CONNECTICUT

2025 ECONOMIC ROADMAP

Connecticut Department of Economic and Community Development

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INTRODUCTION

Executive Summary

This document ("Economic Roadmap") presents a **four-year strategic plan for economic development in the State of Connecticut** ("State" or "CT"), providing its Department of Economic and Community Development ("DECD" or "Department") with core focus areas and guidance for coordinating with federal, state, regional, and local economic development partners.

The Economic Roadmap provides a path for advancing actionable policy proposals and programming that promote sustainable growth across Connecticut. The **2025 Economic Roadmap** outlines a vision and key initiatives across three strategic pillars: economic development, community development, and cross-agency collaboration.

Planning Process

Statewide Planning Context

Regional Economic Development Planning

Made possible by a statewide planning grant from the U.S. Department of Commerce's Economic Development Administration ("EDA"), the Economic Roadmap aligns economic development initiatives across the State's Economic Development Districts ("EDDs"). EDA's Public Works and Economic Adjustment Assistance programs require EDDs to produce an updated Comprehensive Economic Development Strategy ("CEDS") every five years in order to qualify for federal assistance and designation as an EDD.

While a statewide CEDS is not required by any federal law or EDA guidance, this Economic Roadmap will satisfy the statutory requirements of Conn. Gen. Stat. Sec. 32-1o, which requires DECD to produce a statewide economic strategic plan every four years in consultation with the Secretary of the Office of Policy and Management, the Commissioners of Energy and Environmental Protection and Transportation, the Labor Commissioner, the executive directors of the Connecticut Housing Finance Authority and the Connecticut Health and Educational Facilities Authority, and the chief executive officer of Connecticut Innovations, Incorporated. The Commissioner of Economic and Community Development must submit this plan to the Governor for review, which becomes effective upon approval.

Appendix A documents the strategic planning requirements that informed and are fulfilled by this Economic Roadmap.

2021 Economic Action Plan

In September 2021, DECD released the 2021 Economic Action Plan ("EAP"), which featured the following four key pillars:

- Developing Connecticut's workforce so that every resident has access to a meaningful career pathway
- Supporting growth and generating inclusive economic opportunity within Connecticut's innovative and specialized industries

- Attracting and retaining talent by investing in vibrant and affordable communities for all Connecticut residents
- Improving Connecticut's environment and reputation for starting and growing businesses

With support from a consulting team, the EAP's proposals and associated new programs were based on comprehensive research and data sources, including over 1,000 survey responses across the state and its target industries, interviews and small group discussions with over 90 stakeholders from more than 50 organizations, an advisory council with over 35 members, and interviews with more than 20 industry experts.

DECD staff utilized the 2021 EAP as a starting point for this Economic Roadmap, and the EAP's commitment to thriving industry clusters, placemaking investments, workforce development, and equity in grantmaking and policy decision-making are likewise reflected here.

Appendix B provides a crosswalk of the EAP, the 2025 Economic Roadmap, and a suite of proposed legislation submitted by DECD for the 2025 legislative session, underscoring how these strategic planning documents have evolved over time and feed into each other.

Stakeholder Engagement

Between 2022 and 2024, DECD staff engaged in a strategic planning process that involved numerous State agencies and community stakeholders. DECD is the State of Connecticut's lead agency responsible for strengthening its competitive position in the rapidly changing, knowledge-based global economy. DECD takes a comprehensive approach to economic development, incorporating arts and culture, community development, education, tourism, and transportation into the Department's initiatives. DECD's process for updating the EAP to produce the Economic Roadmap was informed by conversations with various stakeholders, including:

- Each of the State's EDDs
- Each of the State's Councils of Governments ("COGs")
- Municipal leaders
- State officials and agency experts working at the state level on a variety of issues and initiatives, including broadband, brownfields, historic preservation, environmental protection, energy, tourism and marketing, housing, early childhood education, small business support and business development, and arts and culture
- Nonprofit leaders, including the Connecticut Business Industry Association ("CBIA") and Higher Education Institutions.

Relevant case studies, including Massachusetts and Maine's recent economic development strategic plans, policy research, and macroeconomic data were also reviewed.

Plan Framework

Based on discussions with stakeholders across the State, including COGs, EDDs, local and state leadership, state agencies, and other subject matter experts, the Economic Roadmap recommends strategies related to each of the following strategic pillars:

- **Economic Development:** Promoting innovation to spur new economic growth and providing support for Connecticut's core industries through targeted programming and collaboration with key statewide partners like AdvanceCT and Connecticut Innovations.

- **Community Development:** Fostering vibrant, resilient communities through strategic investments that enhance residents' quality of life, promote economic opportunity, and provide opportunities for strengthening local economies.
- **Cross-Agency Collaboration:** Coordinating with other statewide agencies to promote and, where appropriate, support their work to increase economic productivity and improve livability and affordability, by focusing on critical infrastructure investment (e.g., transportation, technical infrastructure, child care).

The Economic Roadmap's strategic pillars were selected to mirror the internal organization of DECD's work, which ranges from economic development work in support of Connecticut businesses and industries to far-reaching and ever-evolving community development initiatives. The nature of DECD's mission likewise necessitates frequent collaboration with other agencies, including but not limited to the Office of Policy and Management, the Department of Energy and Environmental Protection, the Department of Transportation, the Department of Labor, the Connecticut Housing Finance Authority, the Connecticut Health and Educational Facilities Authority, and Connecticut Innovations.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

VISION

DECD envisions a dynamic and resilient Connecticut economy—one that fosters innovation, supports thriving businesses, and creates high-quality career opportunities for all residents. By strengthening the state's core industries and cultivating emerging sectors, DECD aims to position Connecticut as a leader in economic competitiveness.

Through strategic partnerships, data-driven decision-making, and targeted programs, DECD will catalyze business growth, attract new investments, and facilitate cross-sector collaboration. Our commitment to continuous improvement ensures that Connecticut remains a premier destination for businesses, talent, and innovation in the years ahead.

STRATEGIC PILLARS

Economic Development

DECD works to increase the state's economic competitiveness by supporting the growth of new companies and career opportunities. In partnership with numerous stakeholders across Connecticut, DECD focuses its resources to support the state's longstanding core industries, as well as technological innovations and new emerging industries that will be of increasing importance to Connecticut's economy in the years ahead. DECD offers a wide variety of programming and services to catalyze the formation of new businesses, to support the growth and expansion of existing companies, and to incentivize firms to relocate to Connecticut from elsewhere. Our work continuously generates new jobs and career opportunities for state residents.

DECD will continue to deploy a data-informed approach to industry support and business development to spur statewide economic growth by pursuing the following strategies:

- **Strategy 1.1:** Grow Connecticut's core industries while nurturing promising new sectors.
- **Strategy 1.2:** Run and sponsor successful programs which support the growth and expansion of Connecticut businesses, as well as relocation of new firms to the state and the formation of new ventures.
- **Strategy 1.3:** Facilitate cross-sector collaborations between industry, institutions of higher education, and other post-secondary programs.
- **Strategy 1.4:** Collect and refine metrics to measure the efficacy and success of new economic development programs.

Core Industries

To support strategic prioritization of Connecticut's core industries, DECD engaged a consultant in 2024 to perform a statewide industry analysis utilizing funding from the U.S. Economic Development Administration. Summarized in **Appendix C** of this document, findings from the statewide industry analysis will continue to inform strategic decisions to allocate the State's support for target industries, playing to regional strengths while aiming to build new regional areas of expertise. The following core industry clusters have been identified for strategic support:

- Advanced Manufacturing
- Biosciences and Biotechnology

- Financial Services and Insurance
- Clean Energy
- Software and Digital

An overview of each of these industry clusters is detailed in the sections that follow.

Advanced Manufacturing

With a long history of manufacturing, Connecticut's 4,500+ manufacturers showcase a wide range of products and capabilities from textiles to advanced defense systems. As products have become more intricate, manufacturing in the advanced sectors followed with more technical processes and skilled labor. Aerospace and defense manufacturing continue to lead in overall economic output at just under $14 billion with other advanced manufacturing companies in sectors such as computers, electronic equipment, chemicals, and electronic components contributing another $6.5 billion in output.

The outlook for Connecticut's advanced manufacturing sector is bright. In 2024, Connecticut manufacturing generated 11.4% ($34.21 billion) of the state's gross domestic product, employed 153,600 people, and provided $15.67 billion in wages, with an annual average salary of $100,745.[1] In addition, each manufacturing job creates five additional jobs in other parts of the economy, and 66% of Connecticut manufacturers surveyed anticipate adding employees in 2026.[2] To support this growth, Connecticut continues to invest in partnerships with companies, colleges and universities, and technical institutions to recruit, retain, and train the next generation of workers. A combination of workforce development efforts and industrial automation can help sustain and grow Connecticut's advanced manufacturing sector.

