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In October...

Nonfarm Employment

Connecticut 1,698,700
 Change over month +0.22%
 Change over year +1.76%

United States 156,923,000
 Change over month +0.10%
 Change over year +1.89%

Unemployment Rate

Connecticut 3.5%
 United States 3.9%

Consumer Price Index

United States 307.671
 Change over year +3.2%

Summary of Boston Consulting Group's Report: "Getting Young People Back on Track"

By Xian Guan, Associate Research Analyst, CT Department of Labor

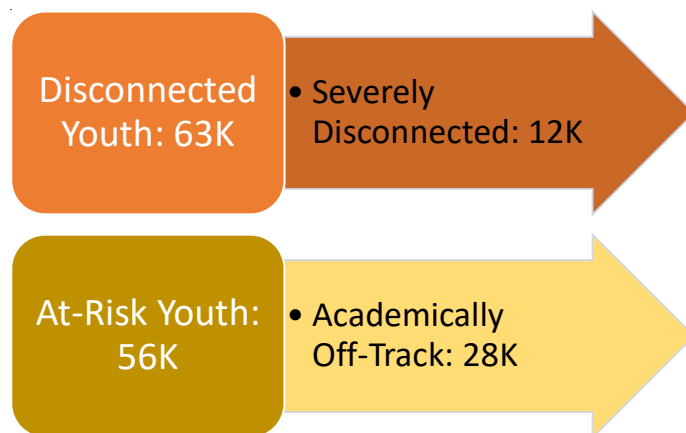
In October 2023, the Boston Consulting Company (BCG) released "Getting Young People Back on Track," an important blueprint for identifying and re-engaging disconnected and at-risk youth. The report was produced using data from the state's P20 WIN project and reached audiences including policymakers, youth services professionals, safety net service agencies, and media outlets. To further the efforts to reach at-risk young people, the Connecticut Department of Labor (CTDOL) presents the report's key findings followed by a synopsis of how the underlying data was compiled through the Connecticut longitudinal data system, P20 WIN. Additionally, CTDOL's Research Unit, a P20 WIN partner, offers three data-driven recommendations for future research.

At-Risk and Disconnected Young People

"Getting Young People Back on Track" concluded that during the 2021-2022 school year Connecticut had 119,000 youth between 14-26 years old who are either disconnected or at risk. Using the below definitional framework, this total is comprised of 63,000 disconnected and 56,000 at-risk youth.

On-track: young people aged 14-26 who are engaged in the educational system or on-track for gainful employment.

At-risk: three sub-populations—*off-track*, those students who do not meet state credit attainment requirements; *at-risk due to other factors*, such as absenteeism and/or behavioral issues; and *severely off-track*,



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those students are off-track and display additional risk factors.

Disconnected: two sub-populations—*moderately disconnected*, high school graduates (including GED holders) who are neither employed nor enrolled in postsecondary education or employed high school non-graduates; and *severely disconnected*, unemployed high school non-graduates or those who are incarcerated.

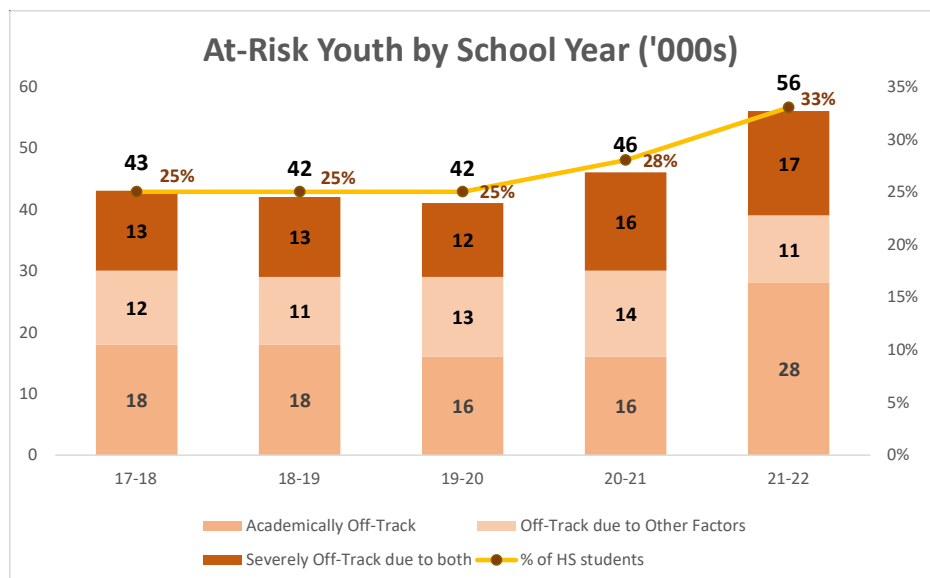
Employment: the employment status is based on whether a person's annual earning is more than \$7,000 or whether a person is enrolled in a workforce training program.

