

# Collaborating for Long Term Impact in CT

Presentation to CT Council for Philanthropy

March 7, 2019

Federal Reserve Bank of Boston

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Drawing upon work of Regional and Community Outreach and the New England Public Policy Center at the Boston Fed. Thank you to Amy Higgins for research assistance and to Osborne Jackson, Mary Burke, David Radcliffe, Sarah Savage, and Sol Carbonell. Any views expressed are those of the author and not the Federal Reserve Bank of Boston or Federal Reserve System.

# About the Federal Reserve Bank of Boston

- ▶ **Federal Reserve System**
  - ▶ Board of Governors (Washington DC)
  - ▶ Regional reserve banks, (12 including Boston)
  - ▶ Conducts monetary policy, bank supervision, community engagement
  - ▶ Dual Mandate: maximum employment and stable prices (inflation)
- ▶ **Regional and Community Development (R&CO)**
  - ▶ Focus on lower income populations
- ▶ **New England Public Policy Center**
  - ▶ Economic Research; have analyzed fiscal conditions in New England

# Agenda

- ▶ Employment Snapshot of CT
- ▶ Addressing systemic issues by taking concrete steps to:
  - ▶ Revitalize cities through cross-sector collaboration
  - ▶ Upgrade low wage work
  - ▶ Enhance access to affordable and high quality child care

# Employment Growth Rates

	Annual Long-Term Trend	Annual Growth Post-Recession	Last 12 Months (December 2017-December 2018)	
	Percent	Percent	Percent	Number
<b>United States</b>	1.5	0.8	1.8	2,674,000
<b>New England</b>	0.9	0.6	1.5	115,000
<b>Connecticut</b>	0.5	0.0	1.2	19,900
<b>Maine</b>	1.1	0.2	0.7	4,300
<b>Massachusetts</b>	0.9	1.0	1.8	65,800
<b>New Hampshire</b>	1.5	0.6	2.7	18,100
<b>Rhode Island</b>	0.7	0.4	1.4	7,100
<b>Vermont</b>	1.2	0.2	-0.1	-200

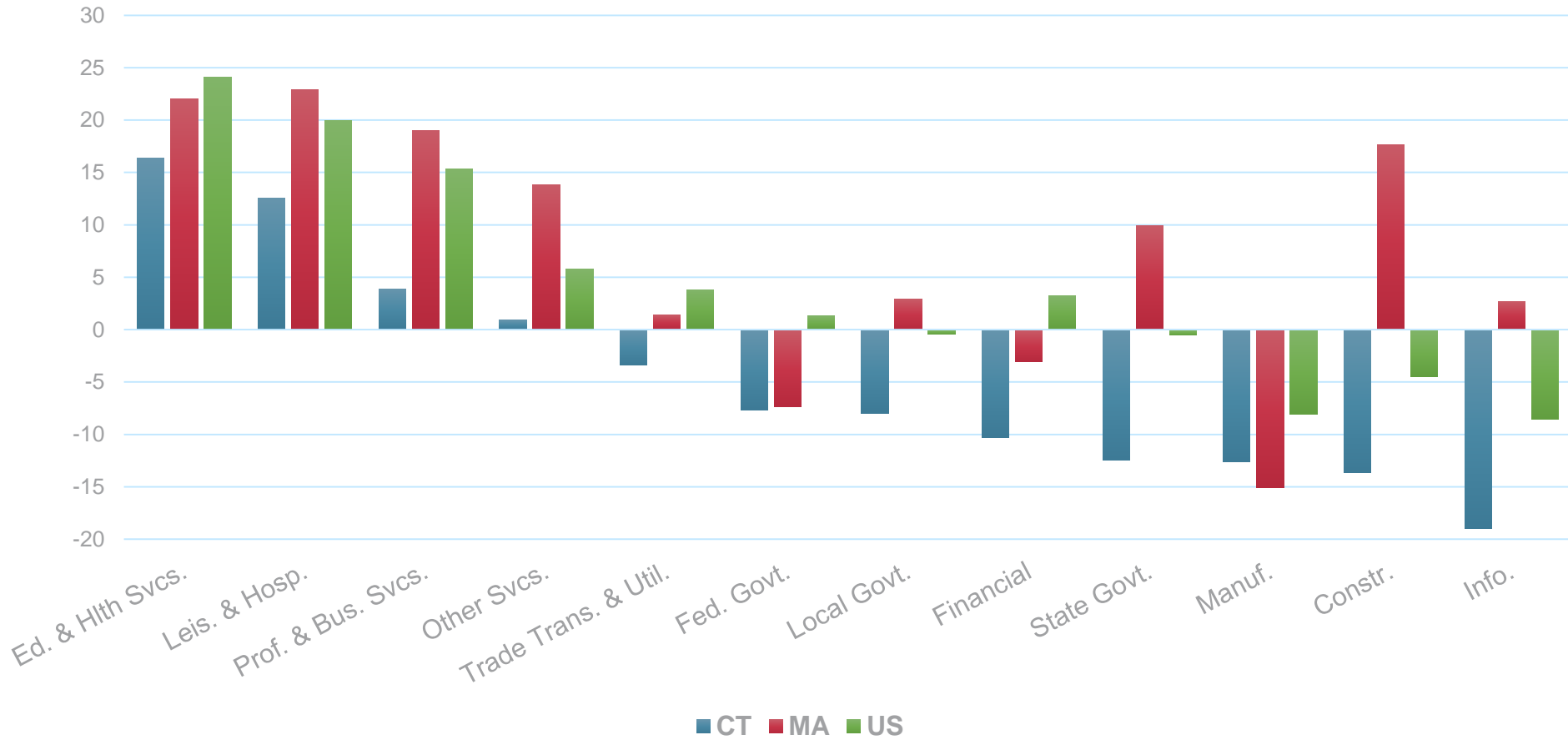
Notes: *Annual Long-term growth* refers to average year-over year (YoY) growth between 1984-2018. *Annual Growth Post-Recession* refers to average YoY growth between 2009-2018. *Last 12 months* refer to YoY growth between December 2017 and December 2018

