here, the Hartford metropolitan area lost "only" 5.5%, while Springfield lost 13.5%, according to Census data analyzed by Bill Bishop and Richard Florida (*Hartford Courant,* 3/30/03).

Elsewhere in this issue (pp. 12-13), Will McEachern examines the issue of "Household by Type" (in Census argot) in our state. Suffice it here to note that, from 1990 to 2000, the share of "family households" with a "female householder, no husband present" rose by 0.7 percentage points, from 11.4 to 12.1%. The share for the subcategory "with own children under 18 years" rose more, by 1.0 point, from 6.0 to 7.0%—an increase in share of 1/6th. Given the strong correlation of these categories with persistent family poverty, it's clear that there's still work to be done in the Nutmeg State on this front.

Connecticut's population grew more diverse during the 1990s. Changes in Census terminology and categories between 1990 and 2000 make precise comparisons (of inherently imprecise constructs) impossible. In 2000, respondents were given the option of classifying themselves exclusively of "one race" or primarily of one race in combination with others. Table 5 shows both definitions of "race;" the "truth" lies somewhere between the percentage changes for the first three categories.

The share of "whites" (or "pinks", in George Bernard Shaw's apt term) fell from 87.0% in 1990, to either 81.6% or 83.3% in 2000. (A very high proportion of the Gen Xodus were pinks.) The share of African-Americans ticked up from 8.3% in 1990, to either 9.1% or 10.0% in 2000. Asians' share leapt from 1.5% in 1990, to either 2.4% or 2.8% in 2000—a small *absolute* gain, yes, but a whopping *relative*. Finally, the share of Hispanics jumped from 6.5% in 1990 to 9.4% in 2000.

Just for reference and to emphasize the vagaries of the categories used in our self-reporting census system, Connecticut residents listing themselves as "not Hispanic or Latino" lost share from 93.5% in 1990 to 90.6% in 2000—a decline of 3.1 percent. And of the self-reported non-Hispanics, those claiming "[pink] alone" status dropped 6.3 points in share, from 83.8% to 77.5%, or by 7.5 percent.

"[Pink] alone" folks (definitionally consistent, at least, in both years) declined by a net 115,339 souls between censuses. Assuming that everyone else made the state more diverse, Connecticut grew more varied, from one census to the next, to the tune of 233,788 additional souls. Those 234 thousand people could be said to have prevented us from being the only state (not counting the District of Columbia) to lose population during the 1990s. And given nation-wide demographics, they also helped make us a bit younger than we would otherwise have been.

The 1990s: When Yachts Rose Faster Than Dinghies

By Dennis Heffley and MaryJane Lenon

By and large, the last decade has been a good one for *The Connecticut Economy* and the Connecticut economy. The state began the 1990s with an unwelcome lull, but eventually joined the New Economy regatta and finished the decade in winning style. In 2000, Connecticut boasted the nation's highest per capita income ($28,766 by Census definition), highest gross state product per nonfarm worker ($94,081), and lowest unemployment rate (2.2%). But even the sunnier part of the 1990s had a darker underside.

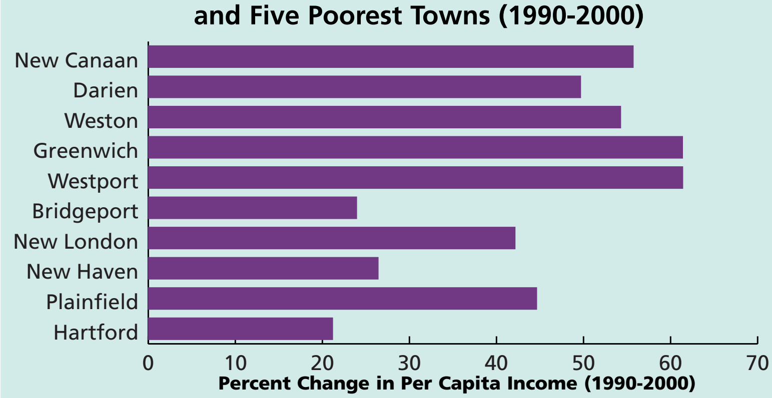
Data show that the benefits and burdens of a decade of change were unevenly shared: the 1990s were kinder to the wealthy than to the poor; inequalities grew rather than shrank; and the effect extended beyond individuals to their communities.

Small State, Big Differences

Connecticut's 169 towns were dissimilar when the decade began. They're even less alike now. Let's see how the five towns with the highest per capita incomes in 1990 fared over the decade, relative to the five poorest towns. According to the 1990 Census, the top five towns were New Canaan, Darien, Weston, Greenwich, and Westport—all in Fairfield County, with per capita incomes ranging from $52,692 down to $45,640. The five poorest towns in that year were Hartford, Plainfield, New Haven, New London, and Bridgeport—scattered about the state in five different counties, with per capita incomes ranging from $11,081 to $13,156.

The bar graph below shows the percentage increase in per capita income for each of the ten towns between 1990 and 2000. Growth in per capita incomes averaged more than 56% in the five richest towns, but less than 32% in the five

Income Growth in Connecticut's Five Richest and Five Poorest Towns (1990-2000)



Source: *The Connecticut Economy* based on data from the 1990 and 2000 U.S. Censuses .

poorest ones, expanding the income gap that existed in 1990. In 2000, the rank order of the top five towns remained exactly the same, with per capita incomes ranging from $82,049 in New Canaan to $73,664 in Westport. The ranking of towns at the bottom changed a bit. Our three largest cities—Hartford, Bridgeport, and New Haven—hugged the bottom in 2000, with incomes ranging from $13,428 to $16,393, while Plainfield ($18,706) and New London ($18,437) climbed out of the bottom five (perhaps due to casino growth in eastern Connecticut) and were replaced by Windham ($16,978) and Waterbury ($17,701).