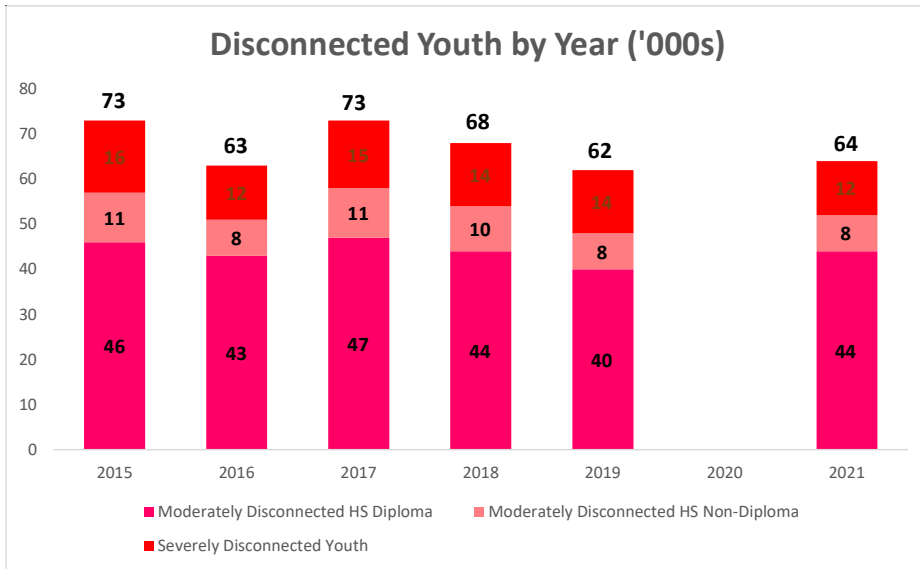
Among the 63,000 disconnected youth, 12,000 are severely disconnected. This group of youth had limited connections in both education and employment. They were not employed or enrolled in a workforce program, did not attain a high school diploma or equivalent, or were incarcerated. They are the most likely target population requiring social services to achieve economic self-sufficiency. Due to various factors, among the 56,000 at-risk high schoolers, half of them

(28,000) were off-track academically, meaning they did not meet the state credit attainment requirement. There was a smaller group of severely off-track high schoolers who exhibited academic concerns and other issues that included school discipline charges and chronic absenteeism.

Using data from the same 2021-2022 school year, BCG mapped the percentages of at-risk high school students and newly disconnected youth between the ages of 14-26. In Bridgeport, Hartford, New Britain, New Haven, New London, Waterbury, and Windham more than 40% of high schoolers were at-risk. Additionally, in Bridgeport, Hartford, and Windham more than 40% of those exiting high school were newly disconnected. Hartford ranked at the top for both at-risk youth (53%) and newly disconnected exiting school (42%).

Although the percentages were reported by town, there were high transiency (students switching schools) and frequent moves across the town lines; 70% of school transfers were across town lines. School





Note: Standard one-year American Community Survey Data was not published for 2020 due to pandemic-related data collection challenges.

transiency is identified as one of the risk factors of disconnection. Fifty-two percent of high schoolers with transiency more than twice experienced disconnection one year after high school, while only 19% of their counterparts experienced disconnection.

Trends of At-Risk and Disconnected Young People in Connecticut

The trends for at-risk high school students and disconnected youth in Connecticut show that both populations increased at the start of the COVID-19 pandemic.

High Schoolers At-Risk of Not Graduating

In 2022, 56,000 high school students (33%) were at risk of

not graduating. In particular, the group of severely off-track students has been rising since the beginning of the pandemic.

BCG explored the possible reasons for this increase. The sharp increase in chronic absenteeism (attendance rate below 90% for 9th and 10th graders and 85% for 11th and 12th graders) largely contributed to this trend. The number of higher school students with chronic absenteeism doubled from 18,000 in the 2017-2018 school year to 36,000 in the 2021-2022 school year. COVID-19 disrupted traditional classroom learning and added a significant increase in absenteeism, which would further put them at risk of being disconnected after they left high school.

