

State of the Economy in the Mid-Atlantic States

Gerald Perrins

Branch Chief

U.S. Bureau of Labor Statistics

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Key questions

- How does the current situation compare to the past?
- What industries and areas are suffering most?
- Are any industries or areas growing?
- Are our measures capturing all the problems?

Areas of analysis

- Defining a recession
- Unemployment rates
- Job openings and labor turnover
- Employment change by area and industry
- Establishment dynamics

Defining a recession

“Couldn’t we just define a recession so that we’re never in one?”

- Stephen Colbert

Traditional Definition

- Declining gross domestic product for two or more consecutive quarters.
- Frequently accurate, but too rigid of a definition to always be reliable.

Modern Definition

- Recessions are determined by business peaks and troughs as defined by the National Bureau of Economic Research (NBER).
- A significant decline in economic activity spread across the economy, normally visible in:
 - ▶ Real Gross Domestic Product
 - ▶ Employment
 - ▶ Real income
 - ▶ Industrial production
 - ▶ Wholesale and retail sales

United States Recessions Since 1968

Dates	Duration
December 1969 – November 1970	11 months
November 1973 – March 1975	16 months
January 1980 – July 1980	6 months
July 1981 – November 1982	16 months
July 1990 – March 1991	8 months
March 2001 – November 2001	8 months
December 2007 – ?	TBD

SOURCE: National Bureau of Economic Research
(NBER)

Gross Domestic Product

- Defined as “the output of goods and services produced by labor and property located in the United States.”
- Issued quarterly by the Bureau of Economic Analysis.
- All recessions since 1968 have also included positive growth quarters, but the net change in GDP between the beginning and the end of the recession has always been negative except for the 2001 recession.

Gross Domestic Product in past recessions (2002 constant dollars)

Recession	Beginning GDP (in billions)	Ending GDP (in billions)	Percent change
1969-70	\$3,784.2	\$3,760.0	-0.6
1973-75	4,373.3	4,268.6	-2.4
1980	5,221.3	5,107.4	-2.2
1981-82	5,307.5	5,177.1	-2.5
1990-91	7,130.8	7,040.8	-1.3
2001	9,875.6	9,910.0	+0.3

SOURCE: Bureau of Economic Analysis (BEA)

Industrial Production

- A seasonally-adjusted index released by the Federal Reserve.
- “Measures the real output of the manufacturing, mining, and electric and gas utilities industries.”
- Considered a “Coincidental Indicator” by the Conference Board.

Industrial production in past recessions

Recession	Peak IP	Trough IP	Percent change
1969-70	43.75	40.69	-7.0
1973-75	51.37	44.67	-13.0
1980	58.12	54.29	-6.6
1981-82	57.83	52.40	-9.4
1990-91	70.40	67.47	-4.2
2001	104.26	97.84	-6.2

SOURCE: Federal Reserve

Employment levels (from the CES)

- Data comes from establishments and measures nonfarm payrolls.
- Released with the Employment Situation on the first Friday of the month.
- The Conference Board also classifies this as a “Coincidental Indicator”.

Employment levels in past recessions

Recession	Peak (in thousands)	Trough (in thousands)	Net change	Percent change
1969-70	71,453	70,409	-1,044	-1.5
1973-75	78,634	76,463	-2,171	-2.8
1980	90,991	89,832	-1,762	-1.9
1981-82	91,594	88,756	-2,838	-3.1
1990-91	109,817	108,196	-1,621	-1.5
2001	132,530	130,901*	-1,629	-1.2

*Following the 2001 recession, employment continued to decline to a low of 129,822 in August 2003.

SOURCE: CES (*data are seasonally adjusted*)

Unemployment Rate

- A decidedly lagging indicator.
- Usually increases through a recession.
- Peak unemployment rates are usually after the business cycle trough.
- Increasing unemployment rates are not necessarily indicative of a declining economy.

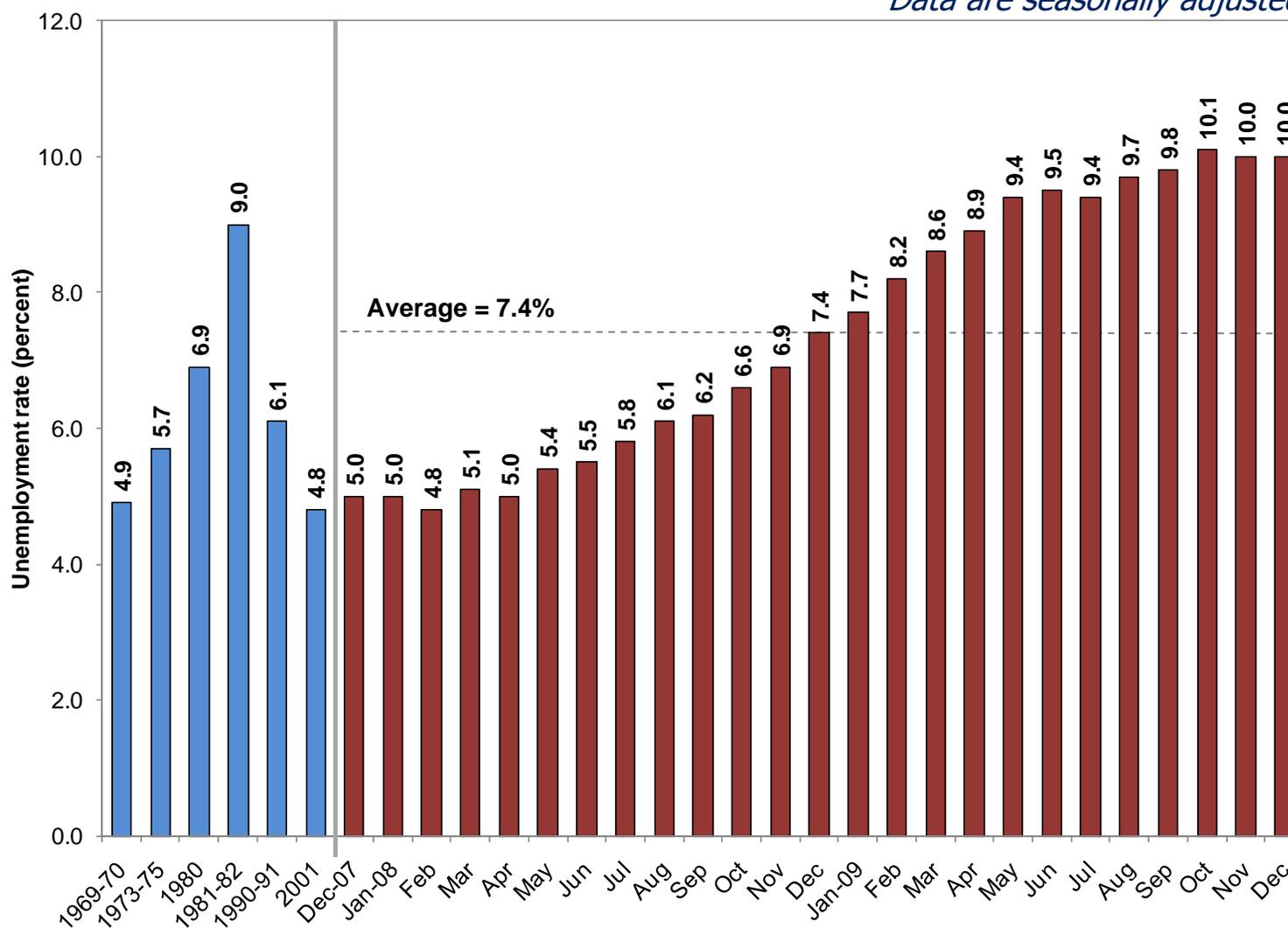
Unemployment rates in past recessions

Recession	Average unemployment rate	Post-recession peak
1969-70	4.9	6.1
1973-75	5.7	9.0
1980	6.9	7.7
1981-82	9.0	10.8
1990-91	6.1	7.4
2001	4.8	5.9

SOURCE: Current Population Survey (CPS) *(data are seasonally adjusted)*

Unemployment rates in current recession compared to past recessions

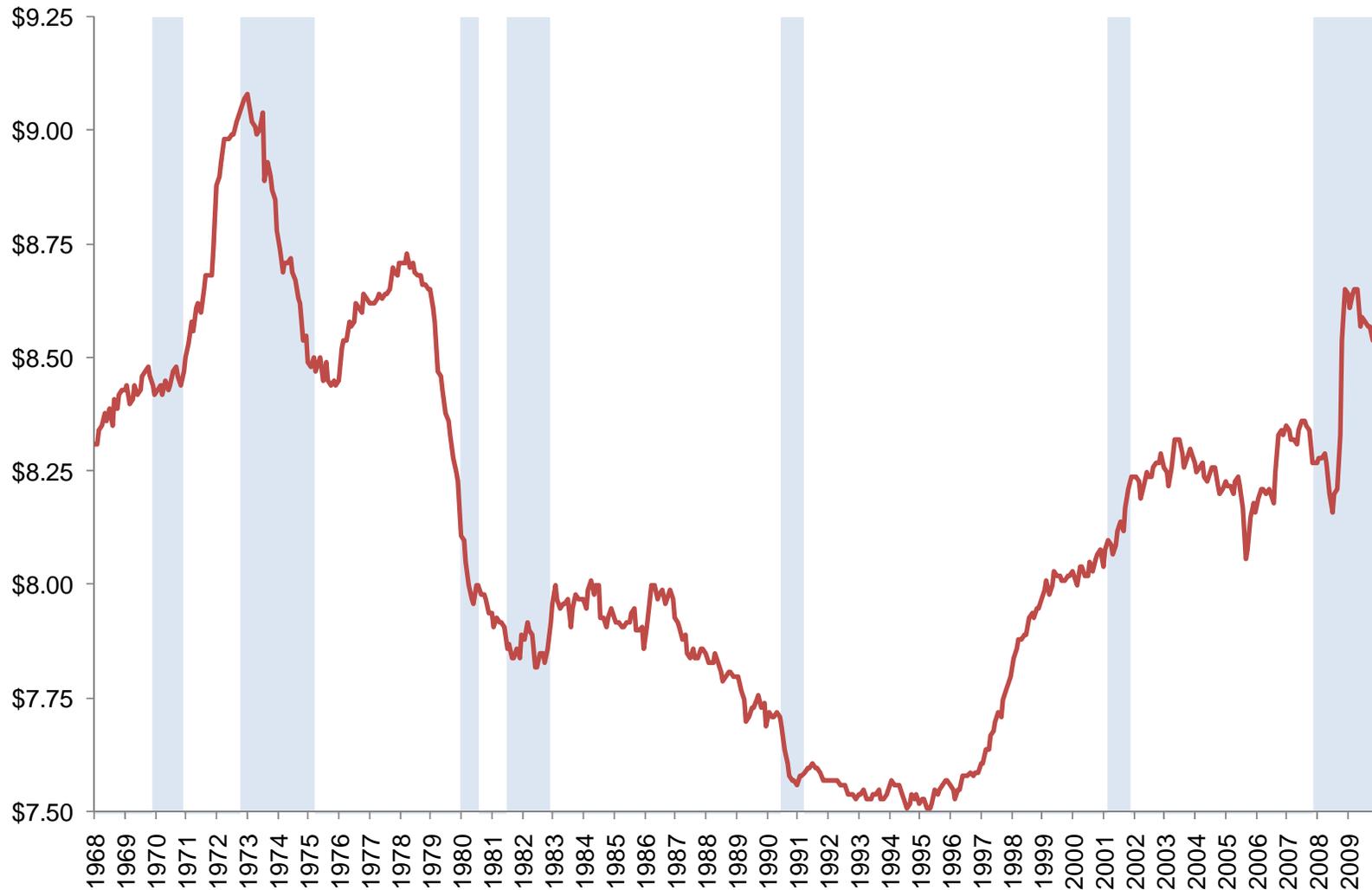
Data are seasonally adjusted



Real Wages

- Include production and nonsupervisory workers.
- Published as constant wages in 1982 dollars.
- Nominal wages deflated by CPI-W.
- Median since 1968 is \$8.04.
- Real wages have been as high as \$9.08 per hour (January 1973) and as low as \$7.51 (reported multiple times in 1994 and 1995).

