Testimony in Support of Increasing Connecticut’s Minimum Wage to $15
Ray Noonan
Low-Wage Employer Advisory Board
October 19, 2016

Co-Chairs Bhandary-Alexander and Mills and Members of the Low-Wage Employer Advisory Board:

My name is Ray Noonan, and I am an Associate Policy Fellow at Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut’s children, youth, and families.

I am submitting comments in support of increasing Connecticut’s minimum wage to $15 per hour.

Children thrive in stable families—ones in which they grow up with roofs over their heads, food in their stomachs, caretakers to nurture their growth, and medicine when they’re sick. However, over the last 15 years, the share of private sector work that pays enough to afford these necessities has shrunk. Raising the minimum wage would help working parents bridge the gap between their paychecks and family necessities.

During the past 15 years, Connecticut’s economy has experienced a “Jobs Swap”—that is, jobs gained in low-wage industries have been replacing jobs lost in high-wage ones. From 2001 to 2015, the share of private sector jobs in low-wage industries in Connecticut grew by 20 percent, while the share in high-wage industries shrunk by 13 percent.

Share of Total Private Sector Jobs by Year, Connecticut

Source: CT Voices analysis of QCEW data. Includes all three-digit NAICS codes for private industry.
Why did this shift occur? Like many Northeastern and Midwestern states, Connecticut lost tens of thousands of manufacturing jobs before the recession. Although manufacturing jobs accounted for 15 percent of Connecticut’s private sector jobs in 2001, they accounted for two-thirds of net losses in high-wage industries from 2001-2007. The nearly 22,000 jobs lost in high-wage manufacturing industries during this period dwarfed the net growth of less than 1,500 jobs added in the financial and insurance industry.

During the recession, 97 percent of the more than 85,000 jobs lost in Connecticut were in mid- and high-wage industries. The state continued to shed manufacturing jobs, while the construction and administrative and waste services industries lost 20 and 15 percent of their workforce, respectively.

This leaves us where we are today: the most recent 2015 data indicates that 24.5 percent of Connecticut’s private sector jobs were in low-wage industries, paying on average less than $15 per hour. From 2010 to 2015, 44 percent of all private sector job growth was in low-wage industries. Thus, although Connecticut lost jobs in well-paying industries during the recession, our recovery is replacing them with a disproportionate share of jobs in low-wage industries, primarily food services and social assistance. These jobs not only typically pay wages inadequate for raising a child, but also often offer fewer benefits, predictability, and flexibility.

Other measures of the recovery indicate that some communities have benefitted more than others:

- Unemployment rates for white, younger, and college-educated workers have returned to pre-recession rates, while unemployment rates for workers of color and those without a college education have yet to recover.
- 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 and Hispanic workers make a median hourly wage that is, respectively, about $7.25 to $8 less than white workers—a gap that has widened since before the Great Recession.

As a shrinking share of Connecticut’s jobs pay a living wage, the resulting economic insecurity leaves children growing up more likely to become sick, struggle in school, become involved in the criminal justice system, and have trouble finding a good job. Raising the minimum wage would help working parents cover everyday necessities and nurture the future of Connecticut’s workforce.

Thank you for this opportunity to submit testimony. Please feel free to contact me if you have questions or would like additional information. I can be reached at rnoonan@ctvoices.org or at (203) 498-4240 (x 113).
The State of Working Connecticut

Ray Noonan | Associate Policy Fellow
Connecticut Voices for Children

Presentation for Low-Wage Employer Advisory Board
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Long Term Economic Trends – State of Working CT

Share of Total Private Sector Jobs by Year, Connecticut

Source: CT Voices analysis of QCEW data. Includes all three-digit NAICS codes for private sector.
Change in Total Private Sector Jobs per Period, Connecticut

Pre-Recession (2001-2007): Low-wage -33,225, Mid-wage -38,617, High-wage -44,793
Recession (2007-2010): Low-wage -1,948, Mid-wage 34,947, High-wage 39,325
Post-Recession (2010-2015): Low-wage 24,594, Mid-wage 20,671, High-wage 5,704

Source: CT Voices analysis of QCEW data. Includes all three-digit NAICS codes for private sector.
Share of Jobs in Self-Sufficient Industries, Connecticut

- 2 Adults + 2 teenagers: 57.0% Self-Sufficient, 43.0% Insufficient
- Adult + infant: 50.7% Self-Sufficient, 49.3% Insufficient
- Adult + infant + preschooler: 28.2% Self-Sufficient, 71.8% Insufficient

Source: CT Voices analysis of QCEW data. Includes all three-digit NAICS codes for private sector.
Unemployment by Race, Connecticut

Source: EPI and CT Voices analysis of CPS data. Data labels correspond to 2015 data.
Race and Ethnic Poverty Gaps Are Still Too High

Source: American Community Survey, 1-Year estimates
Median Hourly Wages by Race, Connecticut (2015 $)

Source: EPI and CT Voices analysis of CPS data.
Long Term Economic Trends – State of Working CT

Wage Deciles, Connecticut (2015 $)

Source: EPI and CT Voices analysis of CPS data. Data labels correspond to 2015 data.
State of Working Connecticut

- Connecticut’s recovery from the Great Recession has replaced low-wage jobs with high-wage ones.
- Racial and ethnic inequalities characterize Connecticut’s recovery.
- Increasing the minimum wage would help working families make ends meet.
Contact Information

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