

A STABILIZATION OF WISCONSIN'S JOB PICTURE?

June jobs data for Wisconsin show again stagnation in job loss, providing some relief from the severe declines in the job picture since the recession started in December 2007. Still, Wisconsin has 135,500 fewer jobs than when the recession started, and 1,200 jobs were lost between May and June 2009. As Figure 1 makes clear, the rate of job loss has slowed notably in the last two months, offering some hope that Wisconsin's economy might be stabilizing. The state lost an average of 18,650 jobs per month in the six months leading up to April 2009. From April to June, Wisconsin actually gained 1,200 jobs (a 2,400 gain in jobs from April to May, and a 1,200 loss from May to June).

Wisconsin's unemployment rate has doubled since the beginning of the recession, reaching a high of 9.0 percent in June 2009 (compared to 4.5 percent in December 2007). The majority of this spike in unemployment has occurred since October 2008, but the rate of increase slowed considerably beginning in March 2009. The May to June 2009 increase in unemployment was only 0.1 percent. (Table 1, Figure 3 on back page)

MANUFACTURING JOBS UP

Wisconsin's manufacturing sector has 58,100 fewer jobs than when the recession started. This loss of manufacturing jobs accounts for over 40 percent of total job loss in Wisconsin since December 2007. However, the decline may have reached bottom, with job loss slowing notably between April and May, and with 3,200 manufacturing jobs gained between May and June. The May to June 2009 increase in manufacturing jobs is the first month-to-month increase since January 2008.

The construction industry has lost 19,700 jobs since the start of the recession, a 16 percent loss within this sector. The increase in construction jobs between April and May 2009 (5,100 jobs) was a welcomed trend and the first time construction jobs has risen since May 2008. However, this positive trend was reversed again last month, with 2,600 jobs lost between May and June 2009 (a 2.4 percent month-to-month loss). (Table 1, Figure 2)

Table 1

CHANGES IN UNEMPLOYMENT AND NUMBER OF JOBS IN WISCONSIN, DECEMBER 2007 TO JUNE 2009

	<i>December 2007</i>	<i>June 2009</i>	<i>Change</i>	<i>Percent Change</i>
Unemployment	4.5%	9.0%	4.5	
All jobs	2,889,000	2,753,500	-135,500	-4.7%
Manufacturing jobs	500,000	441,900	-58,100	-11.6%
Construction jobs	123,800	104,100	-19,700	-15.9%

Figure 1

TOTAL JOB LOSS IN WISCONSIN, DECEMBER 2007 TO JUNE 2009

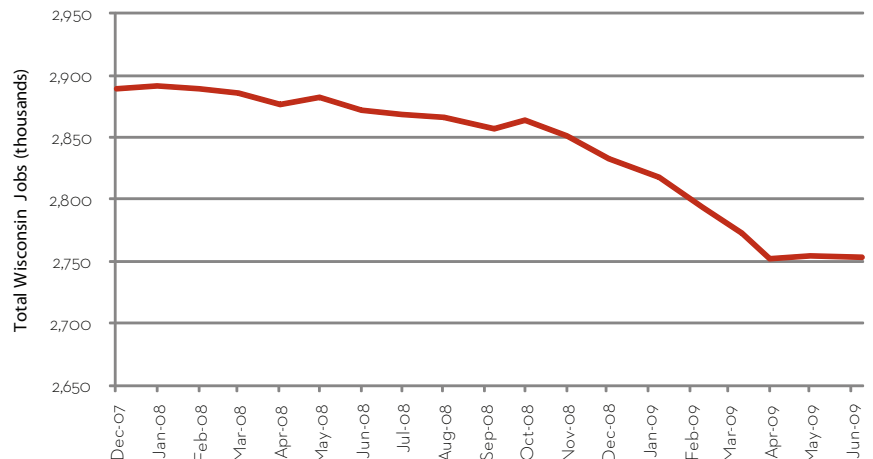
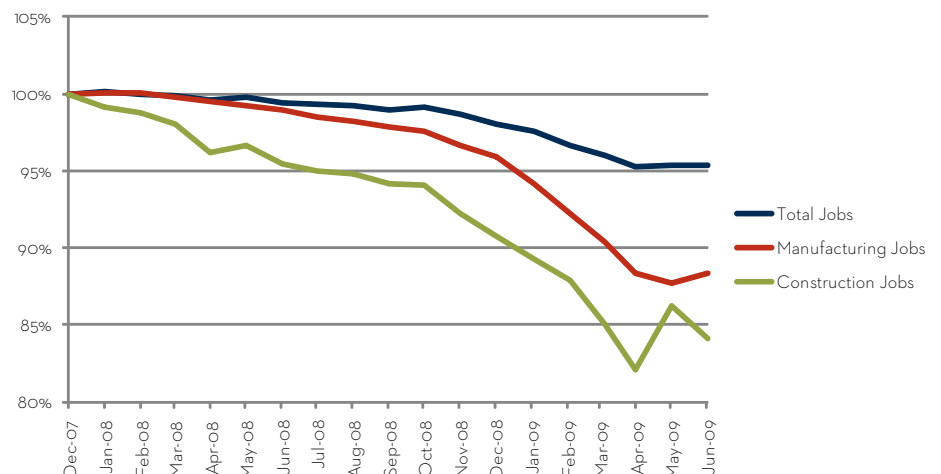


