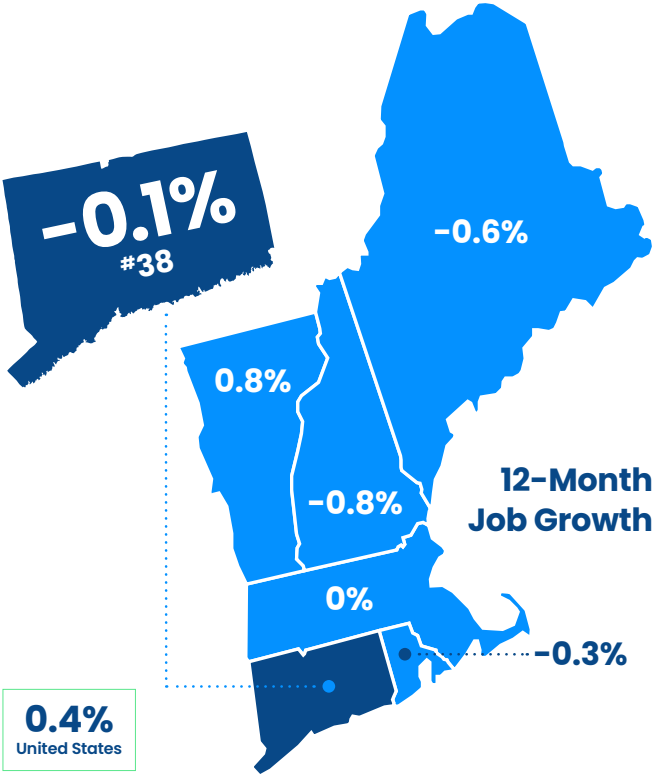
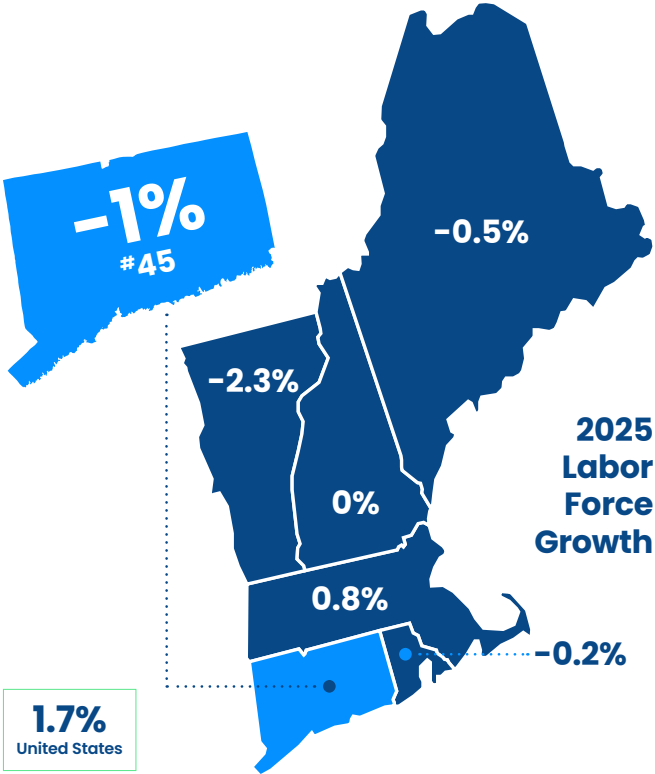


