

# Employment Slow to Rebound

Millions of Gulf South workers face still greater challenges

By Fred Kammer, S.J.

Many commentators assume that, because there are economic indicators that the “great recession” has ended, workers are back to work and our national and regional troubles are at end. Far from it. Nationally, we lost 8.7 million jobs in this recession, and subsequent job growth has reduced that by only a fifth, to 7 million jobs.<sup>1</sup> Assuming national growth at the April 2011 level of 244,000 jobs a month, it would take almost two and a half years to erase that remaining job deficit and years more to reach full employment due to continuing population growth.

In the Gulf South, regional unemployment declined from 9.9 percent to 9.5 percent between February 2010 and February 2011, with the number of officially unemployed workers dropping by about 86,000. Three states have seen some unemployment reduction in the past year—Alabama, Florida, and Mississippi. Louisiana and Texas unemployment continues to grow, but both have had relatively low unemployment compared to many other states. Overall, the region still has *one and a half million more unemployed workers* than four years ago. (See table on page 5.)

Even these numbers are deceptive because official unemployment statistics do not count millions who are no longer looking for work due to a number of factors, including despair over searching for a job in this economy.

## Increased difficulties finding jobs

Officially unemployed now in the United States are a shocking *13.5 million workers*.<sup>2</sup> There were 3.1 million job openings in March, putting the ratio of workers to job openings at 4.3-to-1. That is an improvement from earlier months in the recession, but the “job seeker’s ratio” now has been higher than 4-to-1 for two years and three months.<sup>3</sup> The worst this ratio ever became in the last recession was 2.8-to-1, in 2003. That is the first of many problems confronting the unemployed—the lack of jobs. In that so-called “jobless” post-recession recovery early in this decade, after a year of recovery the private sector had regained almost half (47 percent) of the jobs it had lost. “By contrast, to date, the private sector has recovered only 14 percent of the jobs it lost during 2008 and 2009.”<sup>4</sup>

Another problem for workers is job distribution. Most of recent job openings were in professional and business services, education, and health care.<sup>5</sup> Overall, however, lower-wage industries are growing, rather

than the higher paying jobs. This means that workers who had made better wages are less likely to find jobs paying in the range to which they were accustomed and against which they planned their family budgets and borrowing. As the National Employment Law Project reports:

- Lower-wage (\$9.03-\$12.91 per hour) industries constituted 23 percent of job loss, but fully 49 percent of recent growth.
- Mid-wage (\$12.92-\$19.04) industries constituted 36 percent of job loss, and 37 percent of recent growth.
- Higher-wage (\$19.05-\$31.40) industries constituted 40 percent of job loss, but only 14 percent of recent growth.

Another problem for workers is how long they have been unemployed and looking for a job. The Bureau of Labor Statistics reported in May that the number of long-term unemployed (defined as those without work for 27 weeks and more) had declined by 242,000, but was 5.8 million workers. This was 43.4 percent of the unemployed.<sup>7</sup> Studies show that the longer the period of unemployment, the tougher the odds of finding another job.<sup>8</sup> A year earlier, in the second quarter of 2010, 46 percent of the unemployed were jobless for 27 weeks or longer, but 31 percent had been unemployed for a year or more. This is the highest level ever reported. Their job prospects are even bleaker, and this is true throughout the business cycle—in good times and bad.

The reasons are multiple: employers are more hesitant to hire such workers, wondering about their job readiness and the decline of their work-worthiness; workers are more likely to be depressed, suffer low self-esteem, and interview poorly; and skills atrophy and contacts grow stale.<sup>9</sup>

Race-based disparities in unemployment also continue and worsen. In April, the unemployment rate was 8.0 percent for whites (3.6 percent higher than when the recession started), 16.1 percent for African Americans (7.1 percent higher than at the recession’s start), and 11.8 percent for Hispanics (up 5.5 percent from the start of the recession).<sup>10</sup> It was worse in some states. In the year 2010, African Americans in Mississippi experienced an unemployment rate averaging 18.0 percent, having peaked at 20.0 percent in the first quarter, easily doubling the white peak of 8.1

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## Unemployment Rates in the Gulf South

