

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 2012 Update

Disappointing Job Trends Continue in May

West Virginia saw its total nonfarm employment fall for the fourth straight month, losing 1,900 jobs between April and May. Although monthly losses have not been as large as at the beginning of 2009, a similar pattern seems to be emerging (**Figure 1**). Nonfarm employment remains below its pre-recession level. In addition, the unemployment rate rose slightly to 6.9 percent, the first increase in this figure in seven months (**Table 1**).

Mining and Logging Sector Continues to Struggle in 2012

The mining and logging sector has had a disappointing 2012 so far. During the first five months, the sector posted small growth in two months and large losses in the remaining three (**Figure 2**). In comparison, mining and logging saw growth in nine months in 2011, with little to no loss in the other three months.

Construction Growth Slow But Steady

Since the beginning of 2011, the construction sector has experienced relatively steady growth, although the figure still remains below the pre-recession level. In May 2012, the sector grew by 800 jobs.

Manufacturing Starting to Slide

The manufacturing sector had been fairly stable in 2011, but has experienced some large losses in the first five months of 2012. The sector had its second straight month of losses, shedding 400 more jobs in May.

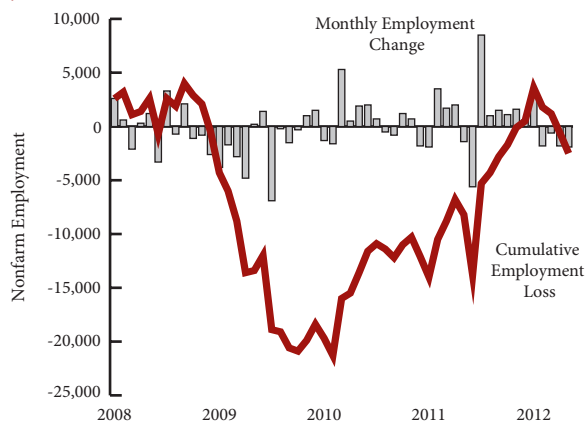
TABLE 1

Unemployment Climbed Slightly in May

	December 2007	May 2012	Change	Percent Change
Unemployment	4.1%	6.9%	2.8%	
Total Jobs	760,300	757,800	-2,500	-0.33%
Manufacturing	57,800	48,300	-9,500	-16.44%
Construction	38,100	35,300	-2,800	-7.35%
Mining/Logging	28,800	31,200	2,400	8.33%

FIGURE 1

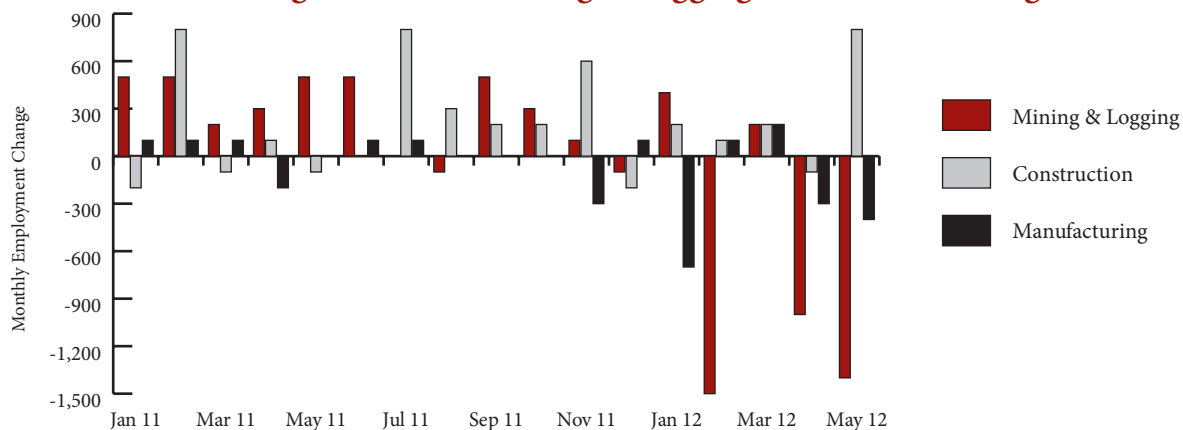
Jobs Sink Below Pre-Recession Level



Source for Table 1 and Figure 1: Bureau of Labor Statistics, Local Area Unemployment Statistics, Seasonally Adjusted.

