

# Jobs Count

The aim of **Jobs Count** is to provide a monthly update of the state of working West Virginia.

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west virginia  
Center on  
Budget & Policy

## September 2011 Update

### September Job Loss Continues Summer's Disappointing Trend

West Virginia's total nonfarm employment fell by 1,000 jobs in September as the state's economy remained stuck in neutral (**Figure 1**). After consistently adding jobs in the early months of 2011, West Virginia ended the summer with 1,100 fewer jobs than it had in June. The state now stands 9,200 jobs below its pre-recession level, and the unemployment rate remains virtually unchanged for the third month in a row, at 8.2 percent (**Table 1**).

#### Little to Show for September

No sector of the economy saw much movement in either direction for the month of September. The mining sector had the strongest growth, but added only 300 jobs for an increase of roughly one percent. The public sector had the largest increase in the number of jobs, adding 1,400 government jobs in September, an increase of only 0.9 percent.

The transportation and utilities sector had the worst showing of the month, with employment falling 1.6 percent for a loss of 400 jobs. The professional and business services sector saw employment fall 1.3 percent, a loss of 800 jobs. No other sector of West Virginia's economy saw job gains or losses greater than one percent in September.

#### Poor Job Market across All Sectors

The summer of 2011 was a forgettable one for West Virginia's job market. Only the construction and other services sectors have seen total job growth exceed one percent since June (**Figure 2**). Six out of the 10 major employment sectors in West Virginia experienced job losses this summer. The financial activities sector had the worst summer, with employment falling 2.5 percent, a loss of 700 jobs. Even construction, which had the best growth performance since June, took a step back in September with a loss of 100 jobs.

Table 1

#### Unemployment Unchanged

	December 2007	September 2011	Change	Percent Change
Unemployment	4.1%	8.2%	4.1%	
Total jobs	760,300	751,100	-9,200	-1.2%
Manufacturing	57,900	49,400	-8,500	-14.7%
Construction	38,200	32,900	-5,300	-13.9%
Mining/Logging	28,800	31,500	2,700	9.4%

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

Figure 1

#### Still No Growth in September

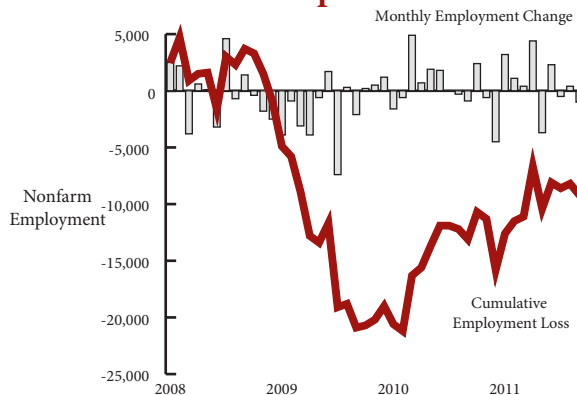
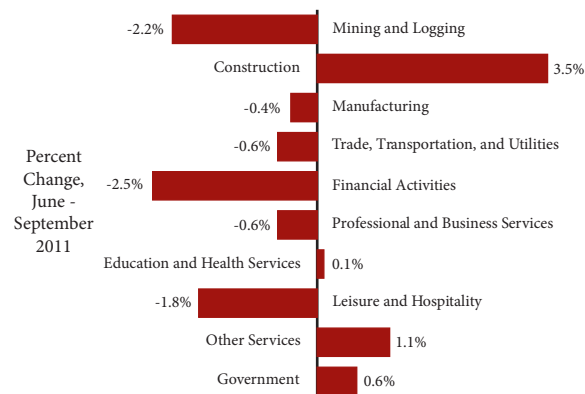


