

FOR IMMEDIATE RELEASE
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Connecticut Voices for Children Report: Connecticut's Workforce Touts a Smaller, Less Inclusive Middle Class

New Haven, CT (September 25, 2019) – Connecticut Voices for Children today released a report entitled ‘The State of Working Connecticut’ that examined the status of the state’s workforce and found evidence that Connecticut’s middle class is smaller and less racially and ethnically inclusive than before the 2007 economic downfall.

“Connecticut’s current economic recovery is one of the most unequal in modern U.S. history,” said **Emily Byrne, Executive Director of Connecticut Voices for Children**. “Our findings reveal a disheartening trend in the state but, unfortunately, one that isn’t surprising. We’ve seen what happens when economic growth slows – communities of color and communities from low-income backgrounds suffer the most. Ensuring Connecticut’s economic agenda is intentionally inclusive of families of color is imperative for a strong middle class, and positively impacts economic growth, child development and education as well as child and family health.”

Our state’s inability to fully bounce back from the Great Recession has disproportionately impacted Black and Brown families, and a major reason for this is because while the state is becoming increasingly racially and ethnically diverse, upward mobility into the middle class for the aforementioned populations has decreased. From 2000 to 2018, the population in Connecticut that identified as “Black or African American alone” increased from 9.1 percent to 12 percent. Additionally, the population that identified as “Hispanic or Latino” increased from 9.4 percent to 16.5 percent. Upward income mobility, on the other hand, has fallen drastically since the 1940s, and the report found that some racial and ethnic groups have even lower rates of upward mobility and higher rates of downward mobility than their white counterparts.

“Despite the length of the economic recovery and the low unemployment rate, the middle class in Connecticut remains smaller and less inclusive than before the Great Recession,” **Patrick O’Brien, Fiscal & Economics Research and Policy Fellow at Connecticut Voices for Children** said. “This makes it increasingly clear that Connecticut needs to be even more proactive in implementing policies that promote the well-being of all Connecticut’s children and families rather than simply hope that the status quo rising tide will eventually raise all of the boats equally.”

‘The State of Working Connecticut’ reviewed five key economic indicators to determine the health of the economy as it affects the middle class: the unemployment rate; the labor force participation rate; the length of economic expansion; the economic growth rate; and the income share for the top 1 percent of the population.

In 2018, the state’s unemployment rate was 4.1 percent, the lowest since the early 2000s. However, the number of people who reported working or actively looking for work (i.e. labor force participation rate) averaged 66 percent in 2018, down from 69 percent at the start of the Great Recession, largely offsetting the low unemployment rate.

Findings revealed several potential explanations for this development: the beginning of the retirement of the baby boom generation and the substantial departure from the job market of men in their prime working years. At both the state and national levels, the benefits of the economy’s low unemployment rate are offset in large part by its low labor force participation rate.

Along with the unemployment rate, the length of the expansion has been commonly used as evidence that the economy is “booming.” At 122 months and counting, the third key indicator is that the current economic expansion is the longest in U.S. history. However, a fourth key indicator — the economic growth rate—provides a contrasting picture.

Our state's economic growth rate averaged 1.7 percent during the eight years following the Great Recession, down from an average of 4.5 percent during the decade preceding it. A 3 percent growth rate is often used as a benchmark for a strong growing economy and the failure to reach it makes the current recovery arguably the slowest in modern U.S. history.

The final indicator suggests the current economic recovery is also one of the most unequal in modern U.S. history. At the national level, the percentage of pre-tax income going to the top 1 percent of the population jumped from an average of 10 percent in the 1950s through 1970s, to 21 percent from 2010 to 2017. In Connecticut, this pre-tax income jumped from 11 percent in the 1950s through 1970s, to 28 percent from 2010 to 2015 - making Connecticut's economic recovery even more unequal than the historically-unequal national recovery.

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About Connecticut Voices for Children: Connecticut Voices for Children is a "think and do" tank working to ensure that all Connecticut children have an equitable opportunity to achieve their full potential. In furtherance of its mission, Connecticut Voices for Children produces high-quality research and analysis, promotes citizen education, advocates for policy change at the state and local level, and works to develop the next generation of leaders.