

The State of Working Connecticut 2016 Executive Summary

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This summer marks nearly seven years since the Great Recession ended, but for too many Connecticut families, the years-long recovery has been slow to offer reprieve. Unemployment is decreasing, but pockets of labor force weakness persist; jobs are being created, but the industries offering them don't pay as well; and while the top wage earners have taken home raises, everyone else is waiting for their paychecks to grow. There are dramatic inequalities between the wealthiest and the rest—young, minority, and less-educated workers—whom the recovery is leaving behind.

Without more money in their pockets, parents struggle to pay for the transportation that frees them to work, the child care that nurtures their son, or the doctor's visit that treats their daughter's asthma, in addition to the other services essential to self-sufficiency and economic security. As the needs for children and families increase, Connecticut must enact proactive policies that, in the short-term, bridge the gap between wages and the growing cost of raising a family, and over the long-term, make smart investments that create a more prosperous and equitable economy.

We evaluate Connecticut's economy through three sets of measures: the labor force, jobs, and wages. The following are our major findings:

Chapter 1: Labor Force Weaknesses Persist

- Unemployment has recovered for whites and college-educated workers, but not for workers of color and those without a college education.
- Unemployment for workers of color is nearly triple unemployment for whites.
- Statewide, the share of working-age people working or seeking work is higher in Connecticut (65.8 percent) than the U.S. average (62.7 percent) and that of all peer states.

Chapter 2: Low Wage Jobs Swap, High Wage Jobs Deficit

- Since 2001, the share of private-sector jobs in low-wage industries has increased by 20 percent, while the share of private-sector jobs in high-wage industries has decreased by 13 percent.
- 44 percent of private sector growth since 2010 has been in low-wage industries.
- The public sector, which is composed almost entirely of mid- and high-wage industries and disproportionately employs people of color, has shed more than 14,000 jobs since 2008.

Chapter 3: Wage Gaps Grow

- The median and bottom 10 percent of wage-earners have seen their wages decline by more than 2 percent since 2002, while the top 10 percent have experienced growth of more than 11 percent.
- Connecticut's gender wage gap has decreased, but more slowly than national trends.
- Black and Hispanic workers make a median hourly wage that is, respectively, about \$7.25 and \$8 less than white workers—a gap that has widened since before the Great Recession.