

# Jobs Count

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

[www.jobscount.org](http://www.jobscount.org)

west virginia  
Center on  
Budget & Policy

## April 2012 Update

### 2012's Disappointing Slide Continues in April

Job losses continued for the third straight month as West Virginia's total nonfarm employment fell to 759,700, a loss of 1,800 jobs. This marked the first time the state had experienced three consecutive months of job losses since the fall of 2009. Total nonfarm employment fell below its pre-recession level, after rising above it in December 2011 (**Figure 1**). Despite the job losses, the unemployment rate fell to 6.7 percent (**Table 1**).

### Small Gains Not Enough to Offset Widespread Losses

Only three employment sectors saw job increases in April, which were not enough to offset the job losses in West Virginia's other major employment sectors. The education and health services sector saw the largest gains, adding 800 jobs, an increase of 0.63 percent. The trade, transportation, and utilities sector added 300 jobs, while the leisure and hospitality sector gained 200, both increases of less than 0.3 percent.

### Mining and Logging Lose Big in April

The mining and logging sector experienced the biggest loss in April, as employment fell from 33,600 to 32,600, a decline of nearly three percent. The professional and business services sector lost 800 jobs, while government employment fell by 700. The construction, manufacturing, financial activities, and other services sectors all experienced milder losses, with employment losses between 100 and 200 jobs.

### State's Employment Mix Changing

The diversity of the state's job market has changed during the recession. Different employment sectors have had different reactions to the recession. Some, like manufacturing, have seen significant losses. Others, like mining, have actually seen increases. Today, employment sectors like mining, education, and government make up a larger share of total employment in the state than they did before the recession. On the other hand, the construction and manufacturing sectors, which experienced major losses during the recession, now make up a smaller share of total employment in the state (**Figure 2**).

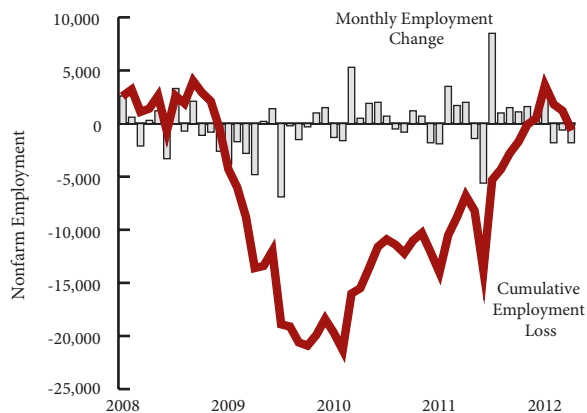
TABLE 1

### Unemployment Falls Below 7.0 Percent

	December 2007	April 2012	Change	Percent Change
Unemployment	4.1%	6.7%	2.6%	
Total Jobs	760,300	759,700	-600	-0.1%
Manufacturing	57,800	48,800	-9,000	-15.6%
Construction	38,100	34,500	-3,600	-9.4%
Mining/Logging	28,800	32,600	3,800	13.2%

FIGURE 1

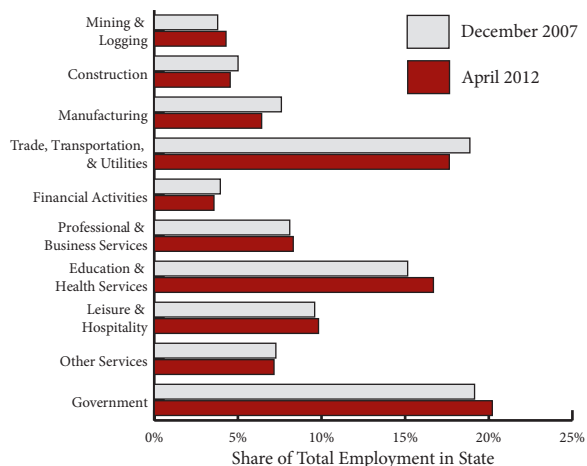
### Jobs Fall Below Pre-Recession Level



Source for Table 1 and Figure 1: Bureau of Labor Statistics, Current Employment Statistics, Seasonally Adjusted. *Unemployment figures* from BLS, Local Area Unemployment Statistics.

