

# The CuT: Connecticut's Quarterly Economic News

October 2025

**ADVANCECT**  
CONNECTICUT



## ABOUT US

**Part of Team Connecticut, Connecticut's economic development partnership, AdvanceCT is the leading business attraction entity for the state.**

AdvanceCT, in close collaboration with the Connecticut Department of Economic and Community Development (DECD) and partners statewide, provides business support services to companies looking to locate and grow in Connecticut.



# CONNECTICUT'S TRAJECTORY OF GROWTH

Connecticut's economy has shown several positive trends in recent years, reflecting resilience across key areas and increasingly distinguishing the state as a regional leader in long-term growth potential.

- The state ranked **#9 in the U.S.** for GDP growth in Q2 2025. While quarterly data can be exciting, what's more significant is the **sustained GDP growth** the state has experienced over the last 3 years—nearly 2 percentage points higher than the pre-pandemic trend, signaling a stable and expanding economic foundation.
- Employment figures are strong, with **private sector job numbers continuing to break record highs.**
- Demographic shifts are also encouraging, as **Connecticut again sees positive net migration of young families** and **overall reduced levels of net outmigration**, consistent with recent positive shifts in population dynamics.
- Additionally, **many Connecticut-based companies have successfully weathered tariff changes**, demonstrating adaptability amid global economic uncertainty—though the full impact of price adjustments has yet to be felt across the supply chain.

Collectively, these factors provide the foundation for continued economic momentum and renewed confidence in the state's trajectory.

