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BTC Brief

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JOBS RECOVERY REMAINS SLOW

Unemployment Insurance Benefits Remain Critical to Jobless Workers

*Timely,
accessible,
and credible
analysis of
state and local
budget and tax
issues*

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KEY FINDINGS:

- North Carolina faces a shortfall of 466,523 jobs as of April 2011 due to the jobs lost since the start of the Great Recession and the continued growth of the working-age population.
- The lack of jobs available to North Carolina workers has driven unemployment to the highest level of the past four recessions. The average duration of unemployment spells experienced by North Carolina's workers has increased from 13.7 weeks in December 2007 to 18.2 weeks in April 2011.¹
- In April 2011, 37,000 unemployed workers in North Carolina lost their extended benefits, with an estimated 2,100 workers added to that number every week. Job loss affects all counties, and the loss of extended benefits impacts jobless workers in every county.

JOBS SHORTFALL DRIVES PERSISTENT, LONG-TERM JOBLESSNESS FOR NC WORKERS

North Carolina faces a shortfall of 466,523 jobs as of April 2011 due to the jobs lost since the start of the Great Recession and the continued growth of the working-age population. Despite four months of job growth, the shortfall will persist until 2030 at current job-creation rates.

The lack of jobs available to North Carolina workers has driven unemployment to the highest level of the past four recessions. As a result, the average duration of unemployment spells experienced by North Carolina's workers has increased from 13.7 weeks in December 2007 to 18.2 weeks in April 2011.² In 2009, 35.8 percent of North Carolinians were considered long-term unemployed, having been without a job for six months or more.

These workers face significant challenges when there are no jobs. Longer spells of unemployment have a greater impact on health and psychological well-being and have a significant impact on household finances leading to effects on children's development, education and lifetime earnings.³ Analyses of the impact of long-term unemployment have found that workers also lack opportunities to build their skills, making them less competitive in the job market. Additionally, evidence is increasing that long-term unemployed workers are being denied opportunities to apply for jobs based on their unemployment status.⁴

ROLE OF UNEMPLOYMENT INSURANCE

Amidst North Carolina's ongoing job shortage, the unemployment insurance program plays two important roles: supporting people who are looking for work and maintaining a level of consumer

spending that can support business growth over time.

During periods of high unemployment, as North Carolina has experienced, extended benefits provide an additional 20 weeks of benefits to workers who have lost their jobs through no fault of their own. North Carolina's high unemployment rate triggered the extended benefit program in October 2008, and the federal government has fully paid these benefits since February 2009. In April 2011, 37,000 unemployed workers in North Carolina lost their extended benefits because of the state government's failure to adjust the formula that triggers on and off the extended benefit program. The Employment Security Commission estimates that 2,100 workers a week exhaust their unemployment benefits.⁵

Job loss affects all counties, and the loss of extended benefits impacts jobless workers in every county.

	Jobs Lost, 2007 to 2010	Unemployment Rate, April 2011	Extended Benefits
ALAMANCE	-9.8%	9.5	636
ALEXANDER	-15.5%	10.4	168
ALLEGHANY	-10.2%	11.3	31
ANSON	-7.8%	11.9	121
ASHE	-10.3%	10.6	85
AVERY	-8.3%	11.2	39
BEAUFORT	-10.8%	10.3	167
BERTIE	-6.6%	11.4	53
BLADEN	-6.0%	11.4	135
BRUNSWICK	-5.2%	10.3	306
BUNCOMBE	-5.3%	7.3	610
BURKE	-15.0%	12.1	351
CABARRUS	-9.3%	9.4	729
CALDWELL	-11.4%	12.4	518
CAMDEN	-3.7%	7.9	12
CARTERET	-5.3%	8.1	144
CASWELL	-4.8%	10.3	67
CATAWBA	-13.3%	11.4	886
CHATHAM	-13.4%	6.4	171
CHEROKEE	-8.3%	12.7	91
CHOWAN	-14.4%	10.6	54
CLAY	-14.4%	9.6	40
CLEVELAND	-11.6%	11.2	447
COLUMBUS	-4.4%	12	172
CRAVEN	-9.6%	9.7	259
CUMBERLAND	-0.6%	9.1	715
CURRITUCK	-6.4%	5.6	40
DARE	-6.7%	10.6	57
DAVIDSON	-12.2%	10.6	711
DAVIE	-14.8%	9.4	164
DUPLIN	-4.2%	8.4	124
DURHAM	-3.0%	7.3	698
EDGECOMBE	-10.4%	14.4	347
FORSYTH	-8.6%	9.1	1,222
FRANKLIN	-6.8%	9.6	184
GASTON	-8.6%	10.6	939
GATES	-13.2%	6.8	16

