

De-Risking the Business Location Decision

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Data herein is the most recent available as of February 2026 unless otherwise noted.

ABOUT ADVANCECT



OUR MISSION

AdvanceCT is a nonprofit economic development organization that drives job creation and new capital investment in Connecticut through business attraction, retention, and expansion work.

OUR ROLE IN THE ECONOMIC DEVELOPMENT ECOSYSTEM

Economic development is the lifeblood of Connecticut's economy, and AdvanceCT plays a critical role in the state's business attraction and business retention efforts. We work to attract corporate investment and to support existing businesses as they expand. AdvanceCT works in close partnership with public and private organizations across the state to ensure new and existing businesses have the support they need to thrive in Connecticut.

WHAT WE DO

We focus on inclusive business development and business retention work in close collaboration with the Connecticut Department of Economic and Community Development, other economic development organizations throughout the state, and the private sector.

LEARN MORE AT [ADVANCECT.ORG](https://www.advancect.org)

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ASSESSING RISK IN A COMPLEX ENVIRONMENT

THANK YOU FOR REVIEWING AdvanceCT's 2026 Connecticut Risk Report.

For those responsible for major capital investments and expansion decisions, risk assessment has become a defining factor in site selection. Cost, incentives, and market access remain important, but long-term performance increasingly depends on the stability and predictability of the broader operating environment.

Traditional risk factors such as natural disasters, infrastructure reliability, and crime are easier to quantify. More nuanced risks such as political volatility, fiscal instability, workforce health, and cultural fit are harder to measure but just as consequential. A location may appear attractive on paper, yet hidden friction points can erode productivity, increase absenteeism, or introduce unexpected operating costs over time.

Connecticut's strength lies in its consistency. Across environmental exposure, infrastructure reliability, fiscal management, healthcare access, workforce participation, and public safety, the state demonstrates steady performance relative to national peers. Indicators such as business longevity reflect that stability, with a greater share of firms remaining operational over time compared to the national average. While no single metric defines a business climate, these measures signal resilience when taken together.

Importantly, Connecticut also offers ways to go beyond baseline stability. Companies navigating global trade pressures can leverage the state's foreign trade zones to better manage tariff exposure and cash flow. Organizations seeking structural flexibility and coordinated development pathways may explore partnerships with Connecticut's Tribal Nations. And businesses focused on speed to market can take advantage of the Certified Sites Program to reduce permitting uncertainty and accelerate project timelines.

Risk cannot be eliminated, but it can be anticipated and managed. The purpose of this report is to examine the categories of risk that most directly affect operational continuity and long-term growth and to provide data that supports informed, confident decision making.

When stability, predictability, and performance matter, Connecticut stands out.



A handwritten signature in black ink that reads "John Bourdeaux". The signature is fluid and cursive, written in a professional style.

John Bourdeaux
President & CEO

THE WALL STREET JOURNAL

LOGISTICS REPORT

U.S. Foreign Trade Zones Draw New Demand as De Minimis Ends



Small Businesses Face Health Care Affordability Crisis

Hundreds of thousands still without power in Tennessee and Mississippi following Winter Storm Fern



BUSINESS

AP

Thousands of Boeing workers who build fighter jets and weapons go on strike

The New York Times

Even Without Hurricanes, U.S. Disaster Costs Surpassed \$100 Billion Last Year

80% Of Employees Report 'Productivity Anxiety' And Lower Well-Being In New Study



BLOOMBERG LAW DATA

Picketing May Have Peaked but Union Strike Totals Remain High

Why Focus on **Business Risk**?

When making a location decision, companies know to ask about factors like talent availability and cost, real estate options, access to markets, and local and regional incentives.

In today's shifting environment, risk analysis deserves greater weight. Myriad challenges outside of the company's business can impact operations, profitability, and long-term sustainability.

By proactively assessing natural disaster and climate exposure, infrastructure reliability, political and fiscal stability, health and safety, and workforce culture, businesses can **reduce unexpected costs or disruptions** and select locations positioned to **support resilience, growth, and competitive advantage**.

Business Risks Cited by Thought Leaders & Experts

ENVIRONMENTAL RISK

Climate Change | Natural Disasters

dun & bradstreet



Forbes

McKinsey & Company

INFRASTRUCTURE RISK

Infrastructure | Energy Costs/Reliability | Water Availability

Deloitte.

Forbes



McKinsey & Company

Pew Research Center 

HEALTH & SOCIAL RISK

Healthcare | Crime

dun & bradstreet

McKinsey & Company

Pew Research Center 


 U.S. Chamber of Commerce

WORKFORCE STABILITY RISK

Education | Workforce Retention | Strikes & Union Activity



Forbes

Pew Research Center 



TRAVELERS 

POLITICAL & ECONOMIC RISK

Fiscal Stability | Government Integrity



Connecticut Enables Low-Risk Business Growth

Connecticut's strong performance across environmental, infrastructure, political, social, and workforce risk factors establishes a durable foundation for business stability. Beyond these core indicators, the state also offers practical pathways that provide businesses with added flexibility and predictability.

Companies navigating tariff exposure can leverage Foreign Trade Zones. Those seeking streamlined governance, coordinated regulatory frameworks, and efficient development processes may explore partnerships with Connecticut's Tribal Nations. Organizations focused on speed to market can utilize the Certified Sites Program to reduce development timelines.

Together, these options complement the broader risk profile outlined in this report and give businesses additional confidence as they plan for long term growth. Connecticut offers mechanisms that allow companies to reduce risks at the outset, including Foreign Trade Zones, Tribal Partnerships, and Certified Sites.



Foreign Trade Zones



Tribal Partnerships



Certified Sites



Environmental Risk

De-Risking the Business Location Decision

Environmental risk is one of the most impactful and prevalent forms of risk in the United States. The notable increase in large scale disasters has devastated cities and uprooted communities, in addition to disrupting business and supply chains. It is critical to consider these risks and how they might impact businesses when making a location decision.



Connecticut aims to be carbon neutral by 2050¹

- #2** Highest share of donated food & lowest food waste²
- #2** Lowest climate-change contributions³
- #9** Lowest risk of climate-related disasters⁴
- #10** Lowest per capita CO₂ emissions⁵

CONNECTICUT IS A TOP 10 STATE FOR REDUCING CLIMATE RISK

Connecticut is at the forefront of addressing climate change and protecting the environment. It ranks among the top states in factors that reduce climate risk, including a low-carbon economy, adoption of green technology, use of public transit, recycling, waste reduction, and green policies.⁶ The state is also among the lowest-risk for climate-related disasters such as droughts and wildfires.⁷

Connecticut is not only a low contributor to climate change but also a leader in green initiatives. The Connecticut Green Bank, the first of its kind in the nation, has accelerated clean energy deployment by leveraging public funds to attract private investment, making it more affordable for residents and businesses.⁸ The state has also funded climate action plans and provided incentives to support the adoption of green technologies.