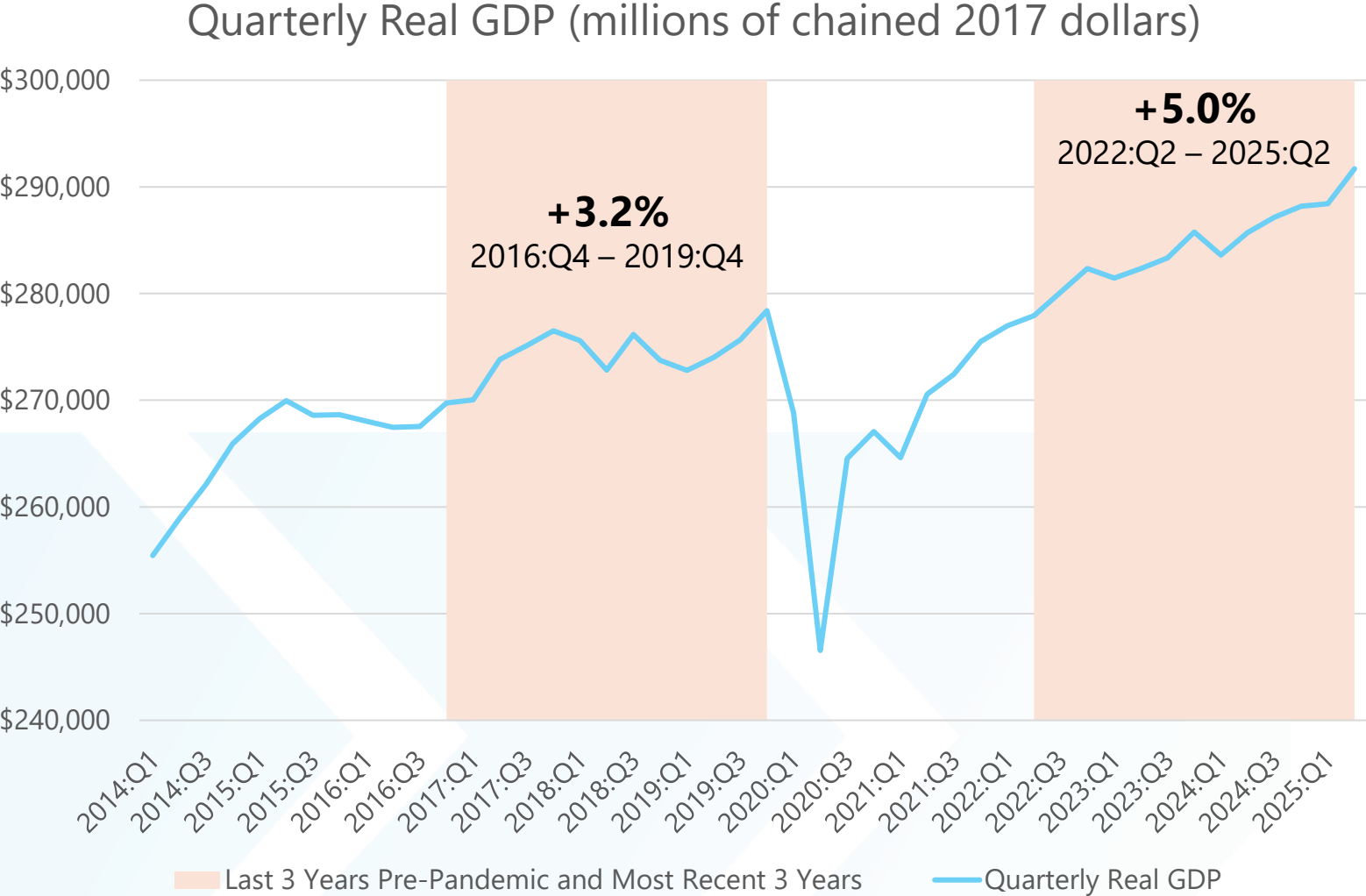
# CONNECTICUT ECONOMY

Sustained Growth in Jobs and GDP

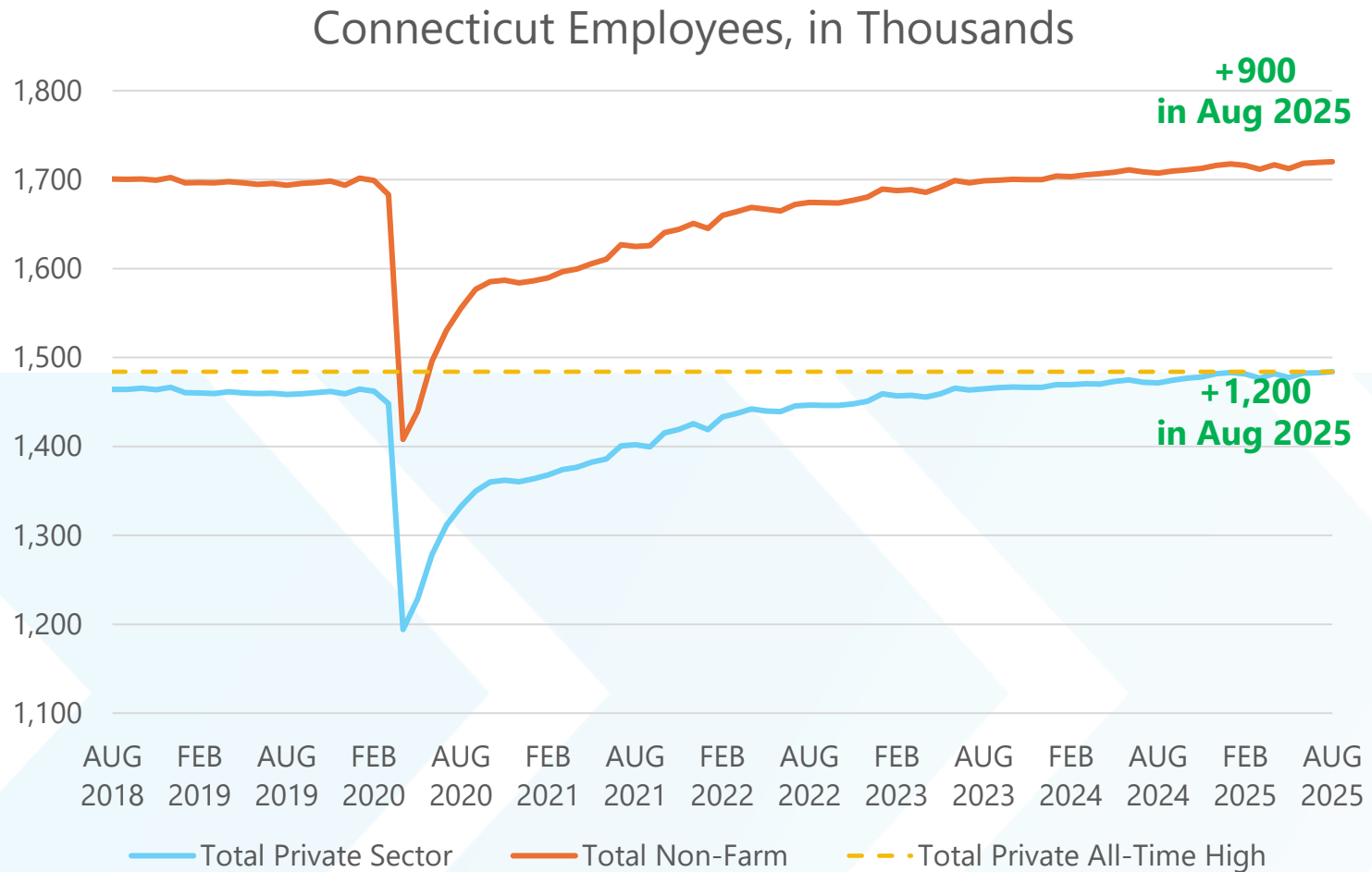


# Connecticut Experiences Sustained GDP Growth

- Connecticut real GDP grew faster than the U.S. in the first two quarters of 2025, and **ranked 9<sup>th</sup> in the nation for Q2 2025 quarterly growth**
- While quarterly growth is positive news, Connecticut's **sustained growth over the last 3 years** represents a vital marker of longer-term economic health
- Connecticut's **real GDP growth has improved** from its pre-pandemic trend by nearly 2 percentage points



# Connecticut Continues to Hit All-Time Highs for Private Sector Jobs



- Total **private jobs reached another all-time high** in August 2025, and total jobs are only 700 below the March 2008 peak\*
- Connecticut's **unemployment rate** has maintained at a healthy **3.8% for four months.**
- The U.S. added just 22,000 total nonfarm jobs in August 2025, while **Connecticut added 900 jobs accounting for 4% of the nation's job growth**

Source: U.S. Bureau of Labor Statistics, CES, Sept 2025 release. Seasonally adjusted data.

\*March 2008 was the record high year for Government employment in CT. Government jobs have declined by about 23,000 since that time.

