Focus on Economic Growth

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Commissioner

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State of the State

- 74,200 new jobs created since 2011
- Budget growth rate has been 3.1% per year
- State employee headcount has been reduced 4.4% over past 5 years
- 8.1% decline in long-term obligations of the State
- Regulations reduced by 1,000 pages
- 2nd lowest effective corporate tax rate in the U.S.*

*Source: Ernest & Young
A Highly Skilled Workforce

Connecticut ranks #3 in the country for the percentage of employees with advanced degrees. Not only is our workforce highly educated, it’s highly industrious — ranking #4 in the U.S. for productivity.

Connecticut is home to almost half a million people holding advanced degrees, ensuring exceptional access to a highly educated workforce. Productivity is the spirit that drives Connecticut business. In terms of gross domestic product, Connecticut ranks higher than several major countries in productivity.

Sources: U.S. Census Bureau; Educational Attainment by State 2013; U.S. Bureau of Economic Analysis, 2012
#8 in states ready for growth in the “New Economy”

Connecticut offers the kind of environment that is particularly conducive to growth for companies that are capitalizing on the latest global economic trends.

A world leader in patents

If ranked as a “country,” Connecticut’s volume of patents would place it among the most innovative in the world, ahead of many European and Asian countries.

Connecticut innovators have 33% more patents than the national average.

Connecticut ranks 7th in the country for patents issued, so we’re no stranger to innovation in fields like technology, manufacturing, aerospace and gaming. Plus, the state has an environment that actively supports emerging technologies.

World-Class Education Institutions

CT boasts over **42** colleges and universities, ranging from Ivy League to community colleges to world-class research institutions turning out highly educated workers and entrepreneurs.

*The State of Connecticut is investing significantly in education*

An Unparalleled Quality of Life

#3 ranking last year overall for quality of life due to low crime and poverty rates, a healthy populous and strong schools


CT ranks #1 as the healthiest state in the country

96 miles of scenic coastline

169 cities & towns, ranging from cosmopolitan urban centers to quaint small towns

825 miles of blue-blazed hiking trails running through 88 towns

4 distinctly different seasons, yet with a relatively mild Northeast climate

Historic Sites

As one of the original 13 colonies, Connecticut has played a major role in the history of the U.S. — and its many well-preserved historic sites bring that past to life.

Contemporary Attractions

World-class contemporary science museums, art galleries and architectural sites show Connecticut’s spirit of innovation is alive and well.

Cultural Gems

Connecticut offers an especially vibrant cultural scene — alive with theatres, restaurants, performing arts organizations and music venues of every kind.

Our Updated Economic Strategy

- Build on our strengths (talent, “anchors” location)
- Focus on key business sectors for business development
- Tailor programs to address greatest needs
- Simplify governmental processes/regulation
- Collaborate with key partners (energy, education, transportation)
- Drive for innovation
Economic Strategic Framework

Build on established strengths and emerging sectors

- Motivate & engage our employees & partners
- Retain & grow existing base of jobs
- Foster innovation & new business development
- Build a brand for the state that drives economic growth
- Grow & enrich our talent pool
- Build vibrant neighborhoods & communities

Connecticut
still revolutionary
Our Focus on Business Clusters

Connecticut Employment by Cluster, 2013

Key Strengths to Build Upon:
- Healthcare / Life Sciences
- Advanced Manufacturing
- Insurance / Financial Services
- Tourism

Emerging Opportunities:
- Digital Media/IT
- Green Technology

Source: Data from U.S. Cluster Mapping Project (http://clustermapping.us/), Institute for Strategy and Competitiveness, Harvard Business
Building Strategies in the Six Key Clusters

- Bioscience
- Advanced Manufacturing
- Insurance/Financial Services
- Digital Media
- Green Technology
- Tourism
Financial Services

- Finance and insurance accounts for 14.4%\(^1\) of state’s economy, and ranks 3\(^{rd}\) among states for share of employment\(^2\)

- Fairfield county: Hedge fund capital of the world
  - Financial centers in Stamford and Greenwich

- Hartford: Insurance capital of the world
  - Connecticut is home to hundreds of financial institutions: UBS, RBS, GE Money, ING, Hartford Financial Services, Prudential and more

- Ideal location for companies that want to be near New York city but without New York city costs

Source: \(^1\)BEA, 2014
\(^2\)Connecticut Economic Review, 2015
Advanced Manufacturing/Aerospace

- More than 4,500 diverse manufacturing companies in Connecticut employ over 159,607 private sector employees\(^1\)

