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FINANCIAL SERVICES

SECTOR SNAPSHOT | SEPTEMBER 2023

ADVANCECT
CONNECTICUT

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ABOUT ADVANCECT



OUR MISSION

AdvanceCT strives to build a place where business, government, higher education and nonprofits come together to implement high impact and inclusive economic development solutions to advance the overall competitiveness of Connecticut.

ECONOMIC DEVELOPMENT

AdvanceCT is a private nonprofit corporation that drives job creation and new capital investment in Connecticut through high-impact economic development including business attraction, retention, and expansion.

WHAT WE DO

AdvanceCT works in close cooperation with the Connecticut Department of Economic and Community Development (DECD), the private sector, and various state, regional, and local partners to promote Connecticut as a place to do business. Our team is dedicated to ensuring that industries expand, residents thrive, and businesses feel at home in our state.

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INDUSTRY OVERVIEW

FINANCIAL SERVICES SECTOR SNAPSHOT



CONNECTICUT: A FINANCIAL SERVICES STALWART



45K
Jobs



5,400
Establishments



\$30.6B
State GDP

SOURCE: LIGHTCAST, 2022



#2 highest finance industry productivity

(LIGHTCAST, 2022; ADVANCECT CALCULATIONS)

#5 job concentration in finance traded cluster

(LIGHTCAST, 2022)



CONNECTICUT'S VIBRANT FINANCIAL SERVICES MILIEU

Recent Additions/Expansions



Notable Fintech



STONE POINT CAPITAL

GREENBRIAR



LONE PINE CAPITAL*



LITTLEJOHN & Co.



JPMORGAN CHASE & CO.



M&T Bank

TOP EMPLOYERS CHOOSE CONNECTICUT¹

BRIDGEWATER

Financial Advisory Services
Westport, CT | 500-999 employees



Real Estate Loans
Easton, CT | 250-499 employees

First Equity

Investment Securities (aerospace)
Westport, CT | 250-499 employees



Investment Securities
Greenwich, CT | 250-499 employees



Private Equity
Hartford, CT | 250-499 employees



Credit Union
East Hartford, CT | 250-499 employees

SOURCE: ¹CONNECTICUT DEPARTMENT OF LABOR, CT EMPLOYER SEARCH, JAN. 2022; DATA AXEL, LAST UPDATED SEPT. 2022



TALENT & EDUCATION

FINANCIAL SERVICES SECTOR SNAPSHOT



Connecticut Has a High Concentration of Top Finance Talent



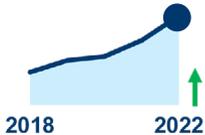
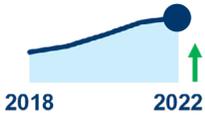
for concentration of
FINANCIAL MANAGERS
2.3X MORE THAN
 THE NATIONAL AVERAGE



for concentration of
FINANCIAL INVESTMENT
ANALYSTS
78% HIGHER THAN
 THE NATIONAL AVERAGE



Subsectors With Largest Job Growth

Subsector	Jobs (2018-2022)	Jobs (2022)	5Y Growth ('18-'22)
Mortgage and Nonmortgage Loan Brokers		1.3K	40.1%
Miscellaneous Intermediation		0.7K	38.4%
All Other Nondepository Credit Intermediation		0.5K	5.7%

SOURCE: LIGHTCAST, 2022



Finance Talent is Employed in a Variety of Industries Across The State

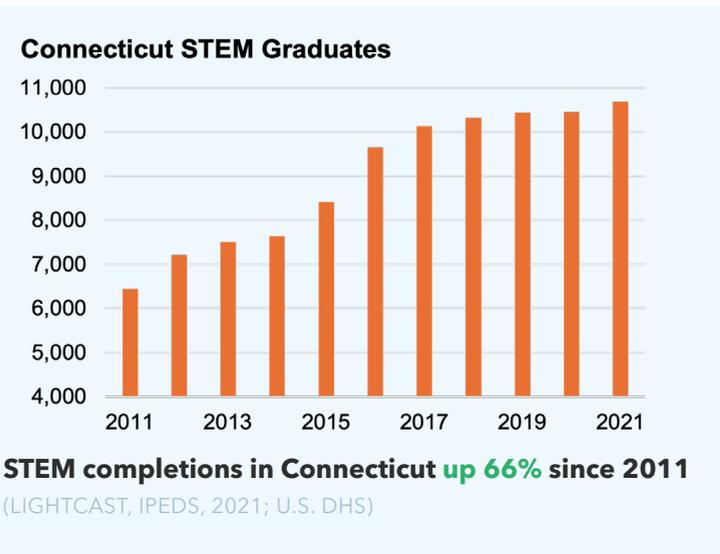
Industry		Total Finance Talent	% of Total Finance Talent in Cluster
■ Finance and Insurance		67,100	22%
■ Professional Services		40,700	14%
■ Government		25,600	9%
■ Health and Social		20,800	7%
■ Retail Trade		20,000	7%
■ Manufacturing		19,000	6%
■ Other		65,000	35%

