*Connecticut Short-Term Projections: Job Growth 2024Q2 to 2026Q2*

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Connecticut’s economy is projected to add almost 39,000 jobs through the end of the short-term projections period (2nd quarter 2026). The industries driving this growth include Health Care, Educational Services, Public Administration, and Manufacturing. Through 2026Q2, we project overall employment in Connecticut to increase by 2.1% from 1,849,153 to 1,887,722 including self-employment and unpaid family workers. The Goods-Producing sector is projected to grow by 2.9% and the Service-Providing sector is projected to grow by 2.0% over two years. This latter sector represents 86.3% of industry employment in the state.

**Projections by Industry**

Each year, the Office of Research at the Connecticut Department of Labor produces short-term employment projections by industry and occupation. Among the 20 industry groups shown in Figure 1, 14 are projected to increase over two years and 6 are projected to decline. The largest increases are expected in Health Care (+6,396), Educational Services (+4,917), Government (+4,656), and Manufacturing (+4,315). These four industries represent a combined 39% of base quarter 2024Q2 employment and 56% of total industry growth through 2026Q2.

**Health Care**

The Health sector is projected to add 6,396 jobs over the projections period. Among its three component industries, Ambulatory Health Care Services (NAICS-621), is projected to add 3,886 jobs through 2026Q2 and account for 61% of overall Health Care growth, while representing 43% of base quarter employment. Hospitals (NAICS-622) are projected to add 1,560 jobs over two years, or 24% of overall Health Care growth, and Nursing & Residential Care Facilities (NAICS-623) is projected to grow by 950 jobs or 15% of total health care growth.

**Educational Services**

Projected Educational Services employment growth of 4,917 is mostly occurring in its two largest component industries, Elementary and Secondary Schools (NAICS 6111) and Colleges, Universities, and Professional Schools (NAICS 6113). Elementary and Secondary Schools, which account for 60% of employment in this sector, is projected to add 2,512 jobs (up 2.2%) while Colleges and Universities are projected to add 1,406 jobs (up 2.4%).

**Government**

Government excluding education is projected to increase by 4,656 jobs or +5.4% over two years. More than half of this overall increase is projected to occur in Local Government, which is projected to increase by 2,682 (+6.1%) over two years. State Government is similarly projected to increase by 6.1% and add 1,714 jobs. Federal Government employment is projected to grow slower, up 260 jobs (+1.8%), with a slight decline in Postal Service employment being offset by small gains in other areas.

**Manufacturing**

Manufacturing is projected to increase by 4,315 jobs or +2.8% over two years. This projected increase reverses slight declines in Manufacturing. The industry had a post-COVID employment peak during 2023Q3 at 158,000 and subsequently declined slightly to 155,000 during the 2024Q2 base quarter. The projected growth through 2026Q2 is driven mostly by projected gains in Transportation Equipment Manufacturing (NAICS 336), which accounts for 82% of the 4,315 Manufacturing growth. That component industry is projected to increase by 3,524 or +7.6% over two years. This represents known hiring initiatives by many manufacturers in the state.1

The six sectors projected to lose employment through 2026Q2 are Retail Trade (-1,489 or -0.9%), Information (-407 or -1.3%), Utilities (-201 or -3.9%), Management (-161 or -0.5%), Real Estate (-150 or -0.8%), and Administrative and Support Services (-107 or -0.1%).   
 The projected Retail Trade losses continue long run trends that began before the short-term disruption during the pandemic. Post-Great Recession Retail Trade employment peaked at 194,400 in late-2015 and has steadily contracted since. Retail Trade was among the most heavily impacted by the COVID-19 lockdowns, from February 2020 to April 2020, and the industry fell by from 170,000 to 131,000 jobs. The industry bounced back to over 160,000 by August 2020 and peaked at 175,000 by December 2021. In subsequent years, Retail trade edged down and has ranged between 163,000 and 173,000. The two-year projections expect the industry to decline slightly to 163,284, down 1,489 or -0.9%.2

The Information industry sector comprises industries such as Motion Picture and Sound Recording Industries, Publishing (from newspapers to software publishers), Broadcasting and Content Providers (including streaming services), Telecommunications, Data Processing, and Libraries. The largest losses are projected to occur in Telecommunications (NAICS 517), down 273 or -4.8% and Motion Picture & Sound Recording Industries (NAICS 512), down 198 or -5.5%. Two component industries are projected to gain employment over two years, Computing Infrastructure Providers, Data Processing, Web Hosting, & Related Services (NAICS 518) is projected to have an employment gain of 101 or +2.3% over two years and Web Search Portals, Libraries, Archives, & Other Information Services (NAICS 519) is projected to increase by 49 or +1.7% over two years.

Like Retail Trade, the 3.8% projected decline in Utilities continues a long-term trend that began years before the 2020 recession. Utilities has steadily lost employment since at least 2001, when annual statewide employment was 9,255. It fell from 8,572 in 2005 to 6,671 in 2006 and has subsequently stabilized around 5,000-5,100 from 2020 to 2024. The projections suggest the industry will shed 201 jobs (-3.9%) over the two-year period ending 2026Q2. Within this industry, most of the projected decline will occur within two specific SOC occupational employment groups, Other Installation, Maintenance, & Repair Occupations (-55 or

-4.2%) and Plant and System Operators (-36 or -6.0%).

