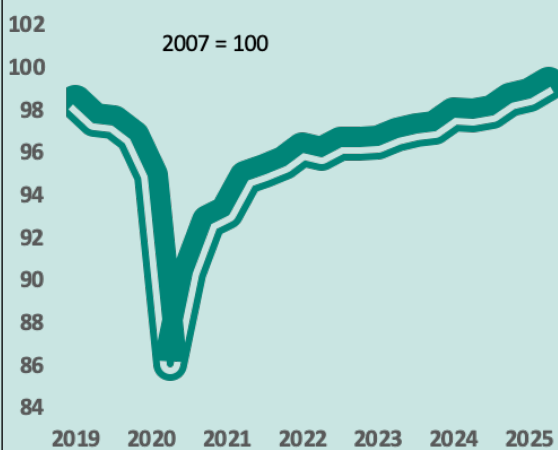


Connecticut's GDI Advances on Tariff Retreat, Factory Gains



Connecticut's General Drift Indicator (GDI) rose 0.5% in 2025-Q2 as U.S. trading partners eased their retaliatory measures following Trump's abrupt pause of his harshest tariffs—a retreat that earned him the nickname “TACO (Trump Always Chickens Out) Trump.” The GDI's gain was driven mainly by a 0.6% increase in the CMPI, a gauge of

Connecticut manufacturing activity. The GDI's two other components made only modest contributions: real personal income edged up by a projected 0.1%, while employment grew at half that pace. Overall, the GDI now stands 1.5% above its year-ago level, marking its fifth consecutive quarterly gain..

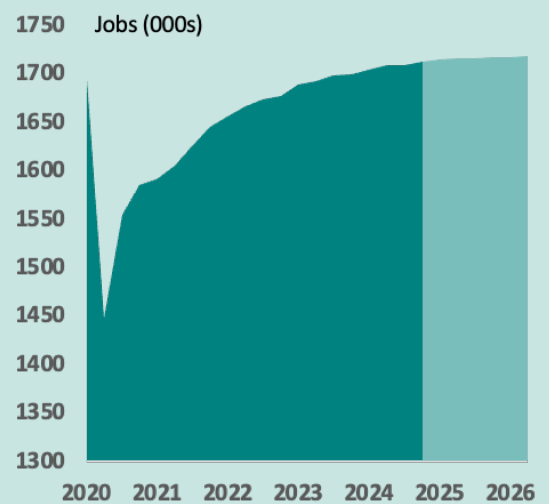
The General Drift Indicator (GDI) is a composite index of three coincident indicators of Connecticut economic activity: nonfarm jobs, real personal income less transfer payments, and the Connecticut Manufacturing Production Index (CMPI). It is constructed by averaging the movement of the individual components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

Policy Uncertainty Weighs on Connecticut Job Growth

Connecticut job growth slowed again in 2025-Q2, with gains once more falling short of the *Green Sheet* forecast. This came despite Trump's pause on imposing stiff tariffs against the nation's key trading partners. While economists have lowered the odds of a U.S. recession, persistent policy uncertainty

from Washington has tempered expectations for employment growth. For Connecticut, these national headwinds combine with the state's own labor market challenges—such as slow labor force growth, an aging workforce, and sectoral shifts—to shape the latest outlook. Compared to the

prior forecast, the new *Green Sheet* projection trims expected four-quarter job growth by one-third. The state is now forecast to add just 2,400 net new jobs over the next year, and even that modest gain assumes no further weakening in national economic conditions or additional policy shocks.



GREEN SHEET SCORECARD

Quarter	GDI (2007 = 100)	Actual Job Changes	Prior Green Sheet Job Change Forecast	New Green Sheet Job Change Forecast
2024-Q3	97.9	-100		
2024-Q4	98.5	4,700		
2025-Q1	98.7	1,900		
2025-Q2	99.3	700	1,200	
2025-Q3			700	600
2025-Q4			800	600
2026-Q1			900	400
2026-Q2				800