


The State of West Virginia's Labor Markets in 2011

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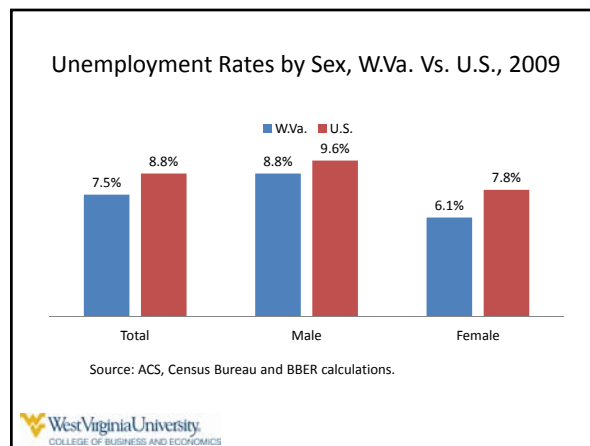
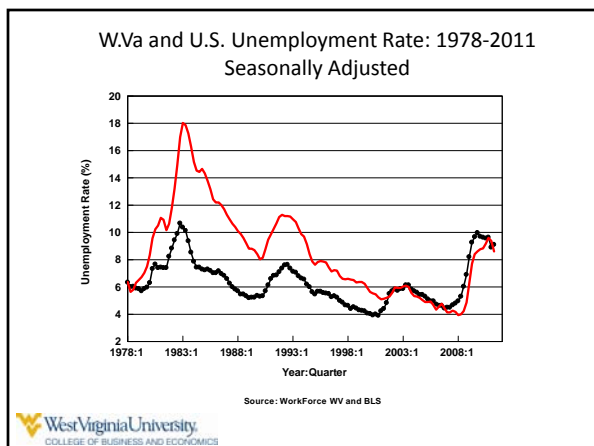
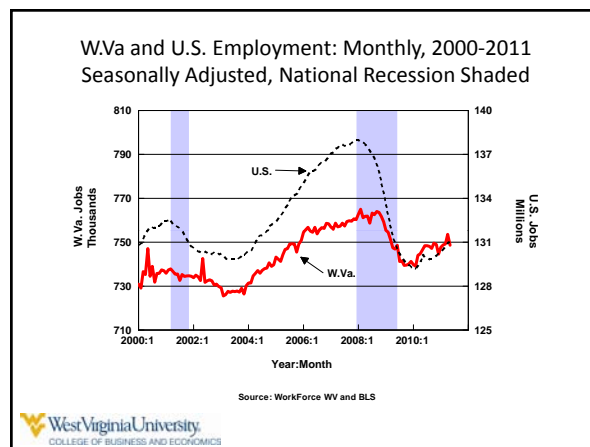
Overview

