



ONE-STOP



NON-STOP

Pension Sustainability Commission Presentation

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Connecticut Department of Economic and Community Development

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Connecticut

Presentation Overview

- Strategy
 - Build on Strengths
 - Address Gaps

- Financial Assistance
 - Competitive Landscape
 - Non-Financial
 - State Return on Investment

- Recommendations



DECD's Economic Strategy

Economic Development Strategy

- Build on our strengths
(talent, location, quality of life)
- Focus on innovation and key business sectors to stimulate biz development, including offshore recruitment
- Focus on talent development
- Streamline governmental processes/regulation
- Address infrastructure issues
- Collaborate with key partners to improve business climate



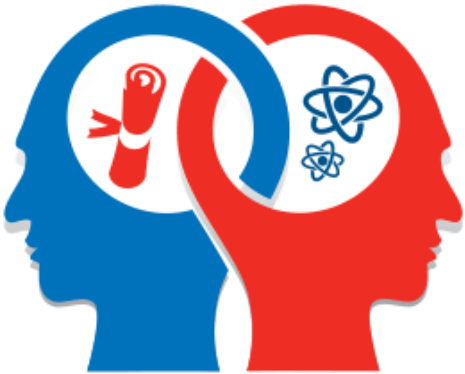
Economic Development Strategy



Connecticut Strengths: Workforce

#3 state for employees
with advanced degrees

#6 state for scientists
and engineers with doctorates



National Science Foundation, 2016; U.S. Census Bureau, 2015; CERC calculations

Not only is our workforce highly educated, it's highly industrious – ranking **#5** in the U.S. for productivity



Productivity is the spirit that drives Connecticut business.

In terms of gross domestic product, Connecticut ranks higher than several major countries in productivity.



#2 Ranking for economic
output per job



Great location in the
heart of the northeast



Connecticut Strengths: World-Class Educational Institutions

Yale



CT boasts 40 colleges and universities, ranging from Ivy League to community colleges to world-class research institutions turning out highly educated workers and entrepreneurs



Fairfield
UNIVERSITY



Sacred Heart
UNIVERSITY



*The State of Connecticut is investing **significantly** in education*

Connecticut Emerging Strength: A Center of Innovation

#10 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 ranks **7th** in patents per capita and has 39% more patents than the U.S. average.

In 2015, **2,158 patents** were issued in Connecticut and **140,969** were issued in the U.S.



Focus on Key Industry Sectors will Drive our Economy





SEED



HARVEST

DECD's Business Support, Incentives, and Results to Date

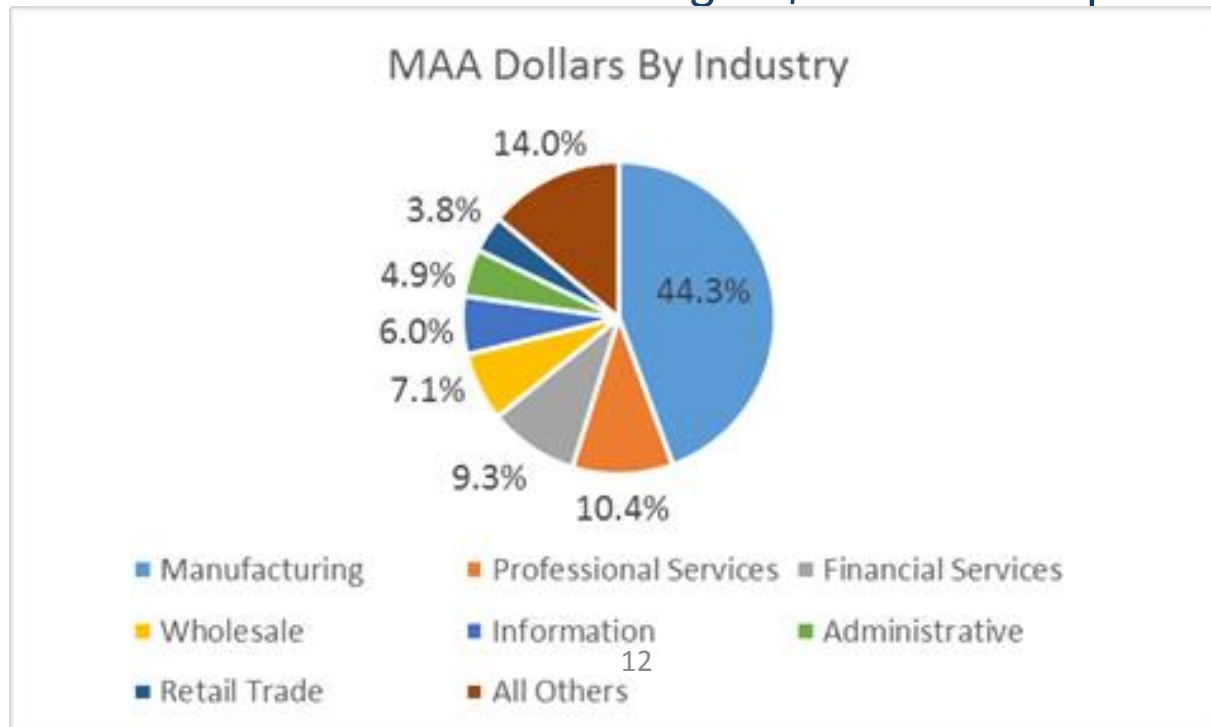
Key Outcomes During the Malloy Administration