Real wages in private industry, 1968-2009



SOURCE: CES (data are seasonally adjusted)

Real wages in past recessions

Recession	Beginning hourly wage	Ending hourly wage	Percent change	Average annual CPI increase
1969-70	\$8.44	\$8.47	+0.4%	5.9%
1973-75	8.87	8.50	-4.2%	10.7%
1980	8.11	8.00	-1.4%	14.2%
1981-82	7.86	7.86	0.0%	7.8%
1990-91	7.69	7.58	-1.4%	5.7%
2001	8.10	8.21	+1.4%	2.7%

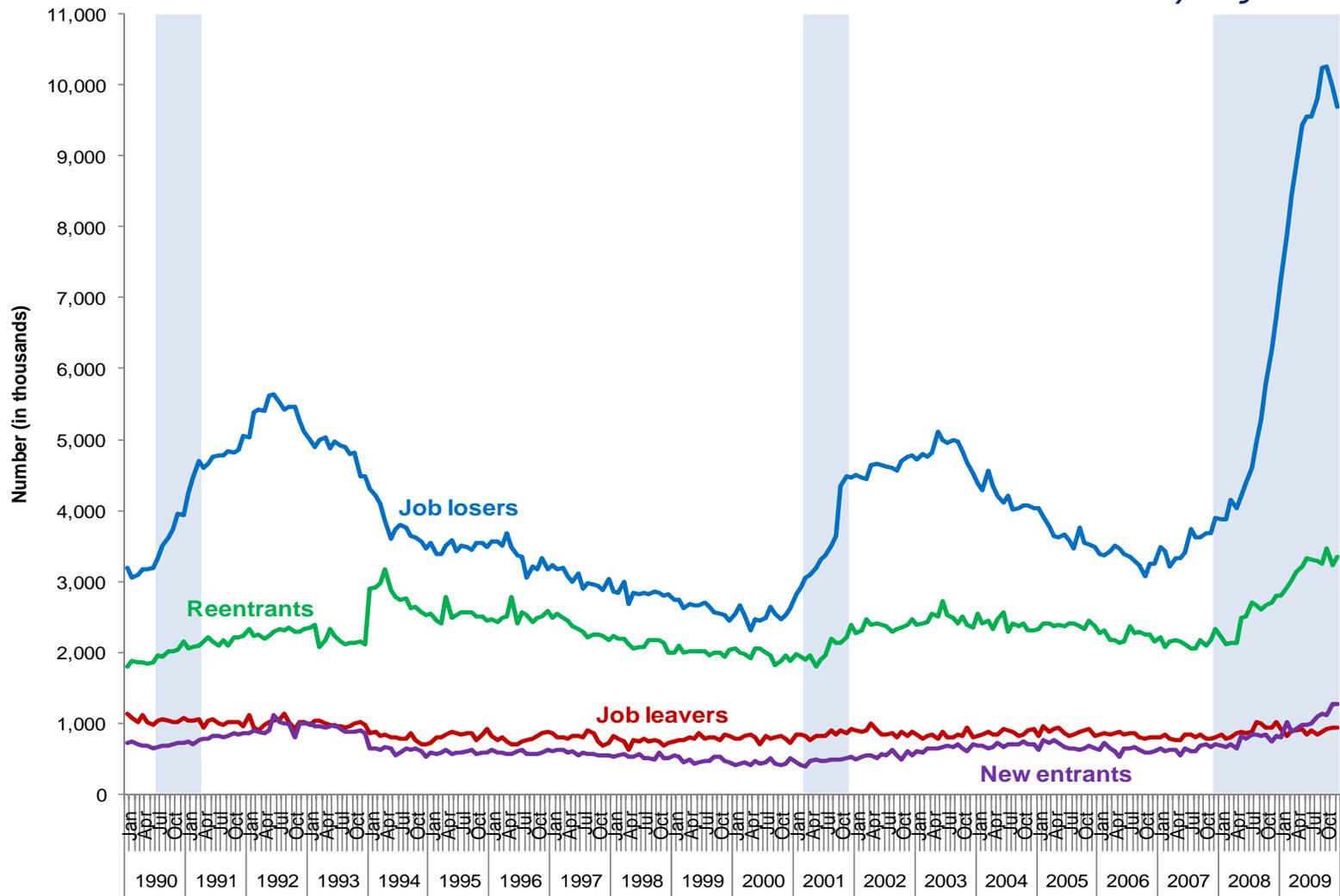
SOURCE: Current Population Survey (CPS) (*data are seasonally adjusted*)

Unemployment rates

- **The Current Population Survey (CPS) is a monthly survey of households conducted by the Bureau of Census for the Bureau of Labor Statistics.**
- **The CPS provides data on the labor force, employment, unemployment and persons not in the labor force.**
- **The Local Area Unemployment Statistics (LAUS) program produces data for Census regions and divisions, States, counties, metropolitan areas, and many cities, by place of residence.**

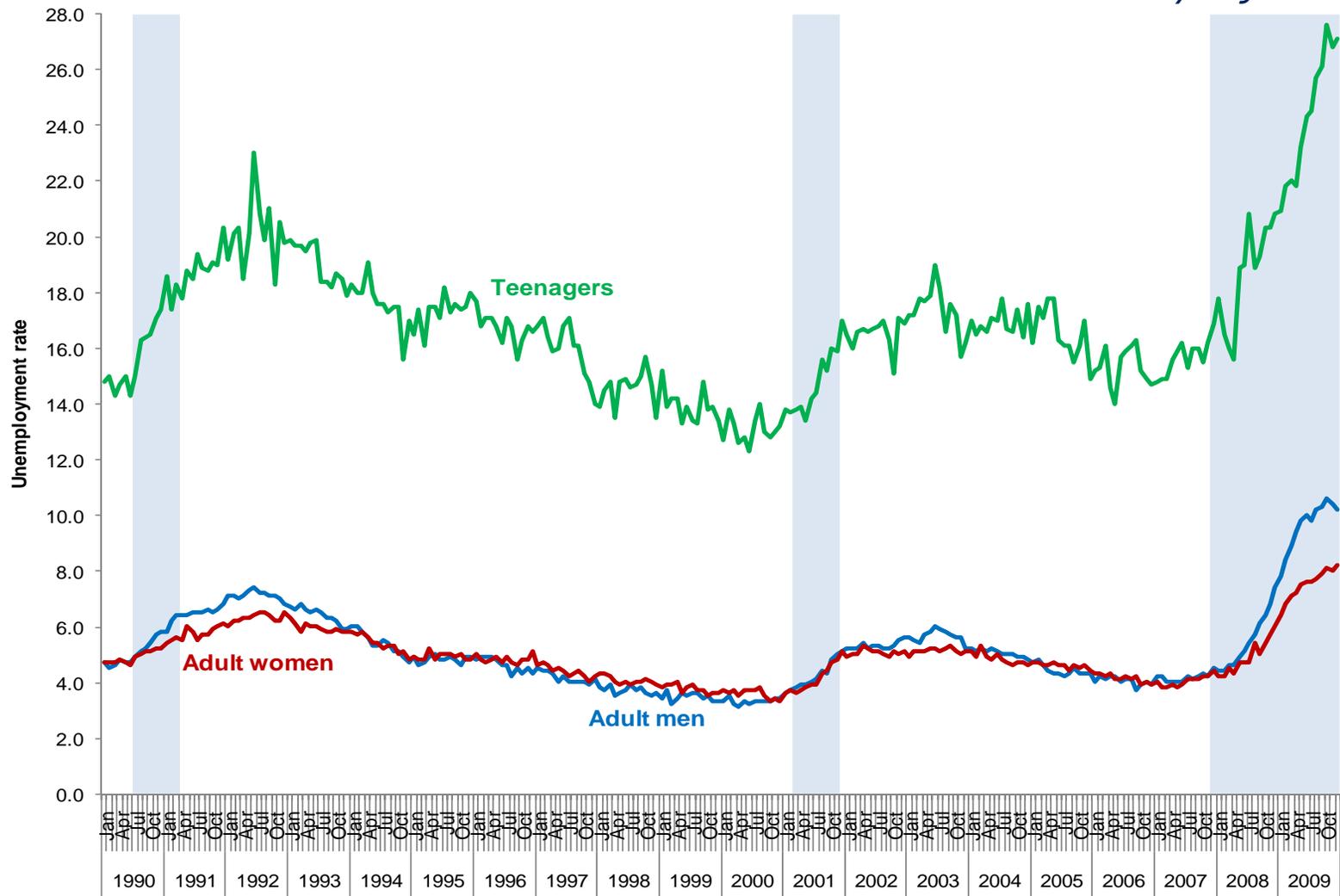
Unemployed persons by reasons for unemployment, 1990-2009

Data are seasonally adjusted



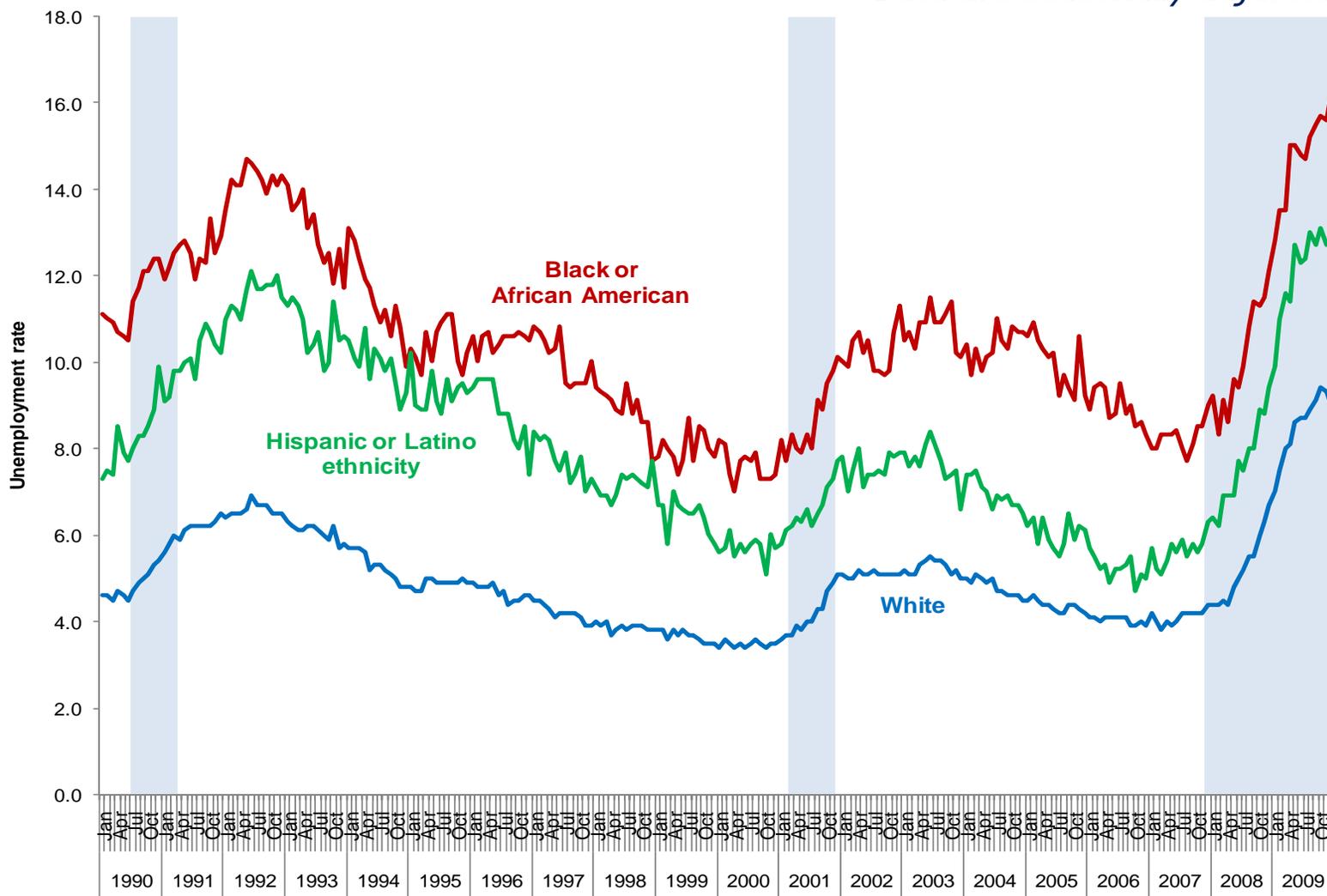
Civilian unemployment rates for major age-sex groups, 1990-2009

