

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

October 2011 Update

Signs of Life as West Virginia Added 2,200 Jobs in October

West Virginia added 2,200 jobs in October, reversing three months of nearly zero net job growth (**Figure 1**). Total nonfarm employment in West Virginia now stands at 754,300, its highest level since February 2009. In October, 1,970 workers joined the labor force, keeping the unemployment rate at 8.2 percent. The state now has 6,000 fewer jobs than it did before the recession, which is the smallest gap in more than two and a half years (**Table 1**).

No Big Losers in October

Changes were minor across most parts of the state's economy in October (**Figure 2**). The government, other services, and education and health services sectors all lost jobs, but their losses were each less than 0.5 percent. The manufacturing and financial activities sectors remained perfectly flat, neither adding nor losing jobs in October.

Small Changes Added Up

Three sectors grew more than one percent. Both the construction sector and the leisure and hospitality sector had growth of 1.8 percent, adding 600 and 1,300 jobs respectively. The mining and logging sector was close behind with an increase of 1.6 percent (500 jobs added).

The gains made this month in the growing sectors of the economy were just enough to offset the even smaller losses felt in other sectors, allowing total nonfarm employment to grow 0.3 percent, the state's best one-month change since June.

Growth Slowed in Second Half of Year

In 2011, West Virginia has added 9,800 jobs, although most of the gains occurred in the first half of the year. The state averaged 1,080 new jobs per month in the first five months of 2011. That growth has slowed to 880 jobs per month since June.

Table 1

Unemployment Unchanged

	December 2007	October 2011	Change	Percent Change
Unemployment	4.1%	8.2%	4.1%	
Total jobs	760,300	754,300	-6,000	-0.8%
Manufacturing	57,900	49,500	-8,400	-14.5%
Construction	38,200	33,500	-4,700	-12.3%
Mining/Logging	28,800	32,500	3,700	12.8%

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

Figure 1

More than 2,000 Jobs Added in October

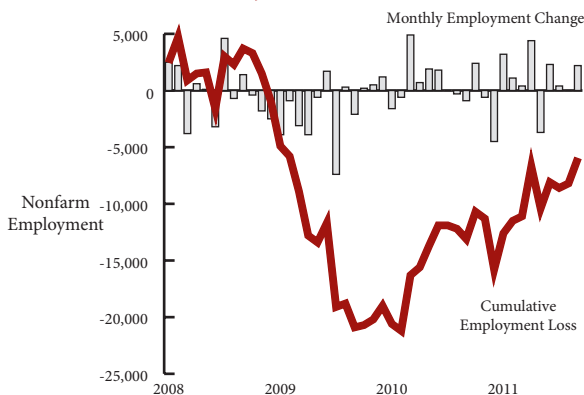
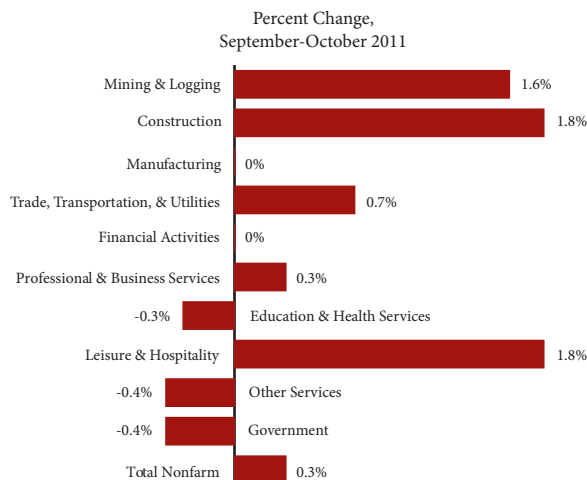


Figure 2

Small Positive Gains For Most Sectors



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

A Closer Look

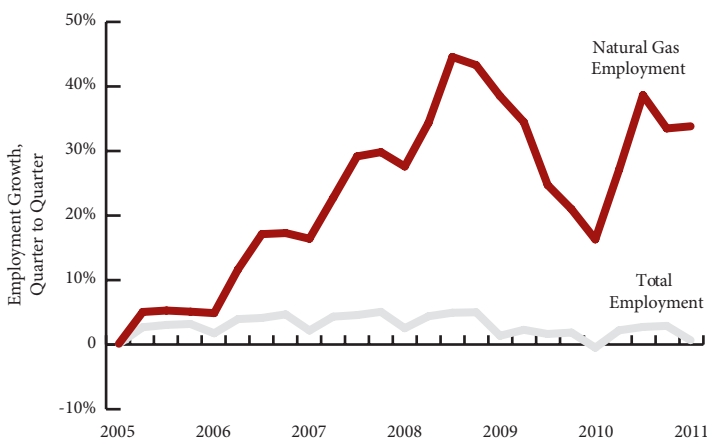
The Natural Gas Boom

The development of the Marcellus Shale has fueled a boom in West Virginia's natural gas industry. Employment in this industry includes: oil and gas extraction, drilling oil and gas wells, support activities, natural gas distribution, pipeline construction, oil and gas machinery manufacturing, and pipeline transportation of natural gas.¹

Over the last several years, there has been an increase in employment in the natural gas industry. According to data from Workforce West Virginia, the state had 6,656 jobs in this industry in the first quarter of 2005.² By the first quarter of 2011, employment had grown to 8,912, an increase of 33.9 percent. In that same time period, total employment in West Virginia grew only 0.6 percent (Figure 3).

Natural gas employment growth began to substantially outpace the state's total employment growth in 2006, although it dropped dramatically during the second half of the recession. However, employment in this industry rebounded well in the wake of the recession, with quarter-to-quarter growth climbing back above 30 percent in 2010.

Figure 3
Growth in Natural Gas Employment Outpaces Total Employment Growth



Source: Workforce West Virginia, Labor Market Information: Wage Data, Employment and Wages, accessed at <http://www.workforcewv.org/limi/wagedata.htm>.

Total employment in West Virginia also saw falling growth rates during the second half of the recession. In contrast with the natural gas industry, the state's employment has grown very sluggishly since the start of 2010.

Some sectors of the natural gas industry performed better than others during the recent boom in employment (Table 2). The sector with the largest gains is the oil and gas pipeline construction sector, which has seen employment more than double since 2005. The natural gas distribution sector actually has seen a decline of 22.2 percent during the boom, while pipeline transportation employment has been essentially flat.

Table 2 also shows which sectors of the natural gas industry employ the most people in West Virginia. Support activities for oil and gas is the largest sector with 3,440 employees, followed by the oil and gas extraction sector with 2,130 employees.

¹ These NAICS codes were identified by the WVU Bureau of Business and Economic Research as natural gas sectors.

² These figures include only NAICS Codes 211, 213112, 2212, 23712, and 48621. Employment numbers for 213111 were unavailable for the entire time period, and data for 333132 were sporadic.

Table 2
Natural Gas Employment Growth by Sector

NAICS Code	Sector	First Quarter, 2005	First Quarter, 2011	Percent Change
211	Oil and Gas Extraction	1,888	2,130	12.8%
213111	Drilling Oil and Gas Wells	N/A	N/A	N/A
213112	Support Activities for Oil and Gas	1,744	3,440	97.2%
2212	Natural Gas Distribution	958	745	-22.2%
23712	Oil and Gas Pipeline Construction	558	1,154	106.8%
333132	Oil and Gas Machinery and Equipment Manufacturing	63	N/A	N/A
48621	Pipeline Transportation of Natural Gas	1,445	1,443	-0.1%
	TOTAL	6,656	8,912	33.9%

Source: Workforce West Virginia, Employment and Wages.

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.