2026 POLICY  
SOLUTIONS



# Championing Small Businesses





Source: U.S. Bureau of Labor Statistics

## BY THE NUMBERS

# Tracking Connecticut's Economy

12-MONTH

**Job Growth**  
**-0.1%**

U.S. Rank #38

DECEMBER 2025

**Unemployment**  
**4.2%**

U.S. Rank #26

NOVEMBER 2025

**Job Openings**  
**74,000**

Monthly Change 0%

NOVEMBER 2025

**Labor Force**  
**1,935,700**

Yearly Change -1%

Q3 2025

**GDP**  
**+5.6%**

U.S. Rank #4

12-MONTH

**Wage Growth**  
**+3%**

U.S. Average 3.7%

DECEMBER 2025

**Labor Participation**  
**64.3%**

U.S. Rank #17

Q3 2025

**Cost of Living**  
**114.1**

U.S. Rank #41

NEW ENGLAND

**Inflation**  
**+3.3**

U.S. Inflation 2.7%

Q3 2025

**Personal Income**  
**+2.4%**

U.S. Rank #39

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## Introduction

**M**ore than nine in 10 Connecticut businesses are small businesses—the backbone of our state’s economy.

They anchor main streets, employ almost half of the state’s private sector workforce, and fuel innovation across our state.

As employers, entrepreneurs, and community partners, those small businesses directly shape our economy and quality of life.

When small businesses succeed, the state’s economy, communities, and families succeed with them.

Connecticut’s small businesses are operating in a period of significant economic transition.

Persistent inflation, high energy and housing costs, supply chain uncertainty, and changing consumer behavior continue to pressure operations.

At the same time, small employers face a tight labor market, evolving workforce expectations, and the need to adapt to new technologies at an accelerating pace.

Those challenges directly influence whether a business can hire, expand, invest—or even keep its doors open.

Despite these headwinds, Connecticut small businesses remain a powerful engine for growth and resilience.

They are uniquely positioned to respond quickly to market changes, create local jobs, and reinvest in their communities.

However, their success depends heavily on a policy environment that recognizes both their needs and their intrinsic value.

Decisions made at the state level—on taxes, regulations, workforce development, infrastructure, and energy—either unlock opportunity or compound existing burdens for small employers.

A predictable regulatory framework, a modern and inclusive workforce pipeline, affordable and reliable energy, and a cost structure that allows entrepreneurs to take risks are essential to sustaining long-term economic health.

Equally important is acknowledging that one-size-fits-all policies often

fall hardest on smaller employers, who often have fewer resources to absorb new mandates or administrative burdens.

We also recognize the essential importance of the state's 2017 fiscal reforms, critical for ensuring Connecticut has a long-term, sustainable foundation that supports affordability, meaningful careers, and a positive business climate.

Those fiscal guardrails positioned Connecticut to make strategic, long-term investments in infrastructure, workforce development, education, and affordability—investments that are essential to our state's future.

CBIA's 2026 policy solutions reflect the collective priorities of Connecticut's small business community, focused on growth, stability, and innovation—policies that foster opportunity, expand prosperity, and build a more resilient economy.

