

# 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

## June 2011 Update

### A Small Step Forward for Recovery

After last month's disappointing loss of 3,700 jobs, West Virginia added approximately 2,400 jobs in June, an above average month of job growth for 2011 (**Figure 1**). The state has now gained 4,600 jobs in 2011, but still has 8,000 fewer jobs than at the beginning of the recession (**Table 1**). West Virginia's unemployment rate declined slightly to 8.5 percent. The unemployment rate is a full percentage point lower than at the start of 2011, but still remains twice as high as at the beginning of the recession.

### Construction Begins to Rebound, But Still Long Road Ahead

After losing 900 jobs in May, the construction industry recovered slightly in June, adding 700 jobs for a one-month increase of 2.3 percent. The construction industry has added 1,200 jobs in 2011, but still remains smaller than a year ago. Furthermore, the industry has 6,900 fewer jobs than at the start of the recession, meaning that there is a long way left to go before true recovery.

### Mining and Logging Continue to Grow

At the halfway point of the year, the mining and logging sector grew for the fifth straight month. Since January, the sector has added 1,200 jobs, an increase of nearly four percent. The only sector that has seen larger percentage growth during the past six months is construction (**Figure 2**).

### Sluggish Growth in Other Sectors

The story of recovery is not a universal one across all sectors of West Virginia's economy. Leisure and hospitality and other services experienced job loss since January, falling by more than one percent. Growth across the remaining sectors of the economy, especially manufacturing, was anemic.

With the exception of mining and construction, only the financial activities and professional and business services sectors have seen job increases greater than one percent since the beginning of the year.

Table 1

### Slight Drop in Unemployment, Little Change in Major Sectors

	Dec. 2007	June 2011	Change	Percent Change
Unemployment	4.1%	8.5%	4.4%	
Total jobs	760,300	752,300	-8,000	-1.1%
Manufacturing	57,900	49,700	-8,200	-14.2%
Construction	38,200	31,300	-6,900	-18.1%
Mining/Logging	28,800	32,200	3,400	11.8%

Source: Bureau of Labor Statistics, Current Employment Statistics, Seasonally Adjusted. Unemployment figures from BLS, Local Area Unemployment Statistics.

Figure 1

### June Saw Positive Total Job Growth

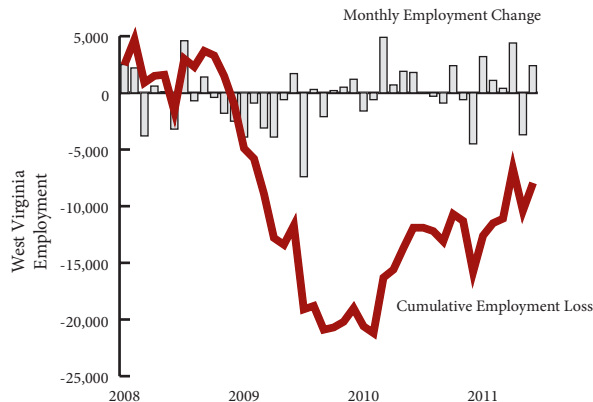
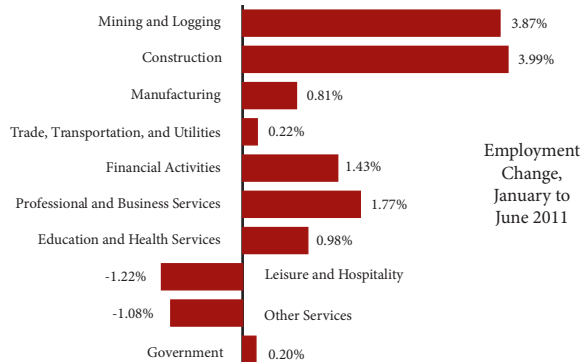


Figure 2

### Construction, Mining Gained in 2011, Other Sectors Still Sluggish



Source for Figures 1 and 2: Bureau of Labor Statistics, Current Employment Statistics, Seasonally Adjusted.