Source: Bureau of Labor Statistics/Haver Analytics

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# Net Job Growth

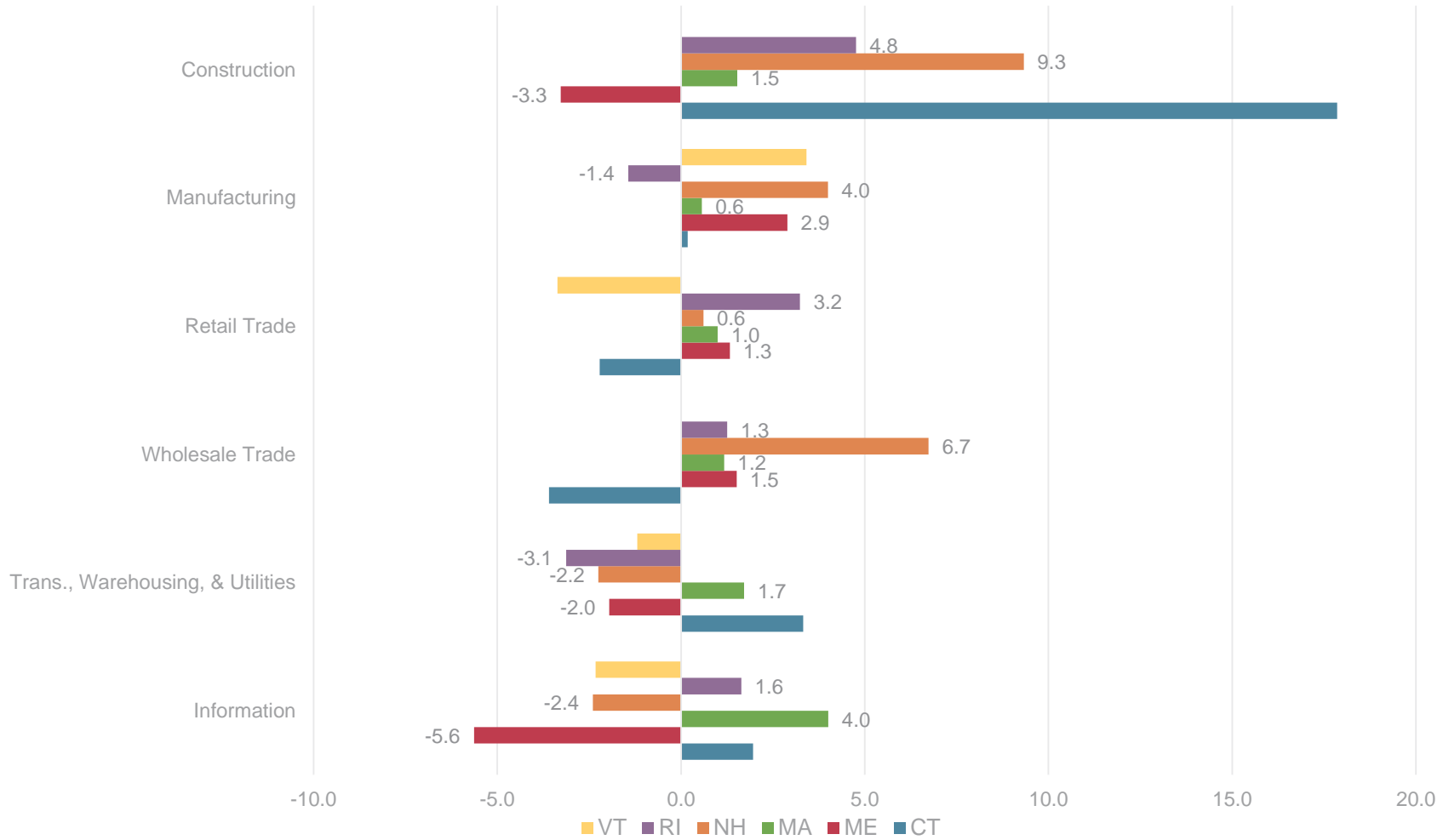
## Net Employment Change by Industry, December 2007-December 2018



