

WEAK RECOVERY: SLIGHT UPTICK OF JOBS IN JANUARY

In January 2011 Wisconsin added just 6,200 jobs, a positive but very small gain in the context of the brutal losses posted over the course of this recession. Wisconsin's labor market has 145,700 fewer jobs now than in December 2007 when the recession began. Our unemployment rate, 7.4 percent, remains high but is inching downward from nearly 10 percent one year ago. Unemployment has fallen, in part, because some workers are dropping out of the labor force. Indeed, in spite of population growth, our labor force is 1.7 percent smaller today than at the beginning of the recession.

The job trends shown in Figure 1 demonstrate the long-term malaise of the labor market, and the weakness of even January's job additions. In the 18 months since the official end of the national recession – July 2009 – Wisconsin has added just 10,800 jobs.

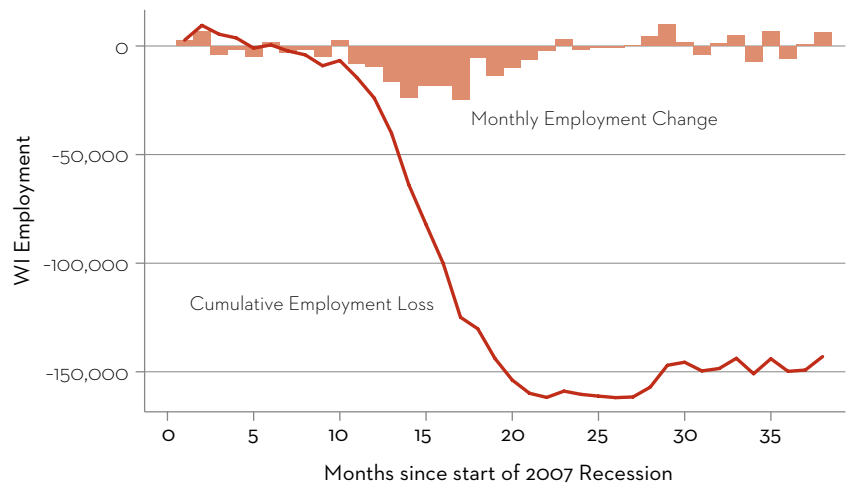
MANUFACTURING AND CONSTRUCTION

Wisconsin's manufacturing and construction sectors have been hit hard this recession. Over the recovery, however, manufacturing has fared better than construction. Wisconsin's manufacturing sector posted job gains in January 2011, adding 4,200 jobs. Even with these additions, manufacturing remains 60,200 jobs behind its level at the recession's start. The construction industry continued to lose jobs in January and now has 28 percent fewer jobs than it did at the start of the recession. (See Figure 2.)

Table 1
CHANGES IN UNEMPLOYMENT AND NUMBER OF JOBS IN WISCONSIN,
DECEMBER 2007 TO JANUARY 2011

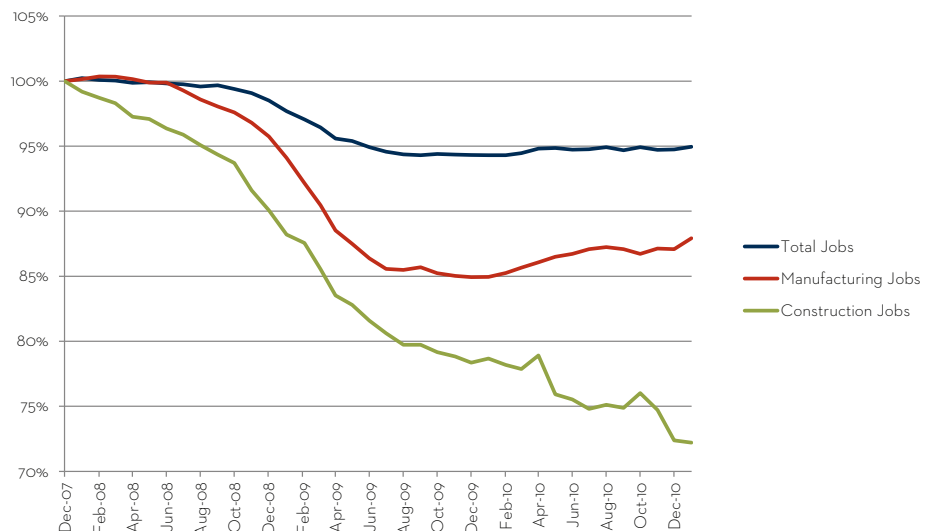
	<i>December 2007</i>	<i>January 2011</i>	<i>Change</i>	<i>Percent Change</i>
Unemployment	4.5%	7.4%	2.9	
All jobs	2,885,500	2,742,500	-145,700	-5.0%
Manufacturing jobs	498,100	438,100	-60,200	-12.1%
Construction jobs	123,700	89,400	-34,400	-27.8%

