

Driving Recovery: 2020 Vision for Connecticut

Context:

- ✓ Connecticut has had, over the past 20 years, essentially no job growth.
- ✓ The quality of jobs in Connecticut has systematically deteriorated.
- ✓ Connecticut will lose as many as 110,000 jobs in the current recession. It may lose more.
- ✓ Recovery will likely be anemic.
- ✓ Connecticut faces massive budget deficits—and OFA projections may be optimistic.

Driving Recovery: Proposed mobilization of R&D tax credits:

Utilize unused (and currently unusable) R&D tax credits to fund \$1 billion in capital projects.

Impacts:

- Four million square feet of new laboratory, office, and advanced manufacturing space.
- Generates by 2013 direct employment of 16,250.
- ***Generates aggregate employment gain of 36,900.***
- Adds \$7.6 billion to total state output.
- Fully self-funding.
- ***Aggregate net revenue gain for Connecticut by 2020: \$1.3-\$1.8 billion.***

Failing to Act: If Connecticut suffers the mirror image through out-migration:

- ⊖ Loss of 40,000 additional jobs by 2020.
- ⊖ State output shrinks by 3%.
- ⊖ State suffers annual revenue loss of \$368 million.

Summary statement of ***Driving Recovery: 2020 Vision for Connecticut***

Connecticut Center for Economic Analysis

University of Connecticut

March 2010