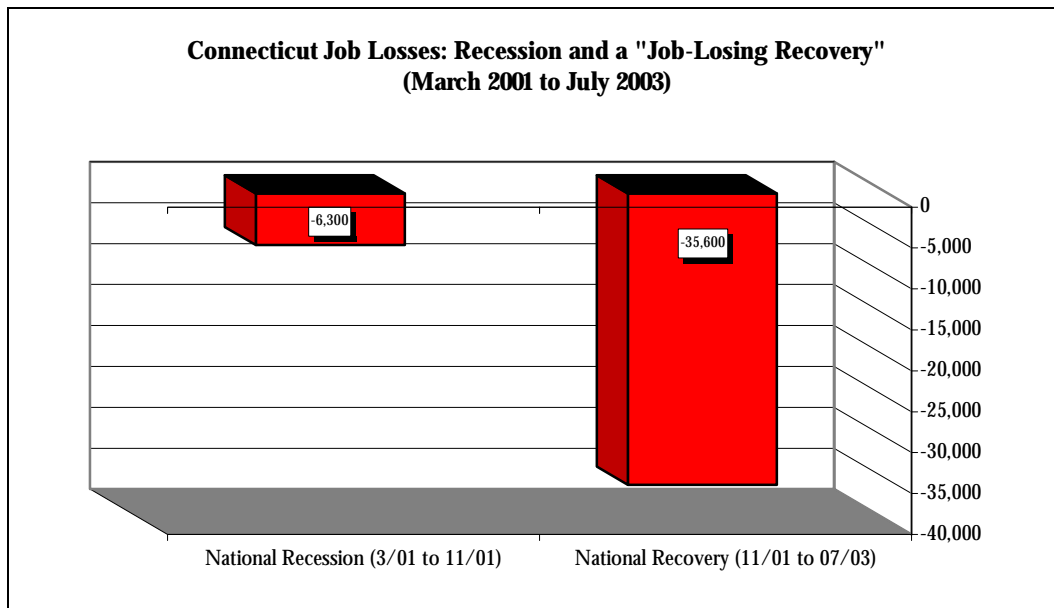


The State of Working Connecticut: 2003 – A “Job-Losing Recovery”

CT Voices for Children’s annual report, *The State of Working Connecticut, 2003* (released in September 2003 and available at www.ctkidslink.org) found CT mired in a “**job losing**” recovery, having lost **almost six times as many jobs** during the nation’s economic recovery than in its 2001 recession – 35,600 jobs lost in the “recovery” compared to 6,300 jobs lost in the “recession.” Key findings of the report included:

- **Total employment in CT was continuing to decline.** July 2003 employment of 1,641,000 was 20,800 jobs less than CT employment in July 2002, and 12,100 jobs less than June 2003.



- **CT was one of just nine states that lost more jobs during the national recovery than during the national recession, and CT’s case was among the worst.** As a percentage of November 2001 payroll employment, only three states – Indiana (-2.13%), Missouri (-2.70%), and Oklahoma (-3.51%) – lost a greater share of jobs than did CT (-2.12%) during the recovery period.

Payroll Employment (Jobs): Recession to Recovery as of July 2003 (000s)

Figure 1	Recession				Recovery			
	March 2001	November 2001	Number	Percent	November 2001	July 2003	Number	Percent
United States	132,527.0	130,900.0	-1,627.0	-1.23%	130,900.0	129,870.0	-1,030.0	-0.8%
Connecticut	1,682.8	1,676.5	-6.3	-0.37%	1,676.5	1,640.90	-35.6	-2.12%

Source: Economic Policy Institute Analysis of Bureau of Labor Statistics data, 2003.