Source: Bureau of Labor Statistics/Haver Analytics

# Employment Growth by Industry

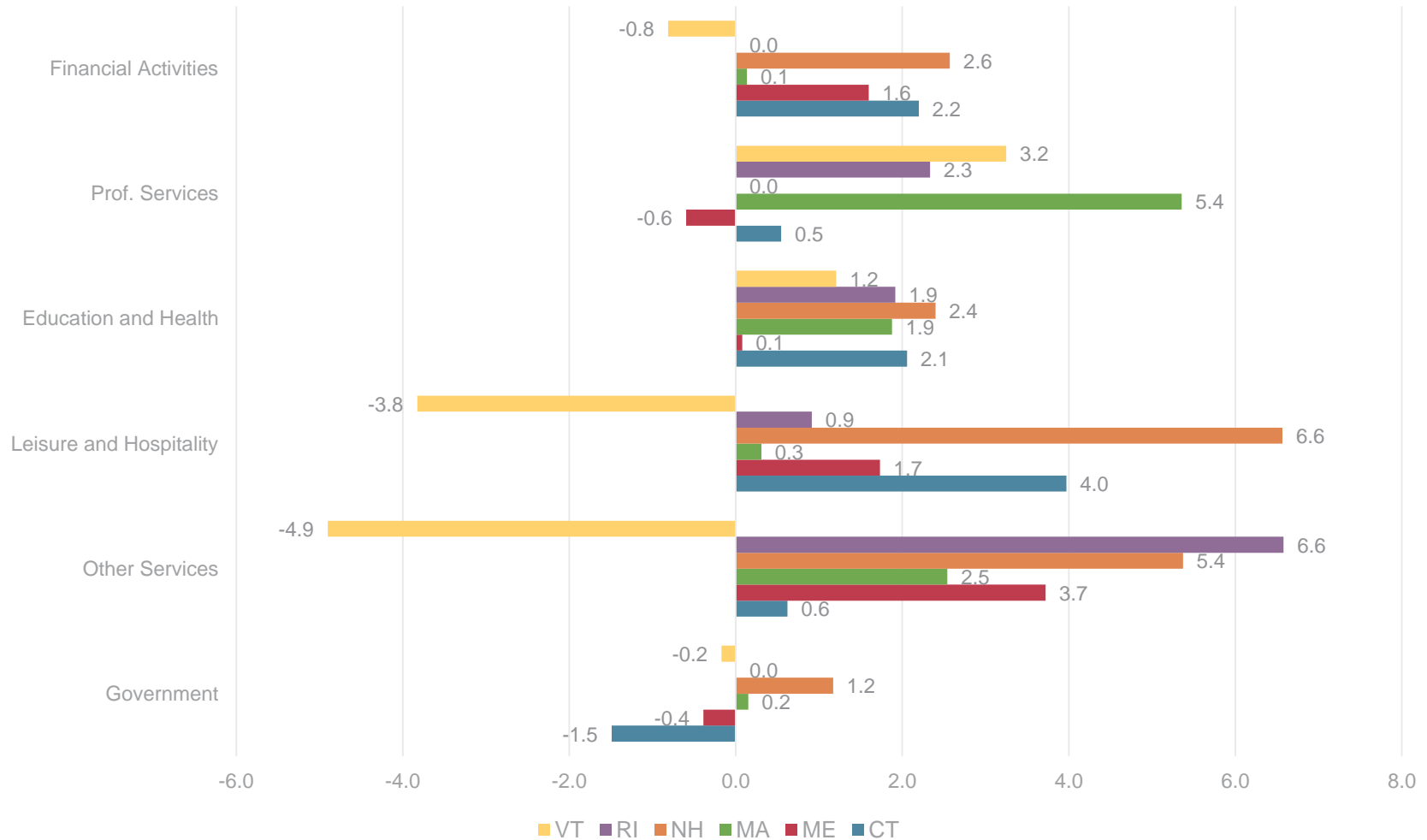
Percent Change December 2017-December 2018



