Connecticut Economic Competitiveness Diagnostic

Summary Results

Presentation to Commission for Economic Competitiveness

April 8, 2016
Topics for today’s discussion

- Context for the Connecticut Economic Competitiveness Diagnostic
- Connecticut’s long run of strong economic growth
- Recent trends that have created a new economic normal
- Connecticut’s distinctive assets
- Five potential themes for further exploration
The Economic Competitiveness Diagnostic provides a fact base for discussion but is limited in scope.

<table>
<thead>
<tr>
<th>This diagnostic did…</th>
<th>This diagnostic did not…</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Assemble an independent, data-driven fact base</td>
<td>✗ Intend to be comprehensive in scope</td>
</tr>
<tr>
<td>✓ Incorporate a diverse range of perspectives</td>
<td>✗ Engage all possible stakeholders</td>
</tr>
<tr>
<td>✓ Identify potential themes for the Commission consideration</td>
<td>✗ Make policy or strategy recommendations</td>
</tr>
</tbody>
</table>

Importantly, this diagnostic is just one element of the work that will help shape the Commission's focus and priorities.
The diagnostic is one element of a broader effort to understand and improve Connecticut's economic competitiveness.

**1. Diagnostic**
- Fact-based assessment of current strengths and challenges
- Additional competitiveness diagnostics (e.g., on taxes)
- Launch of ongoing stakeholder engagement
- Alignment around shortlist of priorities

**2. Strategy development**
- Integrated plan and vision
- Detailed strategies for high priority near term opportunities (e.g., best practice research, detailed initiative design, feasibility testing, implementation plan, budgeting)

**3. Execution**
- Resourcing and implementation of near-term opportunities
- Strategy design for longer-term opportunities
- Performance management and reporting
The diagnostic was developed through data analysis and qualitative input from interviews.

Assembled an independent, data-driven fact base

- Federal, state, and private data sources
- Existing reports and analyses
- Comparison of Connecticut versus regional peer states and by MSA

Incorporated a diverse range of perspectives

- 75+ interviews across sectors and regions
- Engagement with ~200 economic development professionals

Private sector

- Large companies
- Start-ups
- Site selection firms
- Trade associations

Public Sector

- Executive branch
- Legislators
- Commission on Economic Competitiveness members
- City and town officials

Social sector

- Foundations
- Direct service organizations
- Academia
The Connecticut Economic Competitiveness diagnostic: Key takeaways

- **Connecticut has had a long run of strong economic performance**, making it a great state to live and work.

- **Recent trends have created a new economic normal** and pose challenges for the state’s competitiveness:
  - A. Global and national forces are reshaping Connecticut’s traditional core sectors
  - B. Peers are closing the gap on Connecticut’s livability and cost advantages
  - C. Population trends are reshaping Connecticut’s workforce
  - D. Perceptions are hardening on state governance and fiscal uncertainty

- **Connecticut has a portfolio of distinctive assets to address these trends** and ensure long-term competitiveness.

- **Five themes have emerged as potential areas for the Commission to consider exploring in further detail**:
  - 1. **Cities**: How should Connecticut revitalize its urban cores?
  - 2. **Growth sectors**: How can Connecticut support its high potential, fast-changing sectors?
  - 3. **Transportation**: What investments will best connect talent and businesses?
  - 4. **Fiscal outlook**: How can Connecticut address its pension and budget challenges to restore business confidence?
  - 5. **Public-private engagement**: How can the State and the private sector collaborate to jointly support long-term growth?
Connecticut’s economy performs well along several important indicators, reflecting a long run of strong economic performance.