Over the long term, climate change remains a critical issue. Sea level rise and pollution threaten future costs and livability, while homeownership costs are rising in areas exposed to severe weather.⁹ Efforts to reduce climate risk also bring added benefits, including increased energy efficiency resulting in cost savings, and creation of green spaces that serve as a public amenity.

\$7.0B contributed state GRP by the clean energy industry¹⁰

8.6:1 Leverage ratio of public funds to private investments in green energy
(MOST STATES FALL BETWEEN 3:1 TO 7:1)¹¹

SOURCE: ¹U.S. CARBON DIOXIDE EMISSIONS BY STATE. ²SHAPIRO, 2024. FOOD WASTE BY STATE: MOST & LEAST WASTEFUL STATES. ³WALLETHUB, 2025. RANKING BASED ON ENVIRONMENTAL QUALITY, ECO-FRIENDLY BEHAVIORS, AND CONTRIBUTIONS TO CLIMATE CHANGE. ⁴SAFEHOME.ORG, 2025. CRITERIA INCLUDE EXTREME HEAT, DROUGHT, WILDFIRES, COASTAL FLOODING, AND INLAND FLOODING. FOOD WASTE BY STATE: MOST & LEAST WASTEFUL STATES. ⁵CHOOSEENERGY, 2023 (MOST RECENT DATA AS OF FEB. 2026). ⁶WISEVOTER, 2022. ⁷SAFEHOME, 2025. ⁸CONNECTICUT GREEN BANK, ACCESSED FEB 2026. ⁹FIRST STREET, 2025. ¹⁰CONNECTICUT GREEN BANK, 2025. ¹¹SOLARTECHONLINE, 2025.

NATURAL DISASTERS

According to Climate Central, 2025 recorded the third-highest number of billion-dollar disasters in the United States, with 23 events totaling \$115 billion in damages, underscoring the significant financial and operational disruption they can create.¹

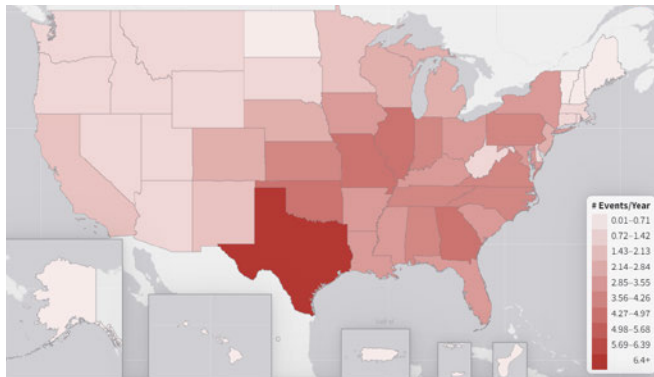
Connecticut has a low natural disaster risk, with infrequent events and significantly lower associated costs than other regions. Connecticut is also notably insulated from the most destructive hazard types, including tropical cyclones, droughts and heat waves, and wildfires.²

In Connecticut, winter storms are the most common hazard, though they typically occur no more than once per year. The state maintains strong preparedness and response capabilities to help minimize operational disruptions.

Since 2000, per capita natural disaster costs in Connecticut have averaged \$64, the lowest in the nation. By comparison, Louisiana has experienced \$20,482 per capita in damages, while the national average stands at \$1,354.³

Even with these advantages, Connecticut continues to invest in resilience. Governor Ned Lamont has emphasized the importance of strengthening infrastructure, protecting natural resources, and ensuring the safety of communities and businesses, reinforcing a forward-looking approach to economic stability.⁴

Events per Year, 2004-2024 Billion Dollar Disasters⁵



Lowest damage per capita due to natural disasters since 2000⁶

Billion-Dollar Disasters, 2004-2024¹

State	Events/Year	Cost/Year
Connecticut	1.2	\$250M-500M
Massachusetts	1.3	\$250M-500M
California	1.5	\$5B-10B
New Jersey	2.6	\$2B-5B
New York	3.3	\$2B-5B
North Carolina	4.1	\$2B-5B
Georgia	4.9	\$2B-5B
Texas	7.1	\$10B-20B

SOURCE: ¹CLIMATE CENTRAL, 2025. ²NOAA, 2024. ³RAINBOW RESTORATION, 2023. (MOST RECENT DATA AS OF FEB. 2026); U.S. CENSUS BUREAU, POPULATION DIVISION, STATE POPULATION ESTIMATES (DEC. 2023); ADVANCECT CALCULATIONS. ⁴CT.GOV, 2025. ⁵NOAA, 2024. WILL NO LONGER BE UPDATING THIS DATA PRODUCT DUE TO CHANGES AT THE FEDERAL LEVEL. ⁶RAINBOW RESTORATION, "U.S. STATES WITH THE COSTLIEST SEVERE WEATHER EVENTS" (2023) (MOST RECENT DATA AS OF FEB. 2026); U.S. CENSUS BUREAU, POPULATION DIVISION, STATE POPULATION ESTIMATES (DEC. 2023); ADVANCECT CALCULATIONS.

Infrastructure Risk

De-Risking the Business Location Decision

Reliable infrastructure is another critical component for business operations. Roads, rail, and ports are critical to bring in raw materials and send goods to market. Fast broadband service helps businesses place just-in-time orders and stay in touch with clients. Disruption of basic services such as water or electricity quickly cause chaos and financial losses.

Connecticut is one of the BroadbandNow 2025 Best States for internet based on **coverage, speed, and price access.**¹

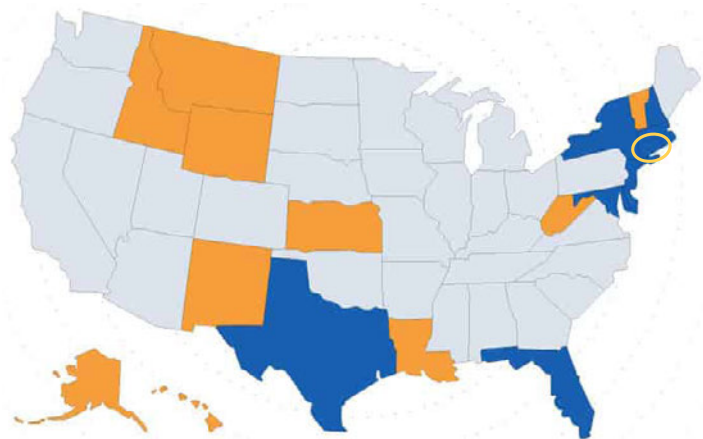
Best and Worst States for Internet, 2024

BEST 10 STATES

- 1. New Jersey
- 2. Maryland
- 3. Delaware
- 4. Connecticut
- 5. New Hampshire
- 6. Massachusetts
- 7. Texas
- 8. Rhode Island
- 9. Florida
- 10. New York

WORST 10 STATES

- 42. Vermont
- 43. Hawaii
- 44. New Mexico
- 45. Louisiana
- 46. West Virginia
- 47. Kansas
- 48. Idaho
- 49. Wyoming
- 50. Montana
- 52. Alaska



broadbandnow research

High-speed internet has become mission-critical as emerging technologies such as artificial intelligence, quantum computing, and cloud computing increase in importance, and as remote and hybrid work models remain a permanent feature of the modern economy. In alignment with its reputation as a hub for high-tech industry and a highly skilled workforce, Connecticut offers some of the strongest broadband infrastructure in the nation, delivering accessible, affordable, high-speed connectivity that supports innovation and next-generation growth.