Figure 2

#### Poor Summer Showing



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

# A Closer Look

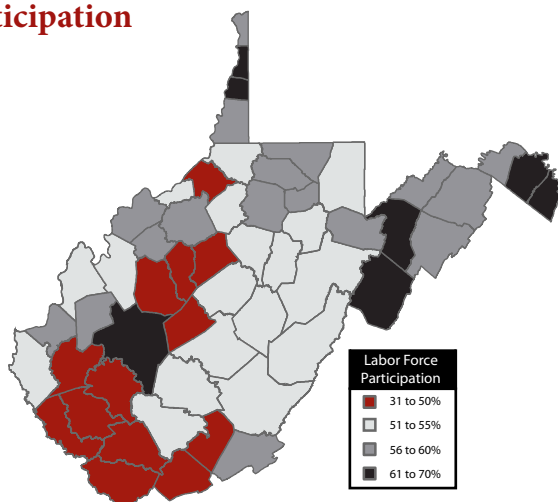
## Labor Force Participation

West Virginia's labor force participation rate - the share of people 16 years or older working or seeking work - ranks lowest in the nation. According to five-year estimate data for 2005-2009 from the American Community Survey, West Virginia's labor force participation rate was 55.6 percent. However, an examination of the rate in individual counties shows there are wide differences in the state.

Counties in the northern and eastern panhandle fared best, while many counties in the southern coalfield region had the lowest rates (**Figure 3**). In McDowell County, fewer than one in three residents over the age of 16 was in the labor force. Since these numbers reflect little of the recession that began in 2008, it is likely that the labor force participation rate could be even lower in many counties.

West Virginia's participation rate could decline more in the future, because the state's working age population (20-64) is projected to shrink by 104,000 from 2010 to 2035.<sup>1</sup> This demographic change alone could lower West Virginia's labor force participation rate 5.4 percentage points over the next 25 years, from 54.3 percent to 49.1 percent (**Figure 4**).<sup>2</sup>

Figure 3  
**Geographic Differences in Labor Force Participation**

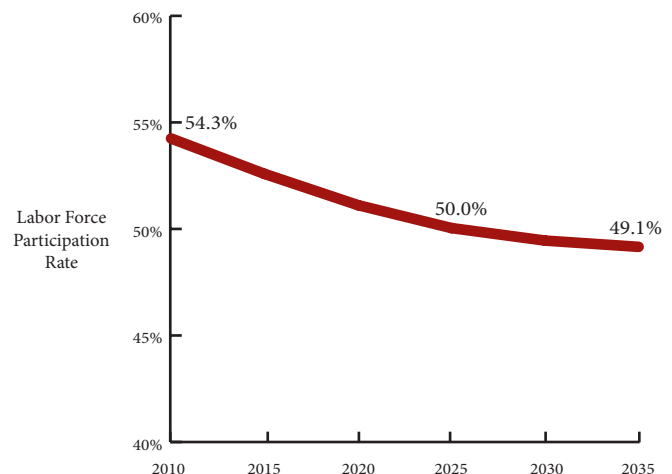


Source: U.S. Census Bureau, American Community Survey 2005-2009 data, Table B.23001: Sex by Age by Employment Status for the Population 16 Years and Over.

While there are many factors contributing to West Virginia's low labor force participation, one crucial factor is the low educational level of the state's labor force.<sup>3</sup> In 2010, only 51 percent of the state's workers had a post-secondary education, ranking West Virginia lowest in the nation.<sup>4</sup> Approximately 26 percent of the labor force had some college experience or an associate's degree, while only 25 percent had a bachelor's degree or higher. By improving post-secondary education attainment rates among adults, particularly those with low skills, West Virginia could also meet the demands of future employment needs.

- 1 Unk Christiadi, "West Virginia Population Projection by Age-Group and Sex" (Morgantown, WV: Bureau of Business and Economic Research, West Virginia University, August 2011).
- 2 WVCBP analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, 2010 Annual Averages, accessed at [www.bls.gov/lau/table14full10.pdf](http://www.bls.gov/lau/table14full10.pdf), and projections from Christiadi. Assumes that labor force participation rates by age groups do not change.
- 3 Stuart Dorsey, "The Strange Case of the Missing West Virginia Labor Force," *Growth and Change*, Vol. 22, Issue 2 (Summer 1991): pp.50-65.
- 4 Sean O'Leary and Ted Boettner, "The State of Working West Virginia 2011" (Charleston, WV: WVCBP, September 2011).

Figure 4  
**State's Labor Force Participation Rate Projected to Decline over Next 25 Years**



Source: WVCBP analysis of labor force data from LAUS and demographic projections from Christiadi (BBER).

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