



2026 Connecticut Manufacturing Report



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Connecticut Manufacturing's Economic Power

EMPLOYEES



156,600

Manufacturing employees
(as of August 2026)

MANUFACTURERS



4,418

Manufacturing companies
(2025)

WAGES



\$16.05
BILLION

Total manufacturing
wages (2025)

\$105,014

Average manufacturing
salary (2025)

TAXES



\$186.4
MILLION

State corporate
taxes paid (2023)

\$317.7
MILLION

State sales and use
taxes paid (2024-25)

MULTIPLIERS



\$34.9
BILLION

Manufacturing accounted for
11.8% of the state's GDP(2025)

3

ADDITIONAL JOBS

What each manufacturing
job creates in other parts
of the economy

\$2.06

Amount generated in
additional activity for every
\$1 spent in manufacturing

EXPORTS



\$17.74
BILLION

Total manufacturing
exports in 2025

DEFENSE



\$18.74
BILLION

Connecticut defense
contract spending (FY2024)

Sources: Connecticut Department of Labor, Connecticut Department of Revenue Services, Office of Local Defense Community Cooperation, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

Introduction

Connecticut manufacturing is an economic powerhouse. The industry supports more than 156,000 jobs, produces some of the country’s most advanced products, and anchors supply chains that span the globe.

Its strength is built on generations of innovation and a highly skilled workforce. From submarines and jet engines to medical devices, machinery, fabricated metals, chemicals, electronics, and food products, what is made in Connecticut plays an outsized role in the state’s economy and national security.

But that strength cannot be taken for granted.

Connecticut manufacturers are navigating some of the highest energy costs in the country, rising healthcare and labor expenses, workforce shortages, and trade disruptions. The industry is also becoming more dependent on federal defense spending—with funds going to a more concentrated number of contractors.

The 2026 Connecticut Manufacturing Report, produced by the CBIA Foundation for Economic Growth & Opportunity with the generous support of RSM, looks beyond a single year or economic cycle.

It examines how Connecticut manufacturing has changed over the past several decades, where the industry stands today, and what it will take to compete in the years ahead.

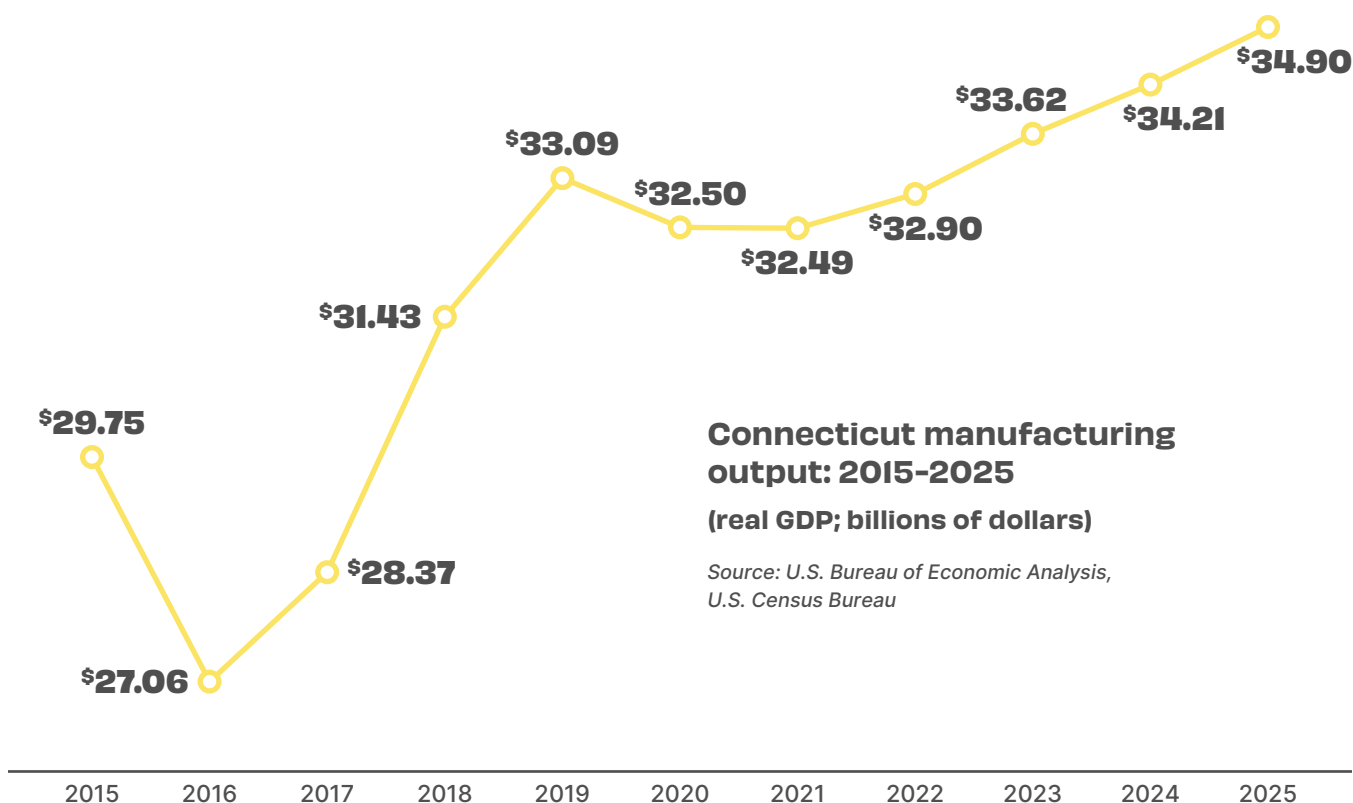
The report shows a manufacturing sector that remains productive, profitable, and committed to Connecticut. It also highlights a clear path forward for creating an environment where manufacturers can thrive and grow.

Key Takeaways

- ▶ Connecticut manufacturing generated 11.8% of the state’s GDP in 2025
- ▶ 68% of manufacturers turned a profit in 2025; the same share predicts a profitable 2026
- ▶ 93% of manufacturers say the cost of doing business is increasing, driven by energy, healthcare, and labor
- ▶ 59% of manufacturers expect tariffs to negatively affect their business over the next year

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- ▶ 88% of manufacturers say it takes at least two weeks to fill an open job; 38% say it takes more than eight weeks
- ▶ Manufacturers are investing before most in new technology and equipment, but capital investment per worker remains nearly 29% below the national average

Made in Connecticut

Manufacturing is core to Connecticut's economy. As of August, 2026, the sector employed 156,600 people—up 3% year-over-year—and accounted for 11.8% of the state's GDP—well above the 9.4% that the manufacturing sector contributes to the national economy.

Its impact is also reflected in its productivity. Each Connecticut manufacturing worker generated an

average \$228,535 in real economic output in 2025, nearly \$38,000 more than the national manufacturing average (\$190,498).

That activity supports strong wages. Connecticut manufacturers paid \$16.05 billion in total wages in 2025. The average manufacturing employee earned \$105,014—more than 15% above the average of all Connecticut workers.

What Connecticut produces also sets the state apart, with a greater emphasis on durable goods—primarily aerospace and shipbuilding. These industries are central to Connecticut manufacturing today and will play an increasingly important role in its future.

Durable goods manufacturing accounted for 8.77% of Connecticut's economy in 2025 compared with 5.06% nationally. Nondurable goods played a smaller

role in Connecticut, representing 2.46% of the state's economy, compared with 4.36% nationally.

