

State of Working Georgia: Jobs Count

Georgia Still Recovering in Fits and Starts
by Wesley Tharpe, Policy Analyst

Georgia continues to gradually – though unevenly – recover jobs lost during the Great Recession, according to recently released data from the U.S. Bureau of Labor Statistics. Georgia kept pace with the national average in job growth over the past 12 months, and created more jobs than all but six other states during the past three. While these are positive signs, serious concerns remain. If the economy doesn't pick up steam soon, Georgia won't return to pre-recession levels of employment for many years, and working Georgians may be in for another "lost decade" when it comes to income and job security. We still have a long way to go to fully recover from the Great Recession.

Trends in Job Creation

Georgia's Job Market Continues to Gradually Improve

Considering that Georgia was among the states hit hardest by the Great Recession and one of the slowest to begin recovering, its current job market is certainly showing some signs of life. Employers created 20,400 jobs here in the last six months, more than half of them (15,600) in the last three (Table 1). Since the start of 2011, Georgia's job creation has regularly outperformed the typical state and stayed fairly close to the nation as a whole. For example, between January 2011 and July 2012, the number of employed Georgians grew by 1.91 percent, compared to a national average of 2.22 percent and the median state's rate of 1.56 percent.¹

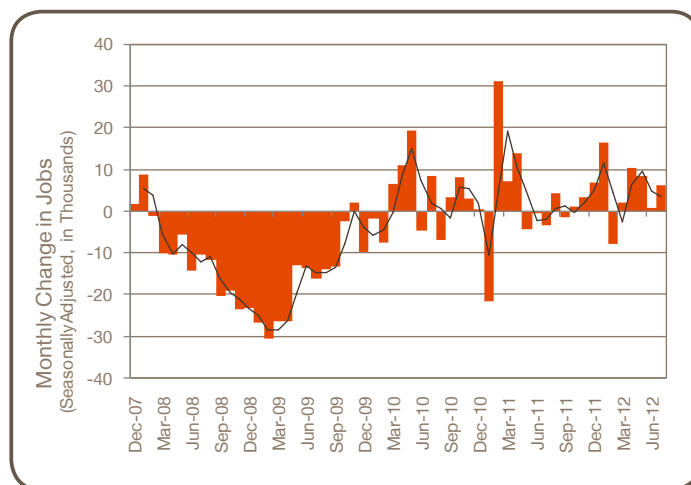
Table 1 Decent, but not Stellar, Job Growth in Recent Months

Timespan	Change in # of Jobs	% Change in Jobs	National Ranking in Job Creation (1 is Best)
Great Recession <i>(December 2007 to February 2010)</i>	-339,000	-8.2%	43
RECOVERY in Georgia			
2010 – 2012 <i>(February 2010 to July 2012)</i>	122,000	3.2%	20
Last twelve months <i>(July 2011 to July 2012)</i>	50,800	1.3%	22
Last six months <i>(January 2012 to July 2012)</i>	20,400	0.5%	23
Last three months <i>(April 2012 to July 2012)</i>	15,600	0.4%	15

Source: Economic Policy Institute analysis of Current Employment Statistics (CES)

At the same time, Georgia's recovery remains extremely inconsistent, even fragile. After hitting rock-bottom for jobs in February 2010, Georgia's job creation has fluctuated significantly month-to-month (Figure 1). The past six months, for instance, started with a loss of 7,700 jobs in February 2012 and followed with increases of 2,200; 10,300; 8,500; 800; and, in July, 6,300. The state's unemployment rate also spiked to 9.3 percent from 8.9 percent between May and July 2012, though this was due partly to an increased number of people looking for work.

Figure 1 Georgia's Job Recovery Remains Uneven



Source: Economic Policy Institute analysis of Current Population Survey data

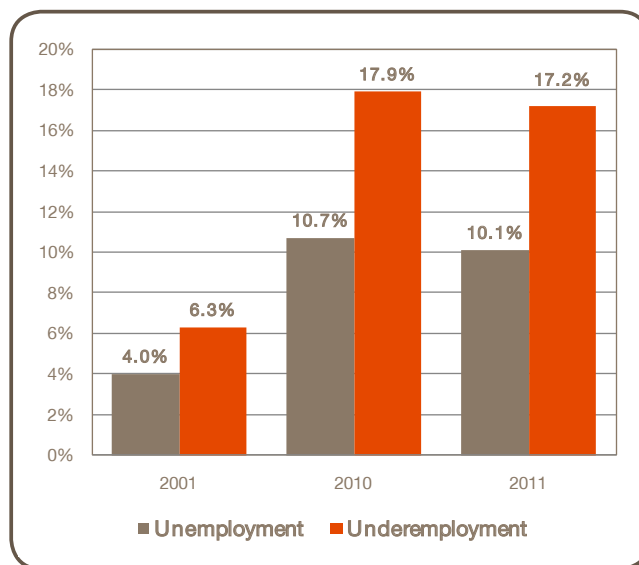
A Closer Look

Another "Lost Decade" Possible for Georgia Families

The first decade of the 21st century is often described as a lost decade for economic growth, job creation, and family incomes in America—and Georgia was no exception. After an impressive 32 percent increase in jobs in the 1990s – ranking 7th best nationwide – Georgia actually lost more than 3 percent of its jobs during the 2000s. Annual wages for the median worker increased only slightly, while average wages for the bottom 20 percent flat-lined. The number of Georgians who were either unemployed or underemployed² skyrocketed, a trend that continued through 2011 (Figure 2).