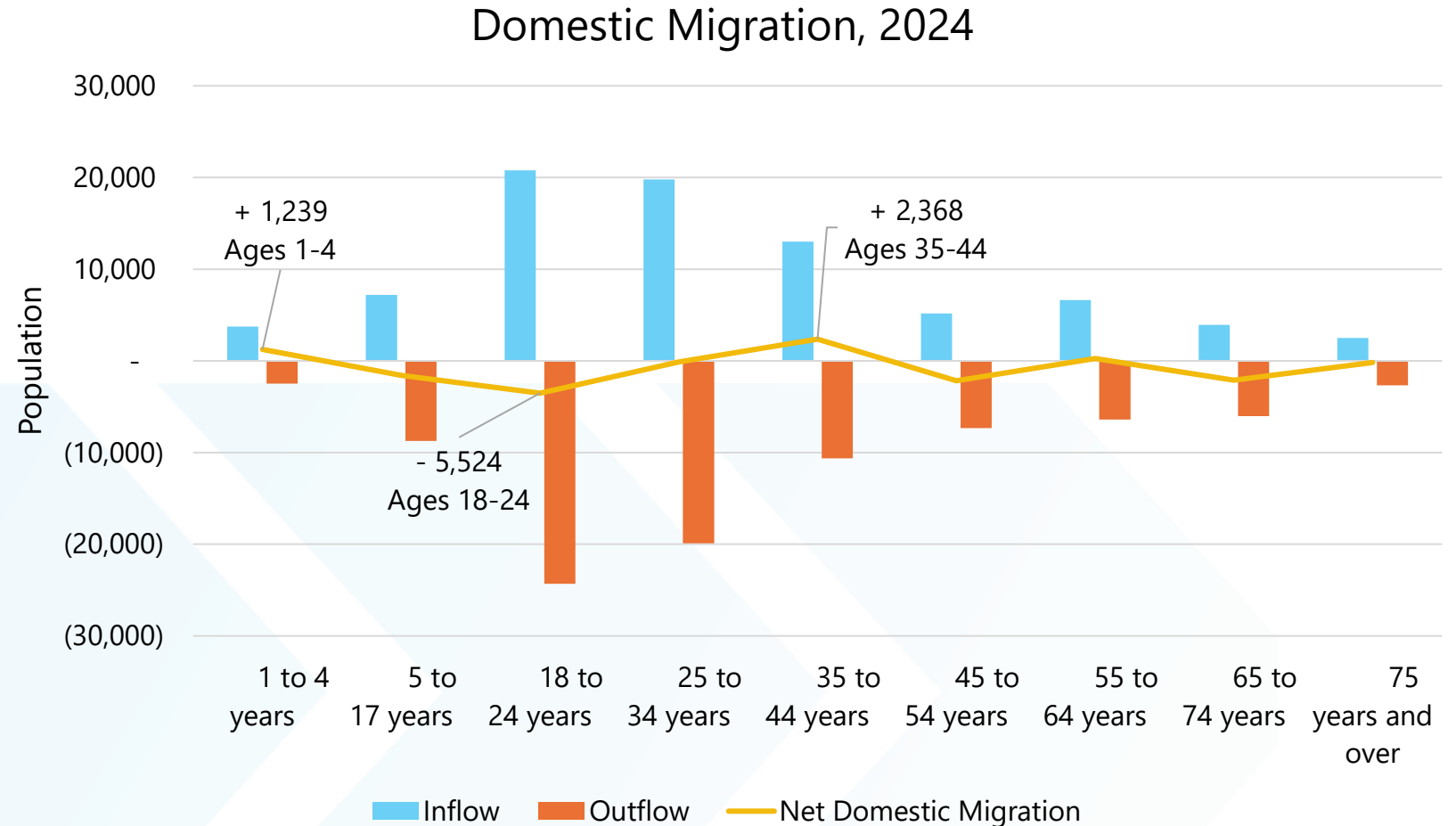
# CONNECTICUT MIGRATION

## DEMOGRAPHIC INSIGHTS



# Connecticut Gains Young Families, Loses College-Age People

- Net domestic outmigration is low—Connecticut’s 5,800 net loss in 2024 is *less than 1/5 of what it was in 2018*, representing 0.16% of the state’s total population
- Age groups associated with *young families* accounted for *highest net in-migration*
- *College-age* population experienced the *highest net out-migration*
- The pre-retirement *55-64* age group has seen a *steady and significant improvement* since 2015, when it was our second largest source of net outmigration



