

State of Working Georgia 2011: Georgia's Job Crisis at a Glance

Trends in Job Growth

The Great Recession was incredibly trying for the nation as a whole. From December 2007 to June 2009, nearly 7.5 million Americans (more than the entire population of metro Atlanta) lost their jobs, sending the nation's economy into its greatest crisis since the 1930s. Georgia was not immune from these forces and fared worse than other states on many measures.

The difficult period of late came at the tail end of what many commentators describe as a "lost decade" for economic growth and job creation. After a period of healthy growth in the 1990s, Georgia saw a 3.1 percent decline in jobs in the 2000s, meaning that 123,000 fewer Georgians were employed at the end of the decade than at the beginning. As illustrated in the table, the main drivers of job loss were the two recessions bookending the decade, with growth in the intervening years being relatively average. Most disturbing is that after posting the 7th highest rate of job creation in the 1990s, Georgia's performance compared to other states has plummeted, falling all the way to the bottom in the recent recovery.

Comparative Job Growth in Georgia Over Two Decades
(Seasonally adjusted)

	% Change in Jobs	National Rank
1990s	32.0%	7
2000s	-3.1%	36
2001 Recession	-2.0%	42
2001-2007 Recovery	6.3%	22
Great Recession	-6.6%	40
2009-2011 "Recovery"	-2.1%	51

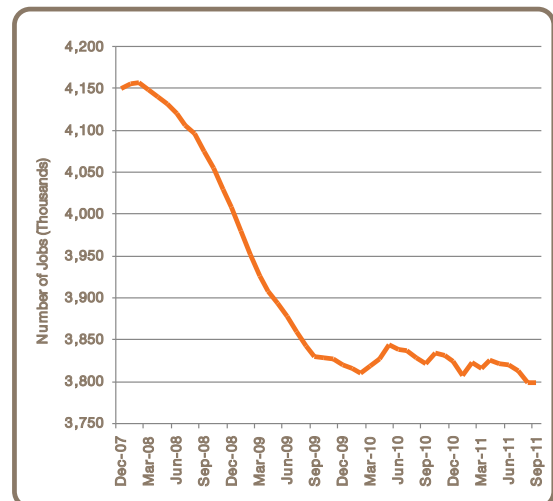
Source: Economic Policy Institute analysis of Current Employment Statistics, 1990-2011

Job Loss by the Numbers

By the official end of the recession in June 2009, more than a quarter million (271,700) Georgians had lost their jobs, accounting for a 6.6 percent decline in jobs for the state. Only six states lost a higher number of jobs during the recession, while only 10 lost a higher percentage. The industries hardest hit during the recession were construction (23 percent decline), natural resources and mining (18 percent decline) and manufacturing (16 percent decline).

Perhaps more alarmingly, Georgia has continued losing jobs during the so-called recovery that began in June 2009. The state ranks at the bottom nationwide in both the number (79,700) and percentage (2.06 percent) of jobs lost during that span, with the construction industry losing the highest

Job Loss in Georgia Since Start of Great Recession



Source: Economic Policy Institute analysis of Current Employment Statistics, 2009-2011

percentage of jobs (19 percent decline) and government losing the greatest number (39,000). Additionally, the trend is showing few signs of improvement as the state shed more than 20,000 jobs over the three most recent months of data—June to September 2011.

When looking at the Great Recession and jobless recovery as a whole, Georgia has lost 351,400 jobs—third most nationwide behind California and Florida. How these losses are distributed

across industries is illustrated in the graph below, with the losses in construction pointing to the housing bubble as a leading cause of the crisis. After accounting for the continued growth in Georgia’s population, the state’s economy will need to create more than half a million (554,475) jobs to return to pre-recession levels, according to the nonpartisan Economic Policy Institute. The jobs crash occurred despite Georgia’s status as a comparatively “business-friendly” state, 8th friendliest nationally according to Forbes magazine, and as a low-tax state, 49th nationally in revenues collected per person. This suggests Georgia’s leaders should not overemphasize tax cuts at the expense of pro-growth investments in education, infrastructure and workforce development, some of the most important drivers of state-level growth.

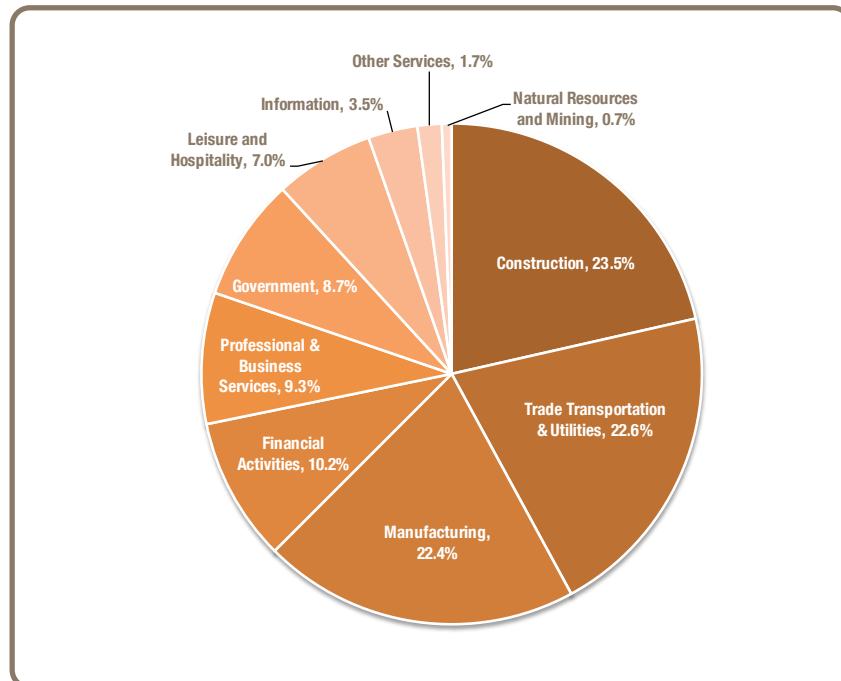
For additional data and to see GBPI’s full recommendations, download the State of Working Georgia 2011 at www.gbpi.org.

Top States for Job Loss Since Start of Recovery (Seasonally adjusted, in thousands)

	Jun-09	Sep-11	% Change
Georgia	3,878.1	3,798.4	-2.06%
Nevada	1,142.3	1,119.1	-2.03%
Delaware	416.1	409.5	-1.59%
Missouri	2,683.9	2,648.3	-1.33%
New Mexico	810.8	801.4	-1.16%

Source: Economic Policy Institute analysis of Current Employment Statistics, 2009-2011

Industry Decline Since Start of Great Recession, December 2007-September 2011 (Percentage of Total Job Loss)



Source: Economic Policy Institute analysis of Current Employment Statistics, 2007-2011