OFFICE of the STATE COMPTROLLER
CONNECTICUT ECONOMIC UPDATE

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State Comptroller
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In this month's edition

Outlook: With the unemployment rate steady at 5.1%, the data points to Connecticut's economy growing at a moderate pace, buoyed by strong demand for aerospace and defense manufacturing. However, persistently high inflation (4.3% for September for New England) and the resulting lack of inflation-adjusted income growth for households (-0.3% monthly growth in U.S. real after-tax income for September) present serious downside risks. Connecticut was one of the fastest growing states in the first half of 2026. Recent data from the Boston Fed's Weekly Conditions Index shows diverging paths for New England states—whose economies have slowed since the summer—and the U.S.—which is accelerating. The first estimate puts U.S. real GDP growth in July to September at 3.4% SAAR, thanks to strong growth in AI investment and consumer spending (3.8% SAAR).

At its October 28th meeting, the FOMC held the federal funds rate at 3.75%–4.00%, following a quarter-point increase in September. Chair Kevin Warsh cited a strong economy and stable labor market but persistent inflation—3.6% in September, above the Fed's 2% target for five years—yet the committee said it wanted more data before moving again; two members dissented. Markets expect another hike in December. Higher rates are raising borrowing costs for households and businesses and intensifying scrutiny of debt-reliant AI firms. October closed with a steep sell-off of technology stocks. Long-term rates have eased from early-October highs but remain elevated and are likely to slow future growth.

The gig economy. As prices rise faster than wages, some Connecticut residents may turn to gig work and side hustles to supplement their income this holiday season. A Federal Reserve survey in 2024 found that one in five Americans had done gig work in the prior month, and 43% of task-based gig workers needed the income to make ends meet. This month's spotlight examines what available data reveal—and miss—about gig work's reach in Connecticut, its benefits and risks for workers, and its role in the state's broader economy.

Connecticut's economy expanded 1.8% in Q1 and 3.0% in Q2 2026 (SAAR)**,** led by growth in durable goods manufacturing and finance and insurance.

Connecticut employers added 1,400 payroll jobs (0.1%) in September, putting payrolls at record highs, and August's 300-job gain was revised to a 600-job loss. Labor force participation ticked up to 62.1%. Holiday hiring is likely to add about 11,000 positions in retail, transportation, and warehousing by December.

Connecticut's housing market remains tight, with the median price climbing to $450,000 and sellers getting 102.2% of the asking price on average. A look at new local housing stock figures shows that while Connecticut has continued to add housing over the last couple of years, especially in Fairfield and Hartford counties, the state still lags the nation in terms of its pace of construction.

New 10-year projections from the Connecticut Department of Labor, which abstract from the business cycle, show the state is projected to add about 118,000 jobs (6.4%) between 2024 and 2034, with especially rapid growth in fields such as marine engineering, nursing, data science and engineering.

Finally, our office is wrapping up a comprehensive **report on the earnings of Connecticut rideshare and third-party delivery company drivers** that shows the large scale of those industries' operations in the state. Stay tuned for that.

KEY DATES THIS MONTH

11/6 – October U.S. jobs report
11/10 – October CPI inflation report, November Consensus Revenue Forecasts issued for State Budget
11/19– October CT jobs report
11/25 – Q3 2026 U.S. GDP 2nd estimate, Personal Income & Outlays

Did you know?

The first Connecticut Citizens' Assembly—which functions like civics jury duty—released major policy recommendations for reforming the state's property tax system in October following months of learning and deliberating about how Connecticut funds municipal services like education, public safety, and public works. The ten proposals include an income tax surcharge on millionaires, using tolls on Connecticut interstates to eliminate property taxes on vehicles, and shifting town costs for special education to the State, to name a few.

About OSC

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The mission of OSC is to provide accounting and financial services, to administer employee and retiree benefits, to develop accounting policy and exercise accounting oversight, and to prepare financial reports for state, federal and municipal governments and the public.

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THE GIG ECONOMY IN CONNECTICUT

It's that time of year again when store shelves are filled with holiday décor and gifts. This year, with New England consumer prices rising 4.3% over the year through September, but Connecticut average hourly wages rising only about 2.2% over the same period, families are being stretched thin just to pay for their normal bills. Many are turning to **gig work and other side hustles** to make ends meet, whether that means a second payroll job or providing services through app-based digital platforms like Uber, Instacart, or Taskrabbit.

The number of **apps and other digital platforms** providing income-generating opportunities outside traditional payroll employment has risen dramatically in recent decades, though official data about their workforces is limited. That's partly a result of the often informal, temporary nature of gig work, but it is also the result of the government's main economic surveys not being specifically designed to capture them well. Yet changes in gig employment can be important for the wider economy, especially as many jobseekers struggle to find traditional payroll jobs in this "low hire, low fire" labor market.

Just how common is gig work today in Connecticut? Our spotlight this month looks at the available data and discusses some of the benefits and pitfalls of gig work, as well as its importance for the larger economy.

What is Gig Work?

There is no official definition for gig work, which traces its name to musicians getting ad hoc musical gigs in the early twentieth century. At its narrowest, it can refer to people doing self-contained short-term tasks through a digital app or marketplace, such as hanging pictures for someone, delivering takeout, or giving rides to people through platforms like Taskrabbit, DoorDash, and Uber.

A slightly broader definition of gig work still linked to digital platforms includes selling goods (e.g., on Etsy or eBay) or renting out something you own, like an extra bedroom on Airbnb or a car on Turo, to generate income.



Examples of gig work platforms in 2026.

At the other end of the spectrum, it can include some or all of the range of nontraditional, task-based work that sits outside the digital economy, whether people do it as full-time self-employment or occasional odd jobs. Much of this group works as independent contractors or freelancers providing diverse services such as graphic design, landscaping, plumbing, management consulting, custodial services, and photography—which may or may not be considered gig work. Independent contractors dependent on short-term project work are more frequently considered part of the gig economy.

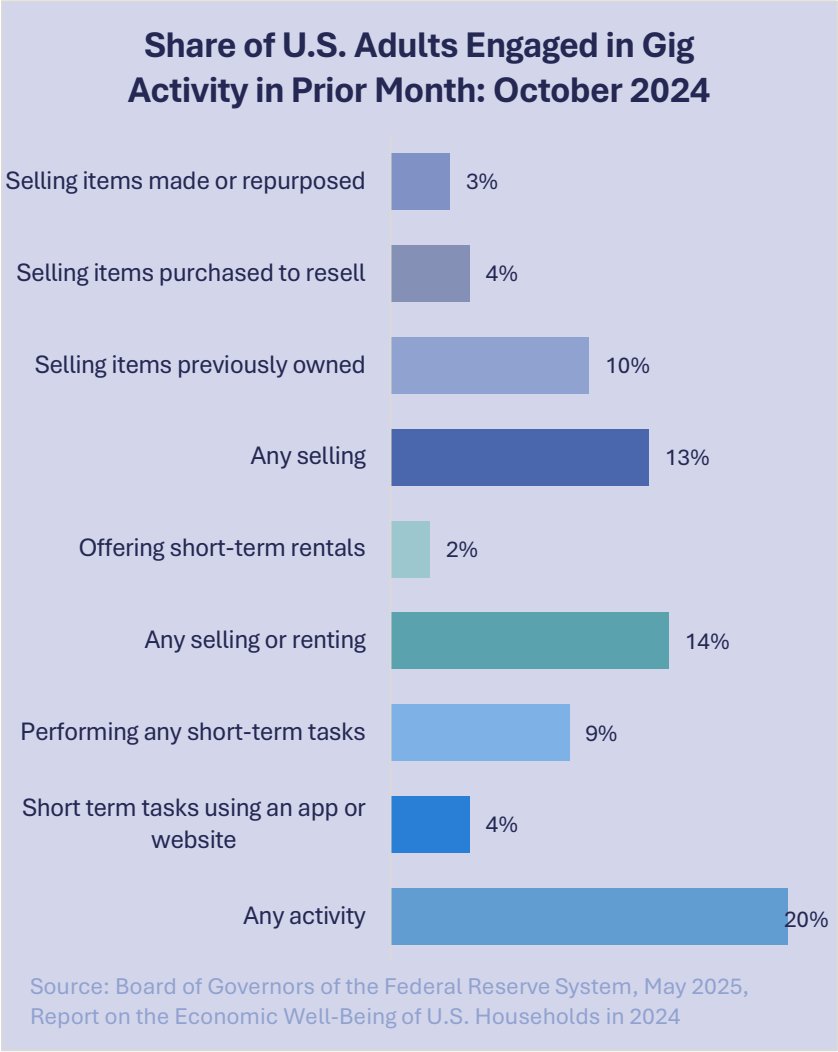
The Bureau of Labor Statistics (BLS) reported that **11.9 million Americans were independent contractors** on their main or sole job in July 2023, representing 7.4% of total U.S. employment. That figure was up from 6.9% in May 2017. Another 1.9 million in July 2023 were independent contractors on their second job.

