

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

December 2012 Update

West Virginia Ends 2012 on a Positive Note

Total nonfarm employment grew by 900 jobs in December, ending 10 straight months of job loss for the state. West Virginia had a total of 746,900 jobs in December, still 13,400 jobs below its prerecession level (**Figure 1**). West Virginia's unemployment rate rose to 7.5 percent, up from 7.3 percent in November (**Table 1**).

Quiet Across Most Employment Sectors

Changes were small for West Virginia's major employment sectors in December. The state's manufacturing sector experienced a small rebound, adding 700 jobs, an increase of 1.5 percent. Construction also reversed recent trends, adding 400 jobs, an increase of 1.2 percent.

The government and education and health services sectors each added 400 jobs, an increase of 0.3 percent for both. The other services sector added 100 jobs, for a 0.2 percent increase.

The biggest loss occurred in the trade, transportation, and utilities sector, which lost 800 jobs, a decline of 0.6 percent. Losses of 200 and 100 jobs occurred in the professional and business services sector and the mining and logging sectors respectively, a decline of 0.3 percent for both. The leisure and hospitality and financial activities sectors were unchanged.

Recession's Five-Year Anniversary

December marked five years since the official start of the Great Recession. Since then, West Virginia has lost a total of 13,400 jobs. But as **Figure 2** shows, the recession hit some employment sectors much harder than others.

The bulk of West Virginia's job losses occurred in two sectors. The trade, transportation, and utilities sector lost 12,000 jobs, while the state's manufacturing sector lost 10,600 jobs. Construction also has experienced large losses.

On the other hand, the education and health services sector added 12,300 jobs, a reflection of the growing size of the health care industry both in West Virginia's and the national economy.

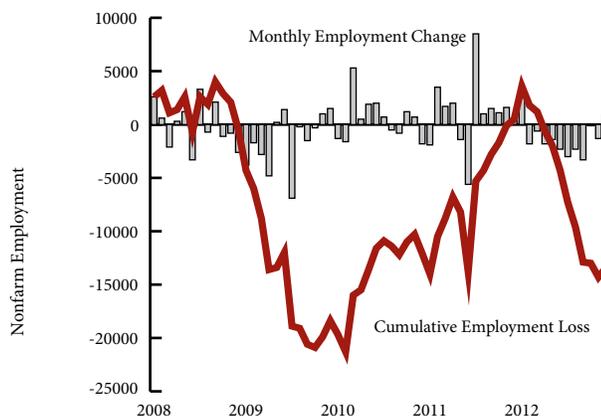
TABLE 1

Unemployment Still Above Seven Percent

	December 2007	December 2012	Change	Percent Change
Unemployment	4.1%	7.5%	3.4%	
Total Jobs	760,300	746,900	-13,400	-1.76%
Manufacturing	57,800	47,200	-10,600	-18.34%
Construction	38,100	34,100	-4,000	-10.50%
Mining/Logging	28,800	29,500	700	2.43%

FIGURE 1

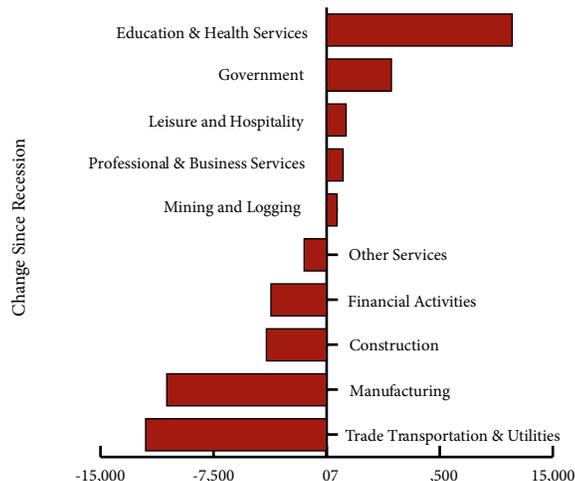
900 Jobs Added in December



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

FIGURE 2

Jobs Growth Mixed in Five Years After Recession Start



Source: WVCBP Analysis of Bureau of Labor Statistics, Current Employment Statistics Data.