- Total state manufacturing output was $27 billion in 2014\(^2\)

- 95% of Connecticut’s $16 billion in exports are from the manufacturing sector\(^3\)

- Foreign-based investment in Connecticut results in thousands of jobs for state employees

Sources:  
\(^1\) BEA, June 2015  
\(^2\) BEA, June 2015  
\(^3\) National Association of Manufacturers, Connecticut Manufacturing Facts, 2014
Connecticut is Supporting Manufacturers

- UTC commitment to Connecticut helps hundreds of supply chain companies

- Manufacturing Innovation Fund
  - Assists smaller manufacturers in making innovative and strategic investments
  - Focuses on talent development to meet the growth expectations in aerospace and medical devices
Healthcare/Bioscience

- A total of 917 private companies in the state
- Average annual wage is 50% higher than statewide average
- Ranked 3rd in U.S. with 16.6% of population having advanced degrees
- Ranked 5th in U.S. for scientists and engineers with 651 per 100,000 employees having advanced degrees
- 4th in the nation for bioscience patents per capita

Sources:
1 Bureau of Labor Statistics, 2014
2 Bureau of Labor Statistics
3 Connecticut Economic Review, 2015
4 Connecticut Economic Review, 2015
“We’re building one of the most innovative and forward-thinking genomics programs in the country, because we’re starting from scratch.”

– Edison T. Liu
A Comprehensive Approach

STE(A)M Education

UConn
Community colleges
Technical high schools

A vision for the 21st century

Green bank/Cpace
Regional approach

LEANing
gov't
Reducing complexity
Vibrant communities

A Transportation Strategy

Fostering Business Growth
DECD Toolbox

- **Financing**
  - Loans
  - Forgivable Loans
  - Grants

- **Tax Incentives**
  - Credits
  - Abatements

- **Technical Assistance**
  - Expertise
  - Research
  - Work with partners
Small Business Express Program

Supports the retention and growth of small business with a combination of loans and grants

- Matching grants of up to $100,000 or loans/forgivable loans in amounts up to $300,000

- To date, 1,414 companies have been provided more than $214 million in financial assistance

- Companies promise to create 5,421 jobs and retain 15,371

- 20% are manufacturers – 283 companies will create 1,356 and retain 5,233 jobs (about double the expected state average)
Manufacturing Assistance Act (MAA)

Incentive-driven loans, grants for mid-sized companies growing jobs and building their businesses in CT

Since 2011 DECD has been assisting mid-sized companies:

- 83 companies in 40 different municipalities in the state’s largest urban centers, suburban towns, and small rural communities
- 12,495 jobs retained and 4,330 to be created
- $203M in total state assistance leveraging $576M
- 37 manufacturing (45%) and 12 financial service (14%) companies were funded, all in our targeted business growth sectors
First Five Program

For larger companies that create 200 jobs within 2 years or invest $25M and create 200 jobs within 5 years

- 13 projects across several targeted clusters including Insurance/Financial Services, Healthcare/Biotech and Digital Media
- 13,526 jobs to be retained; 2,600 to 5,264 jobs to be created
- Over $256M in direct state assistance leveraging $1.3B in private investment
- Diversity of geographic locations including Bloomfield, Bristol, Hartford, New Haven and Stamford
Manufacturing Innovation Fund

Assists manufacturers to make innovative, strategic investments needed to remain competitive, win new contracts, and grow jobs

- Focused on talent development
- Advisory board, made up of industry leaders, sets agenda
- New programs:
  - Voucher program has approved 130 applications for $4,646,306
  - Incumbent worker training up and running
  - Apprenticeship program in the works
The State Can Support Businesses In A Variety Of Other Ways

High-impact services include:

- Support for Brownfield remediation
- Support for Transit-Oriented Development
- Regulatory and permitting assistance
- Site selection assistance
- Trade missions and shows
- Introductions to key businesses and institutions
Business Ambassador Program

- DECD staff will proactively reach out to CT businesses:
  - To foster retention and growth strategies for businesses, jobs
  - To promote assistance programs
  - To help evaluate capital investment opportunities
  - Identify businesses at risk of leaving or expanding out of state

- Targeted industries include those in the strategic plan

- Regional representation

- Ease of contact/communication
Connecticut is poised for strong growth:

- Strong base of businesses and institutions
- Well-educated and productive workforce
- Vibrant, livable communities with convenient access to East Coast hubs
- Focused on making it easy for companies to grow