A closer look at the sector shows just how important transportation equipment has become. Other transportation equipment produced \$18.66 billion in economic output in 2024, representing nearly 44.8% of Connecticut's manufacturing GDP that year. Shipbuilding and aerospace are not split out specifically, but we estimate they make up about 13% and 32% of manufacturing GDP respectively.

Chemicals ranked a distant second (\$5.57 billion), followed by fabricated metal products (\$3.72 billion), machinery (\$2.14 billion), and food, beverage, and tobacco (\$1.94 billion).

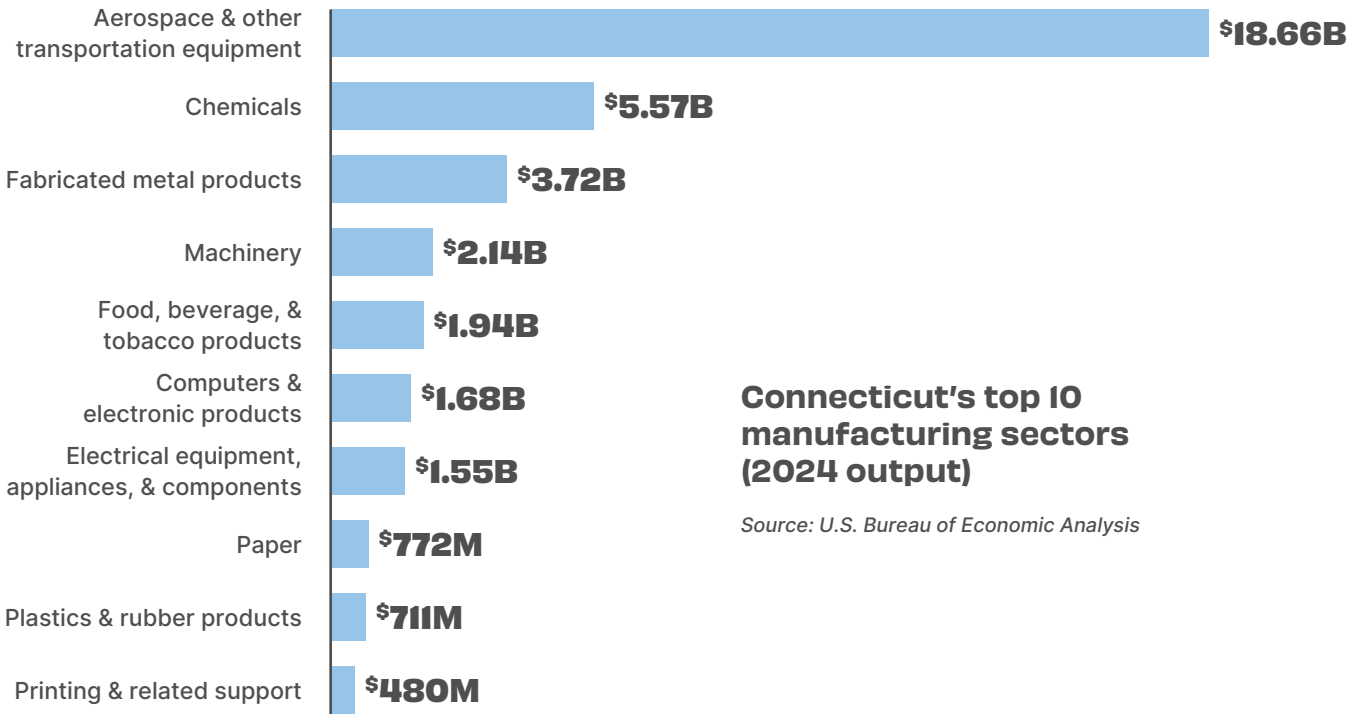
Employment numbers follow a similar pattern. Transportation equipment is Connecticut's largest manufacturing subsector with 45,961 employees, representing 30% of the state's manufacturing workforce.

Fabricated metal product manufacturers employ 26,355 people, 17% of the workforce, followed by machinery (12,693; 8%), computer and electronic products (9,813; 6%), and food manufacturing (9,671; 6%).

Connecticut has a uniquely high concentration of workers in several specialized manufacturing industries. The state's share of hardware manufacturing workers is 7.65 times the national share, while its concentration in aerospace products and parts is 4.47 times greater than the national share.

Connecticut also has strong concentrations in forging and stamping, cutlery and hand tools, and commercial and service industry machinery.

Those industries are supported by a manufacturing community that includes many small and medium-sized businesses. Eighty-four percent of manufacturers employed fewer than 50 people in 2023—which



accounted for 21.1% of all manufacturing jobs, compared to 19.9% nationally.

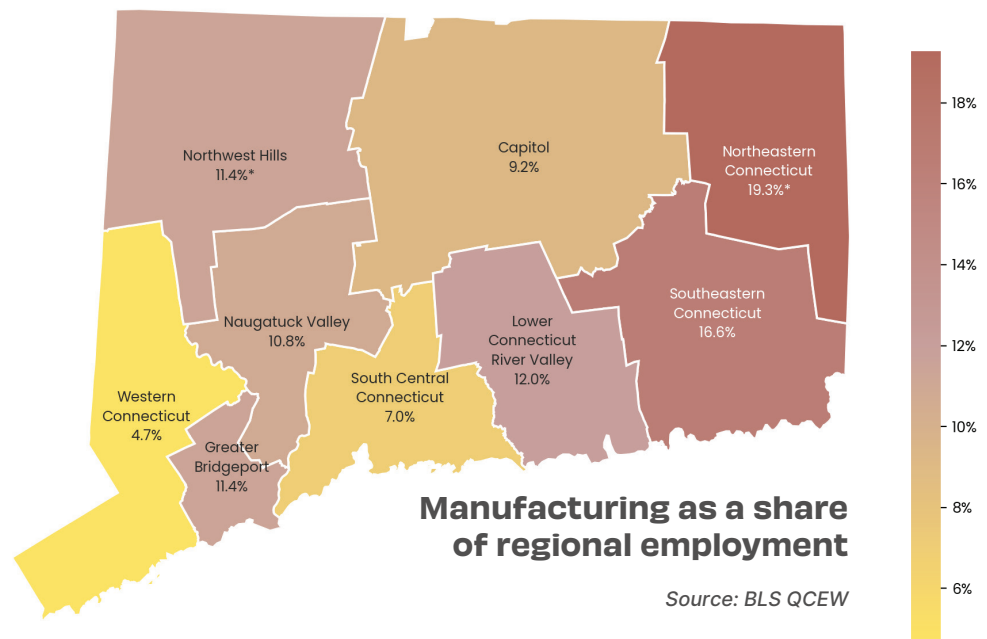
Connecticut relies more heavily on its largest manufacturers than other states. Manufacturers with more than 1,000 employees accounted for 27.1% of the state's manufacturing workforce, compared with 18% nationally.

The biggest difference between Connecticut's makeup compared to the U.S. is in the middle. Businesses with 100 to 999 employees represent 38.8% of Connecticut manufacturing employment, compared with 50% across the U.S.

The workforce reflects the focus on high-value industries. Production jobs make up the largest category, accounting for 41.1% of all jobs in the industry, but that share is well below the national average (48.2%). Architecture and engineering positions represent 13% of manufacturing jobs, double the national average (6.4%).

Likewise, management positions are more common in Connecticut manufacturing facilities, making up 10.8% of jobs compared to 6.9% nationally. This can help explain the high average wages we see in Connecticut.

Geographically, most manufacturers sit around the I-95 and I-91 corridors, reflecting overall population and employment patterns. Still, it's worth noting some locational differences compared to the broader economy.