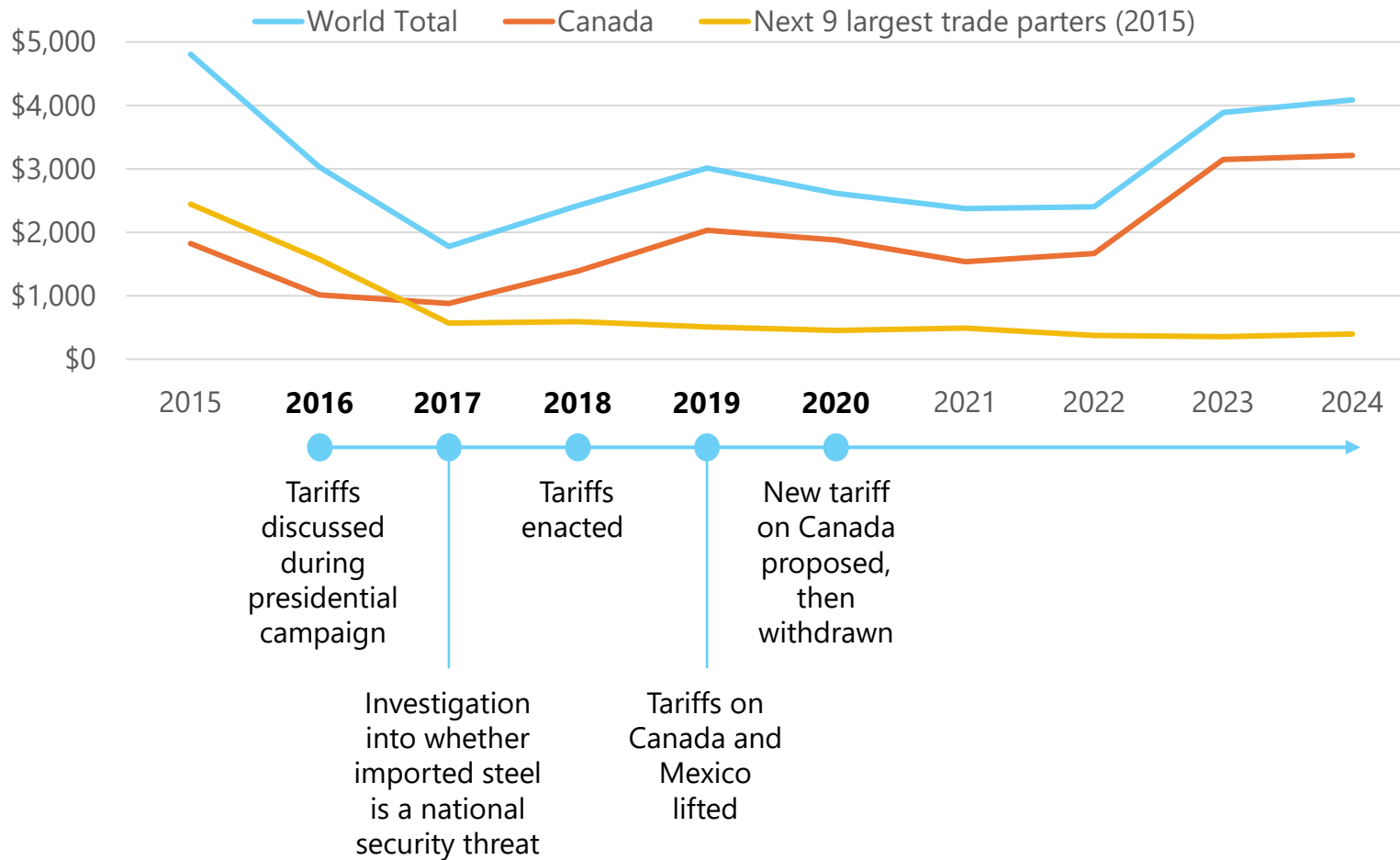
# INTERNATIONAL TRADE AND TARIFFS

CHANGING DYNAMICS



# Changes in Tariff Policy Likely to Impact Connecticut's Supply Chain

**A Condensed Timeline of Steel and Aluminum Tariffs<sup>1</sup> and Transportation Equipment Imports from Connecticut's 10 Largest Trade Partners, 2015-2024<sup>2</sup> (\$ millions)**



- ✓ Changes in steel and aluminum tariff policy during Trump's first term had lasting impacts on Connecticut's international trade patterns:
  - ✓ Largely exempted from tariffs, Transportation Equipment imports from Canada rose 76% (2015-2024)
  - ✓ Imports from Connecticut's next 9 largest trading partners declined between 28% and 99%<sup>3</sup>
  
- ✓ At the national level, tariffs were shown to benefit producers who were protected by the tariff, but also to raise domestic prices by nearly the full value of the tariff, disadvantaging downstream users of those inputs<sup>4</sup>
  
- ✓ Monthly trade data have a high degree of variability. Not all changes in imports can be attributed to tariffs, and the impact of tariff changes in 2025 cannot yet be assessed with certainty

<sup>1</sup>CTV News, 2025. <sup>2,3</sup>U.S Department of Commerce, ITA, 2025; AdvanceCT calculations. International transactions are often infrequent and large, resulting in "lumpy" data with a high degree of variability. Many other global events impacted trade patterns during this time period, and correlation does not imply causation. Transportation Equipment is Connecticut's largest import. <sup>4</sup>U.S. International Trade Commission, 2023.

# How CT's Largest Companies are Responding to Tariffs

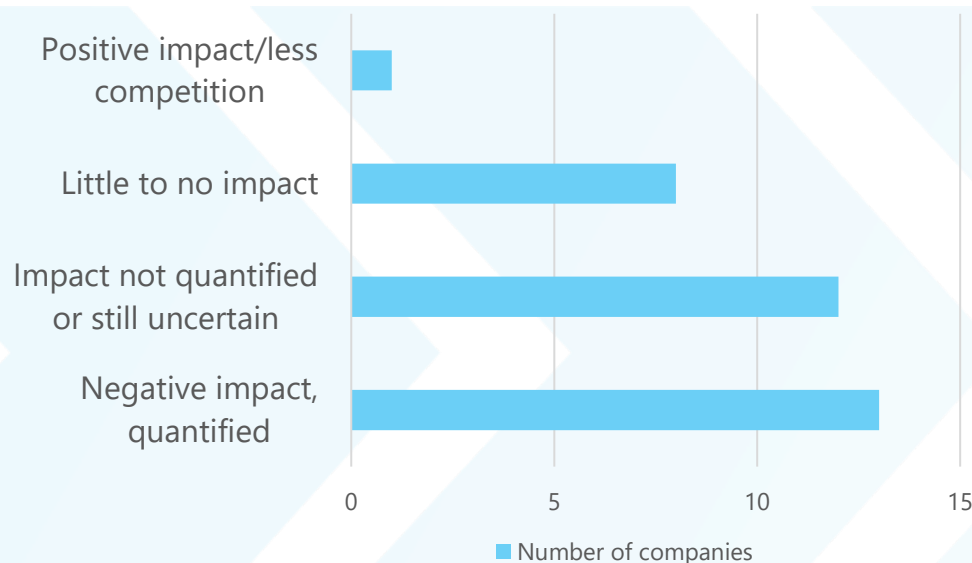
## Background:

Over the past several months, companies engaged in international trade have faced increased uncertainty due to shifts in U.S. tariff policy. These changes have introduced new complexities into global supply chains, impacted cost structures, and required businesses to adapt quickly to evolving regulations. This environment creates both challenges and opportunities, as firms reassess their strategies in response to shifting trade dynamics.

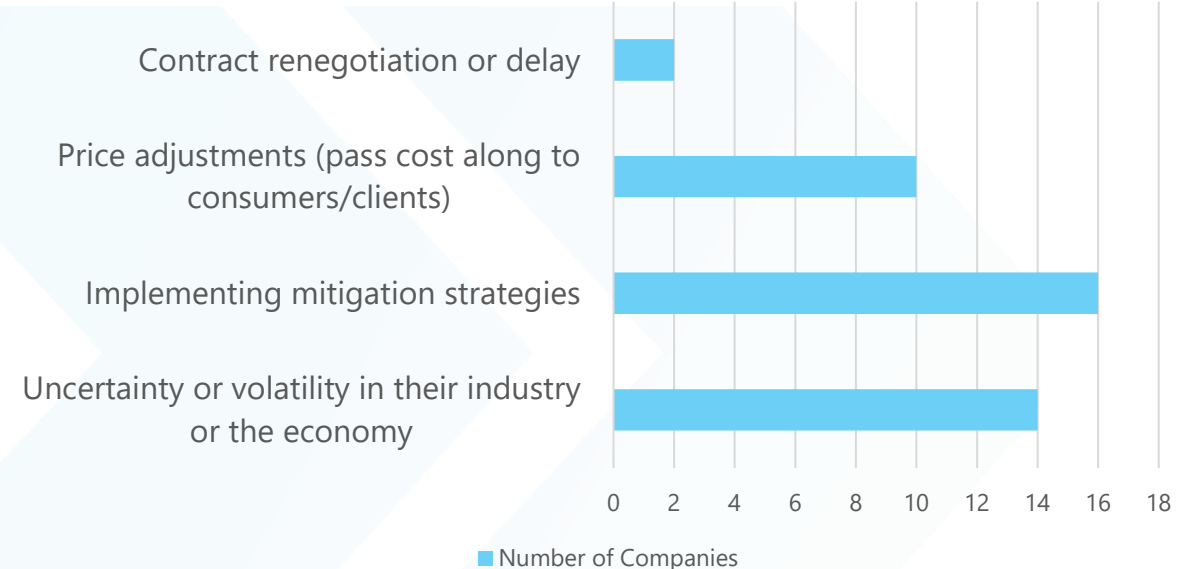
## Summary of Findings:

Among Connecticut's top publicly-traded companies, 38 mentioned tariffs in their most recent earnings call. While companies continued to discuss economic uncertainty in their industry and mitigation strategies in which they are engaging, the biggest shift in our August review relative to prior quarters was expanded discussion of price adjustments, as pre-tariff inventories are depleted. Companies directly impacted can typically estimate the effect on earnings, but indirect impacts are still working their way through the supply chain and broader economy.

Financial Impact of Tariffs\*



Other Impacts\*\*



Source: SEC filings, earnings calls, analyst reports, and news articles for 64 of Connecticut's largest and most widely recognized public companies. \*Four companies did not specify the financial impacts. \*\*Does not total to 38, as some companies listed more than one impact.



**Rachel Gretencord**

Vice President, Research

860-571-6209

[rgretencord@advancect.org](mailto:rgretencord@advancect.org)

# CHOOSE Connecticut

**ADVANCECT**  
CONNECTICUT

Engage. Retain. Recruit.

AdvanceCT is a private nonprofit economic development organization that drives job creation and new capital investment in Connecticut through business attraction, retention, and expansion, in close cooperation with state, regional, and local partners.



[ADVANCECT.ORG](http://ADVANCECT.ORG)