- ✓ **124,200 private sector jobs added**
- ✓ **New firm creation up 24 percent.**
- ✓ **Unemployment rate dropped from 9.3 percent to 4.4 percent**
- ✓ The state cemented **historic partnerships with large employers** including UTC, Sikorsky, Electric Boat, Cigna, ESPN,
- ✓ Increased the number of **Fortune 500 companies** from **11 to 17.**
- ✓ **Attracted over 100 new companies**, including Charter Communications, NBC Sports, and The Jackson Laboratory.
- ✓ With support from CTNext and Connecticut Innovations, **tripled the number of incubators** in our urban areas and added **22 new accelerators**
- ✓ Connecticut invested approximately \$223 million on brownfields revitalizing more than **170 properties in 72 cities and towns**, leveraging over \$2.5 billion in other funds.

Manufacturing Assistance Act (MAA)

Provides milestone-driven loans and grants for mid to large-sized companies growing jobs and building their business in CT

- Since 2011, MAA funds have been used to assist 200 companies in 75 different municipalities in the state's largest urban centers, suburban towns, and small rural communities. MAA-funded companies are expected to retain approximately 25,000 jobs and create 11,600 new jobs. Approximately \$570 million in total state assistance has leveraged \$1.9 billion in private investment.



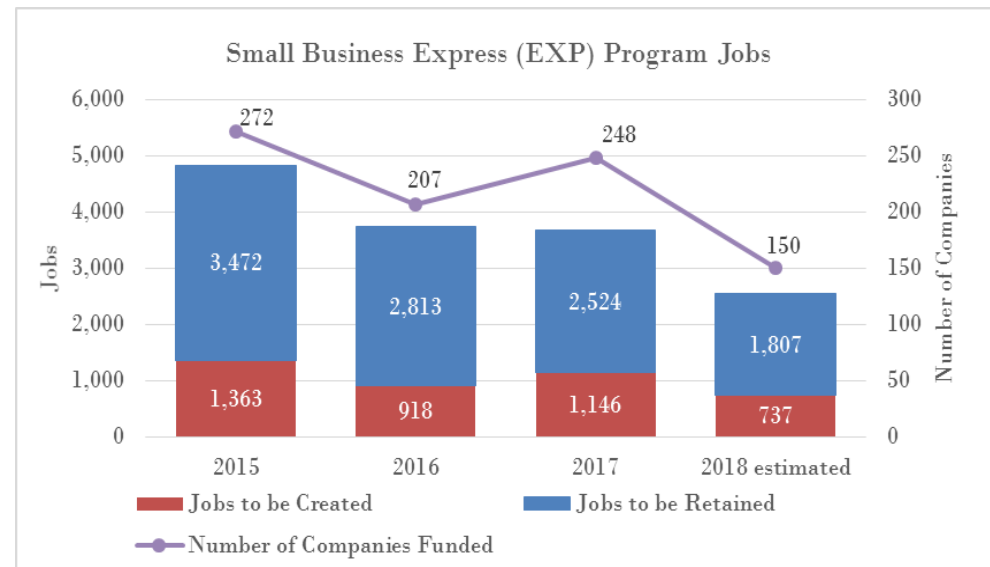
Small Business Express Program (EXP)

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

- To date, 1,955 companies have been provided more than \$318 million in financial assistance to create 8,199 jobs and retain 21,546
- All industries are represented – including manufacturing, healthcare and bioscience, business and financial services, construction, and main street retail

*Volume has slowed as bank activity
has increased*

- Renewed focus:
 - Minority Business Owners
 - Incorporating arts/non-profits
 - Leveraging EXP to attract innovative and tech companies from out of state