STATE	FEB. 2007	FEB. 2008	FEB. 2009	FEB. 2010	FEB. 2011	INCREASE FROM 2008 TO 2011
<b>Alabama</b> Unemployed	72,367	88,972	187,149	227,717	196,714	124,347
Unemployment Rate	3.3%	4.1%	8.7%	11.1%	9.2%	
<b>Florida</b> Unemployed	321,432	459,412	842,161	1,125,959	1,068,382	746,950
Unemployment Rate	3.6%	5.0%	9.2%	12.2%	11.5%	
<b>Louisiana</b> Unemployed	77,924	77,698	122,459	151,248	164,850	86,926
Unemployment Rate	3.9%	3.8%	5.9%	7.3%	7.9%	
<b>Mississippi</b> Unemployed	77,924	78,601	111,212	148,768	136,360	52,580
Unemployment Rate	6.5%	6.0%	8.6%	11.4%	10.2%	
<b>Texas</b> Unemployed	500,378	503,966	799,972	1,000,589	1,001,630	501,252
Unemployment Rate	4.4%	4.4%	6.8%	8.3%	8.2%	
<b>Gulf South</b> Unemployed	1,055,881	1,208,649	2,062,953	2,654,281	2,567,936	1,512,055
Unemployment Rate	4.3%	4.6%	7.8%	9.9%	9.5%	

percent in the third quarter of 2009.<sup>11</sup> In Texas in 2010, while white non-Hispanic workers experienced unemployment of 6.0 percent, 13.6 percent of African Americans and 9.6 percent of Hispanics were unemployed.<sup>12</sup> African Americans and Hispanics are also over-represented in the ranks of those who were jobless for a year or more, as reported by the Bureau of Labor Statistics.<sup>13</sup>

### Blaming the Victim

In light of the great recession, Congress took several steps in recent years to extend unemployment insurance benefits and other assistance for U.S. workers, especially for the long-term unemployed and for states with higher unemployment levels. Currently, however, despite the inadequate number of jobs available and a fragile economy, some state legislatures and some members of Congress have moved to cut benefits to workers or, at the state level, refused to utilize federal opportunities to extend benefits. This has left workers with a patchwork of extended unemployment benefits available: 60 weeks of benefits (5 states); 73 weeks available (11 states, including Louisiana); 76 weeks (1 state); 79 weeks (4 states, including Mississippi); 86 weeks (4 states); 93 weeks (4 states, including Texas); and 99 weeks (25 states, including Alabama and Florida).

### ENDNOTES

- 1 *Statement: Chad Stone, Chief Economist, on the April Employment Report*, Center on Budget and Policy Priorities, May 6, 2011, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3487> (accessed May 12, 2011).
- 2 Heidi Shierholz, *Continuing dearth of job opportunities leaves many workers still sidelined*, Economic Policy Institute, May 11, 2011 at [http://www.epi.org/publications/entry/continuing\\_dearth\\_of\\_job\\_opportunities\\_leaves\\_many\\_workers\\_still\\_sidelined](http://www.epi.org/publications/entry/continuing_dearth_of_job_opportunities_leaves_many_workers_still_sidelined) (accessed May 12, 2011).
- 3 *Ibid.*
- 4 Annette Bernhardt and Christine Riordan, *A Year of Unbalanced Growth: Industries, Wages, and the First 12 Months of Job Growth After the Great Recession*, National Employment Law Project, February 2011, p. 1, at [http://www.nelp.org/page/-Justice/2011/UnbalancedGrowthFeb2011.pdf?no\\_cdn=1](http://www.nelp.org/page/-Justice/2011/UnbalancedGrowthFeb2011.pdf?no_cdn=1) (accessed May 12, 2011).
- 5 Shierholz, *op. cit.*
- 6 Bernhardt and Riordan, *op. cit.*, p. 3
- 7 *The Employment Situation—April 2011*, Bureau of Labor Statistics, May 6, 2011, USDL-o622.
- 8 Catherine Rampell, *Will Today's Unemployed Become Tomorrow's Unemployable?*, New York Times, December 2, 2010, at <http://economix.blogs.nytimes.com/2010/12/02/will-todays-unemployed-become-tomorrows-unemployable/> (accessed May 12, 2011).
- 9 *Ibid.*, pp. 3-4.
- 10 Chad Stone, *op. cit.*, p. 1.
- 11 Douglas Hall and Algernon Austin, *Distressed Mississippi—Unemployment rate for African American workers is significantly higher than for whites*, Economic Policy Institute Issue Brief, April 28, 2011, pp. 1-2 at [http://www.epi.org/page/-old/Issuebriefs/IB303\\_Mississippi\\_FINAL.pdf](http://www.epi.org/page/-old/Issuebriefs/IB303_Mississippi_FINAL.pdf) (accessed May 11, 2011).
- 12 Mary Gable, Douglas Hall, and Algernon Austin, *Distressed Texas—Unemployment high among African Americans and Hispanics in an uneven jobs recovery*, Economic Policy Institute Issue Brief, May 4, 2011, pp. 1-3 at [http://epi.3cdn.net/9651fc4939d0cbe73e\\_rrm6bxyh.pdf](http://epi.3cdn.net/9651fc4939d0cbe73e_rrm6bxyh.pdf) (accessed May 11, 2011).
- 13 Thomas Luke Spreen, *Ranks of Unemployed for a Year or More Up Sharply*, U.S. Bureau of Labor Statistics, Summary 10-10, October 2010, p. 1.