

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

March 2012 Update

Job Growth Remains Stagnant but Workers Find Jobs

February's poor job growth performance carried over into March, as total nonfarm employment fell 0.1 percent, a loss of 800 jobs. Total nonfarm employment now stands at 761,300 jobs (**Table 1 and Figure 1**). Despite the loss, however, more and more West Virginians are continuing to find work.

The state's unemployment rate fell below seven percent for the first time since March of 2009, as the number of employed West Virginians grew by 2,508 to 748,686, the highest level in nearly three years. In addition, the number of unemployed West Virginians fell by 2,139 to 55,409, while the state's labor force grew to 804,095, a gain of 369. This discrepancy between the jobs count and the unemployment rate suggests that a number of West Virginia residents are employed out of state.

Weak Showing for Most Industries

While no major industry saw job losses over one percent in March, only two employment sectors saw growth greater than one percent. The professional and business services sector saw the most growth, adding 1,000 jobs, an increase of 1.6%. The financial activities sector also added 400 jobs, an increase of 1.5 percent, bringing total employment in that sector to 27,200.

The construction and manufacturing sectors saw modest growth, adding 300 and 200 jobs respectively. The mining and logging sector neither gained nor lost any jobs in March.

Most of the job losses in March came from the trade, transportation, and utilities sector, which lost 1,200 jobs, a decline of 0.9 percent.

Mixed Results for 2012

First Quarter 2012 has been a mixed bag for job growth (**Figure 2**). While the professional and business services sector added 1,600 jobs, a 2.5 percent increase, no other sector saw more than one percent growth. And, despite being the strongest growing sector since the start of the recession, the mining and logging sector has performed the worst so far in 2012, losing 1,100 jobs, a decline of 3.2 percent. 500 total nonfarm jobs were added during this period.

Table 1

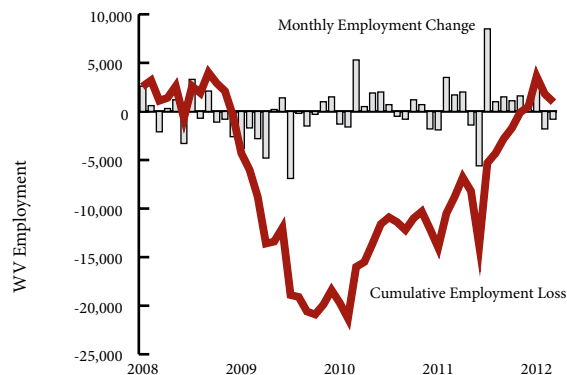
Unemployment Rate Drops

| | Dec. 2007 | March 2012 | Change | Percent Change |
|----------------|-----------|------------|--------|----------------|
| Unemployment | 4.1% | 6.9% | 2.8% | |
| Total jobs | 760,300 | 761,300 | 1,000 | .1% |
| Manufacturing | 57,800 | 49,000 | -8,900 | -15.2% |
| Construction | 38,100 | 34,700 | -3,400 | -8.9% |
| Mining/Logging | 28,800 | 33,400 | 4,600 | 16.0% |

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

Figure 1

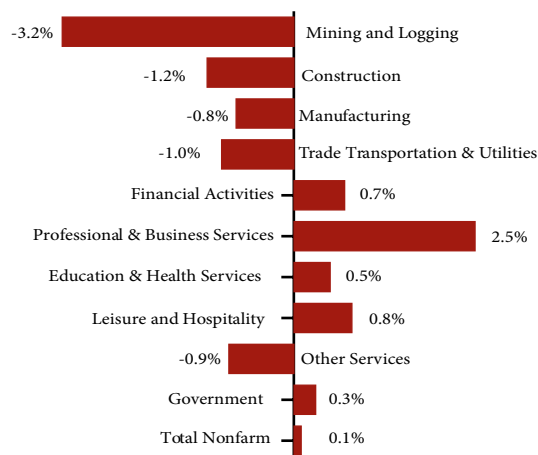
Job Growth Slows



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

Figure 2

Mixed Success for First Quarter 2012



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

A Closer Look

Low-Wage Workers Are Better Educated than Ever

All things equal, better educated workers earn more than less educated workers. More education adds to workers' skills, increasing their value to employers, and this increase in skills is usually rewarded with higher pay. However, this has not occurred for low-wage workers in West Virginia.

Today, the average low-wage worker is both older and more educated than the low-wage worker of the past. **Table 2** breaks down low-wage workers in West Virginia by age and education, where low wages are defined as earning \$10.00 per hour or less in 2011 dollars. The table compares averages for 1979-1981 to 2009-2011.

The share of low-wage workers with less than a high school degree fell more than half, from 36.5 percent in 1979-1981 to 15.4 percent in 2009-2011, while the share with at least some college education nearly doubled, from 15.8 percent to 29.7 percent. By 2011, 8.1 percent of low-wage workers had a four-year college degree or more, up from 2.9 in 1979.

Table 2
Low-Wage Workers Are More Educated Today
Percent of Low-Wage Workforce (\$10.00 per hour or less, 2011 dollars)

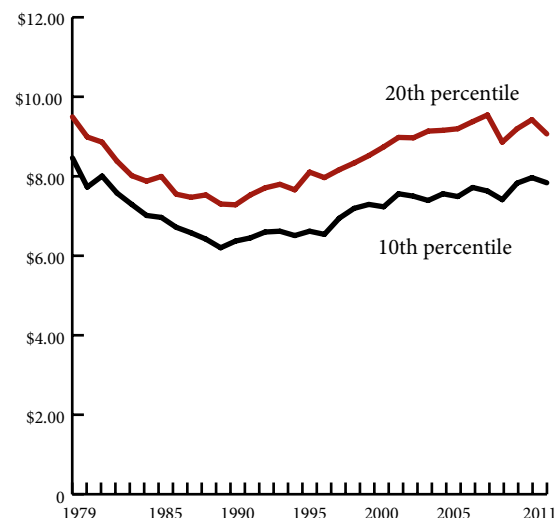
| | 1979 - 1981 | 2009 - 2011 |
|------------------------------|-------------|-------------|
| Less than High School | 36.5% | 15.4% |
| High School | 44.8% | 46.9% |
| Some College | 15.8% | 29.7% |
| College and Advanced Degrees | 2.9% | 8.1% |

Source: Center for Economic and Policy Research Analysis of Current Population Survey Data.

Even if there had been no change in the cost of living over the last 30 years, there should have been an increase in the earnings of low-wage workers, simply because they are more educated today than they were in 1979, but that has not been the case. **Figure 3** shows the real wages of the 10th and 20th percentile of wage earners in West Virginia. Real wages for workers at the bottom have been stagnant since 1979, and, in fact, were actually lower in 2011 than they were in 1979, despite major increases in educational attainment.

The lack of wage growth despite increases in education for low-wage workers reflects the erosion of the minimum wage in recent decades, which is well below its historical value relative to the cost of living, average wages, and productivity. While the labor market as a whole rewards education-related skills with higher pay, the minimum wage has not recognized the improvements made by the state's low-wage workers.

Figure 3
Stagnant Wages for Low-Wage Workers



Source: Economic Policy Institute Analysis of Current Population Survey Data.

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.