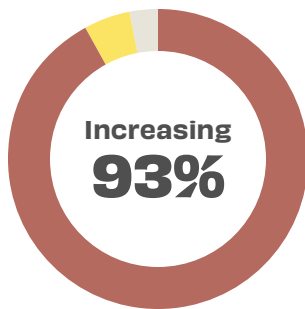
*Northeastern Connecticut and Northwest Hills show 2024 figures; BLS does not disclose 2025 employment for these regions.

The Capitol region has the most jobs, with more than 48,700 manufacturing positions, but Southeastern Connecticut has the largest relative concentration of manufacturing jobs, accounting for 16.6% of total employment, with 21,200 jobs.

The region's average manufacturing wage of \$116,406 is also the second highest in the state, trailing only western Connecticut at \$133,390.

Connecticut's strength in aerospace and shipbuilding is closely tied to federal defense spending. Since 2008, defense contract obligations have grown significantly relative to the size of the state's manufacturing economy.

From 2008 through 2013, annual defense contract obligations averaged the equivalent of 32.6% of Connecticut's manufacturing GDP. Between 2020 and 2025, that increased to 49.4%.

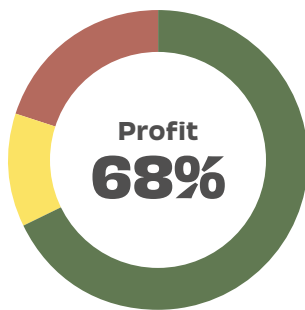


Is the cost of doing business in Connecticut...

- Increasing (93%)
- Remaining the same (5%)
- Decreasing (0%)
- Unsure (3%)

Those contracts have also become increasingly concentrated among a small number of companies. In 2008, the three largest recipients accounted for 85.2% of the state's defense contract obligations. By 2025, their share had risen to 97%.

Connecticut's aerospace and shipbuilding industries receive more defense funding relative to the size of the state's manufacturing sector than anywhere else in the country.

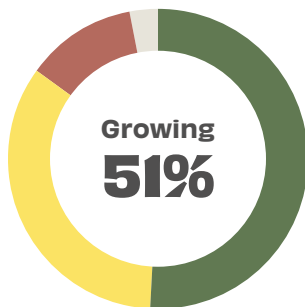


Manufacturing profitability (2025)

- Profit (68%)
- Break even (12%)
- Loss (20%)

That presents both opportunity and risk. Federal investment supports thousands of jobs for large companies and their networks of suppliers, but growing reliance on these contractors and federal programs leaves the state more at risk if the federal government changes its defense priorities, procurement schedules, and spending.

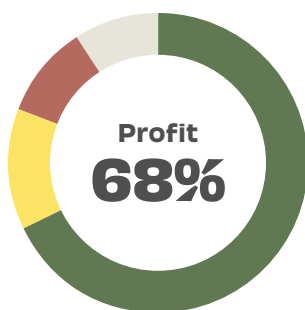
Still, Connecticut's manufacturing base is broad enough to support the state's economy, with impacts well beyond the state budget.



Are your company sales...

- Growing (51%)
- Holding steady (34%)
- Contracting (12%)
- Unsure (3%)

According to the Connecticut Department of Revenue, manufacturers paid more than \$186 million in corporate income taxes in 2023 and more than \$317 million in sales and use taxes during the 2025 fiscal year. Although manufacturing accounts for 11.8% of the state's GDP, the industry pays roughly 15% of the state's corporate income taxes.



What do you expect for overall financial returns for 2026?

- Profit (68%)
- Break even (13%)
- Loss (10%)
- Unsure (9%)

Resiliency Under Pressure

Connecticut manufacturers remain resilient despite rising costs and ongoing economic and political uncertainty.

The CBIA Foundation's 2026 survey of manufacturers shows that 68% of manufacturers reported a profit in 2025, 12% broke even, and 20% reported a loss.

Source: CBIA Foundation June-July 2026 Connecticut manufacturing survey

Manufacturers remain cautiously optimistic about the year ahead. The same share (68%) expect to turn a profit in 2026, and 51% say their sales are growing. They also expect to grow or maintain their workforce. More than half (57%) expect their workforce to remain stable, while 35% anticipate adding workers, and 6% expect reductions in staff.

At the same time, manufacturers are sounding the alarm on rising costs. Ninety-three percent of survey respondents said the cost of doing business in Connecticut is increasing. Not one manufacturer reported declining costs. Five percent said costs are holding steady, and 3% are unsure.

What's driving those increases? Manufacturers in Connecticut most often point to three things—energy, healthcare, and labor.

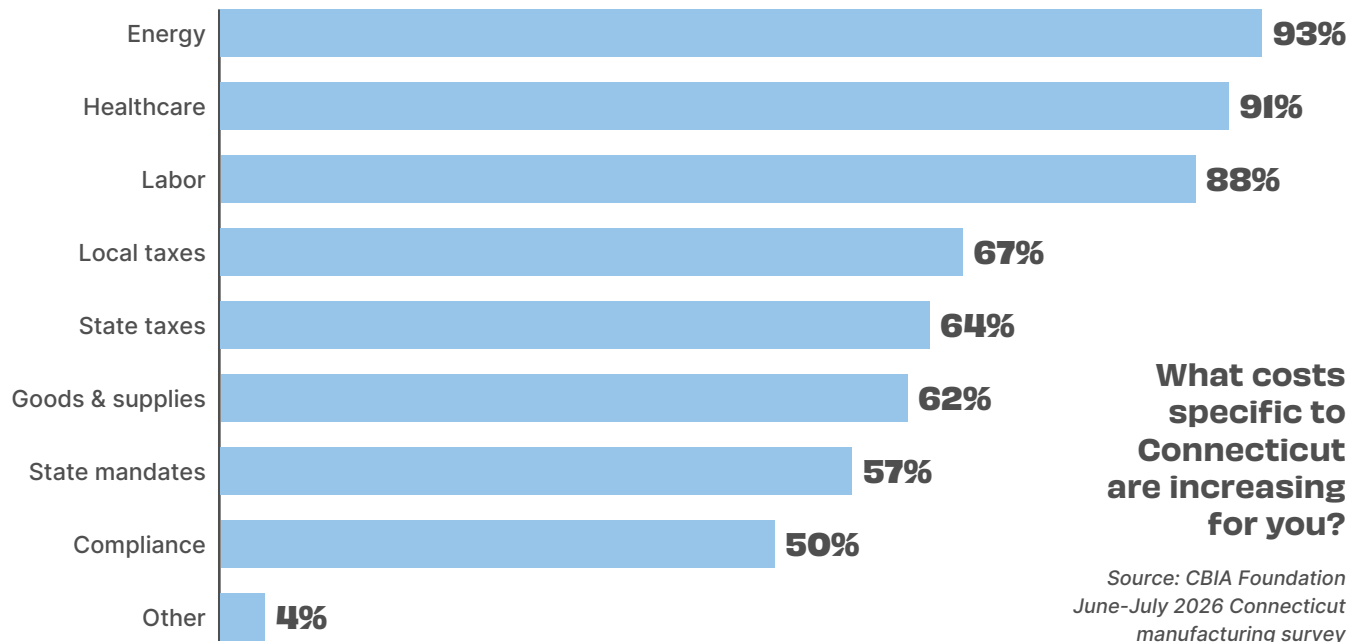
Among those reporting higher costs, 93% cited energy, 91% identified healthcare, and 88% pointed to labor (88%). Other pressures include local taxes (67%), state taxes (64%), goods and supplies (62%), state mandates (57%), compliance (50%), and to other costs (47%).

