



The CuT: Connecticut's Quarterly Economic News

April 2026

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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 Economic Momentum

Connecticut entered 2026 with strong momentum across key economic indicators, supported by industry strength, capital investment, and population growth. Activity spans advanced manufacturing and innovation-driven sectors, reinforcing the state's economic position.

- A surge in **defense demand** is driving significant economic activity, with major employers reporting **record backlogs, scaling production, and expanding hiring**. This demand is flowing through Connecticut's supply chain, with **suppliers increasing capacity** and advancing into higher-value manufacturing. Companies across industries are also making substantial **capital investments**, reinforcing Connecticut's long-term economic position.
- Economic performance has also improved, with Connecticut climbing significantly in national GDP growth rankings. In 2025, the state ranked **12th nationally for real GDP growth**, a notable improvement over prior years. Growth has been driven by a mix of established industries, including information, health care, finance, and advanced manufacturing, while the state's **workforce remains among the most productive in the nation**.
- Connecticut's population growth continues to strengthen the state's economic foundation. The state has now experienced **six consecutive years of population growth**, reaching new highs in 2023, 2024, and 2025. Growth has been driven by strong international migration, modest natural population increases, and significantly reduced domestic outmigration compared to pre-pandemic levels.



Connecticut Companies Q1 Signals

Connecticut at the Center of a Defense Build-Up



PRIMES EXPERIENCE RECORD BACKLOGS, ACTIVE CONNECTICUT HIRING

RTX (Pratt & Whitney / Collins) \$268B backlog; commercial original equipment manufacturer output up 25%; Connecticut-based F135 engine production up 30%, with a recent \$6.6B contract.^{1,2}

Electric Boat Awarded a \$15.4B contract modification for Columbia-class submarine for the U.S. Navy; recruiting 8,000 workers across Connecticut and Rhode Island; expanding southeast Connecticut footprint into Waterford.^{3,4}

Sikorsky Lockheed reports \$48B rotary and mission systems* backlog with 25% growth; autonomous helicopter R&D is advancing, increased hiring at the Stratford facility.^{5,6,7}

Prime demand surge → production scaling → supply chain expansion → statewide economic impact

CONNECTICUT MANUFACTURERS SUPPORT ARTEMIS II MISSION

Ensign-Bickford Aerospace & Defense Manufactured and supplied ignition and signal transfer components in Connecticut for the Artemis II mission, alongside a network of 70+ Connecticut companies.¹²



