

DECLINE IN JOBS GIVES WAY TO STAGNATION

Wisconsin jobs held steady from July to August 2009, continuing a sustained reprieve following heavy losses over last fall and winter. Figure 1 shows the recent stabilization in the job picture. The state lost an average of nearly 19,000 jobs per month in the six months leading up to April 2009. From April to August, the total number of jobs has remained roughly level, gaining a slight 2,300 jobs over that period. Even so, Wisconsin has 134,400 fewer jobs than when the recession started in December 2007.

Despite this stabilization, many Wisconsinites are still out of work. Wisconsin's unemployment rate in August was 8.8 percent, nearly double its pre-recession level. As with Wisconsin's job loss, the rate of change has slowed substantially in recent months. The unemployment rate for August was down 0.2 percentage points from July and June, both of which recorded rates of 9.0 percent. This is the first month-to-month improvement in Wisconsin's unemployment level since May 2008. (Table 1, Figure 3 on back page)

MANUFACTURING GROWS SLIGHTLY, CONSTRUCTION CONTINUES DECLINE

Wisconsin's manufacturing sector gained 1,900 jobs between July and August, the first month-to-month increase since January 2008 and a positive indication that the industry may have turned a corner. The rate of job loss in manufacturing slowed notably beginning in April 2009, and since then has remained fairly stable. Still, the sector has 60,500 fewer jobs than when the recession started, a loss of 12 percent. This decline accounts for nearly half of total job loss in Wisconsin since December 2007.

The construction industry has lost 19,600 jobs since the start of the recession, an almost 16 percent loss. The spike in construction jobs between April and May 2009 (5,100 jobs) was a welcomed trend and the first time construction jobs had risen since May 2008. However, the last three months have seen construction jobs fall yet again, with 2,500 jobs lost between May and August 2009. (Table 1, Figure 2)

Table 1

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

	December 2007	August 2009	Change	Percent Change
Unemployment	4.5%	8.8%	4.3	
All jobs	2,889,000	2,754,600	-134,400	-4.7%
Manufacturing jobs	500,000	439,500	-60,500	-12.1%
Construction jobs	123,800	104,200	-19,600	-15.8%

Figure 1

TOTAL JOB LOSS IN WISCONSIN, DECEMBER 2007 TO AUGUST 2009

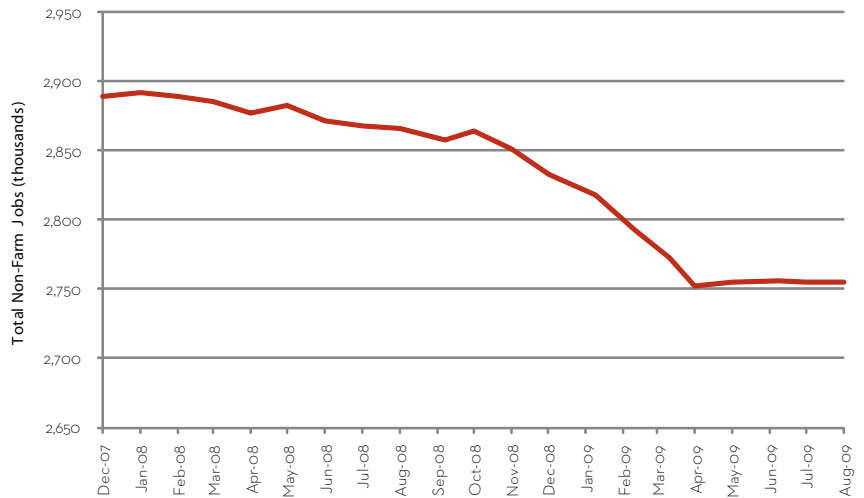
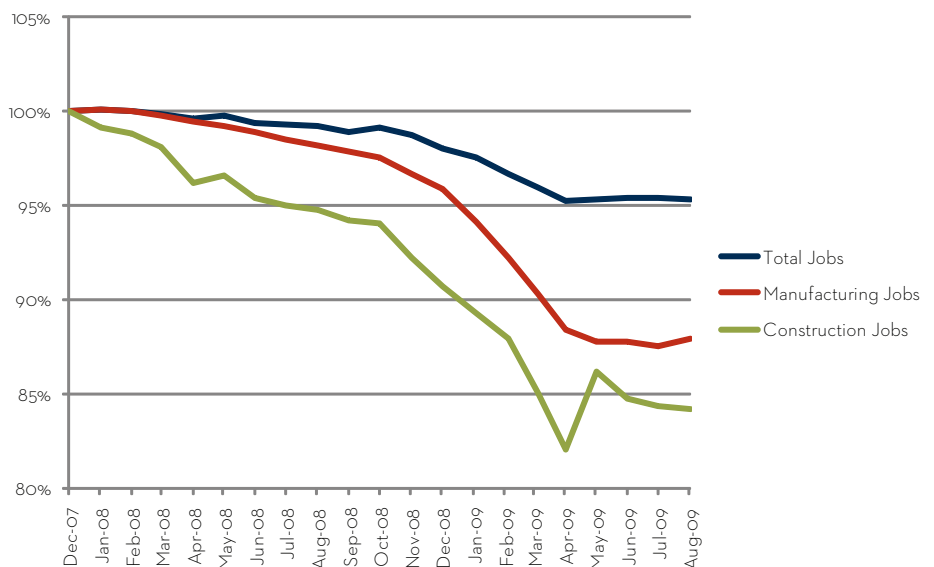