- **Manufacturing job losses** continued to mount in CT, with over 26,000 manufacturing jobs eliminated between March 2001 and March 2003.
- **CT's wages** continued to outpace both regional and national wages: low, median, and high wages in 2002 were \$9.82, \$16.30, and \$27.00, respectively. However, wage inequality in CT -- expressed as a ratio of high (80th percentile wages) to low (20th percentile wages) -- remained high. High wages in CT have been almost triple low wages since the mid 1990s. Current wage inequality exceeds CT levels in the 1970s and 1980s.
- **Poverty-level wages remained common among certain subsets of CT workers.** Nearly 1 in 7 of CT's workers were earning a wage that left a family below the federal poverty standard (\$18,100/year for a family of four in 2002), and well below CT's "self-sufficiency" standard. Poverty-level wages were even higher for certain groups of workers: nearly 1 in 5 of CT's female workers were earning wages below poverty-level (18.8%), and about 1 in 4 of CT's Hispanic (25.1%) and African-American (22.4%) workers were.
- **CT's workforce is aging.** CT has a greater proportion of its workforce over the age of 35 of any state in the nation -- at 68.5%.
- **CT's workforce remains highly educated.** CT continued to have one of the most highly educated workforces in the nation with 13.1% holding advanced degrees, 21.2% holding bachelor's degrees, and 24.9% having some college education.
- **Women.** Nearly half of all workers in CT's workforce were now women (48%).
- **Unemployment** was continuing to increase throughout the state, with many towns seeing rates more than double those at the beginning of the 2001 recession. Hartford, Bridgeport and Waterbury topped the list for unemployment in June 2003, as well as the list for increased unemployment from June 2000 to June 2003.

Top Ten Unemployment Rates Among CT Towns	
HARTFORD	10.0%
BRIDGEPORT	9.4%
WATERBURY	8.6%
ANSONIA	8.3%
DERBY	8.2%
WINDHAM	7.9%
NEW BRITAIN	7.8%
KILLINGLY	7.4%
NEW HAVEN	7.1%
EAST HARTFORD	7.0%

Top Ten Increases in Unemployment Rate among CT Towns: June 2000 to June 2003	
BRIDGEPORT	+4.6
HARTFORD	+4.6
WATERBURY	+4.4
MIDDLEFIELD	+4.3
PLYMOUTH	+4.2
WINCHESTER	+4.1
ANSONIA	+3.9
WINDHAM	+3.9
BLOOMFIELD	+3.9
DERBY	+3.8

The *State of Working CT 2003* report observed that while capital investment contributed to continued productivity growth, it was less clear that it fostered meaningful job growth. This suggests that state subsidies for capital investment need to be tied to realistic job creation targets, and state support for CT's human capital enhanced.

The report also noted that because CT's highly educated workforce remains one of its chief competitive advantages in this global economy, the closing of Connecticut's educational attainment gap must be of high priority if CT is to remain economically competitive. In addition, greater efforts to encourage young people to make Connecticut their home could offset the aging of the Connecticut workforce. Enhancements of need-based scholarship aid for Connecticut's colleges and universities, and the creation of housing that young families can afford could help attract, and keep, younger workers in state.

Further, the persistence of low wages, particularly in some of the service industries, highlighted the need for income supports for families struggling to make ends meet – such as child care subsidies and HUSKY health insurance -- so that their children's growth and development is not impaired.

A QUICK UPDATE TO *THE STATE OF WORKING CT 2003* According to CT Department of Labor data released in March 2004, CT's "job losing" recovery is continuing. January 2004 employment was 1,639,000, or 61,700 jobs less than in July 2000 when *CT* began losing jobs (3.6% of all CT jobs), and 43,500 jobs less than in March 2001 when the *national* recession formally began.

Of the 61,700 CT jobs lost since CT's recession began, 24,100 were lost between July 2000 and November 2001 (the end of the national recession) and another 37,600 jobs were lost between November 2001 and January 2004.¹ Three-quarters of CT's job losses have been in manufacturing.

This continued loss of CT jobs has led our Department of Labor to declare that *CT* is not, in fact, in a recovery but rather in "our third year of the current recession" – the "second longest since 1939." The CT DOL notes, however, that the current recession is "far milder than the longest and severest recession of 1989-1992 when over 141,000 jobs, or nearly ten percent, were lost."² In addition, despite the current continuing decline in jobs in CT, CT still has 117,000 more jobs than it had in 1992 when CT's prior recession was most severe.

¹ CT Department of Labor, *Connecticut Labor Market Information At-A-Glance* (data for January 2004).

² CT Department of Labor, *The Connecticut Economic Digest* (March 2004), p. 1.