PRIME DEMAND IS DRIVING SUPPLY CHAIN EXPANSION

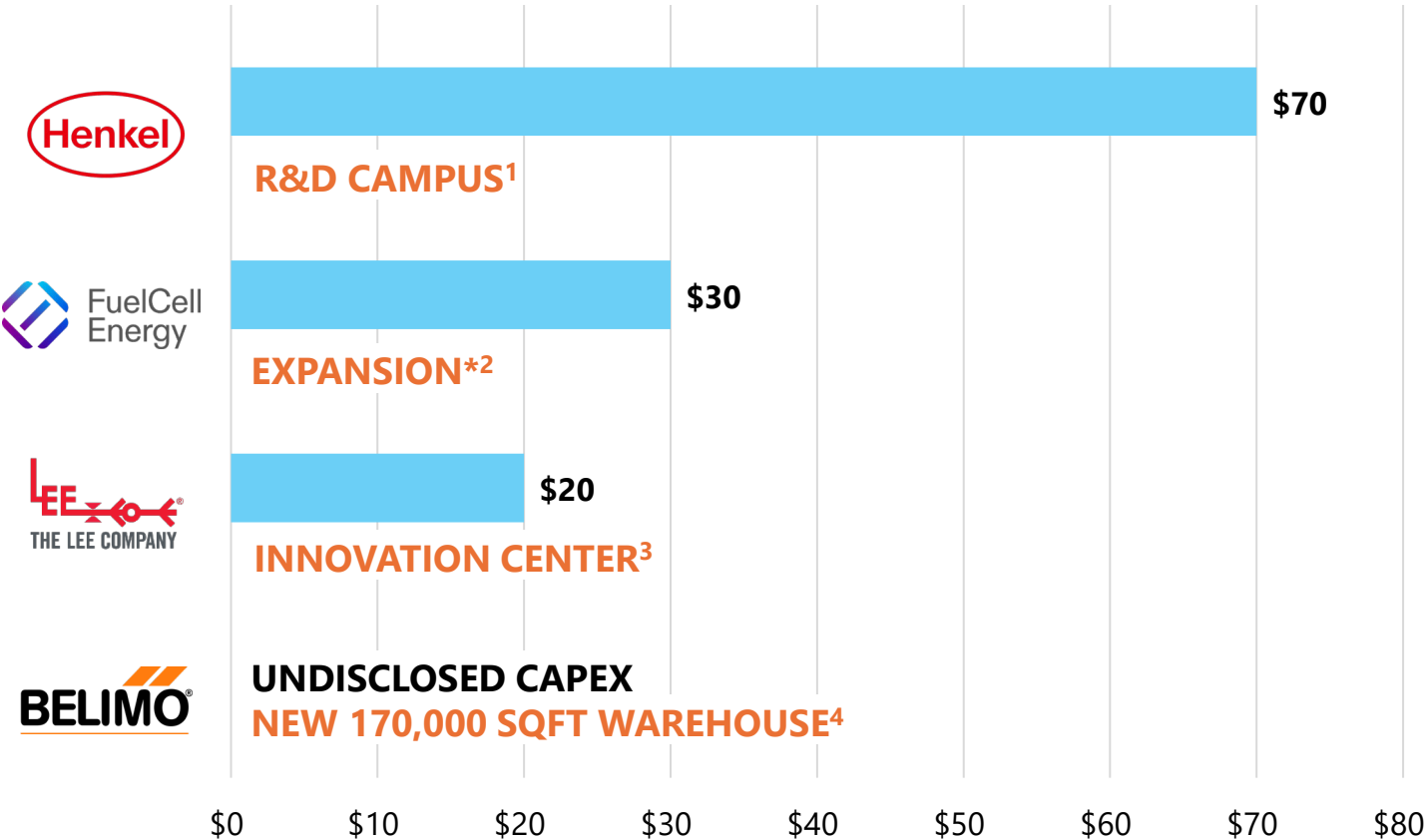
RBC Bearings 17% Q3 growth; \$2.1B backlog on aerospace & defense demand; adding headcount and capacity across A&D sites (a key facility in Torrington, Connecticut).^{8,9}

TTM Technologies Using advanced systems integration they support electronic infrastructure underpinning next-generation commercial, aerospace, space, and defense systems; Connecticut job postings up 130% in most recent 3 months.^{10,11}

Source: ¹RTX, Investor Presentation, Jan 2026. ²RTX, Press Release, Mar 2026. ³U.S. Department of War, Mar 2026. ⁴CT Insider, Apr 2026. ⁵Lockheed Martin, Form 10-K, 2025. ⁶Lockheed Martin Q4 FY25 Earnings Call Transcript. ⁷According to Morningstar analysts, Sikorsky accounts for about 40% of Lockheed Martin's rotary and mission systems segment revenue. ^{8,9}RBC Bearings Q3 FY26 Earnings Release. ¹⁰TTM Technologies, 2026. ¹¹Lightccast, Dec '25 - Feb '26 vs Sep '25 - Nov '25 - Q1 2026 Release. ¹²CT Insider, Apr 2026.

MAJOR CAPITAL INVESTMENTS LANDING IN CONNECTICUT

Capital Investments Announced in Q1 (in millions)



Capital Investments Reinforce Connecticut's Economic Position

From medical devices to clean energy to innovation labs, Connecticut companies are committing capital to the state, building facilities, expanding capacity, and deepening their CT footprint.

Henkel's \$70 million R&D campus is the company's largest non-manufacturing capital investment in North America in the past decade.⁵