Disconnected Youth in Connecticut (2015-2021)

Compared to the increasing numbers of high school students at-risk in Connecticut, the number of disconnected youth aged 14-26 remained steady or even had a slight decrease to 64,000 in 2021. This trend is also true for the severely disconnected youth who were disconnected from both education and workforce systems.

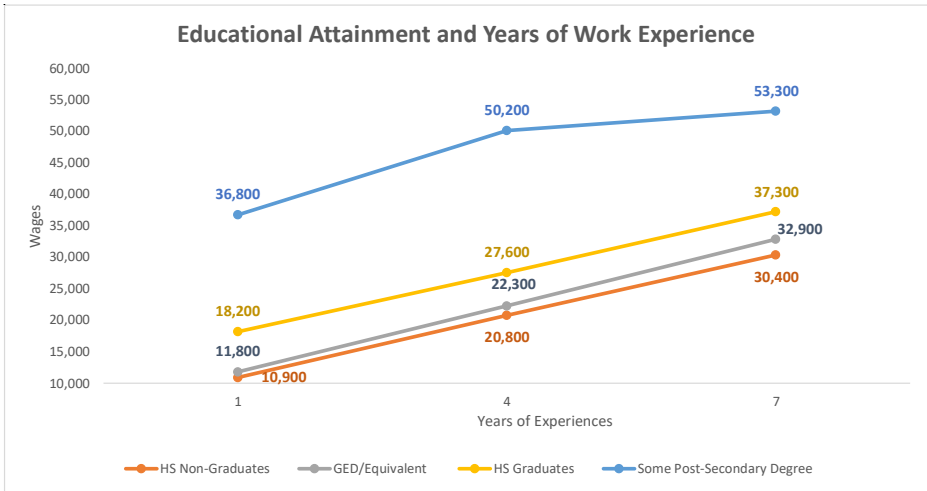
By further examining the numbers of newly disconnected youth each year, this trend was confirmed that roughly 10,000 young people per year experienced disconnection. Among the newly disconnected youth, 70% were moderately disconnected, which translates to about 7,000 high school graduates who were neither employed nor pursued post-secondary education.

Factors Associated with Disconnection

Demographics. In comparison with their white peers, young people who are Hispanic or African American are nearly twice as likely to experience disconnection. Males have a higher risk of being disconnected than females; 29% of young men versus 20% of young women experienced disconnection.

In-School Factors. For those of high school age, factors for disconnection include attending schools in high-poverty districts, special education requirements, frequent school transiency (two or more times), and placement in alternative education. A high-poverty school district is one where 75% or more of the students are eligible for free or reduced-priced lunch. Each

# of risk factors	% youth exited HS with risk factors	% that became disconnected	Odds ratio against those without risk factors
0	59%	14%	1.0*
1	26%	30%	2.2*
2	9%	49%	3.6*
3	4%	63%	4.7*
4-7	3%	77%	5.7*
1+	41%	40%	2.9*



individual factor made the youth an additional two times more likely to be disconnected after high school. Students placed in alternative education have three times the risk as those not.

Out-of-School Factors.

Students with a history of requiring support services from the Department of Children and Families or the Department of Mental Health and Addiction Services since age 18, or the Connecticut Homeless Response System since age 14, were twice as likely to be disconnected than those without any history. Based on safety net program eligibility, researchers are able to conclude there was a critical deficiency of basic needs in the young person’s life.

Cumulation of Risk Factors.

The more risk factors a young person faces, the higher the risk of disconnection. With three or more risk factors or basic need deficiencies, the likelihood of being disconnected increases nearly six times.

Economic Benefits of Addressing Disconnection

Relationship between education and workforce outcomes for individuals. Not surprisingly, higher educational

attainment and consistent employment are linked to significantly higher annual wages at age 24.

Moreover, by age 22, young people who became disconnected in the first year after exiting high school had annual earnings below the ALICE threshold, even if they achieved employment. ALICE (Asset Limited, Income Constrained, Employed) families have earnings above the Federal Poverty Level, but below the basic cost-of-living threshold.¹ At age 22, the median annual earnings for disconnected youth were \$14,000 while Connecticut’s ALICE threshold earnings require \$25,000 for economic independence as a single adult. The experience of disconnection has a significant and sustained negative impact on both employment and wages.

