

FOR IMMEDIATE RELEASE
Friday, September 3, 2010

33 Whitney Avenue
New Haven, CT 06510
Voice: 203-498-4240
Fax: 203-498-4242
www.ctkidslink.org

Contact: Joachim Hero, Research Analyst, (203) 498-4240
Orlando Rodriguez, Senior Policy Fellow, (203) 498-4240 -- on local Labor
Market Area trends

Labor Day Report: Unemployment and Wage Trends Indicate Continued Supports Needed for Struggling Families

CT's Long-term Unemployment Rate the 4th Highest in Nation

Connecticut's long-term unemployment rate is the fourth highest among all states, according to a new Labor Day weekend report on jobs and wages in the state. "The State of Working Connecticut 2010," released by Connecticut Voices for Children, a research-based policy think tank, also finds that only the Health and Education job sector showed significant job growth during the current recession and that the continued health of this job sector may be threatened by the prospect of state budget cuts. Steep losses of middle-class jobs in the state as well as racial, ethnic, and gender wage gaps also limit economic opportunities, according to the report.

To restore broader economic opportunities and to help families through the recession, the report recommends that the state develop a focused and strategic economic plan, avoid severe state budget cuts that would worsen job losses, ramp up supports for unemployed families, and increase investments in education and worker training.

"To restore opportunity for Connecticut families, we need to maintain our supports for them until we can get Connecticut's economy working again," said Jamey Bell, Executive Director of Connecticut Voices for Children. "We can't return to economic prosperity by undercutting supports for struggling families."

Among the report's findings:

- **Long-term unemployment and underemployment rates indicate serious challenges for Connecticut's economy.** The long-term unemployment rate in Connecticut – the share of unemployed workers who have been out of work for 6 months or more, despite looking for work -- is the fourth highest in the country at 37%. The *underemployment* rate – which includes the unemployed, part-time workers who want to work full-time, and discouraged workers who have stopped looking for work -- is at a historic high for the state, at 14%.

- **Only the Health and Education job sector experienced substantial job growth since the beginning of the recession**, growing by 4.6% from March 2008 through 2010. Connecticut Voices expressed concern that the state’s only successful job sector may be threatened by state budget cuts, since this sector is heavily dependent on public sector investment.
- **In recent years, middle-wage occupations have experienced the steepest job losses.** This group of occupations, which include middle-class jobs such as carpenters, truck drivers, and bookkeepers, have lost 6.8% of their positions between 2006 and 2009. Connecticut Voices suggested this was a troubling loss of occupations that have traditionally provided living wages. Only the highest 20% of occupations by wage, including dentists, lawyers, and registered nurses, increased their number of jobs, by 5.6% since 2006.
- **Racial, ethnic, and gender gaps in wages are much wider in Connecticut than among workers in other states.** The median wage for Connecticut’s African Americans was only 62% of the white median wage in 2009, compared to 78% for African Americans nationally. Hispanics earned only 60% of the median wage of whites in the state, compared to 70% nationally. Connecticut also has the sixth worst gender gap in wages among all states, with women earning 76% of men’s median wages, compared to 82% nationally.

“The pain of this recession has been concentrated among low- and middle-wage workers, while the gains of the previous economic expansion were primarily enjoyed by high-wage workers,” said Joachim Hero, Research Associate at Connecticut Voices for Children and co-author of the report. “Connecticut should aggressively pursue an economic development strategy that benefits all workers.”

Connecticut Voices also released a supplemental report, “State of Working Connecticut 2010: Trends in Local Labor Market Areas,” which summarized local wage, unemployment, and business trends in Connecticut’s nine Labor Market Areas: **Bridgeport-Stamford, Danbury, Enfield, Hartford, New Haven, Norwich-New London, Torrington, Waterbury, and Willimantic-Danielson.**

“Wage and business trends can vary in local job markets,” said Orlando Rodriguez, Senior Policy Fellow at Connecticut Voices for Children and co-author of the report. “State and local policymakers should tailor their economic development strategies to regional economic conditions.”

To help restore broader economic opportunities and to help families through the recession, the report recommends that Connecticut:

- **Avoid more state budget cuts that would undermine the economy and weaken supports for working families and the unemployed.** Just as the needs of families are rising, the revenues available to support them have declined. Connecticut Voices called for a balanced approach to reducing the state budget deficit that includes new revenues, to avoid deep cuts that would cost jobs and delay the economic recovery.

- **Establish a clear economic development strategy for the state** that includes closing the achievement gaps in Connecticut's schools and critically evaluating the success of the state's economic development initiatives, including its growing use of business tax credits.
- **Ramp up supports for the families of lower wage workers and workers who have lost their jobs**, including health insurance, housing, and child care supports.
- **Expand our public investment in education and training.** Recent economic analyses indicate that direct investments in education, including early childhood, K-12 and higher education, can be effective in creating jobs and improving opportunities for Connecticut residents.

The *State of Working Connecticut* is released each year in partnership with the Economic Policy Institute (www.epi.org), an economic think tank based in Washington, D.C. Connecticut Voices for Children is a statewide, research and policy organization that works to advance strategic public investment and wise public policies to benefit our state's children, youth and families. **For more information on Connecticut Voices, or to read the Voices' report, see www.ctkidslink.org.**

-END-