

# Department of Economic and Community Development



**Catherine H. Smith**  
DECD Commissioner



## **Our Vision**

**Connecticut ranks among the top quartile states in economic growth**

## **Our Mission**

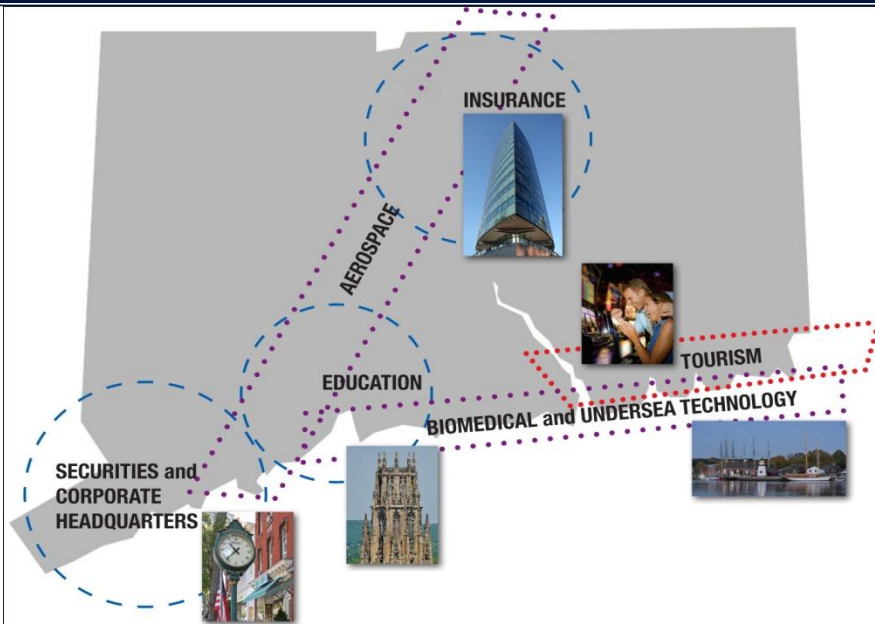
**Develop and implement strategies to increase the state's economic competitiveness**

- Environmental Scan
- Objectives
- Strategies
- 2011 Legislative Wrap-up

# Environmental Scan

# Young, fast growing firms create most jobs — Connecticut lags in nurturing new businesses

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| Connecticut, 2008 | Employees | % of Jobs | CT Rank |
|-------------------|-----------|-----------|---------|
| Stage 1           | (2-9)     | 30%       | 34      |
| Stage 2           | (10-99)   | 33%       | 44      |
| Stage 3           | (100-499) | 14%       | 23      |
| Stage 4           | (500+)    | 15%       | 7       |

| Established Businesses       | Emerging Sectors      |
|------------------------------|-----------------------|
| Aerospace and defense        | Digital media         |
| Advanced manufacturing       | Green tech            |
| Bioscience                   | Stem cell research    |
| Insurance/Financial Services | Bio-medical /pharma   |
| Technology                   | Medical devices       |
| Tourism                      | Hi-tech manufacturing |

- Connecticut has a strong existing base of businesses in a diverse group of sectors
- We lag other states in small business creation and growth

# Connecticut still makes things — manufacturing is alive and well

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- Over 4,500 manufacturing companies
- 90% of all high-tech industries are in mfg
- 14% of state, non-government GDP is from manufacturing companies
- Workers are productive and highly skilled
- CT gets high marks for innovation and diversification

# Talent is a critical component of our growth strategy

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## We have a well educated...

- 43% of CT residents 25 & older have Associate's degree or higher compared to 35.4% for the U.S. and CT ranks #2 in "knowledge jobs."

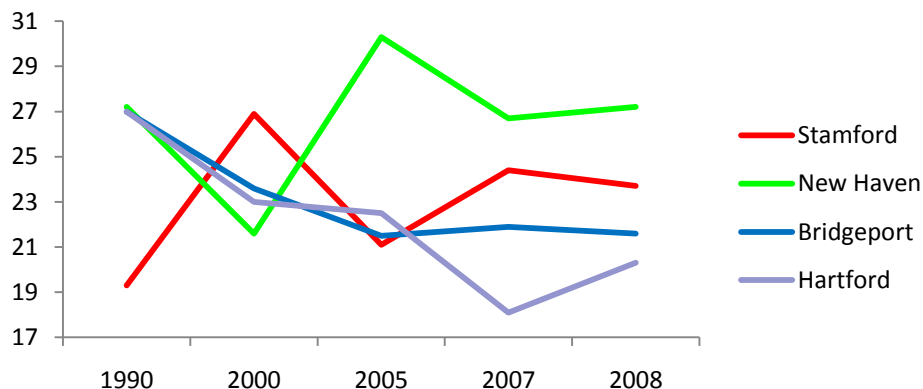
## ...and productive workforce

- CT ranked 2<sup>nd</sup> behind in GDP per capita from 2000 through 2005. In 2009, our per capita GDP was \$65,000 vs. a national average of \$46,000.