<table>
<thead>
<tr>
<th>GDP per capita, 2014</th>
<th>Productivity¹, 2014</th>
<th>Median household income, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>State</td>
<td>Rank</td>
</tr>
<tr>
<td>1</td>
<td>Alaska: $66.2K</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>North Dakota: $65.2K</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>New York: $64.8K</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Connecticut: $64.7K</td>
<td>4</td>
</tr>
</tbody>
</table>

¹ Measured as GDP per worker

SOURCE: Moody's Analytics; BLS; US Census Bureau
The recession disrupted Connecticut's long run of solid economic growth

Real GDP, population, and employment, 1980-2014

Indexed to year 1980

- US GDP (+147%)
- CT GDP (+126%)

Recession

SOURCE: Moody’s Analytics; BLS; ACS; US Census
The recession disrupted Connecticut's long run of solid economic growth

Real GDP, population, and employment, 1980-2014

Indexed to year 1980

US GDP (+147%)

CT GDP (+126%)

US Population (+42%)

CT Population (+16%)

SOURCE: Moody's Analytics; BLS; ACS; US Census
A NEW ECONOMIC NORMAL FOR CONNECTICUT

The recession disrupted Connecticut's long run of solid economic growth

Real GDP, population, and employment, 1980-2014

Indexed to year 1980

- US GDP (+147%)
- CT GDP (+126%)
- US Employment (+47%)
- US Population (+42%)
- CT Employment (+18%)
- CT Population (+16%)

SOURCE: Moody’s Analytics; BLS; ACS; US Census
Emerging trends have created a new economic normal and pose challenges for the state’s competitiveness

- Global and national forces are reshaping Connecticut’s traditional core sectors
- Peers are closing the gap on Connecticut’s livability and cost advantages
- Population trends are reshaping Connecticut’s workforce
- Perceptions are hardening on state governance and fiscal uncertainty
Emerging trends have created a new economic normal and pose challenges for the state’s competitiveness

Global and national forces are reshaping Connecticut’s traditional core sectors

Peers are closing the gap on Connecticut’s livability and cost advantages

Population trends are reshaping Connecticut’s workforce

Perceptions are hardening on state governance and fiscal uncertainty
FORCES ARE RESHAPING CONNECTICUT’S CORE SECTORS

Manufacturing, Finance and Insurance have faced recent challenges

Connecticut industry mix, 1980-2014

% of GDP

- Manufacturing
- Finance and Insurance

SOURCE: Moody’s Analytics; US Bureau of Labor Statistics
Connecticut industries adding the most jobs pay below the state’s current average wage

| Industries with growing employment (2004-2014) | Average wage: $54,018 |
| Industries with shrinking employment (2004-2014) | Average wage: $75,246 |

Fastest changing industries:
- Educational Services
- Accommodation and Food Services
- Health Care and Social Assistance
- Manufacturing
- Information
- Construction

Note: all figures are based on December 2014 data; excludes Agriculture and Mining related sectors
Measured as total wages & disbursements divided by total employees in industry
FORCES ARE RESHAPING CONNECTICUT’S CORE SECTORS

Job creation by young companies in recent years has not returned to pre-recession levels

Connecticut firms by age
Number of firms

Connecticut job creation by age of firm
Number of jobs

0-5 year old firms accounted for 33% of total firms and 54% of jobs created in 2013, ranking Connecticut 40th (lowest) in the U.S.

NOTE: Excludes data for companies where establishment data is unknown (~10-15% of total Connecticut firms)

SOURCE: U.S. Census Longitudinal Business Database
FORCES ARE RESHAPING CONNECTICUT’S CORE SECTORS

However, Manufacturing, Finance and Insurance remain competitive growth engines for Connecticut

Connecticut projected sector performance (2014-2023) compared to specialization

Emerging trends have created a new economic normal and pose challenges for the state’s competitiveness

- Global and national forces are reshaping Connecticut’s traditional core sectors
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While Connecticut has always been safe and livable, peers have closed the gap on its advantages.
Connecticut’s tax rates are higher than U.S. averages and, in some cases, peers

