



News Release

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Uneven Economic Recovery Challenges Children and Families

Unemployment recedes for some, disparities in the labor force recovery persist

NEW HAVEN – Close to seven years after the end of the Great Recession, many Connecticut working families have been left out of the economic recovery. According to a new report from Connecticut Voices for Children, an increase in the share of low-wage jobs, slow wage growth and persistently high unemployment for minorities and workers without a college education threaten the long term wellbeing of the state.

“Changes in the state economy pose challenges for low wage workers seeking to give their children the best possible start in life,” says Ellen Shemitz, Executive Director of Connecticut Voices for Children. “Higher unemployment and lower wages for workers of color exacerbate existing disparities in opportunity, with significant implications for both the competitiveness and fairness of our state’s economy.”

The report documents a **long term shift in job and wage trends** in Connecticut, with almost half of all jobs created since the start of the recovery in low-wage industries. Since 2001, the share of industries that typically pay low-wages has increased by 20 percent, while high-wage industry employment has decreased by 13 percent. At the same time, **unemployment** has returned to pre-recession levels for white and college educated workers, but unemployment for workers of color and those without a college education have yet to recover. Despite years of sustained job growth, these workers face unemployment rates that are three times higher than whites.

“Connecticut’s jobs swap has implications for individual family economic well-being and for the state’s overall revenue sufficiency,” says Derek Thomas, Fiscal Policy Fellow at Connecticut Voices for Children and report co-author. “The first decade in the 21st-century – which includes the loss of manufacturing jobs in the early 2000s as well as the vast job losses during the Great Recession – has left the state with a sizeable high-wage jobs deficit.”

Because workers of color are overrepresented in the low-wage industries that have driven the state’s job recovery, racial and ethnic wage gaps have widened. According to the latest data, minorities’ median hourly wages stand between \$7.25 and \$8 lower than whites. “The growth in low-wage industries is a double-whammy for working families – not only do they pay less, but they also lack the benefits, predictability and flexibility of jobs past,” says Ray Noonan, Associate Fiscal Policy Fellow at Connecticut Voices for Children and report co-author.

As the workplace meets fewer of the needs of children and families, Connecticut has to take action to bridge the gap between wages and the growing cost of raising a family and to lay the foundation for a more prosperous and equitable economy. The report recommends five key policy initiatives:

- Restore the earned income tax credit for low income workers to its original 2011 levels, allowing low wage workers to retain more of what they have earned
- Raise the minimum wage to \$15, allowing low wage workers to cover their families’ basic needs

- Expand high-quality early childhood education to remove barriers to employment for parents and better prepare future generations of workers
- Strengthen infrastructure investments to ensure economic competitiveness and economy-boosting jobs
- Reform property taxes for a more equitable education system

The full report and data set is available at <http://www.ctvoices.org/publications/state-working-connecticut-2016>. Additional trends and interactive data is available on our Tableau page and [can be embedded](#) into digital stories.

Key Report Findings

- **Since 2010, unemployment** has steadily declined for white and college educated workers, but not for workers of color and those without a college education. Unemployment for workers of color is nearly triple than for whites.
- **Underemployment** remains stubbornly high; the rate of part-time employees that would want to work full-time and workers that have given up on their job search in the past year is two times higher today that it was in 2007.
- 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. Nearly half of new private sector jobs since 2010 are in low-wage industries.
- 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.
- Black workers' median hourly wage is \$8 lower than white workers and Hispanic workers' median hourly wage is \$7.25 lower than white workers.

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About Connecticut Voices for Children:

Connecticut Voices for Children is a research-based policy think tank based in New Haven, Connecticut. Our Mission is to promote the well-being of all of Connecticut's young people and their families by advocating for strategic public investments and wise public policies. To achieve these objectives, 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.