

# FOCUS ON ECONOMIC GROWTH



**Connecticut**  
*still revolutionary*

Bethel, Oct. 2013

# Topics

- Connecticut's economic development strategy
- Key areas of focus
- DECD tools and their impact
- Q&A

# Connecticut's Strengths

- We have the talent needed for growth
- A center of innovation
- When businesses talk, Connecticut listens
- We invest for growth
- We offer a unique blend of location, access and quality of life

# A Clear Strategy

## Our Vision

Connecticut ranks among the top quartile states in economic growth

## Our Mission

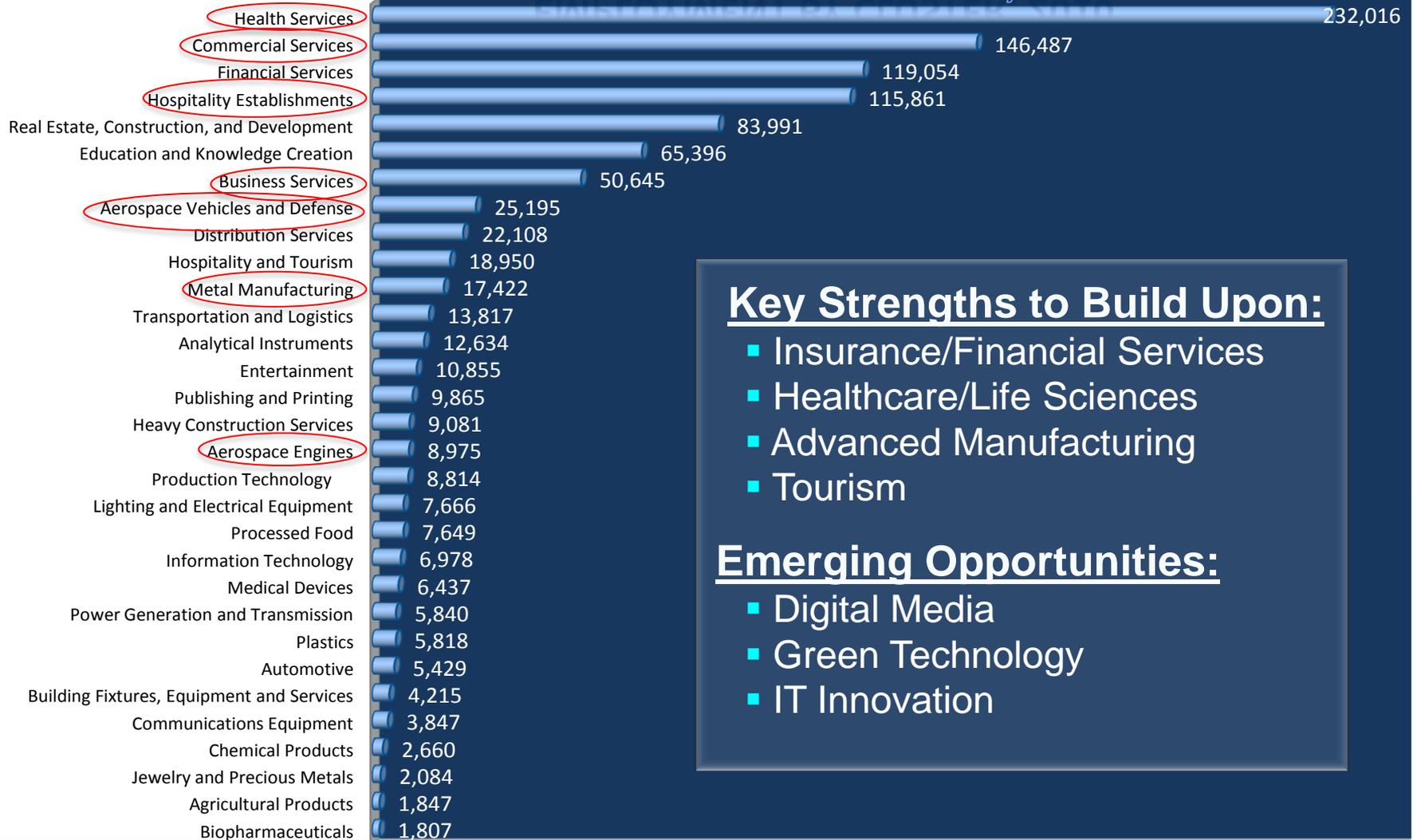
Develop and implement strategies to increase the state's economic competitiveness