Data are seasonally adjusted



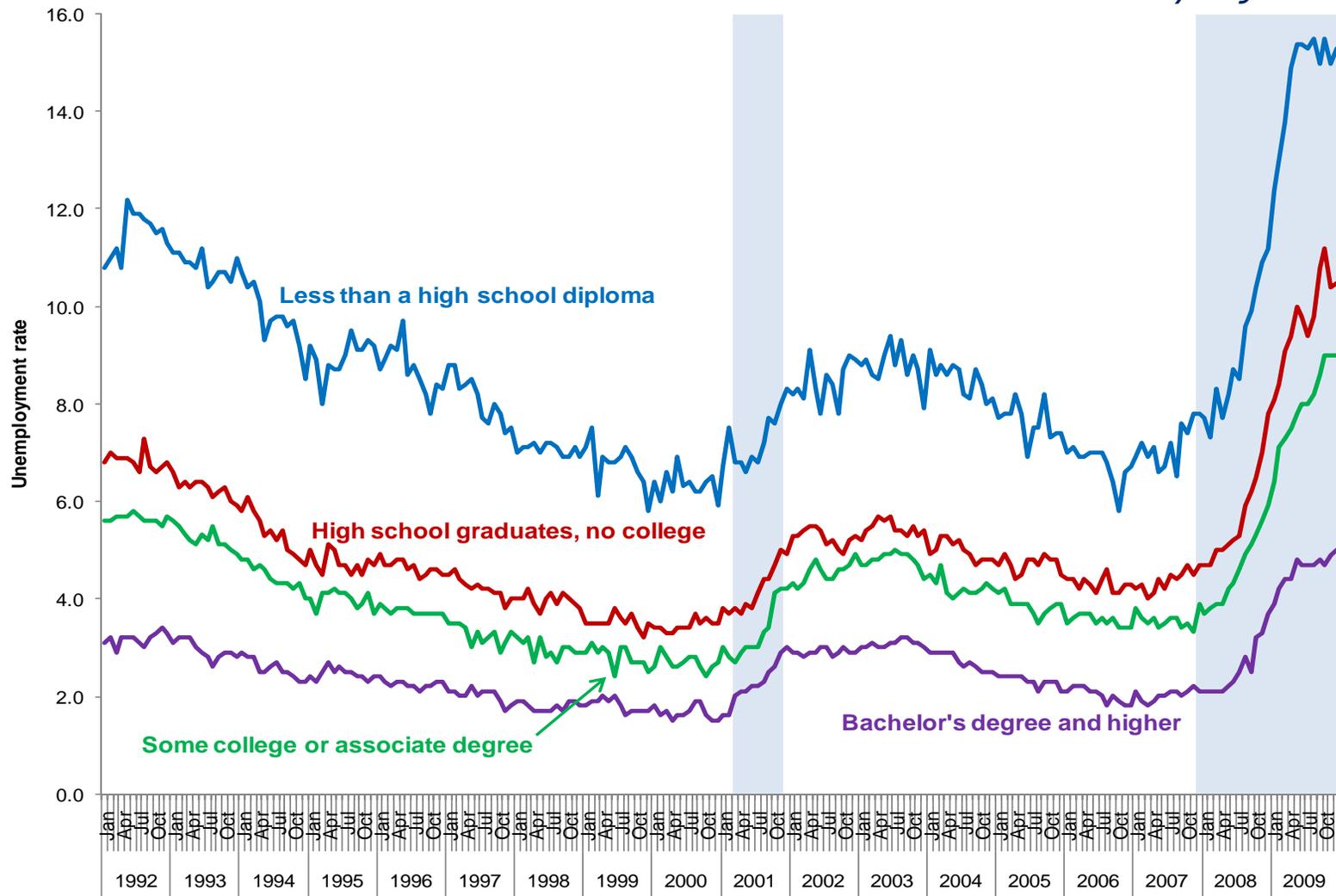
Unemployment rates by race and ethnicity, 1990-2009

Data are seasonally adjusted



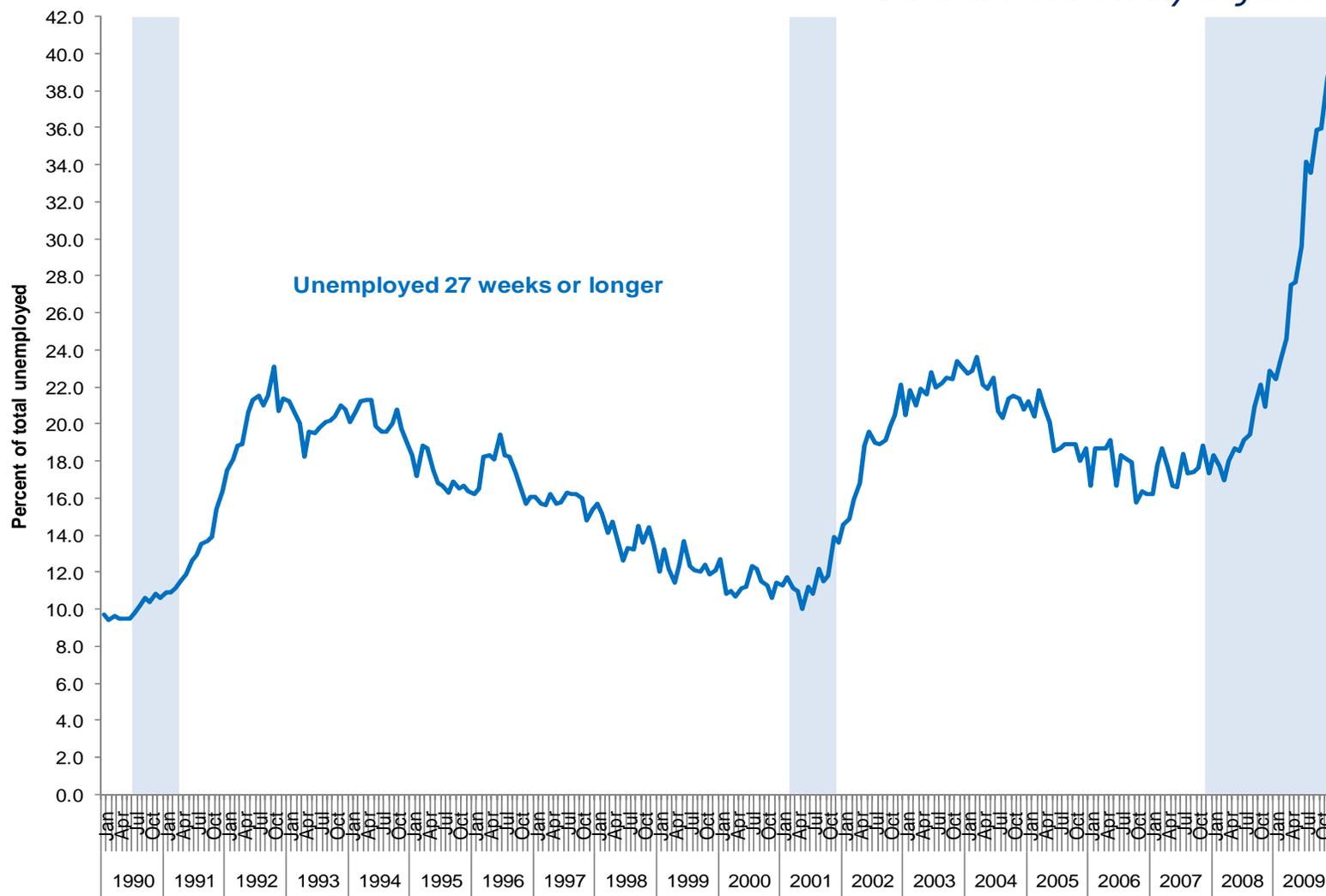
Unemployment rates for persons 25 years and older by educational attainment, 1992-2009

Data are seasonally adjusted



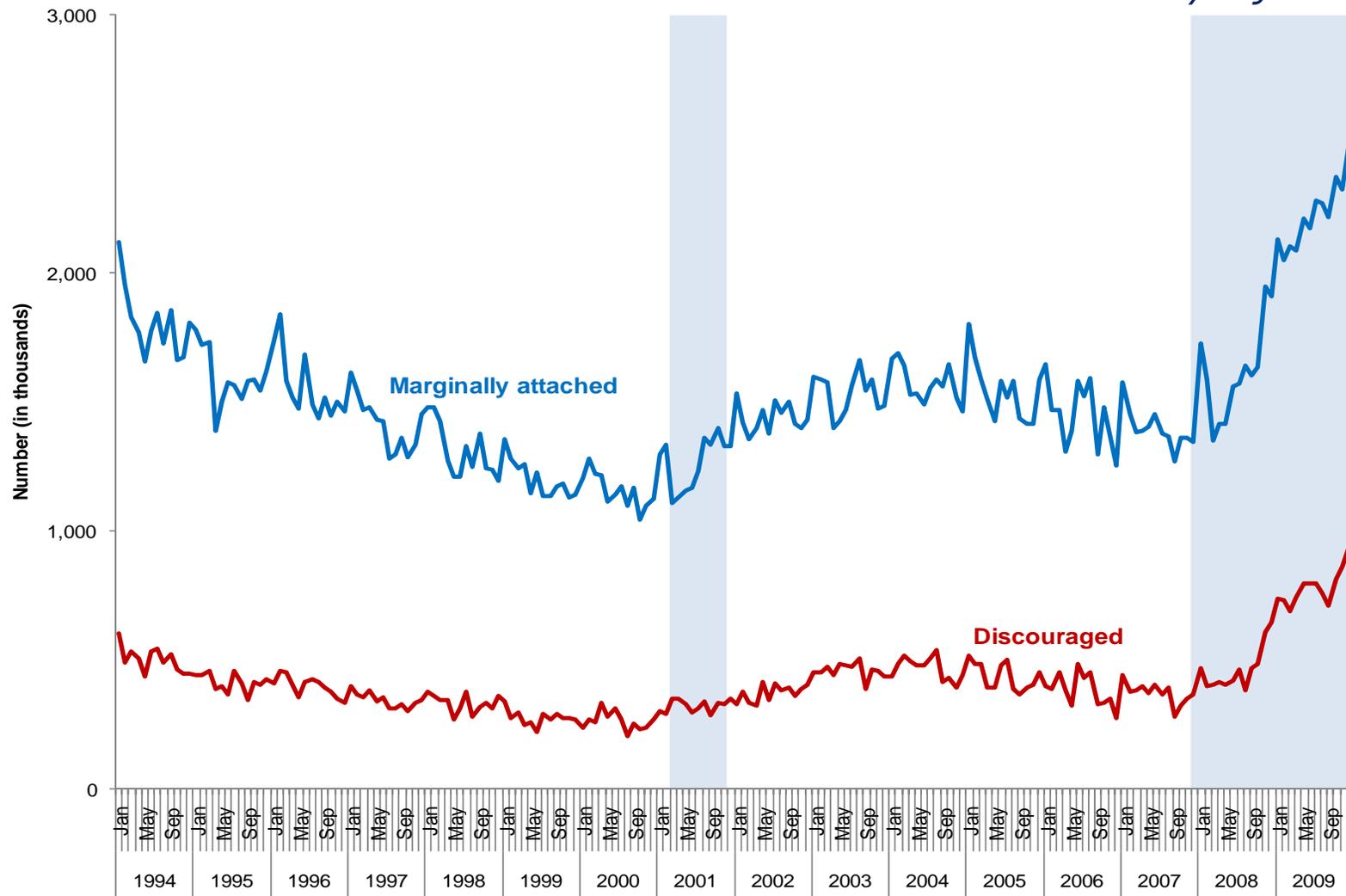
Long-term unemployed as a percent of total unemployed, 1990-2009