Source: Bureau of Labor Statistics/Haver Analytics

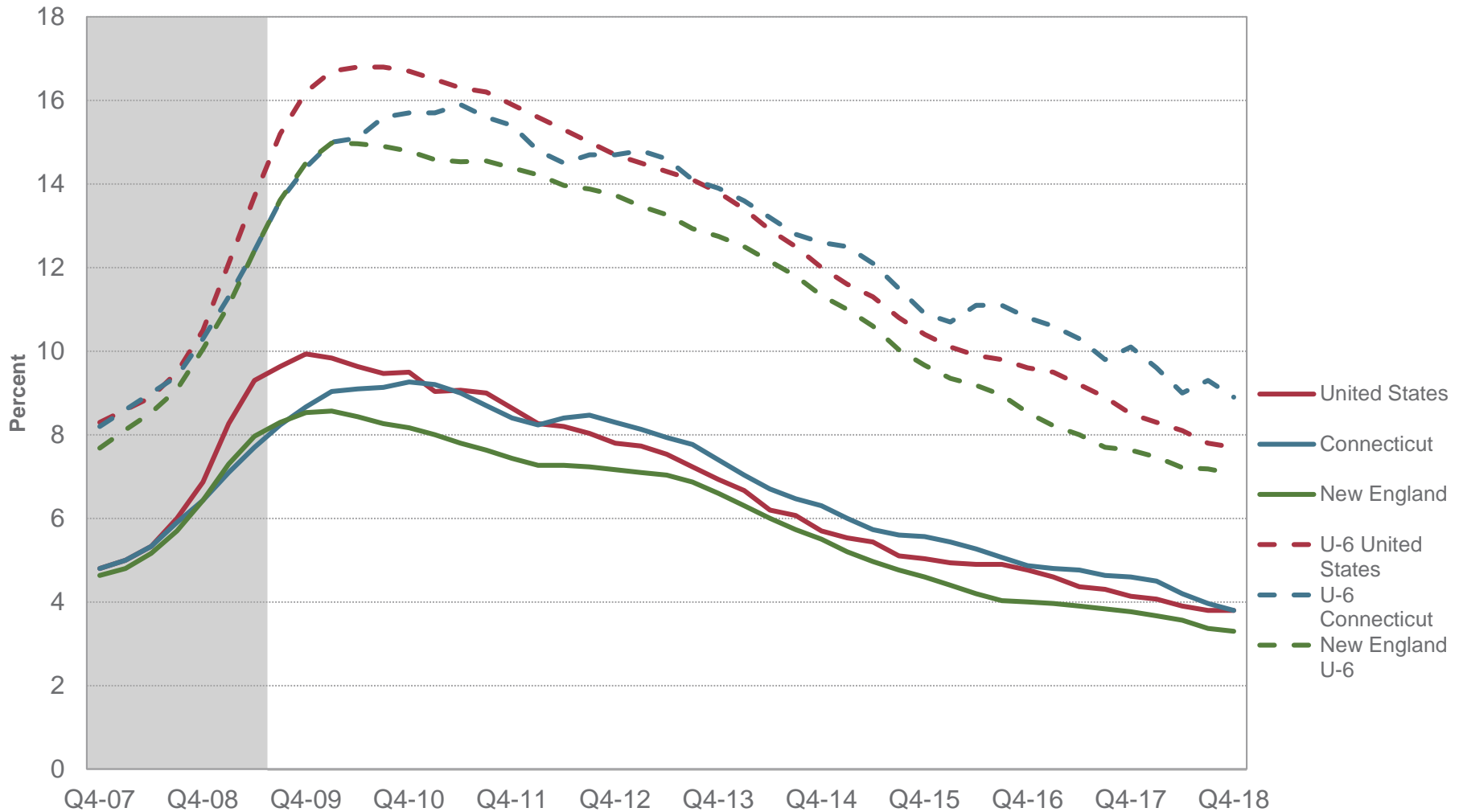
# Employment Growth by Industry

Percent Change December 2017-December 2018



Source: Bureau of Labor Statistics/Haver Analytics

# Unemployment Rates



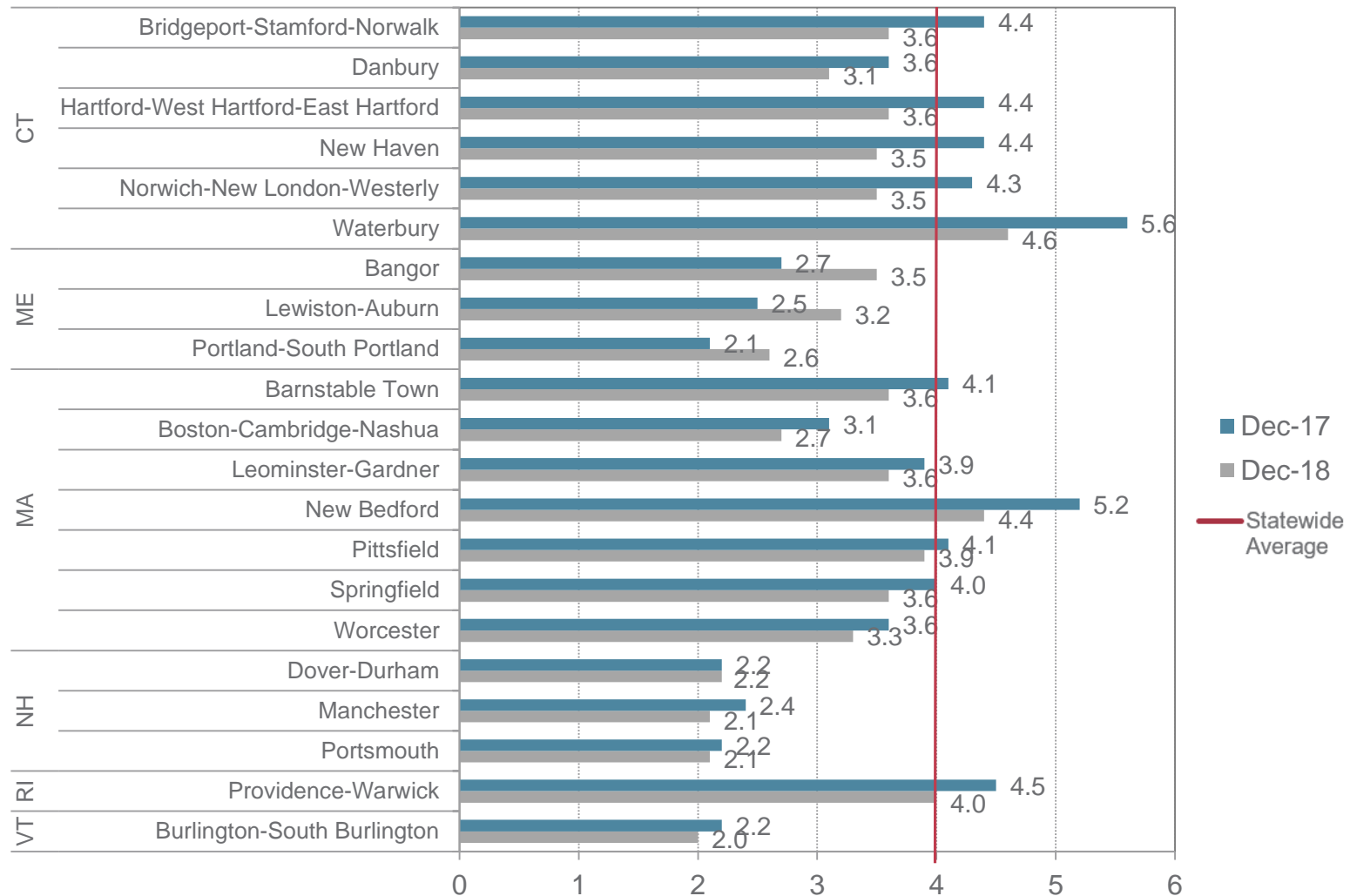
Notes: U-6 includes total unemployed, plus all marginally attached workers, plus total employed part-time for economic reasons, as a percent of the civilian labor force, plus all marginally attached workers