# Economic Strategic Framework



# Composition of CT Economy

## EMPLOYMENT BY CLUSTER, 2010



### Key Strengths to Build Upon:

- Insurance/Financial Services
- Healthcare/Life Sciences
- Advanced Manufacturing
- Tourism

### Emerging Opportunities:

- Digital Media
- Green Technology
- IT Innovation

# Insurance/Financial Services

- Still the “Insurance Capital of the World”
- In 2012, finance and insurance accounted for 16.1% of the state economy
- Employment remained stable through the recession, 8.4% in 2000 to 8.3% in 2012
- Ranked 2<sup>nd</sup> among states for share of employment in finance and Insurance



# Healthcare/Bioscience

- A total of 800 companies/entities in the state
- Ranked 3<sup>rd</sup> in U.S. with 15.3% of population having advanced degrees
- Ranked 6<sup>th</sup> in U.S. for scientists and engineers
- Annual average wage in bioscience is 25% higher than national average



# Advanced Manufacturing/Aerospace

- Worker productivity doubled between 2000 and 2010
- We ranked 1<sup>st</sup> in states in business R&D invested per capita
- Per capita GSP of \$54,925 is 4<sup>th</sup> highest in nation
- We are home to a number of world-renowned research institutions
- In 2012 aerospace exports were \$6.7 billion



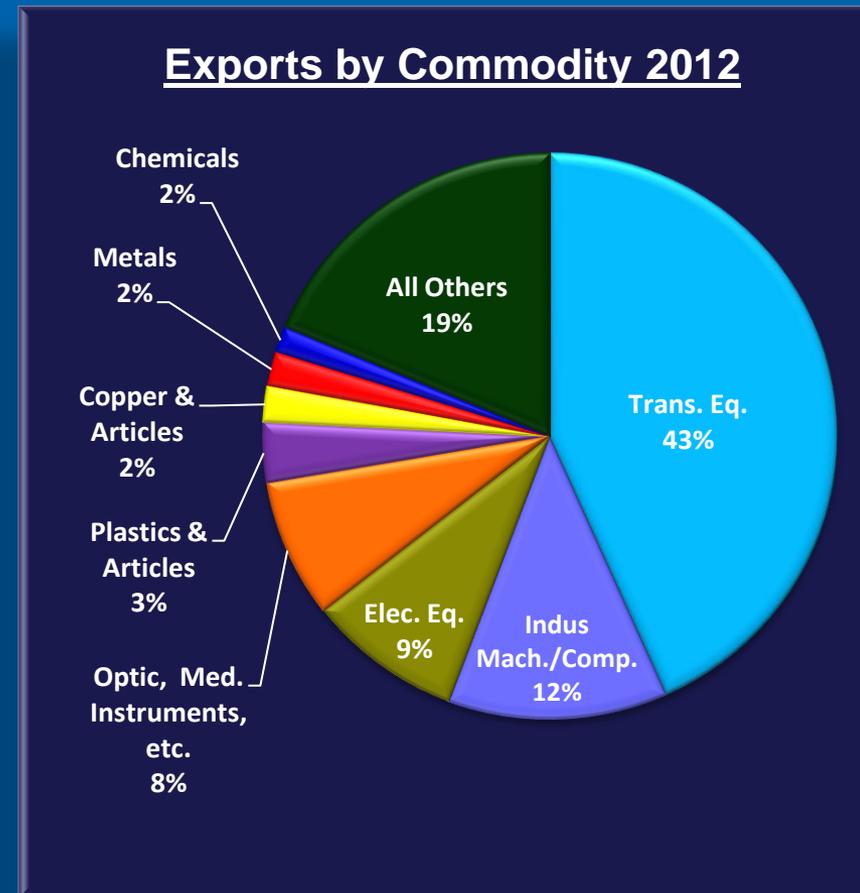
**KAMAN**





# Global Opportunities

- Exports are an engine of growth – \$15.8 billion, 7% of GDP in 2012
- Connecticut's strengths stack up well against other states:
  - 9<sup>th</sup> overall in the 2012 State New Economy Index:
    - 3<sup>rd</sup> in Industry Investment in R&D
    - 4<sup>th</sup> in Workforce Education
    - 8<sup>th</sup> in Fast Growing Firms
    - 3<sup>rd</sup> in Foreign Direct Investment