Figure 2

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



A DIFFICULT AND HISTORIC RECESSION

This has been a deep and prolonged recession, especially when compared to the 1990 and 2001 recessions. Those past recessions officially lasted eight months each; the current recession has lasted more than a year and a half. More noteworthy, the current recession rivals the harsh recession of the early 1980s with respect to percent of jobs lost (almost 5 percent). Though Wisconsin's unemployment rate is still well below 1980s levels and showed a slight decrease last month from 9.0 to 8.8 percent, our state's unemployment rate has not necessarily reached its peak. Given that unemployment typically continues to rise even when jobs stabilize, we will likely see further increases in the coming months. (Figures 3 and 4)

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

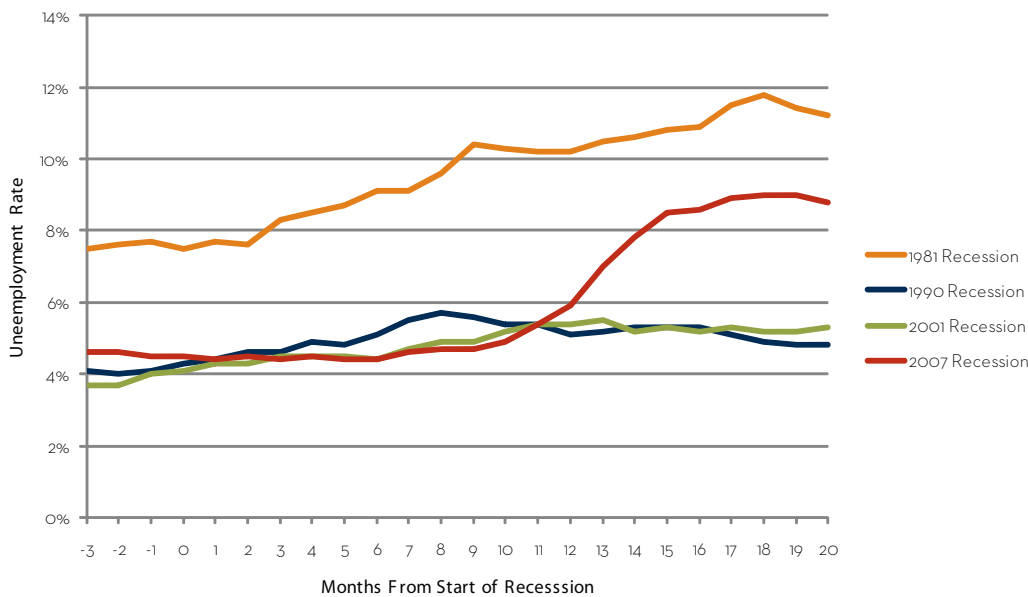
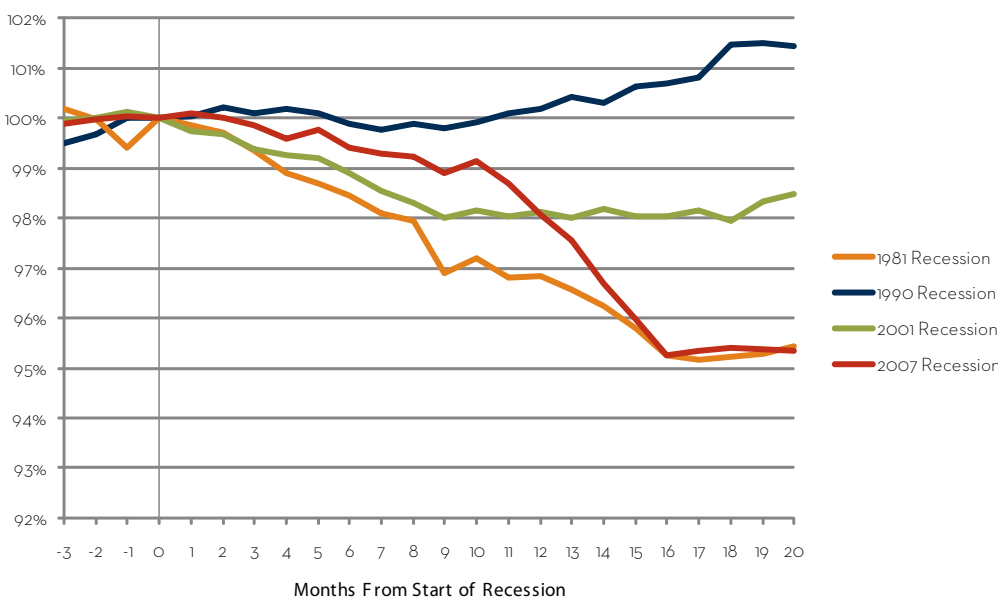


Figure 4
PERCENT CHANGE IN WISCONSIN JOBS IN CURRENT RECESSION, COMPARED WITH 1981, 1990, AND 2001 RECESSIONS



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).

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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