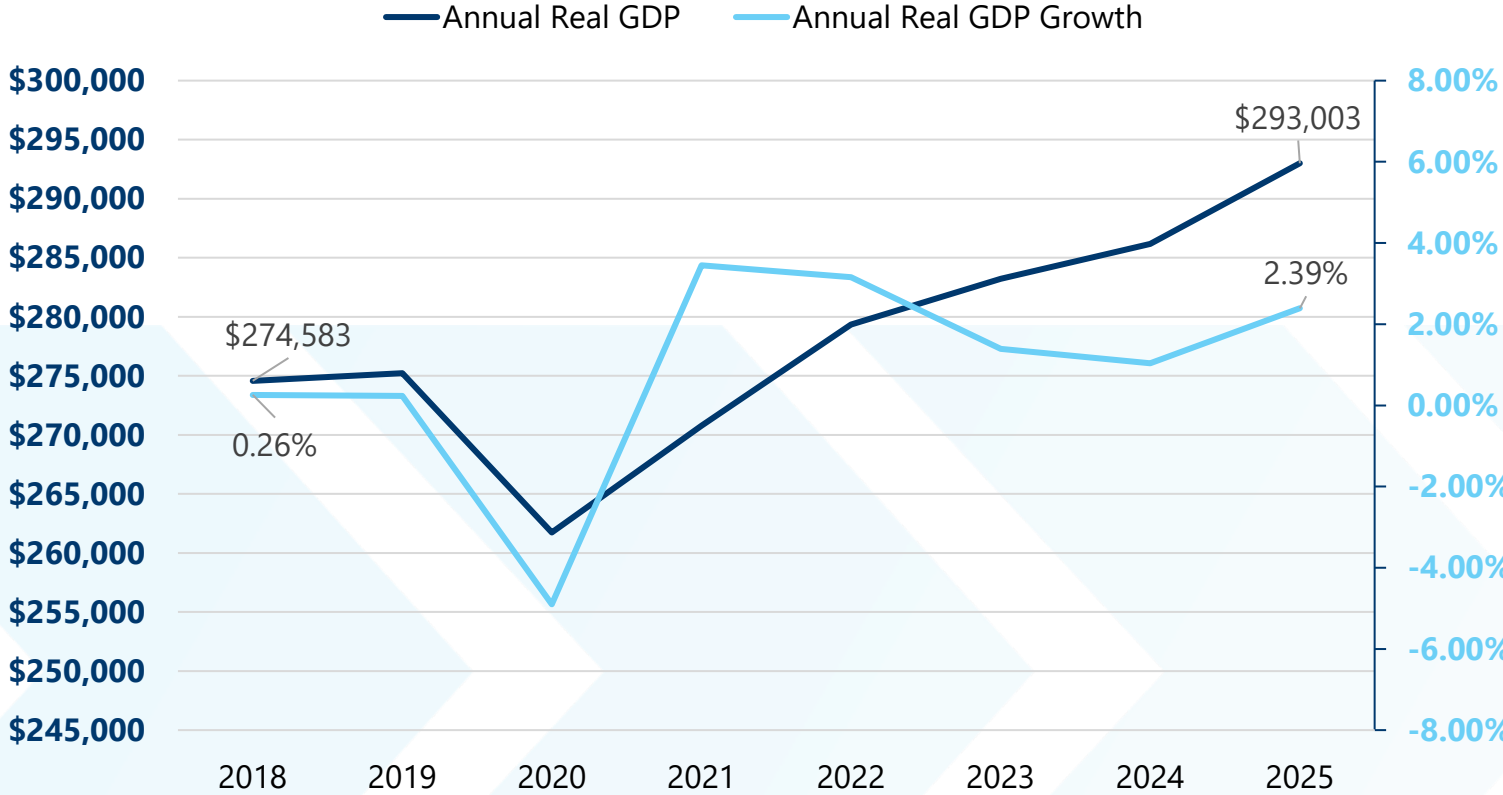
Source: ¹Henkel, Press Release, Mar 2026. ²FuelCell Energy, Press Release, Mar 2026. ³Investment up to \$30 million. ⁴CT Insider, Mar 2026. ⁵Belimo U.S., Inc. Press Release, Jan 2026. ⁶Hartford Business Journal, Mar 2026.

State GDP

A dark blue horizontal bar with a white shadow, containing the text 'State GDP' and three overlapping chevron arrows pointing right.

