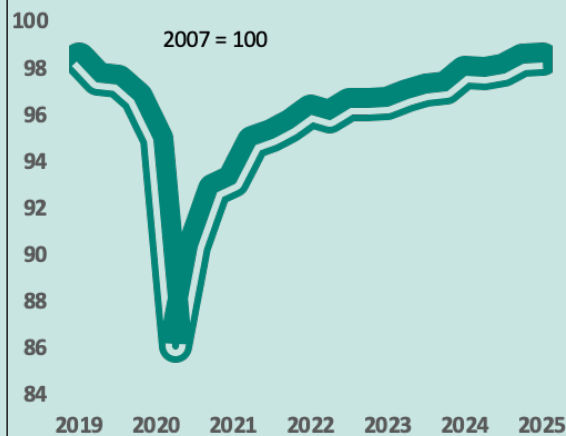


Connecticut's GDI Stalls Under New Tariff Regime



Connecticut's General Drift Indicator (GDI) stalled in 2025-Q1, coinciding with Trump's imposition of a punitive new tariff regime and retaliatory countermeasures by our trading partners. The GDI's index value of 98.4 was unchanged between 2024-Q4 and 2025-Q1. Although nonfarm jobs advanced by 0.1%, and real personal income grew by a

projected 0.4%, these positive contributions to the GDI were offset by a 0.9% drop in the CMPI—a measure of factory activity. Machinery and equipment, the state's primary exports, are now subject to steep counter tariffs by Canada, our top foreign customer. The GDI remains 0.6% above its year-ago level.

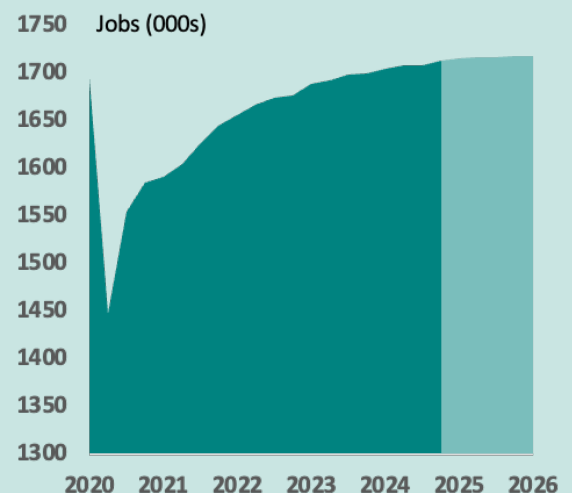
The General Drift Indicator (GDI) is a composite index of three coincident indicators of Connecticut economic activity: nonfarm jobs, real personal income less transfer payments, and the Connecticut Manufacturing Production Index (CMPI). It is constructed by averaging the movement of the individual components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

Connecticut job growth slowed significantly in 2025-Q1, falling short of the *Green Sheet* forecast. The slowdown coincided with the inauguration of Trump's crippling new tariff policy and the imposition of hefty counter tariffs by our trading partners. Accordingly, economists have downgraded

their prospects for the U.S. economy, lowering estimates for output and job growth and raising the odds of a recession. These national conditions, together with the internal dynamics of the state's labor market, structure the forecast for Connecticut jobs. The new *Green Sheet* forecast anticipates

that Connecticut will add jobs at just half the pace of the previous forecast. The new outlook calls for fewer than 4,000 net new jobs over the next four quarters, assuming the economy manages to avoid a downturn. Connecticut loses an average of 7,000 jobs quarterly during recessions.



GREEN SHEET SCORECARD

Quarter	GDI (2007 = 100)	Actual Job Changes	Prior Green Sheet Job Change Forecast	New Green Sheet Job Change Forecast
2024-Q2	97.8	4,400		
2024-Q3	98.0	-100		
2024-Q4	98.4	4,700		
2025-Q1	98.4	1,900	2,700	
2025-Q2			2,300	1,200
2025-Q3			1,500	700
2025-Q4			1,700	800
2026-Q1				900