

State of Working Georgia: Jobs Count

Georgia's Job Recovery Picking Up Steam, But Not Fast Enough for Struggling Families
by Wesley Tharpe, Policy Analyst

Though still not firing on all cylinders, Georgia's economy has created jobs at a comparatively strong pace over the past few months, according to new data from the U.S. Bureau of Labor Statistics. Georgia's rate of job growth has exceeded the national average over the past 12 months, and only 10 states have grown faster over the past six months. But the state's economy has regained only about a third of the jobs it lost during the Great Recession, and Georgia families are still feeling the lingering impacts of that crisis. As described in detail in GBPI's forthcoming *State of Working Georgia 2012*, the Great Recession caused historic declines in household income, wages and wealth for average families, as well as shocking increases in poverty. While the state's improving job growth is certainly something to celebrate, the fact remains that working Georgians remain several years away from full recovery.

Moving Forward – But Not Far Enough

Considering that Georgia was among the states hit hardest by the Great Recession and one of the slowest to begin recovering, its job market is certainly showing some signs of life. Employers in Georgia added more than 34,000 jobs in the last six months, and the state's rate of job growth over the past year – from September 2011 to September 2012 – is 16th highest nationwide (Table 1).¹ Georgia's economy has now experienced job growth for seven consecutive months, compared to 24 straight months on the national level.

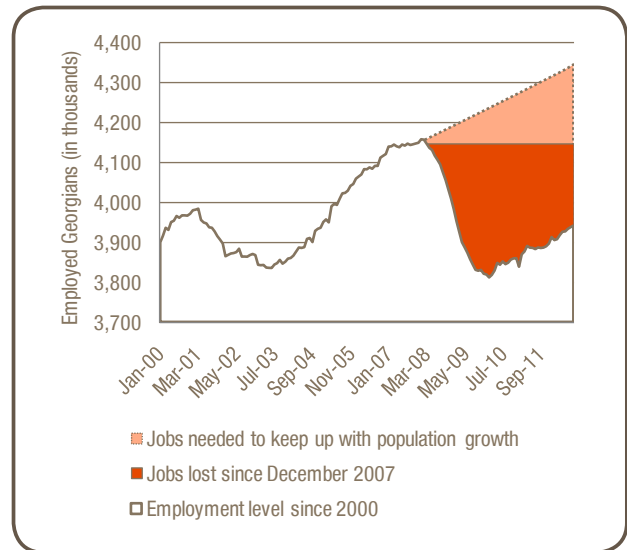
Table 1 Georgia's Job Growth Continues to Slowly Recover from the Great Recession

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>	-338,500	-8.16%	43
RECOVERY in Georgia			
2010 – 2012 <i>(February 2010 to September 2012)</i>	130,300	3.42%	20
Last twelve months <i>(September 2011 to September 2012)</i>	56,300	1.45%	16
Last six months <i>(March 2012 to September 2012)</i>	34,200	0.90%	11
Last three months <i>(June 2012 to September 2012)</i>	14,600	0.37%	16

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

Taking a wider view, however, it is clear that despite this momentum, the state's economy is still a long way from recovering from the Great Recession. After hitting rock-bottom in February 2010, Georgia has added 130,300 jobs as of September 2012, which is slightly more than a third (38.3 percent) of those that were lost during the downturn (338,500). This gap is even worse though because to fully return to pre-recession levels of employment, Georgia's economy must not only gain back the jobs it lost but also create new ones to stay even with population growth. Georgia's population has grown by 4.7 percent since the Great Recession began. As a result, Georgia's total "jobs deficit" as of September 2012 is 404,400 jobs, according to analysis by the nonpartisan Economic Policy Institute (Figure 1). To fill the gap, Georgia's economy would need to add about 14,000 jobs per month for the next three years, compared to the 5,000 per month it has averaged since the start of 2012.

