

## CONTINUING STAGNATION IN WISCONSIN'S JOB PICTURE

Following relatively small but steady gains in employment from December 2009 to April 2010, Wisconsin's job outlook continues a pattern of zero or negative jobs growth. According to the Bureau of Labor Statistics, from August to September Wisconsin's private sector lost nearly 10,000 jobs while the state gained about 400 government jobs, both on a seasonally adjusted basis. Losses continue the job market stagnation that stands in contrast to the soft growth that began the recovery earlier this year. Wisconsin has lost 164,400 jobs since the recession's start in December 2007, and the state's job base is 5.7 percent below its pre-recession level. While the recent trends have not been dire, they are worrisome, with no job recovery visible on the horizon. (See Table 1, Figure 1.)

Wisconsin's manufacturing and construction sectors have been hit hard this recession. Wisconsin's manufacturing sector once again saw losses in September 2010 (1,600 jobs lost) and is now down 69,800 jobs since the recession started. Wisconsin also lost 2,400 construction jobs in September, quickly eroding the gains made from the recession's trough to April 2010. The trend in construction from one year ago is now negative: the industry now employs 1,400 fewer persons than in September of 2009. (See Table 1.)

Wisconsin's unemployment rate improved marginally to 7.8 percent in September 2010. The unemployment rate has decreased by only 0.1 percent in the last three months. Unemployment in the state remains much higher than its December 2007 level (4.5 percent), and this recession continues to set records for long-term unemployment. (See Table 1, Figure 2 on back page.)

## THE LONG-TERM PICTURE: CUMULATIVE JOB LOSS

Figure 1 shows monthly changes in employment as well as the cumulative effect of monthly changes on the Wisconsin economy. We currently have 164,400 fewer jobs in the state than when the recession began. If we assume that job growth every month from now on will be the same as the average monthly job increase after the 1991 recession (5,371 jobs per month), in April of 2012 (in 2 years and 8 months) Wisconsin will have the same number of employed people it did before the 2007 recession. In August 2014 (nearly 5 years from now), the number of jobs will catch up to the growth of the labor force. But if the economy continues a "jobless recovery," we will have to wait until May 2022 (in 11 years and 9 months) to return to pre-recession employment levels and Wisconsin may never have the jobs to catch up to the growth of its labor force.

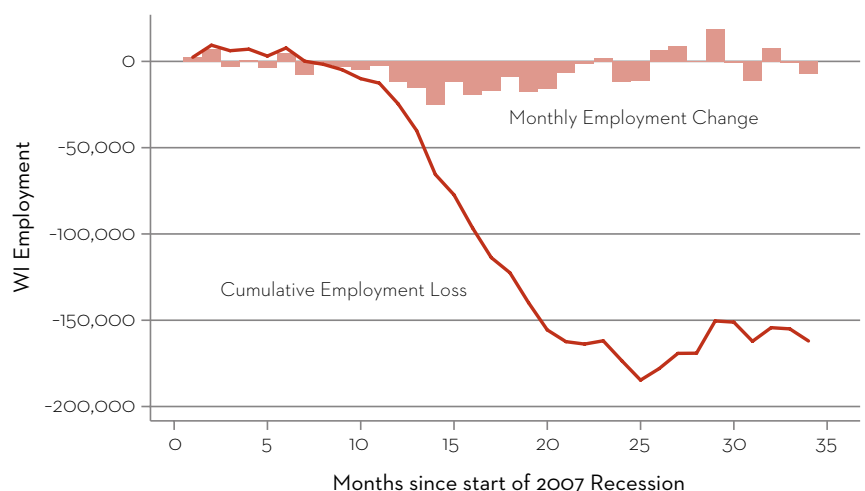
Table 1

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

	<i>December 2007</i>	<i>September 2010</i>	<i>Change</i>	<i>Percent Change</i>
Unemployment	4.5%	7.8%	3.3	
All jobs	2,885,500	2,721,100	-164,400	-5.7%
Manufacturing jobs	498,100	428,300	-69,800	-14.0%
Construction jobs	123,700	97,000	-26,700	-21.6%