#4

Best State for Broadband² – Highest in New England

#2

Download Speed Leader³ (151.6 Mbps)

#4

Best Internet Access⁴

#2

Access to Gigabit Internet⁵



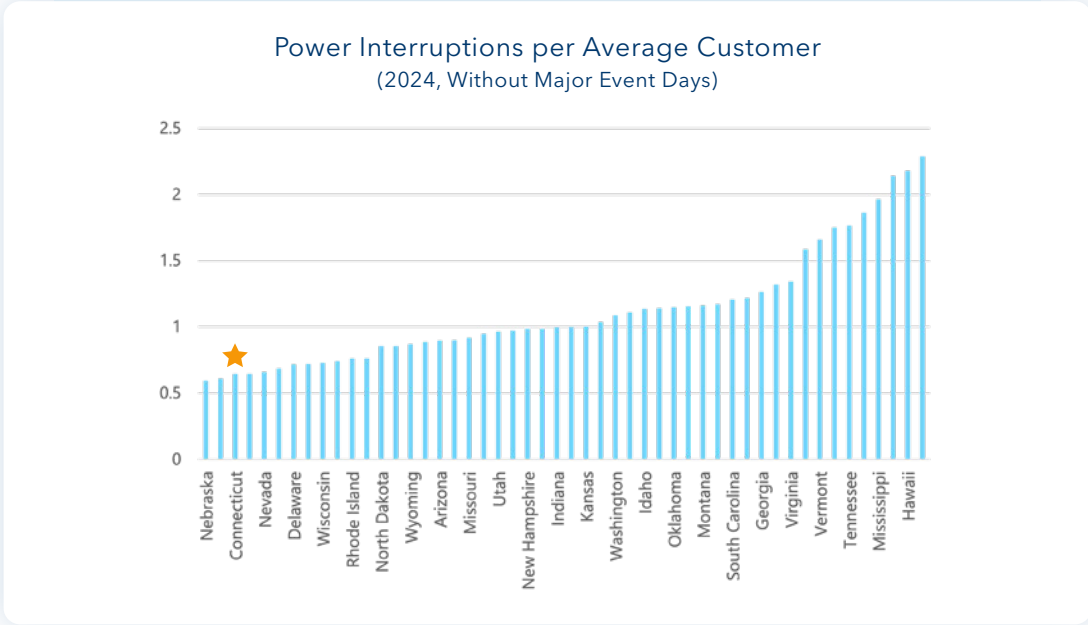
“Expanding broadband access will help **spur jobs and economic opportunity** where they are needed most.”

– Michael Bloomberg

SOURCE: ^{1,2,3}BROADBAND NOW, 2025. ^{4,5}U.S. NEWS AND WORLD REPORT, 2025.

ENERGY RELIABILITY

Connecticut has one of the most reliable electrical grids in the United States, with **few outages** and **low total downtime**.



Loss of power for an extended period can be detrimental to business. Connecticut has one of the most reliable electric grids in the United States, ranking 9th lowest nationally in average outage minutes per customer over the past five years. The state has experienced few outages and low total minutes of downtime as well, providing stable infrastructure for businesses to operate.

Electrical Interruptions

#3

**Lowest Power Interruption
(electrical interruptions) Frequency
Nationwide in 2024**

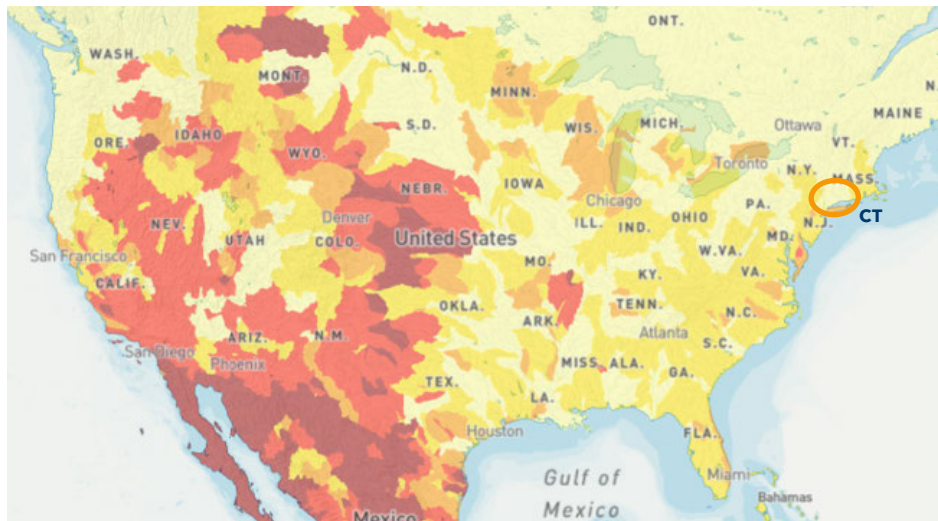
#9

**Fewest Minutes of Outages on
Average Nationwide
in 2024**

SOURCE: EIA, 2024 (MOST RECENT OF FEB. 2026); A MAJOR EVENT DAY IS ANY DAY THAT EXCEEDS A DAILY SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI) THRESHOLD CALLED TMED. TMED IS A DURATION STATISTIC CALCULATED FROM DAILY SAIDI VALUES FROM THE PAST FIVE YEARS. SOME MAJOR EVENTS ARE SELF-REPORTED BY THE UTILITIES.