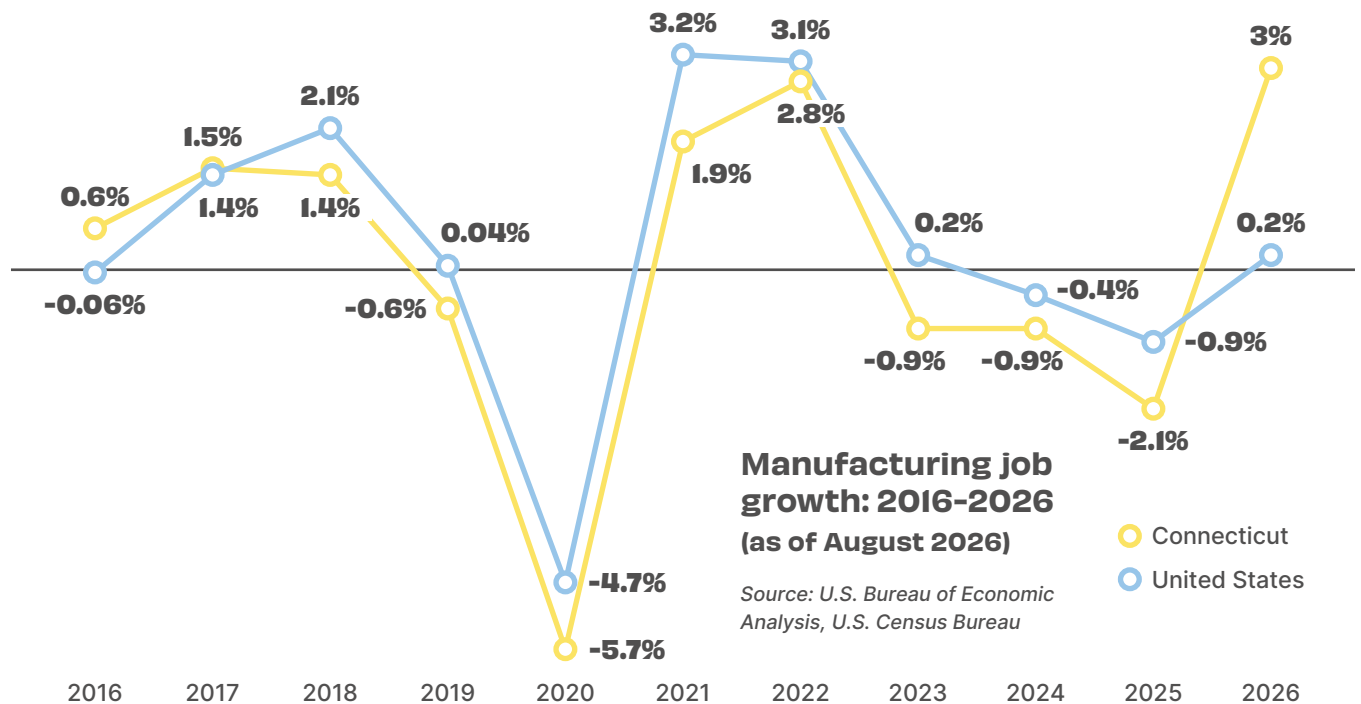
state mandates (57%), compliance (50%), and to other costs (47%).

Healthcare costs are creating a particularly significant barrier. Twenty-five percent of manufacturers identified healthcare as the main factor hampering their growth, compared with 18% of all Connecticut businesses. A lack of skilled applicants followed (22%), compared with 25% of all businesses, while 16% of manufacturers cited the uncertainty and unpredictability of legislative decision-making, compared with 14% overall.

Those pressures are adding to the competition outside of the state. One-quarter of manufacturers said their company has been approached by another state, while 23% said they independently considered moving to or expanding in another state. Another 8% said they moved, were moving, or planned to expand outside Connecticut.

Connecticut still offers clear advantages. Thirty-three percent of manufacturers named quality of life as the state's greatest strength, while 21% pointed





to its skilled workforce and 20% cited proximity to customers.

These advantages give Connecticut a strong foundation, but manufacturers' survey responses also show that the state cannot take continued investment for granted.

Building the Future Workforce

The labor force in Connecticut has changed significantly over the past several decades.

Manufacturing employment has declined nationwide. The industry employs roughly 29% fewer workers than it did in 1990, but Connecticut experienced an even steeper decline—losing about half its manufacturing workforce over the same period. Most of those losses occurred before 2010.

After 2010, Connecticut lost about 13,000 additional manufacturing jobs as the industry added 1.1 million jobs nationally.

While Connecticut has a higher concentration of manufacturing jobs compared to the nation today, it's partly a function of weak job growth in the economy rather than a particular strength in manufacturing.

As of August 2026, Connecticut manufacturing employment remained 2.7% below 2019 levels, compared with a 0.9% decline across the U.S. for the same period.

Manufacturers responded by becoming more productive. Since 1997, Connecticut manufacturing employment has declined 38%, but real economic output has grown 27.8%. Output per worker more than doubled during that period.

Those changes have not affected every subsector equally. Food manufacturing is the only major

subsector that has not lost employment since 1990, while transportation equipment has grown in recent years.

Employment in transportation equipment—including aerospace and shipbuilding—increased from 40,146 in 2014 to 45,957 in 2025. It now represents 30.1% of Connecticut manufacturing employment, up from 25.2%. Aerospace products and parts employed 27,457 people in 2025; shipbuilding employment is not published, but we estimate it at roughly 15,600, or about 10% of the state’s manufacturing workforce.

The types of jobs manufacturers need have also changed. Production occupations fell from 47.1% of manufacturing employment in 2015 to 41.1% in 2025, a loss of 12,260 jobs. Office and administrative support positions declined by another 3,950. At the same time, engineering, management, business, and computing occupations added about 7,000 jobs.

Connecticut now has a more technical manufacturing workforce than the country as a whole.

Architecture and engineering positions account for 13% of Connecticut manufacturing employment, more than double the 6.4% national share. Production occupations remain the industry’s largest job category. Still, they represent 41% of Connecticut manufacturing employment, compared with 48% nationally.

That shift does not mean demand for production workers disappeared. Manufacturers need employees across a wide range of occupations and skill levels.

As of August 2026, there were 7,746 manufacturing job ads posted in Connecticut. During the 14 days ending Sept. 5, employers posted 1,603 new manufacturing job ads covering 53 production jobs, from inspectors and machinists to bakers.

Manufacturers were also looking for industrial and aerospace engineers, commercial and industrial

designers, machinery mechanics, buyers, logisticians, and other technical and professional workers.

The workforce needs for the industry are diverse, but significant—and filling those positions takes time.

Half of those surveyed said it typically takes two to eight weeks to fill an opening. Another 29% said it takes eight to 16 weeks, and 9% reported that the process takes more than 16 weeks. Only 12% said they generally fill an open position in less than two weeks.

Manufacturers are looking for employees with a variety of educational backgrounds. Sixty-nine percent said they are looking for candidates with a high school diploma or GED, 34% need applicants with certificates, and 33% are hiring for positions requiring a bachelor’s degree. Nearly one-third (31%) have openings that do not require a specific educational background.

The challenge is not simply finding workers with advanced degrees. Manufacturers need people with the technical skills, experience, and work readiness required for jobs across the industry.

Meeting that demand will become increasingly difficult if Connecticut’s labor force continues to shrink. Between July 2025 and July 2026, the state’s labor force declined by 51,400 people—roughly equivalent to the number of people who live in East Hartford.

