

Georgia Still Adding Jobs, though Public Sector Lagging Behind

by Wesley Tharpe, Policy Analyst

Though still not firing on all cylinders, Georgia's economy continues to add jobs at a comparatively strong pace, 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 (1.65 percent vs. 1.43 percent), and the state's jobless rate has fallen to its lowest point in nearly four years (8.5 percent). But the state's economy has regained only about two-fifths of the jobs it lost during the Great Recession, partly because ongoing budget cuts have kept employment in Georgia's public sector abnormally low. Despite the recent improvement, the state remains several years away from full recovery.

Moving Forward – But Slowly

Table 1 Georgia's Job Growth Gradually Improving, Though Large Hole Remains

	Timespan	Change in # of Jobs	%Change in Jobs	National Ranking in Job Creation (by % change, 1 is Best)
Recession and Recovery in Georgia				
<i>Great Recession in Georgia</i>	December 2007 to February 2010	-338,500	-8.2%	43
<i>Recovery in Georgia</i>	February 2010 to November 2012	142,600	3.7%	21
<i>Since the Start of the Great Recession</i>	December 2007 to November 2012	-195,900	-4.7%	36
Most Recent Job Trends				
<i>Last Twelve Months</i>	November 2011 to November 2012	64,200	1.7%	17
<i>Last Six Months</i>	May 2012 to November 2012	27,700	0.7%	19
<i>Last Three Months</i>	August 2012 to November 2012	16,100	0.4%	26

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

Considering 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 27,700 jobs in the last six months and the state's rate of job growth over the past year – from November 2011 to November 2012 – is 17th highest in the country (Table 1).¹ The state's unemployment rate is also down to its lowest point since January 2009, (8.5 percent), while the number of Georgians actively in the labor force hit its highest level since February 2009.

Taking a wider view, however, it is clear that the state's economy is still a long way from recovering from the Great Recession. After hitting rock bottom in February 2010, Georgia added 142,600 jobs through November 2012. That is about two-fifths (42.1 percent) of jobs lost during the downturn (338,500). In addition to the nearly 200,000 jobs it has yet to gain back from the recession, Georgia's economy must also create new ones to stay even with population growth – meaning the jobs gap is even worse than is widely reported. Since Georgia's population grew by 4.9 percent since the Great Recession began, the state's total "jobs deficit" through November 2012 is 400,100 jobs, according to analysis by

the nonpartisan Economic Policy Institute (Figure 1). To fill this gap, Georgia's economy needs to add about 14,000 jobs per month for the next three years, compared to the 5,400 per month it has averaged over the past year.

A Closer Look: Weakened Public Sector Holding Back Recovery's Full Potential

Though we still have a long way to go, Georgia's private sector economy is clearly much improved from where it was at the start of the recovery. Businesses have seen a 5 percent increase in jobs since February 2010, equaling nearly 157,000 new jobs statewide.

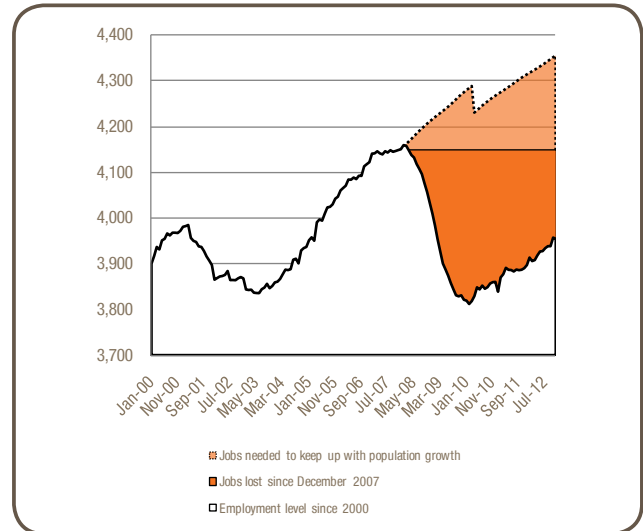
Unfortunately, the recovery has been nonexistent for those working in Georgia's public sector, such as teachers, administrators and public safety workers. Employment in state and local government has actually decreased, shedding nearly 14,000 jobs for a decline of 2.4 percent. The primary cause of this phantom recovery for state and local workers is Georgia's continuing budget cuts to vital programs and services, which have totaled about \$1.8 billion since the 2009 fiscal year.

Brought on by a mix of slow revenue growth and resistance among policymakers to find new revenue sources, the cuts prevented Georgia's public sector from recovering as swiftly as its private one. If state and local governments experienced the same 5 percent growth rate as the private sector since February 2010, Georgia would have 56,400 more jobs than we do now (Figure 2). For context, employment in state and local government grew by more than 12 percent in Georgia during the mid-2000s economic expansion – meaning that 5 percent growth would not equate to the public sector growing too bloated.

While keeping government lean and efficient is certainly a worthwhile goal, continued cuts to Georgia's public sector reduce essential investments in education and transportation, compromise quality of life and prevent state and local governments from hiring needed workers. The result is fewer opportunities for Georgia job seekers and fewer Georgians who are gainfully employed, which undermines family well-being and prevents our economic recovery from reaching its full potential.

Figure 1 Georgia's Job Deficit as of November 2012

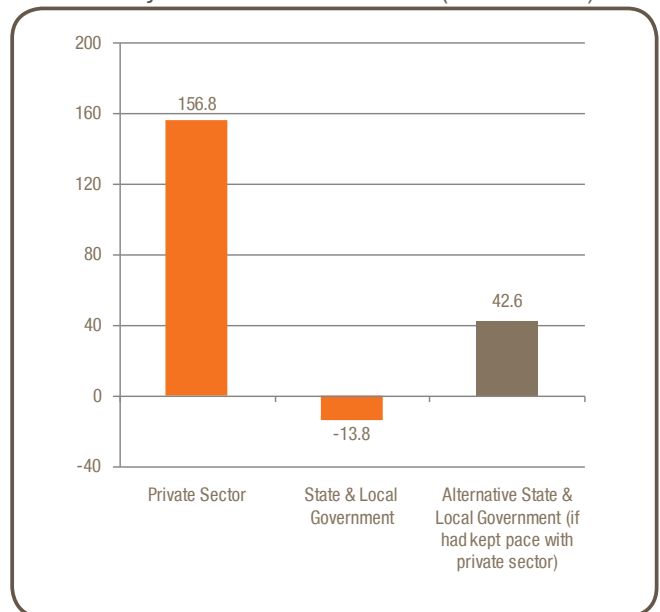
Payroll Employees in Georgia (in thousands)



Source: Economic Policy Institute analysis of Current Employment Statistics

Figure 2 Georgia's Public Sector Still Losing Jobs During Recovery

Change in Georgia Jobs, February 2010 to November 2012 (in thousands)



Source: Author's calculations using Economic Policy Institute analysis of Current Employment Statistics

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