

Jobs Count

The aim of **Jobs Count** is to provide a monthly update of the state of working West Virginia.

www.jobscount.org

west virginia
Center on
Budget & Policy

April 2011 Update

Robust Job Growth in April, but Unemployment Remains High

In April 2011, West Virginia added approximately 4,600 jobs, the largest one-month increase in over a year (**Figure 1**). The state's job base has grown by 1.3 percent (9,300 jobs) since December 2010. Despite the strong job growth over the last four months, West Virginia still has 6,500 fewer jobs than at the beginning of the recession, and the unemployment rate remains stubbornly high at 8.8 percent.

The goods-producing industries – mining and logging, construction, and manufacturing – have shown positive job growth in 2011 and over the last month (**Table 1**). The construction industry, which has been hit the hardest by the recession, gained 2,200 jobs in 2011. Mining and logging have gained 1,400 jobs, and manufacturing has added 800. However, the goods-producing industries have 11,800 fewer jobs than they did when the recession began in December 2007.

Business and Professional Services Bouncing Back from Recession

On the whole, the service-producing industries are faring better than the goods-producing industries. Since the beginning of the recession, service-producing industries have increased by 5.5 percent (5,500 jobs), while goods-producing industries have declined by 9.5 percent (11,800 jobs).

There have been a few bright spots among the service industries. Education and health services have been virtually recession-proof, gaining approximately 8,300 jobs since December 2007 (**Figure 2**). Another bright spot is business and professional services, which gained 2,400 jobs over the last four months. This service sector is one of the few with more jobs today than at the start of the recession.

Growth in these service sectors is important, because they typically provide higher paying jobs. On average, education and health services pay \$19.42 per hour, and business and professional services pay \$19.53. Both sectors pay more per hour than the service sector average of \$17.77. They also pay more than the average of all private sector jobs in West Virginia (\$18.84).

Table 1

Jobs Still Below Pre-Recession Levels

	Dec. 2007	April 2011	Change	Percent Change
Unemployment	4.1%	8.8%	4.7%	
Total jobs	760,300	753,800	-6,500	-0.9%
Manufacturing	57,900	49,600	-8,300	-14.3%
Construction	38,200	31,500	-6,700	-17.5%
Mining/Logging	28,800	32,000	3,200	11.1%

Figure 1

4,600 Jobs Added in April

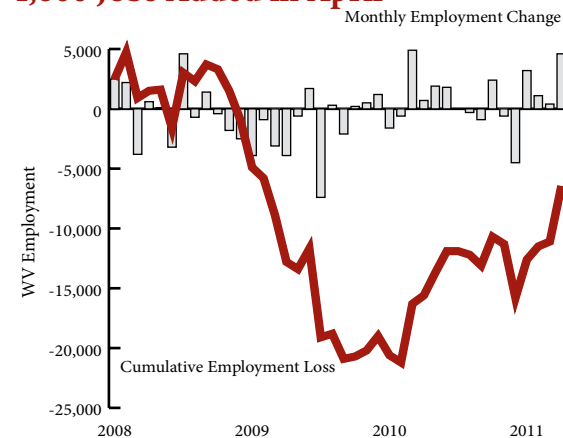
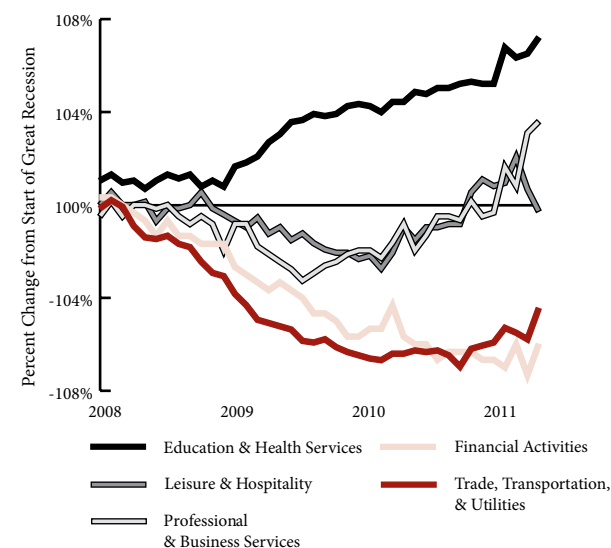


Figure 2

Growth in Parts of the Service Sector



Source for all tables and figures: Bureau of Labor Statistics, Current Employment Statistics, Seasonally Adjusted. *Unemployment figures* from Bureau of Labor Statistics, Local Area Unemployment Statistics.