According to the BCG report, supporting disconnected youth could help fill a large portion of the unfilled jobs in the Connecticut labor market and could boost Connecticut’s GDP by \$5-\$5.5 billion. Further, addressing youth disconnection and risk early could boost Connecticut’s fiscal performance by \$650-\$750 million annually due to the

additional tax revenue and lower spending on government services.

Recommendations from the Report

- Improve school district data systems and practices to identify and support at-risk students.
- Publish annual reports about at-risk and disconnected young people.
- Establish cross-sector coalitions and partnerships focused on supporting at-risk and disconnected young people.
- Designate an entity in every municipality or region responsible for supporting disconnected young people.
- Significantly strengthen the capacity of organizations that serve at-risk and disconnected young people.
- Invest in expanding supports and services for at-risk and disconnected young people.
- Invest in high-touch case management for at-risk and disconnected young people.
- Invest in tackling chronic absenteeism.
- Invest in strengthening pathways from disconnection to employment.

P20 WIN in Connecticut

The report relied in part on data obtained through P20 WIN, Connecticut’s state longitudinal data system. Currently, there are 14 participating agencies covering the public education system, higher education institutions, supportive services, and workforce information. The operating group is at the Office of Policy and Management (OPM), and Department of Labor (DOL) is the data integration hub. The participating agencies that contributed data to the BCG report were the Connecticut

Coalition to End Homelessness (CCEH), the Department of Children and Families (DCF), the Department of Labor (DOL), the Department of Mental Health and Addiction Services (DMHAS), and the State Department of Education (SDE).

Suggestions for future research

Replace incarceration with the types of charge(s). Since the targeted population is youth and Connecticut has the lowest incarceration rate in the nation, the charge(s) of a conviction would be a better measure than

incarceration. A future report could look at the most severe charge and the frequency of charges, as well as the first conviction onset age.

Identification of protective factors for possible early interventions. A future study could identify a comparison group sharing a similar profile to at-risk/disconnected youth who have positive workforce outcomes (within a period) to identify positive factors that might guide possible services or early interventions.

Include other data sources of earnings and employment.

Employment status was defined based on the Connecticut wage records, which excludes out-of-state employment, youth in the military, and other inaccessible earnings, such as self-employment. A future analysis could include more data sources to provide a more complete profile of Connecticut youth. ■

1 <https://alice.ctunitedway.org/>

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	3Q 2023	3Q 2022	YoY CHG		2Q 2023	QoQ CHG	
			NO.	%		NO.	%
General Drift Indicator (2007=100)*							
Leading	111.9	111.8	0.2	0.2	111.4	0.5	0.48
Coincident	96.3	95.8	0.5	0.5	95.8	0.5	0.51
Real Gross Domestic Product**							
(Millions of chained 2012 dollars)							
Connecticut	1Q 2023	1Q 2022	YoY CHG		4Q 2022	QoQ CHG	
United States			NO.	%		NO.	%
New England	252,809	254,011	-1,202	-0.5	252,611	198	0.1
	20,282,760	19,924,088	358,672	1.8	20,182,491	100,269	0.5
	1,040,673	1,031,578	9,096	0.9	1,036,456	4,218	0.4
Per Capita Personal Income**							
(Current \$, SAAR)							
Connecticut	2Q 2023	2Q 2022	YoY CHG		1Q 2023	QoQ CHG	
United States			NO.	%		NO.	%
New England	86,674	82,001	4,673	5.7	85,925	749	0.9
	68,279	64,972	3,307	5.1	67,640	639	0.9
	81,904	77,778	4,126	5.3	81,085	819	1.0
Philadelphia Fed's Coincident Index (2007=100)***							
Connecticut	Oct 2023	Oct 2022	YoY CHG		Sep 2023	MoM CHG	
United States			NO.	%		NO.	%
	125.61	121.63	3.98	3.3	125.38	0.23	0.2
	139.40	135.31	4.09	3.0	139.18	0.21	0.2

Sources: *Dr. Steven P. Lanza, University of Connecticut, <https://steven-lanza.uconn.edu/the-connecticut-green-sheet/>
 U.S. Bureau of Economic Analysis *Federal Reserve Bank of Philadelphia

General Drift Indicators are composite measures of the four-quarter change in three coincident (Connecticut Manufacturing Production Index, nonfarm employment, and real personal income) and three leading (housing permits, manufacturing average weekly hours, and initial unemployment claims) economic variables, and are indexed so 2007 = 100.

The **Philadelphia Fed's Coincident Index** summarizes current economic condition by using four coincident variables: nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average).