Data are seasonally adjusted



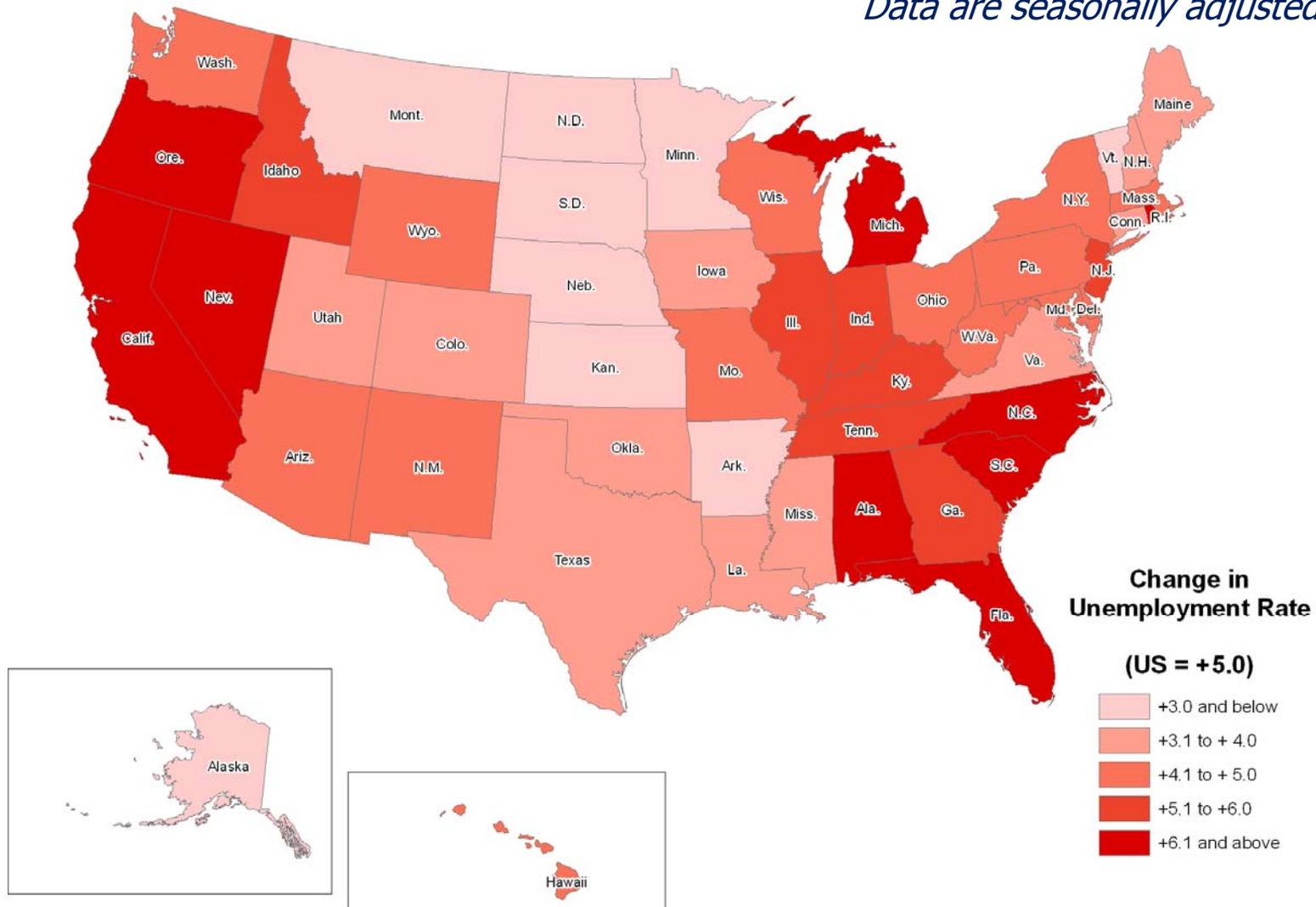
Persons not in the labor force, selected indicators, 1994-2009

Data are seasonally adjusted



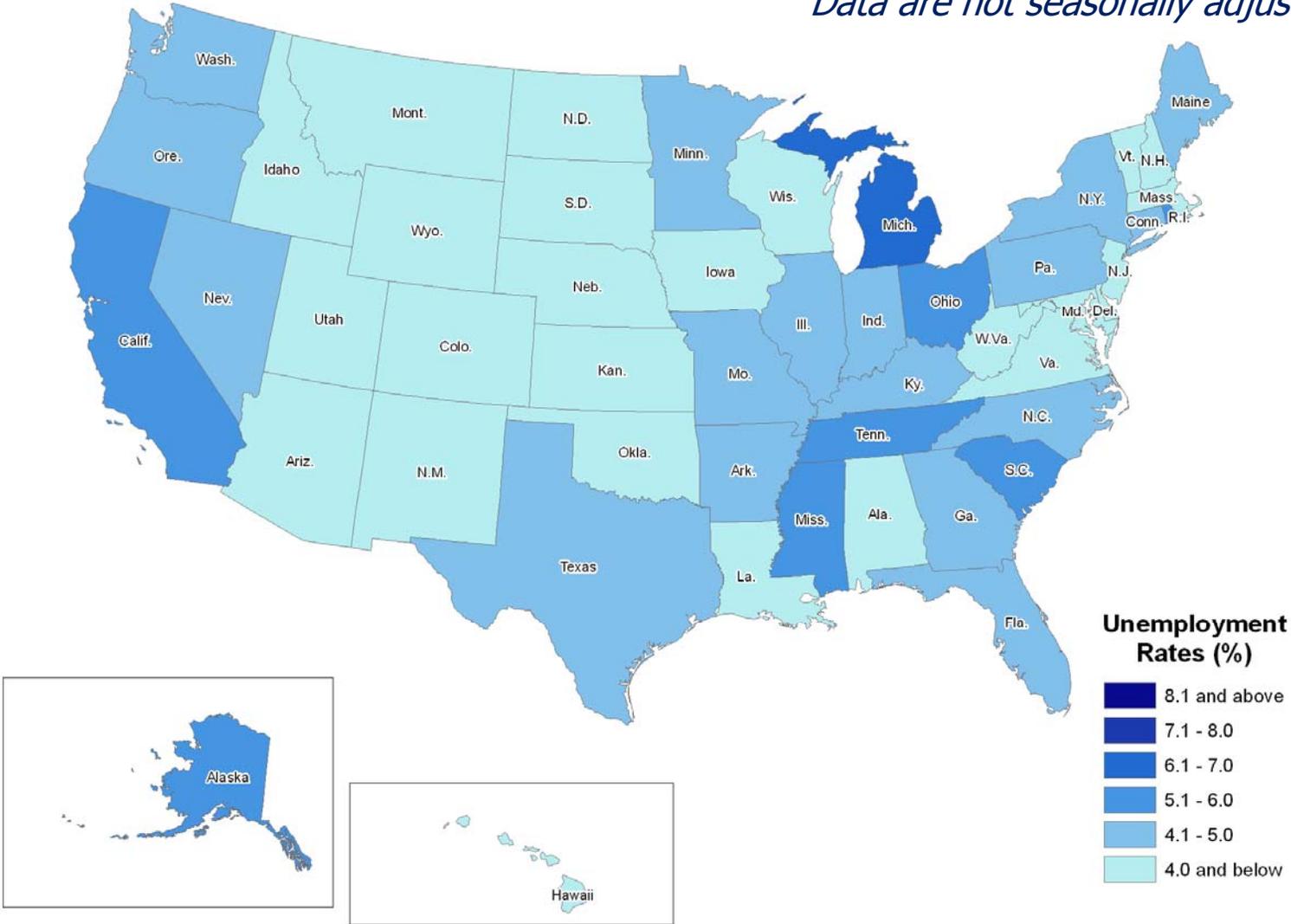
Change in unemployment rates by state: December 2007 to November 2009

Data are seasonally adjusted



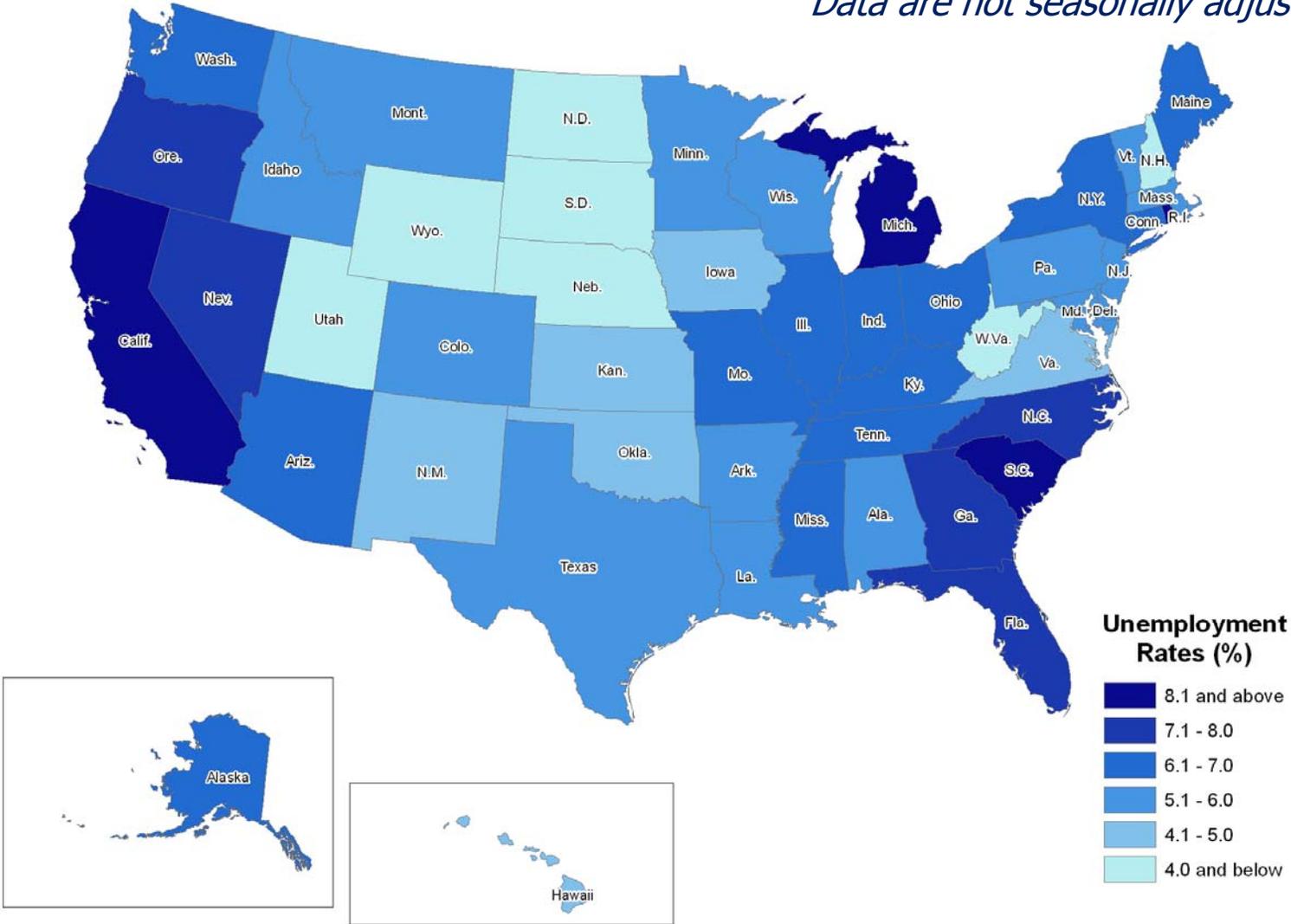
Unemployment rates by state: November 2007

