

Georgia's Economy Continues Slow Climb – Warning Signs Abound

By Wesley Tharpe, Policy Analyst

Georgia's economy continues to add jobs at a slightly better pace than other states, though it is still not firing on all cylinders. Georgia grew jobs slightly faster than the nation as a whole over the past year, and some of the state's industries – such as health care and professional business services – are consistently adding jobs. However, Georgia's growth rate in the most recent quarter fell below the U.S. average, and industries such as construction, manufacturing and local government continue to struggle. Overall, the state still is home to far fewer jobs than before the economic collapse and the recovery is not moving fast enough to fill Georgia's jobs gap anytime soon. Georgians still face a long road to full economic recovery.

Table 1 Georgia's Economy Still Growing at a Modest Pace

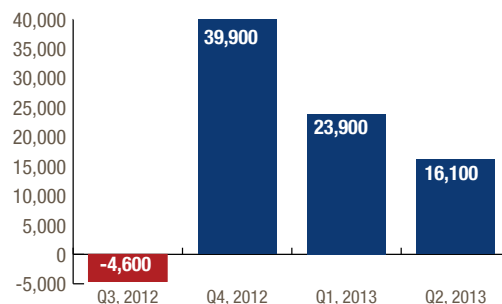
	Change in # of Jobs (GA)	% Change in Jobs (GA)	% Change in Jobs (US Avg)	Georgia's National Rank in Job Creation (by % Change, 1 is best)
Last 12 months (June 2012 - June 2013)	75,300	1.90%	1.72%	12
Last six months (December 2012 - June 2013)	40,000	1.00%	0.90%	12
Last three months (March 2013 - June 2013)	16,100	0.40%	0.44%	21

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

Moving Forward - Though Signs Warn of Slowdown

Although it continues to improve, Georgia's job market may be showing signs of slowing. Employers added an estimated 16,100 jobs over the past three months ending June 30, 2013. While positive, that is fewer than the prior two quarters. Georgia's rate of job growth over the past three months dipped slightly below the U.S. average, although it still ranks in the top half of all states. The statewide unemployment rate also crept to 8.6 percent from 8.3 percent and the numbers of Georgians actively looking for jobs continued to fall.

Georgia Still Adding Jobs, Despite Some Slowdown
Number of net nonfarm jobs per quarter



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

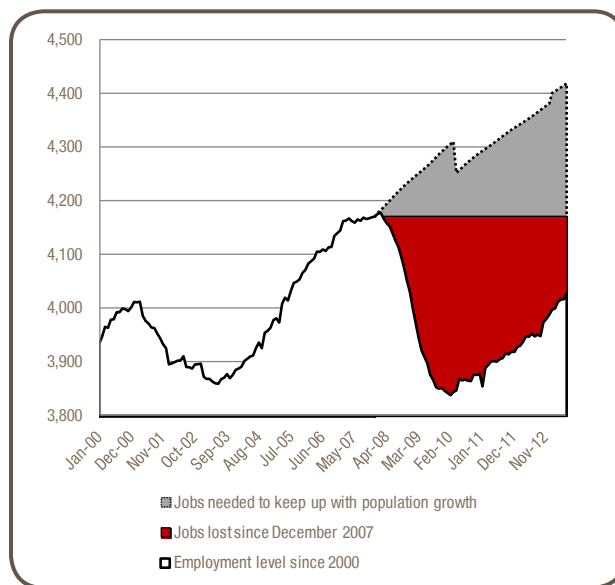
Big Hole to Fill

Despite modest growth, Georgia's economy has still only regained 57 percent of the jobs it lost during the Great Recession, according to the most recent data from the U.S. Bureau of Labor Statistics. That statistic actually overstates how well Georgia's job market has recovered from the downturn. Ongoing population growth requires the economy to not only replace the jobs it lost, but also to create additional ones for new people moving to the state. To keep pace, Georgia needs to grow nearly a quarter-million more jobs on top of the 143,300 lost during the downturn. That makes Georgia's total jobs deficit 389,900 as of June 2013, according to the nonpartisan Economic Policy Institute.

A Closer Look: Not All Georgia Sectors Recovering

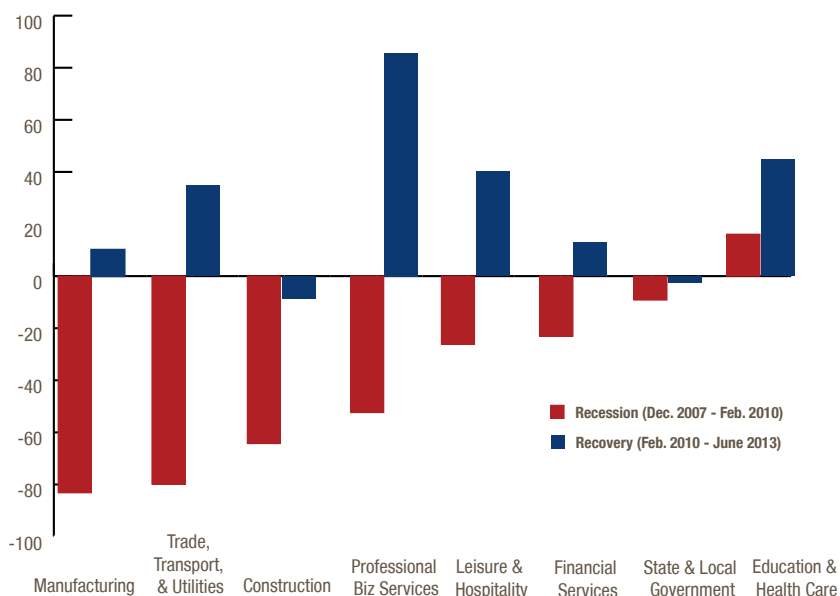
Some of Georgia's industries are not rebounding much – or at all – from the body blow of the Great Recession. Several industries, such as manufacturing, are still way below their pre-recession job levels, while construction and state and local governments are still losing jobs. Other sectors are faring better. "Professional business services," a category that includes jobs such as accounting and law, has added 33,000 more jobs during the recovery than lost during the downturn. Leisure and hospitality businesses, such as restaurants and hotels, have also fully recovered jobs previously lost.

Population Growth Leads to Daunting Jobs Deficit in Georgia Payroll Employees in Georgia (in thousands)



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

Inconsistent Recovery Among Georgia Industries Nonfarm payroll employees, in thousands



Source: Economic Policy Institute analysis of Current Employment Statistics

Note: Cuts to public school teachers are counted under "State & Local Government" rather than "Education and Healthcare."

More details on employment change in Georgia's industries are provided below:

Table 2 More Details on Industry Downturns and Recovery

Change in Nonfarm Jobs (in thousands)	During Recession	During Recovery	Since the Start of Great Recession
	December 2007- February 2012	February 2010- June 2013	December 2007 - June 2013
Manufacturing	-83.2	10.1	-73.1
Construction	-64.3	-8.8	-73.1
Trade, Transport, & Utilities	-79.9	34.7	-45.2
State & Local Government	-9.2	-24.0	-33.2
Financial Services	-23.1	12.8	-10.3
Leisure & Hospitality	-26.2	40.2	14.0
Professional Business Services	-52.4	85.7	33.3
Education & Health Care	16.1	44.7	60.8

Source: GBPI analysis of Current Employment Statistics