Connecticut Returns to Top Quarter Of States For Annual GDP Growth

Connecticut Annual Real GDP, In Millions of Chained 2017 Dollars



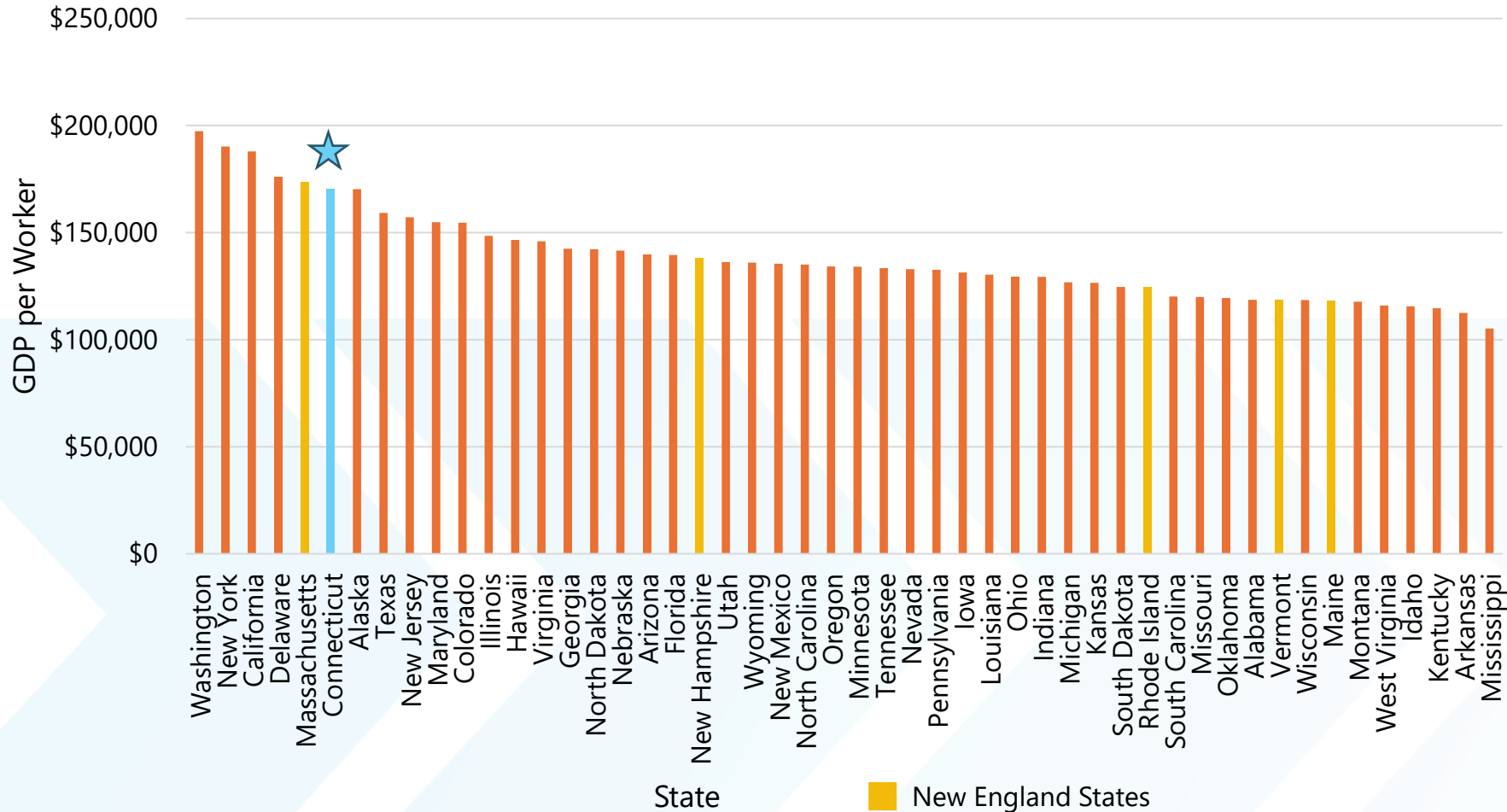
CT 1Y Growth Rank

2018: 48, 2019: 45, 2020: 46, 2021: 43, 2022: 17, 2023: 43, 2024: 47, 2025: 12

- Connecticut’s 2025 real GDP growth **ranked 12th in the nation**, improving over prior years.
- CT’s annual real GDP growth was **2.4% compared to 2.1%** nationally, remaining **above pre-pandemic rates**.
- Connecticut’s annual real GDP has **grown for five consecutive years**, marking a sustained period of expansion after a decade in which many years experienced flat or negative growth.