	Jobs Lost, 2007 to 2010	Unemployment Rate, April 2011	Extended Benefits
GRAHAM	-18.3%	14.6	27
GRANVILLE	-4.3%	9.5	167
GREENE	-5.3%	10.3	46
GUILFORD	-9.5%	9.7	2,047
HALIFAX	-7.8%	12.1	218
HARNETT	-12.1%	10.4	290
HAYWOOD	-8.0%	9.4	155
HENDERSON	-8.6%	7.5	232
HERTFORD	-4.5%	9.6	51
HOKE	-3.0%	9	96
HYDE	13.5%	8.5	6
IREDELL	-8.3%	10.4	699
JACKSON	-15.7%	8.3	112
JOHNSTON	-7.4%	8.7	492
JONES	-2.1%	9.1	27
LEE	-11.0%	11.6	229
LENOIR	-12.1%	10.2	170
LINCOLN	-14.8%	10.9	352
MCDOWELL	-10.6%	12.2	184
MACON	-7.8%	10.5	101
MADISON	-17.2%	8.9	55
MARTIN	-15.1%	10.6	70
MECKLENBURG	-6.5%	9.8	3,682
MITCHELL	-6.9%	10.7	42
MONTGOMERY	-15.1%	11.8	105
MOORE	-5.8%	8.5	223
NASH	-8.5%	11.5	381
NEW HANOVER	-9.7%	9	593
NORTHAMPTON	-14.6%	11.3	51
ONslow	3.8%	8.2	205
ORANGE	-3.8%	5.9	179
PAMLICO	-2.3%	9.6	36
PASQUOTANK	-9.8%	8.9	102
PENDER	-6.5%	10.3	188
PERQUIMANS	-11.9%	9.7	29
PERSON	-16.3%	9.9	135
PITT	-4.4%	9.5	527
POLK	-7.0%	7.4	39
RANDOLPH	-9.2%	9.7	600
RICHMOND	-8.8%	12.3	193
ROBESON	-9.6%	12	436
ROCKINGHAM	-7.7%	11.4	409
ROWAN	-6.9%	10.8	794
RUTHERFORD	-23.2%	13.7	349
SAMPSON	-4.5%	8	146
SCOTLAND	-13.3%	15.8	191
STANLY	-10.2%	10.4	280

	Jobs Lost, 2007 to 2010	Unemployment Rate, April 2011	Extended Benefits
STOKES	-6.0%	9	153
SURRY	-12.8%	10.1	272
SWAIN	1.4%	13.4	28
TRANSYLVANIA	-9.3%	8.6	68
TYRRELL	1.1%	12.7	10
UNION	-13.4%	7.5	639
VANCE	-7.0%	12.5	187
WAKE	-3.9%	11.1	2,147
WARREN	-7.2%	7.6	64
WASHINGTON	9.1%	11.1	47
WATAUGA	-7.6%	7.6	86
WAYNE	-8.1%	8.3	314
WILKES	-13.8%	11.7	300
WILSON	-7.5%	12.4	277
YADKIN	-2.0%	9.2	123
YANCEY	-12.2%	10.7	48
North Carolina	-7.0%	9.5	34076

SOURCE: Bolded counties experienced either a job loss rate or unemployment rate higher than the state average. Data for job loss and unemployment rate from the Employment Security Commission of North Carolina, Local Area Unemployment Statistics and Current Employment Statistics. Data on extended benefits from Special Data Request to Employment Security Commission of North Carolina, May 2011.

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- 1 Employment Security Commission, Monthly Activity Reports.
 - 2 Employment Security Commission, Monthly Activity Reports.
 - 3 Morin, Rich and Rakesh Kochhar. The Impact of Long-term unemployment: Lost income, Lost Friends--and loss of self-respect. Pew Center.and Congressional Budget Office, October 2007, Long-Term Unemployment.
 - 4 Owens, Christine, February 2011, Testimony to the Equal Employment Opportunity Office on Unemployed Workers
 - 5 Special Data Request to Employment Security Commission, May 2011.