The **Office of Manufacturing ("OOM")**, which sits under DECD's organizational umbrella, is dedicated to the support of Connecticut's centuries old manufacturing sector. *Solving Tomorrow's Challenges Today*, OOM's strategic plan, and its companion *Workforce Plan*, guide multiple initiatives spearheaded by the OOM team. A major goal is to develop and expand the skilled workforce needed within the manufacturing sector to meet increased and more complex production demands. Its three core components include inspiring our future workforce, generating interest among underserved groups, and upskilling existing teams.

The OOM strategic plan also focuses on building sustainable companies but facilitating business development and reducing costs/minimizing risks, driving innovation by providing catalyst capital and building capacity, and improving collaboration by facilitating networking and enhancing communication.

OOM is driving adoption of innovative practices to increase efficiency and productivity and will work with the Office of Workforce Strategy ("OWS") and the Regional Sector Partnerships ("RSPs") to increase cohesion and coordination among partners in building the manufacturing workforce of the future. Driving innovation and improving communication are foundational approaches to the OOM's efforts. OOM's work is supported by federal and state investments and Connecticut's **Manufacturing Innovation Fund ("MIF")**. The MIF was established by the State in 2014 and supports

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[1] https://www.cbia.com/resources/manufacturing/2025-connecticut-manufacturing-report, accessed December 8, 2025
[2] *Id.*

Connecticut's advanced manufacturing industry by subsidizing workforce development, providing access to capital through direct loans and/or grants, providing matching funds for federal grants, encouraging company and university collaboration in R&D efforts, and subsidizing innovative technology. The MIF is governed by an Advisory Board that oversees its overall mission and supports the successful implementation of program funding.

The MIF continues to invest in solutions that drive growth, solve pressing issues and ensure that the state's manufacturing companies thrive in a rapidly changing global economy. An example of one of many key initiatives, the **CONNEX platform** supports Connecticut's advanced manufacturing sector. Specifically, CONNEX connects all U.S. manufacturers and suppliers with a single, accurate, and searchable supply-chain solution to maximize exposure for businesses and efficient networking. The database contains information from over 140,000 U.S. manufacturers and suppliers nationwide and has advanced search features that allow for queries and navigation based on production capabilities, processes, certification, materials, industry sectors, NAICS/SIC codes, capability statements, and more. The platform has a wide array of capabilities, including a workforce and R&D search that links organizations with universities performing research that supports that manufacturing supply chain. With multiple elements to the platform, CONNEX is a useful tool for a wide range of industry stakeholders, including large manufacturers, small and medium manufacturers and suppliers, and other state manufacturing partners.

Through federal partnerships and various grants from the Department of Defense, Department of Energy, and the EDA, DECD serves as the lead agency driving the Model-Based Enterprise Tech Strategy Development.

Specifically, DECD's Office of Manufacturing received a 2023 EDA Tech Hubs Strategy Development Grant to advance a regional framework aimed at scaling the adoption of Model-Based Definition (MBD). MBD uses high-performance computing, automation, and cybersecurity to manage the product life cycle with three-dimensional, semantic digital representations with applications in the commercial manufacturing sectors of aerospace, medical devices, and clean energy.

Part of the advanced manufacturing industry's success has stemmed from the ability of those companies to take risks to try out new ways of solving problems so that they can think innovatively and become leaders in their fields. The wide applicability of innovative strategies and technologies like MBD demonstrates continued economic potential associated with Connecticut's advanced manufacturing sector, underscoring its importance to the state's economy as a whole.

Biosciences and Biotechnology

Including sectors such as pharmaceutical manufacturing, medical instrument manufacturing, and research and development; jobs in the Bioscience cluster have seen an annualized growth of 4.4% per year since 2017. With over 20,000 jobs across the industry cluster, Bioscience contributes 2.0% to total GDP with many occupations posting wages higher than the national average. Connecticut also benefits from its geographic location between centers of academic and corporate research in Boston and New York City. Proximity to these markets through strong transportation networks can provide easy connections between research and production hubs.

The national outlook for the bioscience cluster is one of stability but also one that is subject to national policy change and funding availability. The Inflation Reduction Act ("IRA") sought to address rising prescription costs and allow Medicare to negotiate prices for certain high-spend drugs. While a benefit to citizens, price stabilization could limit companies spending on new products and R&D activity. Recent government reductions in spending on research-related grants may also temporarily slow the production of new drugs, therapies, and treatments.

Drivers of the industry in the future may revolve around a few potential opportunities for Connecticut. The first is utilization of artificial intelligence ("AI") in the R&D process to create research models for identifying promising candidates or solutions. The second is providing assistance to companies whose patents are set to expire or whose drugs are being targeted for price negotiations.

The state has a long history of supporting the Bioscience Industry. Bioscience Connecticut at UConn Health was completed in 2018, to bolster the state's vision to reinvent the Connecticut economy by harnessing our tremendous strengths. This project, into which the state invested $864 million, was specifically designed to increase research capacity and productivity, increase the number of scientists, and expand incubator facilities to foster new business start-ups, while also improving access to state-of-the-art health care access in the state. In addition, in 2015 the state created the Connecticut Bioscience Innovation Fund with an initial infusion of $200 million to speed commercializable bioscience breakthroughs to market and to help healthcare-related companies to grow in the state. The Research and Development Credit Exchange rate was increased as of July 1, 2025, from 65% to 90% for Biotech firms, as per CGS Section 25-168[3] bringing the state more in line with our regional competitors. AI is also firmly on the state's radar, as described in more detail in the *Office of Workforce Strategy* and *Innovation and Emerging Industries* sections of this document.

Financial Services and Insurance

Connecticut has long been a hub of financial and insurance businesses and activity. The Capitol Region continues to serve as Connecticut's hub for jobs in these two industry sectors, although over the past 10 years the state has seen a decline in the number of total jobs across these sectors. Nationally, the sectors are lagging behind overall GDP growth as they are in a mature stage in their lifecycle characterized by consolidation. Smaller companies that struggle to compete either merge with companies of a similar size or are acquired by larger firms. Technological innovation is also widespread in the industry with online services becoming an essential business offering and function. New fintech companies have entered to offer scalable technological solutions which may replace more manual processes.

As the digitization of services further permeates the sector, cybersecurity becomes more critical. The advancement of new technology such as online applications or smart phone apps is likely to play a role in future innovation as well. These may be areas where Connecticut could create smaller clusters of innovation supporting two major industry sectors that continue to support jobs in city centers at higher-than-average wages.

The Connecticut Insurance and Financial Services program (IFS), funded by the state and managed by the MetroHartford Alliance, was established in 2003 to strengthen the industry, including a data

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[3] https://www.cga.ct.gov/2025/ACT/PA/PDF/2025PA-00168-R00HB-07287-PA.PDF, accessed September 17, 2025

hub and statewide alliance. In 2022, IFS was instrumental in establishing a formal agreement with the United Kingdom to launch a new InsurTech Corridor.

Energy Policy & Strategy

As total electric demand increases due to the rise of artificial intelligence and electrification of heating, cooling and transportation needs, producing more affordable energy is critical for the future of Connecticut's economy and meeting its climate and environmental policy goals. Connecticut industrial and residential customers face electricity prices that were, respectively, 117% and 56% above the U.S. average as of June of 2025. This represents a significant economic headwind for Connecticut businesses and an affordability issue for households. Closing the gap in electricity prices relative to the rest of the country must be a priority for our state and region in the years ahead.[4]

Advancing energy policy and strategy, particularly as it pertains to modernization, innovation and efficiencies in energy consumption, is also a critical business attraction, retention and competitiveness factor for the state's aerospace, defense and commercial sectors – all of which rely on the state's highly skilled advanced manufacturing sector. As national and global demand and support for different sources of energy continue to evolve, Connecticut will keep working to identify and pursue opportunities in this critical sector.

Software and Digital

The advancement of new digital technologies such as quantum computing, AI, and data programming brings forth new opportunities to leverage Connecticut's top tier research institutions and private companies to develop new applications for forward-thinking technology. AI and machine learning are helping solve complex problems, creating digital environments for studying new models of therapeutics, and more precise ways of tracking changes in physical composition and our surrounding environment.

Fortunately, Connecticut is ahead of many other states making strides in quantum computing through the QuantumCT partnership between Yale University, the University of Connecticut, and state government. This collaborative team is working to make this technology a bigger part of Connecticut's economy through research in quantum sensing, cryptography, materials, computing, and algorithms. To continue growing this industry, Connecticut will also work with its partners to grow and retain its base of computer engineers, programmers, and researchers as well as ensuring power systems and data centers are available to support the growing needs of advanced computing. The state is also taking a lead in Artificial Intelligence (AI) adoption and integration, as further described in the *Office of Workforce Strategy* and *Innovation and Emerging Industries* sections of this document.