Sincerely,



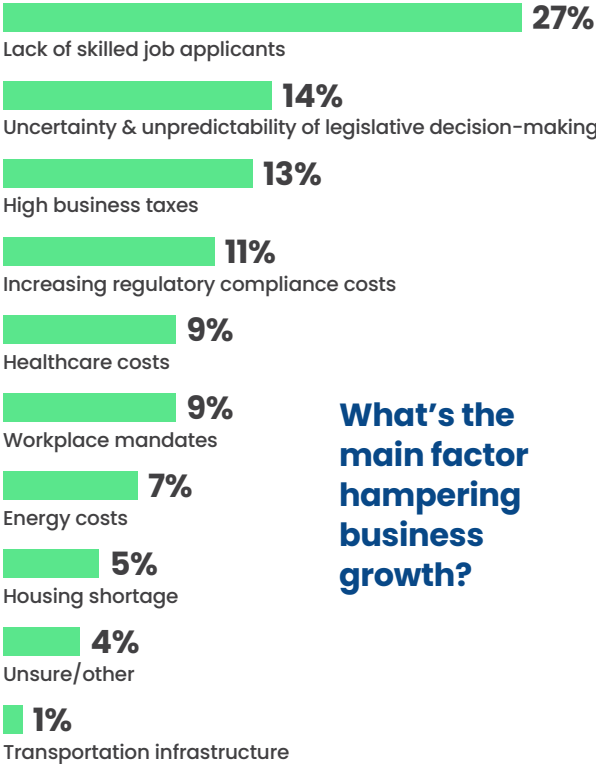
**Brian Montanari**

President & CEO, HABCO Industries;  
Chair, CBIA Board of Directors

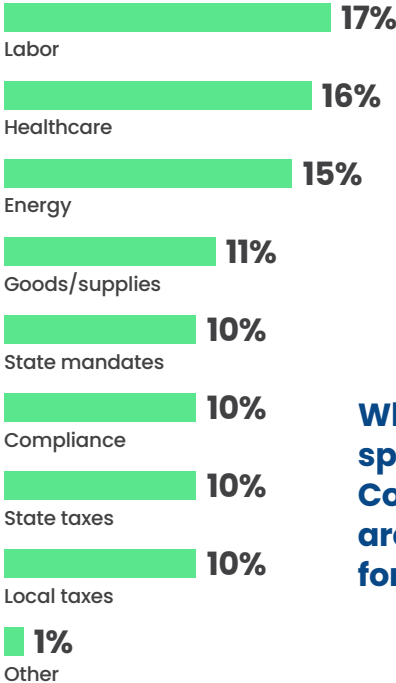


**Chris DiPentima**

President & CEO, CBIA

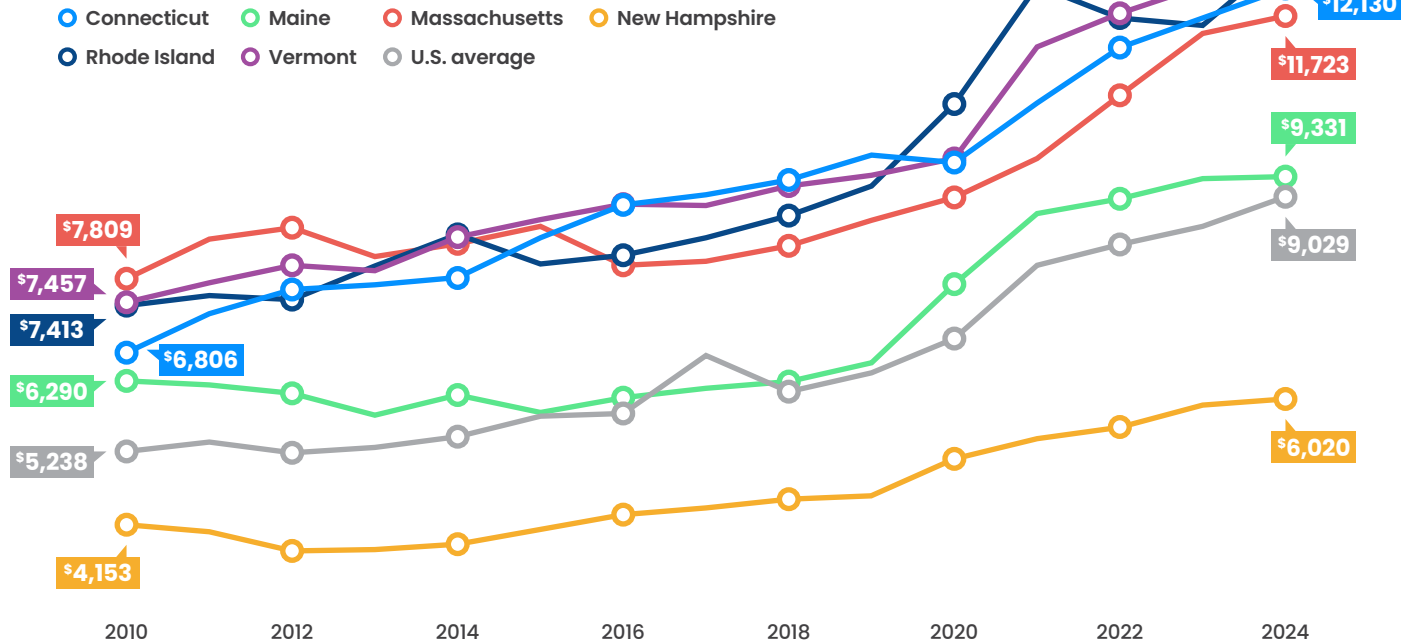


**What's the  
main factor  
hampering  
business  
growth?**



**What costs  
specific to  
Connecticut  
are increasing  
for you?**

## State Spending Per Capita, 2010–2024



Source: State government general fund expenditures as tracked by the National Association of State Budget Officers