Figure 1
MONTHLY AND CUMULATIVE JOB LOSSES IN WISCONSIN,
DECEMBER 2007 TO JANUARY 2011



Source: Bureau of Labor Statistics CES data.
Reproduction of Figure 2 from Schmitt and Conroy (2010)

Figure 2
PERCENT CHANGE IN MANUFACTURING, CONSTRUCTION, AND TOTAL JOBS
IN WISCONSIN, DECEMBER 2007 TO JANUARY 2011



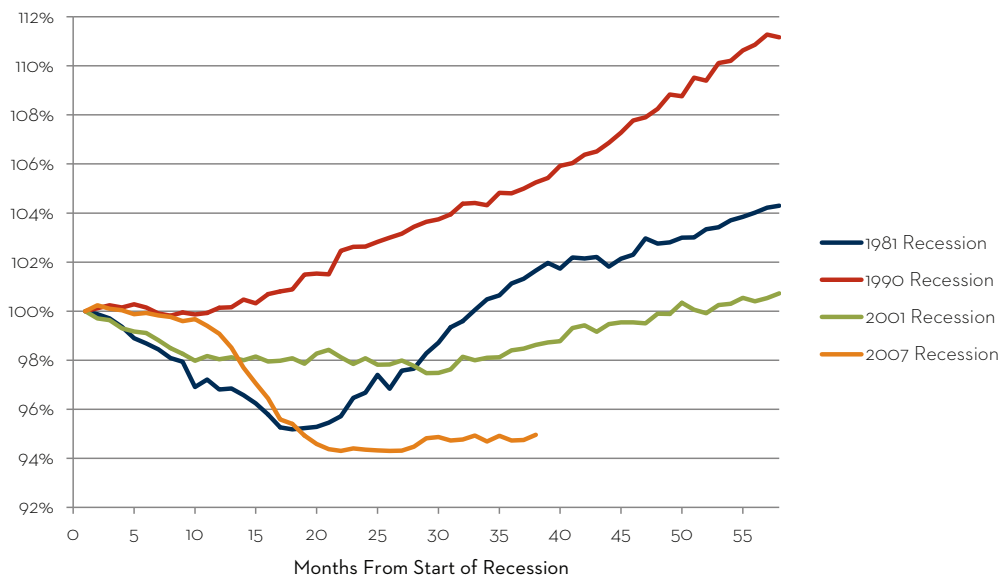
JOB LOSS CONTINUES TO OUTPACE RECENT RECESSIONS

The severity of this recession stands out when compared to the three most recent downturns of 2001, 1990, and even that of 1981. Wisconsin has lost 5 percent of its pre-recession job base, a substantially larger deficit than has been seen in generations. We're well into a jobless recovery leaving the labor market and the well-being of working families lagging behind other economic indicators. The Great Recession stands out for its depth, length, and the speed of job loss. Figure 4 shows the deep jobs hole in which we find ourselves. The pace of growth in the last year and a half has been woefully inadequate to the task of getting us out.

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 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).

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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