An aging population and declining immigration rates compound the pressure. Net immigration dropped nearly 50% between 2024 and 2025. That number is only expected to drop in 2026.

Without a larger labor pool, Connecticut must do more to develop and retain the workers who are already here.

Fortunately, manufacturers are relatively familiar with the range of workforce development initiatives in place across the state. Sixty-four percent are at least

Public-Private Partnership Drives Workforce Initiative

Three Connecticut organizations are working together to strengthen the state's submarine workforce pipeline.

The Connecticut Technical Education and Career System, ReadyCT, and General Dynamics Electric Boat launched the Submarine Workforce Career Bridge program at Norwich Technical High School and Ella T. Grasso Technical High School this year.

Through the program, students participate in career readiness programming, workforce development activities, and employment preparation tied to opportunities with Electric Boat and its suppliers.

Last year, 50 students from Norwich Technical High School and Ella T. Grasso Technical High School secured employment with Electric Boat prior to graduation.

The effort is part of a broader regional initiative to strengthen pipelines as Electric Boat scales hiring to meet submarine production and long-term workforce demands.

Regional Initiative

The initiative also extends to five comprehensive high schools in the New London and New Haven regions.

"Through the Submarine Workforce Career Bridge initiative, we are doing much more than filling jobs," ReadyCT executive director Shannon Marimón said.

"We are opening doors for students—many from our state's most underserved communities—to enter high-wage, high-skill careers without the burden of student debt."

Program design focuses on aligning education and industry needs.

Students, particularly those in manufacturing and construction trades, build skills through hands-on training and direct exposure to career pathways.

"Programs like the Submarine Workforce Career Bridge are essential to building Electric Boat's future workforce, because they help students develop the skills, confidence, and readiness needed to step into high-demand shipbuilding careers," Electric Boat

somewhat familiar compared to 47% of businesses surveyed overall.

Manufacturers also report strong connections with local educational institutions. Sixty-six percent participate in programs with local public high schools, 86% work with career and technical high schools, and 70% engage with the community college system.

Even with these partnerships, 33% of manufacturers report that applicants lack the requisite skills and 37% report that they lack the work ethic required.

Closing those gaps will require continued investment in technical education, certificates, apprenticeships, work-based learning, and stronger partnerships between educators and employers.

director of talent management Courtney Murphy said.

“By partnering with CTECS and ReadyCT, we’re creating compelling pathways into these critical trades and ensuring the next generation of shipbuilders is prepared to succeed from day one.”

Embedded Support

The partnership includes embedded support within schools through ReadyCT.

ReadyCT’s career launch specialists work with students throughout the school year to collaborate with educators and guide seniors through career exploration and hiring preparation.

Key program components include career readiness workshops, mock interviews, individualized advising, skill-building opportunities with workforce and higher education partners, and transition support services designed to

help students succeed as they enter the workforce.

“Our students benefit tremendously when industry partners are actively engaged in supporting their transition from school to the workforce,” said CTECS executive director Dr. Alice Pritchard.

“Our students benefit tremendously when industry partners are actively engaged in supporting their transition from school to the workforce.”

Dr. Alice Pritchard,
Executive Director, CTECS

“Students are already developing strong technical skills in their trade programs, and the collaboration with ReadyCT and Electric Boat helps build on that foundation through career readiness training, mentorship, and employment preparation connected to real opportunities in industry.”

By linking classroom learning to real-world employment, the initiative will accelerate the pipeline of skilled workers into Connecticut’s submarine industrial

base while providing students with direct, debt-free pathways into high-demand careers.

Visit readyct.org for more information.

The CBIA Foundation’s 2026 Workforce and Education Strategy Blueprint—released in April 2026—identified several key focus areas that will better support collaboration between education and business, primarily by streamlining and simplifying the process of engaging with the system.

The Competitiveness Challenge

Connecticut manufacturers have made their concerns about energy costs clear. Among those reporting higher business costs, 93% cited energy as the leading cost driver. When asked what the General Assembly’s

top priority should be in 2027, 62% selected energy costs, placing the issue at the top of the list.

Pricing data helps explain that concern. From July 2025 through June 2026, Connecticut had the sixth-highest industrial electricity price in the country. Industrial users paid an average of 18.08 cents per kilowatt-hour, more than twice the national average.

Those prices are also substantially higher than states in competition with Connecticut's industrial sector. During the same period, Connecticut's average price was 132% higher than North Carolina, 140% higher than South Carolina, and 172% higher than Texas.

The gap has grown over time. In 2015, Connecticut's industrial electricity price was 1.87 times the national average. By the July 2025 through June 2026 period, it jumped to 2.04 times the national average.

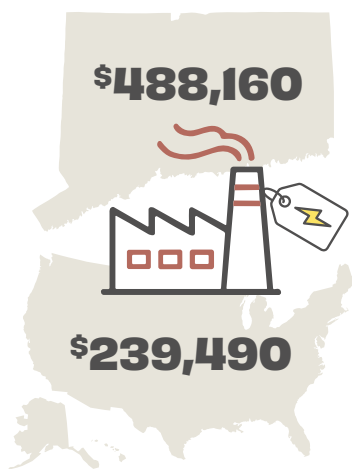
Even for small manufacturers running energy intensive facilities and equipment, that difference can add hundreds of thousands of dollars to annual operating costs.

The U.S. Energy Information Administration's Manufacturing Energy Consumption Survey estimates industry-level electricity usage per square foot. That data shows that aerospace product and parts manufacturing used an average of 27 kilowatt-hours of electricity per square foot in 2022.

Based on that usage, a 100,000-square-foot aerospace manufacturing facility would face an estimated annual electricity cost of \$488,160 in Connecticut, compared

with \$239,490 at the U.S. average cost, and \$179,550 in Texas.

Hypothetically, the facility would spend nearly \$249,000 more per year in Connecticut than the national average and about \$309,000 more than in Texas. If you compare it with Connecticut's average manufacturing wage, the cost is equivalent to the salaries of two to three employees.



Estimated annual electricity cost for a 100,000 sf aerospace manufacturing facility: Connecticut vs. US.