### Statutory tax rates by state, 2015

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>CT Rate</th>
<th>New York</th>
<th>Massachusetts</th>
<th>Connecticut</th>
<th>All other states</th>
<th>CT State Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Tax</strong></td>
<td>CT-6.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personal Income Tax</strong></td>
<td>CT-6.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Property Tax</strong></td>
<td>CT-1.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Estate Tax</strong></td>
<td>CT-12%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**U.S. Avg:**
- Sales Tax: 5.1%
- Personal Income Tax: 5.5%
- Property Tax: 1.1%
- Estate Tax: 4.3%

**CT State Rank:**
- 39th for Sales Tax
- 35th for Personal Income Tax
- 40th for Property Tax
- 38th for Estate Tax

1 Represents the highest marginal personal income tax rate
2 Mean Property Taxes on Owner-Occupied Housing as Percentage of Mean Home Value as of Calendar Year 2011
3 Tax Foundation data

SOURCE: Federation of Tax Administrators (2016); U.S. Census; Tax Foundation
Connecticut’s urban cores underperform rest of State on key livability questions

<table>
<thead>
<tr>
<th></th>
<th>Suburban¹</th>
<th>Rural²</th>
<th>Urban Periphery³</th>
<th>Urban Core</th>
<th>CT overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of respondents satisfied in area in which they live</td>
<td>90%</td>
<td>82%</td>
<td>80%</td>
<td>68%</td>
<td>82%</td>
</tr>
<tr>
<td>% of respondents saying their area and quality of life is “worsening”</td>
<td>14%</td>
<td>21%</td>
<td>24%</td>
<td>27%</td>
<td>20%</td>
</tr>
<tr>
<td>% of respondents saying they are NOT able to obtain suitable employment</td>
<td>42%</td>
<td>60%</td>
<td>49%</td>
<td>67%</td>
<td>50%</td>
</tr>
<tr>
<td>% of respondents saying area does not have adequate goods and services to meet needs</td>
<td>17%</td>
<td>30%</td>
<td>21%</td>
<td>40%</td>
<td>24%</td>
</tr>
</tbody>
</table>

NOTE: Survey based on 16,219 responses—28% suburban, 13% rural residents, 38% urban periphery, 17% urban core residents, 5% “wealthy”
1 Includes locations such as North Haven and Granby located near larger urban centers
2 Includes locations such as Putnam and Sharon located farther from an urban core
3 Includes locations such as Norwalk and East Haven located around urban cores

SOURCE: CT Data Haven, Apr-Oct 2015
Livability metrics by city, 2014

<table>
<thead>
<tr>
<th>Metric</th>
<th>CT overall</th>
<th>Bridgeport</th>
<th>Hartford</th>
<th>New Haven</th>
<th>Norwalk</th>
<th>Stamford</th>
<th>Waterbury</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance coverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of population without health insurance</td>
<td>8.5%</td>
<td>20.3%</td>
<td>15.5%</td>
<td>12.3%</td>
<td>17.0%</td>
<td>17.3%</td>
<td>12.6%</td>
</tr>
<tr>
<td>School ranking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nationally of 13,506 school districts¹</td>
<td>-</td>
<td>10,196</td>
<td>7,499</td>
<td>6,002</td>
<td>2,717</td>
<td>1,318</td>
<td>9,021</td>
</tr>
<tr>
<td>Crime rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Violent crime per 100k residents</td>
<td>263</td>
<td>905</td>
<td>1,104</td>
<td>1,054</td>
<td>296</td>
<td>240</td>
<td>373</td>
</tr>
<tr>
<td>Cost of living</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median gross rent as a percentage of household income</td>
<td>31.9%</td>
<td>37.4%</td>
<td>36.2%</td>
<td>36.4%</td>
<td>30.3%</td>
<td>32.5%</td>
<td>35.2%</td>
</tr>
<tr>
<td>Homelessness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of total population</td>
<td>0.13%</td>
<td>0.30%</td>
<td>0.57%</td>
<td>ND</td>
<td>0.28%</td>
<td>0.31%</td>
<td>1.57%</td>
</tr>
<tr>
<td>Unemployment²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td>7.9%</td>
<td>14.6%</td>
<td>19.4%</td>
<td>11.2%</td>
<td>8.5%</td>
<td>9.3%</td>
<td>ND</td>
</tr>
</tbody>
</table>

NOTES: Quartiles are determined using cities >50,000 residents  
1 School ranking calculated through surveys, health, safety, student culture, diversity and state test scores  
2 Unemployment based on ACS 2014 one year survey estimate for purposes of comparison with city-level data

Many of Connecticut’s auto commuters face significant congestion challenges.

