

General Drift Indicator Shows New Signs of Life



Connecticut's General Drift Indicator (GDI) appears to be getting back on its feet after a prolonged period of dormancy. All three indicators of current economic activity—jobs, output, and income—notched gains in 2023-Q3.

The GDI registered 96.3 in 2023-Q3, a 0.5% increase from its revised reading in

2023-Q2. The non-farm job count extended its three-year winning streak by advancing 0.2%, while real income (less transfers) is forecasted to have grown by 0.5%. Manufacturing activity, meanwhile, jumped by 1.2%, for its best quarterly showing in more than a year.

Year over year, the GDI has advanced 1.2%.

The General Drift Indicator (GDI) is a composite index of three coincident indicators of Connecticut economic activity: nonfarm jobs, real personal income less transfer payments, and the Connecticut Manufacturing Production Index (CMPI). It is constructed by averaging the movement of the individual components to smooth out the volatility of the individual series. The GDI is designed to provide a gauge of aggregate state economic activity and is indexed so that 2007 = 100.

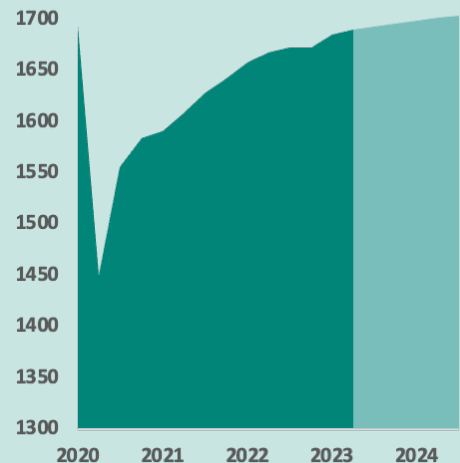
Connecticut Nonfarm Payrolls Are Still On A Roll

Connecticut employers added 3,100 jobs in 2023-Q3, slightly beating expectations but falling short of 2023-Q2's gain. While growth has slowed, the job market remains tight with three openings for every two workers unemployed, so the state's run of luck appears likely to continue.

Economists nationally are raising the specter of recession far less now than earlier this year though they generally expect a relatively abrupt decrease in the rate of U.S. job growth. By itself, such a slump would translate into a flat or even falling employment forecast in Connecticut, since national con-

ditions shape the state outlook. But given the difficulty Connecticut firms are having filling positions, a drastic slowdown in hiring seems doubtful so long as the workers can be found. The *Green Sheet* forecast anticipates that employers will add about 2,800 jobs in each of the next several quarters.

1750 Jobs (000s)



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Quarter	GDI (2007 = 100)	Actual Job Changes	Prior Job Change Forecast	New Job Change Forecast
2022-Q4	95.5	300		
2023-Q1	95.6	12,400		
2023-Q2	95.8	4,500		
2023-Q3	96.3	3,100	2,800	
2023-Q4			2,900	2,800
2024-Q1			2,000	2,800
2024-Q2			1,500	2,800
2024-Q3				2,800