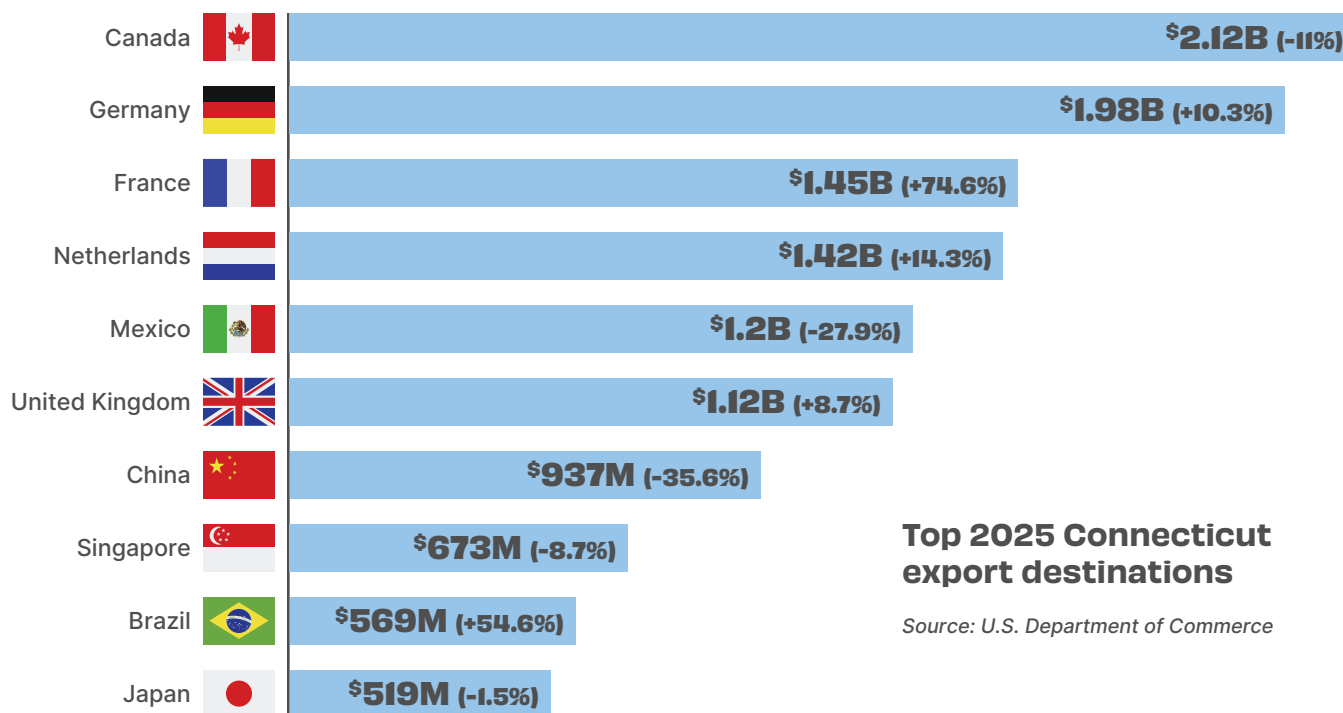
Manufacturers are taking steps to control costs where they can. More than half of manufacturing leaders say they have pursued energy-efficiency initiatives (54%) to control costs. Others are using third-party suppliers (34%), power purchase agreements (26%), and on-site generation (23%), including battery storage, hydrogen fuel cells, solar, and wind. One in five manufacturers reported reducing operating hours in an effort to lower energy costs.

But efficiency measures and alternative energy arrangements can only go so far when Connecticut's underlying industrial electricity prices remain significantly above those of competing states. At the end of the

day, the gap reduces the resources manufacturers can put toward workers, equipment, and facilities.

While trade and tariff policy is set at the federal level, uncertainty and added costs are putting more pressure on manufacturers already operating on tight margins.

Fifty-nine percent of manufacturers say they believe tariffs will have a negative effect on their business in the next year, compared to 53% of all surveyed



business executives . One quarter of manufacturers don't expect tariffs to impact operations, and 2% expect a positive effect.

The early effects of trade policy changes are evident in recent data. The effective tariff rate on the state's manufactured imports rose from 1.25% in 2024 to 7.07% during the first seven months of 2026. Applied to Connecticut's current import volume, that increase would be equivalent to an estimated \$1.2 billion in additional tariffs annually.

Canada and Mexico supply nearly half of Connecticut's manufactured imports (49%). In the last year, their effective tariff rates rose from near zero to 5% and 3.8%, respectively. European suppliers account for another 32%, with German rates rising from 1.5% to 10.7%. China's rate rose most, from 11% to 25.2%, although that country now accounts for only 4.6% of Connecticut imports.

Connecticut remains slightly less exposed than the country as a whole—about a point below the national average rate—because the state's imports rely more heavily on our North American trading partners. That advantage has narrowed, however, and recent increases in trade tensions with Canada threaten further disruption to industry.

These cost pressures come at a time when continued growth will require manufacturers to invest in equipment, facilities, and new technologies.

Connecticut currently trails the nation in investments. In 2022, Connecticut manufacturers invested \$11,169 per worker in capital expenditures, 28.8% below the national average of \$15,683. Capital investment represented 4.23% of Connecticut manufacturing's value added, compared with 6.29% nationally. Investment per worker has remained below the national average since 2017.

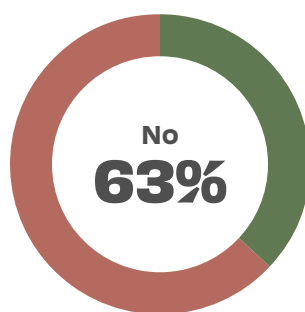
Manufacturers recognize the need to modernize. New technology and equipment were the leading investment category in this year's survey, identified by 30% of manufacturers. Employee recruitment and retention followed (22%), while 13% cited property and facilities, and another 13% identified marketing and sales.

Artificial intelligence is becoming part of that investment conversation—although adoption remains limited. Thirty-seven percent of manufacturers say they have integrated AI into their businesses, while 63% have not. Looking ahead, 28% expect to adopt AI applications or increase automation over the next year.

Among manufacturers using AI, many remain in the early stages. Reported applications include administrative workflows, marketing, research, data analysis, engineering support, document development, process automation, and sales.

For those who have not adopted AI, the leading obstacle is not necessarily opposition to the technology. Nearly two-thirds (63%) say they are unsure how to incorporate it into their businesses. Thirty-one percent of manufacturers cite privacy concerns, while 21% point to potential liability.

Connecticut manufacturers understand that technology and equipment are essential to their futures. The challenge is ensuring they have the capital, workforce, infrastructure, and guidance needed to make those investments while managing some of the country's highest energy costs and an increasingly uncertain trade environment.



Some of these pressures are driven by federal policy, while others are specific to Connecticut. Addressing those factors that the state can control will be critical to helping manufacturers compete, invest, and grow.

Securing the Future

Connecticut does not need to create a manufacturing industry from scratch. It already has one of the country's most productive, specialized, and strategically important manufacturing bases.

The challenge is creating the conditions that allow those manufacturers to compete, invest, and grow.

That begins with costs. Energy, healthcare, and labor are driving persistent increases. Those pressures

affect more than a company's bottom line. They shape decisions about hiring, wages, expansion, and whether companies continue to invest in Connecticut or somewhere else.

Has your company integrated AI?

- Yes (37%)
- No (63%)

Source: CBIA Foundation
June-July 2026 Connecticut
manufacturing survey

The cost of living is making it harder for

manufacturers to attract and retain workers. Thirty-five percent identified it as their main employee-retention challenge. Although only 14% named costs as the primary obstacle to recruitment, 94% said the cost of living is a major issue affecting their employees.

Manufacturers say affordability is central to making Connecticut more attractive. When asked what would help bring more people to the state, 70% said lower property taxes, followed by lower income taxes (63%), and lower energy costs (52%).

Businesses are also looking for greater predictability from policymakers. When manufacturers were asked which legislative or regulatory solution would be most beneficial, the leading response was requiring a business cost and time impact study for proposed mandates (37%).

That response reflects concerns about the regulations affecting their operations. Thirty-eight percent said labor requirements, including paid family and medical leave and paid sick leave, have the greatest negative impact. Another 30% of manufacturers surveyed said insurance mandates or limitations on pooling, and 15% pointed to energy regulations.

>> Lower Costs to Compete

Connecticut must address the structural expenses that put manufacturers at a disadvantage—particularly around energy, healthcare, housing, and taxes.

Manufacturers are already taking steps to manage their energy use. They are investing in efficiency, working with alternative suppliers, entering into power purchase agreements, and installing on-site generation. But individual businesses cannot solve statewide energy challenges on their own.

Connecticut needs a long-term strategy to increase energy supply, strengthen the reliability of the grid, and slow the growth of electricity and natural gas costs. In the near term, state leaders must expand access to battery storage programs and ensure they are structured so more manufacturers can participate.