FIGURE 2

Construction Faring Better than Mining & Logging and Manufacturing in 2012



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

A Closer Look

The Effect of the Recession on Different Age Groups

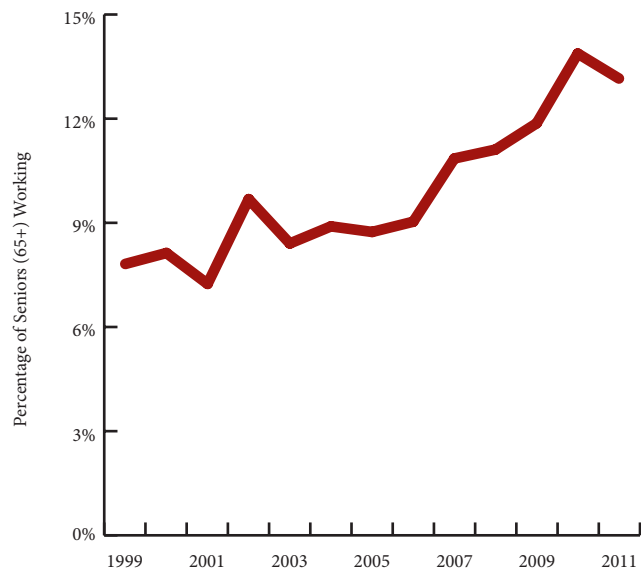
A larger percentage of West Virginia residents over the age of 65 — the traditional retirement age — are remaining in their jobs and delaying retirement. The percentage grew from 9.0 percent in 2006 to a record high 13.9 percent in 2010, before falling slightly to 13.2 percent in 2011 (Figure 3). Although the number of seniors working past retirement age spiked during the recession, the increase is part of a longer term trend in West Virginia.

One reason workers are working past retirement age may be the significant losses in wealth experienced by many seniors when the stock market took a nose dive during the recession. Retirees with defined contribution plans, in which funds are typically invested in the volatile stock market, saw their retirement savings lose value. Many seniors may have lost too much to be able to retire securely, forcing them to stay in their jobs longer than they had planned. With the rapid demise of the more secure defined benefit pensions of the past, an increasing percentage of seniors for years to come are likely to find themselves in a precarious state as they approach retirement.

The story looks quite different at the other end of the age spectrum. Although the recession impacted workers 25-64 years old, the two age groups hardest hit were 16-19 and 20-24. Both groups had actually experienced growth from 2003 to 2008, before falling sharply with the start of the recession (Figure 4). These young workers found themselves in competition with more experienced workers for jobs, even those requiring low skills or education levels. A report by the Bureau of Labor Statistics suggests that the 16-24 population may be choosing alternatives to work, such as summer school, community service, and unpaid internships.¹

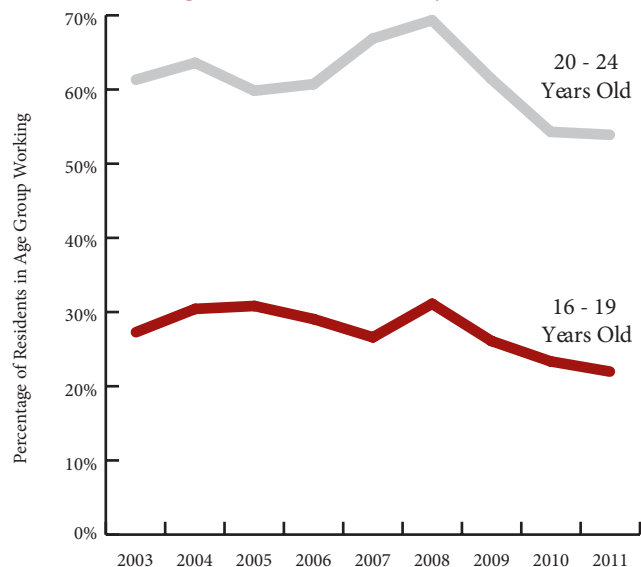
¹ Teresa L. Morisi, “The early 2000s: a period of declining teen summer employment rates” (Washington, DC: Bureau of Labor Statistics, May 2010), downloaded from www.bls.gov/opub/mlr/2010/05/art2full.pdf.

FIGURE 3
More Seniors Remaining in Workforce



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, “Employment status of the civilian noninstitutional population in states by sex, race, Hispanic or Latino ethnicity, marital status, and detailed age,” accessed at <http://www.bls.gov/lau/>.

FIGURE 4
Fewer Young Workers Employed



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, “Employment status of the civilian noninstitutional population in states by sex, race, Hispanic or Latino ethnicity, marital status, and detailed age,” accessed at <http://www.bls.gov/lau/>.

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.