

Sunday Republican

★ Election 2018 ★★

“PEOPLE OFTEN ASK THE QUESTION, “WHAT RECOVERY?”” ECONOMIST DON KLEPPER-SMITH

SLOW CLIMB BACK



Raymond Suarez works at a Swiss cam machine on the floor at Palco Connector in Naugatuck. The company’s expansion reflects a piece of positive economic news: for the first time since 2008, Connecticut has more private-sector jobs that were lost during the economic meltdown.

Jobs and the economy in the minds of voters this election

By **PAUL HUGHES** and **HARRISON CONNERY**
REPUBLICAN-AMERICAN

CONNECTICUT’S SLOW RECOVERY

Jobs and the economy rank among the foremost campaign issues as Connecticut continues to limp behind most of the country economically, eight years after the state staggered of the Great Recession. Democratic and Republican voters are expected to base a big part of their final decisions in the Aug. 14 primaries for governor on which of their party’s candidates they see as most capable of finally turning around the state’s nearly \$270 billion economy. There are both Democratic and Republican gubernatorial primaries. “Nobody is talking about the economy being in good shape, and I think a lot of voters today

Employees at Palco Connector in Naugatuck are hard at work these days, and CEO Michael B. Machura is optimistic about technology and manufacturing in the state.

Some towns and cities have seen success filling empty storefronts and securing new development projects. Others still have boarded shop scarring their downtown streetscapes.

People should be listening to what politicians are saying about the economy, out according to economist Peter M. Gioia. A forum with Republican candidates for governor is planned Monday.

who are going to be voting on Aug. 14 feel that very way about that,” said Gary Rose, a professor of politics and government at Sacred Heart University. While the Great Recession lasted only two years — until February 2010 — the recovery has entered its ninth year, the longest in post-World War II Connecticut. Voters might consider

“recovery” a generous term. “This is getting long in tooth,” said Don Klepper-Smith, chief economist and director of DataCore Partners. Klepper-Smith is forecasting modest growth in the economy and labor market.

“The good news is the growth rates in 2018 will be substantially better than they were last year, but relative to what we have seen in prior economic cycles it really doesn’t compare,” Klepper-Smith said, and that is why I think there is a lot of frustration because people often ask the question, ‘What recovery?’”

The state economy has declined more than 3 percent since the recession ended here, and today is smaller than it was in 2004. While job growth is approaching 5 percent, Connecticut remains one of the few states yet to recover all of the jobs lost during the downturn, and the only one in New England. The U.S. recovered all jobs lost in the recession by 2014.

A fully recovered private sector is now adding jobs again, but

some of the state’s major industries have yet to regain all of the jobs they lost, and others that have expanded are seeing growth in the lowest-paying jobs.

The state continued to lead the nation in personal income last year, but income growth was among the lowest in the country, and the gain in net earnings was even lower. Income inequality is reportedly among the highest in the nation.

The housing market continues to exhibit mixed results.

Candidates in the primaries are offering plans of varying details for curing Connecticut’s economic ills, more so on the Republican side. A Republican debate Monday at 7 p.m. at Fairfield University will focus entirely on the future of the state’s economy.

“If there were clear, specific things that could be done to turn the Connecticut economy around, they would have been done by now. So, candidates want to present an image of having some vision and enough specifics to make the vision credible, and kind of leave it at that,” said Ron Shurin, a professor of political science from the University of Connecticut.

The proposed prescriptions include tax and spending cuts, budgeting reforms, easing business regulations, retooling job training and education, investing in transportation and infrastructure, expediting state permitting, better business outreach and a \$15 minimum wage.

HIGH-TECH OPTIMISM

WORKERS MAKE IT WORK

BY HARRISON CONNERY
REPUBLICAN-AMERICAN



NAUGATUCK — The challenges of measuring statewide economic growth can be found at Palco Connector, the local subsidiary of The Phoenix Company, an international manufacturer of connector and cable assembly products. Employees there are hard at work these days, and their CEO, optimistic. Other segments of the state’s economy have not recovered, but orders, as well as wages and opportunity, are on the rise at Palco Connector.

“We are getting steady work, and it is growing,” said CEO Michael B. Machura. “We’ve got a strategic focus on technology, we’ve doubled our

workforce for engineering talent.”

Seven of the eight engineers employed by The Phoenix Company work out of Palco Connector on Great Hill Road.



The company’s expansion reflects a piece of positive economic news: For the first time since 2008, Connecticut has more private sector jobs than were lost during the economic meltdown, even if not all sectors have recovered.

Palco Connector adjusted its target markets away from consumer goods to developing new, higher-end technologies as

a result of the pains it suffered during the recession. The approximately 50 people that work there have recently received something that is overdue for many Americans: a raise.

“We have recovered and built our level of raises to what they were prerecession,” said Machura. “I think the industry is following that pattern as well.” He said Palco’s biggest impediment to growth is a shortage of skilled labor.



Statewide, the labor force is down 23,000 jobs since last June.