Source: Bureau of Labor Statistics/NBER/Haver Analytics

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# Unemployment Rates in New England by Metropolitan Areas

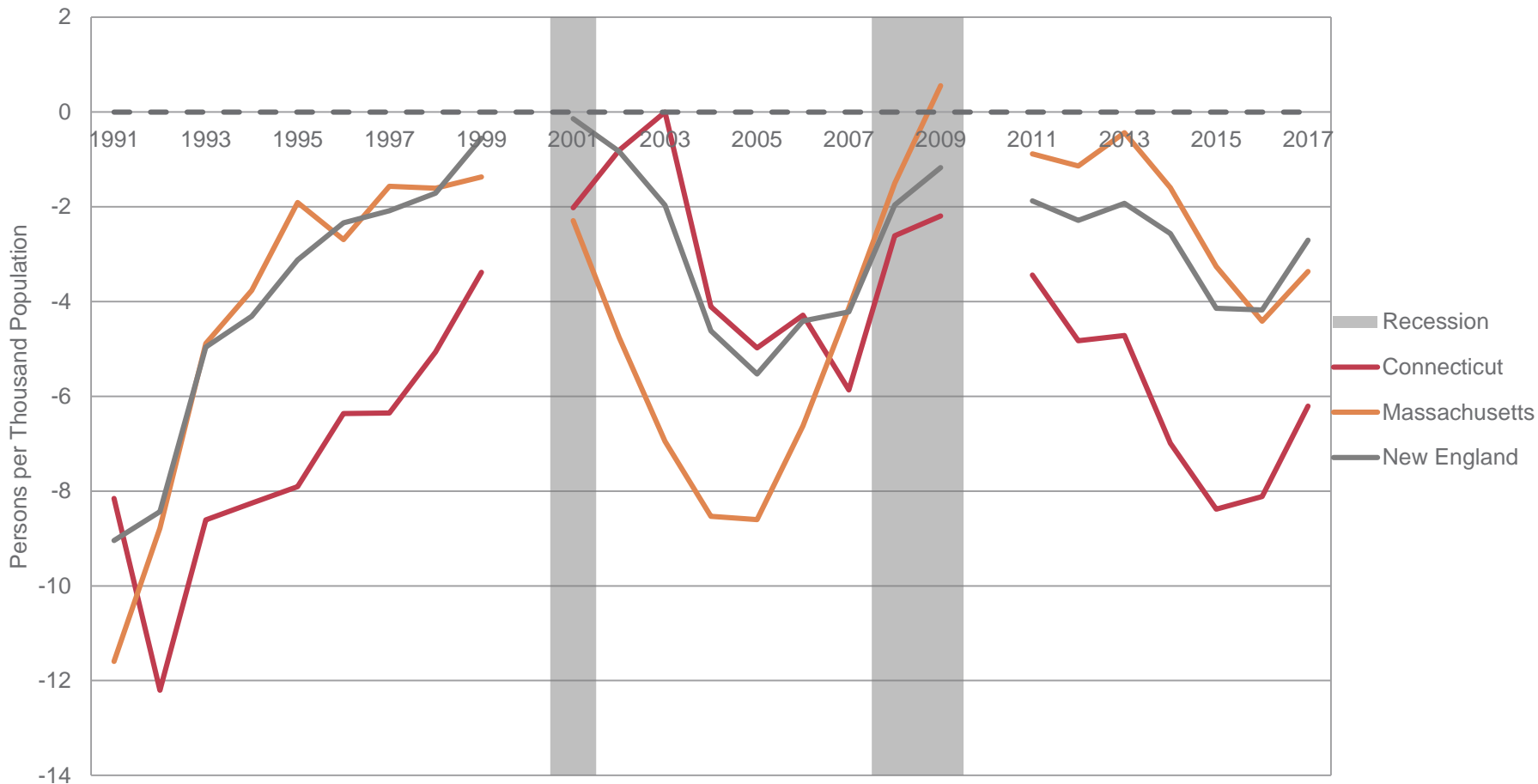


Source: Bureau of Labor Statistics/Haver Analytics/New England Public Policy Center