## Affordability

- ▶ **Restore** the pass-through entity tax credit to provide direct relief to over 100,000 small businesses.
- ▶ **Expand** eligibility for R&D and apprenticeship tax credits to include more small businesses, supporting innovation and workforce development.
- ▶ **Eliminate** the sales tax on energy and gas bills to reduce operational costs.
- ▶ **Broaden** access to high-quality, affordable healthcare by allowing the creation of association health plans.



2025  
AMERICA'S TOP STATES FOR BUSINESS

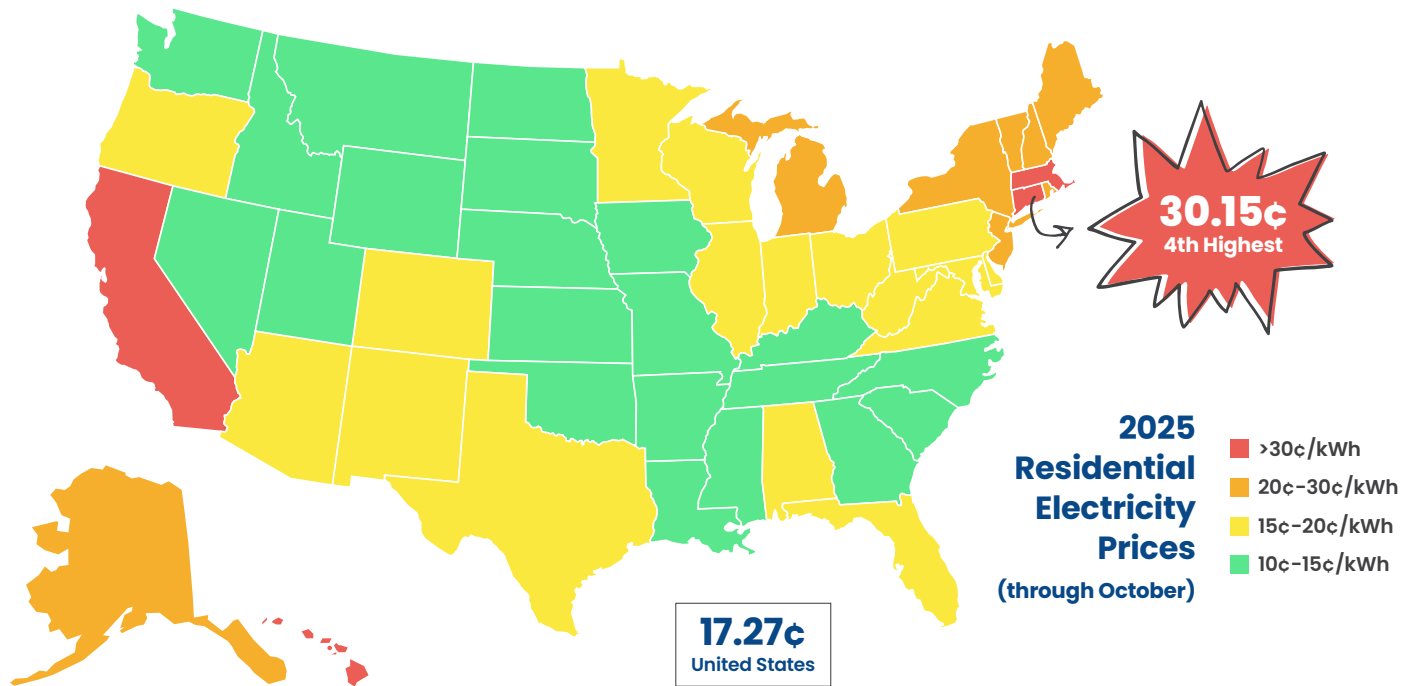
# CONNECTICUT



RANK	CATEGORY	GRADE
5	Education	A
5	Quality of Life	B
8	Workforce	B
16	Access to Capital	C+
19	Technology & Innovation	C+