Data are not seasonally adjusted



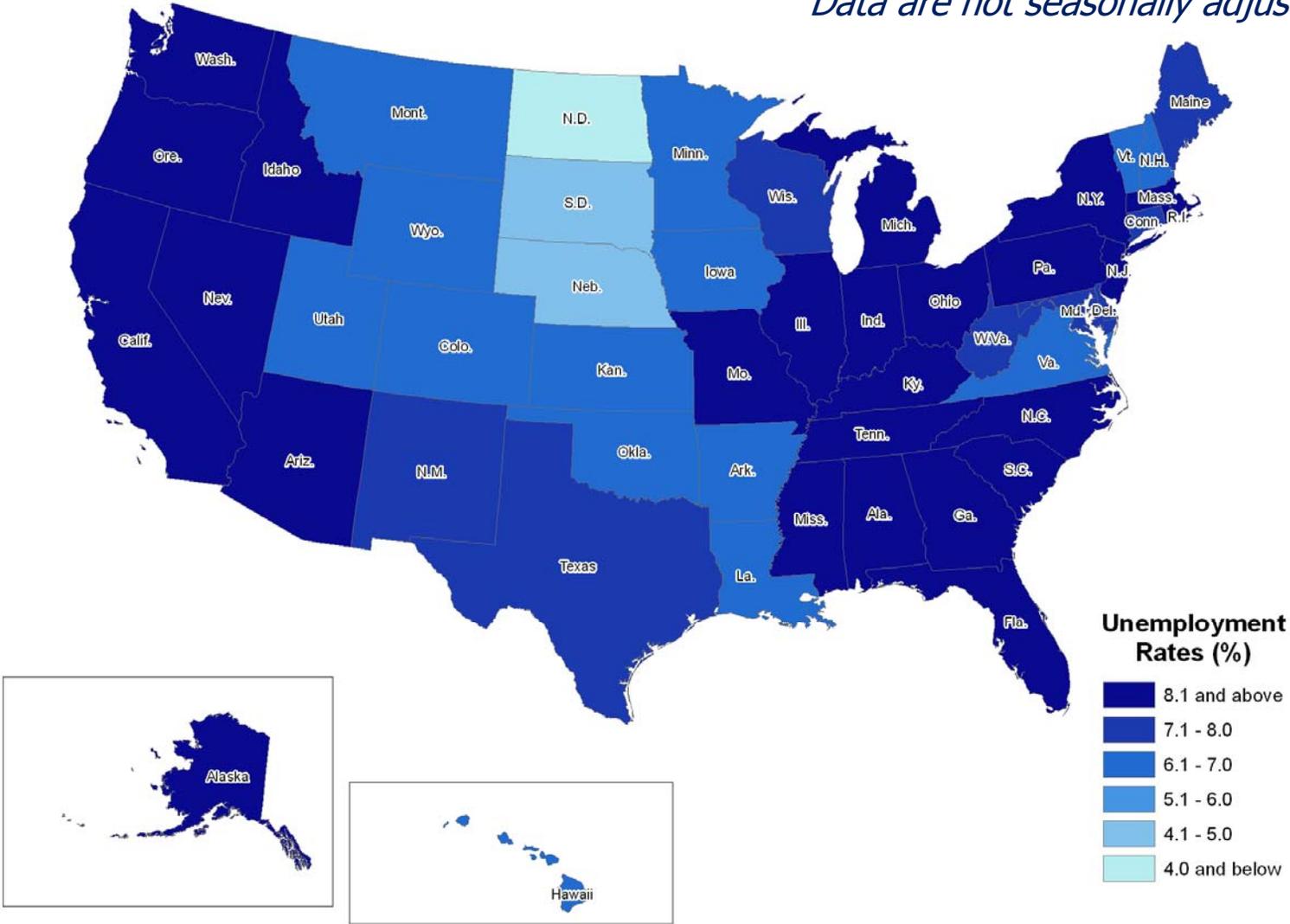
Unemployment rates by state: November 2008

Data are not seasonally adjusted



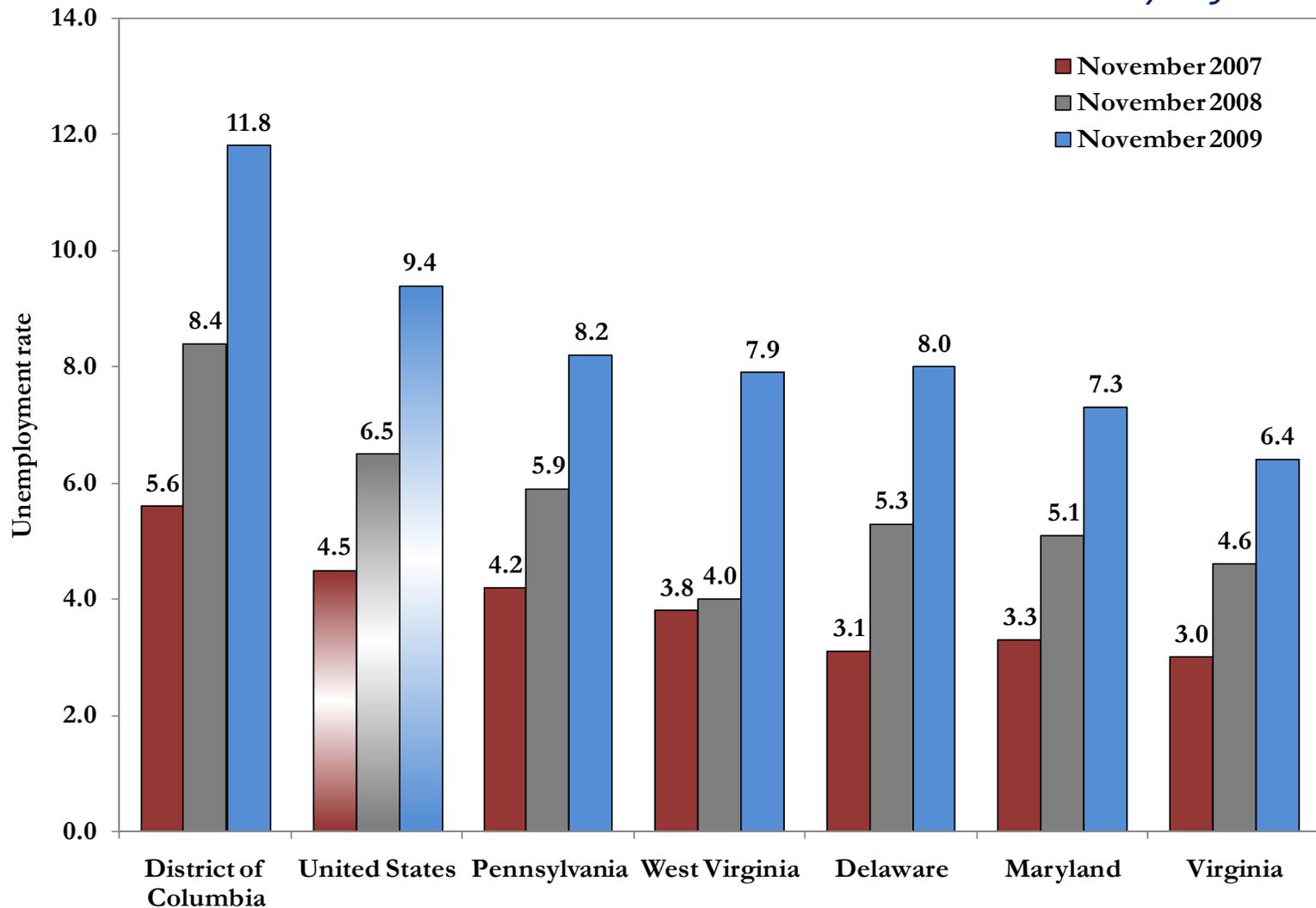
Unemployment rates by state: November 2009

Data are not seasonally adjusted



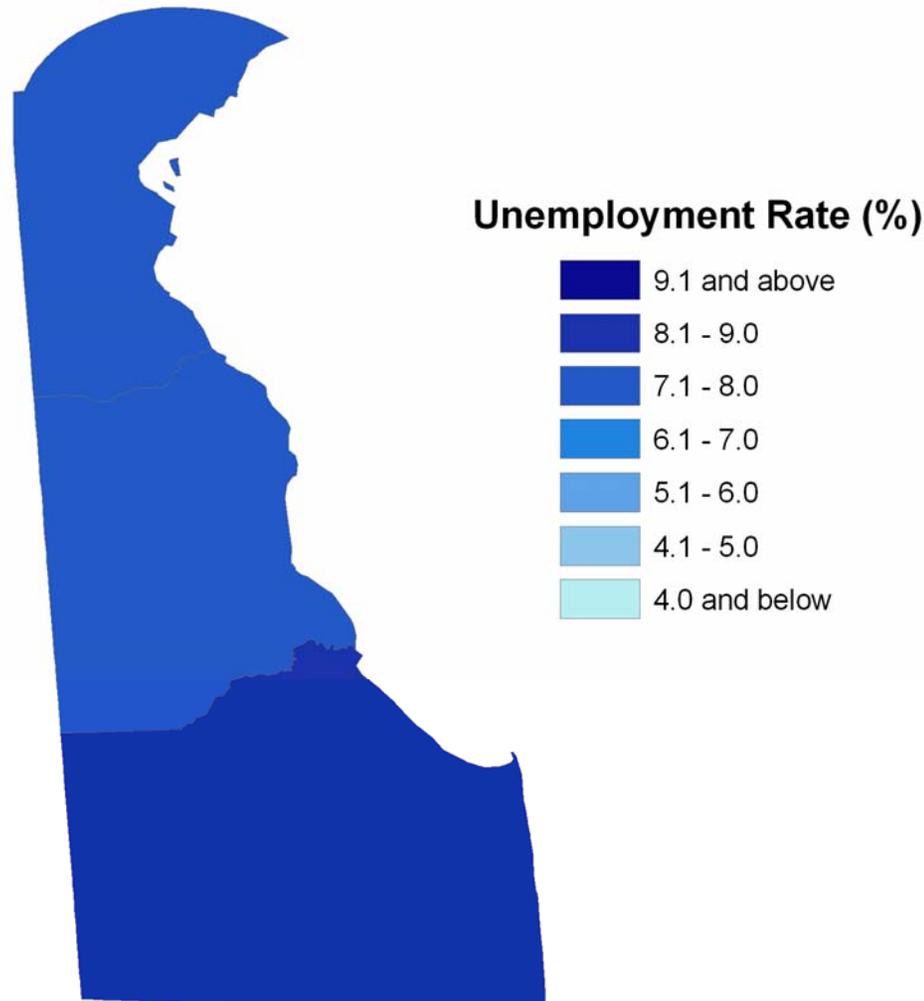
Unemployment rates in the United States and selected states: November 2007, 2008, and 2009

Data are not seasonally adjusted



Unemployment rates by county in Delaware: November 2009

Data are not seasonally adjusted



Recent peak unemployment rates in the United States, Delaware, Maryland, Virginia, and counties on the Delmarva Peninsula

