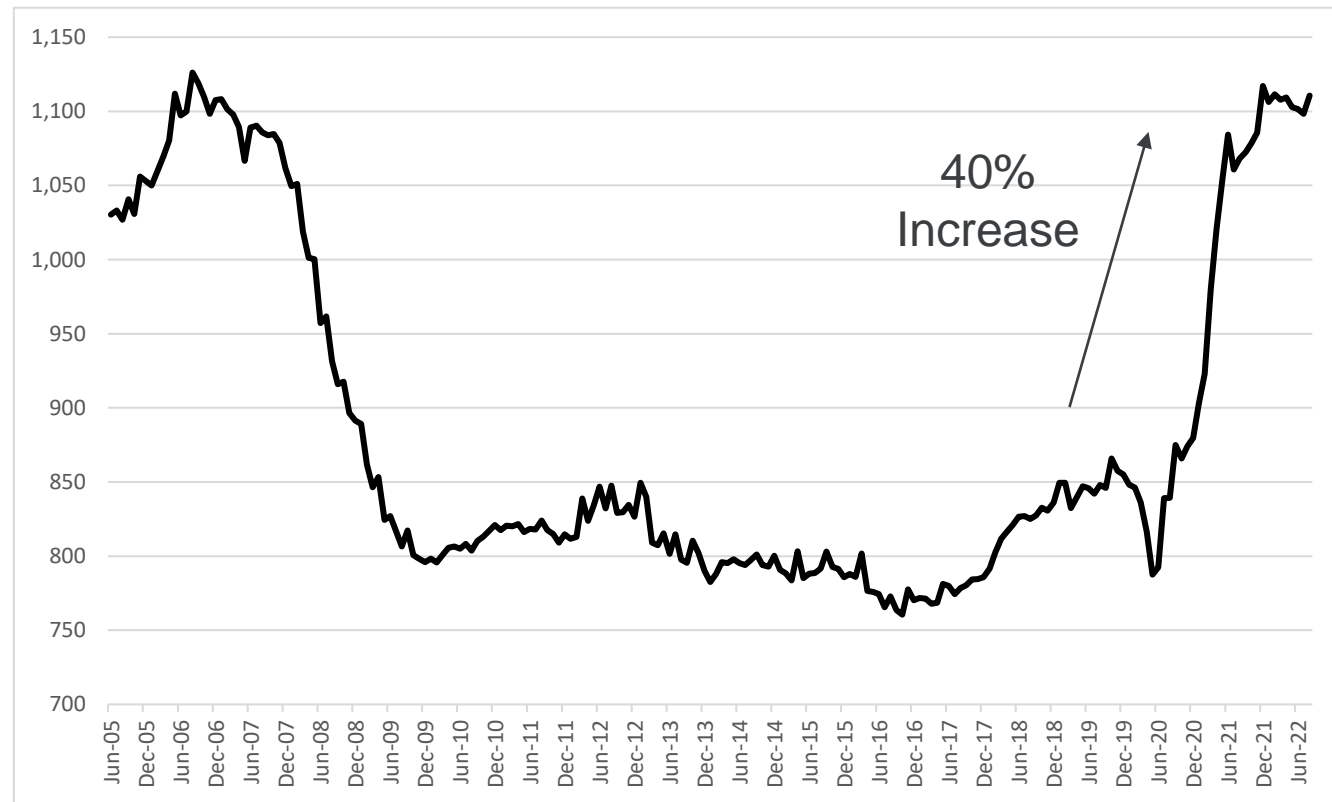
# Momentum | Record New Business Growth

## Business formation is up 40% since pre-pandemic - highest since 2006

High Propensity Business applications\* climb from around 800 to over 1,100 per month

June 2005 – August 2022

Business formation is the highest since before the 2007-2008 financial crisis



\*High propensity businesses are those with a high likelihood of hiring employees, and include those that indicate they are hiring, purchasing a business or changing organizational type, or are in manufacturing, retail, health care or restaurant/food services (US Census definition).



# DECD Priorities | Communities and Businesses

**A thriving,  
inclusive  
CT economy**

1



## **Workforce**

Broaden the base of skilled workers to meet increasing industry demand

2



## **Communities**

Attract and retain talent by investing in vibrant and affordable communities for all

3



## **Innovation**

Support growth and generate inclusive economic opportunity within CT's most innovative and specialized industries

4



## **Business Environment**

Improve CT's environment and reputation for starting and growing businesses

# DECD Priorities | Communities and Businesses



**JobsCT** Support business attraction & expansion; reward employers that locate and grow in CT

**Small Business Express 2.0** Public & private matching funds to support small businesses, creating/retaining jobs via loans and grants, 50% for underbanked and underrepresented business owners

**Innovation Corridor** Public & private matching funds to seed up to three transformational projects to drive jobs, innovation, and business formation in our largest cities

**Smart Manufacturing** Creating & retaining thousands of jobs through training and other programs via recapitalization of Manufacturing Innovation Fund



**Connecticut Communities Challenge** Competitive grant program to spur investment and vibrancy in CT's main streets through high-quality, transit-oriented development

**Community Investment Fund** Five-year, \$875M bonding to fund qualifying projects for municipalities, community development corporations, and nonprofits

**Brownfield Redevelopment** Returning sites across the state to productive re-use, including mixed-use, residential, commercial, industrial, retail and open space

**Tourism, Marketing, Arts & Culture** Create a new, youthful and vibrant, diverse perception of the state, fund arts and other entertainment organizations that add vibrancy to Connecticut communities.