Unlike many regions in the U.S. or across the globe, Connecticut has **ample water supply**. Connecticut is among states only exposed to the two **lowest levels of water risk**.¹

Aqueduct Water Risk Atlas: Overall Water Risk¹



Low
(0-1)

Low-Medium
(1-2)

Medium-High
(2-3)

High
(3-4)

Extremely high
(4-5)

Water availability is a growing concern globally, and one of Connecticut's most undervalued strengths is its water supply. Furthermore, the state has one of the lowest water stress levels in the nation, measured as the total water demand relative to available renewable surface and groundwater supply. Western and central Connecticut use less than 20% of the available water resources on an annual basis, while large swaths of central and western United States utilize more than 80%.²

ZERO areas of high or extreme water stress³

#7 best tap water in the U.S.⁴

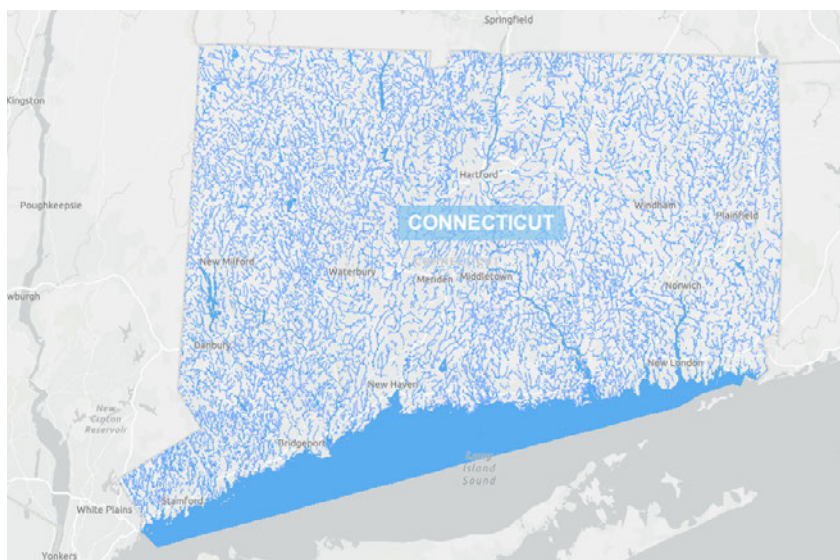


In 2024, **99.81%** of Connecticut residents served by community water systems received **water meeting all SDWA standards**; the 2014-2023 ten-year average was 98.5%.⁵

SOURCE: ¹WORLD RESOURCES INSTITUTE, WATER RISK ATLAS, 2023 (MOST RECENT DATA AS OF FEB 2026); WATER RISK AGGREGATES SEVERAL MEASURES ENCOMPASSING WATER AVAILABILITY, DEMAND, AND QUALITY. ²AQUEDUCT WATER RISK ATLAS, 2023 (MOST RECENT AVAILABLE AS OF FEB 2026). ³WORLD RESOURCES INSTITUTE, WATER RISK ATLAS, 2023 (MOST RECENT DATA AS OF FEB 2026); WATER RISK AGGREGATES SEVERAL MEASURES ENCOMPASSING WATER AVAILABILITY, DEMAND, AND QUALITY. ⁴CNBC, 2024. ⁵CONNECTICUT STATE COUNCIL ON ENVIRONMENTAL QUALITY, 2024 ANNUAL DRINKING WATER REPORT (MOST RECENT DATA AS OF FEB 2026).

WATER AVAILABILITY

Connecticut is water-rich, with over 5,800 miles of rivers and streams: roughly the equivalent of the U.S.-Canada and U.S.-Mexico borders combined.

Connecticut's Surface Hydrography¹

Hydrography maps illustrate what it means to be a water rich state showing Connecticut's extensive streams, rivers, lakes, and coastal water.

For businesses that depend on reliable access to significant volumes of water, this distinction matters. In Connecticut, water resources are distributed throughout the state, allowing companies flexibility in site selection rather than limiting them to a handful of water adjacent locations. In many other states, even those with substantial overall water resources, usable supply may be concentrated in certain regions, constraining where water intensive industries can operate.² Connecticut's dense and widespread water network supports operational reliability, geographic flexibility, and long-term resilience for water dependent businesses.

SOURCE: ¹CONNECTICUT DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION, SEPT 2025. ²SITE SELECTION STRATEGIES FOR WATER-INTENSIVE INDUSTRIAL USERS, SITE SELECTION GROUP, MAR 2025.

MULTI-MODAL LOGISTICS



Connecticut is a highly accessible state, with roads, rail, and ports connecting end to end.



By Water

- There are three deep water ports in Connecticut: Bridgeport, New London, and New Haven, the third largest port in New England.¹



By Air

- Bradley International Airport has over 3.3 million sq ft dedicated to cargo operations and nearly 310 million pounds of cargo annually.³



By Road

- I-95 and I-91 connect Canada to Florida, and I-84 connects to Massachusetts and New York State.
- Among the highest in the nation for overall highway cost-effectiveness and condition.²



By Rail

- Connecticut's freight is handled by CSX, Housatonic Railroad, Naugatuck Railroad, PanAm Southern Railway, and Providence & Worcester Railway, serving interstate and intrastate transportation.

SOURCE: ¹U.S. DEPARTMENT OF COMMERCE, 2025; ADVANCECT CALCULATIONS. IMPORTS PLUS EXPORTS BY WEIGHT. ²REASON FOUNDATION, 2025. ³CONNECTICUT AIRPORT AUTHORITY, 2025.

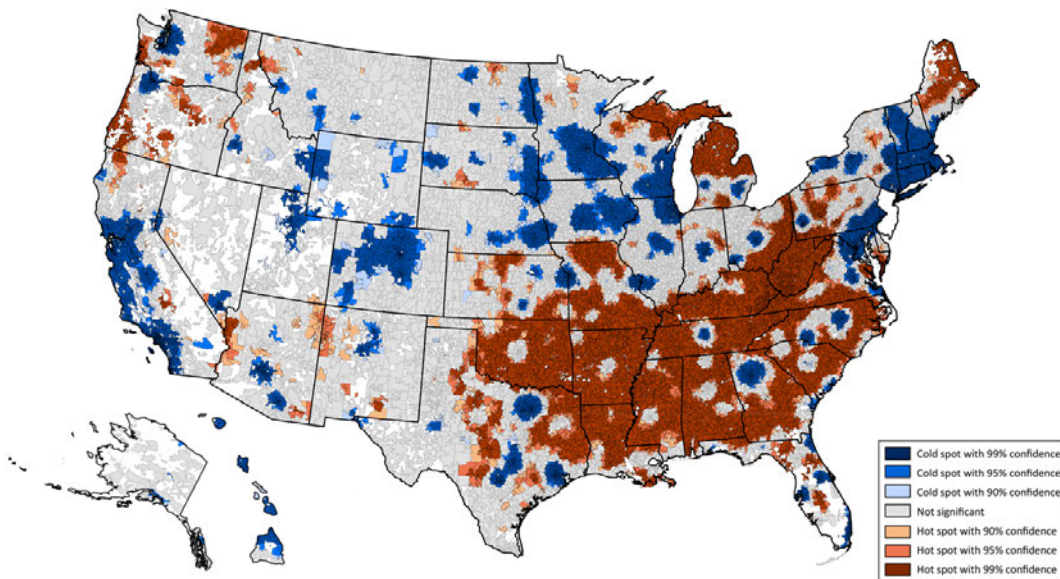
Health and Social Risk

De-Risking the Business Location Decision

The health and well-being of a community can have many impacts on the success of a business. At an individual level, poor health can cause employee absenteeism reducing productivity. At a societal level, issues like crime or disease outbreak can cause larger-scale disruptions. Prioritizing the health and safety of citizens is a key attribute of states that provide a reliable and productive workforce and stable environment for businesses.