Figure 2

PERCENT CHANGE IN MANUFACTURING, CONSTRUCTION, AND TOTAL JOBS IN WISCONSIN, DECEMBER 2007 TO JUNE 2009



CURRENT DOWNTURN RIVALS DEPTHS OF 1981 RECESSION

Compared to the 1990 and 2001 recessions, Wisconsin has seen unemployment climb and jobs lost at a faster and more sustained rate. The past two recessions officially lasted eight months each, while the current recession is in its 18th month. While the jobs picture had already stabilized by this point during the last two recessions, the most precipitous job loss and unemployment spikes in the current recession have occurred in the last eight months.

More tellingly, the current recession has caught up with the severe recession of the early 1980s with respect to percent of jobs lost (5 percent). Though Wisconsin's unemployment rate is still well below 1980s levels, unemployment has risen more precipitously in this recession, and given the way that unemployment continues to rise even when jobs stabilize, we will likely see further increases in coming months. (Figures 3 and 4)

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

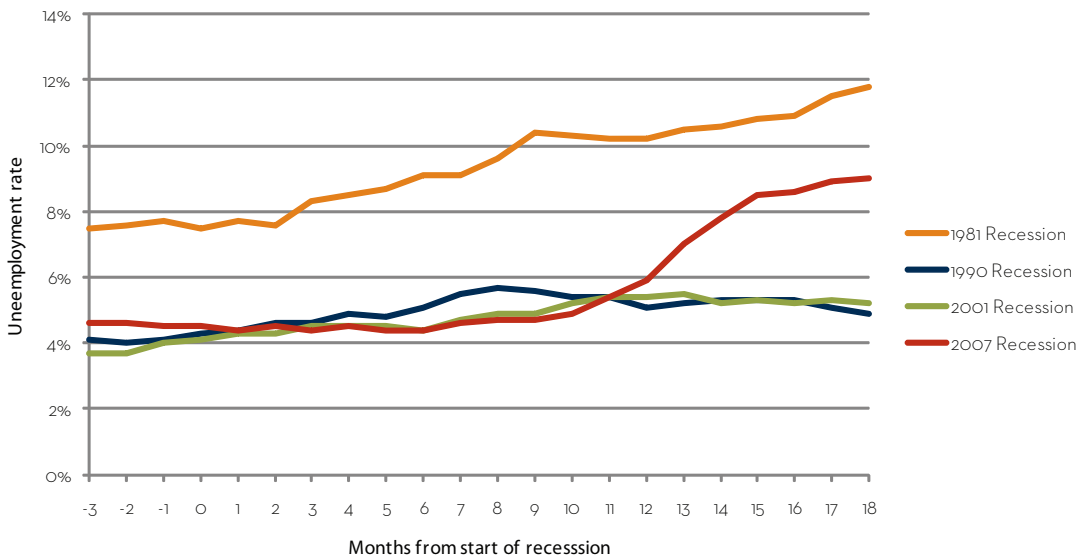
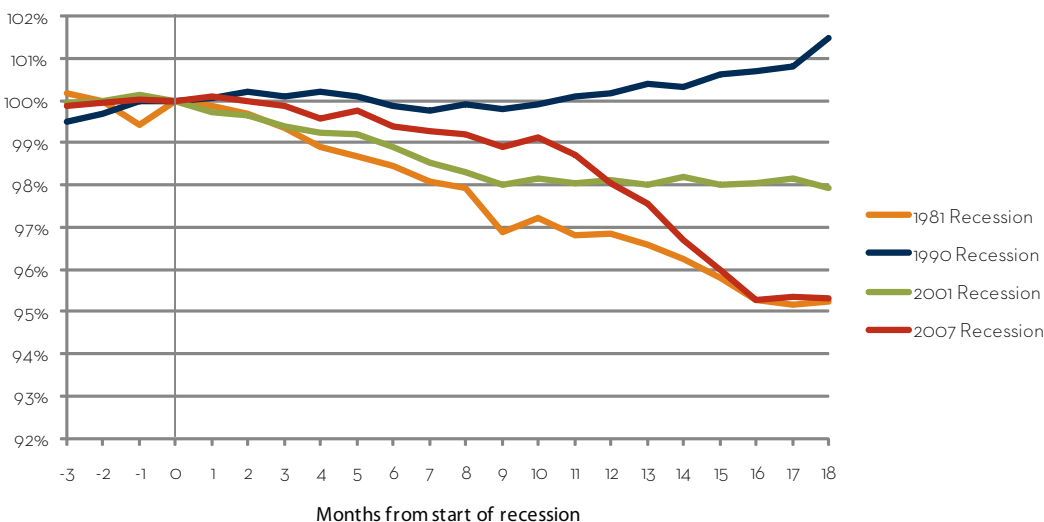


Figure 4
PERCENT CHANGE IN WISCONSIN JOBS IN CURRENT RECESSION, COMPARED WITH 1981, 1990, AND 2001 RECESSIONS



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). Lakitquana Leal provided valuable research assistance to this report.

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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