Depending on the relationship with the entity paying them, handymen, dog walkers, freelance writers, content creators, Little League umpires, and home childcare providers can all be considered gig workers under this broader definition that includes independent contractors, just to name a few examples. People working in this way

are a diverse group. According to BLS, 70.7% of independent contractors worked full-time, and working as an independent contractor was most common in real estate and rental and leasing (24.2%) and construction (18.5%) among industries. When asked in 2023, independent contractors strongly preferred their current arrangement, with only 8.3% saying they would prefer a traditional job.

A still broader definition of gig work can include those with W-2 income who are employed by a temp agency, as on-call workers (like substitute teachers), or those paid by contracting firms (like most traveling nurses). BLS reported those three categories accounted for 4.6 million U.S. workers in July 2023 (2.8% of total employment).

Those in any category whose work was "contingent," meaning temporary or not expected to last, accounted for 4.3% of total U.S. employment at that time (up from 3.8% in May 2017). Based on the July 2023 data, younger workers, those with less than a high school diploma, and part-time workers were more likely to be contingent on their primary job, and 44.8% of them would have preferred a permanent position.



While the digital platform economy (or "sharing economy")—which connects people who are willing to pay for something with those willing to provide it through an app or online marketplace — has grown dramatically in recent decades, the broader definitions of nontraditional jobs have always been around. For some people, they are attractive for the flexibility they can offer compared to traditional payroll jobs. Others reliant on gig income would rather have a stable payroll job but can't find one.

Additionally, that same 2023 survey found that 8.4 million Americans (5.2% of those employed) held multiple jobs, with 67.0% of second jobs being traditional payroll arrangements. These aren't usually captured under the umbrella of gig work but reflect a "side hustle" for many.

How Many Gig Workers Are There?

The definition for gig work used by the Federal Reserve's 2024 Survey of Household Economics and Decision-making (SHED) includes earning money for freelance work, short-term tasks, or projects, as well as selling belongings and offering short-term rentals of something you own. That nationally representative survey fielded in October 2024 found that overall, **20% of U.S. adults performed gig activities over the prior month**. That's one in five American adults.

The 2024 SHED found that 9% of U.S. adults had recently made money by doing short-term tasks like rideshare, food delivery, and odd jobs. If you just count short-term tasks acquired through an app or website, that share falls to 4% of adults.

Approximately **13% of people made money selling things** (most commonly their previously owned belongings) and **2% earned for short-term rentals**.

If those national shares held for Connecticut, that would mean roughly 118,000 Connecticut adults

Do independent contractors show up in official employment statistics?

Independent contractors count as part of **total employment** if they work during the reference period for the Current Population Survey (CPS), which is the basis for monthly unemployment rates that are based on people, not jobs.

However, those workers are not included in the monthly payroll jobs figures, as that data comes from a separate survey of employer firms and is a count of non-farm payroll jobs rather than individuals.

participating in digital-based task work in late 2024, 265,000 doing any short-term tasks, and 590,000 doing any type of gig activities (using the SHED definition), including selling and short-term rentals. SHED also found that most people doing gig work do it part time

While they should be taken with a large grain of salt (being potentially biased), private surveys have also looked at this question. A recent survey by Morning Consult (n=10,010) that was sponsored by the pro-platform industry organization, Flex Association, found that 43% of U.S. adults surveyed had **ever earned income** from "doing a service or task on an app-based platform" as of March 2026, up from 35% in 2023 and with 28% earning income currently.

They extrapolated their results to estimate that 25% of Connecticut adults were actively working on at least one digital platform in early 2026. These estimates are likely too high based on the SHED survey's 4% estimate of app-based tasks but suggest that an increasing share of Americans have tried earning income this way.

A further official measure of **a subset of gig workers (i.e., those doing it as their primary occupation)** comes from the **American Community Survey (ACS)**, looking at people who worked for profit or fees in their own unincorporated business, profession, or trade as their primary occupation. The reporting category also includes unpaid family workers. In Connecticut in 2024, that described about 118,000 people (or 6.2% of employed people over age 16).

This share of the state's workforce includes app-based gig workers like rideshare drivers who do it as their primary job, as well as non-app workers like a hair stylist who rents a chair or a solo carpenter. The top occupational categories for these workers in Connecticut are construction, management, and building and grounds cleaning and maintenance (see chart).

Finally, the U.S. Census Bureau's **Nonemployer Statistics (NES)** provide another count—this time of sole proprietorships without employees that pay federal income taxes and have at least

Top 12 Occupational Categories by 2024 Connecticut Non-Incorporated Self-Employed & Unpaid Family Workers



Source: American Community Survey 2024 1-Year Estimates, Table B24060, rounded to the nearest thousand due to large margins of error.

$1,000 in receipts ($1 for construction) for the year, which includes people engaging in gig work as both a primary and secondary economic activity. It also includes traditional self-employment work that doesn't fit narrower definitions of gig work.

The NES data counts businesses, not people (i.e., a person can have multiple businesses that show up separately), with location typically based on the taxpayer's mailing address. Nevertheless, it provides a useful summary of the number and gross receipts of nonemployer businesses in the state that includes many gig jobs, including things done part-time.

There were about 288,300 sole proprietor nonemployer businesses in Connecticut in 2024, according the Census Bureau, with gross receipts, sales, or revenues of $15.4 billion. If each person only had one business (which is not the case), that would equate to 9.8% of Connecticut's adult population.

Connecticut has an above average share of nonemployer sole proprietors in the "Professional, scientific, and technical services" sector (16.6% vs. 13.7% nationally), which is not surprising given Connecticut's highly educated workforce.

The graph below shows the most popular types in Connecticut by 4-digit industry code. The NAICS category for rideshare drivers has the most establishments with 17,095. Categories highlighted for gig work by the Census Bureau are shown in orange.

Most Popular Business Types Among Connecticut Sole Proprietorships without Employees

4-Digit Industry (NAICS 2022) Classifications (With Examples) Ranked by Number of 2024 Connecticut Nonemployer Establishments



Source: U.S. Census Bureau, *All Sectors: Nonemployer Statistics by Legal Form of Organization and Receipts Size Class for the U.S., States, and Selected Geographies: 2024.* Note that counts for Connecticut above are limited to firms organized as sole proprietorships. These include businesses that are in operation for some part of the reference year (2024), have a Connecticut location or owner mailing address, have no paid employees, are subject to federal income tax, and have receipts of $1,000 or more (or $1 for the Construction sector).

Benefits and Draw Backs

Gig work can have many benefits. Chief among them is usually the **flexibility to work when you want to**, and not when you don't. That flexibility can be especially important for people with caretaking responsibilities, such as parents with young children in the home. The SHED survey from 2024 found that 26% of parents with children under age 13 had done any gig work, compared to 19% of people without kids.

For example, a physician that becomes a mother may switch from a full-time job before kids to picking up shifts or providing telehealth services while her children are young. Someone caring for an aging or disabled family member may add to the household income with food delivery work in the evenings after another family member gets home. Some of these people may otherwise drop out of the labor force altogether or struggle with less income if gig opportunities are not available. Gig work can provide a valuable way for people to engage in work on their own terms and their preferred schedule.