Innovation has been a significant focus and competitive advantage for the state. In 2024, DECD launched its new Office of Innovation (OOI) to support pioneers of new technology, entrepreneurs, and the new businesses they create. The OOI is committed to the activation of the state's full economic potential by providing the local innovation ecosystem with support at all levels, from ideation through commercialization, including ensuring that the stated remains at the cutting edge of technology in a rapidly evolving world. The state also allocated $100 million to the Innovation

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[4] US EIA, U.S. Energy Information Administration - EIA - Independent Statistics and Analysis

Clusters Program over five years to support projects that contribute to the ongoing development of key, rapidly evolving innovative industries, including biotechnology, financial technology, insurance technology and advanced manufacturing.

Business Support

Connecticut's economic strength is driven by a diverse and innovative community. To foster a thriving business environment, the State offers a robust suite of support services and tools designed to help businesses at every stage of development, including businesses in the Core Industries identified above. Strategic coordination between divisions within DECD and key statewide organizational partners provides businesses with access to tailored solutions to meet the unique needs of businesses across industries, helping them compete and growth in today's dynamic marketplace. This section outlines key programs and services available to Connecticut businesses, highlighting initiatives designed to promote innovation, sustainability, and long-term growth. By leveraging these resources, businesses are better enabled to navigate challenges more effectively and can capitalize on new opportunities that drive job creation and economic growth throughout the state.

A robust business attraction, retention, and expansion program is critical to DECD's mission to support its business environment. DECD offers a portfolio of programs and incentives and guidance for businesses looking to start, expand, or relocate its operations within Connecticut. These include:

- The **Manufacturing Assistance Act Program (MAA)** is DECD's primary funding source to provide direct financial assistance to businesses. The MAA promotes retention, expansion and diversification of existing manufacturing businesses and other targeted industries, including support to relocate to the state and to enhance employment opportunities, especially in economically disadvantaged communities. From 2015-2024 companies in the MAA portfolio have contributed direct net state revenue of over $205 million.[5]
- Connecticut was the first state in the nation to offer a statewide program of benefits to help **Enterprise Zone** communities. As a result, these communities can offer various incentives to encourage economic development, lower the cost of doing business, increase private investment, expand the local tax base, re-use underutilized properties, grow important industry clusters and expand job opportunities.
- Connecticut has 72 federally designated **Opportunity Zones**, which bring public and private stakeholders together to enhance investment in the state by leveraging capital gains tax benefits. States must nominate Opportunity Zones for new certification or recertification by July 1, 2026, with a new map and investment rules to be approved by the Treasury by December 31, 2026. A new map (OZ 2.0) will be published by January 1, 2027. [6]
- The **Angel Investor Tax Credit** encourages individuals to invest in promising startups that need capital to grow. The program offers qualified investors a 25% credit against the state's income tax when they invest at least $25,000 in qualifying businesses.
- Connecticut offers various **Sales and Use Exemptions** on the gross receipts of certain transactions in industries such as aircraft, biotechnology, and manufacturing. These allow the state to compete globally for strategic investments, including job growth.

[5] (CT Department of Economic and Community Development, 2024)
[6] Opportunity Zones 2.0 Explained: Ultimate Crash Course - OpportunityZones.com, accessed September 17, 2025

- The Small Business **Boost Fund** is a one-stop shop for business owners and nonprofits to access working capital loans while also receiving support and guidance before, during and after the loan application process. Low interest loans of 4.5% range from $5,000 to $500,000.
- The **Manufacturing Innovation Fund (MIF)** supports the growth, innovation and progress of the advanced manufacturing sector. As of 2024, $95 million has been invested, 29,420 incumbent workers have been retrained, and every state dollar has been matched by $2.60 in private/third party investments. The MIF Board of Directors reviews and authorizes all funding decisions.
- The **Office of Brownfield Remediation and Development (OBRD)** is a one-stop resource, providing financial and technical assistance to municipalities, economic development agencies, brownfield owners and potential developers. The goal is to return brownfield sites to productive re-use. Services include project support, liability relief and funding opportunities.
- The **Urban and Industrial Site Reinvestment Tax Credit (URA) Program** provides credits that are designed to incent development of new jobs and economic activity across the state. These incentives are designed to revitalize urban and industrial sites, creating significant jobs and capital investment.
- The **JobsCT Tax Rebate Program** was launched in 2023, providing eligible employers with the opportunity to earn a rebate equal to 25% of the withholding taxes from net new employees. Employers that locate or grow in a distressed municipality or opportunity zone are eligible for a 50% rebate. Since the program's inception, participating companies have created approximately 2,463 net new jobs.
- The **Office of Film, Television, and Digital Media** plays a critical role in nurturing the state's growing film industry by offering three incentives programs that aim to expand the motion picture and digital media production industry in the state. The **Film, Television, and Digital Media program** issued 42 tax credits totaling approximately $171.1 million in Fiscal Year (FY) 2024, supporting $570.8 million in industry spending and an estimated 2,571 new jobs. With a wide variety of locations, top-tier production capabilities, and competitive tax incentives, Connecticut will continue to be an attractive environment to grow the film, television, and digital media industry.
- The **InvestCT Tax Credit** provides incentives for investment in new startup businesses in the state, distributed at 20% a year for five years. Between 2016 and 2024, approximately $114.1 million has been invested in new ventures across key industries (e.g., manufacturing, financial services) and approximately 1,585 new jobs were created.

In addition to the incentives discussed above, DECD offers a range of loan programs designed to support business development and growth across the state. These financing options provide businesses with the capital needed to expand operations, invest in new technology, and create new jobs. Whether through low-interest loans, gap financing, or targeted industry-specific funding, DECD's loan programs help businesses of all stripes overcome financial barriers and drive long-term economic success. These include:

- The **Small Business Boost Fund** provides flexible financial assistance to help small businesses and nonprofits, offering low-interest loans ranging from $10,000 to $500,000 to support working capital needs, equipment purchases, and business expansion. From the launch of the program in 2022 through 2024, 452 loans totaling over $59 million supported 2,906 jobs. Designed to be accessible and impactful, the Small Business Boost Fund helps strengthen Connecticut's economy by empowering small businesses with the resources they need to succeed, including technical assistance.

To attract new businesses to Connecticut and ensure our longstanding companies continue to grow and thrive here, DECD also works closely with **AdvanceCT**, a private nonprofit economic development organization that aims to drive job creation and new capital investment in Connecticut. This work is advanced through its business attraction, retention, and expansion initiatives, focusing on key industry sectors such as advanced manufacturing, life sciences and research, life sciences and research, aerospace and defense, insurance and finance, technology and media, and renewable energy. AdvanceCT's services range from relationship building across and within industry ecosystems, marketing the State of Connecticut, coordinating site selection, providing data and market research, and coordinating with the State regarding the provision of business incentives. Over the past five years, AdvanceCT has worked with DECD to ensure that Connecticut-based companies—from start-ups to Fortune 500 organizations—had access to the resources they needed to navigate changes in the national economy, helping to create over 16,000 new jobs across 142 new projects with a combined capital expenditure of over $3.7 billion.[7]

Across the entire portfolio of programs and incentives outlined above, DECD will continue to refine metrics to measure these programs' efficacy and success, reporting annually in the agency's Annual Report. After evaluating these programs, DECD will determine whether to continue funding those programs and/or adjust program administration to make them even more effective moving forward. Taking an agile approach to program management and evaluation will best support DECD's efforts to nurture economic growth through industry development.

Marketing and Tourism

Marketing and tourism help drive the state's economic development given the roles they play in driving state and local revenues, supporting local businesses, attracting new businesses and residents, and encouraging job creation. For example, the May 2024 Economic Impact of Visitors in Connecticut report found that in 2023, tourism generated approximately $1.2 billion in state and local tax revenues, supporting around 124,000 jobs. A robust tourism industry attracts visitors who contribute to the regional economy by spending on dining, entertainment, lodging, and retail. Effective marketing and tourism strategies also enhance Connecticut's reputation, promoting long-term growth and investment in communities across the state, making marketing and tourism vital to DECD's community development work.

Housed within DECD, the **Office of Statewide Marketing and Tourism** provides a broad range of services to support tourism and marketing throughout the state and has a demonstrated track record of success.[8] Its 2025 Strategic Plan is laser-focused on the importance of attracting and retaining residents and the domino effect it can have on the state's economy: "By making Connecticut a place people want to visit, they'll fall in love with it as a place to live. If people choose to make their life and families here, businesses can grow here. If businesses can grow here, capital

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[7] AdvanceCT, "2024 Annual Report: Celebrating 5 Years," December 2024, https://www.advancect.org/media/userfiles/subsite_190/files/reports/2024%20Annual%20Report.pdf, accessed August 1, 2025.

