

## Nonfarm Jobs Ride to the Coincident Indicator's Rescue



The General Drift Indicator (GDI) inched into positive territory in 2021-Q4, on the strength of the non-farm job count. Other indicators of current activity were slightly negative.

The GDI crept up by 0.2% in 2021-Q4 arresting a 0.9% decline in 2021-Q3. The GDI has been climbing

back from a pandemic-induced 9.0% fall in the first half of 2020 but has struggled of late against the headwinds of supply shortages, mutant viruses, and rising prices. Currently, the GDI stands 2.7% below its pre-Covid index level.

Quarter four's advance in the GDI traces to a healthy rise in payroll

employment numbers, up some 0.9%. But the Connecticut Manufacturing Production Index (CMPI), slipped for a second consecutive quarter, albeit by a slim 0.6%. Real personal income (net of transfer payments) is projected to have shrunk 0.1% as households struggled to keep pace with inflation.

## Better-Than-Expected Job Growth is Likely to Slow in 2022

Based on the current U.S. economic outlook and recent trends in the state's labor market, Connecticut is on track to gain another 9,500 jobs in 2022-Q1.

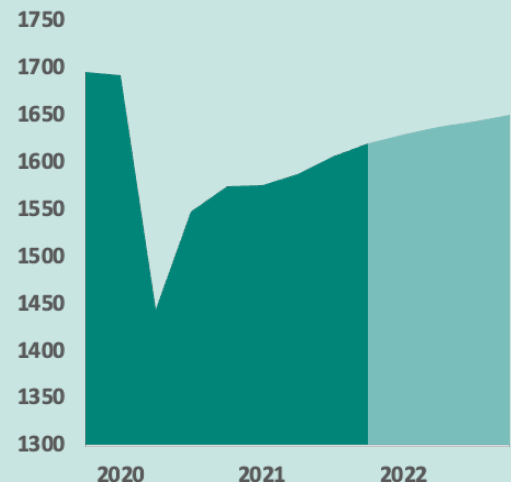
Despite a better-than-expected uptick in jobs in 2021-Q4, the current forecast represents a downward revision

to the previous *Green Sheet* outlook as Connecticut continues to grapple with supply chain gridlock and to mop up after the receding Omicron wave of the coronavirus.

The latest prediction trims about 4,600 jobs from the cumulative sum of anticipated employment gains over the next several quarters.

In recent expansions, Connecticut has added barely 3,000 jobs quarterly, so the new outlook of 6,000 jobs or more per quarter remains upbeat.

As of 2021-Q4, the state has recovered more than 70 percent of the posts lost in 2020-Q2 -during the pandemic's first wave.



### GREEN SHEET SCORECARD

Quarter	GDI (2007 = 100)	Actual Job Changes	Prior Job Change Forecast	New Job Change Forecast
2021-Q1	91.7	1,000		
2021-Q2	93.0	11,600		
2021-Q3	92.1	19,000		
2021-Q4	92.3	14,500	11,900	
2022-Q1			12,000	9,500
2022-Q2			10,000	7,100
2022-Q3			5,800	6,400
2022-Q4				7,000