> *A 2024 survey found that 43% of workers doing short-term tasks said they would have trouble making ends meet without gig work.*
>
> *-Fed Survey of Household Economics and Decision Making*

Gig work can allow people to earn supplemental income. The SHED survey found that about half of those who did any gig work also had a non-gig main job and 70% spent less than five hours per week on their gig work. The extra income was meaningful, as 43% of people who had recently done short-term tasks agreed with the statement that "without it, I would have trouble making ends meet." With low barriers to participating in many gig roles, it can serve as a way to earn extra spending money or to get through breaks in other employment.

Another benefit in most gig work is **being your own boss**. To be properly classified as an independent contractor (rather than an employee) for unemployment insurance in Connecticut, independent contractors must be free of the control and direction of the businesses hiring them. Self-employed workers are free to accept work from multiple customers and may be able to work from a variety of locations as they deem fit. They can also choose to stop working (assuming they've met any contractual obligations) when they've earned enough money or put in additional time to increase their earnings. For example, a handmade jewelry maker chooses which products to make and how much to sell them for on Etsy and at local craft fairs. If sales haven't been good, they may choose to attend a few more events.

While flexibility and control are major reasons why most independent contractors like their alternative work arrangements, there are also potential drawbacks. People who rely on gig work for income can face **volatile earnings** for reasons beyond their control, such as less demand for their goods or services. For example, a surge in new rideshare drivers in your local area typically means fewer average trips per driver, which can seriously depress earnings per working hour. The SHED survey found that 61% of people who did short-term tasks on digital platforms wished the pay was more consistent.

Additionally, most gig workers that don't have other W-2 income have **no access to employer-provided benefits** like worker's compensation insurance, paid sick leave, retirement accounts, unemployment insurance, or health insurance. This can make them particularly vulnerable if they face unexpected hardships. They must also pay self-employment taxes, which are a higher percentage of net earnings than an employee's share of FICA taxes, to have access to Medicare and Social Security in retirement.

Importantly, while employees typically just show up and keep their entire after-tax pay, **self-employed workers must cover a wide range of costs for equipment, operating expenses, and overhead** that significantly reduce their take-home pay. A forthcoming OSC analysis of Connecticut rideshare drivers finds that fuel, vehicle, and cell phone expenses reduced hourly net earnings in 2025 by $8 to $19 per hour, leaving drivers with much lower net earnings.

Especially for contingent or temporary workers (4.3% of U.S. employment as of July 2023), who don't expect their work to last, not knowing if you will find work again once your current gig ends can make it **harder to plan and invest** than for someone with an indefinite job. The lack of consistent earnings can also be **an obstacle to obtaining a mortgage** or other credit.

Impacts on the Wider Economy

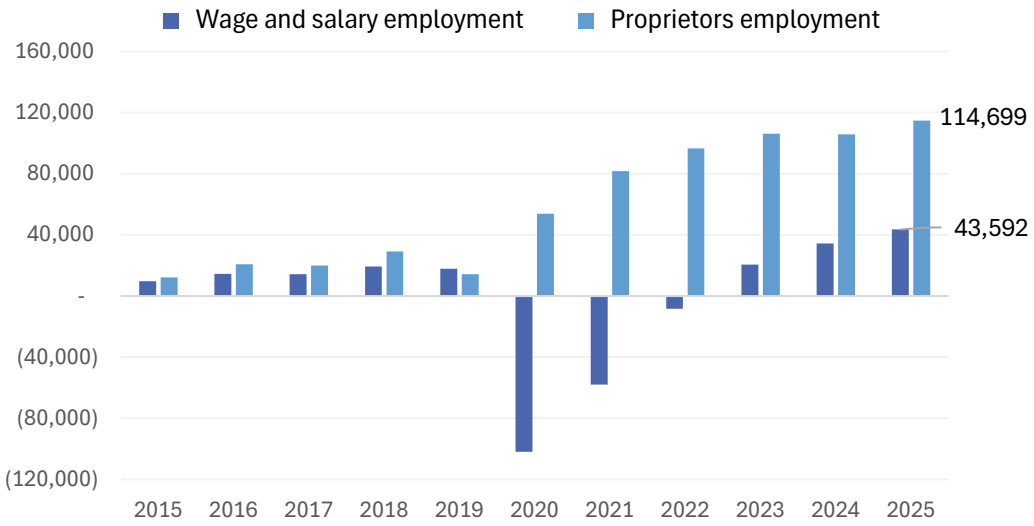
Estimates of individual proprietor nonemployer businesses between 2024 and prior years show the number of establishments has risen in recent years. While methodological changes for producing the NES data can make year-to-year comparisons imprecise, the number of Connecticut nonemployer establishments has grown by 25.2% since 2014 and 17.3% since 2020. A significant amount of that growth, over 19,000 additional Connecticut nonemployers since 2018, falls in the Transportation and Warehousing industry that includes rideshare and delivery drivers. At 38,200 nonemployers in 2024, that sector's self-employment has more than doubled since 2018.

Data from the Bureau of Economic Analysis on proprietor employment (which counts the number of sole proprietorships and general partners active during the year) corroborates an increasing trend. Note that the BEA data includes self-employment jobs with employees as well as those without.

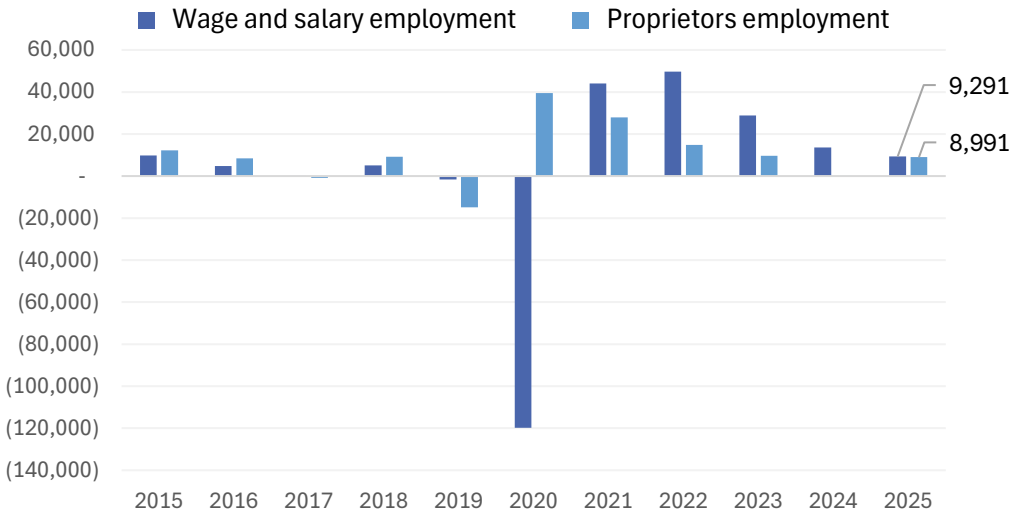
The data shows that while Connecticut wage and salary employment rose by a cumulative roughly 43,600 positions (2.5%) between 2014 and 2025, growth in self-employment jobs by this measure has increased by more than 2.5 times that amount (114,700 or 21.4%). That suggests that self-employment work has been an **important engine of economic growth** in the state's economy over that time, providing both primary and supplementary income to workers outside traditional payroll jobs.

In 2020, when average annual wage and salary employment dropped by about 120,000 workers during the pandemic, proprietors' employment rose by nearly 40,000 and has grown nearly every year since.