CHRONIC DISEASE

Chronic illness is an indicator of both socioeconomic and environmental well-being for a state. States with more challenges in both areas find chronic illness much more difficult to manage. Chronic illness can also indicate greater barriers to health care access. Connecticut is one of the healthiest states, with very low prevalence of chronic illness.



Map of the U.S. showing significant spatial clusters of chronic disease prevalence scores, with high-prevalence clusters (hot spots in red) and low-prevalence clusters (cold spots in blue).

Chronic Illness & Workforce

Connecticut's low incidence of chronic disease prevalence means better workforce reliability.



Areas with a high prevalence of chronic illness face socioeconomic and environment challenges.



These challenges make preventing chronic illness more difficult.



These areas face greater barriers to healthcare access.

HEALTHCARE

When comparing both public health and healthcare nation-wide, Connecticut excels. Healthcare in Connecticut is high quality, for both physical and mental health. In addition, the state has one of the highest rates of healthcare accessibility, meaning people who needed health care received it. This is critical for businesses, since lack of access to healthcare negatively impacts workforce productivity and economic growth.¹

#2
Access to Healthcare²

#3
Best Healthcare³

#4
Healthiest State²



Mental Healthcare

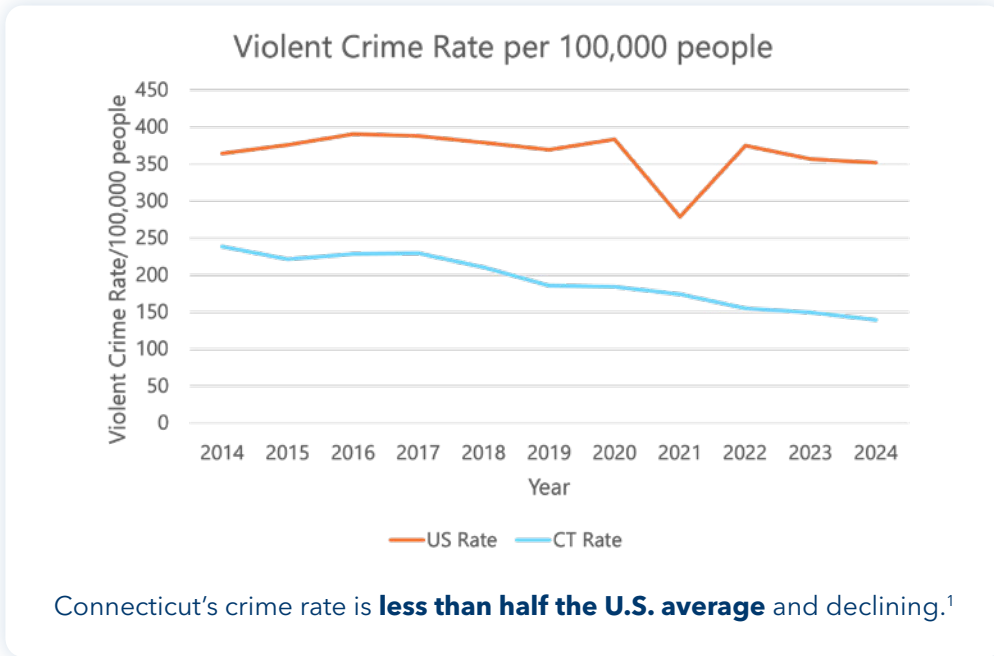


#7
Lowest prevalence and best care
for adult mental health⁴

#9
Access to mental
healthcare⁴

SOURCE: ¹UNITED NATIONS, 2023 (MOST RECENT AVAILABLE AS OF FEB 2025), ²U.S. NEWS AND WORLD REPORT, 2025, ³UNITED HEALTH FOUNDATION, 2025, ⁴MENTAL HEALTH AMERICA, 2025.

CRIME



Crime is an ongoing concern for both businesses and individuals. A U.S. Chamber of Commerce survey indicated 56% of small businesses have experienced theft; while the National Retail Federation cites workplace violence, cybersecurity, and emergency management as growing concerns.^{2,3} While no region is immune to these challenges, Connecticut remains one of the safest states in the nation. While violent crime rates at the national level have remained relatively stable over the past 10 years, Connecticut's low crime rate has continued to decline.



Region	Violent Crimes per 1,000 people
Connecticut	1.35
New Jersey	2.11
Georgia	2.80
Massachusetts	2.97
United States	3.38
North Carolina	3.55
New York	3.63

Connecticut displays a **low rate of violent crime** compared to peer states.⁴

SOURCE: ¹U.S. CHAMBER OF COMMERCE, CRIME RISK TO BUSINESS REPORT, 2023; ²NATIONAL RETAIL FEDERATION, 2025. ³WALLETHUB, 2025. ⁴LIGHTCAST, 2024–Q4 2025 RELEASE. ⁵FBI CRIME DATA EXPLORER, 2024; U.S. CENSUS BUREAU, PEP, 2014-2024; ADVANCECT CALCULATIONS.

Workforce Stability Risk

De-Risking the Business Location Decision

In location decisions, companies should consider not only the availability of talent that can fill current positions, but also the region's long-term investment in education and training that will continue to provide for their future needs. Business leaders should understand the workforce they will be engaging with to ensure alignment between the available talent pool and the organization's mission and goals. Additionally, cultural fit is an often overlooked factor that can influence the success or failure of a business venture.

Among the most reliable and productive workforces in the nation, Connecticut has a higher than average workforce participation rate, and extremely high productivity: nearly \$34,000 per worker higher than the U.S. average.¹ Connecticut’s workforce is also very dedicated, as workers voluntarily leave their jobs (quit) less frequently than the U.S. average. These attributes provide both stability and value to Connecticut’s businesses.