RANK	CATEGORY	GRADE
33	Infrastructure	C
35	Business Friendliness	C
37	Cost of Living	D+
38	Economy	D+
44	Cost of Doing Business	D+

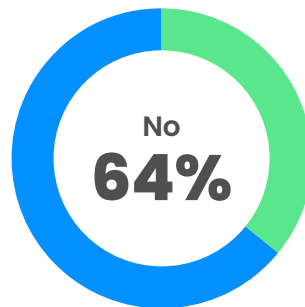




Source: U.S. Energy Information Administration

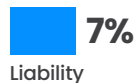
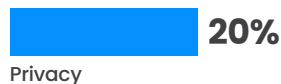
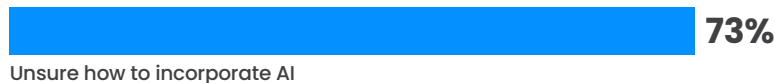
## Efficiency

- ▶ **Establish** a dedicated small business concierge at DECD to guide small businesses and startups through grants, licensing, and regulatory processes, improving access to state resources.
- ▶ **Launch** a state-funded AI adoption grant program to help small businesses improve efficiency and competitiveness, modeled after the Manufacturing Innovation Fund.
- ▶ **Implement** advanced digital permitting platforms and third-party certification programs to streamline approvals and reduce compliance costs for small businesses.
- ▶ **Mandate** regular agency reviews of existing regulations to identify and eliminate obsolete, inconsistent, or ineffective rules, ensuring a more business-friendly regulatory environment.



### Has Your Company Integrated AI Operationally?

- Yes (36%)
- No (64%)

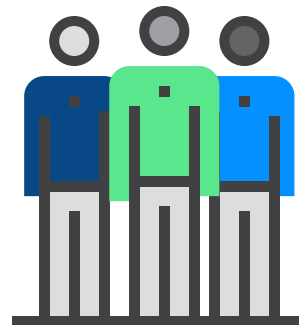


### What Holds You Back From Using AI?



**381,129**

**Connecticut small  
businesses (99% of all firms)**



**726,097**

**Small business employees  
(48.1% of all employees)**

## Workforce Readiness

### ► Incentivize

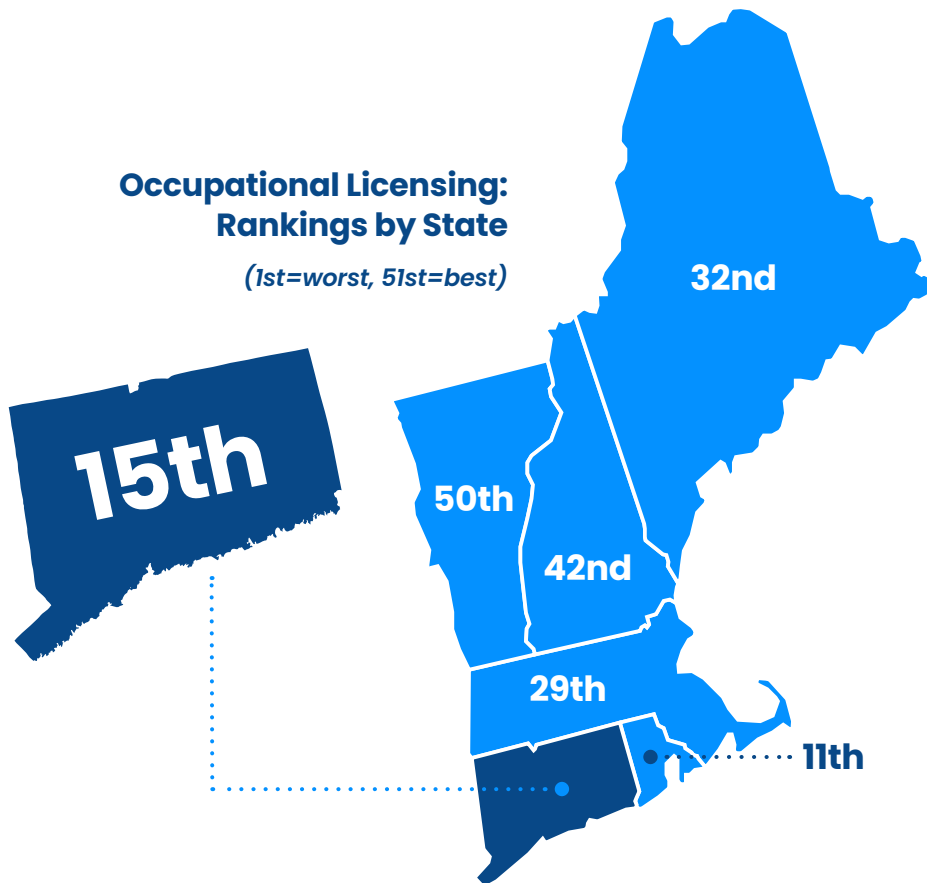
comprehensive schools to offer career and technical education courses in high-demand trades, enhance grants for equipment and facility upgrades, and allow tradespeople to partner with teachers for hands-on instruction.