[8] In 2022, Connecticut was ranked in the top 10 states for net resident growth for a desirable target: individuals younger than 35 making more than $100,000 per year. See Horan, Stephanie, "States Losing (And Gaining) The Most Rich Young Professionals – 2022 Edition," Sept. 8, 2022, Smartasset, https://smartasset.com/data-studies/states-losing-and-gaining-the-most-rich-young-professionals-2022.

will be invested here." The Office's **Make It Here** campaign—and its accompanying Make It Here 2030 initiative and website—encapsulates the vision that Connecticut is one state with a whole lot of everything. The plan's overarching goals include:

- Enriching and emboldening the cohesion of the State of Connecticut brand with the CTVisit brand, including the overarching message "Make It Here," to build a unified perception across tourism, economic development, and all departments
- Fueling the momentum in changing perceptions of the state, shattering the erroneous perception that Connecticut is lackluster, and enlightening the world on our true diversity, energy, and rich tapestry of offerings
- Maximizing the return on investment for our more limited marketing budget
- Strengthening the relationship between the Office of Statewide Marketing and Tourism and the regional tourism districts to increase synergy between each office's efforts
- Continuously enhancing and promoting the extraordinary state asset that is CTVisit.com
- Maintaining a heavy focus on PR efforts, continuing thematic pushes, and amplifying the state's accolades
- Improving channels of communication with all tourism industry businesses to better understand our offerings and challenges so that we might unify strategies for support
- Leveraging data and resources to guide informed decisions

Statewide marketing is a critical component of the State's ability to attract and retain a highly skilled workforce, which is crucial to fueling sustainable economic growth and advancing economic mobility. Economic growth relies on employers' ability to access workers with the requisite skills to do the jobs required to allow businesses and key industries to function and scale. To continue to fuel its economy, it is imperative that the State maintains its supply of highly skilled workers, focusing on retention of its current workforce as well as attracting workers from other U.S. states and from other countries to support new industry growth. Connecticut has much to offer its residents: the State's proximity to other major metropolitan areas, relative affordability compared to nearby states, and quality of life are unparalleled.

Office of the Arts

Housed within DECD, the **Connecticut Office of the Arts (COA)** is the State's lead agency for supporting and promoting the arts and fostering a vibrant cultural landscape. It is a recognized state arts agency (SAA) through a partnership with the National Endowment for the Arts (NEA). Through grants, programs, and key partnerships, COA strengthens all types of Connecticut's creative communities, ensuring broad public access to the arts. Central to COA's efforts is ensuring that the arts are embedded into social impact solutions, underscoring the broad economic impact on a community that the state's creative economy can offer beyond serving as an important driver of tourism.

COA administers a range of programs, services, and resources to a wide array of beneficiaries, including individual artists, arts organizations, municipalities, schools, and educators. In FY 2024, COA distributed 691 grants totaling to approximately $44 million, including over $20 million in American Rescue Plan Act (ARPA) funding.

Relevance, Equity, Access, Diversity, and Inclusion (READI) are foundational to COA's mission to support arts making and arts participation for all people, embedding art in all forms into everyday life. COA has recently supported efforts to position art as an accelerant for positive public health outcomes (e.g., preventing loneliness, supporting mental health). For example, the **Arts Pharmacy** program, which kicked off in March 2025, aims to address the dual mental health and loneliness crisis through the power of the arts and community events. COA also continues to explore the positive impact of integrating art into residential development. Namely, supporting initiatives like the Beam project in New London, which features an arts accelerator and garnered support from both DECD and DOH, emphasizes art's potential to increase an individual's commitment to a given neighborhood or community and provides a strong example of how DECD can collaborate with other agencies to pursue catalytic placemaking that advances multiple community development goals. Investing in the state's artists, their initiatives, and the organizations that support them demonstrate the vital role that the Office of the Arts plays in driving cultural and economic growth across Connecticut. The state's rich and varied arts offerings are a critical part of our ability to attract and retain a highly educated, talented and diverse workforce. A new program, the DECD Cultural Accelerator, is a groundbreaking initiative designed to build the economic infrastructure required to support the creative ecosystem. It is a partnership between DECD, Yale Ventures, and MOC Innovations. It is administered by the Cultural Innovation Lab at Yale, another DECD partnership.

Innovation and Emerging Industries

DECD is committed to fostering a thriving innovation ecosystem that drives economic growth and technological advancement across the state. Through a variety of targeted programs and initiatives, DECD supports entrepreneurs, startups, and established businesses alike through targeted funding opportunities, technical assistance, and strategic partnerships. Collectively, these efforts are designed to enhance research and development, encourage collaboration between industry and post-secondary educational institutions as well as to attract technology-driven industries to Connecticut. By investing in innovation, DECD aims to strengthen Connecticut's competitiveness, create high-quality jobs, and position Connecticut as a leader in key emerging sectors.

Connecticut's innovation ecosystem has several key organizations driving this work. In 2024, DECD launched its **Office of Innovation ("OOI")**, which is dedicated to activating Connecticut's full economic potential by providing the local innovation ecosystem with support at all levels, from ideation through commercialization. OOI delivers programming and initiatives focused on four pillars of action: mentorship and technical assistance, access to talent, access to capital, and connection and network building. OOI's efforts in support of Connecticut's innovation ecosystem will help to ensure that our industries remain competitive, to generate new high-paying jobs, revitalize our cities as centers of innovation, promote equitable growth for residents and communities, and keep Connecticut at the cutting edge of technology in a rapidly evolving world.

Connecticut Innovations ("CI") serves as the state's strategic venture capital arm and leading source of financing and support for innovative, growing companies. Its investment portfolio boasts nearly 250 companies across sectors including biotech, IT, climate tech, and consumer package goods. Targeted applications of AI in core industries will also likely be of increased importance in the years to come. CI administers the **Connecticut Angel Investor Fund**, which encourages investments in early-stage, innovative businesses by offering tax credits to qualified investors. The program provides a tax credit of up to 25% on eligible investments made in Connecticut-based startups in key industries such as advanced manufacturing, bioscience, and information technology. The Angel Investor Fund continues to play a critical role in attracting private capital to support the growth of promising new companies and to strengthen the state's innovation ecosystem.

A focus on innovation hubs and industry clusters has allowed DECD to understand how elements of its regional economy fit together and to tailor its strategy to ensure that target sectors in the regional economy thrive. In 2024, DECD launched the **Innovation Clusters Program** to offer $100 million over five years to support projects that contribute to the ongoing development of Connecticut's key innovative industries, including biotechnology, financial technology, insurance technology, and advanced manufacturing. The program aims to use private and public investment to establish and enhance physical spaces that are involved in the advancement and application of next-generation technologies, such as artificial intelligence and quantum computing, to accelerate innovation in high-growth clusters where Connecticut has demonstrated a competitive advantage. The Innovation Clusters Program offers a strategic opportunity for the State to invest alongside the private sector in high-impact, technology-driven projects that will promote technology adoption to improve competitiveness, train the workforce of the future, and boost vibrancy in host communities. DECD received over 32 submittals in response to the program's request for information launched in June 2024. One award has been announced to the City of New Haven for $50.5M to boost life sciences and quantum computing, and the Department aims to select any other final awards by the end of Summer 2026.

Quantum computing is another emerging area of focus for the state. Quantum technology will have broad applications to support some of Connecticut's most important core industries, especially in relation to innovation required by defense technology as well as advanced materials development. Through initiatives like **QuantumCT**, a first-of-its-kind public-private partnership co-led by Yale University and UConn, the state is accelerating the adoption of quantum technologies in Connecticut and beyond. QuantumCT is currently under consideration for grant funding through the National Science Foundation, and through this partnership, DECD is supporting the development of quantum computing as well as leading innovation and the advancement of new technologies.

The state is also fully supporting the rapidly growing adaptation of Artificial Intelligence (AI). In January 2025, the state launched the free AI Academy, in partnership with Charter Oak State College and Google, which offers one month of free training in generative AI to state residents, resulting in an industry-recognized credential. **QuantumCT** is also incorporating AI into its work, in collaboration with the state's efforts.

While the State is in the best position to coordinate stakeholders to create ecosystems that lead to success, this coordination takes time and effort and is most successful when State officials have institutional knowledge to help make fruitful connections. DECD staff designated to support high-growth industries will continue to engage in the following activities:

- Seeking federal and other grant opportunities.
- Supporting regional efforts to build industry and innovation clusters, including partnering universities with private sector leaders and with local and state governments.
- Connecting for-profit and non-profit companies within a sector to one another at different levels of the supply chain to foster connectivity for economic growth.
- Connecting municipalities to one another so that they can collaborate, rather than compete, when there are opportunities to do so.

