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## **Report: High Unemployment and Growing Opportunity Gaps in Labor Market Underscore Urgent Need for Job Growth Strategies**

### **State of Working CT Report Tracks Unemployment Trends During State's Recession**

A Labor Day weekend report on Connecticut's unemployment landscape reveals growing disparities in Connecticut's labor force, and highlights the unequal impact of the Great Recession across demographic groups and geography in our state. The report finds that young, Hispanic, and African American workers are disproportionately out of work. Long-term unemployment – the share of the unemployed who have been out of work for at least six months – is relatively high in Connecticut, is particularly high among older workers, and has reached the ranks of the college-educated. Further, many recent graduates of Connecticut's state university system are struggling to find full-time employment.

As the Governor and state legislators plan for a special legislative session this fall focused on job creation, Connecticut Voices called on policymakers to create a comprehensive economic development plan, invest in education and physical infrastructure, and reduce the high costs of living and doing business in the state.

The findings of the report draw a sense of urgency to the need to accelerate job growth in the state. The report indicates that at the current rate of job growth in Connecticut, it will take six years to recover the 119,000 jobs lost during the recession.

“Connecticut's job creation engine has stalled,” said Jamey Bell, Executive Director of Connecticut Voices for Children. “We urgently need a new, cost-effective economic strategy that is more accountable for creating new jobs and makes the most use of limited resources.”

Among the report's key findings:

- **Unemployment has most heavily affected young workers (18.2%), Hispanics (17.7%), and African-Americans (15.6%), compared to 7.5% for white workers and 9.1% overall.** While unemployment rates of African Americans has decreased slightly, the share of African American workers in the labor force actually declined from 73% in 2006 to 67.6% in 2010, suggesting that many of these workers are discouraged and no longer looking for

work. At the same time, fewer graduates of some of Connecticut's public universities are finding full-time employment in the first year after graduation. Recent graduates of the Connecticut State University System are relying more on part-time employment (16% in 2006 to 28% in 2010).

- **Long-term unemployment – the share of the unemployed who have been out of work for at least six months – is relatively high in Connecticut (49.6%), is worst for older workers (60.1%), and has reached the ranks of the college-educated (50.4%).** Connecticut has the 5<sup>th</sup> highest long-term unemployment rate in the country.
- **Geographically, the recession has been felt most heavily in urban regions and rural towns.** Cities with the highest unemployment rates are Hartford (16.4%), Waterbury (14.5%), Bridgeport (14.3%), New Haven (13.8%), New Britain (13.2%), and New London (12.4%). Among rural towns, the highest rates were in Plainfield (11.7%) and Sprague (11.2%).
- **Only the private health care sector grew during the Great Recession, adding 8,303 jobs. Every other major employment sector experienced a net loss of jobs.** Manufacturing suffered the most, losing nearly 21,000 jobs.

“It is troubling that so much of our future workforce – especially young workers and the growing Hispanic population -- is unemployed now,” said Orlando Rodriguez, Senior Policy Fellow at Connecticut Voices and co-author of the report. “This trend does not bode well for our future.”

To address these problems and restart job growth in Connecticut, Connecticut Voices urged the Governor and state legislators to focus on several priorities during the upcoming special legislative session on job creation:

- Establish a comprehensive economic strategy for Connecticut that is more accountable for achieving job gains and makes the most of limited resources.
- Invest in education, training, and physical infrastructure, such as early childhood education and worker retraining programs, as well as improvements to Connecticut's transportation system.
- Tackle the high costs of living and doing business in Connecticut – including reductions in energy, housing, and health care costs.

“An effective economic strategy for Connecticut must broaden opportunities for all Connecticut workers,” said Matt Santacrocce, co-author and Policy Fellow at Connecticut Voices. “We can't afford an economy that leaves so many of our workers behind.”

The *State of Working Connecticut* is released each year in partnership with the Economic Policy Institute ([www.epi.org](http://www.epi.org)), an economic think tank based in Washington, DC. Connecticut Voices for Children is a research-based policy think tank that works to advance policies that benefit the state's children, youth and families ([ctkidslink.org](http://ctkidslink.org)). **For more information on Connecticut Voices, or to read the Voices' report, see [www.ctkidslink.org](http://www.ctkidslink.org).**

Note to reporters: the report summarizes employment and job sector trends in nine Labor Market Areas (LMAs): **Bridgeport-Stamford, Danbury, Enfield, Hartford, New Haven, Norwich-New London, Torrington, Waterbury, and Willimantic-Danielson**. A separate, supplemental Excel data file with more detailed LMA data and with town-level unemployment data is also on the CT Voices website.

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