### Connecticut freeway commute times by urban area, 2014

<table>
<thead>
<tr>
<th>Urban area</th>
<th>Percent additional time required during peak travel compared to free flow periods</th>
<th>Freeway congestion rank&lt;sup&gt;3&lt;/sup&gt; (out of 101 urban areas)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Avg. rush hour&lt;sup&gt;1&lt;/sup&gt; Buffer to arrive on time&lt;sup&gt;2&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Bridgeport-Stamford</td>
<td>44% 188%</td>
<td>232% 5</td>
</tr>
<tr>
<td>New York-New Jersey</td>
<td>39% 176%</td>
<td>215% 11</td>
</tr>
<tr>
<td>Hartford</td>
<td>23% 107%</td>
<td>130% 38</td>
</tr>
<tr>
<td>New Haven</td>
<td>19% 86%</td>
<td>105% 58</td>
</tr>
<tr>
<td>Worcester MA</td>
<td>15% 56%</td>
<td>71% 86</td>
</tr>
<tr>
<td>Springfield MA</td>
<td>14% 51%</td>
<td>65% 90</td>
</tr>
</tbody>
</table>

**Example:**
- In New Haven, rush hour commute takes an average 19% longer (e.g., 36 vs 30 minutes)
- To be sure to arrive on time, you must depart 105% earlier during peak vs. non-peak periods (e.g., 62 vs. 30 minutes)

### Annual auto delays by urban area, 2014

<table>
<thead>
<tr>
<th>Urban area</th>
<th>Annual hours of delay per auto commuter</th>
<th>Rank (of 101 urban areas)</th>
<th>Medium-size urban area rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridgeport-Stamford</td>
<td>49</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td>New York-New Jersey</td>
<td>74</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Hartford CT</td>
<td>45</td>
<td>29</td>
<td>5</td>
</tr>
<tr>
<td>New Haven</td>
<td>40</td>
<td>49</td>
<td>11</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>64</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Providence, RI</td>
<td>43</td>
<td>35</td>
<td></td>
</tr>
</tbody>
</table>

1 Based on the commuter stress index: the ratio of peak period (in peak direction) versus free flow travel time
2 Based on the planning time index: the ratio of peak period versus free flow time including buffer to ensure 95% on-time arrival
3 Top 101 US urban areas ranked by planning time index, from longest to shortest additional travel time

**SOURCE:** Texas A&M Urban Mobility Scorecard
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- Global and national forces are reshaping Connecticut’s traditional core sectors.
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- Population trends are reshaping Connecticut’s workforce.
- Perceptions are hardening on state governance and fiscal uncertainty.
Connecticut’s population growth has been negligible, driven by high domestic out-migration

Connecticut population change, 2001-2014

Population in thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Births less deaths</th>
<th>Net international migration</th>
<th>Net domestic migration</th>
<th>% net change in total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>9</td>
<td>15</td>
<td>-7</td>
<td>0.5%</td>
</tr>
<tr>
<td>2003</td>
<td>8</td>
<td>11</td>
<td>11</td>
<td>0.6%</td>
</tr>
<tr>
<td>2005</td>
<td>9</td>
<td>12</td>
<td>-17</td>
<td>0.1%</td>
</tr>
<tr>
<td>2007</td>
<td>13</td>
<td>11</td>
<td>-21</td>
<td>0.1%</td>
</tr>
<tr>
<td>2009</td>
<td>12</td>
<td>7</td>
<td>-8</td>
<td>0.4%</td>
</tr>
<tr>
<td>2011</td>
<td>16</td>
<td>5</td>
<td>-13</td>
<td>0.3%</td>
</tr>
<tr>
<td>2013</td>
<td>16</td>
<td>5</td>
<td>-17</td>
<td>0.1%</td>
</tr>
<tr>
<td>2014</td>
<td>6</td>
<td>19</td>
<td>-27</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