# A Closer Look

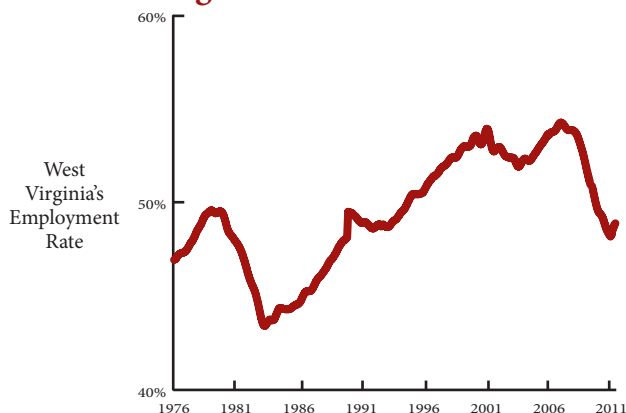
## Employment Rate

One measure of a state's economic health is its labor force participation rate, the topic of the March 2011 Jobs Count. West Virginia ranks last in the nation on this measure, with only 54.6 percent of the population 16 years and older working or seeking work in 2010.

Another good measure of economic health is the employment rate — the percent of people 16 years and older who are currently working. The employment rate is sometimes a better measure of the labor market's health than labor force participation or unemployment rates, because it is not as susceptible to labor force changes like discouraged workers entering and exiting the workforce. After hitting a 20-year low of 48.1 percent in December 2010 (Figure 3), West Virginia's employment rate in May 2011 was 48.9 percent, the lowest in the nation.

The aggregate employment rate hides the different experiences faced by various age groups during the most recent recession. An examination of the employment rate by age ranges shows that the rate for younger workers decreased, while the rate for older workers increased. This pattern holds true across much of the nation.

Figure 3  
**West Virginia's Employment Rate at Same Level as 20 Years Ago**

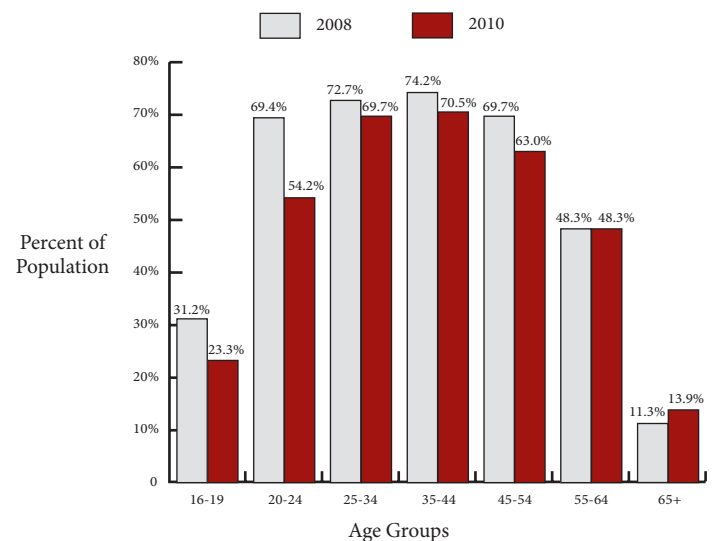


Source: Bureau of Labor Statistics, "States and selected areas: Employment status of the civilian noninstitutional population, January 1976 to date, seasonally adjusted," accessed at <http://www.bls.gov/lau/ststadsadata.txt>.

Between 2008 and 2010, the employment rate of West Virginia's teenage workers fell 7.9 percent, while the rate for workers in their early 20s saw the biggest dip of 15.2 percent (Figure 4). The core of the workforce, workers between the ages of 25 and 54, also saw a decline, although not as severe as younger workers. In contrast, West Virginia's oldest workers, those over the age of 65, increased their employment rate by 2.6 percent.

Two scenarios may help explain this phenomenon. The lower employment rates for the younger population may be the result of a poor job market, with many opting to stay in or go back to school in hopes that their job prospects will improve with time and a degree. For older West Virginians, economic hardship may have led them to rejoin the workforce or delay retirement, particularly if significant retirement savings were lost in the market crash preceding the recession.

Figure 4  
**During Recession, Employment Rates Fell for State's Youngest Workers, Rose for Oldest**



Source: Bureau of Labor Statistics, "Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, annual averages" (2008 and 2010, preliminary).

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.