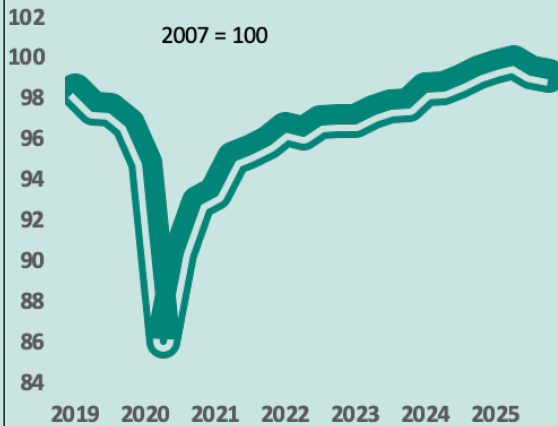


# GDI Signals Continued Soft Patch Entering 2026



Connecticut's General Drift Indicator (GDI) slipped again in 2025-Q4. Revised data now show the index declining in 2025-Q3 rather than advancing as previously reported. In Q4, the GDI fell 0.2% from 99.4 to 99.2, largely reflecting a drop in the CMPI, an index of manufacturing activity. A sharper contraction in factory activity in Q3 accounts

for the downward revision that pushed the GDI into negative territory that quarter. Adding to the weakness in the latest period was a 0.2% drop in non-farm payrolls—only the second quarterly drop in more than five years. Real income (less transfers) inched up 0.1% in the quarter. The GDI now stands 0.2% below its year-ago level.

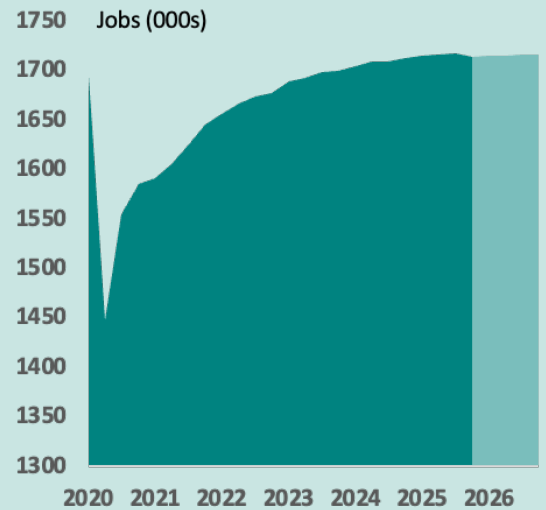
The General Drift Indicator (GDI) is a composite index of three coincident indicators of Connecticut economic activity: nonfarm jobs, real personal income less transfer payments, and the Connecticut Manufacturing Production Index (CMPI). It is constructed by averaging the movement of the individual components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

# Sharp Q4 Payroll Drop Caps Otherwise Stable Year for CT Jobs

Connecticut's nonfarm payroll count fell sharply in 2025-Q4, reflecting weakness in retail and hospitality. Year-over-year employment, however, was essentially unchanged suggesting the fourth-quarter decline may reflect statistical noise rather than a sudden deterioration in labor market condi-

tions. The outlook for the state will depend on national trends. The Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters projects continued national job growth in coming quarters, which should help stabilize Connecticut employment. Still, slowing national job gains and the

state's labor supply constraints point to only modest growth. The *Green Sheet* forecast anticipates quarterly gains averaging fewer than 1,000 jobs over the four-quarter horizon. Risks are tilted to the downside, reflecting Donald Trump's renewed tariff policies and his recent attacks on Iran.



## GREEN SHEET SCORECARD

Quarter	GDI (2007 = 100)	Actual Job Changes	Prior Green Sheet Job Change Forecast	New Green Sheet Job Change Forecast
2025-Q1	99.6	+1,900		
2025-Q2	99.8	+700		
2025-Q3	99.4	+1,500		
2025-Q4	99.2	-3,400	-800	
2026-Q1			+400	+700
2026-Q2			+500	+700
2026-Q3			+300	+600
2026-Q4				+500