# Net Domestic Migration

## Since 2010 more negative in CT than the region

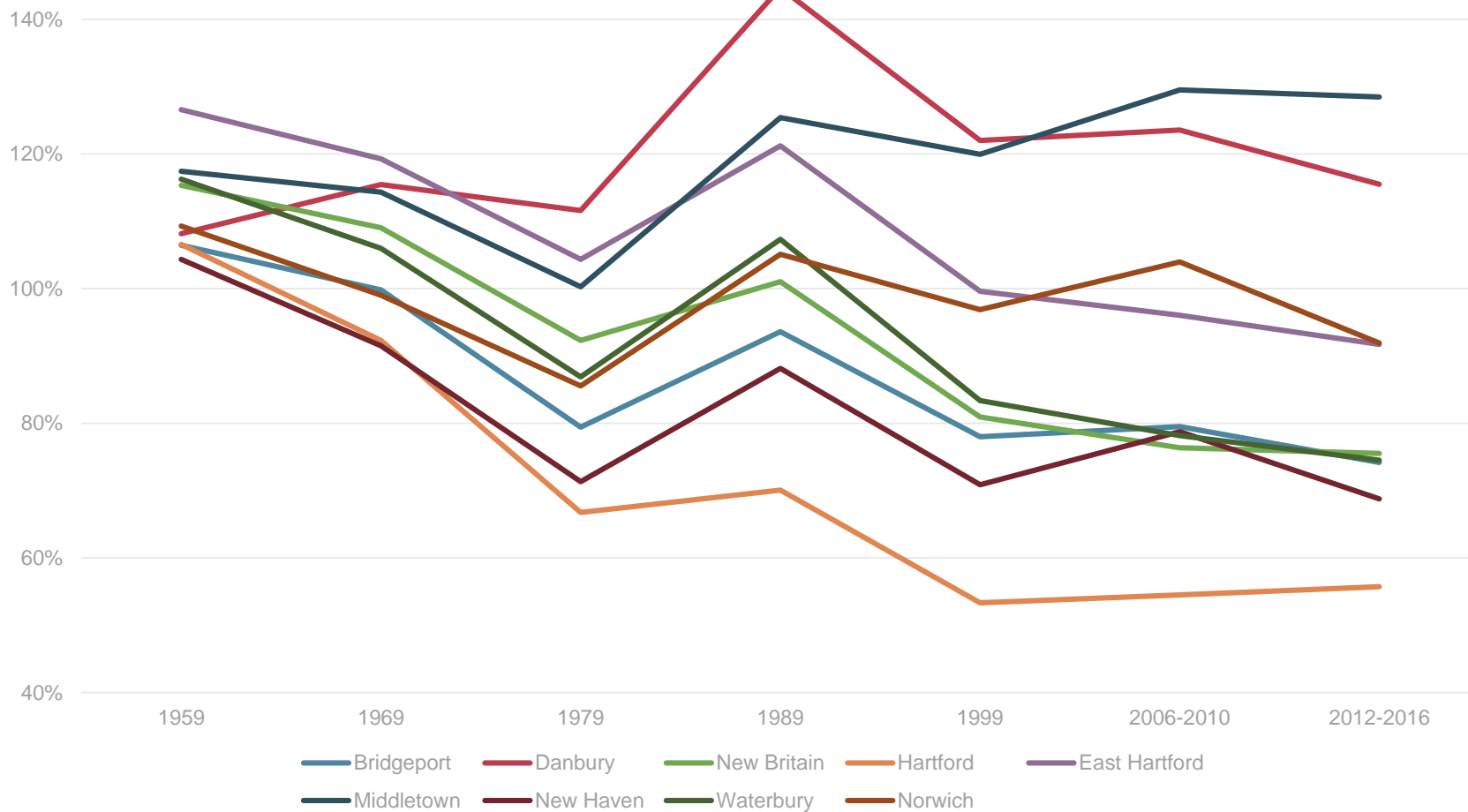
### Net Domestic Migration Rates in persons per Thousand Population Members



Source: Census Bureau/Haver Analytics

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# Median Family income Relative to U.S. Median Family Income



Source: Census/ACS 5 year estimates

# WORKING CITIES CHALLENGE IN NEW ENGLAND

- ▶ Competition for three-year grant funds. Grants are modest in size (\$400–\$475k) and contributed by private, public and philanthropic partners (no funds from the Federal Reserve)
- ▶ Over \$10 million in award funds contributed by 63 funders to date
- ▶ State-by-state model. Current states: Massachusetts (2 rounds), Rhode Island, and Connecticut
- ▶ Expansion to northern New England states (VT, NH, ME) currently in planning with adaptations for rural areas



**MASSACHUSETTS**

Round	Round
<b>1</b> Lawrence Fitchburg Chelsea Holyoke	<b>2</b> Haverhill Lowell Springfield Pittsfield



**RHODE ISLAND**

Cranston  
Newport  
Providence



**CONNECTICUT**

Danbury  
East Hartford  
Hartford  
Middletown  
Waterbury

# WCC AT WORK: LAWRENCE, MASSACHUSETTS

*New CEO economic development group: Lawrence Partnership. Lawrence WCC effort and Partnership together tackling city-wide local hiring campaign*

- ▶ Major **new family support system** created for schools has counseled, referred, and trained nearly 1,000 parents to date.
- ▶ Over **250 parents placed in jobs**; **25 percent average increase** in wages
- ▶ Launched the state's first **Pay-for-Success** immigrant jobs effort outside of Boston
- ▶ **New parent engagement model** piloted with 650 parents, now being adopted across school system (9,500 families)
- ▶ School turnaround successful so far – significantly moving the needle on graduation rate
- ▶ **CEO-to-CEO effort** to improve healthcare and manufacturing hiring involving 7 manufacturing and 6 healthcare employers
- ▶ WCC implementation grant **leverages more than \$1.6 million** in direct philanthropic and public-sector funds



# CT WORKING CITIES IMPLEMENTATION CITIES

- ▶ Connecticut Working Cities Challenge winners—Danbury, East Hartford, Hartford, Middletown, and Waterbury—each received \$450,000 in 2018
- ▶ Initiatives focus on workforce development for lower-income residents
- ▶ Cities are addressing difficult issues, including racial equity

## DANBURY

'DanburyWORKS' is addressing barriers (language and childcare) to help move residents into job and educational training programs to improve economic self-sufficiency

## E. HARTFORD

E. Hartford 'CONNects' brings together employers, workforce intermediaries, job seekers to create a career development culture that leads to family-sustaining employment

## HARTFORD

'South Hartford Young Adult Employment Zone' focuses on poverty and the need for an educated workforce to attract and retain employers to the city and region