A Closer Look

Wages Strongly Linked to Education

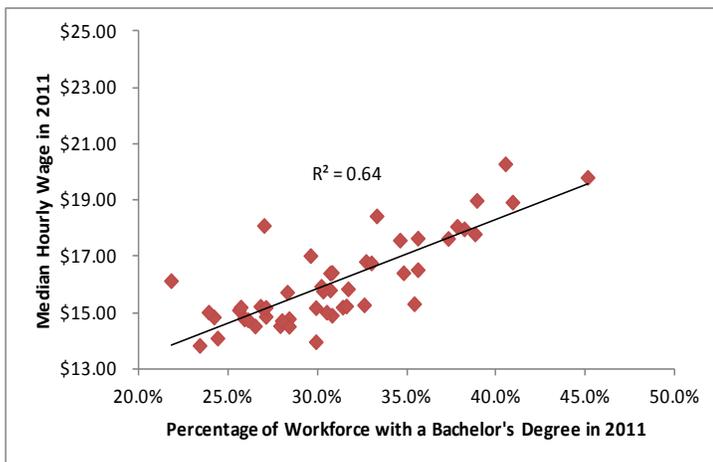
In 2011, West Virginia's median hourly wage ranked 36th among the states, at \$15.02. Of neighboring states, only Kentucky's was lower, at \$14.75. One likely explanation for West Virginia's relatively low median wage is the lack of education among the state's workforce. In 2009, only 23.9 percent of West Virginia's workforce had a college degree, compared to 32.0 percent nationally. Only two states, Arkansas and Wyoming, had a smaller share of their workforce with a college degree.

Figure 3 shows the strong correlation between education and wages in 2011. Each point on the chart refers to a state, and the trend line shows how strongly educational attainment levels in the workforce are related to median wages across states.

Changes to the economy have made this link much stronger than it was in the past. The correlation between education and wages in 1980, as shown in **Figure 4**, is much weaker than the relationship in 2011. West Virginia, which, in 1980, ranked 50th for share of the workforce with a college degree, ranked 21st in median wage.

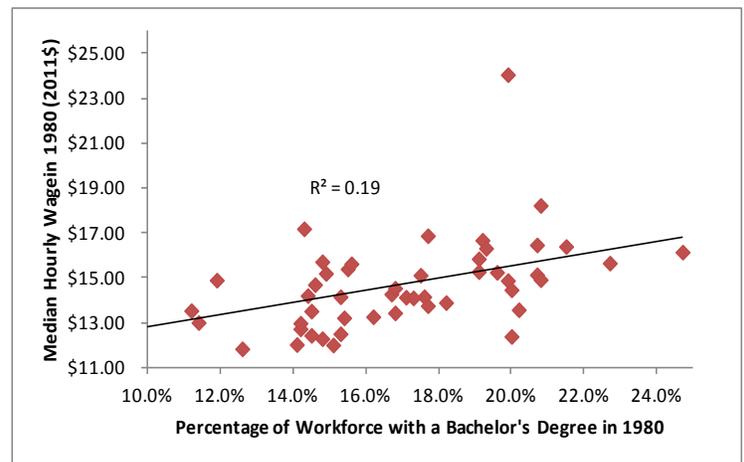
A changing labor market has made an education more valuable today than it has been in the recent past. Thirty years ago it was relatively easy to find a high-paying job in manufacturing, even if one only had a high school education. Today, those types of jobs have all but disappeared, and most high-paying jobs tend to require a college degree, making a highly educated workforce more important than ever.

FIGURE 3
Strong Link Between Education and Wages in 2011



Source: Economic Policy Institute Analysis of Current Population Survey Data.

FIGURE 4
Weaker Link Between Education and Wages in 1980



Source: Economic Policy Institute Analysis of Current Population Survey Data.

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.