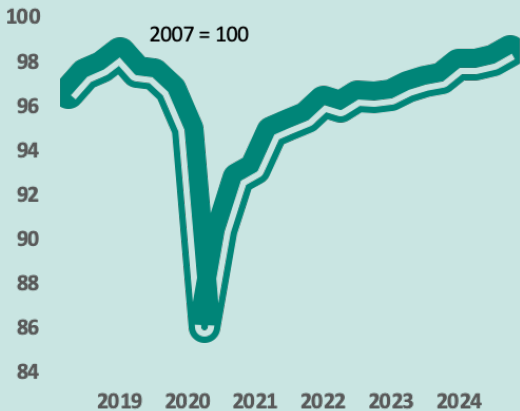


Connecticut's GDI Continues Its Upward Climb



Connecticut's General Drift Indicator (GDI) continued its upward climb in 2024-Q4 as the state's manufacturing sector flexed its muscle. The GDI advanced 0.4% between 2024-Q3 and 2024-Q4 thanks largely to a 1.0% jump in the CMPI, an index of manufacturing activity. Meanwhile, nonfarm jobs inched up by just 0.1% and real personal

income advanced by a projected 0.5% between the quarters. The spike in factory activity marked the best showing for the industrial sector in nearly three years. Whether such gains can persist amid a mounting trade war is the \$64,000 question. Compared with the same period last year, the GDI is up 1.3%.

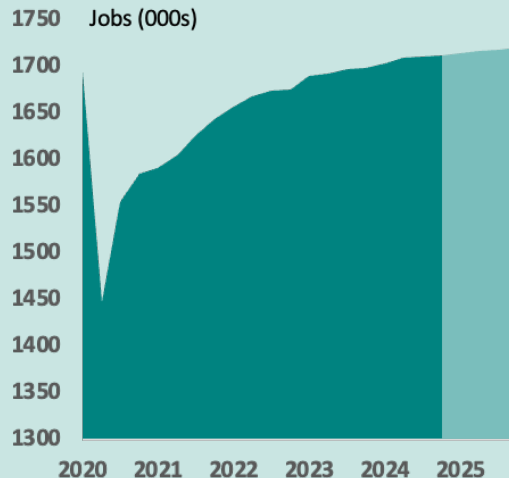
The General Drift Indicator (GDI) is a composite index of three coincident indicators of Connecticut economic activity: nonfarm jobs, real personal income less transfer payments, and the Connecticut Manufacturing Production Index (CMPI). It is constructed by averaging the movement of the individual components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

Connecticut's Employment Growth Ticks Up A Bit

The pace of Connecticut employment growth ticked up a bit in 2024-Q4 falling just short of the *Green Sheet* forecast. Even so, the rate of new hiring slowed significantly during 2024 as the state added barely 1,800 jobs in the second half of the year compared with over 11,000 in the first

half. Following better-than-expected U.S. GDP and job numbers, forecasters with the Philadelphia Fed have upgraded their outlook for the nation's economy which in turn provides Connecticut with a brighter backdrop for its own economic performance. The state is on track to add about 8,000 jobs in 2025.

But this outlook is subject to at least two key caveats. Scheduled revisions to the labor market data could significantly alter our understanding of the state's underlying momentum. And the latest federal policy gyrations are creating the kind of economic volatility that the business world abhors.



GREEN SHEET SCORECARD

Quarter	GDI (2007 = 100)	Actual Job Changes	Prior Green Sheet Job Change Forecast	New Green Sheet Job Change Forecast
2024-Q1	97.9	4,800		
2024-Q2	97.9	6,600		
2024-Q3	98.1	800		
2024-Q4	98.5	1,000	1,200	
2025-Q1			1,000	2,700
2025-Q2			900	2,300
2025-Q3			800	1,500
2025-Q4				1,700