**Projections by Occupation**

The occupational distribution of projected growth reflects the projected industry growth, with the top four occupational sectors accounting for 30% of base quarter employment and 38% of the projected 38,569 two-year employment growth. The top four growth sectors are Management (+4,131), Educational Instruction & Library Occupations (+3,928), Transportation & Material Moving (+3,355), and Food Prep. & Serving Occupations (+3,270). Total openings measure both the change in employment and the dynamic nature of the labor market. Total openings are the sum of net change, transfers, and labor force exits. Net change is the aforementioned overall employment change. Transfers are workers who permanently leave an occupation and transfer to another. Labor force exits are workers that leave an occupation and exit the labor force, most commonly retiring older workers.3 Across all occupations, there are projected to be over 439,000 total openings during the two-year projections period as is shown in Figure 2. The table also highlights that there are projected to be thousands of job openings in all occupational groups, including those that are projected to have slight top-line net change or even a decline over the two-year period.

Management Occupations (SOC-11) represent the group with the largest projected two-year growth through 2025Q2. This group is projected to increase by 4,131 (+2.5%) over two years and represents employment within every industry. The three specific occupations that account for over half of this SOC-11 growth are General & Operations Managers (+867 or + 1.9%), Financial Managers (+688 or +3.4%), and Medical & Health Services Managers (+546 or +6.8%). The large percent gain of Medical & Health Service Managers reflects the projected gains within the Health Care industry, which has the highest projected industry growth in the state.

Educational Instruction and Library Occupations (SOC-25) have the second highest projected occupational growth and align with the second highest growth industry sector, Educational Services (NAICS 62). 84% of 2024Q2 SOC-25 occupational employment was within the Educational Services industry. The occupational group is projected to increase from 130,937 to 134,865 (+3,928 or +3.0%) over the two-year projections period.  
 Transportation & Material Moving (SOC-53) is projected to grow by 3,355 (+2.6%) over two years. 70% of this occupational group falls within three industries; Transportation & Warehousing (35%), Retail Trade (24%), and Wholesale Trade (10%). Among all industries, 66% of two-year employment growth for this occupational group is projected to occur within the Transportation & Warehousing industry.

Food Preparation and Serving Related Occupations (SOC-35) is projected to increase by 2.5% or 3,270 over two years. This occupational group has the fourth largest net increase over two years and the largest total opening of any occupation group. This group is projected to have over 53,000 total openings over two years, which reflects the higher churn/turnover for employment in this group.

Each occupation is assigned an education value based on the minimum education necessary to enter an occupation. Over the two years, 43% of job growth will be in occupations that require a bachelor’s or more, 13% will be in occupations that on average require an associate’s, postsecondary non-degree award, or some training beyond high school, and 44% will be in occupations that generally require a high school diploma or no educational credential. These categories are based on national averages and are by occupation, which is a broad category. There may be many jobs within an occupation that require more or less education than indicated for the occupation as a whole.

Figure 3 includes estimates of projected two-year total openings by educational attainment level. The lower educational attainment levels have proportionally more openings as they are more likely to have churn/turnover than higher educational attainment occupations. Overall, 57% of employment requires less than a Bachelor’s degree, and 77% of total openings are projected for occupations requiring less than a Bachelor’s.

**Concluding Thoughts on the Short-Term Projections**  
 Connecticut’s short-term employment projections show that the state is expected to grow by almost 38,569 or 2.1% over the two-year period from the second quarter of 2024 to the second quarter of 2026. This projected growth rate is faster than the projections produced last year, but slower than the projections during the 2021-2023, years when the state recovered jobs lost during the 2020 COVID lockdown. The employment projections through 2026Q2 suggest the state will continue steady growth through the middle of next year. The three largest industries in the state (Health Care, Education, and Manufacturing) are projected to drive much of this growth, representing 32% of 2024Q2 base quarter employment and 41% of overall two-year net change. Preliminary April 2025 jobs from Current Employment Statistics (CES) employment estimates for the state indicate that Connecticut is continuing to add jobs despite geopolitical and economic uncertainty due to trade negotiations and military conflicts abroad. 56% of employment growth is projected to occur in occupations that require additional education beyond a High School Diploma, while a majority of total openings are expected to occur in occupations that require a High School Diploma or have no formal educational credential, due to higher churn within those occupations. This indicates that there are projected to be employment opportunities for everyone in the state looking for work. n

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1 For example: Howard, Lee. The Day. https://portal.ct.gov/OMA/In-the-News/2024-News/Electric-Boat-president-predicts-annual-hiring-of-5000-employees-for-years-to-come

2 This article is based on the not seasonally adjusted numbers from the Quarterly Census of Employment and Wages (QCEW).

3 BLS. Employment Projections Definitions. https://www.bls.gov/emp/documentation/definitions.htm