Community Development

DECD's second strategic pillar is community development, where the agency takes a statewide and localized approach to promoting vibrancy and resiliency within communities. From short-term placemaking efforts to long-term investments in capital improvement projects and quality of life factors, community development prioritizes deep capacity building, a lens of economic equity and inclusion, and foundational partnerships with local governments, nonprofits, developers, and community organizations alike. While significant and direct investment has been central to advancing a live-work-play model under Governor Lamont's administration, DECD has also allocated notable resources to community capacity building and capital project gap financing, empowering communities of all stripes to participate in processes that promote high quality of life factors for Connecticut's residents.

DECD will continue to advance livability, vibrancy, and resilience within Connecticut's communities by pursuing the following strategies:

- **Strategy 2.1:** Highlight the arts and creative economy workers and organizations as an engine for economic growth in Connecticut.
- **Strategy 2.2:** Incentivize equitable community-driven development through local capacity building, quality of place investments, and flexible funding mechanisms focused on strengthening communities across the state.
- **Strategy 2.3:** Continue to support statewide marketing initiatives that position tourism as a springboard for resident attraction and underscore Connecticut's high quality of life.

These strategies are vital to the community and economy of Connecticut, laying the groundwork for inclusive, long-term growth that reaches beyond traditional economic metrics. By investing in the arts, local capacity building, and tourism, DECD is not only creating jobs and stimulating local economies, but also fostering a sense of place, pride, and belonging in communities of all sizes. These efforts help attract and retain talent, support both large and small businesses, and ensure that all residents—regardless of geography or background—have the opportunity to thrive. Strengthening the social and cultural fabric of Connecticut ultimately makes the state more competitive, resilient, and prepared for the challenges and opportunities of the future.

Community Investment Fund

Connecticut's Community Investment Fund 2030 (CIF) is a **$767 million five-year grant program** established in 2021 to unlock economic potential for historically underserved communities. Authorized by CGS Section 32-285a of the Connecticut General Statutes, the CIF was created as part of the State's budget and bond package with bipartisan support from the state legislature. DECD administers the CIF program, overseeing the application process, reviewing and providing summaries of applications to the CIF Board as well as managing and reporting on awarded projects. Both the CIF Board and Office of the Governor review applications before making final recommendations to the State Bond Commission, which approves projects for grants.

Eligible municipalities (i.e., distressed municipalities, per CGS Section 25-174[9]) public investment communities or alliance districts), community development corporations, and nonprofits submit

[9] https://www.cga.ct.gov/2025/ACT/PA/PDF/2025PA-00174-R00HB-07288-PA.PDF, accessed September 17, 2025

applications for capital improvement projects, including brownfield remediation, affordable housing, infrastructure, clean energy development, and home or public facility rehabilitation. The CIF also provides **planning grants** to support the development of capital improvement projects, an important program feature that enables greater accessibility to the program's funding.

The CIF completed its eighth round of funding (in the first half of 2026), approving funding for 38 Projects for a total of $62,927,829 across the state. A total of 123 applications were received in Round 8. Among multiple factors that CIF staff consider when reviewing applications for the CIF Board's consideration is alignment with the Governor's EAP. Taken together, CIF-funded projects have not only shored up local capacity to engage in transformative projects but also helped improve interagency cooperation and coordination to allow for longer-term community visioning. In addition, CIF has provided funding for much-needed housing. As of October 2025, 52 housing projects, containing 1,845 units, have been supported for a total of $152.8 million. These investments span direct construction and preservation (1,703 units), supportive and elderly housing (142 units), and infrastructure or planning projects that will unlock nearly 1,000 more units for future development.

Office of Community Development

DECD oversees a broad community development portfolio with a wide array of project types through its **Office of Community Development**. In FY 2024, approximately $143 million was invested into 93 community development projects through programs including the Small Town Economic Assistance Program (STEAP), the Urban Action Grant Program and the Connecticut Communities Challenge Program. These bring DECD's portfolio value to $640 million total including over 425 projects. A variety of grant programs operate under the Office of Community Development, including long-running programs and more temporary injections of funding to tackle targeted opportunities. [10]

Office of Brownfields Remediation and Development

Connecticut's **Office of Brownfield Remediation and Development** aims to return brownfield sites across the state to productive re-use, including mixed-used, residential, commercial, industrial, retail, and open spaces uses. A brownfield is any abandoned or underutilized site where redevelopment and reuse has not occurred due to the presence of pollution in the buildings, soil, or groundwater that requires remediation before or in conjunction with the restoration, redevelopment, or reuse of the property. The **Office of Brownfield Remediation and Development (OBRD)** has funded 265 brownfield projects across 72 municipalities between FY2016 and 2025, totaling approximately $332 million across loans and grants. This investment has impacted over 3,800 acres of brownfield properties in the state. Also, every dollar invested in this ten-year period has been able to leverage approximately $12 of non-DECD funds. In FY2025, OBRD supported 47 projects for a total of approximately $88 million in funding.

During the 2025 Legislative Session, the **Greyfield Revitalization Program** was established which allocates up to $50 million - $20 million in FY 2026 and $30 million in FY 2027 - to provide grants or loans to facilitate the repurposing of previously developed commercial retail and office space property that is no longer economically viable. Funded activities would include site development, infrastructure improvements, smart growth planning and site engineering work, and demolition of

[10] (DECD Annual Report, 2024)

derelict or non-contributing structures. This proposal exemplifies DECD's ability to continue to evolve its community development program offerings in the face of new waves of economic change.

In 2021, DECD developed the **Connecticut Communities Challenge**, a competitive matching grant program that funds projects to improve the livability, vibrancy, convenience, and equity of communities across the state and to create new jobs. The program aimed to invest more than half of funding into distressed municipalities,

The Connecticut Communities Challenge program awarded over $98 million to projects in 21 municipalities. There was a housing component to 20 of the projects, which is 90% of the grant funds awarded. In addition, these projects are expected to create 2,300 housing units as well as over 300,000 square feet of office, restaurant, and retail space and 12 new public space projects. Awarded over the course of three funding rounds between 2022 and 2023, Connecticut Communities Challenge awarded projects are leveraging over three dollars in non-state investment for every dollar of state funding invested through the program. [11]

State Historic Preservation Office

The **Connecticut State Historic Preservation Office (SHPO)** sits within DECD and is responsible for preserving and promoting the state's historic and cultural resources, including buildings, sites, structures, districts, and objects that comprise Connecticut's cultural heritage. Additionally, SHPO plays an important role in collaborating with federal and other state agencies to ensure that development projects comply with applicable preservation laws.

SHPO performs critical regulatory and oversight roles, consulting on approximately 3,000 projects annually, and ensuring that a wide range of stakeholders—from property owners to municipalities to organizations—are well-equipped to maintain and restore historic structures and properties. SHPO also administers a range of programs and services like the National Register of Historic Places nominations, ConnCRIS (a free online GIS viewer for Connecticut's cultural resources data) and grants intended to incentivize for historic preservation work. In FY2026, SHPO awarded approximately $1,844,467.46 million in grants to 41 recipients through the following programs:

- Certified Local Government: $40,000, 2 grants
- Historic Restoration Fund: $1,032,647.56, 8 grants
- Institutional Support for Capacity Building now called Local Partners: $100,000, 2 grants
- Historic Preservation Survey and Planning: $422,000, 28 grants
- Partners in Preservation: $250,000, 1 grant

While much of SHPO's work is regulatory in nature, the team also advances opportunities for communities to collaborate on restoration and revitalization-focused projects across the state. For example, in addition to playing a critical role in the Federal Historic Rehabilitation Tax Credit program, SHPO also manages two state tax credit programs. The first, the Historic Rehabilitation Tax Credit, accepted 34 new projects in FY 26 and $28,150,882 in tax credits were reserved for 18 projects. The total eligible expenditures for these 18 projects is $109,167,178. The Historic Homes Rehabilitation Tax Credit program resulted in 94 vouchers being sold to Connecticut Light and Power DBA Eversource Energy in FY 26 for $1,648,217.28, leveraging a $5,494,057.60 investment in the State through local trades, materials, housing stock, and quality of life. In a supply-constrained

[11] (DECD Annual Report, 2024)

national housing market, historic tax credits can serve as critical tools to pursue affordable housing goals as well as to transition people from renting to homeownership. Through its efforts, SHPO supports the conservation of Connecticut's architectural heritage while fostering a public appreciation for the state's rich and varied history.

Cross-Agency Collaboration

Economic and community development requires working and collaborating with multiple partners to cohesively and effectively improve economic indicators for the people of Connecticut. While many DECD partners are outside of state government, this section of the strategic plan seeks to highlight how efforts among state agencies are effectuated and aligned to ensure that government as a whole is working together to maximize impact and taxpayer return.