Cummulative Change in Connecticut Wage & Salary Employment vs. Proprietors Employment Since 2014

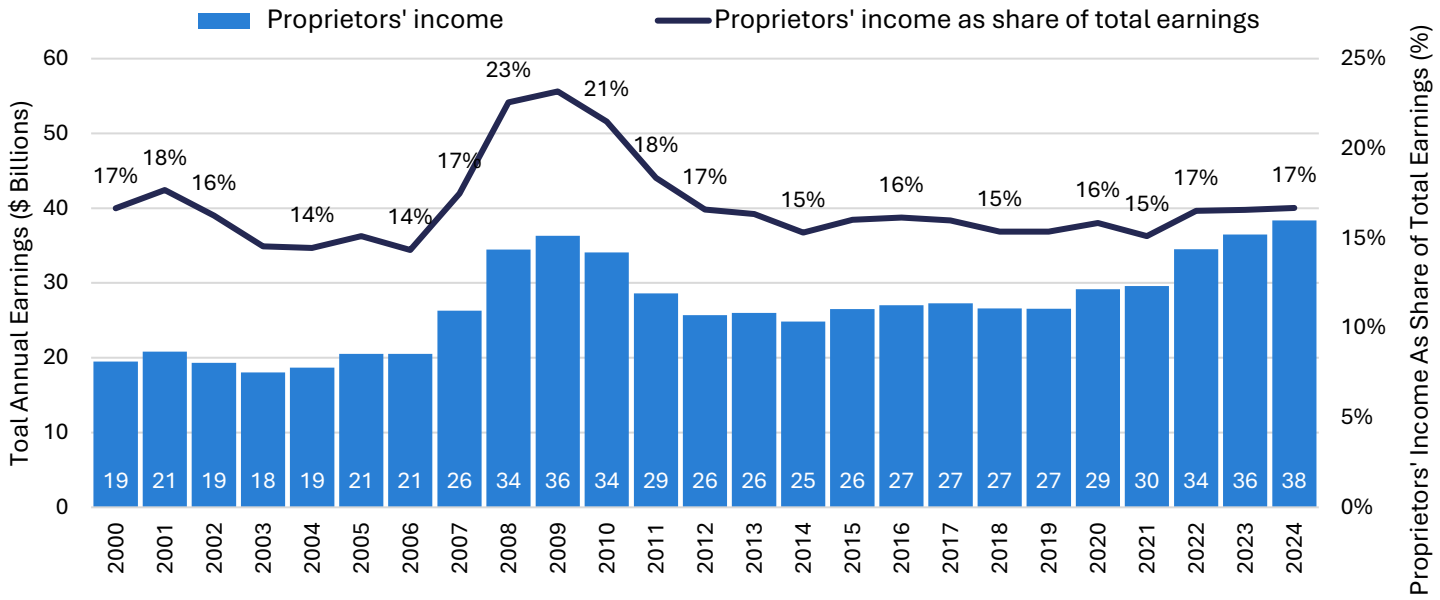


Annual Change in Connecticut Wage & Salary Employment vs. Proprietors Employment



Source: Bureau of Economic Analysis, *Personal Income and Employment By Major Component*, OSC calculations. Note that proprietors employment (i.e., self-employment) estimates reflect a count of the total number of sole proprietorships or general partners active at any time during the year, while wage and salary employment is an average count of full or part-time jobs over 12 months (11 in 2025).

Connecticut Proprietors' Income: Total Annual and as a Share of Total Earnings by Place of Work



Source: Bureau of Economic Analysis, *Personal Income and Employment By Major Component*, OSC calculations. Note that Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.

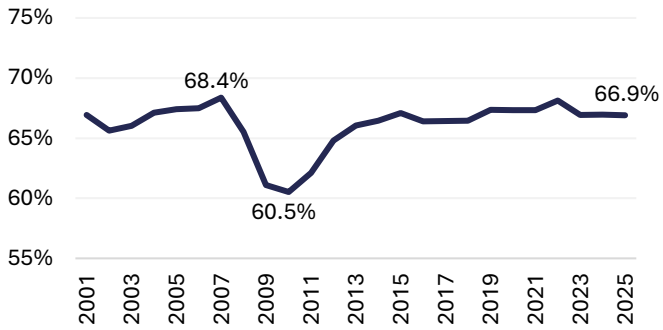
While these figures support the idea that **gig work and non-payroll side hustles are becoming more popular in Connecticut over time**, other statistics on income indicate that it's not necessarily increasing as a share of workers' earnings. As shown in the graph above, the share of Connecticut's employment earnings attributable to self-employment (17% in 2024) has not changed much since 2012, though the share rose during the 2008 Great Financial Crisis and years immediately following that.

Looking at the inverse, the share of unemployment insurance-covered wages (i.e., earnings for most wage and salary workers) as a share of total Connecticut-located worker earnings according to government personal income statistics has been similarly steady around 67%, with both types of income seeing notable rises in nominal earnings since inflation peaked in 2022.

In Conclusion

By any definition, gig work provides a meaningful share of total Connecticut employment, though it is primarily done part-time. The (1) share of workers' earnings from self-employment and (2) share of Connecticut's employment that is primarily self-employed in non-incorporated businesses have both been stable over the past decade, though the number of gig workers has risen. As we look to understand recent diverging trends in Connecticut's employment from the CPS and job growth in the employer survey, gig work changes may account for part of that gap.

Connecticut UI Covered Wages as a Share of Total Earnings (%)



Sources: Bureau of Economic Analysis, Bureau of Labor Statistics (QCEW), OSC calculations. Note that Earnings are by Place of Work, UI is Unemployment Insurance

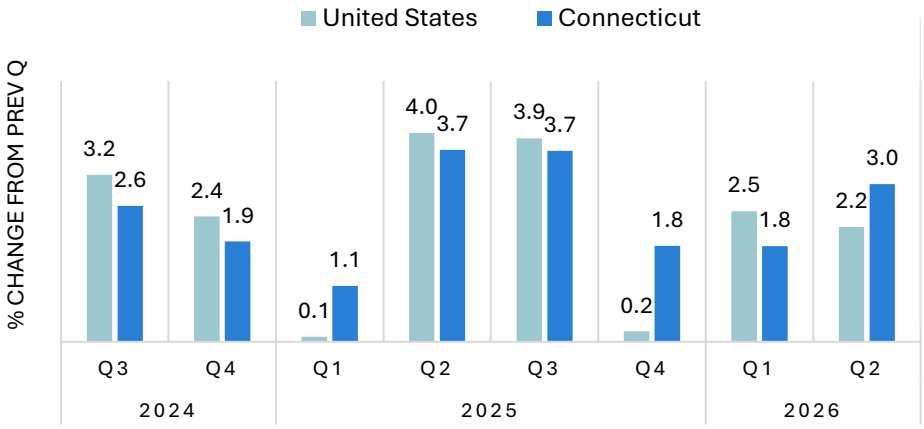
Policymakers should be aware of these dynamics, including the increased vulnerability and lack of employer benefits for gig workers depending on these businesses for their livelihood—as well as the large share of independent contractors that value gig works' inherent flexibility.

CONNECTICUT AMONG FASTEST GROWING STATE ECONOMIES IN APRIL TO JUNE

The Connecticut economy expanded 3.0% in the second quarter (adjusted for inflation and using a seasonally adjusted annual rate). That pace put Connecticut seventh among states for the April to June 2026 period.

Connecticut grew at a 1.8% pace in Q1 2026, ranking 25th based on revised figures. The state's above-average growth so far in 2026 follows an annual real gross domestic product (GDP) growth rate of 2.5% for 2025, above the 2.3% U.S. growth and ranking 16th among states based on the latest revisions. Real GDP measures the value of final goods and services produced within a place, stripping out price changes from inflation.

