



Testimony Regarding the Report of the Commission on Fiscal Stability and Economic Growth

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Appropriations Committee, Commerce Committee, Finance, Revenue and Bonding Committee, and
Planning and Development Committee

March 23, 2018

Good afternoon distinguished members of the Appropriations, Commerce, Finance, Revenue and Bonding, and Planning and Development Committees:

My name is Ray Noonan, and I am testifying today on behalf of Connecticut Voices for Children, a research-based child advocacy organization working to ensure that all Connecticut children have an equitable opportunity to achieve their full potential.

There are numerous aspects of the report issued by the Commission on Fiscal Stability and Economy Growth where we find agreement, and we commend their hard work under a tight deadline with the intent of ensuring that Connecticut adequately supports its families, businesses, and communities. We commend the Commission's clear call for legislative action to spur economic growth, in part by developing our workforce, modernizing our infrastructure, and revitalizing our core cities. We also appreciate the Commission's recommendation to study and delay the bond lock before it locks in the three new fiscal restrictions for a decade.

We would like to point out, however, **that the report does not offer solutions regarding the yawning racial and ethnic disparities within Connecticut. Addressing these racial and ethnic disparities can play a critical role in promoting economic growth and business innovation.**

Opportunities in Connecticut today are not equal. The median hourly wage for Black and Latino workers is \$10.08 and \$8.98 less than that of their White counterparts, respectively.¹ The poverty rate for Black and Latino children is 4.2 and 4.6 times that of their White peers, respectively—larger than national disparities.² Connecticut's Black and Latino residents are more likely than White residents to be uninsured, to die before reaching adulthood, and to report being in poor health.³ Black children are disproportionately less likely to be enrolled in Gifted and Talented or Advanced Placement courses compared to their White peers.⁴ These disparities in opportunity result in part from structural barriers, such as disparate zoning regulations and tax rates across our 169 municipalities, that state policy can help ameliorate. Connecticut Voices for Children believes that **these disparities contribute to our state's lagging economic recovery and that reducing them is an essential part of a comprehensive economic development strategy.**

There exists correlational evidence that countries with less inequality also enjoy faster economic growth:

- A report published by the Organization for Economic Cooperation and Development found that “income inequality has a negative and statistically significant impact on subsequent growth.”⁵
- A report published by the International Monetary Fund found a “strong negative relation between...inequality and growth in income,” concluding that “inequality remains harmful for growth.”⁶
- A report published by the Cleveland Federal Reserve Bank found that “the pursuit of social goals, such as racial inclusion and income equality, can enhance regional economic growth.”⁷

Unfortunately, the Commission did not explicitly address racial inequities in its report. Although its strategy for promoting economic growth includes efforts to “develop and retain the workforce that Connecticut needs,” these efforts include building a new STEM campus in Connecticut, enhancing the rankings of its colleges and universities, and offering targeted incentives and outreach programs to those who already have the skills for a 21st-century economy.⁸ They do not include developing the talent Connecticut already has by ensuring that *all* children have an equitable opportunity to reach their full potential. Although, as the Commission’s report notes, Connecticut’s K-12 education system is one of the most highly ranked in the country, not all students experience the benefits of such a system.⁹ As my colleague Camara Stokes Hudson has noted, **“Black children are chronically absent at a rate two times higher than their White peers, missing significantly more educational time...In the 2015-2016 school year, 71 percent of the students who were suspended or expelled from preschool through 2nd grade were Black or Latino.”**¹⁰ The share of Connecticut’s Black students who do not meet achievement standards on standardized tests is triple that of White students.¹¹ Increasing support for minority teachers, requiring anti-racism trainings for school personnel, and reducing disparities in education funding could all help Connecticut meet the Commission’s goals while rectifying racial inequities.¹²

Thank you for this opportunity to testify. Please feel free to contact me if you have questions or need additional information. You can reach me at rnoonan@ctvoices.org or (203) 498-4240 x113.

¹ Noonan, R. (2017.) *State of Working Connecticut 2017*. Retrieved from

<http://www.ctvoices.org/sites/default/files/State%20of%20Working%20Connecticut%202017%20Final.pdf>.

² Noonan, R. and Siegel, K. (2017.) *Reductions in Poverty, Uninsurance at Risk due to New Budget*. Retrieved from

<http://www.ctvoices.org/sites/default/files/Census%20brief%20FINAL.pdf>.

³ Siegel, K. (2018.) *Testimony in Support of S.B. 465*. Connecticut Voices for Children. Retrieved from

http://www.ctvoices.org/sites/default/files/031618_health_sb465_disparitieshealthcare.pdf.

Noonan, R. (2017.) *State of Working Connecticut 2017*. National Kids Count Data Center. Retrieved from:

<http://datacenter.kidscount.org/data/tables/7752-child-and-teendeath-rate-by-race-and-ethnicity?loc=8&loc=2#detailed/2/8/false/573,869,36,868,867/10,11,9,12,1,13/14941,17850>

⁴ Stokes Hudson, C. (2018.) *The Black-White Education Gap in Connecticut: Indicators of Inequality in Access and Outcomes*. Retrieved from

[http://www.ctvoices.org/sites/default/files/New%20Edits%20-%20NG%20-%20The%20Black-White%20Education%20Gap%20In%20Connecticut%20-%20Indicators%20of%20Inequality%20in%20Access%20and%20Outcomes%20Final%20-%20Copy%20\(1\).pdf](http://www.ctvoices.org/sites/default/files/New%20Edits%20-%20NG%20-%20The%20Black-White%20Education%20Gap%20In%20Connecticut%20-%20Indicators%20of%20Inequality%20in%20Access%20and%20Outcomes%20Final%20-%20Copy%20(1).pdf).

⁵ Cingano, F. (2014.) *Trends in Income Inequality and Its Impact on Economic Growth*. Retrieved from http://www.oecd-ilibrary.org/social-issues-migration-health/trends-in-income-inequality-and-its-impact-on-economic-growth_5jxrjncwv6j-en.

⁶ Ostry, J., Berg, A., and Tsangarides, C. (2014, February). *Redistribution, Inequality, and Growth*. Retrieved from <http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf>. Pages 16 and 21.

⁷ Eberts, R., Erickcek, G., and Kleinhenz, J. (2006, April). *Dashboard Indicators for the Northeast Ohio Economy: Prepared for the Fund for Our Economic Future*. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1022345. Page iii

⁸ *Final Report* (Rep.). (2018, March). Retrieved [https://www.cga.ct.gov/fin/taskforce.asp?TF=20171205_Commission on Fiscal Stability and Economic Growth](https://www.cga.ct.gov/fin/taskforce.asp?TF=20171205_Commission%20on%20Fiscal%20Stability%20and%20Economic%20Growth). Pages 88-97.

⁹ *Ibid.* Page 32.

¹⁰ Stokes Hudson, C. (2018.) *The Black-White Education Gap in Connecticut: Indicators of Inequality in Access and Outcomes*.

¹¹ *Ibid.*

¹² *Ibid.*