Data are not seasonally adjusted

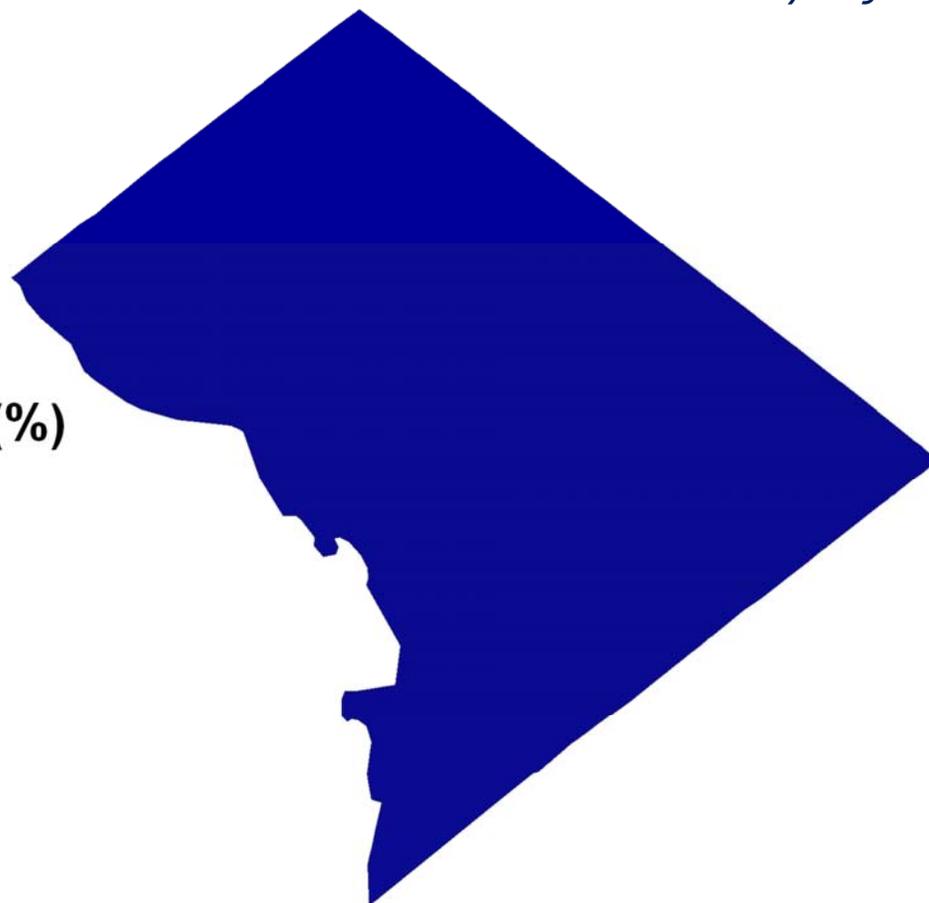
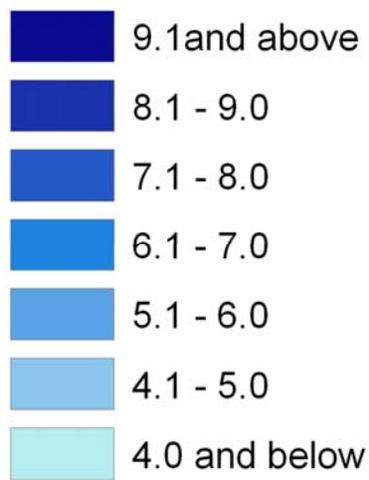
Area	Recent peak		Highest since	
	Rate	Date(s)	Rate	Date
United States	9.7	Dec, Jun, Jul 2009	10.2	Jun 1983
Delaware	8.6	Jun 2009	8.8	Feb 1983
Kent	8.6	Jun 2009	—	prior to Jan 1990
New Castle	8.9	Jun 2009	—	prior to Jan 1990
Sussex	8.8	Feb 2009	—	prior to Jan 1990
Maryland	7.4	Jun, Jul 2009	7.4	Feb 1992
Caroline	10.1	Feb 2009	10.8	Feb 1993
Cecil	9.8	Jun 2009	10.8	Jan 1997
Dorchester	11.9	Nov 2009	12.7	Mar 1998
Kent	8.8	Feb 2009	9.2	Feb 1998
Queen Anne's	7.5	Feb 2009	7.6	Jan 1996
Somerset	10.3	Feb 2009	10.9	Apr 1998
Talbot	8.0	Feb 2009	—	prior to Jan 1990
Wicomico	9.4	Feb 2009	9.9	Mar 1992
Worcester	16.8	Jan 2009	17.6	Feb 1999
Virginia	7.3	Jun 2009	7.3	Mar 1983
Accomack	7.8	Feb 2009	8.0	Mar 1999
Northampton	10.4	Mar 2009	11.1	Jun 1995

Note: Data for Delaware, Maryland, Virginia, and all counties are preliminary for the most recent month.

Unemployment rates by county in the District of Columbia: November 2009

Data are not seasonally adjusted

Unemployment Rate (%)



Recent peak unemployment rates in the United States, the Washington-Arlington-Alexandria Metropolitan Statistical Area, and its components

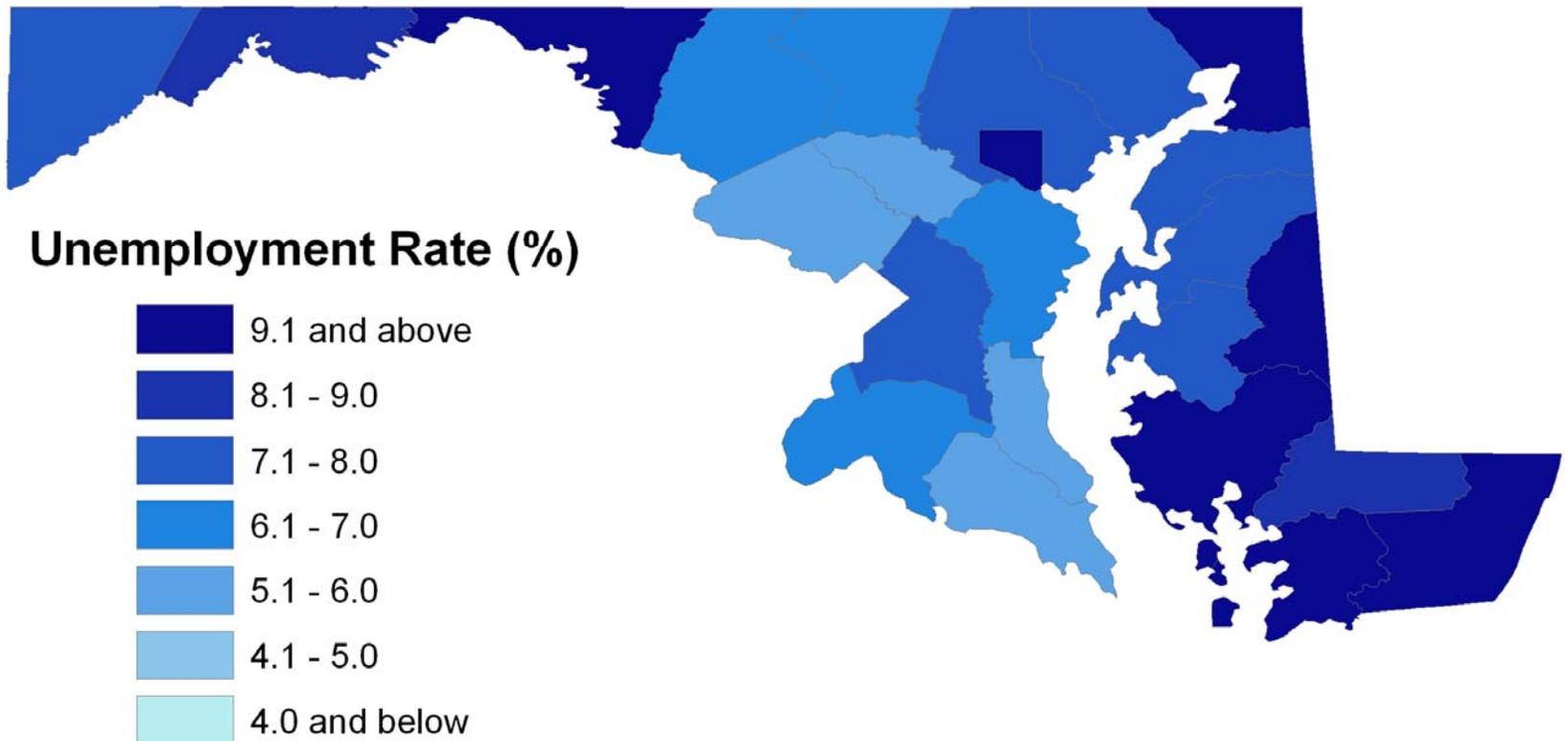
Data are not seasonally adjusted

Area	Recent peak		Highest since	
	Rate	Date(s)	Rate	Date
United States	9.7	Dec, Jun, Jul 2009	10.2	Jun 1983
Washington-Arlington-Alexandria	6.5	Jun 2009	—	prior to Jan 1990
Washington-Arlington-Alexandria Metropolitan Division	6.7	Jun 2009	—	prior to Jan 1990
District of Columbia	12.0	Oct 2009	—	prior to Jan 1990
Arlington County, Va.	4.7	May, Jun 2009	4.9	Jun 1993
Clarke County, Va.	6.9	Jun, Jul 2009	7.1	Feb 1992
Fairfax County, Va.	5.2	Jun 2009	—	prior to Jan 1990
Fauquier County, Va.	5.8	Feb 2009	6.2	Mar 1992
Loudoun County, Va.	5.2	Jun 2009	—	prior to Jan 1990
Prince William County, Va.	5.9	Jun 2009	—	prior to Jan 1990
Spotsylvania County, Va.	5.8	Feb, Mar 2009	6.1	Jan 1993
Stafford County, Va.	5.7	Jun 2009	6.1	Mar 1992
Warren County, Va.	9.0	Feb 2009	9.9	Feb 1993
Alexandria City, Va.	5.3	May 2009	5.3	Oct 1993
Fairfax City, Va.	5.9	Jun 2009	—	prior to Jan 1990
Falls Church City, Va.	8.1	Mar 2009	—	prior to Jan 1990
Fredericksburg City, Va.	10.5	Feb 2009	10.5	Mar 1992
Manassas City, Va.	8.7	Feb 2009	—	prior to Jan 1990
Manassas Park City, Va.	7.3	Feb 2009	7.3	Sep 1996
Calvert County, Md.	6.4	Jun, Jul 2009	6.6	Feb 1992
Charles County, Md.	6.3	Jul 2009	—	prior to Jan 1990
Prince George's County, Md.	7.5	Jun 2009	—	prior to Jan 1990
Jefferson County, W.Va.	8.1	Jun 2009	9.5	Jun 1992
Bethesda-Frederick-Rockville Metropolitan Division	5.9	Jun 2009	—	prior to Jan 1990
Frederick County, Md.	6.5	Jun 2009	6.5	Mar 1992
Montgomery County, Md.	5.7	Jun 2009	—	prior to Jan 1990

Note: Data for the Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va. Metropolitan Statistical Area and its components are preliminary for the most recent month.

Unemployment rates by county in Maryland: November 2009

Data are not seasonally adjusted



Recent peak unemployment rates in the United States, the Baltimore-Towson Metropolitan Statistical Area, and its components

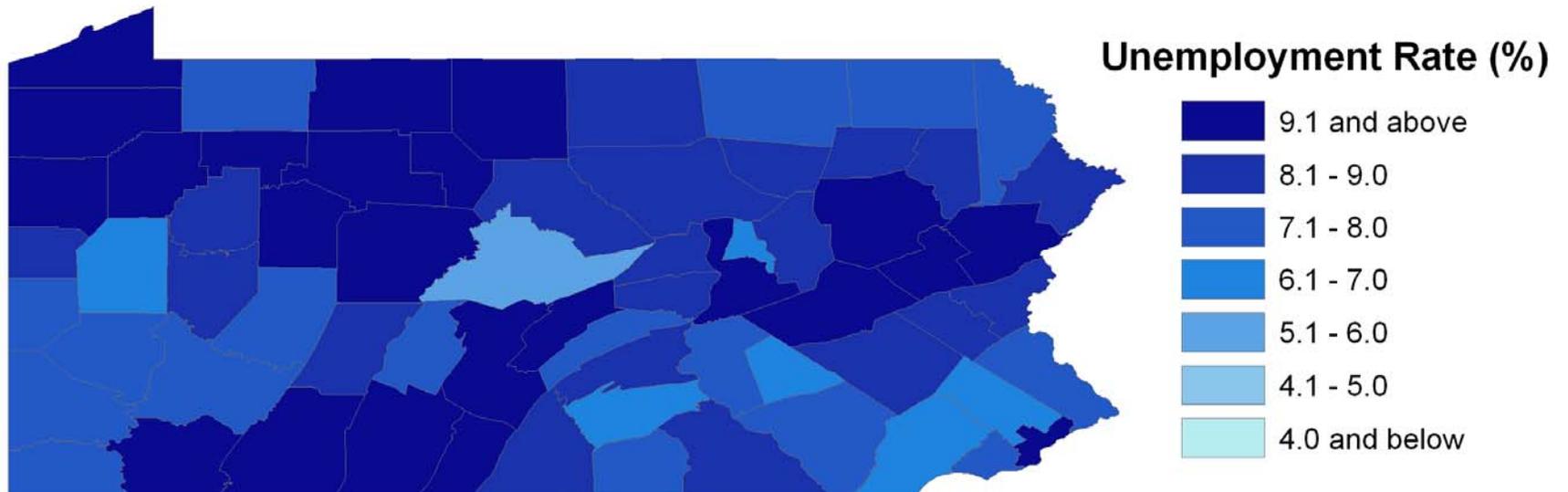
Data are not seasonally adjusted

Area	Recent peak		Highest rate since	
	Rate	Date(s)	Rate	Date
United States	9.7	Dec, Jun, Jul 2009	10.2	Jun 1983
Baltimore-Towson	7.9	Jun, Jul 2009	8.1	Feb 1992
Anne Arundel County, Md.	6.8	Jun, Jul 2009	—	prior to Jan 1990
Baltimore County, Md.	7.9	Jun, Jul 2009	—	prior to Jan 1990
Baltimore City, Md.	11.1	Jul 2009	11.6	Jun 1992
Carroll County, Md.	7.2	Feb 2009	8.0	Jan 1996
Harford County, Md.	7.7	Jun, Jul 2009	7.8	Feb 1994
Howard County, Md.	5.7	Jun 2009	—	prior to Jan 1990
Queen Anne's County, Md.	7.5	Feb 2009	7.6	Jan 1996

Note: Data for the Baltimore-Towson, Md. Metropolitan Statistical Area and its components are preliminary for the most recent month.