Connecticut's Workforce is Among the Most Productive in the Nation

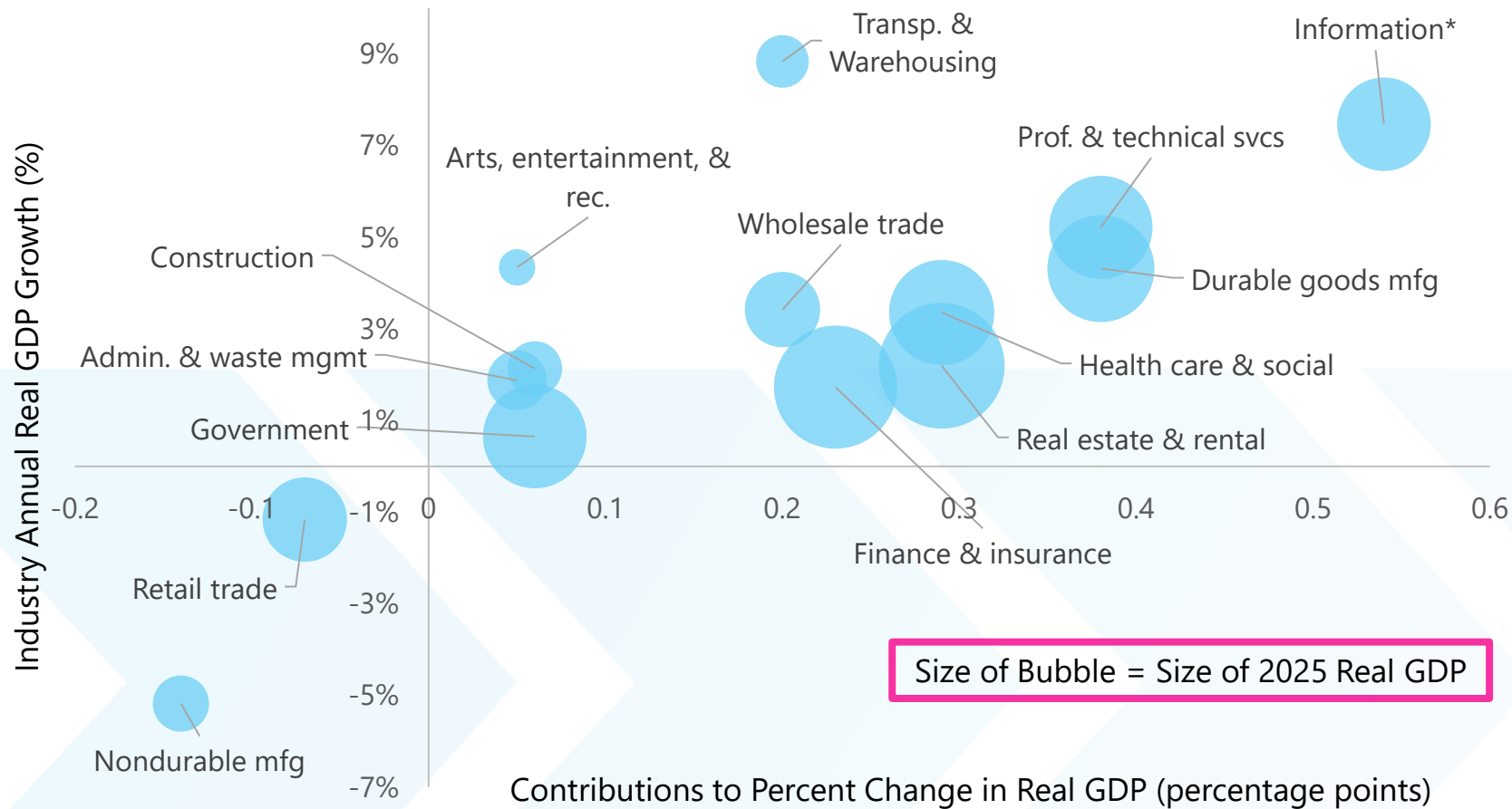
State Productivity by Real GDP per Worker



- Connecticut is the **6th most productive state** in the country, and **the second most productive state** in New England.
- Connecticut is **over 20% more productive** than states like Florida and North Carolina.

Connecticut's Most Established Industries Drove 2025 Economic Growth

Connecticut's Annual Real GDP Growth & Contribution to Percent Change in Real GDP by Industry, 2025



- **Information** was the **largest contributor to Connecticut's 2025 real GDP growth**, adding 0.54 percentage points to the state's 2.4% increase, combining a high industry growth rate with a substantial share of the state economy.
- **Health care, real estate, and finance & insurance** grew modestly but **contributed meaningfully to total GDP growth** due to their large footprints in the state economy, each adding over 0.2 percentage points to the state's total real GDP increase.
- **Durable goods manufacturing**, a category that captures most advanced manufacturing activity, **posted strong growth in 2025**, offsetting a contraction in nondurable goods for a net positive contribution to overall GDP growth.