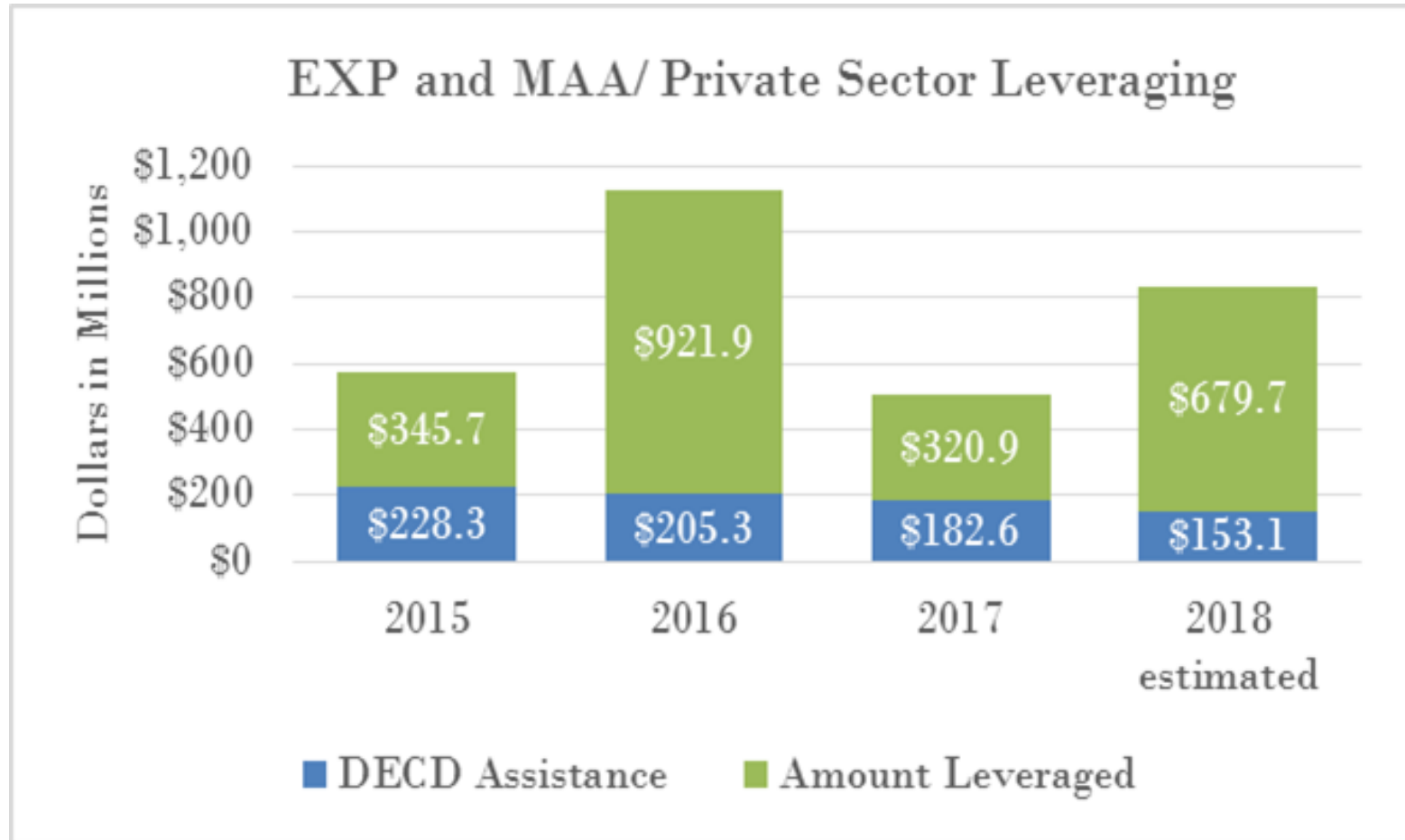


Manufacturing Innovation Fund

Provides matching grants to manufacturers to make innovative investments needed to remain competitive, win new contracts, and grow jobs.