FIGURE 2

### Recession Changed the State's Economy



Source: Bureau of Labor Statistics, Current Employment Statistics, Seasonally Adjusted.

# A Closer Look

## Income Inequality

The “Occupy Wall Street” movement may have brought attention to the unequal distribution of income in the United States, but the issue of income inequality is hardly a new one. Income inequality has been rising rapidly in the United States, particularly since the late 1970s, and much of the income growth in the nation goes to the top one percent.

Although there are several ways to measure income inequality, one approach is the degree of inequality (DOI). The DOI measures the percent increase of the mean household income over the median household income of a population.<sup>1</sup> The larger the difference between mean and median household income, the larger the DOI.<sup>2</sup>

In 2010, the national DOI was 36.5 percent. West Virginia’s DOI was 33 percent, ranking it 24th highest among the 50 states. West Virginia’s DOI actually fell from 2000 to 2010 (Table 2). However, it is important to note that income inequality is not uniform throughout the state (Figure 3).

High income inequality can lead to the stagnation or even decline of the economic well-being of the middle class, which is bad for the economy overall. There are other serious social problems associated with income inequality. Researchers have shown that income inequality is associated with poor physical health of a society, higher levels of violence, greater obesity, higher levels of drug abuse, and poorer education.<sup>3</sup>

<sup>1</sup> Degree of inequality, expressed as a percent =  $(\bar{x} - m)/m$ , where  $\bar{x}$  is the mean household income for a specified population, and  $m$  is the median household income for that population.

<sup>2</sup> Charles Craypo and David Cormier, “Income Inequality and Polarization in America: Techniques for Measuring Income Inequality and Findings from Census Bureau Data, 1970, 1980, and 1990” (Higgins Labor Research Center: University of Notre Dame, December 1996).

<sup>3</sup> Kate Pickett and Richard Wilkinson, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (New York: Bloomberg Press, 2009).

TABLE 2

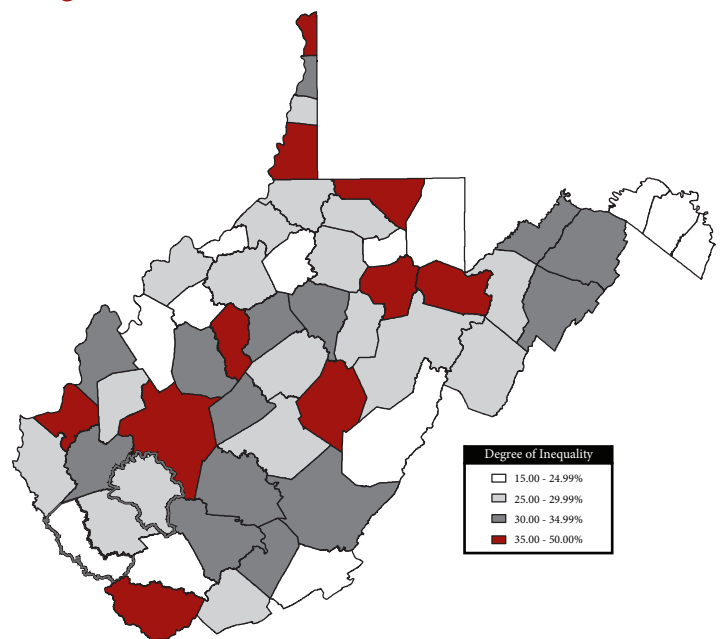
### West Virginia’s Income Inequality Fell During Past Decade

	DOI (2000)	DOI (2010)	Change
United States	34.8%	36.5%	1.7%
West Virginia	39.0%	33.0%	-6.0%

Source: U.S. Census Bureau, 2000 Decennial Census and American Community Survey, 2006-2010 5-year estimates.

FIGURE 3

### Income Inequality Varies Widely in West Virginia’s Counties



Source: U.S. Census Bureau, American Community Survey, 2006-2010 5-year estimates. Map created by Elizabeth Paulhus.

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.