A Closer Look

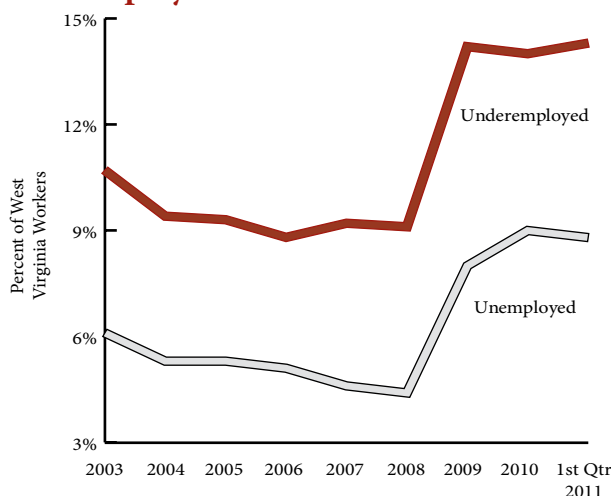
Underemployment

Although the official unemployment rate in West Virginia recently fell to 8.8 percent, this figure does not tell the whole story of joblessness in the state. During hard economic times, many people get discouraged and stop searching for work or only manage to find part-time work. These individuals are not counted in the official unemployment rate.

In order to give a more accurate picture of how many people are struggling to find gainful employment, the Bureau of Labor Statistics (BLS) publishes different measures of labor underutilization. The broadest measure of joblessness is the *underemployment* rate, which includes those officially counted as unemployed, plus workers who have given up seeking employment, plus those who involuntarily work part-time and would like to work full-time instead. According to the BLS, the rationale is that “these persons are, in a sense, partially unemployed.”¹

According to this broader measure, the number of West Virginia workers who were underemployed rose to 14.3

Figure 3
One in Seven West Virginia Workers Underemployed



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, Alternative Measures of Labor Underutilization for States, downloaded from <http://www.bls.gov/lau/stalt.htm>.

percent between the second quarter of 2010 and the first quarter of 2011. In other words, nearly one in seven workers in West Virginia were unable to work the number of hours they sought. Despite the decline in the state’s unemployment rate, West Virginia still faces a large and persistent underemployment problem (Figure 3).

When comparing West Virginia to other states, it appears to be doing slightly better on this measure than its neighbors (Table 1). All other states in the region had larger increases in their underemployment rates from 2008 to 2010. In addition, West Virginia’s rate remains lower than the U.S. average, Pennsylvania, Ohio, and Kentucky. However, only West Virginia experienced an increase in its underemployment rate in the latest data release. It will be important for the state to monitor this rate in the coming months to see if West Virginia’s workers really are doing better.

¹ Steven E. Haugen, “Measures of Labor Underutilization from the Current Population Survey” (Bureau of Labor Statistics, Working Paper 424, March 2009).

Table 1
West Virginia in a Regional Context

	Underemployment Rate (%)			Percentage Point Difference, 2008 to 2010
	Through First Quarter 2011	2010 Average	2008 Average	
United States	16.5	16.7	10.5	+6.2
Kentucky	16.3	16.4	10.8	+5.6
Maryland	12.7	13.0	7.8	+5.2
Ohio	16.1	16.9	11.4	+5.5
Pennsylvania	14.4	14.7	9.3	+5.4
Virginia	12.2	12.9	7.5	+5.4
West Virginia	14.3	14.0	9.1	+4.9

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, Alternative Measures of Labor Underutilization for States, downloaded from <http://www.bls.gov/lau/stalt.htm>.

The West Virginia Center on Budget and Policy is a nonprofit, nonpartisan research organization. Our aim is to support public policies that contribute to a shared prosperity for all West Virginians. We study critical issues, share what we learn with the public and policymakers, and work with diverse groups on sound solutions to economic and social problems.