



# State of Connecticut

SENATOR LEONARD A. FASANO

SENATE REPUBLICAN PRESIDENT PRO TEMPORE

34<sup>TH</sup> DISTRICT

LEGISLATIVE OFFICE BUILDING  
300 CAPITOL AVENUE, SUITE 3400  
HARTFORD, CONNECTICUT 06106-1591  
[www.SenatorFasano.com](http://www.SenatorFasano.com)

HARTFORD: (860) 240-8800  
TOLL FREE: (800) 842-1421  
FAX: (860) 240-8306  
[Len.Fasano@cga.ct.gov](mailto:Len.Fasano@cga.ct.gov)

October 11, 2018

Fred V. Carstensen  
Professor of Finance and Economics  
Director, Connecticut Center for Economic Analysis  
School of Business, University of Connecticut  
2100 Hillside Road Unit 1041  
Storrs, Connecticut 06269

Dear Professor Carstensen:

This is the second time in three weeks that I feel compelled to write to you to express my significant displeasure with your recent press statements regarding the political elections.

While I understand that everyone is free to express their opinions under the First Amendment, I am extremely disturbed in the manner for which you have used your title to influence a political position. You are being asked by the press for your opinion as a direct result of your position as the Director of the Connecticut Center for Economic Analysis which should define the limit of your opinion; however you continue to act as a political commentator above and beyond both your expertise and your defined role. You are an economist. BusinessDictionary.com defines an economist as “an individual who studies and interprets data concerning the factors that influence supply and demand, such as inflation and unemployment.”<sup>1</sup> Please note that the definition does not include offering color commentary on sensitive political issues or ignoring facts for political beliefs.

Your opinion always has the attribution, as printed in the news as “according to Fred Carstensen, director of the Connecticut Center for Economic Research at the University of Connecticut”<sup>2</sup> which leads a reader to believe that your comments have some credibility or truth behind it. Let us be clear, when dealing with a political position, they do not. They are the opinion of you, an individual, made from your own political affiliation and bias. Your political affiliation appears to be very evident based on your one-sided statements as well as what you choose not to comment on.

Allow me to summarize some of your recent comments:

- In an article that really focused on the new Trump presidency you went well beyond economic concerns and in fact you went out of your way to make a political statement.

“To some extent Connecticut is the canary in the coal mine of what’s going to happen in America,” said University of Connecticut economist Fred V. Carstensen, who heads the Connecticut Center for Economic Analysis. “There’s no question that we’re building in some really dangerous levels of debt, we’re eroding our ability to deal with future crises and we’re not investing in ourselves.”

<sup>1</sup> <http://www.businessdictionary.com/definition/economist.html>

<sup>2</sup> <https://www.ctpost.com/local/article/Gov-candidate-s-dicey-business-record-13290909.php>

President Donald Trump is a symptom of the malaise, we can all agree, as former President Barack Obama said in a speech this month. In fact, Carstensen said, the United States has worked toward a manageable decrease in its share of the global economy for decades, trying to build up other countries in the American model.

But now Trump is botching the plan badly in lots of ways, through isolation, letting China take control of trade, for example, in ways a new president won't be able to reverse. His constant lies don't help matters either, such as this past week's claim that thousands of people didn't die in Hurricane Maria in Puerto Rico.

No country is going to trust us because now we have a horrible reputation," Carstensen said, "and that's something that will outlive Trump."<sup>3</sup>

- In a recent article you decided to weigh in on gubernatorial candidate Bob Stefanowski that has nothing to do with economics, just conjecture at best.

"It is a very troubling resume for someone seeking the governor's office," Carstensen said. "There is nothing here to argue that he brings any useful experience or skills to public service, e.g. building collaborative teams or helping transfer the culture of a company. I have characterized him as a 'business bureaucrat' because I don't see where he actually created value or help build a better, stronger business."<sup>4</sup>

- On another issue to support the Lamont camp, without any information about tolls or validating any number regarding tolls, because no such numbers exist, you decided to help Lamont's efforts.

UConn professor of finance and economics and Connecticut Center for Economic Analysis Director Fred Carstensen says his one criticism of Lamont's plan is how this lost revenue for the state will be made up.