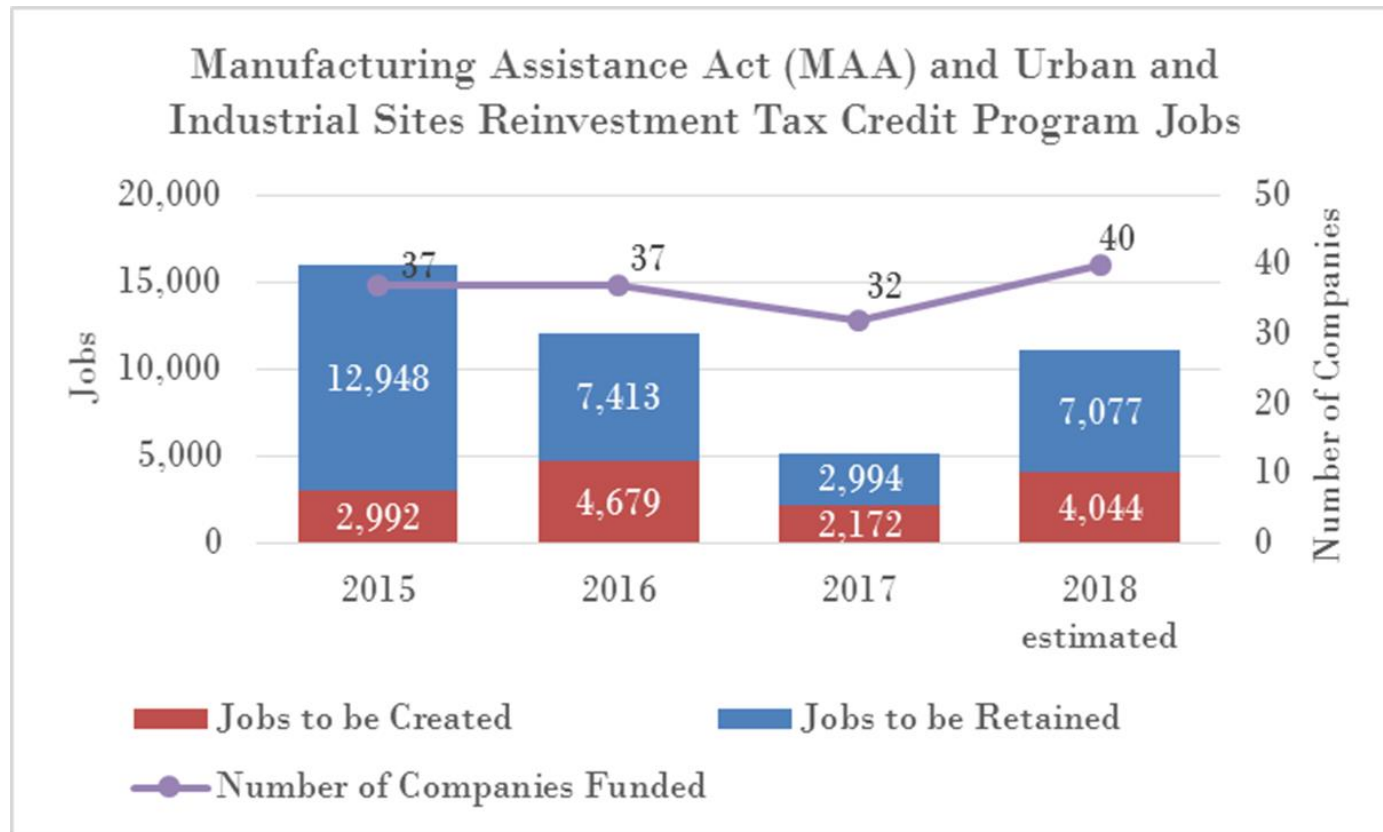
- As of May 2018, the MIF has assisted over 1,000 companies and invested over \$58 Million to help accelerate growth, cultivate talent and boost investments in innovation
 - **Voucher Program:** Vouchers, ranging from \$5,000 to \$50,000, for the purchase of specialized expertise that will help improve operations (e.g., marketing, LEAN, compliance, equipment purchase)
 - **Incumbent Worker Training:** matching up to \$50,000 per employer to train incumbent workers in the appropriate skills to meet current and emerging market needs
 - **Apprenticeship and Pre-Apprenticeship Program:** provides competency based learning for apprentices for on-the-job learning and related classroom instruction. Maximum funding is \$9,500 per apprentice for year one and \$9,250 for year two for the sponsoring company
 - **Energy Efficiency:** Fully finances the upgrading of a manufacturing facility's energy efficiency, through the C-Pace Program

EXP & MAA Leveraging



Total amount leveraged including estimates: **\$679.7 Million**

MAA & URA Leveraging



Totals including estimates-

- Jobs to be retained: 30,432
- Jobs to be created: 13,887
- Number of companies funded: 146

More Work to be Done...

- Addressing fiscal issues (even if plan to do so is over a longer period of time) will boost the confidence of the business community
- Workforce is a key issue for all companies: need to continue to invest and grow, especially in manufacturing, technology
- Infrastructure is also a key issue for all companies: need to be able to efficiently move their workforce across the state
- Making our urban areas and our companies more attractive to the younger workforce....e.g., innovation places...must continue
- Need to retain the incentive tools (with discipline in ROI requirements) to ensure state remains competitive

Questions?

Thank You!

