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## **Report: High Unemployment Among Young People A Threat to Connecticut's Economic Future**

### **State of Working CT Report Cites Warning Signs for Economic Future**

A Labor Day weekend report focused on young Connecticut workers finds that the growth in youth unemployment over the last decade, along with racial and ethnic wage gaps, are warning signs of long-term economic trouble for the state. The report, issued by Connecticut Voices for Children, pointed to demographic trends indicating that Connecticut's aging population will increasingly rely on the coming generation of young workers to fuel its economy, including a fast-growing Hispanic population.

"The health of our common economic future will depend on our success in broadening economic opportunities for young workers," said Orlando Rodriguez, Senior Policy Fellow at Connecticut Voices for Children and co-author of the report. "Improving educational opportunities is an important first step toward this goal."

Among the key findings of "The State of Working Connecticut: Young People in the Workforce," which examined wage, unemployment, and job sector trends over the course of the recession and recovery:

**Youth unemployment has dramatically increased in Connecticut over the last decade and is more than twice the rate for older workers.** In 2012, the unemployment rate for Connecticut's young workers (age 16 to 24), at 17.1 percent, was more than double the rate for 25 to 54 year olds (7.4 percent) and almost triple the rate for workers 55 and older (6.4 percent). Connecticut's youth unemployment rate is higher than the United States average (16.2 percent). It has been on the rise over the last dozen years, increasing dramatically during the recent recession. From a low of 5.6 percent in 2000, youth unemployment more than tripled to a high of 18.2 percent in 2011, then declined slightly in 2012.

**A smaller share of the working age population is working or looking for work, particularly among young people.** Though the state's unemployment rate shows signs of improvement, it does not take into account the number of young people who have stopped looking for work because of a lack of jobs. The labor force participation rate is the share of the working age population that is working or looking for work. The rate for all Connecticut workers fell from 68.8 percent in 2007 to 66.2 percent in 2012. The largest decline in participation is among the state's youngest workers: the

rate among 16 to 24 year olds in Connecticut declined over this period from 62.0 percent to 54.5 percent.

**Long-term unemployment for young people in Connecticut is higher than the national rate, though it is worst for older workers.** Long-term unemployment -- the share of the unemployed who have been out of work for more than 26 weeks -- was second highest in Connecticut among all states. Among Connecticut's unemployed youth, one-third (33.6 percent) have been out of work for more than 26 weeks, above the national rate of 27.7 percent. However, long-term unemployment most heavily affects the state's oldest workers. The rate for those in Connecticut aged 55 and older was at 61.5 percent in 2012, the highest among all 50 states.

**Connecticut's Black and Hispanic workers face high unemployment and low wages.** In 2012, Black unemployment (13.4 percent) and Hispanic unemployment (15.7 percent) were about double the White unemployment rate (7.0 percent). On average, Hispanics earned 55 cents and Blacks earned 72 cents for every dollar earned by Whites. Given that Hispanics are a fast-growing ethnic group in the state and that minority populations are younger in Connecticut, these disparities in economic opportunity are troubling for the economic future of the state.

**Closing Connecticut's opportunity gaps for young and minority workers will be necessary for the future economic health and quality of life in the state.** Demographic trends show a growing number of retirees and an increase in lower-paid minority populations. This means that Connecticut is losing higher-income workers (older, more educated whites) while adding lower-income workers (younger, less educated minorities). This convergence of demographic trends and income gaps will hamper the state's economic growth and its ability to pay for the growing costs of an aging population.

To begin to reverse these trends and broaden economic opportunities, Connecticut Voices urges the Governor and state legislators to:

- Strengthen access to high-quality early education and K through 12 education,
- Increase access to affordable public higher education and job training, and
- Invest in initiatives that provide incentives for low-income workers, reduce poverty and support families.

“We can't afford an economy that leaves our young people behind,” said Edie Joseph, co-author and Policy Fellow at Connecticut Voices. “We urgently need a renewed commitment to supporting youth to get Connecticut back on track to a prosperous future.”

“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 think tank that works to advance policies that benefit the state's children, youth and families. For more information on Connecticut Voices, or to read the Voices' report, see [www.ctvoices.org](http://www.ctvoices.org).

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