Unemployment rates by county in Pennsylvania: November 2009

Data are not seasonally adjusted



Recent peak unemployment rates in the United States, the Philadelphia-Camden-Wilmington Metropolitan Statistical Area, and its components

Data are not seasonally adjusted

Area	Recent peak		Highest rate since	
	Rate	Date(s)	Rate	Date
United States	9.7	Dec, Jun, Jul 2009	10.2	Jun 1983
Philadelphia-Camden-Wilmington	8.9	Aug 2009	—	prior to Jan 1990
Philadelphia Metropolitan Division	8.5	Aug, Oct 2009	—	prior to Jan 1990
Bucks County, Pa.	7.6	Jun, Jul, Aug 2009	7.6	Feb 1993
Chester County, Pa.	6.9	Aug 2009	—	prior to Jan 1990
Delaware County, Pa.	8.2	Oct 2009	—	prior to Jan 1990
Montgomery County, Pa.	7.3	Jul 2009	—	prior to Jan 1990
Philadelphia County, Pa.	11.1	Oct 2009	—	prior to Jan 1990
Camden Metropolitan Division	10.1	Jul, Sep 2009	—	prior to Jan 1990
Burlington County, N.J.	9.2	Jul 2009	—	prior to Jan 1990
Camden County, N.J.	11.0	Sep 2009	—	prior to Jan 1990
Gloucester County, N.J.	10.2	Jul 2009	—	prior to Jan 1990
Wilmington Metropolitan Division	9.3	Jun 2009	—	prior to Jan 1990
New Castle County, Del.	8.9	Jun 2009	—	prior to Jan 1990
Cecil County, Md.	9.8	Jun 2009	10.8	Jan 1997
Salem County, N.J.	11.4	Jun 2009	—	prior to Jan 1990

Note: Data for Philadelphia-Camden-Wilmington, Pa.-N.J.-Del.-Md. Metropolitan Statistical Area and its components are preliminary for the most recent month.

Recent peak unemployment rates in the United States, the Pittsburgh Metropolitan Statistical Area, and its components

Data are not seasonally adjusted

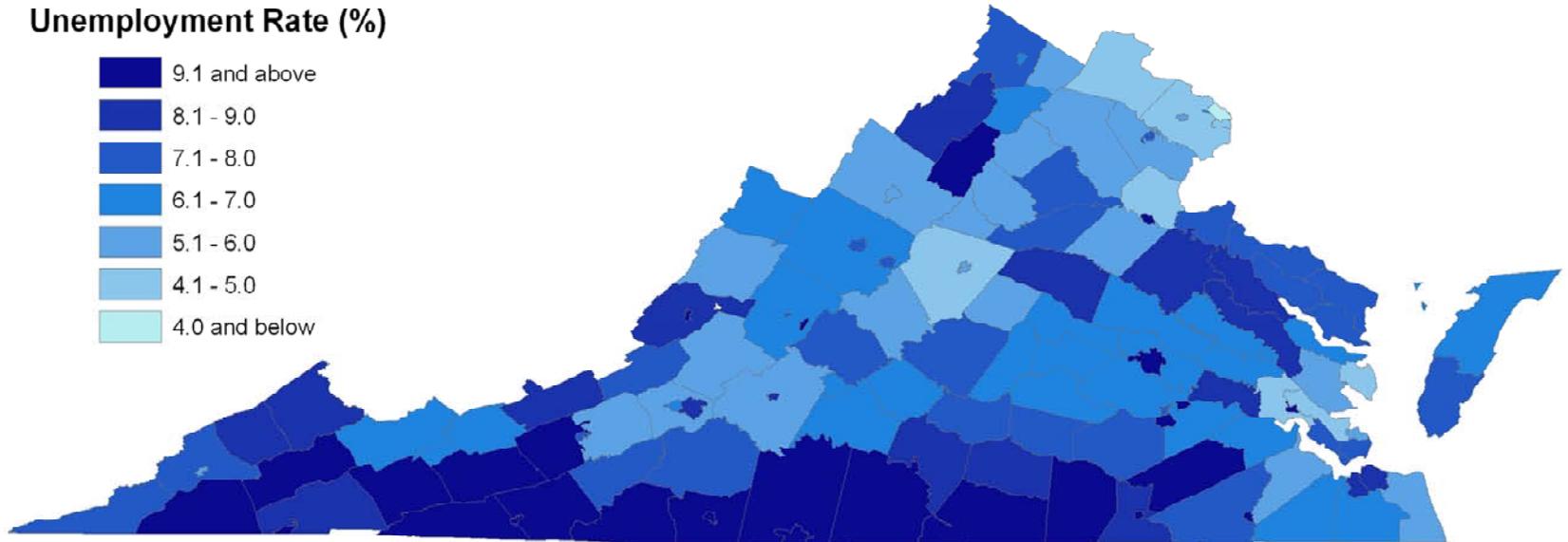
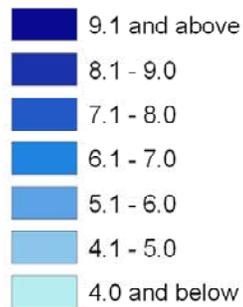
Area	Recent peak		Highest rate since	
	Rate	Date(s)	Rate	Date
United States	9.7	Dec, Jun, Jul 2009	10.2	Jun 1983
Pittsburgh	7.9	Aug 2009	7.9	Jan 1994
Allegheny County, Pa.	7.5	Aug 2009	—	Prior to Jan 1990
Armstrong County, Pa.	10.3	Feb 2009	10.5	Feb 1996
Beaver County, Pa.	9.1	Aug 2009	9.1	Feb 1993
Butler County, Pa.	7.7	Jul 2009	8.4	Mar 1994
Fayette County, Pa.	9.8	Feb 2009	10.1	Feb 1998
Washington County, Pa.	8.1	Feb 2009	8.3	Feb 1995
Westmoreland County, Pa.	8.4	Jul 2009	8.5	Mar 1994

Note: Data for the Pittsburgh, Pa. Metropolitan Statistical Area and its components are preliminary for the most recent month.

Unemployment rates by county in Virginia: November 2009

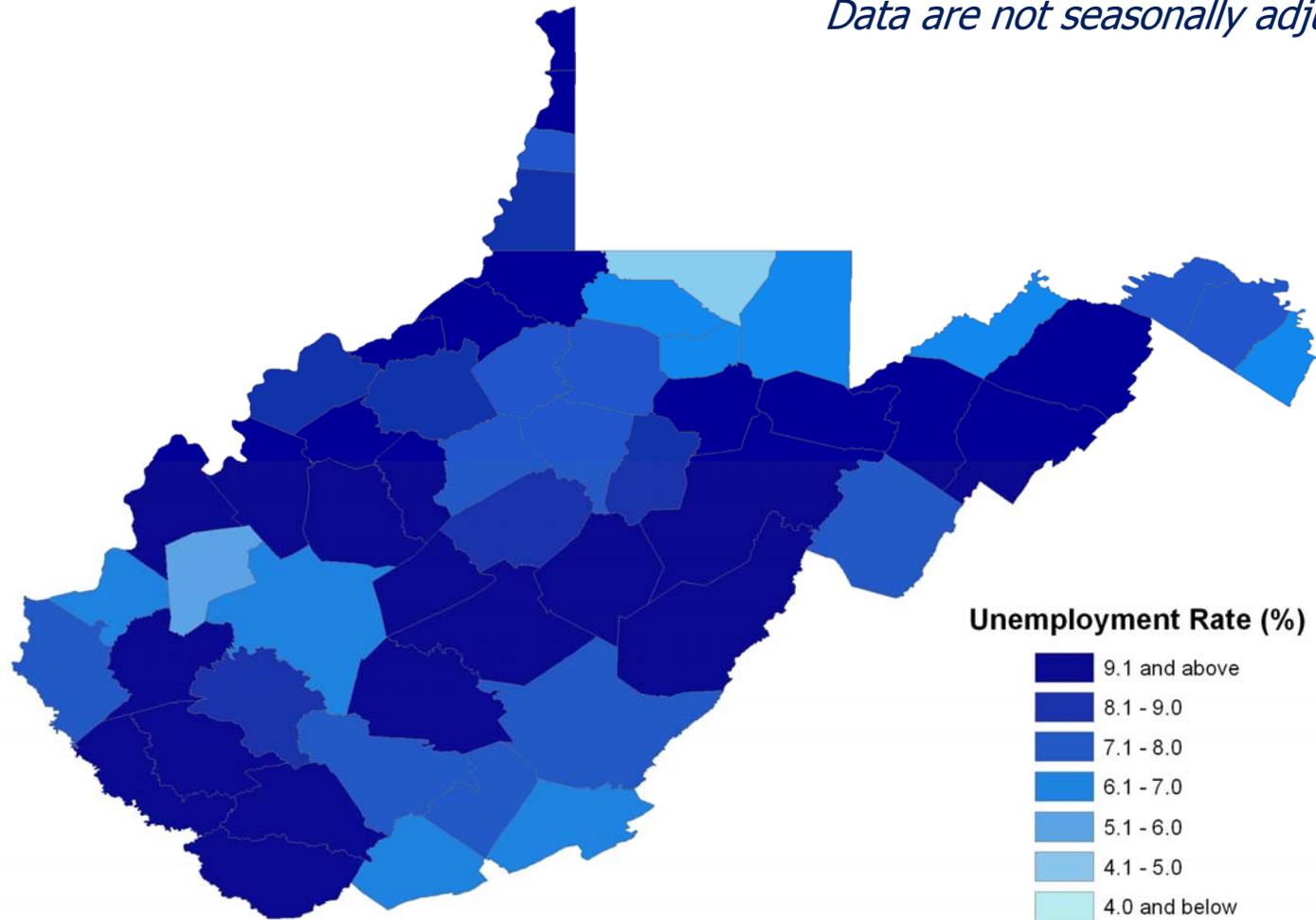
Data are not seasonally adjusted

Unemployment Rate (%)



Unemployment rates by county in West Virginia: November 2009

Data are not seasonally adjusted



Recent peak unemployment rates in the United States, the Charleston Metropolitan Statistical Area, and its components

