



— STATE COMPTROLLER —
SEAN SCANLON

FOR IMMEDIATE RELEASE

October 1, 2024

COMPTROLLER SEAN SCANLON PROJECTS \$109.2 MILLION SURPLUS, NOTES ECONOMIC IMPACT OF FEDERAL RESERVE RATE CUT

(HARTFORD, CT) – Comptroller Sean Scanlon today, in his monthly financial and economic update, projected a Fiscal Year 2025 General Fund surplus of \$109.2 million and a Special Transportation Fund surplus of \$127.4 million, both in general agreement with the Office of Policy and Management’s projections.

“The Federal Reserve’s recent interest rate cut is already bringing welcome financial relief to Connecticut residents buying homes, purchasing cars, and taking out loans,” **said Comptroller Scanlon**. “While Connecticut’s unemployment rate remains lower than the national average, my office is closely monitoring jobs numbers amidst concerns about a slowing labor market.”

In a letter to Governor Ned Lamont, Scanlon outlined the impact of the recent Federal Reserve interest rate cut on Connecticut’s economy. Consumers and businesses alike will benefit from cheaper borrowing costs. Economic indicators remain largely positive, with consumer spending still growing, inflation down to 2.5 percent year-over-year, unemployment claims still low, and better-than-expected industrial production and manufacturing. The Federal Reserve is projecting growth in the national gross domestic product (GDP) as well as further interest rate reductions.

The rate cut is also good news for the housing market. Nationally, while an undersupply of housing will keep home prices rising, mortgage rates have dropped to new lows for the year, and new home construction saw a slight increase last month. In Connecticut, where inventory levels are significantly below the national average, lower interest rates are expected to boost new home construction, which should help improve housing affordability in the long term.

At the end of last month, Treasurer Erick Russell [announced](#) a deposit of \$608.2 million to pay down pension debts in the State Employees Retirement System and Teachers’ Retirement System. Upon the final closeout of fiscal year 2024, Comptroller Scanlon is estimating an additional \$324 million to be deposited into the pension systems.

Thanks for reading this month’s economic update. [Help us improve the information we bring you each month by filling out a quick survey.](#)

###

Contact: Madi Csejka
Press Secretary
madi.csejka@ct.gov
C: 203-506-0191