SOURCE: LIGHTCAST, 2022



Connecticut's Robust Educational Pipeline for Financial Services

Fintech Educational Programs		Field of Study	CT Institutions
 UNIVERSITY OF CONNECTICUT UConn Graduate Program in FinTech	 Sacred Heart UNIVERSITY Sacred Heart Financial Analytics Bachelor's & Master's Programs	Business, Finance, & Related	33
		Math and Statistics	25
		Economics	15



The Talent You Need to Succeed



7 state for STEM Location Quotient (LQ)
 (LIGHTCAST, BLS/O*NET, 2022)



269,000+ STEM Jobs in Connecticut
 (LIGHTCAST, BLS/O*NET, 2022)



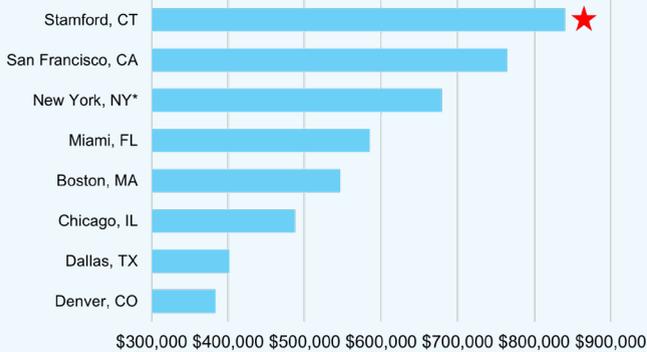
CONNECTICUT AS A FINANCE HUB

FINANCIAL SERVICES SECTOR SNAPSHOT



Stamford, Connecticut is Home to One of the Top Finance Hubs in the U.S.

Finance GRP/Worker (2022)



2022 Employment Concentration



Finance Traded Cluster Jobs, 2022



1
in the U.S. for concentration of finance talent among MSAs with over 20K finance jobs

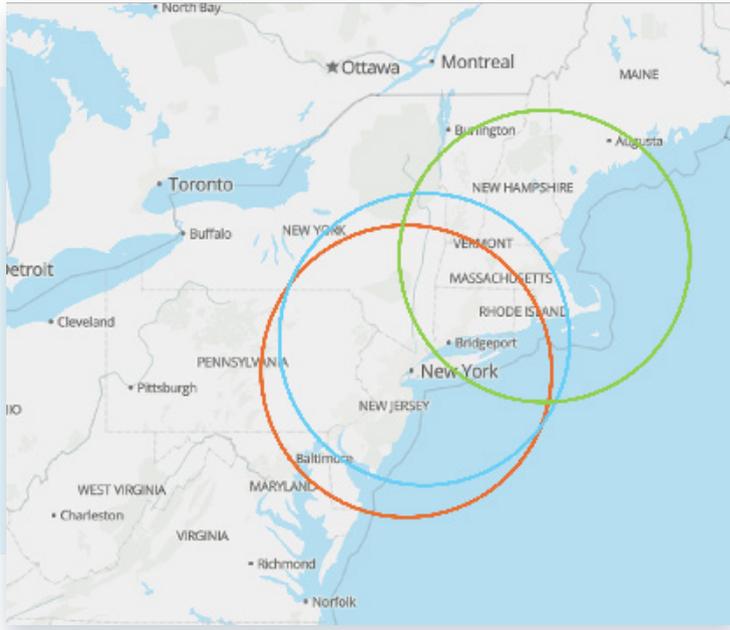
1
in the U.S. for finance worker productivity among MSAs with over 2K finance jobs

Radius Center	Jobs in 30-mi Radius	Jobs in 60-mi Radius
Stamford, CT	53.9K	325.9K

SOURCE: LIGHTCAST, FINANCE TRADED CLUSTER DATA, 2022; ADVANCECT CALCULATIONS
*NEW YORK, NY GRP/WORKER INCLUDES NORTHERN NEW JERSEY



Connecticut is at the Center of the U.S. Finance Economy



160-MILE RADIUS CENTER	% OF U.S. FINANCE JOBS 2022
Stamford, CT	23%
New York, NY	21%
Boston, MA	6%

SOURCE: LIGHTCAST, 2022; ADVANCECT CALCULATIONS



23% of all U.S. finance traded cluster jobs are within 160 miles of Stamford, CT

Significant knowledge transfer between Greater New York City and Fairfield County, Connecticut

- **4.3%** of Stamford labor lives in one of NYC's five boroughs (~3,300 workers)
- **13.3%** of employed Stamford residents work in one of NYC's five boroughs (~7,100 workers)

