

WISCONSIN JOBS GROW, BUT SO DOES UNEMPLOYMENT

Wisconsin got some relief from job loss in January. The state gained 5,600 jobs from December 2009 to January 2010, only the second month-to-month growth in employment in over a year and a half. Still, that small gain does almost nothing to offset the decline of the state job market since the start of the recession in December 2007. Wisconsin has lost 181,500 jobs – 6.3 percent of the pre-recession job base. As shown in Figure 1, the heaviest losses to date occurred between October 2008 and July 2009, followed by a relative leveling off between July and October 2009 and another dip of 23,000 jobs between October and December.

Despite the gain in jobs, Wisconsin's unemployment rate rose to 8.7 percent in January 2010, up 0.2 percentage points from December 2009 and nearly twice its pre-recession level (4.5 percent in December 2007). Wisconsin's unemployment rate had been declining slowly but steadily from its May/June/July peak (8.9 percent) to December 2009. It remains to be seen whether unemployment levels will continue to climb further in months to come. (Table 1, Figure 3 on back page)

MANUFACTURING IMPROVES, CONSTRUCTION SLIDES

Wisconsin gained 3,300 manufacturing jobs in January 2010, following a loss of 8,700 jobs between September and December 2009. While this increase is a positive sign that the industry might be stabilizing, Wisconsin's manufacturing sector has 76,300 fewer jobs than when the recession started, representing more than a 15 percent loss within this sector and accounting for more than 40 percent of the state's total job loss.

The construction sector lost another 1,800 jobs between December 2009 and January 2010, bringing the total number of construction jobs to 94,000, its lowest (seasonally adjusted) level since May 1993. The construction industry has seen its job numbers shrink dramatically over the course of the recession, with jobs down 24 percent (29,700 jobs) since December 2007. (Table 1, Figure 2)

Table 1

CHANGES IN UNEMPLOYMENT AND NUMBER OF JOBS IN WISCONSIN, DECEMBER 2007 TO JANUARY 2010

	December 2007	January 2010	Change	Percent Change
Unemployment	4.5%	8.7%	4.2	
All jobs	2,885,500	2,704,000	-181,500	-6.3%
Manufacturing jobs	498,100	421,800	-76,300	-15.3%
Construction jobs	123,700	94,000	-29,700	-24.0%

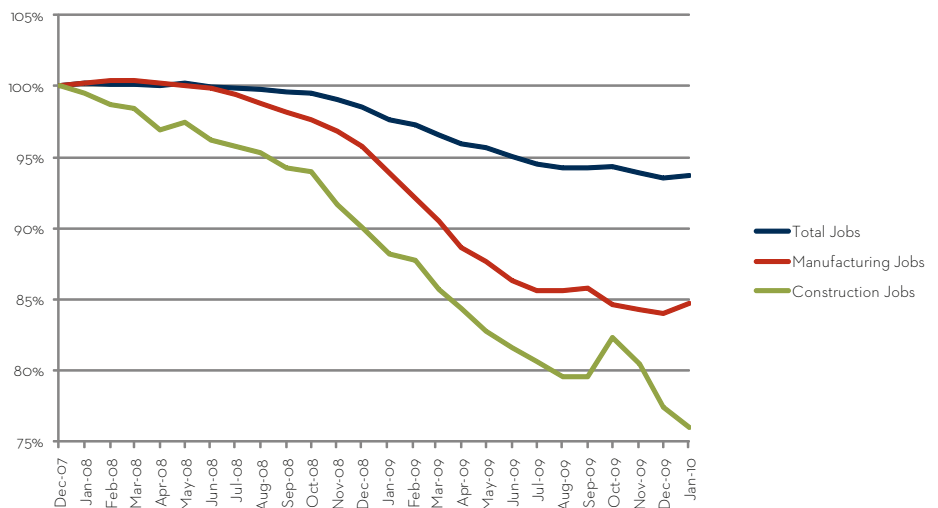
Figure 1

TOTAL JOB LOSS IN WISCONSIN, DECEMBER 2007 TO JANUARY 2010



Figure 2

PERCENT CHANGE IN MANUFACTURING, CONSTRUCTION, AND TOTAL JOBS IN WISCONSIN, DECEMBER 2007 TO JANUARY 2010



JOB LOSS FAR WORSE THAN RECENT RECESSIONS

The current recession has just passed the two-year mark, and while there are some positive signs of GDP growth in recent quarters, that growth is not yet generating sustained gains in the job market. The severity of this recession stands out in comparison to the three most recent downturns of 2001, 1990, and 1981. In terms of total jobs lost – now 6.3 percent – this recession is substantially worse than the very difficult recession of 1981. We have lost more than 180,000 jobs, and – two years after the start of this recession – we have yet to post significant labor market gains. (Figures 3 and 4)