The cross-agency collaboration strategic pillar comprises a wide variety of programs and initiatives at DECD and other state agencies that collectively aim to increase economic productivity, improve quality of life and increase affordability in Connecticut:

- **Strategy 3.1:** Work with the Office of Workforce Strategy and key statewide partners to expand job opportunities in target industry sectors and to make high-wage, high-demand, high-skill (H3) career pathways accessible to Connecticut's residents.
- **Strategy 3.2:** Focus on high-impact energy investments that support the state's goal of net-zero greenhouse gas emissions by 2050, while moving Connecticut toward energy pricing parity with the rest of the United States, thereby enhancing economic competitiveness via affordability and reliability for individual and industrial energy customers.
- **Strategy 3.3:** Incentivize additional housing production, including housing that is affordable to workers and families across the income spectrum.
- **Strategy 3.4:** Continue to support enhancements to transportation infrastructure, including the expansion of multi-modal transportation and integrating transit-oriented development into capital investment initiatives.
- **Strategy 3.5:** Highlight the importance of accessible, affordable, and quality early childhood education and care options to broad-based, equitable economic growth for current and future generations of Connecticut residents.
- **Strategy 3.6:** Promote alignment across economic development planning processes and regional and statewide programming.
- **Strategy 3.7:** Continue to build capacity across partner networks, including municipalities, nonprofits, and other regional organizations.

In some instances, this will involve amplifying and bolstering the strategic planning efforts and work programs of other agencies, while in others, it will look like more direct and continuous collaboration. The following sections outline key planning efforts and initiatives by other Connecticut state agencies and offices that align and overlap with DECD's priorities.

Office of Workforce Strategy

The economic success of the state centers on the availability of a highly skilled workforce. The **Office of Workforce Strategy (OWS)**, an executive branch office that serves as the administrative staff to the Governor's Workforce Council (GWC), is responsible for workforce development for the state.

Overall, its goals are to fill critical shortage areas with globally competitive talent, reduce barriers to entry and participation, particularly for marginalized populations, and to create a data-driven workforce system. Its *2025 Strategic Plan, Work Forward: Pathways for Growth* includes key pillars and supporting strategies and objectives to guide the plan. These include to:

- Drive Growth:
  - Align workforce initiatives with industry needs
  - Increase access to quality jobs
  - Use data to drive impactful growth
- Build Skills
  - Expand early career exposure and exploration opportunities
  - Increase opportunities for high school students to gain early college and career experiences, skills, and college credit
  - Increase opportunities for postsecondary learners to gain career-ready skills, experience, and credentials
  - Increase opportunities for adult learners to gain in-demand workforce skills and credentials
  - Partner with employers to upskill their current workforce
- Expand Access
  - Remove barriers to education, training, and employment
  - Strengthen ways for adult learners in need to gain basic skills
  - Create accessible digital gateways to workforce opportunities

OWS currently oversees two flagship initiatives. *CareerConneCT* is a $70 million state investment, using American Rescue Plan funding, to train 6,000 unemployed and underemployed job seekers in high-demand careers, such as manufacturing, information technology, life sciences, healthcare, infrastructure construction, and green energy jobs. OWS also manages the Strengthening Sectoral Partnerships program, a $23.9 million federally funded project under the Good Jobs Challenge, and the largest such grant awarded in the country, utilizing the state's Regional Sector Partnerships model to place 2,000 job seekers in high quality, in-demand jobs in manufacturing, information technology, and healthcare. In 2025, its popular grant fund, Tech Talent Accelerator, invested $2.7million into Artificial Intelligence career pathways. Tech Talent Accelerator programs link education to employment, focusing on emerging fields and technologies.

Department of Energy and Environmental Protection

Another critical DECD partner is the **Department of Energy and Environmental Protection (DEEP)**, which is charged with conserving, improving, and protecting Connecticut's natural resources and the environment as well as making cheaper, cleaner, and more reliable energy available for the people and businesses of the state. The agency is also committed to playing a positive role in rebuilding Connecticut's economy and creating jobs and to fostering a sustainable and prosperous economic future for the state. DEEP's strategic goals are to:

- Actively address climate change
- Safeguard, enhance and promote Connecticut's environment and natural resources
- Promote environmental and energy justice
- Prioritize efficiency, transparency and predictability
- Invest in staff and champion innovation

Its Energy Action Plan outlines the state's longer-term strategy to improve energy affordability and reliability. Focus areas include offshore wind, hydropower, nuclear, reliability, and other clean resources. DEEP oversees dozens of programs to make the state's energy cleaner and more affordable, to increase the availability of broadband, and to steward and sustain the natural resources that provide a healthy environment, while also giving residents and tourists limitless outdoor experiences. Many of its initiatives contain significant job creation opportunities, particularly in green energy careers. As such, DEEP is a critical partner touching almost all of the state's economic strategies.

Department of Housing

As discussed in **Appendix C**, the availability of housing that is affordable to Connecticut's workforce is critical to ensuring that Connecticut can retain its highly skilled workforce. The Connecticut **Department of Housing (DOH)** leads those efforts. The DOH State of Connecticut 2025-2029 Action Plan for Housing and Community Development is the framework for the allocation of federal formula grant funding and the distribution of state resources, which includes an overarching goal to ensure decent housing is available to all. Decent housing includes:

- Assisting homeless persons to obtain appropriate housing and assisting persons at risk of becoming homeless;
- Retention and creation of affordable housing stock;
- Increasing the availability of permanent housing in standard condition and affordable cost to low-income and moderate-income families, particularly to members of disadvantaged minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability; and
- Increasing the supply of supportive housing, which combines structural features and services needed to enable persons with special needs, including persons with HIV/AIDS and their families, to live with dignity and independence; and providing housing affordable to low-income persons accessible to job opportunities.

Office of Early Childhood

Maintaining a strong workforce is also tied to the availability of high quality, affordable child care. In 2023, through an executive order, Governor Ned Lamont initiated the Blue-Ribbon Panel on Child Care **).** That same year, the Blue Ribbon Panel on Child Care Report, in partnership with the Office of Early Childhood (OEC), established the following goals:

- **Goal 1. Workforce and Quality:** Invest in and support the retention and recruitment of a professional, high-quality early childhood development workforce, as well as program supports and standards, which increase the number of high-quality settings.
- **Goal 2. Equitable and Affordable Access**: Increase equitable and affordable access to high-quality programs that meet the range of family needs.
- **Goal 3. Systems:** Develop an agile, flexible and responsive high-quality early childhood education system that maximizes current resources and supports economically viable programs.
- **Goal 4. Funding:** Build a well-funded, sustainable early childhood education funding system that is poised to efficiently leverage future investment.

PA 25-93 established the Early Childhood Endowment to help fund early childhood education. [12]

[12] https://www.cga.ct.gov/2025/ACT/PA/PDF/2025PA-00174-R00HB-07288-PA.PDF, accessed September 17, 2025.

In order to continue strengthening Connecticut's economy, leveraging and expanding these critical partnerships will remain a priority. The alignment of resources and priorities around common strategies will ensure that Connecticut, its businesses and its residents continue to prosper. In addition, these strong partnerships enable us to quickly respond to new opportunities, new technologies and new industries effectively and efficiently.

APPENDIX A. STRATEGIC PLANNING REQUIREMENTS

Source	Requirement
EDA Statewide Planning Grant	Creation of a statewide planning document which 1) assesses the state's strategic economic strengths, weaknesses, and opportunities and 2) incorporates and aligns with regional and local planning documents
	Revision of existing state Economic Action Plan which incorporates the statewide planning document
CGS Section 32-1o	(b)(1) Ensure that the plan is consistent with (A) the text and locational guide map of the state plan of conservation and development adopted pursuant to chapter 297, and (B) the state's consolidated plan for housing and community development prepared pursuant to CGS Section 8-37t
	(b)(2) Consult regional councils of governments, regional planning organizations, regional economic development agencies, interested state and local officials, entities involved in economic and community development, stakeholders and business, economic, labor, community and housing organizations
	(b)(3) Consider (A) regional economic, community and housing development plans, and (B) applicable state and local workforce investment strategies
	(b)(4) Assess and evaluate the economic development challenges and opportunities of the state and against the economic development competitiveness of other states and regions
	(b)(5) Host regional forums to provide for public involvement in the planning process
	(c)(1) A review and evaluation of the economy of the state, including its strengths
	(c)(2) A review and analysis of factors, issues and forces that impact or impede economic development and responsible growth in Connecticut and its constituent regions
	(c)(3) An analysis of targeted industry sectors in the state that (A) identifies those industry sectors that are of current or future importance to the growth of the state's economy and to its global competitive positions, (B) identifies what those industry sectors need for continued growth, and (C) identifies those industry sectors' current and potential impediments to growth
	(c)(4) Establishment and articulation of a vision for Connecticut that identifies where the state should be in the future
	(c)(5) Establishment of prioritized, clear and measurable goals and objectives for the state and regions and clear steps and strategies to achieve said goals and objectives, which may include but shall not be limited to: (A) the promotion of economic development and opportunity, (B) the fostering of effective transportation access and choice including the use of airports and ports for economic development, (C) enhancement and protection of the environment, (D) maximization of the effective development and use of the workforce consistent with applicable state or local workforce investment strategy, (E) promotion of the use of technology in economic development, including access to high-speed telecommunications, and (F) the balance of resources through sound management of physical development
	(c)(6) Establishment of relevant measures that clearly identify and quantify (A) whether a goal and objective is being met at the state, regional, local, and private sector level, and (B) cause and effect relationships, and provide a clear and replicable measurement methodology
	(c)(7) Recommendations on how the state can best achieve goals under the strategic plan
	(c)(8) Any other responsible growth information that the commissioner deems appropriate

APPENDIX B. STRATEGIC PLANNING CROSSWALK

Organized around three strategic pillars (economic development, community development, cross-agency collaboration), the following table compares components of the 2021 Economic Action Plan, the Economic Roadmap, and public acts passed during the 2025 regular legislative session.