Post 9/11 & economic expansion

Recession & recovery

NOTE: Population data is unavailable for 2010

SOURCE: U.S. Census Bureau Population Estimate Program; Internal Revenue Service 2013; U.S. Census American Community Survey
Three of the top six MSAs losing the greatest percentage of their population to other states are in Connecticut.

The cities Americans are leaving, 2013-2014

Percent of resident out-migration, top 20 out of 100 cities

El Paso lost a net 8,490 residents to other parts of the country

Note: This data only looks at out-migration. Many of these cities also attract significant volumes of inward-migration.
Connecticut is losing young and educated people to other states

**Net domestic migration by education, 2014**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Net Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>-1,837</td>
</tr>
<tr>
<td>Bachelor's</td>
<td>-3,805</td>
</tr>
<tr>
<td>Some college or associate's degree</td>
<td>-5,928</td>
</tr>
<tr>
<td>High school graduate</td>
<td>846</td>
</tr>
<tr>
<td>No high school diploma</td>
<td>987</td>
</tr>
</tbody>
</table>

**Net domestic migration by age, 2014**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Net Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 65+</td>
<td>-5,198</td>
</tr>
<tr>
<td>45 to 64</td>
<td>-4,571</td>
</tr>
<tr>
<td>35 to 44</td>
<td>921</td>
</tr>
<tr>
<td>25 to 34</td>
<td>-889</td>
</tr>
<tr>
<td>18 to 24</td>
<td>-7,709</td>
</tr>
<tr>
<td>1 to 17</td>
<td>4,691</td>
</tr>
</tbody>
</table>

*Source: U.S. Census 2014 American Community Survey*
While Connecticut has a lower poverty rate than the US, it has been growing at a higher rate.

Poverty rate, 2010-2014

% of population living below the poverty level

<table>
<thead>
<tr>
<th>Year</th>
<th>CT</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9.2</td>
<td>13.8</td>
</tr>
<tr>
<td>2012</td>
<td>9.5</td>
<td>14.3</td>
</tr>
<tr>
<td>2012</td>
<td>10.0</td>
<td>14.9</td>
</tr>
<tr>
<td>2013</td>
<td>10.2</td>
<td>15.4</td>
</tr>
<tr>
<td>2014</td>
<td>10.5</td>
<td>15.6</td>
</tr>
</tbody>
</table>

CT CAGR, 2010-2014: 3.4%

US CAGR, 2010-2014: 3.1%

SOURCE: 2010-2014 American Community Survey 5-Year Estimates
Emerging trends have created a new economic normal and pose challenges for the state’s competitiveness

- Global and national forces are reshaping Connecticut’s traditional core sectors
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Four factors are feeding the perception of a “negative business climate” in Connecticut

Factors affecting the State and national discussion on Connecticut’s business climate

1. Fiscal fundamentals
2. Negative national publicity
3. Unpredictable governance
4. Perceived lack of engagement

The Wall Street Journal

“[Businesses] say increasing pension costs borne by the state government could trigger tax increases that could scare off companies in the state or those looking to relocate” - 1/2016

Hartford Courant

“Immelt said the company's ‘taxes have been raised five times since 2011, while support for our strategies has been uneven.’” - 6/2015


Moody’s 47th
To address these trends and ensure long-term competitiveness, Connecticut can build on its distinctive assets