Growth in the income gap was not limited to a handful of towns at the top and at the bottom. A simple index of dissimilarity between the 169 towns' population and income shares increased by more than 12% over the 1990s.

Other Markers

Income isn't the only economic yardstick. How did these ten towns, from opposite ends of the income spectrum, fare in other respects? For the period 1990 to 2000, the double-bar graph below compares the percent changes in average figures for the richest five towns and the poorest five towns, for seven different town-level measures: median house value, median gross rent, property tax base (equalized net grand list) per capita, school spending per capita, other public spending per capita, the effective property tax rate (equalized mill rate), and state aid per capita.

For most households, the outlay on shelter dominates other spending categories. Rising home prices boost homeowners' assets, but also raise the hurdle for new buyers. During the 1990s, median house values in the top-five towns rose about 52%, from $470,620 to $716,640, increasing the wealth of property owners and adding to an already hefty tax base. Conversely, median house values in the five poorest towns dropped more than 19%, from $133,380 to $107,080.

Of course not everyone owns a home. In 2000, renters occupied 22% of housing units in the five richest towns and 66% in the five poorest towns. Based on 1990 and 2000 Census figures, rents rose almost 30% in the top five towns, from $991 to $1,287, and only about 13% in the bottom five, from $542 to $614. For tenants in the latter towns, the slower growth in rents made the modest growth in income, noted earlier, a bit more tolerable.

In the five poorest towns, the erosion of house values and slow growth in rents led to a decline of almost 21% in equalized net grand list (ENGL) per capita, from $52,752 to $41,780. In stark contrast, ENGL per capita rose nearly 67% in the top five towns, from $203,733 to $340,162. This allowed the richest towns to boost per capita spending on education and "other public services" by almost 66% and 43%, respectively, while the same two spending categories increased by about 55% and 28% in the poorest towns. Because the five poorest towns began with smaller average spending in both categories, their smaller percentage increases widened the absolute public spending gap between the poorest and richest towns. Despite state equalization efforts, per capita school spending in FY 2001 averaged $2,154 in the top five towns—$700 more than the average figure in the bottom five towns. Furthermore, despite the greater need for fire protection, law enforcement, and other public services in larger cities, noneducational spending per capita in FY 2001 averaged $1,538 in the richest five towns but $1,370 in the poorest five.

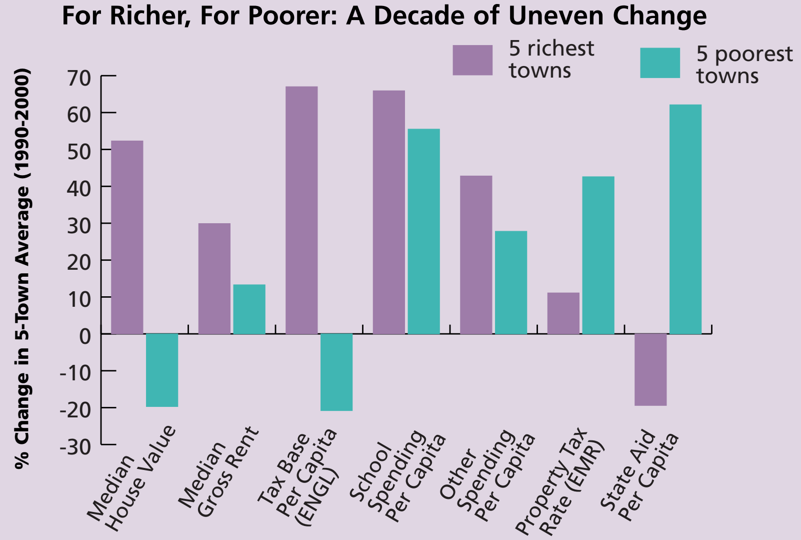
Note that the richest towns financed their relative gains in public spending with a much smaller increase in the property tax rate than in the poorest towns. The bar graph shows that the average equalized mill rate (taxes per $1000 of market property value) rose less than 12% over the decade for the five richest towns, from 9.4 to 10.5, while the five poorest towns saw their average EMR increase more than 42%, from 18.6 to 26.5.

Finally, on a happier note, one of the few "gains" for the bottom five towns was an increase of more than 62% in state aid per capita, from $880 to $1,427. This increase was financed, in part, by cuts in state aid to some other towns. For the five richest towns, the average state aid per capita fell about 19% over the decade, from $150 to $121.

In the Eye...

Many Connecticut residents will look back on the 1990s and behold an exciting period of innovation and economic growth. But not everyone. Poorer towns, and many of the people who live in those towns, may regard the decade as an economic poke in the eye. Whether the growing gaps between wealthy and poor communities reflect public policy changes or the tide of economic events, they raise questions of both fairness and efficiency. And even if one rejects arguments of fairness or the notion that state and local governments should actively try to redistribute income and consumption, too much inequality could take some of the wind out of our economic sails and ultimately sap Connecticut's quality of life.

For Richer, For Poorer: A Decade of Uneven Change



Source: *The Connecticut Economy* based on data from. the Connecticut Policy and Economic Council (CPEC) and the U.S. Census Bureau.