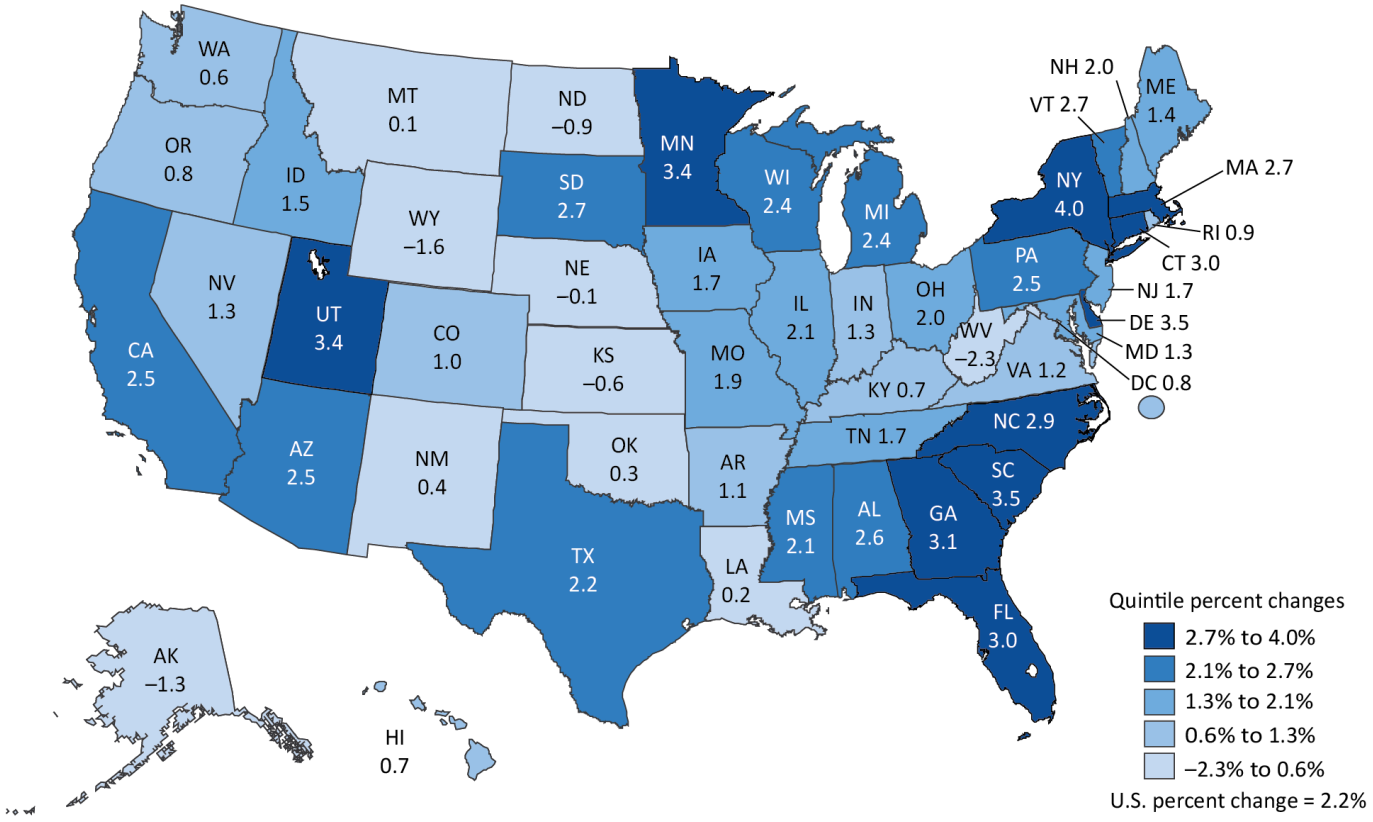
QUARTERLY REAL GDP GROWTH



Seasonally Adjusted Annual Rates, **Source:** Bureau of Economic Analysis

Looking at state quarterly personal income, Connecticut personal income grew at a 5.3% annual rate in Q2 2026—not adjusted for inflation. By that measure, Connecticut ranked 12th fastest for the quarter. U.S. personal income grew at a 4.7% annual rate in the April to June period.

Real GDP: Percent Change at Annual Rate, 2026:Q1–2026:Q2



GDP Gross domestic product
U.S. Bureau of Economic Analysis

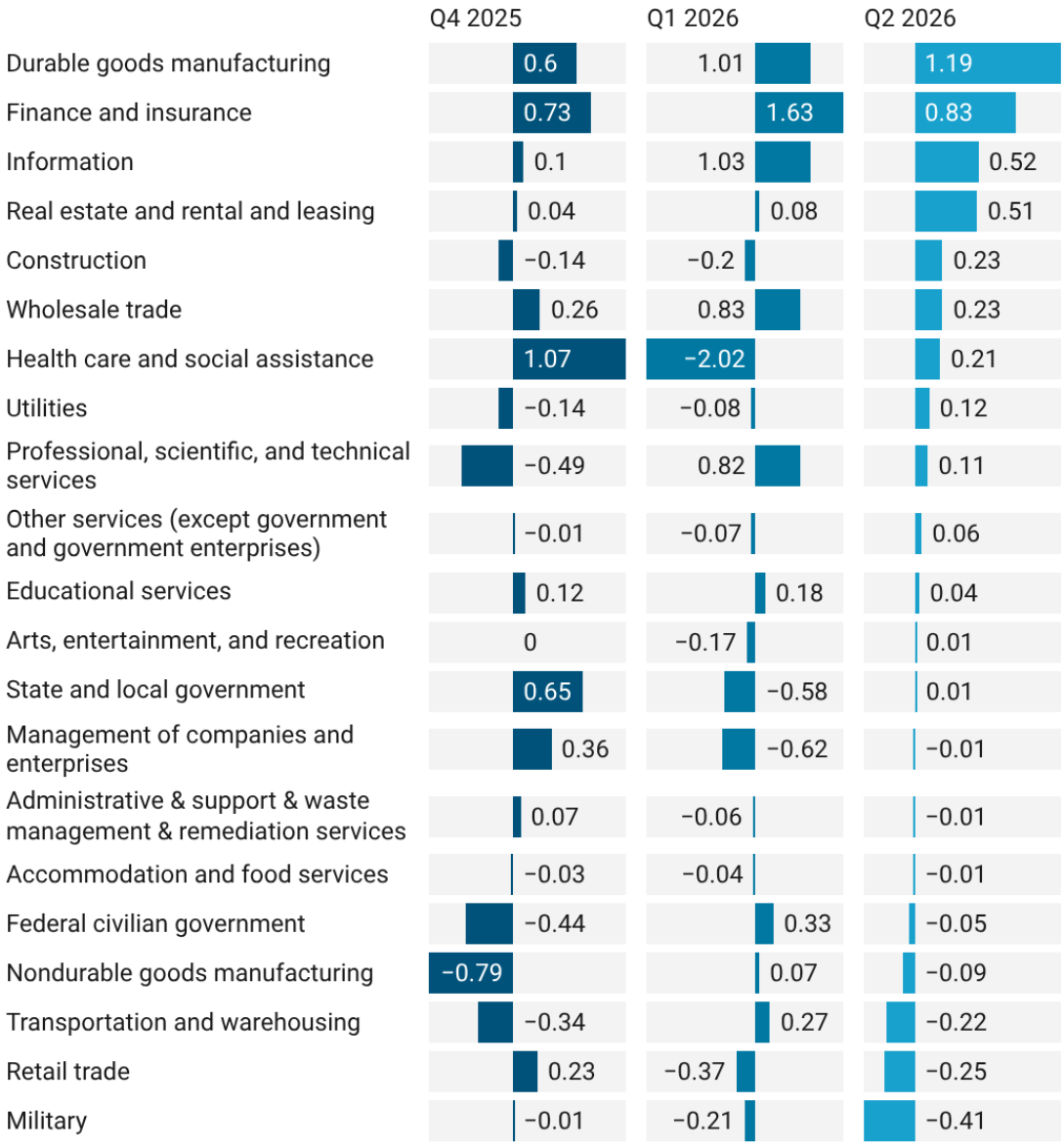
WHATS DRIVING CONNECTICUT'S ECONOMIC GROWTH?

As shown on the previous page, Connecticut's real gross domestic product grew at a 3.0% seasonally adjusted annual rate (SAAR) in the April to June 2026 period, after rising 1.8% in the two previous quarters.

The Bureau of Economic Analysis publishes an industry breakdown, which shows how much of that total growth can be attributed to each industry using the 2017 North American Industry Classification System (NAICS).

Connecticut Industries' Contributions to Real GDP Growth

Which industries are most responsible for the State's economic growth by quarter?



Values reflect percentage points of quarterly real GDP percent change, where real GDP growth is shown as a seasonally adjusted annual rate.