Budget Act is CGS Section 25-168[13]
Bond Act is CGS Section 25-174[14]

	2021 Economic Action Plan	Economic Roadmap	New Legislation Adopted in 2025
Businesses	Improve Connecticut's environment and reputation for starting and growing businesses Support growth and generate inclusive economic opportunity within Connecticut's innovative and specialized industries	**Strategic Pillar 1:** Economic Development • **Strategy 1.1:** Grow Connecticut's core industries while nurturing promising new sectors • **Strategy 1.2:** Run and sponsor successful programs which support the growth and expansion of Connecticut businesses, as well as relocation of new firms to the state and the formation of new ventures • **Strategy 1.3:** Facilitate cross-sector collaborations between industry, institutions of higher education, and other post-secondary programs • **Strategy 1.4:** Refine metrics to measure the efficacy and success of new economic	**CGS Section 25-174:** establishes the Strategic Supply Chain Initiative which creates a $50 million grant program to fortify sectors vital to our state's economic future by ensuring the state is fully capitalizing on emerging growth and onshoring opportunities. The Act also provides the CT Manufacturing Innovation Fund with $45 million through FY 2027. **CGS Section 25-165[15]:** Allows the sales of CT-branded merchandise, with revenues to be deposited into the Tourism Fund. **CGS Section 25-168:** authorizes several Tax Credit programs**:** allowing certain manufacturers (mechatronics, sensor technology and optical fabrication) to access Research and

[13] AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2027, AND MAKING APPROPRIATIONS THEREFOR, AND PROVISIONS RELATED TO REVENUE AND OTHER ITEMS IMPLEMENTING THE STATE BUDGET. Accessed Aug. 9, 2025.

[14] AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE AND CONCERNING GRANT PROGRAMS, STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS, REVISIONS TO THE SCHOOL BUILDING PROJECTS STATUTES AND VARIOUS PROVISIONS REVISING AND IMPLEMENTING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2027. Accessed Aug. 9, 2025.

[15] AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S RECOMMENDATIONS FOR REVISIONS TO CERTAIN COMMERCE AND TAX CREDIT STATUTES. Accessed Aug. 9, 2025.

	2021 Economic Action Plan	Economic Roadmap	New Legislation Adopted in 2025
		development programs	Development Tax Credits; Research and Development Biotech Tax Credit can be refunded at 90%; RTX Sales and Use Taxes exemption extended for ten years. The Act also allows the Connecticut Office of Innovation to utilize DECD's Small Business Express Fund to support programming. **CGS Section 25-167**[16]**:** allows Manufacturing Assistance Act bond funding to support expansion of prescription drug production capacity in the state. **CGS Section 25-109**[17]**:** expands the information that must be included in the regulatory flexibility analyses that agencies are required to prepare before adopting regulations that directly affect small businesses. **CGS Section 25-173**[18]**:** contains provisions regarding energy affordability, access and accountability, including establishing an Advanced Nuclear Reactor Site Readiness Funding program of up to $5 million through DEEP.
Workers	Develop Connecticut's workforce so that every	**Strategic Pillar 3.** Cross-Agency Collaboration	**CGS Section 25-165:** aligns the Intellectual and

[16] AN ACT IMPLEMENTING RECOMMENDATIONS OF THE BIPARTISAN DRUG TASK FORCE. Accessed Aug. 9, 2025.
[17] AN ACT MODIFYING THE REGULATORY FLEXIBILITY ANALYSIS OF REGULATIONS AFFECTING SMALL BUSINESSES. Accessed Aug. 9, 2025.
[18] AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND ACCOUNTABILITY. Accessed Aug. 9, 2025.

	2021 Economic Action Plan	Economic Roadmap	New Legislation Adopted in 2025
	resident has access to a meaningful career pathway Attract and retain talent by investing in vibrant and affordable communities for all Connecticut residents	• **Strategy 3.1:** Work with key statewide partners to expand job opportunities in target industry sectors to make high-wage, high-demand, high-skill (H3) career pathways accessible to Connecticut's residents • **Strategy 3.5:** Highlight the importance of accessible, affordable, and quality early childhood education and care options to broad-based, equitable economic growth for current and future generations of Connecticut residents	Developmental Disability Workforce Incentive Grant Program with federal best practices on competitive integrated employment to support living wages. **CGS Section 25-125**[19]**:** revises the JobsCT Tax Rebate Program to allow for preference for environmentally sustainable practices. The Act also establishes the Connecticut Clean Economy Council, for which a priority is to submit a plan to facilitate the transition of workers from fossil-fuel-based employment to clean economy jobs. **CGS Section 25-149**[20]**:** establishes a $1million Makerspace pilot program. **CGS Section 25-47**[21]**:** allows additional apprentice hires in relation to licensed journeypersons or contractors in certain skilled trade groups.
Built Environment		**Strategic Pillar 2.** Community Development • **Strategy 2.1:** Highlight the arts and creative economy workers and organizations as an engine for economic growth in Connecticut • **Strategy 2.2:** Incentivize community-driven	**CGS Section 25-174:** funds the Brownfield Remediation and Revitalization Program at $80 million and increases the per-project cap from $4 million to $6 million. The Act also establishes the Greyfield Revitalization Program which allocates

[19] AN ACT CONCERNING THE PROTECTION OF THE ENVIRONMENT AND THE DEVELOPMENT OF RENEWABLE ENERGY SOURCES AND ASSOCIATED JOB SECTORS. Accessed Aug. 9, 2025.
[20] AN ACT ESTABLISHING THE CONNECTICUT COMMUNITY MAKERSPACE INITIATIVE PROGRAM. Accessed Aug. 9, 2025.
[21] AN ACT AUTHORIZING THE COMMISSIONER OF CONSUMER PROTECTION TO ALLOW CERTAIN SKILLED TRADE LICENSEES TO DEVIATE FROM CERTAIN SKILLED TRADE HIRING RATIOS. Accessed Aug. 9, 2025.

	2021 Economic Action Plan	Economic Roadmap	New Legislation Adopted in 2025
		development through local capacity building, quality of place investments, and flexible funding mechanisms focused on strengthening communities across the state • **Strategy 2.3:** Continue to support statewide marketing initiatives that position tourism as a springboard for resident attraction and underscore Connecticut's high quality of life **Strategic Pillar 3.** Cross-Agency Collaboration • **Strategy 3.2:** Focus on high-impact renewable energy investments that deliver increased affordability and reliability for individual and industry customers • **Strategy 3.3:** Explore new and existing strategies to incentivize additional housing production, including housing that is affordable to workers and families across the income spectrum • **Strategy 3.4:** Continue to support enhancements to transportation infrastructure, including the expansion of multi-modal transportation and integrating transit-	up to $50 million to provide grants or loans to facilitate the repurposing of previously developed commercial retail and office space property that is no longer economically viable. Also enacted a Rural Infrastructure Projects Grant Program in the amount up to $30 million to support the development of housing or economic development in rural areas. **CGS Section 25-164[22]:** allows municipalities to streamline the zoning review for conversion of commercial real estate to residential use. **CGS Section 25-125:** establishes the Connecticut Clean Economy Council to advise on economic development strategies and policies that strengthen the state's climate mitigation, clean energy, resilience and sustainability programs.

[22] USE. Accessed Aug. 9, 2025.

	2021 Economic Action Plan	Economic Roadmap	New Legislation Adopted in 2025
		oriented development into capital investment initiatives	
Interorganizational Coordination		**Strategic Pillar 3.** Cross-Agency Collaboration • **Strategy 3.6:** Promote alignment across economic development planning processes and regional and statewide programming • **Strategy 3.7:** Continue to build capacity across partner networks, including municipalities, nonprofits, and other regional organizations	**CGS Section 25-165:** permits DECD to provide financial assistance, lend staff and provide other services to AdvanceCT to jointly further agency goals.