Figure 1 Georgia's Deficit as of September 2012



Source: Economic Policy Institute analysis of Current Employment Statistics

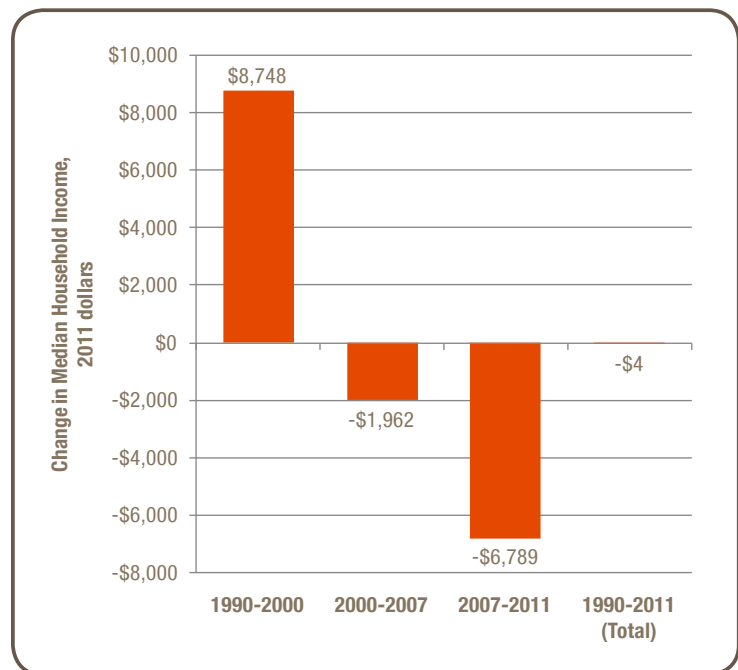
A Closer Look

Great Recession Wiped Out Two Decades of Progress for Georgia's Poor and Middle Class

In mid-November, GBPI will release the 2012 edition of its annual *State of Working Georgia* report, which uses an array of data on jobs, incomes, wages, poverty, and health insurance to explore how ordinary Georgians are faring in today's economy. While there are numerous reports each year that gauge the health of Georgia's economy from the perspective of businesses (e.g. number of new startups, perceived level of "business-friendliness"), *State of Working Georgia* explores the question from a different angle – the strength of the state's workforce and vitality of its low- and middle-income people.

Once released, *State of Working Georgia 2012* will clearly show that average Georgians continue to struggle through the difficult wake of the Great Recession, evidenced by historically high unemployment, depressed wages, shrunken incomes and historically high poverty. Perhaps the most devastating finding of the report is that, due to almost unprecedented impact of the economic collapse, **working Georgians have essentially seen two-full decades worth of economic progress disappear.** For example, typical Georgia households are now bringing-in virtually the same amount of income they did in 1990, once adjusting for inflation. This is due almost entirely to losses incurred during the Great Recession, which cancelled out families' prior gains from the 1990s, when Georgia was among the national leaders in jobs and growth (Figure 2). *State of Working Georgia 2012* will explore several important aspects of this core finding:

Figure 2 Previous Gains in Typical Households Wiped Out by Slow 2000s + Great Recession



Source: Economic Policy Institute analysis of Current Population Survey data

- **Battered annual incomes** for Georgia households, which have compromised their ability to meet basic needs. Inflation-adjusted income for the typical Georgia household is now virtually the same as in 1990.
- **Decreased wealth** for Georgia families, which has compromised workers' capacity to invest in the future and made them more susceptible to sudden declines in income, liking losing a job. While available data on families' overall net worth (e.g. home equity, savings accounts) are not as precise as that for annual income, recent evidence suggests that the recession reduced Georgians' wealth levels substantially.
- **Depressed wages** for low- and middle-income Georgians, who have seen their annual pay fall thousands of dollars since the recession began. Because wages are far-and-away the largest source of income for working people, lower wages are the primary reason family bank accounts are shrinking.
- **Historically high poverty**, especially among Georgia's children. Georgia's poverty rate is now at its highest point since 1983. Poverty severely limits opportunities for economic advancement and has been shown to have life-long "scarring" effects on young people that can last a lifetime. It also harms the entire economy by limiting consumer spending, discouraging personal savings, and straining social services.

To learn more, stay tuned for GBPI's *State of Working Georgia 2012*, to be released in mid-November.

■ Endnote

¹ All employment figures are from Economic Policy Institute analysis of Current Population Survey data, unless otherwise noted.