

Slowly but Steadily, the GDI Continues its Long Climb Back



In 2024-Q1, Connecticut's General Drift Indicator (GDI) continued its long, slow climb back from the depths of the Covid recession based on the latest employment, manufacturing output, and personal income data. The GDI advanced 0.2% between 2023-Q4 and 2024-Q1, thanks to strong job and output numbers. Nonfarm jobs

grew by 0.3%, and manufacturing output, after seasonal adjustment, logged a 0.5% increase. Personal income is projected to have risen in nominal terms, but not fast enough to keep up with prices; so in real terms, income slipped by 0.1%. Compared with the same period last year, the GDI has advanced 0.3%.

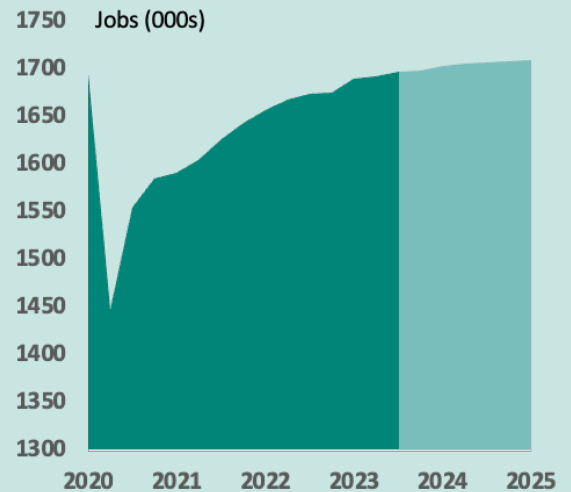
The General Drift Indicator (GDI) is a composite index of three coincident indicators of Connecticut economic activity: nonfarm jobs, real personal income less transfer payments, and the Connecticut Manufacturing Production Index (CMPI). It is constructed by averaging the movement of the individual components 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.

CT Jobs Start the Year Hot, Likely to Cool Going Forward

Connecticut employers started 2024 with a bang, adding 4,800 jobs in the first quarter of the year and beating expectations. Alas, rebenchmarked data from the Labor Department revealed that the state added fewer jobs in 2023 than originally thought, particularly in 2023-Q4 where the initial

5,000 job gain was revised downward to just 1,100. Nevertheless, Connecticut businesses remain eager to expand their workforces. Openings, which normally track evenly with hires, are still running ahead by a 3 to 2 ratio. Forecasters of the U.S. economy, which underpins the *Green Sheet* out-

look, remain bullish on national prospects for GDP and employment growth. Under these conditions, the *Green Sheet* forecast calls for robust near-term growth of 2,700 jobs in 2024-Q2 followed by a more relaxed pace of about 1,000 new jobs per quarter later in the year.



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Quarter	GDI (2007 = 100)	Actual Job Changes	Prior Green Sheet Job Change Forecast	New Green Sheet Job Change Forecast
2023-Q2	95.8	3,000		
2023-Q3	96.0	4,700		
2023-Q4	95.9	1,100		
2024-Q1	96.1	4,800	3,500	
2024-Q2			2,900	2,700
2024-Q3			2,800	1,000
2024-Q4			2,800	1,000
2025-Q1				1,000