### ► Remove

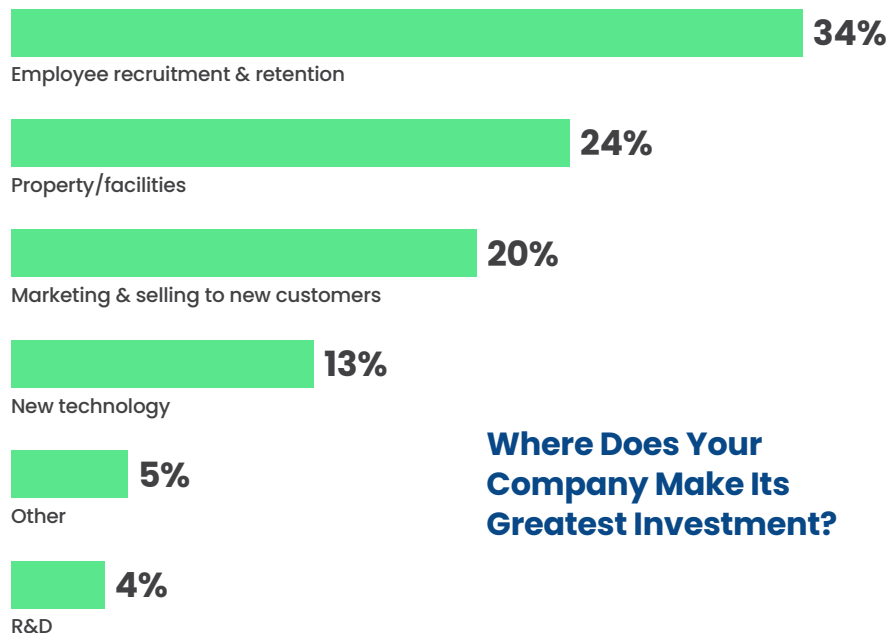
barriers to occupational licensing by capping license costs and streamlining certification requirements.

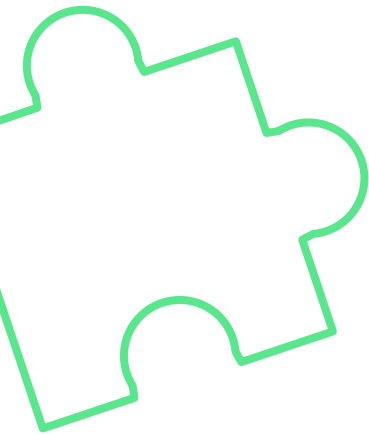
## Occupational Licensing: Rankings by State

(1st=worst, 51st=best)



Source: Institute of Justice License to Work Study





**reimaginect**

# **POLICY PLEDGES**

The following members of the General Assembly—a bipartisan group of lawmakers representing both major political parties—signed the Reimagine Connecticut pledge.