Connecticut vs. U.S. Participation & Productivity

Connecticut has high labor force participation²:



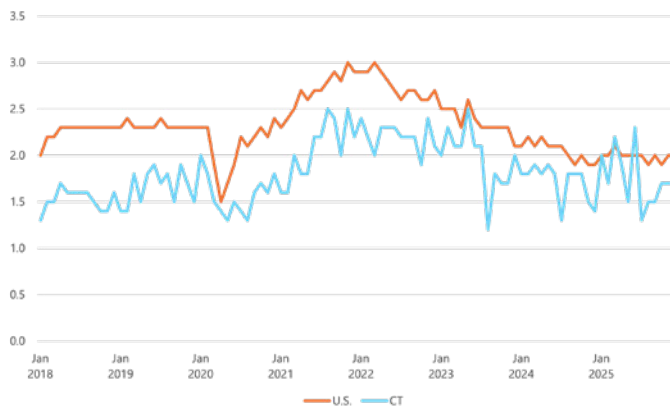
CT: 64.0%
U.S.: 62.4%

3rd highest workforce productivity in the U.S.³:



CT: \$220,241
U.S.: \$186,180

Quit Rates, U.S. and Connecticut; Jan 2018 – Dec 2025



Connecticut employees **leave their job less frequently** than the U.S. average.⁴

SOURCE: ¹LIGHTCAST, 2025-Q4 2025 RELEASE, ADVANCECT CALCULATIONS. ²BLS, DEC 2025. ³LIGHTCAST 2024-Q4 2025 RELEASE, ADVANCECT CALCULATIONS. GDP PER EMPLOYED WORKER. ⁴BLS, JOLTS, 2025.

EDUCATION

One of the main drivers behind Connecticut’s high-quality workforce is the state’s premier education system. Connecticut has some of the best public schools in the nation across all grade levels. The state is also home to an incredible higher education system, ranging from community colleges to world-class research universities.



Nearly **56,000** graduates annually from Connecticut institutions¹



High Quality Education



#1

highest median ACT score²

#3

state for Pre-K to 12 education³

#3

for percent of population with graduate or professional degree⁴

#7

for percent of population with a bachelor’s degree or higher⁴

Connecticut’s strong education system provides the pipeline for the next generation of workforce.

SOURCE: ¹IPEDS, ALL COMPLETIONS, RETRIEVED FROM LIGHTCAST, 2024–Q4 2025 RELEASE. ²WALLETHUB, 2025. ³U.S. NEWS AND WORLD REPORT, 2025. ⁴U.S. CENSUS BUREAU, ACS 1Y, 2024.



Region	Trade Union Density	Region	Trade Union Density
Iceland*	90.6%	Chile*	16.0%
Sweden	65.9%	OECD-Total	15.2%
Denmark	60.4%	Germany	14.1%
Norway	52.1%	Netherlands*	13.8%
Finland	51.4%	Mexico	12.8%
Belgium*	47.5%	Switzerland*	12.7%
Italy	30.2%	Korea*	12.5%
Canada	28.3%	Spain*	12.5%
Israel*	27.2%	Australia	12.2%
Costa Rica	22.4%	Türkiye	10.9%
Ireland	22.2%	United States	9.9%
United Kingdom	22.0%	Czechia*	9.4%
New Zealand	20.3%	Estonia*	5.6%
Austria	20.2%	Colombia	4.7%
Japan	16.2%		

SOURCE: OECD, 2024, ACCESSED DEC 2025. MOST RECENT DATA SELECTED: 2024 UNLESS NOTED AS *2023

Globally, strikes that disrupt supply chains or essential services make headlines, and businesses impacted by these strikes can face significant losses. At the national level, U.S. union membership rates are lower than those of most developed nations. While about 9% of Connecticut’s private sector employees are union members¹, work disruptions from union activity in Connecticut are very low, with only 2 large-scale stoppages in the last 10 years and smaller strikes averaging 2 days in length with a median of 50 participants.

Union Work Disruption in Connecticut is Low



Large-scale (1,000+ workers) work stoppages in Connecticut:
2, averaging 12.7 days idle per worker, **in the last 10 years**²



Smaller strikes in Connecticut:
17 in the past three years; median of 50 participants and 2 days per strike³

SOURCE: ¹UNIONSTATS.COM, BLS CPS, 2025. ²BLS, 2014-2024, ADVANCECT CALCULATIONS. BLS REPORTS STOPPAGES AFFECTING 1,000+ WORKERS FOR AT LEAST ONE FULL SHIFT. ³CORNELL ILR SCHOOL LABOR ACTION TRACKER, 2023-2025; ADVANCECT CALCULATIONS. *TOTAL PARTICIPANTS NOT LISTED FOR THE TWO RIDESHARE STRIKES, STARBUCKS, AND PODS STRIKE.

Political Risk & Economic Risk

De-Risking the Business Location Decision

Political risk is difficult to quantify, yet instability can disrupt operations, investment, and long-term planning. Unpredictable governance, policy swings, and fiscal mismanagement create uncertainty that can delay projects and increase costs. Economically, strong business survival rates signal a resilient environment, while healthy reserve funds and sound fiscal management indicate a state's ability to withstand downturns without abrupt tax increases or spending cuts. These indicators help businesses assess whether a location can provide stability through political and economic cycles.

FISCAL STABILITY

As part of its commitment to long-term fiscal stability, Connecticut has dramatically strengthened its financial position in recent years, most notably by building one of the largest Rainy Day Funds in the nation. The state has consistently directed budget surpluses into reserves, bringing the fund to its statutory cap and positioning Connecticut among the strongest in the nation in terms of budget preparedness. This disciplined approach has significantly improved the state’s ability to weather economic downturns without raising taxes or cutting essential services. In addition, more than \$10 billion¹ in surplus funds have been applied to reduce long-standing pension liabilities since 2020, further improving long-term obligations. Together, these actions have led to historic credit rating upgrades from all four major rating agencies, underscoring Connecticut’s strengthened fiscal foundation and long-term stability.

Top 10 Largest Rainy Day Fund Balances²

State	Rainy Day Fund FY2025 (\$ in millions)
California	\$35,891
Texas	\$24,282
New York	\$8,756
Massachusetts	\$8,227
Pennsylvania	\$7,491
Georgia	\$5,583
Kentucky	\$4,812
Virginia	\$4,750
Florida	\$4,441
Connecticut	\$4,327



Connecticut ranks **5th nationally** for Rainy Day Fund dollars per capita³

State Bond Credit Score⁴:



Rating strength improved:
 Moody's Aa3 → Aa2 (stable)
 Fitch AA- → AA (stable)

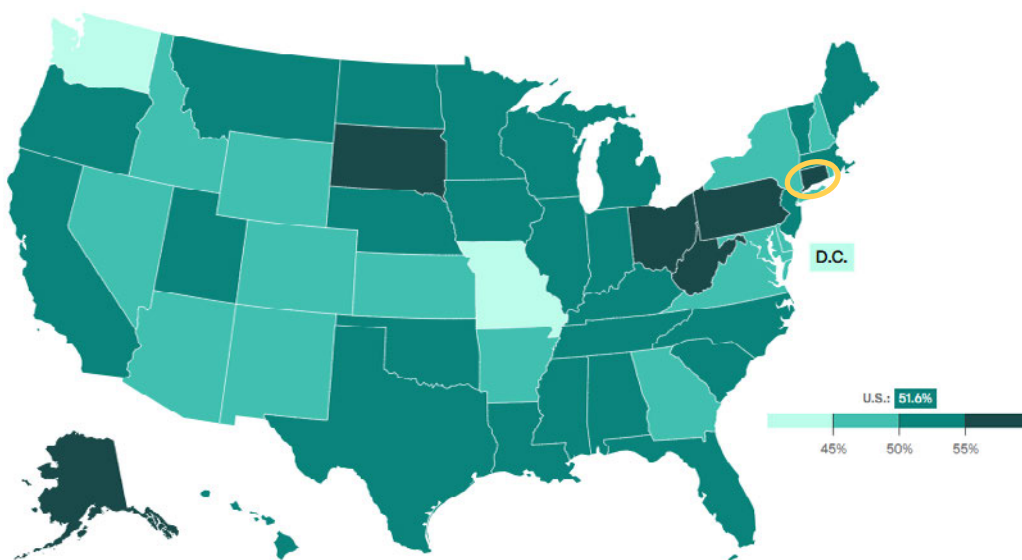
Since 2021, all four of the major credit rating agencies have upgraded Connecticut’s general obligation bond ratings.