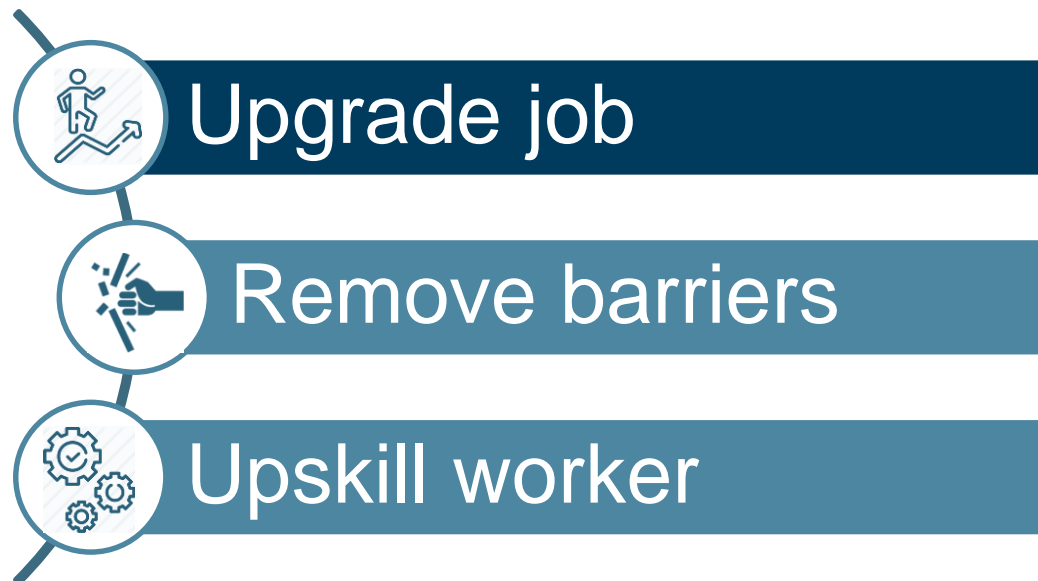
## MIDDLETOWN

'Middletown Works' is developing meaningful employment opportunities for single parents and provide them with training and resources to obtain a living wage and career-sustaining work

## WATERBURY

'River Baldwin ASPIRA' realigning and relocating job training services and revising childcare decision-making policies to be more equitable in the South End neighborhood

# Strategies for Improving Employment Outcomes



# Who makes less than \$15/hour in CT?

## Connecticut

Who makes less than \$15/hr in CT?



**31%**

of all workers



**41%**

of Black workers



**54%**

of Latino workers

Of all less-than-\$15/hr workers...



**49%**

work in retail, health care, or restaurants



**57%**

are at least 30 years old



**61%**

are full-time workers

Children?



**22%**

of children have a parent making less than \$15/hr

Source: Author's analysis of 2014 American Community Survey data.