Source: Bureau of Economic Analysis, 2025; AdvanceCT calculations. Industries with negligible contributions to percent change in real GDP not shown.

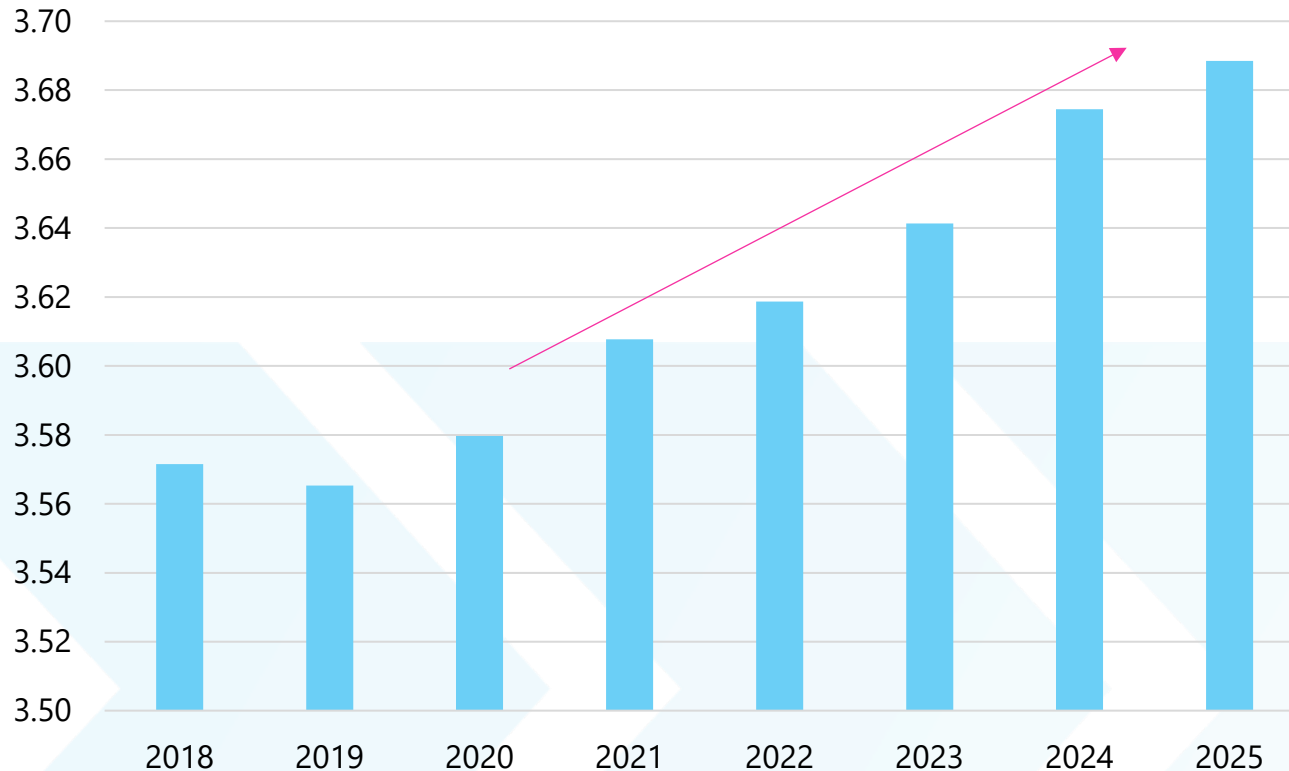
*Information sector's 2025 real GDP estimate was suppressed by BEA for confidentiality. Growth rate shown is estimated as the residual of Connecticut's total GDP growth after summing all other published industry contributions. Understanding that Agriculture was also suppressed and contributed a very small negative portion of the GDP change, Information may be slightly understated.

