

New Haven Register

New Haven, Conn.

September 24 on the Internet and September 25, 2013, in print

<http://www.nhregister.com/opinion/20130924/forum-how-will-connecticut-gubernatorial-candidates-aid-business>

Opinion

Forum: How will Connecticut gubernatorial candidates aid business?



By Valerie B. Dugan

It is hard to believe that the statewide campaign season is upon us. Connecticut's gubernatorial candidates already are lining up support.

Will next year's race for governor be a repeat of the 2010 campaign? Political analysts, bloggers and other observers seem to suggest that will be the case — and it will be another tight race between experienced rivals.

The last time around, Dannel P. Malloy, a Democrat, narrowly beat Republican Tom Foley, a former U.S. ambassador to Ireland, by a mere 7,000 votes. Foley seemingly is clear he is in the running again. While Malloy has not officially announced his candidacy for re-election, observers seem confident he'll be on the stump again.

Of course, there are others waiting in the wings, considering whether to mount a challenge or perhaps waiting for one or the other of the apparent leaders of the pack to back out. State Senate

Minority Leader John McKinney announced his intention to run on the Republican side. So has Danbury Mayor Mark Boughton.

While the candidates, whoever they may be, are jockeying for position behind the scenes, now is a good time to consider what questions to ask the potential candidates — and what answers you will want to hear.

As a financial adviser, I am always interested to hear the candidates' perspectives on the effectiveness of taxes and similar incentives geared to attract new business to our state. At the end of 2012, The New York Times ran an extensive series examining states' incentives for businesses. According to this study, Connecticut spends about \$860 million a year through grants and other incentives to keep and attract businesses. The number breaks down to \$241 per capita or 4 cents per state budget dollar. That's far less than some other states that pay particular attention to attracting out-of-state business.

Meanwhile, the bond rating agency, Fitch, announced that it has changed its outlook for the state's financial status from stable to negative. While the agency maintained Connecticut's AA bond rating, it said, "the Negative Outlook reflects the state's reduced fiscal flexibility at a time of lingering economic and revenue uncertainty. The enacted budget for the new biennium delays repayment of deficit borrowing, adds to an already high debt load, and fails to rebuild the state's financial cushion."

Fitch said that while Connecticut is the nation's wealthiest state as measured by per-capita personal income, "economic recovery has been slow and uneven since the recession."

How will the candidates for governor address these issues? Frankly, how will candidates for all state offices address these issues?

Connecticut added 10,600 jobs since June and has recovered about 48.4 percent of the 121,000 jobs lost during the 2008-10 recession. What will the candidates say about plans to speed up our state's recovery?

I believe that while Connecticut is committed to investing in our children's education, what good is it if no jobs are available upon graduation? Will our best and brightest relocate out of state for better business and employment opportunities?

As is true for an individual portfolio, Connecticut's long-term economic growth depends on the basic principles of diversification and balance. What is the right balance between spending on business and spending on education and other social services? Are our state educators and social service agencies provided with the right resources? Are business owners, like many of my clients, playing in a favorable business environment?

Let's hope that Malloy and Foley — or whoever the candidates ultimately turn out to be — recognize the need for balance and present ideas that facilitate business in the state as well as provide resources to educate our future business leaders, which could result in long-term prosperity for our state.

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