Need for immediate labor savings grows

Three of the four major credit-rating agencies on Wall Street downgraded the state's bond rating. And while all three cited the retirement program debt, they also called for Connecticut to address the growing deficit in its next budget.

Due to rapidly eroding state income tax receipts, the potential shortfalls now approach $2.3 billion, or 12 percent, in 2017-18, and $2.8 billion or 14 percent the year after that.

Concessions at the level sought by Malloy would close about 30 percent of the updated, projected gaps.

Even with those concessions savings assumed, budget proposals from Malloy and from legislative leaders rely on hundreds of millions of dollars in new tax revenue and municipal aid cuts to balance the books.

The top Republicans in the House and Senate, Themis Klarides of Derby and Len Fasano of North Haven, have called repeatedly in recent years for major "structural change" to curb labor costs, including not guaranteeing benefits contractually to future workers.

That won't be accomplished under either the current benefit contract or — according to sources — under the modifications being negotiated.

For Now CT ranks # 2 in U.S. In millionaire RESIDENTS

With a growing concentration of high earners holding a quarter of the nation's liquid wealth, Connecticut again ranked second nationally for high percentages of millionaire households, according to the 2016 Phoenix Wealth & Affluent Monitor.

Last year, 7.4 percent of all households in Connecticut were millionaire households, a statistic exceeded only by the state of Maryland, with 7.55 percent, according to the Monitor. Connecticut held that same ranking in 2015.

The number of millionaire households in the United States has grown by more than 800,000 over the past five years and by more than 1.3 million since 2006, before the financial crisis, PMI reports.

The report comes out as Connecticut is facing calls from labor unions and others to raise taxes on the state's wealthiest residents to help close billion-dollar deficits in each of the next two years. Governor Malloy didn't heed those calls in his two-year budget proposal, arguing higher taxes on wealthy residents would encourage people to flee the state.

Approximately 70 percent of the wealth and affluent market is comprised of Americans age 52 or older who have at least $100,000 in investable assets. Baby Boomers account for more than half (55 percent) of the market, while the older Silent Generation represents 15 percent. Millennials aged 36 or younger comprise about 13 percent of the market at age 36 or younger. Generation X, which makes up the remaining 17 percent of the market, faces financial challenges of aging parents and education costs for their children, the report stated.

Local Leadership Breakfast

From right to left: Steve Temkin, Executive Officer of HBA of Northwest CT, Thomas Carey, Thomas Custom Builders; Litchfield, Bantam, Northfield First Selectman Leo Paul; Thomaston First Selectman Edmond V. Mone and Tim Bobroske, President of HBA of Northwest Connecticut.

L-R Greg Ugalde 2nd Vice chair of NAHB, First Selectman Emond V. Mone, Thomaston and Tom Carey from Thomas Custom Builders and HBA of Northwest Connecticut

L-R: Eugene Farley, Torrington Mayor Elinor Carbone, Executive Officer of HBA oF Northwest Ct Steve Temkin, Winsted Mayor Candy Perez, Andrew Ugalde T & M Building Co. Inc. Roselle Fanelli at podium

Greg Ugalde, 2nd Vice Chair of NAHB with New Hartford/Pine Meadow First Selectman Daniel V. Jerram.