SOURCE: U.S. CENSUS BUREAU, ONTHEMAP, 2020



Active Trade Associations & Affinity Groups in CT



- Connecticut Association for Finance Professionals
- Financial Planning Association
- Real Estate Finance Association - Connecticut
- Healthcare Financial Management Association
- Central Connecticut Association for Financial Professionals
- Financial Executives Networking Group
- Government Finance Officers of Connecticut

- Connecticut Society of CPAs
- National Association of Black Accountants
- Connecticut Insurance & Financial Services (Metro Hartford Alliance initiative)
- Society of Financial Service Professionals
- Construction Financial Management Association
- CFA Society Hartford
- Credit Union League of Connecticut



INDUSTRY GROWTH

FINANCIAL SERVICES SECTOR SNAPSHOT



HIGH-IMPACT INDUSTRY SUBSECTORS



CONNECTICUT NAMED ONE OF THE
**Top 3 “Forward-Looking
Financial Locations”**

(BUSINESS FACILITIES MAGAZINE, 2022)



**Securities and Commodities
Sales Support Services**

28% HIGHER JOBS CONCENTRATION THAN U.S.

Wealth Management

140% HIGHER JOBS CONCENTRATION THAN U.S.

Credit Market Lending

3,700 JOBS

**Savings & Loans; Industrial &
Private Banks**

4.7X THE NATIONAL JOB CONCENTRATION

SOURCE: LIGHTCAST, 2022; ADVANCECT CALCULATIONS



ACCESS TO CAPITAL

FINANCIAL SERVICES SECTOR SNAPSHOT



Connecticut's Venture Fund Ecosystem*



197 VC investors based in Connecticut have \$293B in assets under management

179 VC fund managers based in Connecticut oversee \$16B in active VC funding



SOURCE: PITCHBOOK, 2022

*INCLUDES CONNECTICUT INNOVATIONS-BACKED VENTURE FUNDS



Connecticut's Largest VC Deals are in FinTech



\$27M Early Stage VC



\$18.5M Seed



\$11.5M Later Stage VC



\$10M Seed



\$9M Early Stage VC



\$7.6M Early Stage VC

Connecticut finance and fintech companies raised at least **\$136.8M** (in 35 deals) in VC in 2022 and **\$1.12B** (in 133 deals) since the start of 2017.

The largest generators of finance and fintech VC are **Consumer Finance** and **Financial Software**.

SOURCE: PITCHBOOK, 2022; ADVANCECT CALCULATIONS.

INCLUDES ALL VC STAGE FUNDING RAISED THROUGH 12/31/2022. FINANCE AND FINTECH DEFINED AS PITCHBOOK CAPITAL MARKETS/INSTITUTIONS AND OTHER FINANCIAL SERVICES INDUSTRIES, AND CRYPTOCURRENCY/BLOCKCHAIN AND FINTECH VERTICALS.



COST OF DOING BUSINESS

FINANCIAL SERVICES SECTOR SNAPSHOT



CONNECTICUT COSTS ARE COMPETITIVE



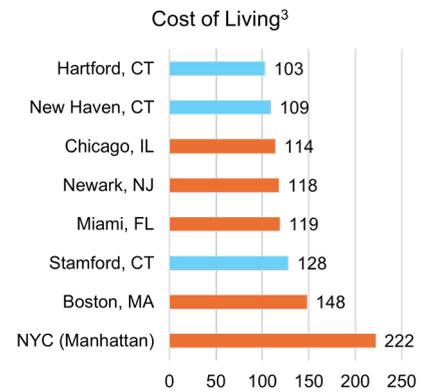
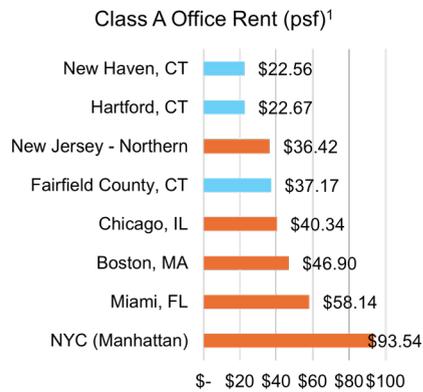
Lowest Office Rents



2nd Lowest Corporate Tax



Lower Cost of Living



SOURCE: ¹CUSHMAN & WAKEFIELD OFFICE MARKETBEAT, Q2 2023. ²TAX FOUNDATION, 2022. REPRESENTS TOP MARGINAL TAX RATES IN EACH STATE. NEW YORK INCLUDES STATE TAX AND NYC BUSINESS CORPORATION TAX. ³C2ER, COST OF LIVING INDEX, Q1 2023. US AVERAGE=100.

FOR MORE INFORMATION, CONTACT:

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LEARN ABOUT CONNECTICUT'S KEY INDUSTRIES AT **ADVANCECT.ORG**

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