## But some of our cities are seeing an out-migration of young adults

### Percentage of Population 25-39

Source: American Community Survey



- We need to work with **educational institutions** to ensure we graduate the type of talent required by our growth sectors.
- Creating **livable communities** will be essential to our effort to retain talent. We have seen an outmigration of young adults (somewhat offset by immigration). If retained, these talented younger people can seed our innovation and small businesses.

# The business climate is competitive with nearby states, but has gaps in a larger, global context

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## Critical Success Factors



## Connecticut Capability

### Large Company

- Access to talent
- Affordable cost structure
- Location
- Predictable regulatory environment
- Global reach

Medium to High

Low

High

Low

High

### Small/Startup

- Serial entrepreneurs
- Young, innovative talent
- Capital
- Networks with other startup firms
- Deep university partnerships

Low

Medium and growing

High for VC; low early stage

Low but growing

High locally; low statewide

- Many states are aggressively recruiting our companies; Connecticut is far less proactive in promoting itself to businesses
- Our political environment is viewed as “unfriendly” to business
  - Unpredictable actions from legislature; changing regulations and rules
- Cost of doing business is higher (e.g., urban real estate taxes, energy costs)
- Connecticut’s quality of life is viewed as a positive and important to our companies, but will not offset significant financial shortfalls
- We have some good programs to stimulate economic activity, but do not promote them well
- State agencies are viewed as difficult to navigate and it takes too long to get responses
- Lack of focus on international opportunities

# Objectives

**Build on our established strengths and emerging sectors; differentiate based on our key assets to achieve these goals:**

- Retain and grow our existing base of jobs
- Foster innovation and new business development
- Grow and enrich our talent pool
- Build vibrant neighborhoods and communities
- Make it easier to do business in and with the State
- Build a brand for the state which drives economic growth

# Strategies

# Retain and grow existing base of jobs

## Concentrate our efforts on Connecticut's job engines

- Financial Services/Insurance
- Manufacturing
- Bio-med (e.g., pharma, medical devices)
- Tourism
- Distribution Centers
- Healthcare
- Global HQ Companies

## Strategies include:

- Proactive outreach with largest/targeted companies (create a sales and marketing team)
- Deep knowledge of their talent needs and assistance in retaining and growing in specific fields (collaborating with local educational institutions)
- Provide support for growth opportunities (through programs like First Five, tax incentives)
- Help create a fair, competitive and responsive regulatory environment
- Provide single point of entry into state agencies and processes
- Ensure transportation, facilities and local infrastructure support growth
- Redirect CDA to align more fully with strategy; leverage banking community
- Dedicate additional resources to strengthen international trade efforts

## Partner with and leverage other organizations

- CDA
- Business cluster groups
- Chambers
- CBIA

## Concentrate our efforts on Connecticut's best opportunities

- Bio-med
- Green tech
- Innovation services
- Arts
- IT
- Advanced manufacturing
- VC/Angels

## Our Strategies include:

- Strengthen relationship between universities and startups and between research facilities
- Create networks for entrepreneurs that help create a platform for startups in the state
- Grow innovation related talent, preferably in targeted locations
- Strengthen the access to capital and mentoring, particularly for early phase startups
- Ensure access to infrastructure and lab/flex space, ect.
- Redirect CI to better align with strategy; leverage partners

## Partners

- CI
- CTC
- Angel/VC investors
- Innovation centers  
(e.g., Science Park, Stamford Center)
- CVG
- CURE
- University research arms

- Leverage tourism work in the short term
- Use a research-based approach to develop a unique and compelling brand this year
- Roll-out multi-channel approach starting in the fall of 2011
- Partner with all local organizations and businesses to expand our reach and expertise

# 2011 Legislative Wrap-up

- First Five
- Majority Leader's Job Growth Roundtable
- UConn Health Center
- \$80 million in MAA funding
- \$100 million for workforce housing





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