SOURCE: ¹CTMIRROR, 2025. ²NASBO, FY2025, BASED ON SUBMITTED BUDGETS - FALL 2025 RELEASE. ³NASBO, FY2025- FALL 2025 RELEASE; U.S. CENSUS BUREAU, 2024, MOST RECENT AS OF JAN 2026. ⁴CT.GOV, 2025.

STARTUP SURVIVAL

Connecticut's strong five year business survival rate signals a stable and predictable operating environment. As of March 2024, 57.5% of Connecticut businesses launched in the year ending March 2019 were still operating, compared to 51.6% nationally. This higher survival rate indicates that firms in Connecticut are more likely to withstand economic cycles, manage costs, and sustain operations over time.

Five Year Survival Rate of New Businesses by State



Data: BLS; Map: Alex Fitzpatrick/Axioe

Business longevity reflects underlying fundamentals such as fiscal stability, reliable infrastructure, workforce strength, and manageable exposure to external shocks. When a greater share of startups remain in operation after five years, it suggests fewer unexpected disruptions, lower systemic volatility, and a supportive policy and capital environment. For investors and site selectors, this translates into lower economic risk and greater confidence that long term business plans can be executed successfully in Connecticut.



Connecticut ranks **2nd in the nation for startup survival rate**, only behind West Virginia.

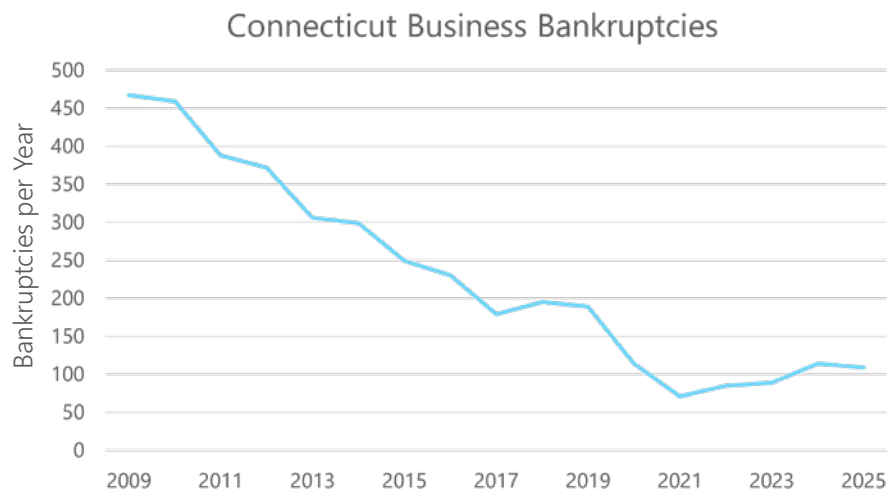
SOURCE: BLS, 2025. AXIOS, 2025. NOTE: DATA IS AVAILABLE FOR BUSINESSES STARTED IN THE YEAR ENDING MARCH 2020. HOWEVER, DUE TO PANDEMIC-RELATED EFFECTS, 5-YEAR SURVIVAL RATES FOR BUSINESSES ESTABLISHED IN THE YEAR ENDING MARCH 2019 WERE USED INSTEAD.

MINIMAL BANKRUPTCY RISK

Bankruptcy filings are a useful indicator of a state's economic health. Broadly, states with strong business environments tend to see fewer failures, implying a more robust business ecosystem and a more stable customer base. Lenders are also less likely to extend credit to companies that are more prone to bankruptcy, and a company's chosen state may serve as an indicator of predictability.



Connecticut is the **#1 least at-risk state** for business bankruptcies¹



Why is this **Important?**

- Bankruptcy serves as an indicator of underlying economic health
- Implies a higher survival rate for businesses, stronger network of businesses, and more stable customer base
- With lower filings, lenders will be less risk-averse, leading to more funding opportunities
- Leads to greater predictability for investors

328%

decrease in bankruptcies from 2009 to 2025²

54

business bankruptcies per 100,000 businesses in 2025³

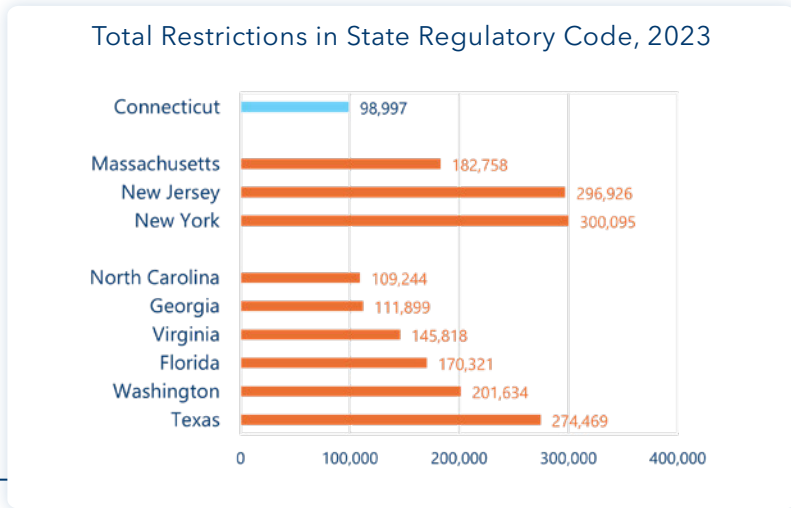
3rd

fewest business bankruptcies per 100,000 businesses⁴

SOURCE: ¹DESIGNRUSH, 2025. ²AMERICAN BANKRUPTCY INSTITUTE, 2025 ³USCOURTS.GOV, 2025; NAICS, 2024.

