

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

May 2011 Update

Economic Recovery Takes Big Step Back

Despite a slight decrease in the unemployment rate to 8.6 percent (**Table 1**), West Virginia lost approximately 5,000 jobs in May 2011, the largest one-month drop since July 2009 (**Figure 1**). The strong growth seen in April 2011 has been negated, and West Virginia currently has 11,700 fewer jobs than at the beginning of the recession. The state has only gained 900 jobs in 2011.

Of the goods-producing industries, mining and logging experienced no growth, and construction and manufacturing slipped after making positive gains in April. After losses in May, manufacturing has seen no net gains in 2011. Construction has gained 600 jobs in that time period, while mining and logging have increased by 1,000 jobs. However, the goods-producing industries have 12,900 fewer jobs than in December 2007.

Recovery Not Yet a Reality for State

According to the Economic Policy Institute, West Virginia faces a jobs deficit of 20,800 (**Figure 2**). The jobs deficit is the difference between the number of jobs West Virginia currently has and the number it needs to regain its pre-recession employment rate. West Virginia's population has grown by 1.2 percent since December 2007, which means that the state needs 9,100 jobs in addition to the 11,700 that have been lost (for a total of 20,800).

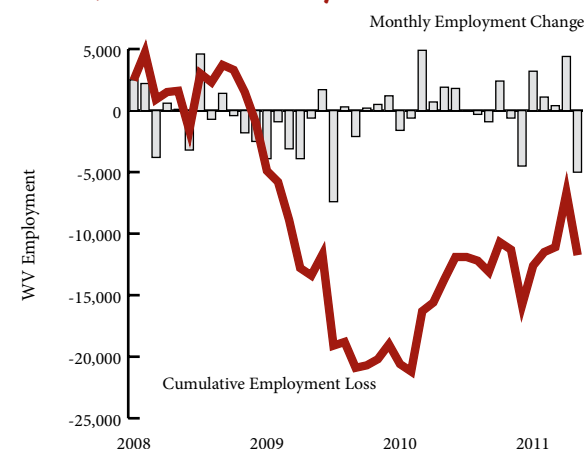
Table 1

Falling Unemployment, Loss of Jobs

	Dec. 2007	May 2011	Change	Percent Change
Unemployment	4.1%	8.6%	4.5%	
Total jobs	760,300	748,600	-11,700	-1.5%
Manufacturing	57,900	49,300	-8,600	-14.9%
Construction	38,200	30,700	-7,500	-19.6%
Mining/Logging	28,800	32,000	3,200	11.1%

Figure 1

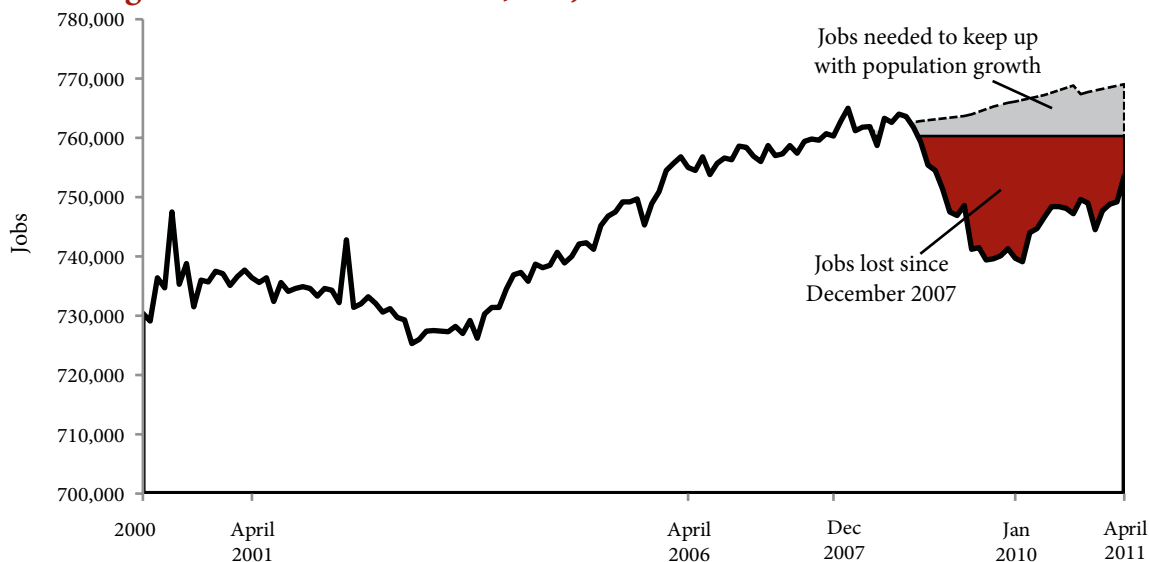
5,000 Jobs Lost In May



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

West Virginia Needs More Than 20,000 Jobs to Fill Deficit



Source: Figure 2 recreated from Economic Policy Institute's Job Watch, May 2011.