Healthcare affordability will require a similar focus. Policymakers must allow manufacturers and other small and midsize employers to form association health plans that pool risk and purchasing power, subject to appropriate consumer protections and applicable.

Allowing for the creation of association health plans will allow groups of manufacturers to come together to pool their risk—broadening access to affordable healthcare to more workers and their families.

>> Build Stronger Talent Pipelines

Connecticut must make it easier for manufacturers to find, train, and retain workers across a range of positions. That includes production, engineering, maintenance, logistics, management, and other roles.

Connecticut has strong educational and workforce development resources. Many manufacturers are actively engaged with high schools, career and technical education programs, community colleges, and other partners. The challenge is making those resources easier for employers, students, and employees to navigate.

Connecticut must create clearer pathways into certificate programs, apprenticeships, work-based learning, and industry-recognized credentials. Those pathways should reflect the full range of manufacturing careers, from entry-level production positions to highly technical engineering roles.

Career and technical education must also reach beyond the state's technical high schools. Policymakers should expand opportunities at comprehensive public high schools, giving more students access to new technologies, career exploration, employer engagement, and work-based learning.

The CBIA Foundation's 2026 Workforce and Education Strategy Blueprint offers a framework for simplifying employer engagement and improving collaboration between education and business. Programs managed by CBIA affiliate ReadyCT also demonstrate how employers, educators, and students can work together to identify workforce gaps and develop pathways that respond to specific industry needs.

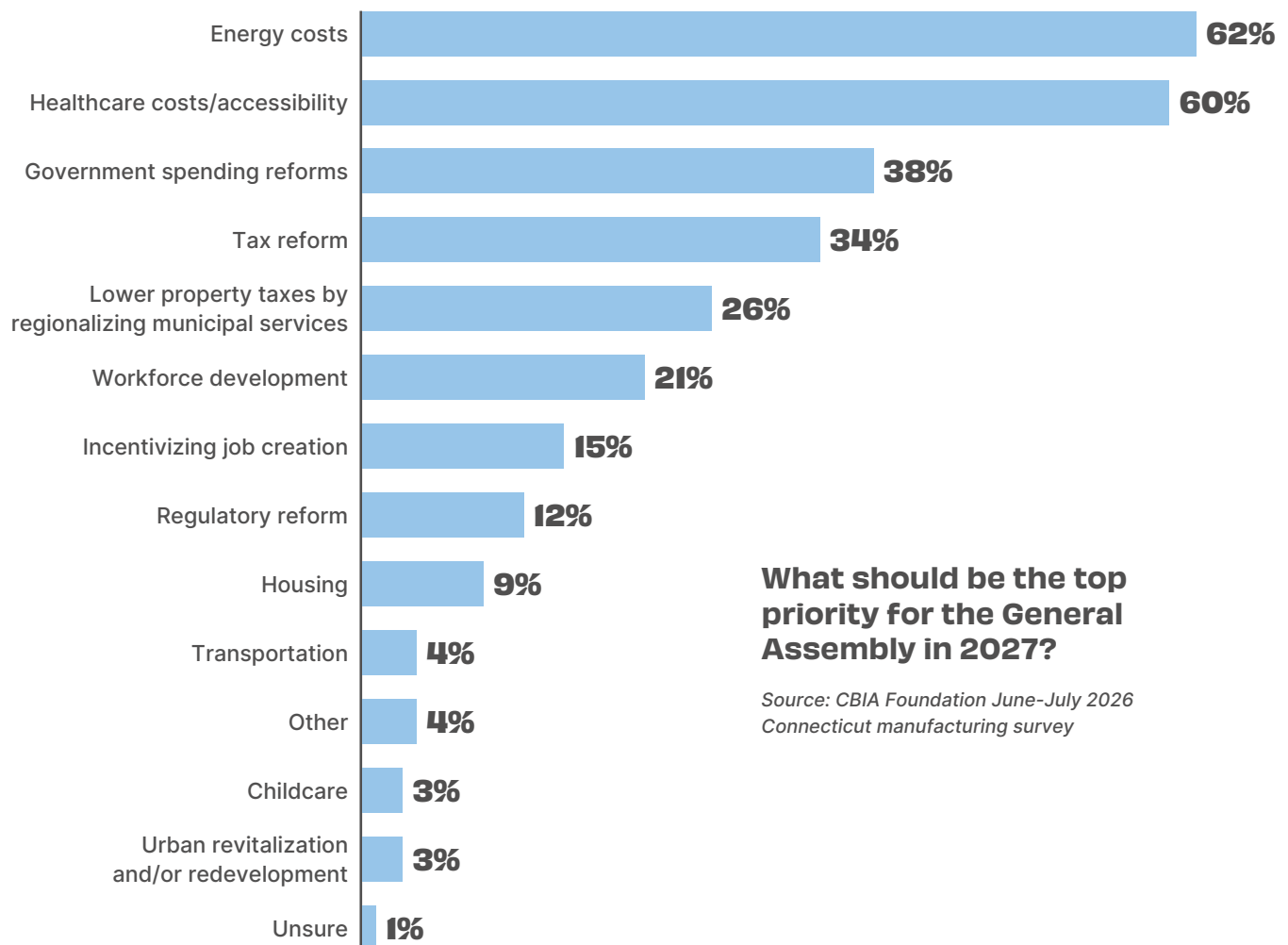
>> Create a Predictable Business Environment

Manufacturers make hiring, equipment, and facility decisions years in advance. They need greater certainty about the policies and costs that will affect those investments.

Connecticut should require proposed mandates to include clear analysis of their potential cost and time impact on businesses. Requiring cost and time impact studies for proposed mandates gives policymakers and businesses a clearer understanding of potential consequences.

Connecticut must also continue streamlining permitting and regulatory processes. Building on work already underway at the Department of Energy and Environmental Protection, the state can improve coordination, establish clearer timelines, making it easier and more predictable for companies.

In 2026, lawmakers approved a small businesses concierge service within the Department of Economic and Community Development. Officials must ensure these services give manufacturers a clearer point of communication.



>> **Support Investment, Innovation**

Future competitiveness will depend on new equipment, automation, and artificial intelligence. But investment per worker already trails the national average, and many manufacturers remain uncertain about how to put emerging technologies to work.

The state can help close that gap by supporting equipment purchases, technical assistance, cybersecurity, workforce training, and AI adoption. That support will be particularly important for small and midsize manufacturers.

Policymakers should consider launching a state-funded AI adoption grant program to incentivize and support manufacturers to integrate these technologies, while leveraging existing programs available through the Manufacturing Innovation Fund.

>> **Build on Strengths, Reduce Concentration Risk**

Aerospace, shipbuilding, and defense manufacturing give Connecticut an extraordinary competitive advantage. Those industries support high-value jobs, major federal investments, and an extensive supplier network.

Connecticut must continue supporting its defense industrial base and help smaller suppliers be able to participate in its growth through support in workforce development, cybersecurity requirements, equipment investments, certifications, supply chain needs, and access to major contractors.

At the same time, the state must encourage growth across a broader range of manufacturing industries. Broadening the manufacturing base does not mean moving away from aerospace, shipbuilding, or defense.

A broader base will create new opportunities for suppliers and make the industry more resilient to changes in individual programs or federal priorities.

Conclusion

Connecticut manufacturing has changed considerably over the past several decades, but it remains central to the state's economic future.

Manufacturers are producing more value with fewer workers, investing in increasingly advanced technologies, and competing in industries that are critical to the state, country, and world.

The findings in this report make it clear that continued success is not guaranteed.

High costs, a shrinking labor pool, weak capital investment, trade uncertainty, and growing dependence on a concentrated defense base present real risks.