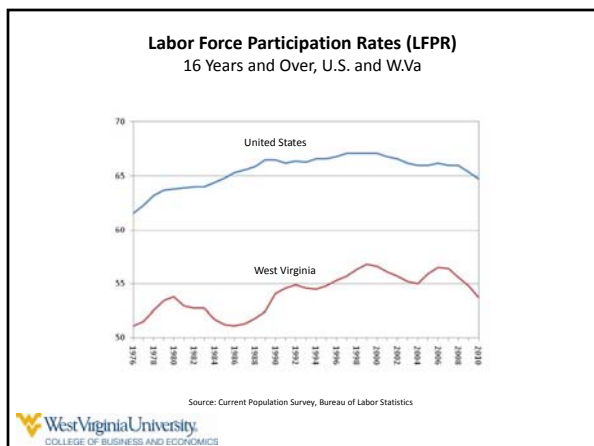
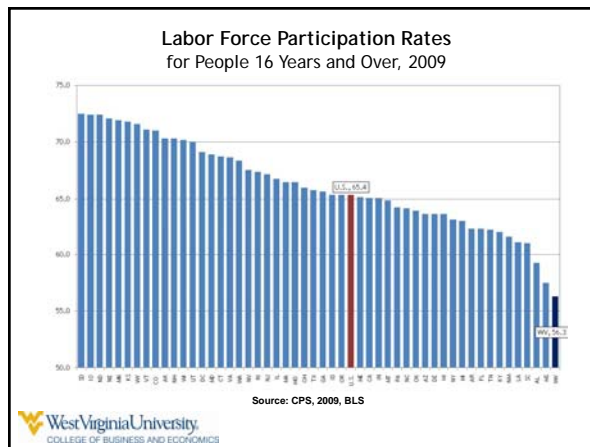
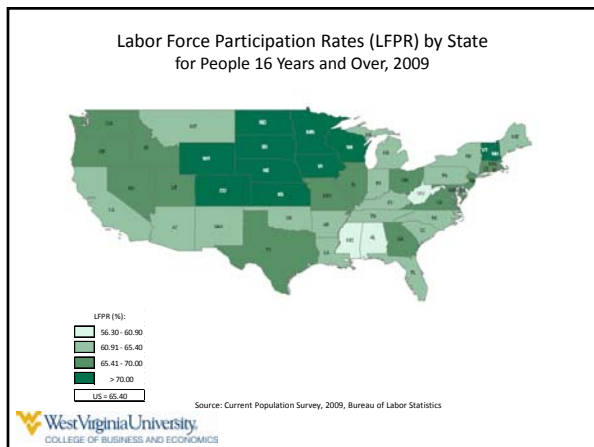
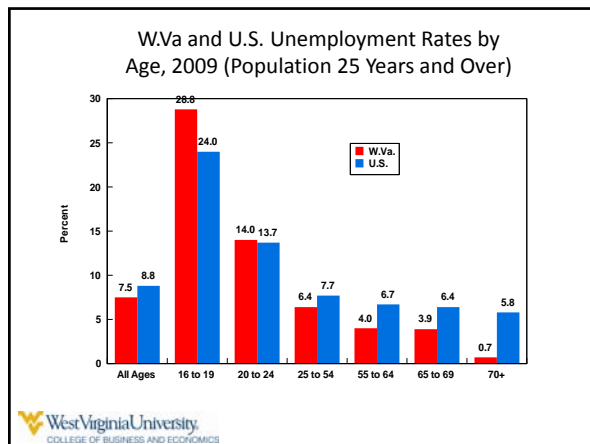
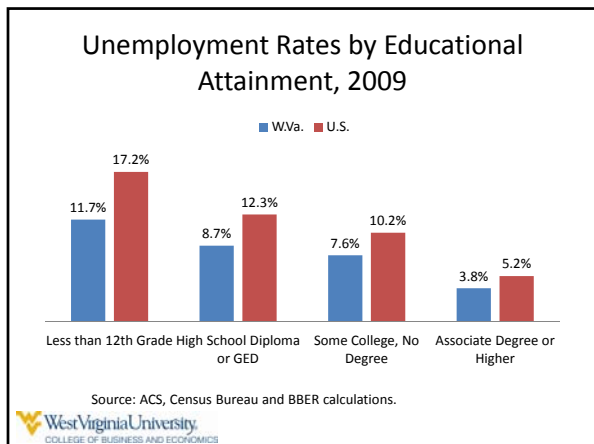
- Past and current state of the labor market
 - Definitions
 - West Virginia vs. U.S.
 - Why this “Great Recession” is different
- Challenges facing West Virginia’s economy in the future compared to other states
 - Projected employment growth
 - Educational attainment
 - Population demographics
 - Labor force attachment



Defining the Labor Market

- Employed
 - All persons who did any work for pay or profit during the survey reference week
 - All persons do did at least 15 hours of unpaid work in a family-owned enterprise
 - All persons who were temporarily absent from their regular jobs, whether they were paid or not
- Unemployment
 - Persons do not have job, have actively looked for work in prior 4 weeks, and are available for work
- Labor Force=Employed + Unemployed
- Unemployment Rate= Unemployed/Labor Force
- Hidden Unemployment
 - Out of the labor force
 - Working part-time but desiring full-time



Labor Force Participation Rate by Demographic Categories, W.Va. And U.S., 2010

Category	W.Va.	U.S.	Difference
All	54.5%	64.7%	10.2%
Gender			
Male	61.2%	71.2%	10.0%
Female	48.2%	58.6%	10.4%
Age			
16-24 years	49.0%	55.2%	6.2%
25-54 years	73.7%	82.2%	8.5%
55 years and older	32.0%	40.2%	8.2%
Education			
Less than high school	27.4%	41.3%	13.9%
High school	53.0%	62.5%	9.5%
Some college	62.1%	69.4%	7.3%
Bachelor's or higher	76.1%	77.0%	0.9%

Educational Attainment By State Is Widening, 1990 vs. 2010

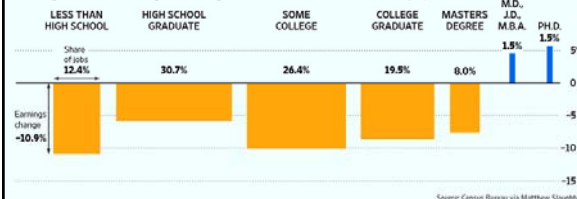
State	Less Than High School Diploma 1990	Less Than High School Diploma 2010	Ratio of College Grads/Less than High School Diploma 1990	Ratio of College Grads/Less than High School Diploma 2010
Mississippi	35.7%	19.0%	0.4	1.0
West Virginia	34.0%	16.8%	0.4	1.0
Arkansas	33.7%	17.1%	0.4	1.1
New Hampshire	17.8%	8.5%	1.4	3.8
Minnesota	17.6%	8.2%	1.2	3.9
District of Columbia	26.9%	12.6%	1.2	4.0