Figure 3
WISCONSIN UNEMPLOYMENT RATE IN CURRENT RECESSION, COMPARED WITH 1981, 1990, AND 2001 RECESSIONS

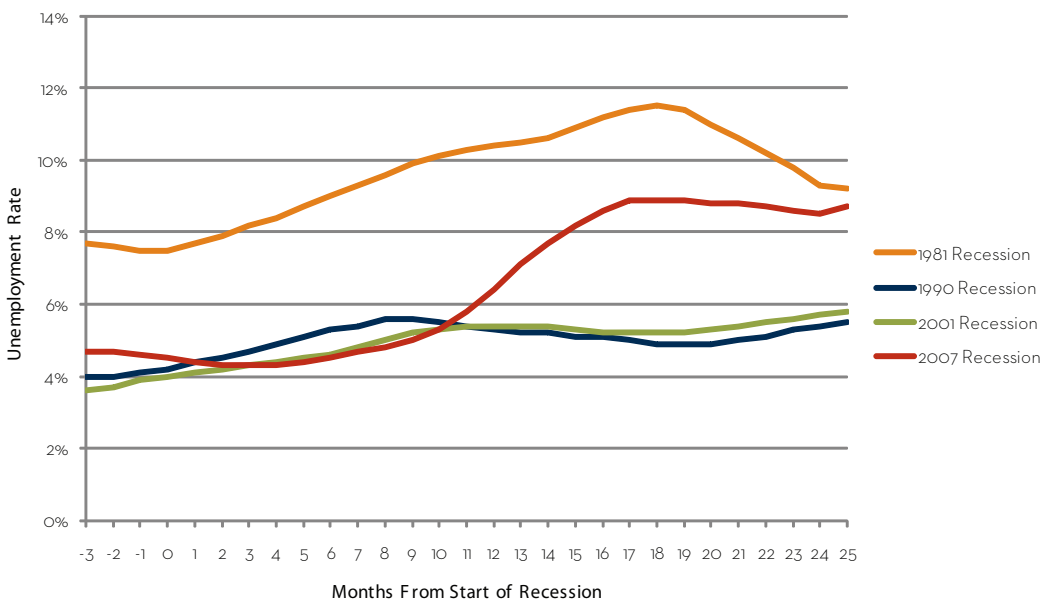
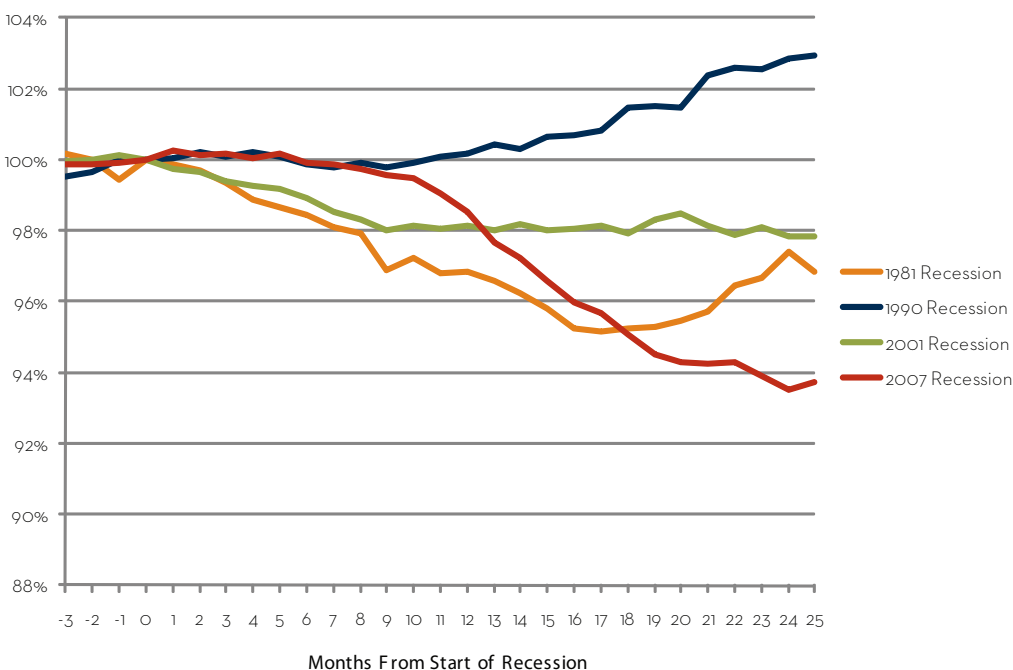


Figure 4
PERCENT CHANGE IN WISCONSIN JOBS IN CURRENT RECESSION, COMPARED WITH 1981, 1990, AND 2001 RECESSIONS



Wisconsin Job Watch, a monthly publication of the Center on Wisconsin Strategy (COWS), provides a snapshot of Wisconsin's job picture and reports on key recession trends. The numbers provided in this report are based on seasonally-adjusted Bureau of Labor Statistics data compiled by the Economic Policy Institute (www.epi.org).

The Center on Wisconsin Strategy (COWS) is a policy center and field laboratory for high road economic development – a competitive market economy of shared prosperity, environmental sustainability, and capable democratic government. Housed at University of Wisconsin-Madison, COWS has been supporting progressive policy innovation since 1991. For more information, visit www.cows.org.

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