In signing the pledge, they support policy solutions that address the state's high cost of living and running a business, expand career pathways, foster innovation, and grow a vibrant economy.

## STATE SENATE

State Senator	Towns Represented
<b>Eric Berthel (R-Watertown)</b>	Bethel, Bethlehem, Bridgewater, Brookfield, Middlebury, Oxford, Roxbury, Seymour, Southbury, Washington, Watertown, Woodbury
<b>Paul Cicarella (R-North Haven)</b>	Durham, East Haven, North Branford, North Haven, Wallingford
<b>Christine Cohen (D-Guilford)</b>	Branford, Durham, East Haven, Guilford, Killingworth, Madison, Middlefield, North Branford
<b>Jeff Gordon (R-Woodstock)</b>	Ashford, Chaplin, Coventry, Eastford, Ellington, Hampton, Stafford, Thompson, Tolland, Union, Vernon, Willington, Woodstock
<b>Stephen Harding (R-Brookfield)</b>	Bethlehem, Brookfield, Canaan, Cornwall, Goshen, Kent, Litchfield, Morris, New Fairfield, New Milford, North Canaan, Salisbury, Sharon, Sherman, Torrington, Warren, Washington, Winchester
<b>Joan Hartley (D-Waterbury)</b>	Middlebury, Naugatuck, Waterbury
<b>Tony Hwang (R-Fairfield)</b>	Bethel, Easton, Fairfield, Newtown, Weston
<b>John Kissel (R-Enfield)</b>	East Granby, Ellington, Enfield, Granby, Somers, Suffield, Windsor, Windsor Locks
<b>Henri Martin (R-Bristol)</b>	Bristol, Harwinton, Plainville, Plymouth, Thomaston
<b>Cathy Osten (D-Baltic)</b>	Columbia, Franklin, Hebron, Lebanon, Ledyard, Lisbon, Marlborough, Montville, Norwich, Sprague

## STATE HOUSE

State Representative	Towns Represented
<b>Tim Ackert (R-Coventry)</b>	Bolton, Coventry, Columbia, Lebanon, Tolland
<b>Raghib Allie-Brennan (D-Bethel)</b>	Bethel, Danbury
<b>Mark Anderson (R-Granby)</b>	Barkhamsted, Granby, Hartland, New Hartford
<b>Hector Arzeno (D-Cos Cob)</b>	Greenwich
<b>Jill Barry (D-Glastonbury)</b>	Glastonbury
<b>Mitch Bolinsky (R-Newtown)</b>	Newtown
<b>Pat Boyd (D-Pomfret)</b>	Brooklyn, Eastford, Hampton, Mansfield, Pomfret, Woodstock
<b>Seth Bronko (R-Naugatuck)</b>	Naugatuck
<b>Patrick Callahan (R-New Fairfield)</b>	Danbury, New Fairfield, New Milford, Sherman

State Representative	Towns Represented
<b>Vincent Candelora (R-North Branford)</b>	Durham, East Haven, Guilford, North Branford
<b>Joe Canino (R-Torrington)</b>	Torrington
<b>Devin Carney (R-Old Saybrook)</b>	Lyme, Old Lyme, Old Saybrook, Westbrook
<b>Jay Case (R-Winsted)</b>	Colebrook, Torrington, Winchester
<b>Robin Comey (D-Branford)</b>	Branford
<b>Savet Constantine (D-Wilton)</b>	New Canaan, Ridgefield, Wilton
<b>Lucy Dathan (D-New Canaan)</b>	New Canaan, Norwalk
<b>Mark DeCaprio (R-Lebanon)</b>	Bozrah, Colchester, Franklin, Lebanon
<b>Tom Delnicki (R-South Windsor)</b>	South Windsor
<b>Michael DiGiovancarlo (D-Waterbury)</b>	Waterbury