# Supporting Innovation

- Connecticut Innovations is stimulating more startup activity:



- Increasing our investments in pre-seed, early stage companies
- Supporting young companies with capital, mentoring
- CT**NEXT** – Innovation Ecosystem



# Digital Media

- The state has taken the lead to create the right economic environment for this growing industry
  - Tax credits for production, infrastructure and digital animation
  - Collaborating to develop a talented labor pool
  - ESPN and NBC are expanding with a combined \$300M in capital investments and 1,250 jobs



# Green Economy

- CEFIA is the nation's first "Green Bank"
- Through CEFIA, over \$30 million invested by homeowners in residential solar PV and nearly 400 jobs created (150 direct and 250 indirect and induced) in 2012
  - Clean energy programs focused on driving down the cost of clean energy
  - Leveraging private dollars vs subsidization
- Create jobs: thousands of jobs in efficiency, deployment of renewables, strengthening of electric grid, and build out of natural gas infrastructure are in the balance



# Other Components of the Strategy

# Investing in our Workforce

- Next Generation Connecticut – UConn
- Investing in Connecticut's Technical High School System
- Establish/expand manufacturing technology programs in 3 community colleges – \$10 million/year for two years
  - Modeled after the successful Asnuntuck Community College model

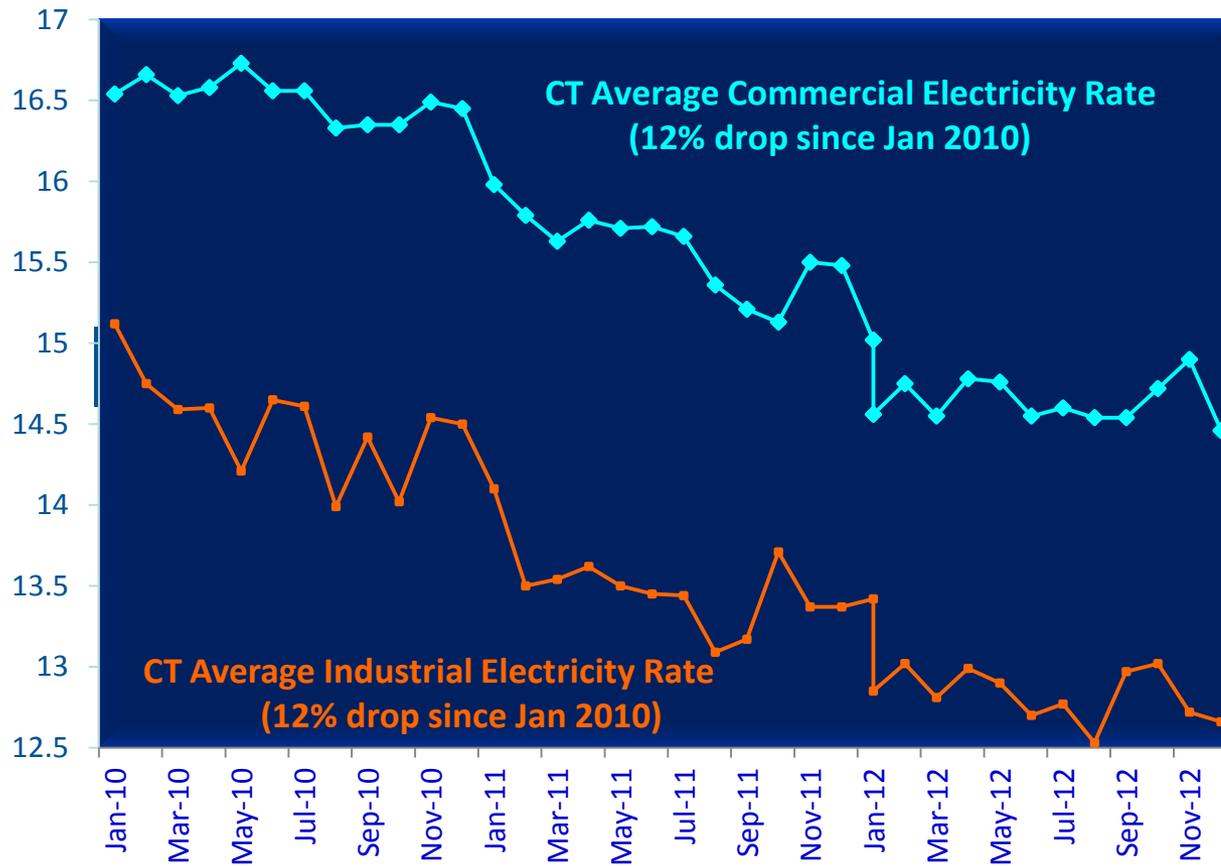


# Improve the Regulatory Environment

- Expedite the permitting process –  
LEAN approach being used in most agencies
  - Reduced processes from 10-80%
- Improving business tax structure
- Bring down the cost of doing business  
in critical areas



# Comprehensive Energy Strategy



Source: US Energy Information Administration (EIA)

- Lower the cost of energy through
  - Increased use of natural gas
  - Better efficiency
- Make our electrical grid more reliable
- Decrease emissions of carbon and other pollutants

# Improve The Regulatory Environment

***Executive Order 37 directs all agencies to review all of their regulations (older than 4 yrs)***

- Each agency must identify “regulations that are obsolete, duplicative, excessively burdensome, or otherwise ineffective or unnecessary”
- Public comment welcome:  
governor.regulations@ct.gov or by visiting  
[www.governor.ct.gov/regulations](http://www.governor.ct.gov/regulations)

# How We Support Small Business



# Financial Assistance

- Small Business Express Program (EXP)
- Economic Development and Manufacturing Assistance Act
  - Low-interest loans
  - Loan forgiveness
- Subsidized Training and Employment Program (Step Up)