Migration and Population



Connecticut's Population Sees 5 Straight Years of Growth

Connecticut Population (in millions)

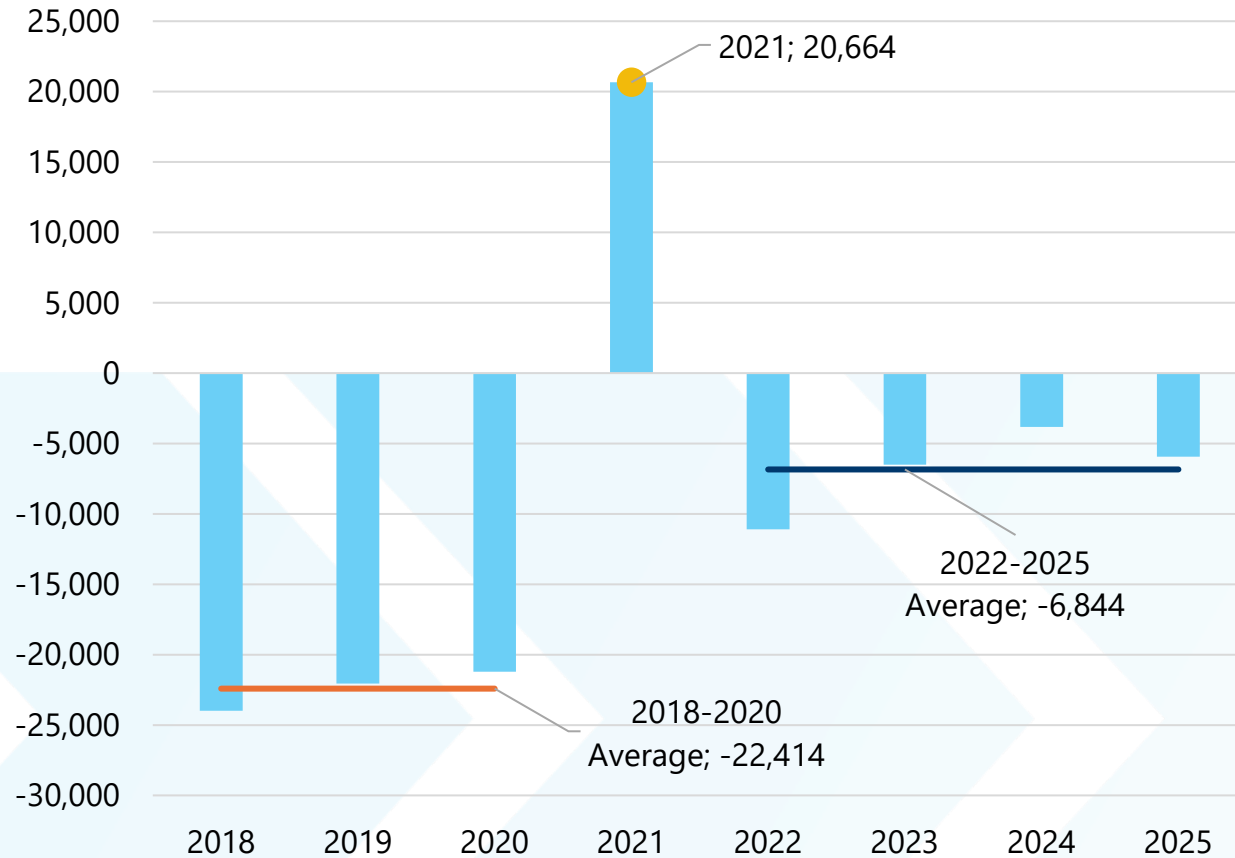


- Connecticut's population reached an **all-time high in 2023 and again in 2024 and 2025**. The state's population has been growing since the pandemic following a decline in population in the 2010s.
- Connecticut is achieving population growth through:
 - Strong and consistent net international migration
 - Modest natural population growth (more births than deaths)
 - Lower levels of net domestic outmigration (as illustrated on next slide)

12 Source: U.S. Census Bureau, PEP Vintage 2019 & 2025. Population measured as of July 1 each year. Beginning in Vintage 2024, the Census incorporated a methodological change to how it estimates net international migration resulting in substantially higher nationwide estimates of net international migration over the last several years. This may affect comparability of the pre-2020 population data to data from 2020 onward.

