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**Health and Education Jobs are Bright Spots  
During Connecticut's Recession**  
*CT group warns state budget cuts could undermine  
job growth and economic recovery*

A new report on job and unemployment trends during Connecticut's economic recession finds that the Health and Education job sector is the only area of the economy showing significant growth since the recession began in December 2007. The report by Connecticut Voices for Children, a research-based policy think tank, finds that the combined Health and Education sector (the state's largest sector) added 9,700 jobs (3.7% growth) from December 2007 to March 2009, while nearly all other major job sectors declined.

Connecticut Voices for Children warned that since the Health and Education sector relies on public sector investment, major state budget cuts to health and education programs could undermine the only significant area of growth in the state's economy and weaken Connecticut's competitive advantage – its well-educated workforce.

“The Governor and state legislators should be doing everything they can to maximize growth in the largest and fastest growing area of our economy,” said Douglas Hall, Acting Managing Director of Connecticut Voices for Children. “Taking a more balanced approach between budget cuts and revenue increases will help to protect our economy and speed our recovery. Severe cuts to health and education would be an ‘anti-stimulus package’.”

Because of Connecticut's state revenue shortfall, Governor Rell and state legislators are considering a variety of budget cuts, including cuts that would cause strains on employers in the Education and Health sector:

- Cuts in funds for nursing homes, HUSKY health insurance, dental coverage for adults in Medicaid, Community Health Services, and School-Based Health Centers.
- Cuts in funding for magnet schools, charter schools, priority school districts, school readiness preschool programs, and child care quality improvement initiatives.

Using a model from the national Center for Economic and Policy Research, Connecticut Voices estimates that Governor Rell's total recommended budget cuts to all state programs (\$1.075 billion) in the next fiscal year (FY 2010) could result in a loss of approximately 14,700 jobs.

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The budget submitted by the General Assembly's Appropriations Committee also includes several cuts to health and education that could potentially cost the state jobs, but many of the cuts in the Governor's budget, particularly health cuts, are reduced or eliminated. The General Assembly is able to avoid several budget reductions by taking a more balanced approach to the state budget, relying upon both cuts and increased revenue to close the budget gap.

"These budget cuts would mean fewer jobs, less access to education, and fewer dollars circulating in the local economy," said Joachim Hero, Research Fellow at Connecticut Voices for Children and author of the report. "With household costs rising and jobs shrinking, the state must also do more, not less, to help families make ends meet and rebuild the economy."

The report, "Connecticut's Economy in Recession: Trends in Employment and Unemployment," is based on data from the national Bureau of Labor Statistics, and also found:

- The 3.4% job loss in the current recession is more than three times the 1.1% job loss during the first year of the previous recession.
- The largest job losses were in Professional and Business Services (-16,100); Construction (-15,900); Trade, Transportation, and Utilities (-13,300); and Manufacturing (-12,400).
- Of the 9,700 jobs gained in the Health and Education sector, 8,000 were in Health Care and Social Assistance (including health, social work, family services, and child care) and 1,700 were in Education.
- Connecticut's unemployment rate of 7.5% is the highest it has been since 1992.

To help avoid state budget cuts and raise the revenues the state needs, Connecticut Voices for Children recommends a variety of revenue proposals, including a more progressive income tax, closing corporate tax loopholes that enable corporations to shift their profits to out-of-state subsidiaries, and scaling back state subsidies to the entertainment industry through the "film tax credit."

Connecticut Voices for Children is a statewide, research and policy organization that works at the state and federal levels to advance strategic public investment and wise public policies to benefit our state's children, youth and families. The report is available at [www.ctkidslink.org](http://www.ctkidslink.org).

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