Source: Bureau of Economic Analysis • Created with Datawrapper

Connecticut's biggest contributing industry for Q2 2026 was **durable goods manufacturing**, which accounted for 1.19 of the 3.0 percentage points of growth (i.e., 40%). That includes Connecticut's defense and aerospace companies, as well as those making machines and certain components used in data centers.

Durable goods are those that can be expected to last at least three years. From June 2025 to June 2026, Connecticut's durable goods manufacturing industry added 2,700 jobs (2.3%) and expanded its real output by 11.5%.

On the other hand, the finance and insurance and information industries continue to be major contributors to the State's growing economy but not by adding more workers—suggesting that rising productivity is driving output growth. YoY in September, **finance and insurance** shed 1,600 jobs (-1.6%) and **information** shed 800 jobs (-2.6%).

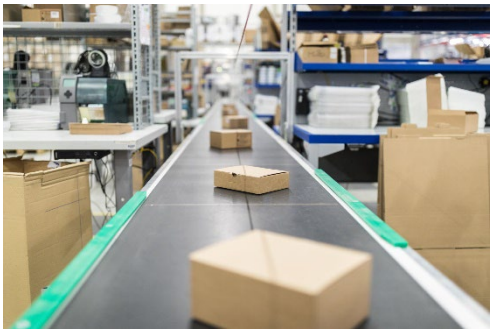
STATE LABOR MARKET UPDATE

Connecticut employers added 1,400 payroll jobs (0.1%) in September. August's 300-job gain was revised to a 600-job loss. That puts both total and private Connecticut non-farm payroll positions at all-time highs.

State job growth has been stronger this year than last year. Connecticut employers added 14,600 nonfarm payroll jobs (0.9%) over the first nine months of 2026, compared with only 600 jobs (0.03%) in the first nine months of 2025 (based on current estimates). National nonfarm payroll employment has grown slower, just 0.4% so far in 2026.

The sharp decline in the state's labor force (-51,600 in just 2026) is a major headwind for the economy. Monthly declines in the workforce have been nearly unabated since February 2025, even as payroll jobs have grown—though later population re-benchmarking could lead to revisions. The uptick this month is welcome.

The unemployment rate was steady at 5.1% in September due to rising labor market participation (up by 3,500 people) despite a slight increase in the number of unemployed people (96,900, up 500 from August). The unemployment rate remains one of the highest in the country and above the national level of 4.2%.



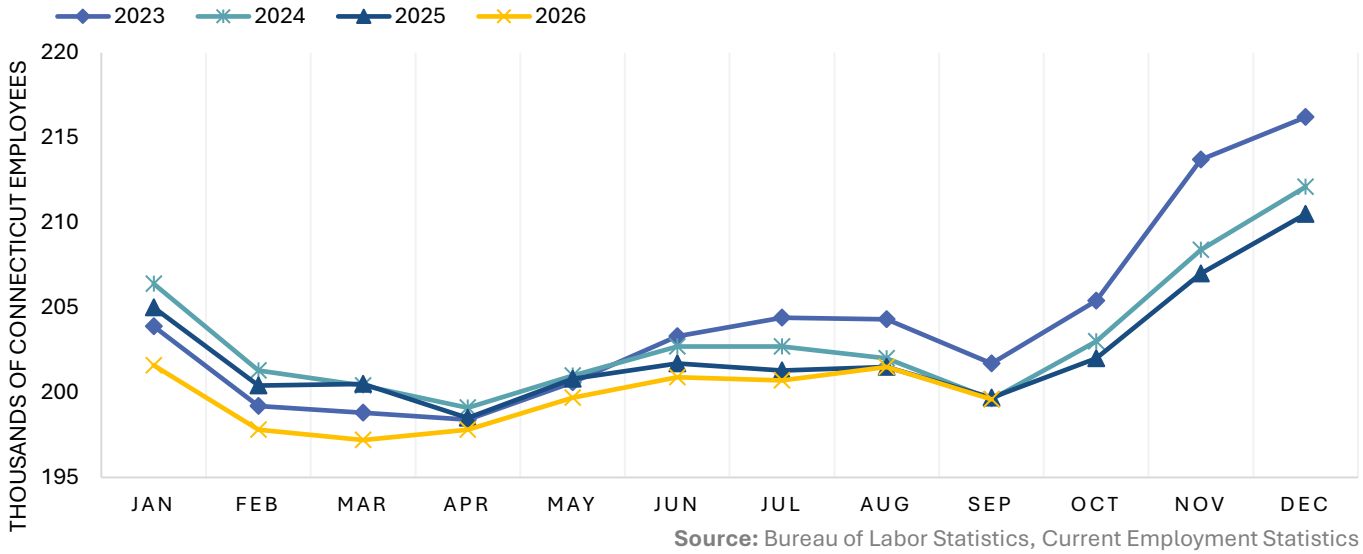
Seasonal Hiring for the Holidays

Payroll employment (which includes both full and part-time jobs) is highly seasonal because many industries add and shed workers during certain times of year. Connecticut payrolls typically hit a summer peak in June and another in November or December. Economists (and this publication) generally reference "seasonally adjusted" figures to account for those normal seasonal swings to focus on underlying trends. But sometimes it's helpful to look at the unadjusted figures.

The graph below shows employment in retail and key logistics sectors that typically peak in December. While employment levels have trended down over recent years, August and September employment in 2026 match 2024 and 2025 totals, suggesting we can expect a similar 11,000 or so jobs to be added statewide in these sectors through December 2026. Many of these are temporary, seasonal roles which people take on in addition to regular employment to earn some extra cash around the holidays.

CONNECTICUT MONTHLY EMPLOYMENT IN SECTORS WITH BIG HOLIDAY PEAKS

Not Seasonally Adjusted Total Jobs in Retail Trade, Warehousing & Storage, and Couriers & Messengers



Source: Bureau of Labor Statistics, Current Employment Statistics

Connecticut Housing Market Trends
September 2026

-1.7%
2,996
Home Sales YoY
SmartMLS

+4.7%
$450,000
Median Sales Price YoY
SmartMLS

0 days
41
Median Days on Market YoY
Realtor.com

+1.13
7.32%
Freddie Mac 30-Year Fixed Rate Mortgage Average for the week ending 9/24

+0.6%
1,723
Median New Lease Rent YoY
Apartment List

-19.5%
4,195
Connecticut Building Permits, Units of Housing YTD, YoY
U.S. Census Bureau

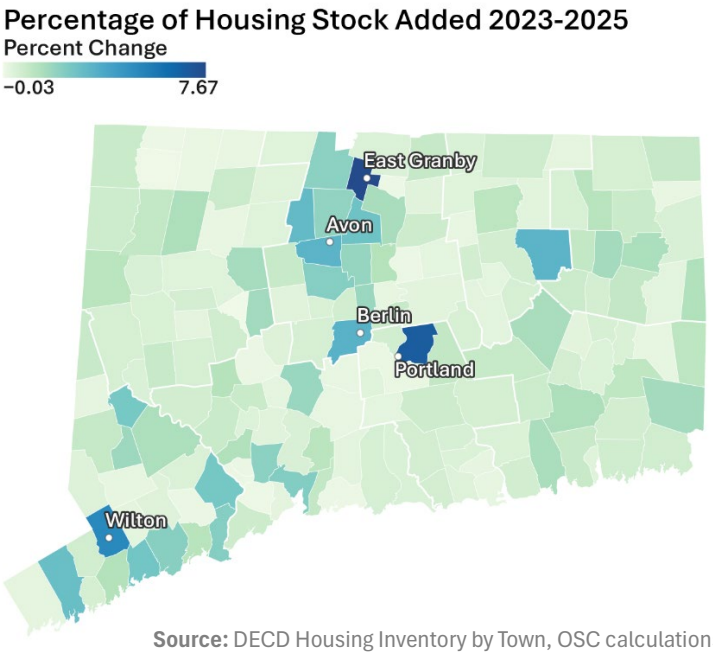
*SmartMLS is the primary multiple listing service for Connecticut but does not include all listings in Greenwich, CT. YoY means "year-over-year."