- Job Expansion Tax Credit Program (JET)



# Small Business Express Program

**\$260 million EXP package in place for small businesses!**

- The Small Business Express Program (EXP) supports the retention and growth of small business (under 100 Employees)
- Combination of loans and grants
- EXP incorporates a streamlined process
  - One-page, online application
  - Expedited review process
  - Visit [www.DECD.org](http://www.DECD.org)



# STEP UP (DOL)

## Promoting job creation and worker opportunity for small businesses and unemployed workers

- Subsidized Training and Employment Program – \$5 million per year for two years
- Small Manufacturer Training Grant Program – \$5 million per year for two years
- Both programs apply to new hires
- Eligible small businesses can utilize one program for each eligible new hire



# STEP UP for VETS (DOL)

## Helps former military personnel find new employment

- Similar to the Step Up wage subsidy program except that it is open to any company, regardless of size
- Helps pay a new employee's salary for the first six months of employment
- Provides employers with up to \$20 per hour, for a maximum of \$12,000 over a 180-day period

*Visit [www.stepct.com](http://www.stepct.com) for more info*

*Visit [www.veterans.ct.gov](http://www.veterans.ct.gov) for education and housing info, job listings, and more*

# Job Expansion Tax Credit Program (JET)

**\$20 million available in tax credits through JET!**

- Employers receive \$500 per month for each new job
- Incremental credit for hiring the unemployed, disabled, and veterans at \$900 per month
  - Companies with under 50 employees must create at least one new job
  - Companies with 50 to 100 employees must create at least five new jobs
  - Companies with over 100 employees must create at least 10 new jobs
- Companies must complete application before hiring! Deadline for applications

**12/31/13**

# Technical Assistance

- Small Business Development Center (SBDC)
- Connecticut State Technology Expansion Program (CONNSTEP)
- Connecticut Center for Advanced Technology (CCAT)
- Procurement Technical Assistance Program (PTAP)
- Turnaround Management Assistance
- Site Selection Assistance
- CPACE (Clean Energy Finance and Investment Authority) now available in 60 towns/cities



# Conclusion

- **To successfully grow jobs, we need to:**
  - Focus on our strengths
  - Concentrate on highest-growth opportunities
  - Build talent to meet the needs of emerging growth areas
  - Invest for the future, using our state resources in a targeted manner



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