Source: ACS, Census Bureau

A Matter of Degrees

Change between 2000 and 2010 in inflation-adjusted average earnings by educational attainment; bar height measures change in earnings, bar width measures share of employment



Source: Census Bureau via Matthew Slaughter

The Current Labor Market is the Worst in Decades

- August 2011
 - W.Va. 8.1% vs. U.S. 9.1%
 - W.Va. Nonfarm payroll employment up 3,900 from August 2010
 - W.Va. Household employment down 64,000 from 2007 peak
- Alternative measures of unemployment more bleak-official measure excludes discouraged workers and those working part-time but wanting full-time-could be as high as 14.3% in W.Va. (2011Q1)



Why the 'Great Recession' is Different

- Long-term unemployment has increased dramatically
 - 11.0% of unemployed were unemployed for 52 weeks or longer in 2010
- Emerging education gap
 - Metro areas with large education gap had higher unemployment rates
- Less educated workers more likely to become unemployed and have longer spells of unemployment
- Rising gap in wages and salaries based upon educational attainment
- Median family income adjusted for inflation is at 1996 levels

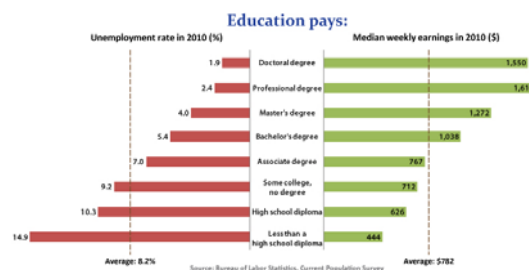


Education Impacts Work-Life Earnings

- Census Bureau study released September 8, 2011
- Education has more effect on earnings over a 40-year span in the workforce than any other demographic factor such as gender, race and Hispanic origin
- Other studies have indicated the importance of education on labor force success



We Know Education Pays 2010

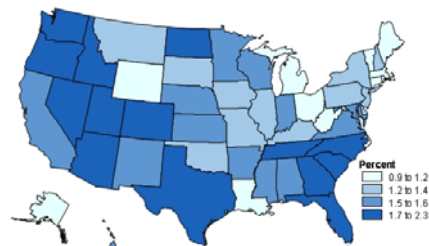


Long-Term Challenges Facing West Virginia

- Projected employment growth weak compared to other states
- Educational attainment lags behind U.S.
- Population continues to age in place
- Given current labor force participation rates, the projected workforce of the future will fall
- Who will fill future job vacancies?



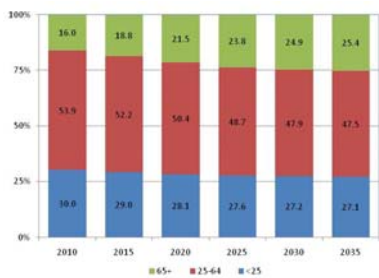
U.S. Employment Growth 2011-17



Source: HIS Global Insights, Map of the Week, September 23, 2011



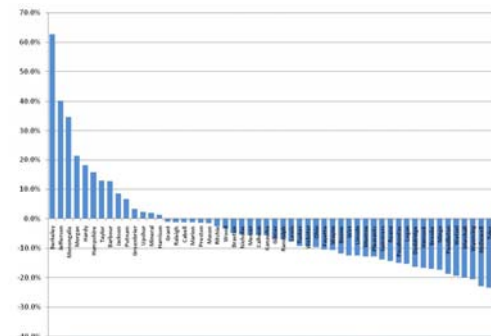
W.Va Population by Major Age Categories: 2010-2035



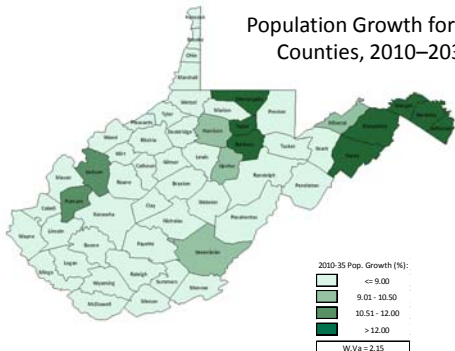
Source: W.Va Population Projection, 2011, Bureau of Business and Economic Research



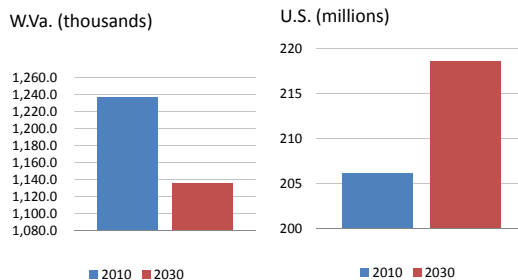
Population Change for W.Va Counties, 2010-2035



Population Growth for W.Va Counties, 2010-2035



Working Age Population, 2010 vs. 2030, W.Va. vs. U.S.



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