CONNECTICUT HOUSING MARKET

Housing availability continued to grow in September with total active inventory rising 7.1% year-over-year to 7,990 units, even as closed sales declined slightly. Condo and townhouse inventory grew sharply, rising 20.2% to 1,865 units. Home prices continued to rise with the statewide median home sales price moving up 4.7% year-over-year to $450,000—higher than the national median of $429,100. The state's months of supply (i.e., how long it would take to sell all the homes on the market at the current sales pace) edged up to 2.8 months from 2.6 last September, but this is still well below the national average of 4.9 months. This, coupled with sellers receiving 102.2% of listed price on average, means that Connecticut continues to be a seller's market.

Would-be homebuyers were facing lower affordability in September compared to a year earlier, with SmartMLS's Housing Affordability Index, a gauge that compares median household income against median home prices and current mortgage rates, dropping 10.9% to a value of 98. This means that the household earning the median income in Connecticut only makes 98% of the income necessary to qualify for a typical loan on the median priced home at current mortgage rates. This signals an erosion in the average person's purchasing power with respect to buying a home, as mortgage rates have again climbed above 7%.

Connecticut Adds Housing Stock but Still Lags Behind Nation



Source: DECD Housing Inventory by Town, OSC calculations

Connecticut's housing stock increased modestly over the last couple years, adding 15,768 units between 2023 and 2025, a 1.03% increase, according to the Connecticut Department of Economic and Community Development (DECD). Most of that gain came in 2025 when the state added 9,834 units, up from 5,952 in 2024. Note that these figures reflect the net impact of new construction and demolitions.

Fairfield County led the state with growth of 5,923 units, amounting to a 1.56% increase in housing stock. Wilton (5.09%) and Stamford (2.91%) both ranked among the ten fastest building towns in the state, and Stamford alone added 1,622 units, the most of any town in the state.

Following Fairfield is Hartford County which added 4,620 units, amounting to a 1.11% increase. Building in Hartford County was led by the small town of East Granby, which in percentage terms built more than any town in the state at 7.67%, although Hartford (704 units) and West Hartford (517 units) led Hartford County in absolute numbers. Taken together, Fairfield and Hartford Counties accounted for nearly two-thirds of the state's new units from 2023 to 2025.

Litchfield County came in as the slowest building county in the state, adding only 511 units (0.57%), less than a third of what the town of Stamford added on its own. The two slowest building towns in the state, Thomaston and Canaan, are both in Litchfield County. In fact, Thomaston was the only town in the state whose housing stock *shrank* during this period, while Canaan was the only town to post no housing stock increase at all.

Overall, **Connecticut is building more housing, but slowly and unevenly.** The state picked up its pace in 2025, yet over the two-year period it still added housing at roughly half the national rate of 1.97%, according to data from the U.S. Census Bureau. New units were concentrated in a handful of cities and towns, largely in Fairfield and Hartford Counties, and weighted toward larger multifamily buildings, while many smaller and more rural communities added little new housing. Five municipalities (Stamford, New Haven, Hartford, Bridgeport, and West Hartford) accounted for 4,850 units, roughly 31% of the statewide total.

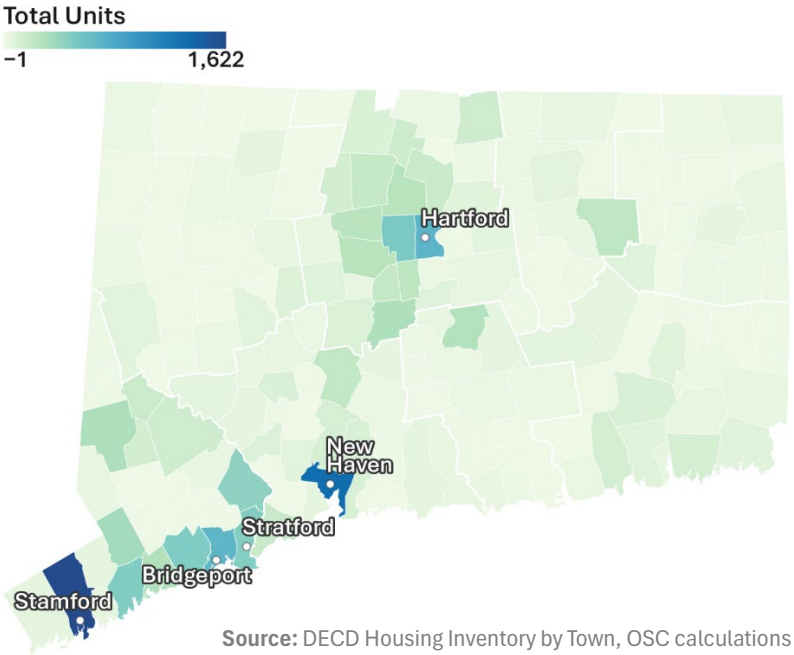
Because housing projects often take years to move from planning to construction, the numbers here largely reflect decisions made well



before 2023, and the coming years of data will show whether 2025 marks the start of a sustained pickup or a one-year high.

During the period from 2023 to 2025, Connecticut permits were pulled for multifamily construction at a rate of almost two to one versus single family construction, according to the Connecticut Housing Finance Association (CHFA). Most of these multifamily units are located in major cities or in transit-served suburbs along the I-91 and I-95 corridors. That suggests we'll continue to add a larger share of multifamily apartments, condos, and townhouses to the housing stock in the years ahead, unless today's rising interest rates get in the way.

Housing Units Added from 2023 to 2025



Source: DECD Housing Inventory by Town, OSC calculations

RISKS AND EVENTS WE'RE WATCHING

Part of the fallout from the Iran War, Connecticut's average **heating oil price reached $6.18 per gallon** as of October 19th, up 81.7% from $3.40 a year ago. This skyrocketing cost, affecting approximately 35% of households in the state that heat with oil, will reduce discretionary spending for those households this winter, with knock on effects for local businesses.

The midterm elections could change control of the U.S. House of Representatives or Senate, with important implications for federal policy that could impact Connecticut's economy and state budget.

Open Enrollment for ACA health insurance through the state's exchange, Access Health CT, began October 23 and runs through January 15, 2027. The State is continuing to provide Temporary Premium Assistance as in 2026, to make up some or all of the expired enhanced federal subsidies for those at 100-200% of the federal poverty level (FPL), and those just above the cutoff to qualify for any federal financial assistance (at 400-500% of FPL).



A new state healthcare subsidy will help childcare workers afford health insurance.

In October, State officials announced a **new health insurance subsidy of $1,000 to $1,200 annually for childcare sector staff** and owners to buy health coverage through Access Health CT. The new program is supported by $10 million from the State's Early Childhood Education Endowment, which will provide ongoing support to make childcare more affordable for families and support the industry's workforce.

Continuing growth in the capabilities of **frontier AI** models is creating heightened IT security risks from AI-assisted hackers. Cryptocurrency platform, Binance, was hacked impacting $6.3 billion in October. The stock market's **increasing dependence on the "AI trade"** also risks a potential market collapse if the fortunes of the industry shift.

PROJECTING CONNECTICUT'S JOBS OF THE FUTURE

The Connecticut Department of Labor's latest 10-year employment projections, covering the years 2024 to 2034, project employment in the state will expand by roughly 118,000 jobs (6.4%) over the decade. These statistics abstract from the business cycle and focus on underlying trends that are changing what employment will be needed in the workforce of the future.

