State of Working Georgia 2011: Georgia’s Labor Market Deteriorates, While Inequality Persists

Trends in Unemployment and Underemployment

As of September 2011, Georgia’s unemployment rate had outpaced the national average for 50 consecutive months. The persistent unemployment brought on by the recent economic crisis capped off a decade that had already been difficult on working Georgians, and at a time when the state transformed from one of the South’s strongest labor markets to one of its weakest.

On the most commonly used measure of labor market strength – the unemployment rate – Georgia went from having the fourth lowest rate in the South (3.7 percent) in 2000 to the fourth highest (10.7 percent) in 2010. Georgia’s number of underemployed workers spiked as well in the 2000s, rising from 6 to 18 percent. The same can be said for Georgians working part-time for economic reasons although they would prefer a full-time position. In 2010, the state ranked second worst in the South and fifth worst in the country in the number of people working part-time for economic reasons.

Perhaps most disturbing, the number of Georgians qualifying as long-term unemployed (individuals unemployed for at least 26 weeks), skyrocketed between 2001 and 2010—more than quadrupling from 12.4 to 51.3 percent. This means that as of 2010, more than half of Georgians out of work had been searching for a job for more than six months.

Impact of Race, Gender and Education on Earned Wages

When considering earned wages, the median Georgia worker in 2010 was taking home approximately the same as his or her national counterpart – $16 per hour or $32,000 per year – though important distinctions emerge when comparing Georgians by race, gender, education and annual wage level.

- Men in Georgia continue to earn more than women, with the median annual wage for males being $35,780 per year compared to $28,540 per year for women in 2010. When looking at how closely women’s earnings track to men’s within a given year, Georgia ranked 6th best nationally in 2000, yet had fallen to 34th by 2010.
- As of 2010, Caucasians in Georgia were out-earning African-Americans by more than $8,000 per year and...
Hispanics by more than $14,000 per year. This means that African-Americans were earning 77 cents on the dollar when compared to Caucasians, while Hispanics were earning 60 cents on the dollar.

- In 2010, Georgians with a bachelor's degree or higher earned a median wage of almost $50,000 per year, while those with less than a high school education brought in just under $20,000 per year.
- Annual wages for the bottom 20 percent of workers increased by only $2,600 between 1980 and 2010 (a 2.5 percent increase), while those for median earners increased by $6,240 (a 4.1 percent increase). Those numbers pale in comparison to the $13,800 rise (a 10.4 percent increase) the top 20 percent of Georgians enjoyed over that span.
- The trend toward inequality got noticeably worse during the first decade of the new century as wages for the lowest 20 percent remained virtually unchanged, from $19,540 to $19,400, while those for top earners increased by 15 percent, $47,780 to $55,100.

To combat Georgia’s struggling labor market and the state’s persisting problem of inequality, leaders must pursue a balanced approach of equitable tax reform and strategic investments in education, job training and economic security. Modernizing the tax code so that all Georgians pay their fair share, while also ensuring families have the tools they need to succeed, are vital steps to building a 21st century Georgia where prosperity is possible for all.

For additional data and to see GBPI’s full recommendations, download the State of Working Georgia 2011 at www.gbpi.org.