Figure 1

**MONTHLY AND CUMULATIVE JOB LOSSES IN WISCONSIN, DECEMBER 2007 TO SEPTEMBER 2010**

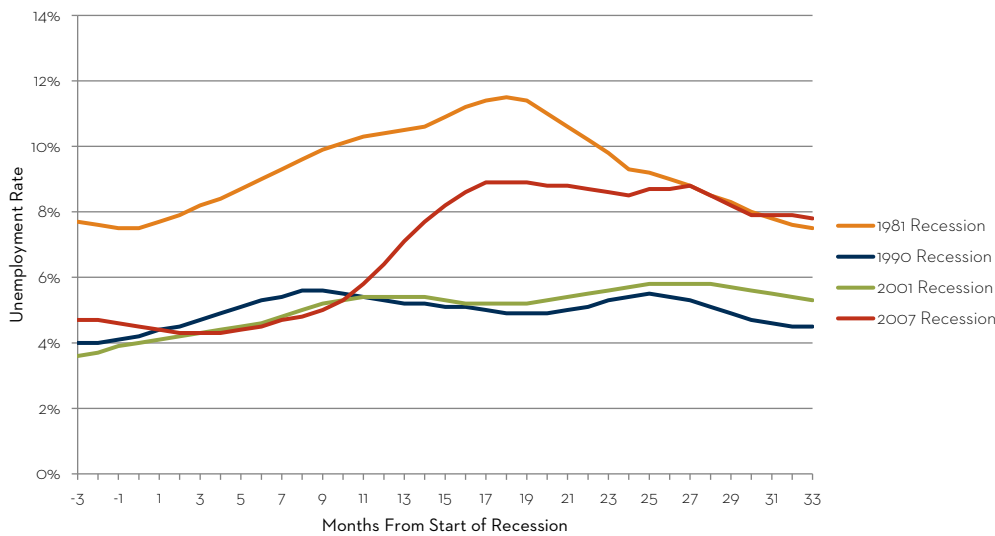


Source: Bureau of Labor Statistics CES data.  
Reproduction of Figure 2 from Schmitt and Conroy (2010)

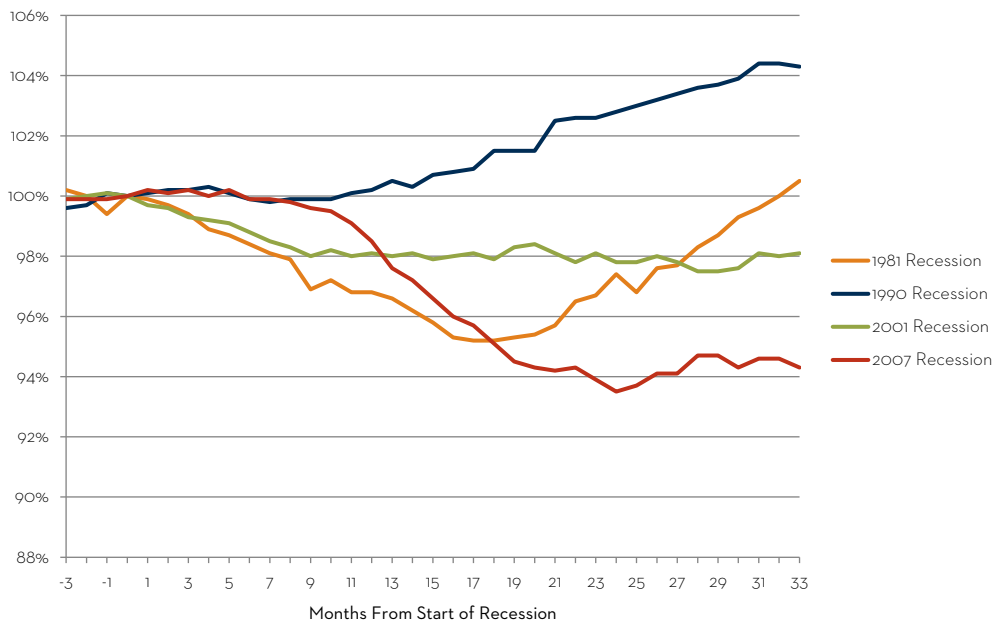
## JOB LOSS CONTINUES TO OUTPACE RECENT RECESSIONS

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 5.7 percent of its pre-recession job base, a substantially larger deficit than has been seen in generations. Despite the increase in jobs starting at the beginning of this year, jobs fell yet again in September 2010, and we have a long way to climb to reach pre-recession levels. Moreover, despite the drop in Wisconsin's unemployment rate between March and June of this year, unemployment in the state remains stubbornly high and parallels levels from the early 1980s (Figures 2 and 3). Finally, it becomes clearer each month that we are in a jobless recovery, where the labor market and the well-being of working families, lag far behind other economic indicators.

**Figure 2**  
**WISCONSIN UNEMPLOYMENT RATE IN CURRENT RECESSION,**  
**COMPARED WITH 1981, 1990, AND 2001 RECESSIONS**



**Figure 3**  
**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](http://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](http://www.cows.org).

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