Because of the ferocity of the Great Recession, there is considerable risk that Georgia's families will not truly recover for some time, possibly not even by the close of the decade. Fewer jobs, declining wages, and limited economic growth may be the new normal unless decisive action is taken. One reason is that to fully return to pre-recession levels of employment, Georgia's economy must not only replace the jobs that were lost but also create new ones to keep up with population growth. The combination of jobs previously lost and those that must be created – referred to as the "jobs deficit" – was at 404,500 as of July 2012, according to the nonpartisan Economic Policy Institute (Figure 3). To fill this gap by July 2015, Georgia would need to create around 14,000 jobs every month, a far cry from the 4,200 jobs per month it averaged over the past 12 months.

Figure 2 Georgia's Labor Market Distress Continued through 2011



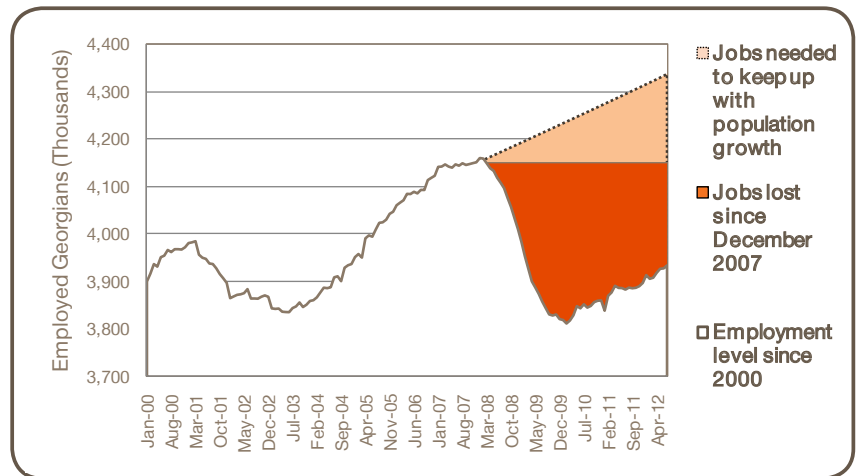
Source: Economic Policy Institute analysis of Current Population Survey data

Additionally, a full recovery for both Georgia and the nation is many years off, many experts predict:

- Georgia State University's Economic Forecasting Center projects that Georgia's unemployment rate will remain at or above 8.5 percent through at least 2014,³ while Moody's Analytics thinks it will stay at or above 6 percent through the end of the decade;⁴
- The incomes of middle class American families are expected to remain below their 2000 and 2007 levels through at least 2018, according to the Economic Policy Institute;⁵ and
- Three industries that are central to Georgia's economy – construction, manufacturing, and trade – are not projected to regain their nationwide 2007 employment levels until after 2017, according to the Urban Institute.⁶

Given these grim projections, it is clear that depending on economic growth alone will not get Georgia businesses and families where they need to be. State leaders can help the situation, but they tend to focus on only one piece of the puzzle—taxes. This is misguided, since Georgia is already considered one of the most attractive places to do business. Instead, to make sure job growth improves and working families are strengthened, policymakers should focus on investments in education, transportation, and job training, which will help build the workforce of tomorrow and promote long-term prosperity.

Figure 3 Jobs Deficit in Georgia (as of July 2012)



Source: Economic Policy Institute analysis of Current Population Survey data

To view additional data on how working Georgians have fared over prior years and decades, please see the [full State of Working Georgia 2011 report](#). GBPI will release the 2012 edition this fall.

Endnotes

- ¹ All employment figures are from Economic Policy Institute analysis of Current Population Survey data, unless otherwise noted.
- ² Underemployment is an official measure encompassing the unemployed, those working beneath their skill level, and those working part-time when they would prefer a full-time position.
- ³ Georgia State University Economic Forecasting Center. Forecast of Georgia and Atlanta. August 2012; page A-3
- ⁴ Moody's Analytics (www.economy.com), as provided by the Economic Policy Institute.
- ⁵ From the Economic Policy Institute's forthcoming 12th Edition of State of Working America, to be released Tuesday, September 11, 2012.
- ⁶ Loprest, Pamela and Mitchell, Josh. "Labor Market and Demographic Analysis: A National Picture of Short-Term Employment Growth by Skill," Urban Institute. May 2012.