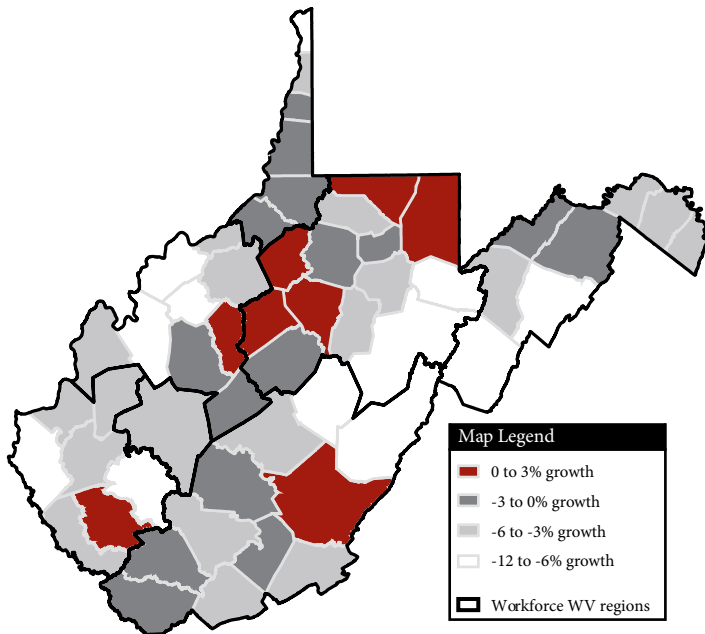
A Closer Look

Resident Labor Supply Shrinking in Most Counties

While growth in non-farm payroll jobs has helped West Virginia recover from the recession, many of these jobs appear to be going to out-of-state workers. Since the beginning of the recession, West Virginia's labor force has decreased by 3.6 percent (30,283 workers) while non-farm payroll employment has dropped by only 0.9 percent (6,500). Thousands of resident workers have dropped out of the labor force or never reentered. Over the long run, this decline in the resident labor supply could negatively impact the job-generating capacity of West Virginia.

Decreases in the labor force can be viewed more clearly at the county level. **Figure 3** shows the percentage change in resident labor force over the last three years by county. Of the 55 counties, only 8 have seen an increase in resident labor force over the last three years (marked in red). The majority of growth in the resident labor supply is clustered in the north-central part of West Virginia, where much of

Figure 3
Labor Force Growth, April 2008 - April 2011



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, Counties and Equivalents data (labor force and unemployment rate), not seasonally adjusted. Map and analysis by WVCBP.

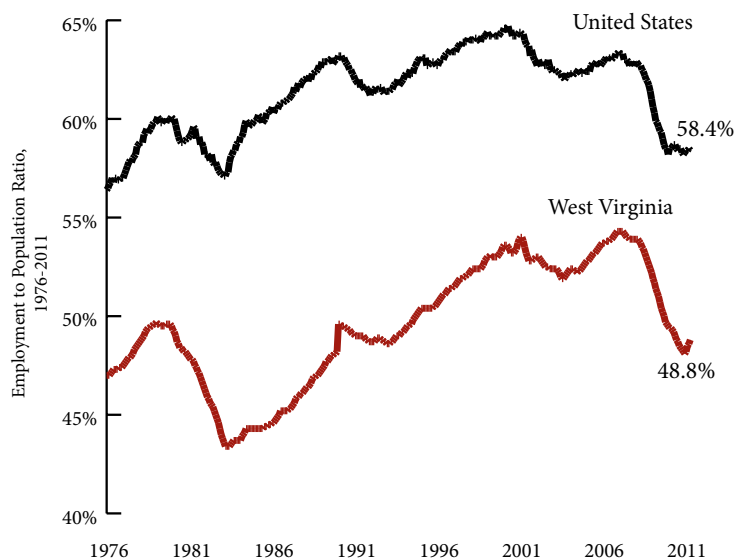
the Marcellus Shale gas 'play' is taking place. The largest decline in resident labor supply is occurring in West Virginia's rural counties.

Employment to Population Ratio Remains Lowest in Nation

Another good measure of how the labor market is doing is the employment to population ratio, which is the share of the working age population that has a job. West Virginia's ratio was 48.8 percent in April 2011 – the lowest in the nation for the 35th consecutive year. Alabama has the next lowest ratio at 53.3 percent.

West Virginia was almost ten percentage points below the U.S. average on this measure (**Figure 4**). North Dakota ranked at the top at 70.1 percent. Since the start of the recession in December 2007, West Virginia has experienced a decrease of 5.1 percentage points, which falls above the national average of 4.1 percentage points.

Figure 4
West Virginia Lags Below the National Average



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, Employment status of the civilian noninstitutional population, seasonally adjusted.

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.