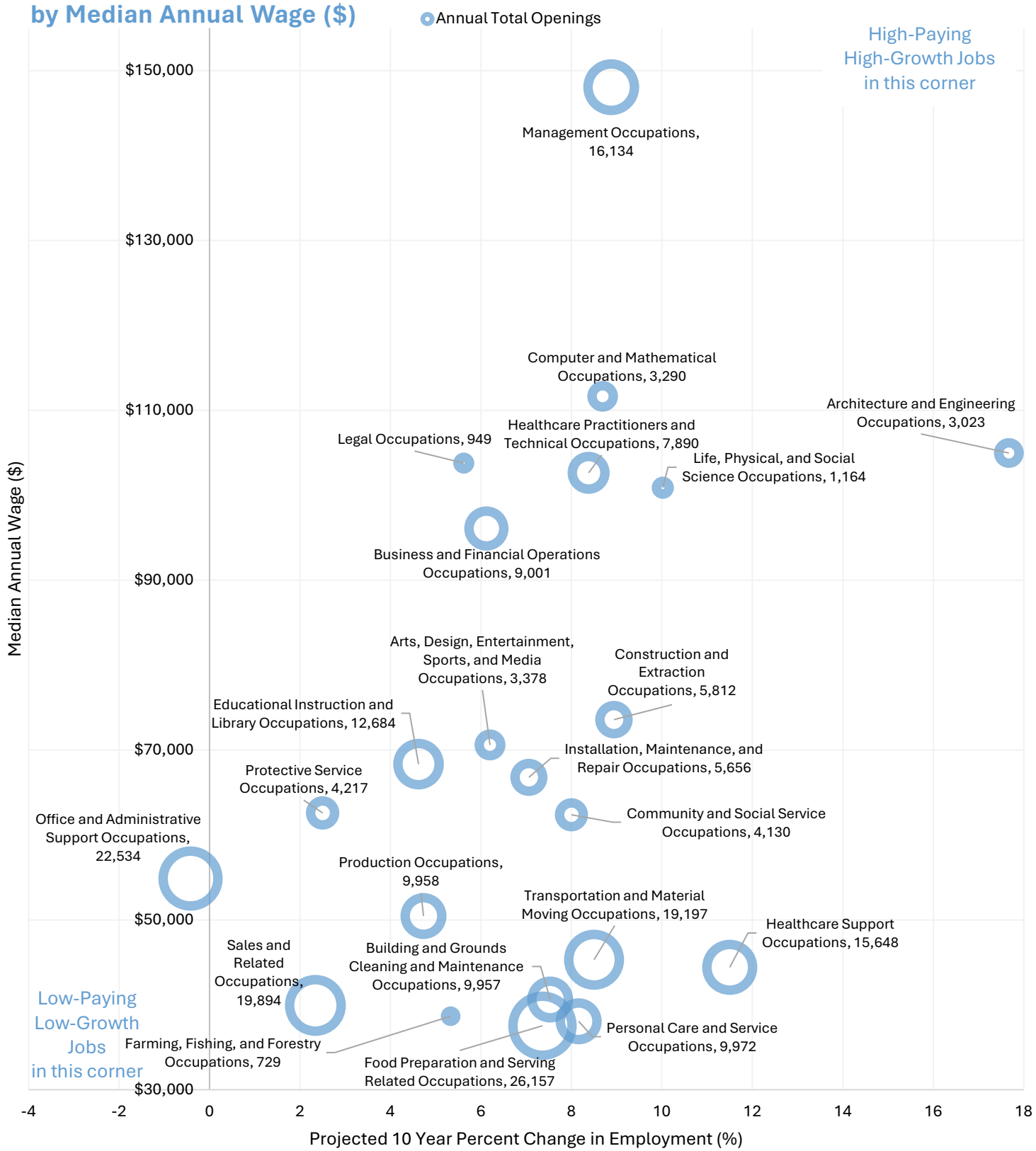
The occupations expected to see the largest percentage growth include marine engineers and naval architects (47.9%) and nurse practitioners (31.4%). High-skill computer-related research and data scientists, various types of engineers, certain manufacturing roles, and healthcare jobs will also see high percentage increases.

Despite little to no net job growth projected over the decade, roles in administrative support and sales are still expected to see substantial hiring due to turnover and retirements.

The **graph on the following page** plots occupation categories from the projections based on the net job change (horizontal axis) and recent average median wage for those jobs (vertical axis). The highest-paying, highest growth jobs are in the top right corner, while the lowest pay, lowest growth jobs are in the bottom left. Circle size and labels show the amount of projected annual openings.

CONNECTICUT OCCUPATIONAL PROJECTIONS: 2024-2034

Projected 10-Year Percentage Change (%) in Total Jobs by Median Annual Wage ($)



Source: Connecticut Department of Labor

APPENDIX

Connecticut Housing Market	Sep-26	Sep-25	% Change or Change
Home Sales (SmartMLS)	2,996	3,048	-1.7%
Median Sales Price (SmartMLS)	$450,000	$430,000	4.7%
Inventory of Homes for Sale (SmartMLS)	7,990	7,459	7.1%
New Listings (SmartMLS)	4,175	4,023	3.8%
Freddie Mac U.S. 30-Year Fixed Rate Mortgage Average (%) (Week ending 10/22/26 and 10/23/25)	7.32	6.19	1.13
Median Active Days on Market (Realtor.com)	41	41	0.0
Percent of List Price Received (SmartMLS)	102.2%	102.0%	0.2%
Median Rent for New Leases (Apartment List)	$1,723	$1,713	0.6%
Single-family Housing Permits YTD (U.S. Census Bureau)	1,607	1,626	-1.2%
2+ Unit Structures Housing Permits YTD (U.S. Census Bureau)	2,588	3,582	-27.7%

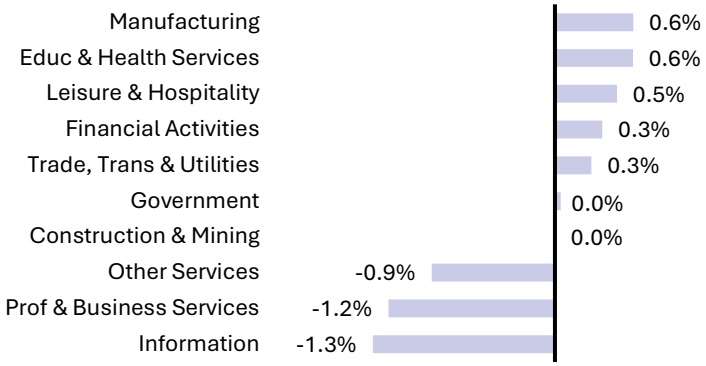
Realtor.com & Freddie Mac data Retrieved from FRED; Data derived from SmartMLS for the period of Sep 1 – Sep 30, 2026. Information is deemed reliable but not guaranteed. Statistics are provided for informational purposes only, may not reflect all real estate activity, and are subject to change.

Connecticut Labor Market	Sep-26	Sep-25	Aug-26
Unemployment Rate	5.1%	4.2%	5.1%
Total Unemployed	96,900	80,800	96,400
Total Nonfarm Employment	1,731,600	1,730,200	1,716,400
Job Growth	1,400	1,600	-600
Average Monthly Initial Unemployment Claims	2,288	3,617	2,996
Labor Force Participation Rate	62.1%	63.9%	62.0%
Average Hourly Wage (Total Private Employees)	$40.06	$39.23	$40.01
Average Hourly Wage, 3-month average, Year-over-Year Percent Change	2.2%	3.3%	2.2%

Note that BLS is no longer publishing monthly state-level JOLTs data; Source: Bureau of Labor Statistics & CT Department of Labor

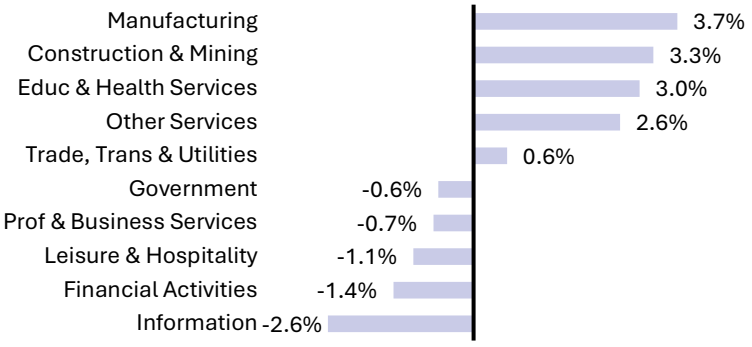
Connecticut Industry Sector Nonfarm Payroll Employment – September 2026

Month-over-Month Percent Change



Source: CT Department of Labor

Year-over-Year Percent Change



Source: CT Department of Labor