APPENDIX C. ANALYSIS OF STRENGTHS AND OPPORTUNITIES

Recent Trends

In 2023 and 2024, DECD conducted two studies which supported the refinement of the 2025 Economic Roadmap and informed regional economic development planning efforts. This included a **migration study** to better understand movement demographics in and out of Connecticut as well as an **industry cluster analysis** focused on industry specialization and structural shifts in Connecticut's economy. Results from both sets of research are summarized in the sections below.

Migration Study

The Migration Study[23] confirmed much of what Connecticut is focusing on:

- The need to retain collect graduates is critical to the state's enviable talent pipeline. This is especially essential as the state's population is aging.
- The state economy is diversified between key industries that are technically-intensive and labor-intensive. Upskilling to keep current in rapidly evolving technologies, such as AI, is a major focus of the state's workforce development program and will help attract and retain the highest quality workforce.
- Transit-oriented and mixed-use development both create exciting and magnetic places to live, work and play. The state's newly formed Municipal Redevelopment Authority is helping local municipalities create the planning and zoning policies and processes to create more of these.

Population growth stalled after 2015, but began rebounding in 2021 primarily due to immigration, driven by the state's colleges and universities. Remote workers have also moved to Connecticut citing quality of life as a motivator.

Industry Cluster Analysis

The Industry Cluster Analysis[24] provided tremendous insight into current and future key sectors. Overall, the study confirmed many findings in the Migration Study:

- Connecticut offers a wage premium compared to the national average across most occupations. The state does have a high cost of living, mostly driven by high housing costs, which contributes to the wage premium.
- The state continues to enjoy a highly educated workforce, but it is also an older workforce which aligns with the Migration Study findings of an aging population.
- Jobs tend to be located in communities connected by rail and CT Fast Tracks, which supports the state's investment in the Municipal Redevelopment Authority, which is focusing on placed-based development near transit hubs.
- CT saw a big jump in the number of people who live in CT but work elsewhere, New York City primarily. This is supported both by remote work and by rail access from the western part of the state to New York City.
- Remote workers live throughout the state, even areas not connected to transit or major employers.

[23] (CT Migration Study, 2024)
[24] (Connecticut Industry Cluster Analysis, 2024)

The Core Industries identified that will most contribute to the state's growth include:

- Advanced Manufacturing
- Biosciences and Biotechnology
- Financial Services and Insurance
- Clean Energy
- Software and Digital

These industries are described in more detail in the Core Industries section of this document.

Quality of Life: Economic Development Issues in Focus

While the migration study and the industry cluster analysis represent two types of macroeconomic analysis that informed the development of the Economic Roadmap, it is important to consider other economic trends as well. The accessibility, affordability, and quality of two major household budget items—housing and child care—directly impact Connecticut residents' economic stability and workforce participation.

Housing in Connecticut

Housing is at the intersection of many complex systems that drive economic development and labor market patterns. The Migration Study also delved into housing and found that rising prices and rents have driven many households and workers to seek employment outside of the state where it is more affordable. Workers who could more readily work from home and afford home prices in 2020 – 2021 were more likely to move outside of traditional office-dense neighborhoods and into suburbs, driving the shift in demand for both office space and retail space.

For many workers, particularly in the Retail, Food Service and Warehouse/Distribution industries, wages have not kept pace with housing costs causing increased rent burden in many communities across the state. One of the key limiting factors to population and workforce growth across the state is and will continue to be the supply of housing, particularly multifamily. Connecticut recognizes this need and has invested hundreds of millions of dollars in housing projects through the Affordable Housing (Flex), Housing Trust Fund, Community Investment Fund and Community Challenges programs and recognizes that further investment is needed.

Energy Costs in Connecticut

Connecticut has the fourth highest electricity rates per kilowatt hour in the US, as well as industrial electric prices that regularly lie 100% or more above the US average. This is detrimental to the state's ability to attract and retain residents, but also to economic development, as many current and emerging industries, especially advanced manufacturing and the growing demand for artificial intelligence, use tremendous amounts of energy. The state recognizes this issue as a critical component of its economic competitiveness. As outlined in this document, a number of efforts are underway to improve energy efficiency. CGS Section 25-173, An Act Concerning Energy Affordability, Access and Accountability, for example, includes a provision to establish an Advanced Nuclear Reactor Site Readiness Funding program of up to $5million. [25] CGS Section 25-125, An Act Concerning the Protection of the Environment and the Development of Renewable Energy Sources and Associated Job Sectors, codifies the Connecticut Clean Economy Council, sets greenhouse gas emission reduction goals, mandates the development of a plan to transition workers from fossil-fuel-based employment to clean economy jobs, and modifies the JobsCT Tax Rebate Program to

[25] AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND ACCOUNTABILITY. Accessed August 1, 2025

allow for preference to applications that make significant investments in environmentally sustainable practices. In addition, as part of the Act's implementation the State Bond Commission approved borrowing of $155 million to partially offset the cost of the public benefits charge on electric bills.[26]

Child care in Connecticut

Equitable access to affordable, quality child care is another necessary component of the State's economic development-enabling infrastructure. The Covid-19 pandemic made it clear that without reliable, affordable sources of child care, workers cannot regularly get to work or stay at work. Sufficient access to child care is a critical barrier to parents and caretakers' ability to fully participate in the labor force. Early care and education settings promote optimal child development for long-term success in school and life and supports the productivity of two types of workers: employed parents and child care workers. A lack of high-quality, affordable child care for working parents remains a barrier that prohibits the workforce in Connecticut from reaching its full potential.[27] While many working parents share child care responsibilities, efforts to improve access to child care in the state have been shown to be especially beneficial for women. Recent research from the U.S. Department of Labor found that a 10% increase in median child care prices was associated with 1% lower county-level maternal employment rates.[28] In addition to serving families, the child care sector is also relevant to the work of DECD because they are businesses which employ child care professionals.

While the federal government provides a primary market intervention in the form of block grants to each state for child care assistance, each state is responsible for structuring its programs. The State should pursue policies and programs that lower the price of child care while increasing the number of available seats, focusing future efforts on interventions that increase the supply of child care in Connecticut.[29]

The U.S. Department of Health and Human Services defines child care as affordable if related expenditures are less than 7% of a family's income.[30] The cost of child care in all eight counties in Connecticut exceeds this threshold, ranging from 9.60% to 12.33% of household consumption.[31] Expanding early care and education options can narrow pervasive social and economic inequalities and lead to greater economic growth in Connecticut.

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[26] AN ACT CONCERNING THE PROTECTION OF THE ENVIRONMENT AND THE DEVELOPMENT OF RENEWABLE ENERGY SOURCES AND ASSOCIATED JOB SECTORS. Accessed August 1, 2025

[27] Morrissey, Taryn, "Addressing the need for affordable, high-quality early childhood care and education for all in the United States", Washington Center for Equitable Growth: Evidence for a Stronger Economy, Feb. 18, 2020, https://equitablegrowth.org/addressing-the-need-for-affordable-high-quality-early-childhood-care-and-education-for-all-in-the-united-states/#footnote-1.

[28] Christin Landivar, "New Childcare Data Shows Prices Are Untenable for Families," U.S. Department of Labor Blog, January 24, 2023, https://blog.dol.gov/2023/01/24/new-childcare-data-shows-prices-are-untenable-for-families.

[29] Julie Trivitt and Avery Nims, "Child Care Policy Efficiency: What States Can Do to Promote Affordable, Accessible, High-Quality Child Care," Heartland Forward, September 2023, https://heartlandforward.org/case-study/child-care-policy-efficiency-what-states-can-do-to-promote-affordable-accessible-high-quality-child-care/.

[30] U.S. Department of Health and Human Services Administration for Children and Families, "Child Care and Development Fund (CCDF) Program," *Federal Register* 81 (190), 2016: 67438-67595, https://www.gpo.gov/fdsys/pkg/FR-2016-09-30/pdf/2016-22986.pdf.

[31] *See* data visualization by Jeremy Ney, "Childcare consumes 1 in 4 dollars for millions of Americans," https://datawrapper.dwcdn.net/h0fJ6/4/ and "Childcare costs skyrocket in the Northeast and West," American Inequality, April 19, 2023, https://americaninequality.substack.com/p/childcare-and-inequality?nthPub=33.

To support the child care industry in the state, CGS Section 25-82 provides provisions to expand access to, and the quality of, early childhood education. It includes an initial $300 million Early Childhood Education Endowment, that will require additional investments to ultimately address the above goals, help families pay for child care, addresses pay parity for child care providers, and supporting legislation provides funding for facilities improvements. It also includes provisions to simplify access to information about child care options.[32]

[32] https://ctnewsjunkie.com/2025/06/10/lamont-educators-lawmakers-celebrate-transformational-childcare-legislation/, accessed August 1, 2025