<table>
<thead>
<tr>
<th>Talented population</th>
<th>Strong education system</th>
<th>Blue-chip companies and growth sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 38% of those 25+ have at least a bachelor’s degree vs. 30% nationwide</td>
<td>▪ 6th best K-12 education system based on test scores and funding levels, and #1 in some national rankings</td>
<td>▪ 7th in the country in number of S&amp;P 500 headquarters</td>
</tr>
<tr>
<td>▪ 3rd highest productivity in the country</td>
<td>▪ 7th highest AP participation rate in county, and 2nd highest percentage of students scoring 3 or higher</td>
<td>▪ 3.3% of all Fortune 1000 companies by revenue are in Connecticut vs. 2.0% in Massachusetts and 2.9% in New Jersey</td>
</tr>
<tr>
<td></td>
<td>▪ 50+% of enrolled college students attend a public institution</td>
<td>▪ Growing sub-sectors of strength, e.g., aerospace added 1,400 jobs in 2015</td>
</tr>
</tbody>
</table>

SOURCE: US Census; BLS; Education Week; Smart Asset; IPEDS; S&P Capital IQ; Fortune Magazine
To address these trends and ensure long-term competitiveness, Connecticut can build on its distinctive assets.

**Strong research output**
- 8th in the U.S. on R&D as a share of GDP
- Academic research surged 38% from ’09 to ’13, moving CT from 32nd to 12th in the U.S. on academic R&D spend

**High quality of life**
- #3 in quality of life of any US state (Forbes)
- 3rd highest life expectancy in the US at 81 years
- 2nd lowest among peers in violent crime rates, 9th nation-wide

**Strategic location**
- 40% lower cost per sq. ft. of housing in Stamford vs. NYC
- 7th busiest Interstate system in the US by number of cars
- ~40+M Metro-North New Haven Line and ~11.5M Amtrak train ridership each year

SOURCE: National Science Foundation; Social Science Research Council; Forbes; FBI; Zillow; Federal Highway Administration
Potential themes for the Commission to consider exploring

**Growth sectors:** How can Connecticut support its high potential, fast-changing sectors?
- Skills & workforce development
- Enabling infrastructure (e.g., broadband)
- Modernized and aligned tax code and regulatory/incentive regime

**Transportation:** What investments will best connect talent and businesses?
- Performance and expansion aligned with growth priorities
- Funding certainty
- Access to jobs

**Cities:** How should CT revitalize its urban cores?
- Urban appeal and attraction of young talent
- Economic opportunities for all
- Entrepreneurship

**Public-private engagement:** How can the State and the private sector collaborate to jointly support long-term growth?
- Reignited dialogue, trust, and commitment
- Sector- and opportunity-specific partnerships
- Co-ownership of initiatives

**Fiscal confidence:** How can Connecticut address its pension and budget challenges to restore business confidence?
- Pension sustainability
- Budget stability
The Connecticut Economic Competitiveness diagnostic: Key takeaways

- **Connecticut has had a long run of strong economic performance**, making it a great state to live and work

- **Recent trends have created a new economic normal** and pose challenges for the state’s competitiveness
  - A. Global and national forces are reshaping Connecticut’s traditional core sectors
  - B. Peers are closing the gap on Connecticut’s livability and cost advantages
  - C. Population trends are reshaping Connecticut’s workforce
  - D. Perceptions are hardening on state governance and fiscal uncertainty

- **Connecticut has a portfolio of distinctive assets to address these trends** and ensure long-term competitiveness

- **Five themes have emerged as potential areas for the Commission to consider exploring in further detail**
  - 1. **Cities**: How should Connecticut revitalize its urban cores?
  - 2. **Growth sectors**: How can Connecticut support its high potential, fast-changing sectors?
  - 3. **Transportation**: What investments will best connect talent and businesses?
  - 4. **Fiscal outlook**: How can Connecticut address its pension and budget challenges to restore business confidence?
  - 5. **Public-private engagement**: How can the State and the private sector collaborate to jointly support long-term growth?
Thank you

The Business Council of Fairfield County Foundation