

# 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

## March 2011 Update

### State Gains Jobs in March, but Recovery Remains Anemic

In March 2011, the West Virginia economy added approximately 500 jobs, confirming that the state's jobs picture continues to show improvement. Over the last three months, the state has seen positive job growth with the addition of 4,800 jobs. Nonetheless, the pace of job growth has been slow, growing less than one percent since last year.

West Virginia has 11,000 fewer jobs than it did at the beginning of the recession and a jobs shortfall - the number of jobs needed to keep up with the working age population - greater than 19,500 (**Table 1 and Figure 1**). Despite this shortfall, West Virginia has outperformed 46 other states in job growth since the recession began in December 2007.

West Virginia's modest recovery has not yet impacted the state's unemployment rate, which remains at 9.1 percent, down only slightly from February.

### Goods-Producing Industries as Litmus Test for State's Health

Goods-producing industries - manufacturing, construction, coal mining, natural gas extraction, and logging - serve as a guide to how well West Virginia is recovering from the recession (**Figure 2**). The state's manufacturing sector posted positive job gains in March, gaining nearly 500 jobs from the previous month. However, the manufacturing sector still has 8,300 fewer jobs than when the recession began.

Construction was hit harder by the recession and continues to show little signs of improving. In March, West Virginia's construction sector employed 29,500 people, down 600 jobs since February. Since the recession's start, this sector has lost almost 23 percent of its jobs.

One of the bright spots in West Virginia's economic recovery is the coal mining and natural gas extraction industries (mining and logging), which posted a gain of 500 jobs in March 2011. These industries cushioned the blow of the recession for the state, with employment actually increasing by 2,600 since December 2007.

Table 1

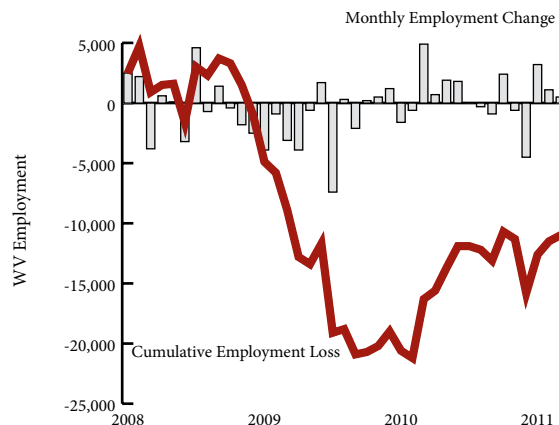
### Economy Still Not Fully Recovered

	Dec. 2007	March 2011	Change	Percent Change
Unemployment	4.1%	9.1%	5.0%	
Total jobs	760,300	749,300	-11,000	-1.4%
Manufacturing	57,900	49,600	-8,300	-14.3%
Construction	38,200	29,500	-8,700	-22.8%
Mining/Logging	28,800	31,400	2,600	9.0%

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

Figure 1

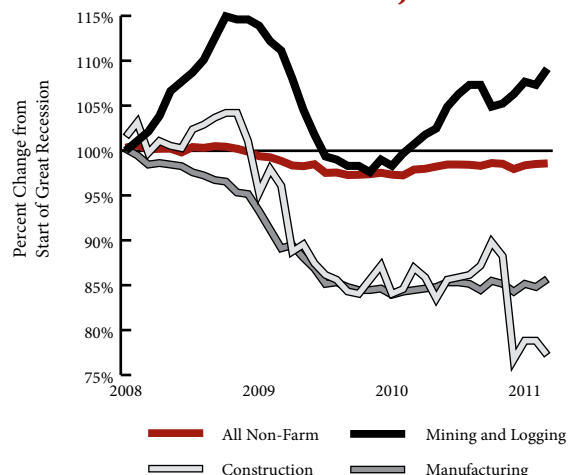
### Employment Below Pre-Recession Level



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

Figure 2

### Mixed Success for Different Job Sectors



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

# A Closer Look

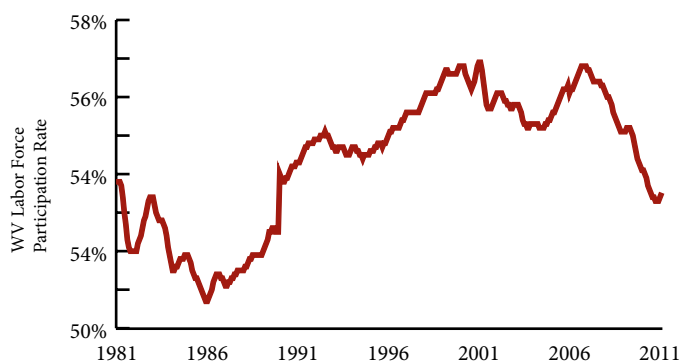
## Labor Force Participation

Although job growth in West Virginia has rebounded since the end of the recession, this vitality is not evident in the state's labor force participation rate – the share of people 16 years or older working or seeking work. Since February 2010, West Virginia has added nearly 10,200 non-farm jobs, yet the number of people in the labor force remains far below pre-recession levels. In fact, over 30,000 West Virginia residents have dropped out of the labor force, and 70,000 fewer state residents are employed today than prior to the recession.

The labor force participation rate is a key component of long-term economic growth and is a good barometer for how well a state's economy provides employment for those who are able to work. As of February 2011, West Virginia's labor force participation rate had declined to a 20-year low of 53.5 percent, ranking it last in the nation (Figure 3). On average, states have witnessed a decline of 4.3 percentage points in their labor force participation rates, while West Virginia's rate has declined by 5.4 percentage points.

The labor force participation rate rises and falls with demographic and population shifts, changes in disability

Figure 3  
**Labor Force Participation Rate at 20-Year Low**



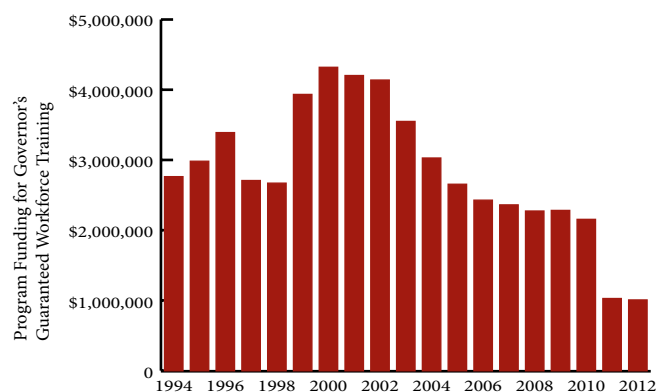
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, Seasonally Adjusted.

rates, and structural reasons. During an economic downturn, labor force participation usually declines because unemployed workers give up looking for work due to a lack of employment opportunities or leave the labor force to pursue more education. When more jobs are added, the rate tends to increase as people return to work or seek employment. What is unusual about the current decline in West Virginia's labor force participation rate is that it coincides with job growth in the state. This may indicate that many of the state's workers do not have the skills to meet the demands of the current job market.

## Workforce Training Needed

If a gap exists between the skills of West Virginia's workers and available job opportunities, then one solution would be to offer more customized workforce training. Unfortunately, the state has reduced its investment in customized job training over the years (Figure 4). Increasing investments in the Governor's Guaranteed Work Force Program could provide needed training and retraining for current and new employees. This program could help prepare workers to reenter the labor force and locate available jobs.

Figure 4  
**Decreasing Investments in Work Force Program**



Source: West Virginia Department of Commerce, Governor's Guaranteed Work Force Program. Note: Appropriations adjusted to 2010 dollars. Future dollars adjusted using inflation estimates from the Survey of Professional Forecasters.

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