Connecticut Domestic Migration Maintaining At Low Level

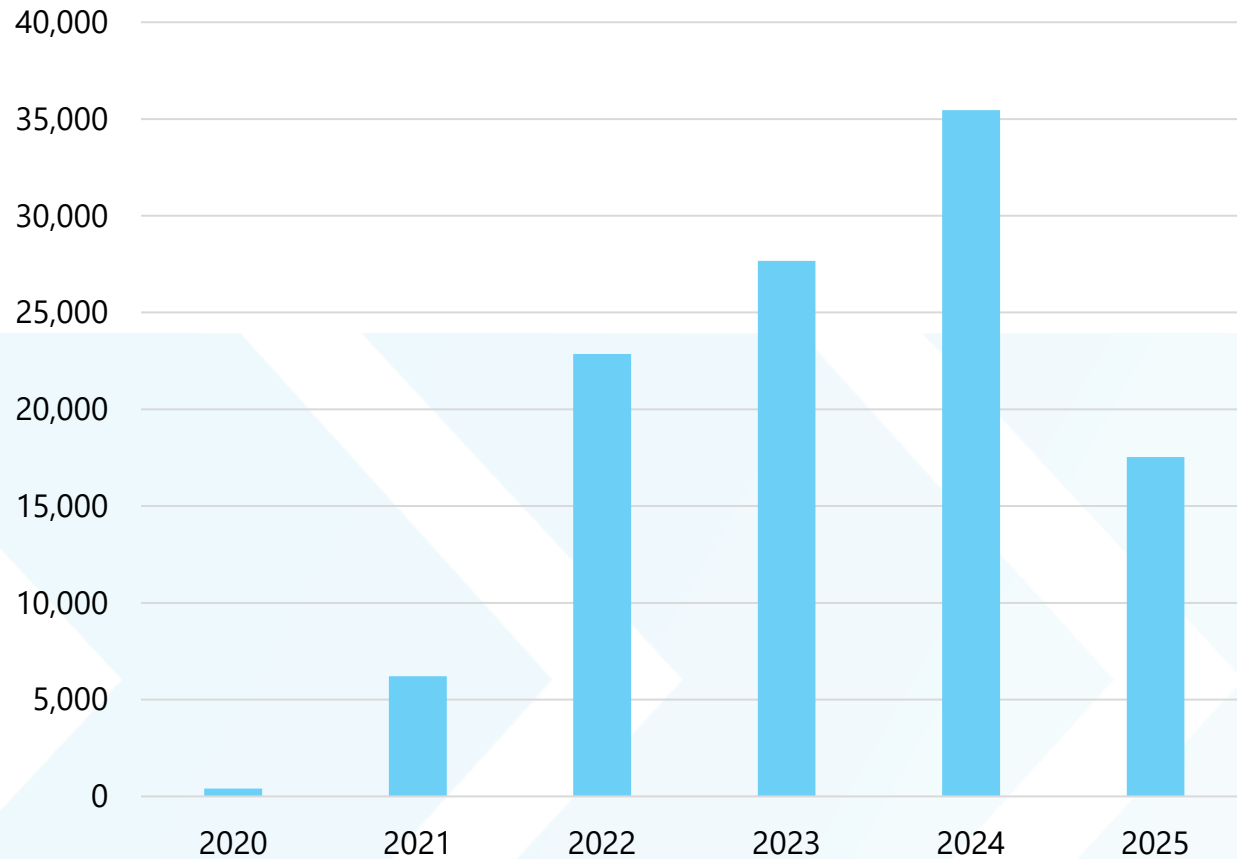
Connecticut Net Domestic Migration



- In the 4 years following a surge of positive net domestic migration (20,700 people) in 2020-21, **domestic out-migration has been much less pronounced** than pre-pandemic levels.
- CT lost nearly 24,000 residents to net domestic outmigration in 2018, and **only 5,945** in 2025.

International Migration Continues to Drive Connecticut Population Growth Amid National Pressures

Connecticut Net International Migration



- Connecticut **gained 17,500 people** through international net migration in 2025, **contributing to overall population growth**, but slowing down from previous years.
- Due to a methodological change, pre-2020 numbers for this metric are incomparable. However, the significance of international migration to Connecticut’s population is clear.

14 Source: U.S. Census Bureau, PEP Vintage 2025. PEP tracks annual migration from July 1 each year, not the calendar year. Beginning in Vintage 2024, the Census incorporated a methodological change to how it estimates net international migration resulting in substantially higher nationwide estimates of net international migration over the last several years. For this reason, we are only show years with the new methodology reflected.



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CHOOSE Connecticut

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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.



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