Connecticut has the talent, history, educational institutions, and industrial expertise to meet those challenges.

The task now is to build on those strengths by lowering the cost of competing, developing the workforce, supporting innovation, and giving manufacturers the confidence to make their next investment here and continue the legacy of what it means to be Made in Connecticut. ■

Cybersecurity: A Manufacturing Must

Technology advancements have reshaped modern manufacturing—increasing digital connectivity and creating incredible opportunities for growth, efficiency, and productivity.

That same interconnectivity can also create new vectors for cyber threats.

Connecticut manufacturers can no longer think about cybersecurity as just an IT concern. It's an operational necessity—and, in many cases, a contractual requirement.

Defending against cyberattacks, protecting business operations, safeguarding sensitive data, even the ability to obtain government contracts all rest on implementing and maintaining a robust top-down cybersecurity program.

Cybersecurity Readiness Beyond CMMC Requirements

Nearly 1,000 Connecticut contractors and suppliers make up the state's robust aerospace and defense supply chain, each playing a vital role in protecting national security.

For manufacturers working in the defense supply chain, Cybersecurity Maturity Model Certification has brought cybersecurity into sharper focus. Depending on whether a contractor handles Federal Contract Information or Controlled Unclassified Information within the scope of their contracts, they may need to demonstrate compliance with a specified CMMC level as required by their Department of Defense contracts.

Regardless of size or the supply tier, these manufacturers must have appropriate and verifiable cybersecurity practices in place to protect regulated information and meet applicable contract requirements.

But even for manufacturers not required to pursue CMMC compliance, the underlying lesson applies: understanding and taking steps to address cybersecurity risk are increasingly necessary steps to running a resilient manufacturing business.

Assessing Cyber Risk

Cybersecurity improvement isn't about fixing everything at once. Instead, it's about knowing where to start and prioritizing what matters most.

The first step is understanding the current state and identifying where gaps may exist. Start by asking:

- ▶ What are our critical assets and what cybersecurity measures do we have in place to protect them?
- ▶ Who is responsible for the governance of our cybersecurity program?
- ▶ What information is sensitive and needs to be protected?
- ▶ Where are we vulnerable?
- ▶ What compliance requirements apply to us?
- ▶ How prepared are we to be able to handle a cyber incident response?

Cybersecurity Strengthens More Than IT

With a cyber risk assessment complete and key vulnerabilities identified, what's next? While priorities may differ between defense and non-defense manufacturers, assessments often uncover broader operational opportunities—from outdated technology and unclear access controls to undocumented processes, employee training gaps, weaknesses in data management, and insufficient business continuity planning.

For defense suppliers and contractors, cybersecurity may be driven by compliance requirements. But for many manufacturers, the process can also serve as a catalyst for strengthening business practices that extend well beyond cybersecurity.

Manufacturers Don't Have to Navigate Cybersecurity Alone

For manufacturers trying to determine where to begin, having access to cybersecurity expertise can make the difference between a reactive approach and a strategic one.

CONNSTEP supports manufacturers with end-to-end cybersecurity and compliance solutions, enabling them to assess risk, understand

requirements, strengthen cybersecurity practices, and develop an actionable plan.

For defense manufacturers, CONNSTEP also offers a new tool to clarify the scope and potential cost of CMMC 2.0 compliance. The CMMC 2.0 Compliance Estimator (connstep.info/cmmc-estimator) allows manufacturers to assess their defense contract readiness and get a preliminary project cost estimate in less than five minutes.

Readiness Is an Ongoing Business Practice

Cybersecurity readiness isn't a one-time project or simply a certification to achieve. It's an ongoing business practice. For Connecticut manufacturers,

knowing where you stand today—and taking practical steps to address what you find—can protect the business, strengthen customer trust, and position the organization for what's next.

Visit connstep.org for more information.

"Cybersecurity readiness starts with understanding your current deficiencies or vulnerabilities—and not trying to solve everything at once."

**Anna Mumford, CONNSTEP
Cybersecurity Consultant**

Manufacturing Innovation Fund Programs

Since 2015, the Connecticut Manufacturing Innovation Fund has invested more than \$130 million to help manufacturers adopt new technologies, strengthen

supply chains, develop talent, and introduce more students to manufacturing careers.

Administered by the Department of Economic and Community Development's Office of

Manufacturing and overseen by an advisory board, the fund provides direct loans and/or grants to support an array of initiatives.

For more information, visit manufacturing.ct.gov/mif

INNOVATION

Manufacturing Voucher Program

Administered by CCAT

Provides matching funds to help manufacturers invest in new technologies, equipment, and productivity improvements that enhance efficiency, competitiveness, and growth.

Additive Technology Adoption Program

Administered by CCAT

Helps manufacturers acquire additive manufacturing technologies, including hardware, software, and integration services, to expand advanced manufacturing capabilities.

Digital Transformation Program

Administered by CCAT

Supports the adoption of digital tools, sensors, software platforms, and related integration services that help manufacturers modernize operations.

SUPPLY CHAIN

Cybersecurity Adoption Program

Administered by CCAT

Provides matching funds for cybersecurity assessments and related initiatives that help strengthen security practices while advancing smart manufacturing efforts.

CONNEX Marketplace

Administered by CONNSTEP

Connects manufacturers, buyers, and industry partners through a digital platform designed to help companies identify suppliers, explore sourcing opportunities, and build relationships across the domestic supply chain.

Innovator Matching Program

Administered by FORGE

Provides one-on-one guidance, training, grant opportunities, and introductions to manufacturers and suppliers to help bring new products from prototype to commercialization.

GreenGain

*Administered by
Connecticut Green Bank*

Offers training, funding, and mentoring to help manufacturers explore and implement sustainability practices that improve competitiveness and long-term business performance.

WORKFORCE

Incumbent Worker Training Program

Administered by CCAT

Provides funding to help manufacturers upskill existing employees and equip them with the skills needed to meet current and emerging industry demands.

Manufacturing Internship Program

Administered by CCAT

Offers wage subsidies that help manufacturers hire interns while providing students with hands-on experience and exposure to manufacturing careers.

Faculty Fellowship Program

Administered by CCAT

Gives college and university faculty access to advanced technologies and industry expertise, helping them incorporate current manufacturing practices into curriculums.

Apprenticeship Funding Program

Administered by CCAT

Provides wage subsidies to support apprentices and pre-apprentices training for critical manufacturing positions that support business continuity and growth.

Inclusive Manufacturing Internship Program

Administered by CCARC

Creates internship opportunities for people with intellectual and developmental disabilities.

FIRST Robotics

Administered by ReadyCT

Introduces students to engineering, robotics, and manufacturing through hands-on programs that build technical skills and spark interest in manufacturing careers.

Manufacturing Careers Roadshow

Administered by ReadyCT

Brings students and manufacturers together through in-person events that showcase modern manufacturing careers.

Manufacturing Career Readiness Program

Administered by CCAT

Offers regional events where students and families can meet manufacturing professionals, learn about career pathways, and explore opportunities in STEM and advanced manufacturing.

Technical High School—Connecticut Invention Convention Program

Administered by Connecticut Invention Convention

Partners with Connecticut technical high schools to provide invention education, educator training, student resources, and access to statewide invention competitions.

Consulting and training offerings from CBIA affiliate CONNSTEP are also often eligible for matching funds through the fund. For more information, visit connstep.org.

Connecticut's manufacturing community is made up of organizations dedicated to seeing the sector succeed. Connect with key stakeholders at cbia.biz/mfgstakeholders or scan the QR code.