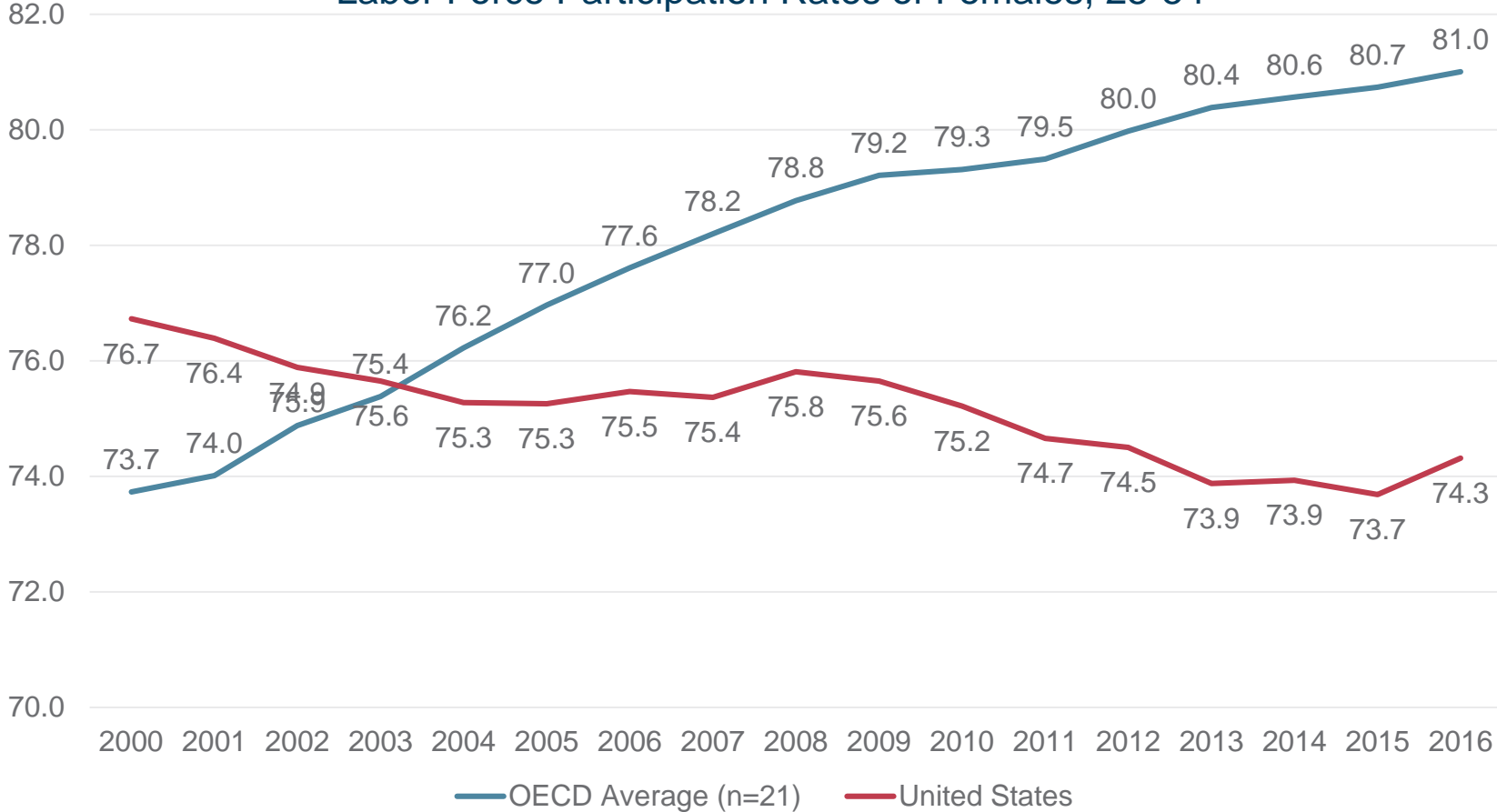


# Good jobs matter – What can we do to generate more?

- Significant sectors of the population earn subsistence wages or less than \$15/h.
- Workers in low-wage jobs have less access to employer-provided healthcare, retirement and paid sick leave benefits; also lack predictable schedules.
- Lower-wage jobs: detrimental impacts on individual - costly to communities and states.
- Multiple strategies to increase job quality: employer practices; lender and investor-imposed standards; community benefit agreements and economic development incentives; public policy (e.g. paid family medical leave).
- Private and philanthropic sectors at the forefront and experimenting.

# Insufficient Response to Contemporary Norm of “All Parents Working” in the U.S.

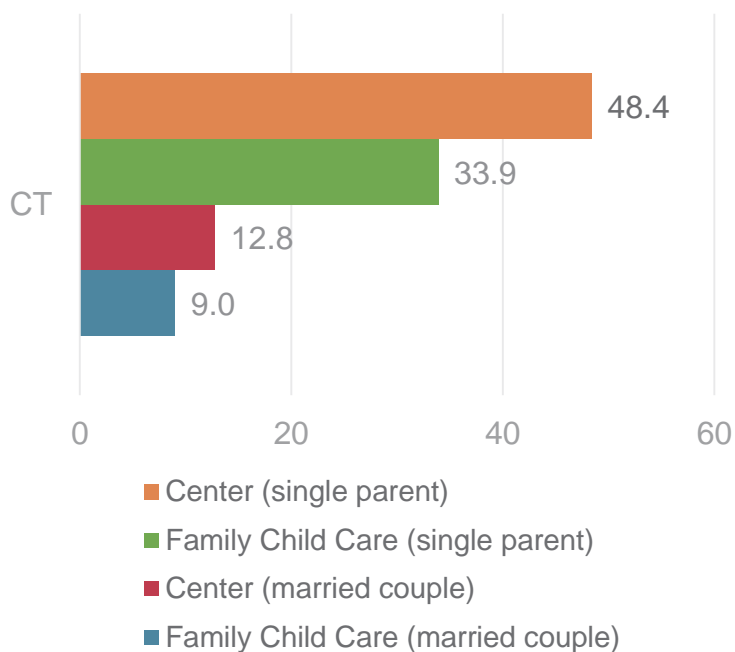
Labor Force Participation Rates of Females, 25-54



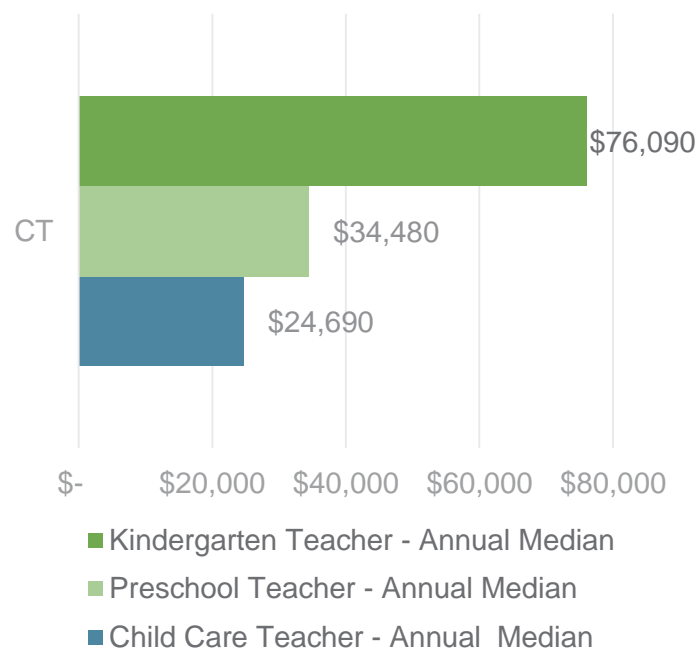
Source: Blau, F. D., & Kahn, L. M. (2013). *Female labor supply: Why is the US falling behind?* (No. w18702).

# Costs and wages – Child Care in CT

Full-time Infant Care as Percent of Family Income



Median Annual Income of Early Education Workforce



Source: The US and the High Cost of Child Care: 2017 Bureau of Labor Statistics Occupational Employment Statistics (OES) Survey. May 2017..

# Why This Matters: Inadequate Early Child Care Affects the Economic and Employment Advancement of Working Parents

- ▶ A study of working parents of children under 3 estimates economic burdens attributable to inadequate child care as costing U.S. employers \$12.7 billion annually (Belfield, 2018)
- ▶ In Louisiana survey, 14% of respondents turned down promotion with children under 5 (women were 6 times as likely) (Davis et al., 2017)
- ▶ A study of recently hired welfare recipients found pervasive absenteeism linked to child care and transportation (Holzer et al., 2001)

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