**DECD “earn as you grow” incentives reduce reliance on bonding while providing transparent support to businesses looking to grow jobs in Connecticut**

# DECD Priorities | Change Perception

Complete revamp of [www.CTvisit.com](http://www.CTvisit.com) and [www.ChooseCT.com](http://www.ChooseCT.com)

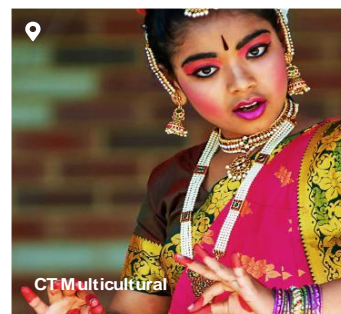
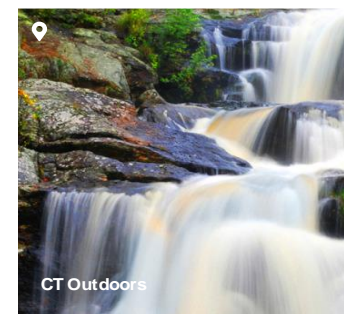
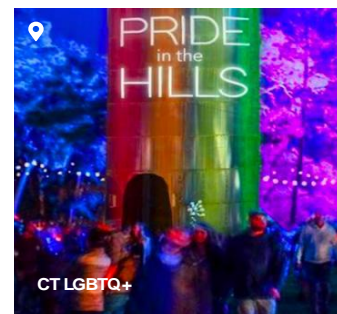
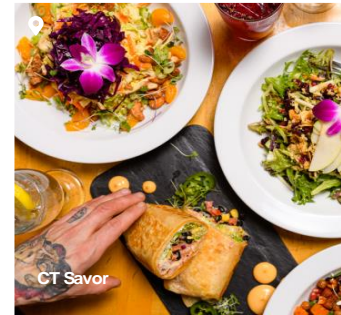
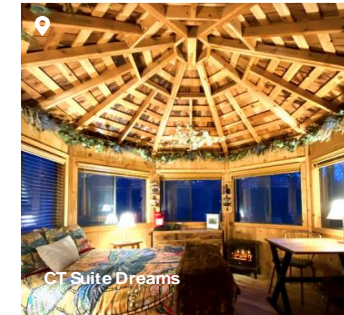
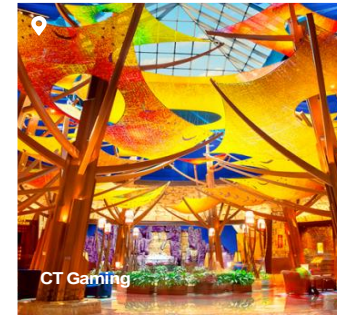
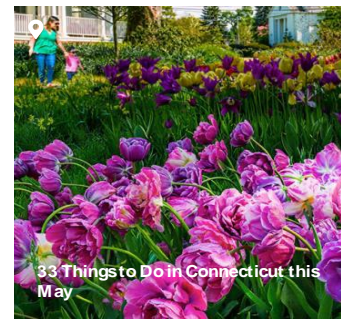
Reimagine and rehabilitate **CT Welcome Centers**

**Promote mix of experiences** both well-known/traditional and new/unexpected

**Strengthen industry relationships**, including airports, associations and partners of all sizes

**Refine CTForMe.com** first-person stories from young residents, over 300 local businesses to attract talent and show cool things to do

**Fund Arts** and organizations experiencing pandemic-related economic impact i.e, **CT Summer Museums** offering free admission to kids





# DECD Priorities | Expand Tourism

**Broaden our reach in international, domestic, drive markets, with year-round campaigns**



**\$15.5B**

in total  
economic  
impact  
supported by  
traveler  
spending

Source: 2019 Tourism  
Economics study.



**\$2.2B**

in tax revenues

Source: 2019 Tourism  
Economics study.



**147.5K**

leisure/  
hospitality  
jobs; up 16%  
YOY

Source: April 2022  
CT Dept. of Labor.



**+22%**

increase in  
occupancy YOY;  
RevPAR up 63%

Source: STR  
January-April 2022.



**~7M**

CTvisit.com  
visitors per year;  
up 43% YOY

Source: January- May,  
2022 Google Analytics.

# DECD Priorities | Partnership with CT Innovations & AdvanceCT



Updated: July 1, 2022 STARTUPS, INNOVATION & TECHNOLOGY

## Ireland-based Nuritas' New Haven expansion spurred by city's thriving bioscience sector

### CT INSIDER

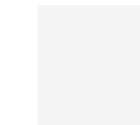
FAIRFIELD CITIZEN

## Bigelow Tea invests \$2M into Fairfield facility as business grows



Josh LaBella

April 25, 2022 | Updated: April 26, 2022 10:56 a.m.



**HBJ** HARTFORD BUSINESS

June 6, 2022

## Dutch semiconductor manufacturer announces \$200M investment in Wilton

BUSINESS

## Connecticut company promises 1,000 new jobs with \$200 million expansion

## Hartford Courant

## Connecticut and UK agree to boost insurance start-up growth on both sides of Atlantic, state dubbed 'a perfect fit'

By STEPHEN SINGER

MAR 10, 2022 AT 3:05 PM



Business

## Athletic Brewing Co. Opening New Facility In Milford: Report

The Stratford-based brewery has signed a long-term lease for a production facility that is expected to bring around 100 jobs to Milford.



Vincent Salzo, Patch Staff

Posted Mon, Jul 19, 2021 at 9:57 pm ET | Updated Mon, Jul 19, 2021 at 10:00 pm ET