"The one criticism that is fair is how he will be able to pay for the things that he wants to do," Carstensen said.

Carstensen said he thinks tolls will help bring back more revenue to the state.

"Yes it would help to pay for the tax cuts. It would help to improve our transportation infrastructure," Carstensen said. "What's critical is this should be principally a tax on out of state drivers who are travelling through Connecticut and on big rigs."<sup>5</sup>

Here is a rhetorical question; how do you have any idea of what you are talking about when you have absolutely no facts? But yet you felt compelled to bless a concept which does not even have a plan as if you did an economic analysis.

This is not the first time that you have overstepped your role, while thinking about your comments I remembered that the previous Senate Republican Leader John McKinney was also concerned about your public comments prior to the last gubernatorial election. You were quoted: "Foley would have given us the

---

<sup>3</sup> <https://www.ctpost.com/business/article/Dan-Haar-Ten-years-after-Lehman-Brothers-the-13231039.php>

<sup>4</sup> <https://www.ctpost.com/local/article/Gov-candidate-s-dicey-business-record-13290909.php>

<sup>5</sup> <http://dailycampus.com/stories/2018/9/28/lamonts-tax-plan-aimed-at-helping-middle-class-families-imposing-tolls-on-heavy-trucks>

worst recession since World War II on the basis of what he said during the campaign,” Carstensen said. “There was no way that you could get out of the recession in Connecticut without raising taxes.”<sup>6</sup>

Once again, making blanket political statements for political purposes.

As a result of your comments I have questions for you.

1. Where were your comments when billion dollar deficits were consistently addressed with tax increases that resulted in over \$8.8 billion in taxable income leaving our state? The loss of all that income means less taxes generated by our current tax rates thereby putting downward pressure on every other family that has chosen to, or has no other option but, remain in our state?
2. Where were your comments when Governor Malloy doubled the state’s annual assumption of new debt resulting in an increase of our annual payment for debt from less than 9% of our budget to more than 13% of our budget?
3. Where were you when Governor Malloy and the democrats locked the state in unsustainable health and pension benefits for state employees for the next ten years? Did you do an analysis of what state employees receive as compared to other private unionized counterparts? Do you know that some state employees only contribute 1.5% of their salary toward their pension? Do you know that state employees need to contribute 3% for only three years to receive healthcare benefits for the life of the retired state employee and their spouse?
4. Did you do your own extensive research into the background of Mr. Stefanowski or did you simply rely on the tidbits that were given to you by the CT Post which were clearly directing you to make the inflammatory position on how you define him?
5. Are you advocating for toll revenue to be used to pay for a tax credit paid from the general fund? Are you not aware of the transportation lockbox and the fight that Republicans have continually had to stop using transportation dollars for general purposes?
6. How do you know that there is no way to get out of a recession without taxes? Are you knowledgeable about all of the \$20 billion that our state annually expends? Have you gone through the process of going through all of the accounts like I have done to make such a determination?

The above clearly demonstrates that you have moved from your economist position to a political position. Given your undeniable pattern of making outlandish commentary against Republican candidates for office, I am asking you to retract your statements about gubernatorial candidate Bob Stefanowski. In addition, I would recommend that in the future when you are asked by the press about politics that you keep in mind your economist background and stick to the facts like the state’s failing economy, dismal gross state product growth, employment growth that significantly lags the country as a whole as well as the Northeast, housing prices that remain more than 11% below their pre-recession peak, home sales that are 37.4% below their pre-recession peak, contracting real per capita personal income, and huge reduction in taxable income.

I hope that you realize the inappropriate role that you have chosen to take and make modifications with how you respond to inquiries. I look forward to working with you on *economic* issues in the future, however if your pattern of political behavior continues, any advice or comment you provide, no matter how sound it may seem, will be viewed with great skepticism.

Sincerely,



Len Fasano

Senate Republican President Pro Tempore

---

<sup>6</sup> <https://www.nhregister.com/connecticut/article/McKinney-faults-prof-on-criticism-of-Foley-11366183.php>