State Representative	Towns Represented
<b>Jason Doucette (D-Manchester)</b>	Glastonbury, Manchester
<b>Marty Foncello (R-Brookfield)</b>	Bethel, Brookfield, Newtown
<b>Jaime Foster (D-Ellington)</b>	East Windsor, Ellington, Vernon
<b>Jane Garibay (D-Windsor)</b>	Windsor, Windsor Locks
<b>Kenneth Gucker (D-Danbury)</b>	Danbury
<b>Joe Gresko (D-Stratford)</b>	Stratford
<b>Irene Haines (R-East Haddam)</b>	Durham, East Haddam, East Hampton, North Branford, Salem
<b>Carol Hall (R-Enfield)</b>	East Windsor, Enfield
<b>Greg Howard (R-Pawcatuck)</b>	Ledyard, North Stonington, Stonington
<b>Arnold Jensen (R-Oxford)</b>	Naugatuck, Oxford, Southbury
<b>Eleni Kavros DeGraw (D-Avon)</b>	Avon, Canton

State Representative	Towns Represented
<b>Kathy Kennedy (R-Milford)</b>	Milford, Orange
<b>Nicole Klarides-Ditria (R-Seymour)</b>	Beacon Falls, Derby, Seymour
<b>Tracy Marra (R-Darien)</b>	Darien, Norwalk
<b>Cristin McCarthy Vahey (D-Fairfield)</b>	Bridgeport, Fairfield
<b>Ben McGorty (R-Shelton)</b>	Shelton, Stratford, Trumbull
<b>Nick Menapace (D-Niantic)</b>	East Lyme, Montville, Salem
<b>Stephen Meskers (D-Old Greenwich)</b>	Greenwich
<b>Renee LaMark Muir (D-Deep River)</b>	Chester, Deep River, Essex, Haddam
<b>Mary Mushinsky (D-Wallingford)</b>	Wallingford
<b>Ron Napoli (D-Waterbury)</b>	Waterbury
<b>Tammy Nuccio (R-Tolland)</b>	Ashford, Tolland, Vernon, Willington

State Representative	Towns Represented
<b>Tom O'Dea (R-New Canaan)</b>	Darien, New Canaan, Stamford
<b>Melissa Osborne (D-Weatogue)</b>	Simsbury
<b>Cara Pavalock-D'Amato (R-Bristol)</b>	Bristol
<b>John Piscopo (R-Thomaston)</b>	Burlington, Harwinton, Litchfield, Thomaston
<b>Bill Pizzuto (R-Middlebury)</b>	Middlebury, Waterbury
<b>Joe Polletta (R-Watertown)</b>	Waterbury, Watertown
<b>Chris Poulos (D-Plantsville)</b>	Southington
<b>Michael Quinn (D-Meriden)</b>	Meriden
<b>Moir Rader (D-Guilford)</b>	Branford, Guilford
<b>Karen Reddington-Hughes (R-Woodbury)</b>	Bethlehem, Litchfield, Morris, Warren, Woodbury

State Representative	Towns Represented
<b>Christopher Rosario (D-Bridgeport)</b>	Bridgeport
<b>James Sanchez (D-Hartford)</b>	Hartford, West Hartford
<b>Farley Santos (D-Danbury)</b>	Danbury
<b>Tony Scott (R-Monroe)</b>	Easton, Monroe, Trumbull
<b>MJ Shannon (D-Milford)</b>	Milford, Orange, West Haven
<b>Jonathan Steinberg (D-Westport)</b>	Westport
<b>Steve Weir (R-Hebron)</b>	Andover, Bolton, Glastonbury, Hebron, Marlborough
<b>Kerry Wood (D-Rocky Hill)</b>	Rocky Hill, Wethersfield
<b>David Yaccarino (R-North Haven)</b>	North Haven
<b>Tami Zawistowski (R-East Granby)</b>	East Granby, Suffield, Windsor Locks

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