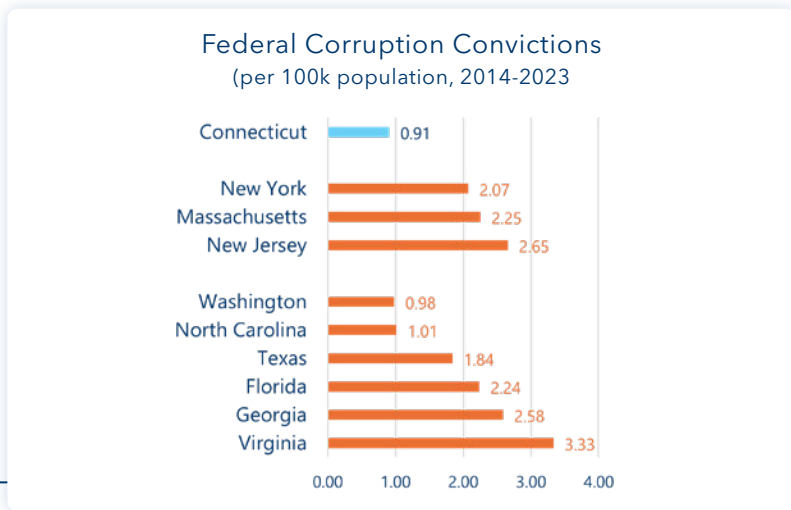
GOVERNMENT INTEGRITY

In addition to its improved long-term economic stability, Connecticut has one of the most stable state governments in the country. The state has fewer regulations than many states with “business-friendly” reputations, as well as lower corruption. Connecticut has pragmatic leaders looking to make life better for its residents and businesses.



Government Regulations

Volume and complexity of regulations create economic barriers to entry¹



Ethics and Corruption

Abuse of public trust by elected officials can include bribery, extortion, election crimes, and criminal conflict of interest²

SOURCE: ¹QUANTGOV, MERCATUS CENTER AT GEORGE MASON UNIVERSITY, 2023, MOST RECENT AVAILABLE AS OF FEB 2026. ²U.S. DEPARTMENT OF JUSTICE, 2023, RELEASED JAN 2025, MOST RECENT AVAILABLE AS OF FEB 2025; U.S. CENSUS BUREAU PEP, 2023; ADVANCECT CALCULATIONS.

Supplemental Risk Advantages

De-Risking the Business Location Decision

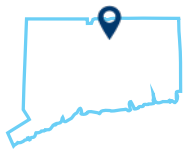
Connecticut provides a stable, low-risk environment for business operations, complemented by a range of opportunities that further mitigate location-related risk. For companies navigating tariff exposure, the state's Foreign Trade Zones offer strategic advantages. For those prioritizing speed, structural flexibility, and coordinated regulatory and tax frameworks, Connecticut's Tribal Nations present an alternative to traditional municipal development models. Additionally, the Certified Sites Program helps ensure projects can efficiently launch and align with development timelines.

FOREIGN TRADE ZONES

Foreign Trade Zones (FTZs) help de-risk location decisions by allowing companies to defer, reduce, or eliminate certain tariff costs, improving cash flow and limiting exposure to trade volatility. They give businesses flexibility to import, assemble, store, and export goods without triggering duties until products enter U.S. commerce. Connecticut supports this through four designated FTZs across key ports and logistics hubs, giving companies statewide access to tariff-mitigation tools while operating in a strategic Northeast location.

Foreign Trade Zones in Connecticut

Within a Foreign Trade Zone (FTZ), businesses can import, manufacture, process, and re-export goods while deferring or reducing customs duties. Connecticut hosts four established Foreign Trade Zones, each serving distinct regions and industries across the state.



WINDSOR LOCKS



BRIDGEPORT



NEW HAVEN



NEW LONDON

FTZ coverage reaches far beyond indicated cities and can be expanded.

Mitigate Potential Tariff Costs



Duty Deferral

Companies in an FTZ do not have to pay import duties until the item leaves the zone, allowing for payment deferrals



Duty Exemption on Re-Exports

When a good is re-exported, a duty is never paid as that item never legally entered U.S. commerce



Inverted Tariffs on Imports

If an imported component is transformed to a finished good in a FTZ that has a lower tariff rate, companies can apply that lower rate

TRIBAL NATIONS

Locating on tribal land in Connecticut can offer companies an alternative development structure built on negotiated agreements rather than solely traditional municipal frameworks. Because federally recognized tribes have authority to regulate trade and commerce on reservation land, projects can sometimes benefit from clearer land control, coordinated permitting, and more predictable long-term property cost structures, particularly where land is held in federal trust and treated differently from standard municipal taxation. In certain partnership or affiliate structures, Connecticut law also allows targeted tax efficiencies that can further improve project economics. For companies evaluating relocation, this model can help de-risk a location decision by increasing cost predictability, reducing regulatory fragmentation, and aligning the project with an established state-tribal compact framework.



Mashantucket Pequot
Tribal Nation

Connecticut is home to federally recognized Tribal Nations that are sovereign governments and longstanding economic leaders. Beyond their role as major employers and institutional anchors, Connecticut's Tribal Nations are active partners in advancing regional economic growth.

The relationship between Tribal governments, the State of Connecticut, and the private sector is built on collaboration, coordination, and shared long-term investment in economic strength.

Partnership Frameworks for Shared Success



Federally recognized tribes are self-governing:

Projects are structured through negotiated agreements rather than standard municipal frameworks. Reservation land held in federal trust is not subject to standard property tax.



Targeted tax efficiencies through partnership structures:

Connecticut law extends certain sales-tax exemptions to transactions between tribes and their affiliated businesses.



Predictability & speed to market:

State-tribal compacts provide clear, pre-negotiated rules around regulation, taxation coordination, and permitting for economic activity on tribal land.

CERTIFIED SITES PROGRAM

AdvanceCT's Certified Sites program helps de-risk the business location decision by ensuring properties have completed rigorous due diligence and are vetted for development readiness before being presented to investors. By identifying sites as either shovel ready or investment ready, the program reduces project uncertainty, shortens lead times, and minimizes unexpected infrastructure or approval delays. This proactive approach gives companies greater confidence, cost predictability, and speed to market when making critical location decisions.

How it Works:

1

Property sponsors apply for Certified Sites nomination.

2

AdvanceCT works with sponsors to obtain necessary site documentation.

3

AdvanceCT presents the site and recommendation to the Advisory Committee for consideration.



CONNECTICUT
CERTIFIED SITES

Certified Sites is a property identification and investment readiness program that reduces location risk:

- Showcases strategic location solutions suitable for corporate investment
- Supports soft and hard cost site improvements
- Decreases project uncertainty and shortens lead time
- Increases likelihood for economic development wins

Approved properties will be classified as **shovel ready** or **investment ready**.



Shovel Ready

Properties where a combination of site characteristics, documented due diligence, and approvals deemed necessary to begin site development has been completed.



Investment Ready

A site deemed ready for development, though additional infrastructure improvements may be required before development can begin (but should be quick to execute).

ADVANCECT

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