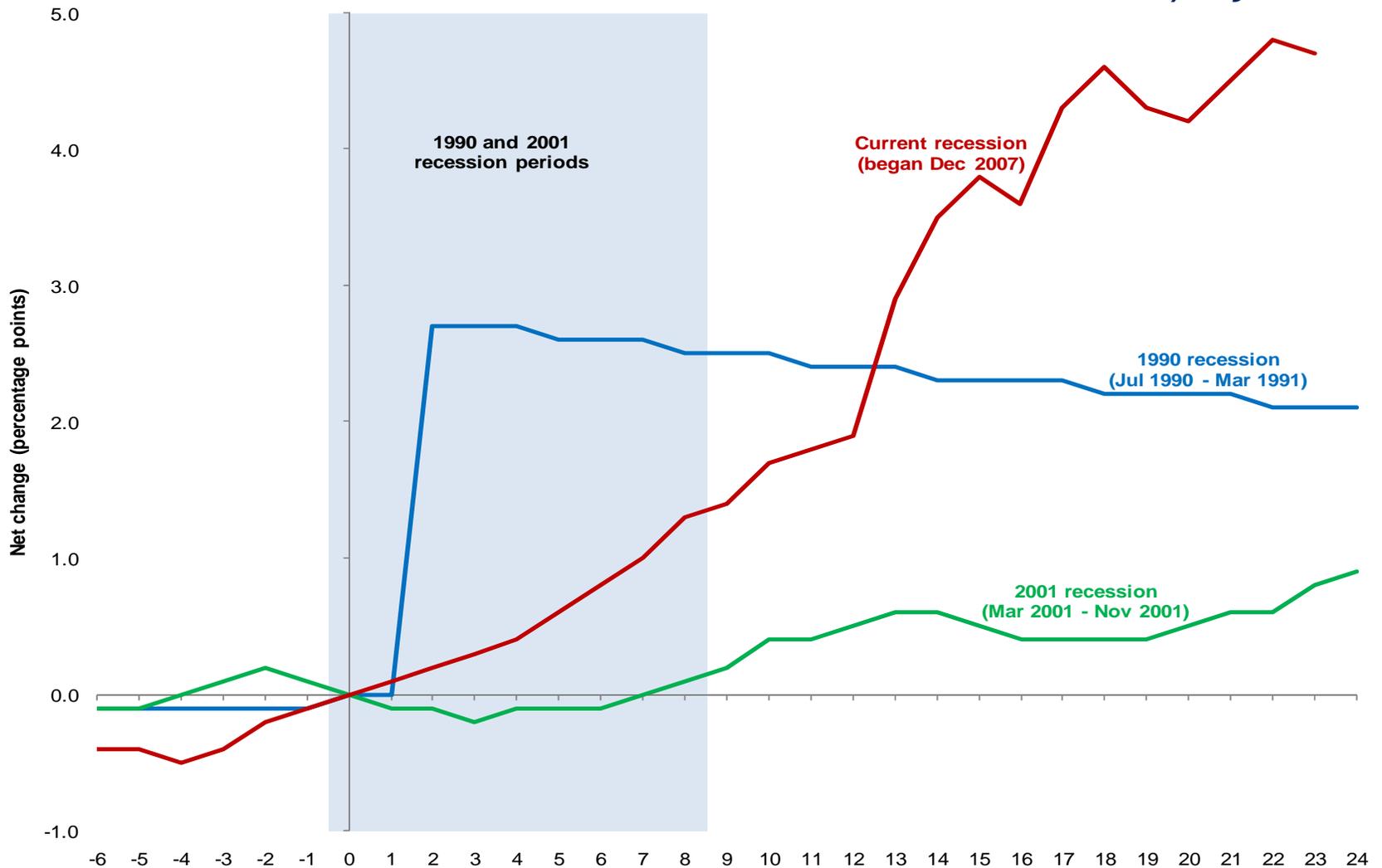
Data are not seasonally adjusted

Area	Recent peak		Highest rate since	
	Rate	Date(s)	Rate	Date
United States	9.7	Dec, Jun, Jul 2009	10.2	Jun 1983
Charleston	8.1	Jun 2009	8.7	Mar 1994
Boone County, W.Va.	10.6	Jun 2009	10.7	Nov 1999
Clay County, W.Va.	15.0	Oct 2009	15.2	Feb 1997
Kanawha County, W.Va.	7.5	Jun 2009	7.9	Feb 1994
Lincoln County, W.Va.	11.4	Jun 2009	12.1	Aug 1999
Putnam County, W.Va.	7.8	Jun 2009	8.1	Mar 1994

Note: Data for the Charleston, W.Va. Metropolitan Statistical Area and its components are preliminary for the most recent month.

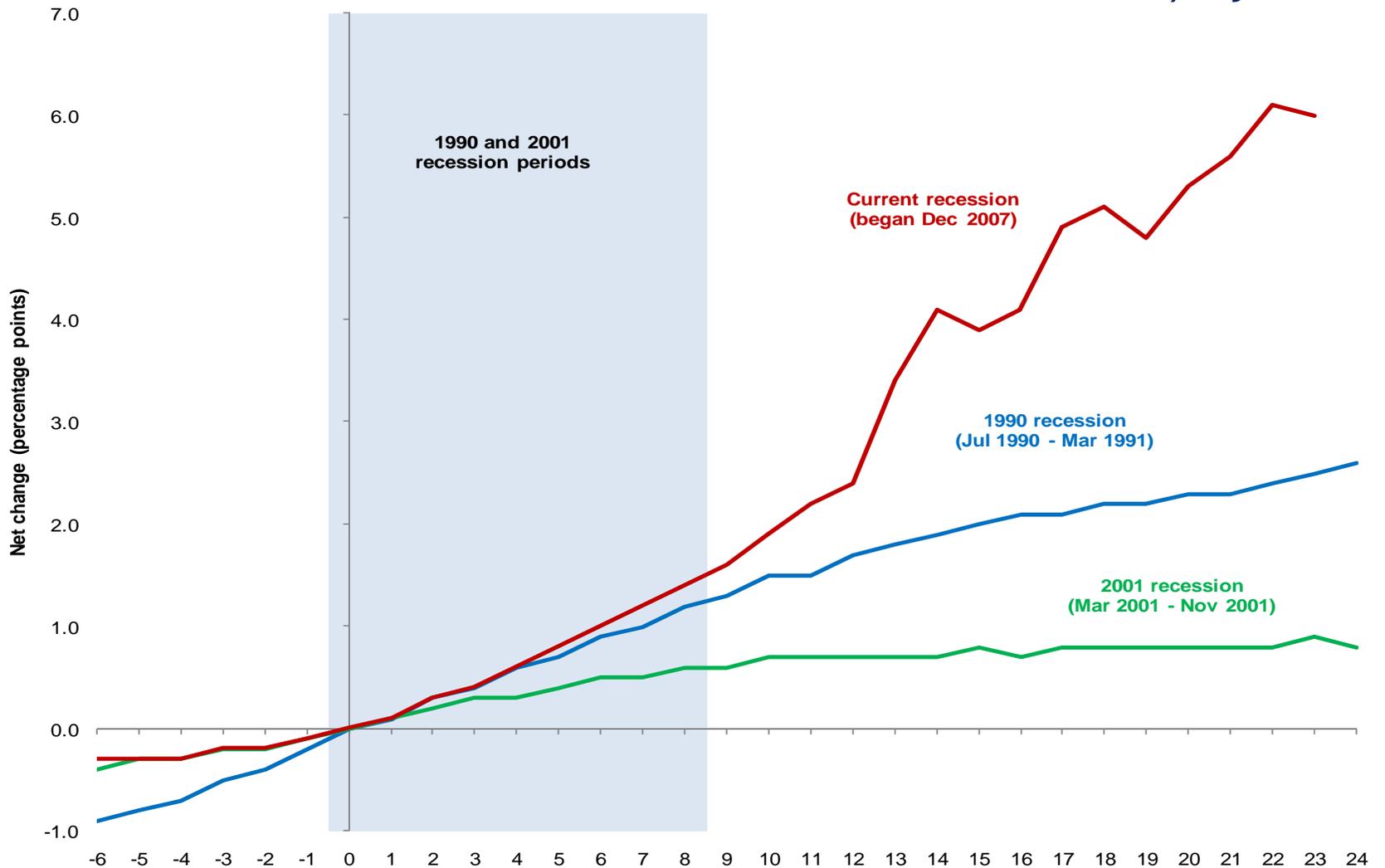
Change in unemployment rate in Delaware, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



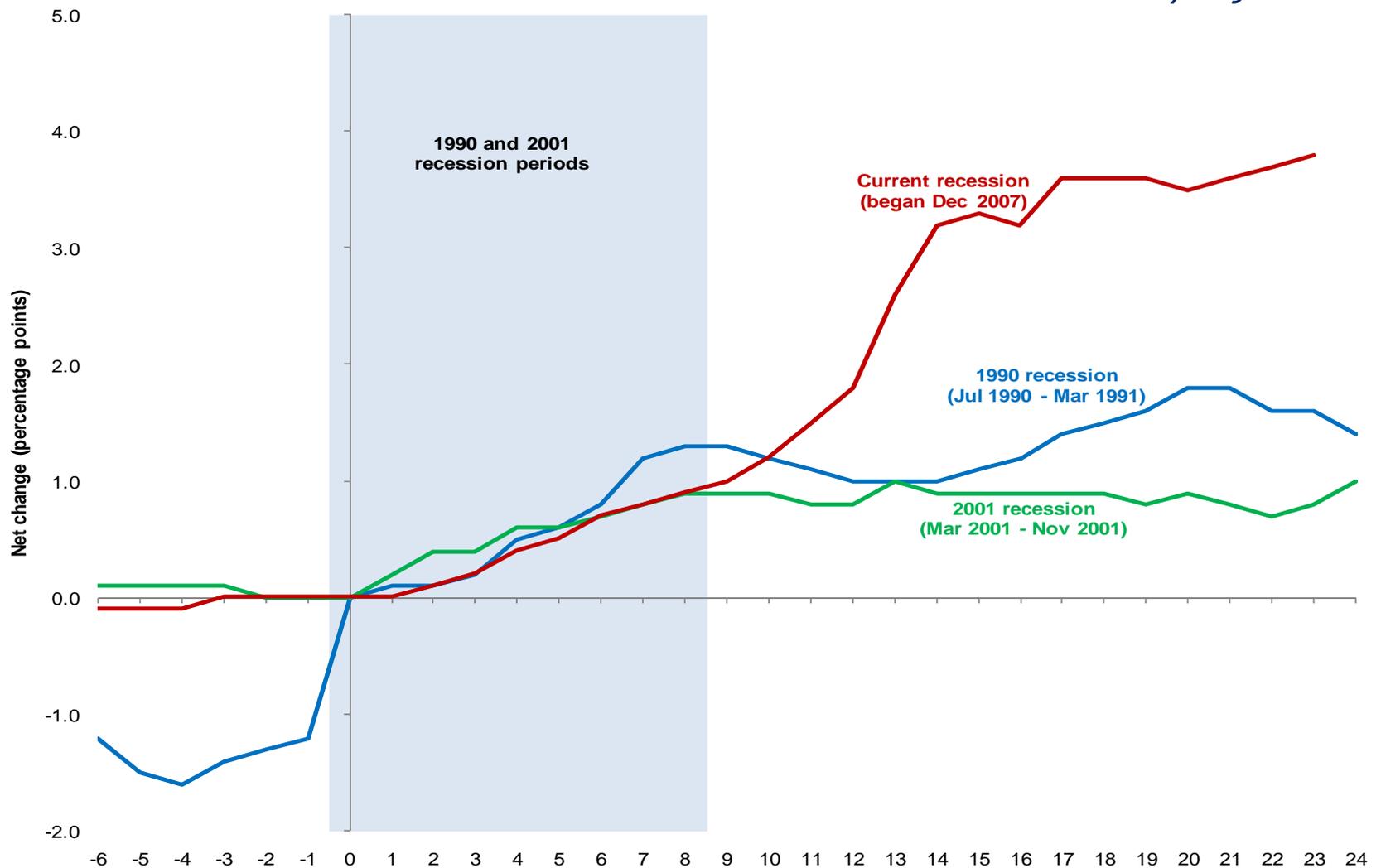
Change in unemployment rate in the District of Columbia, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



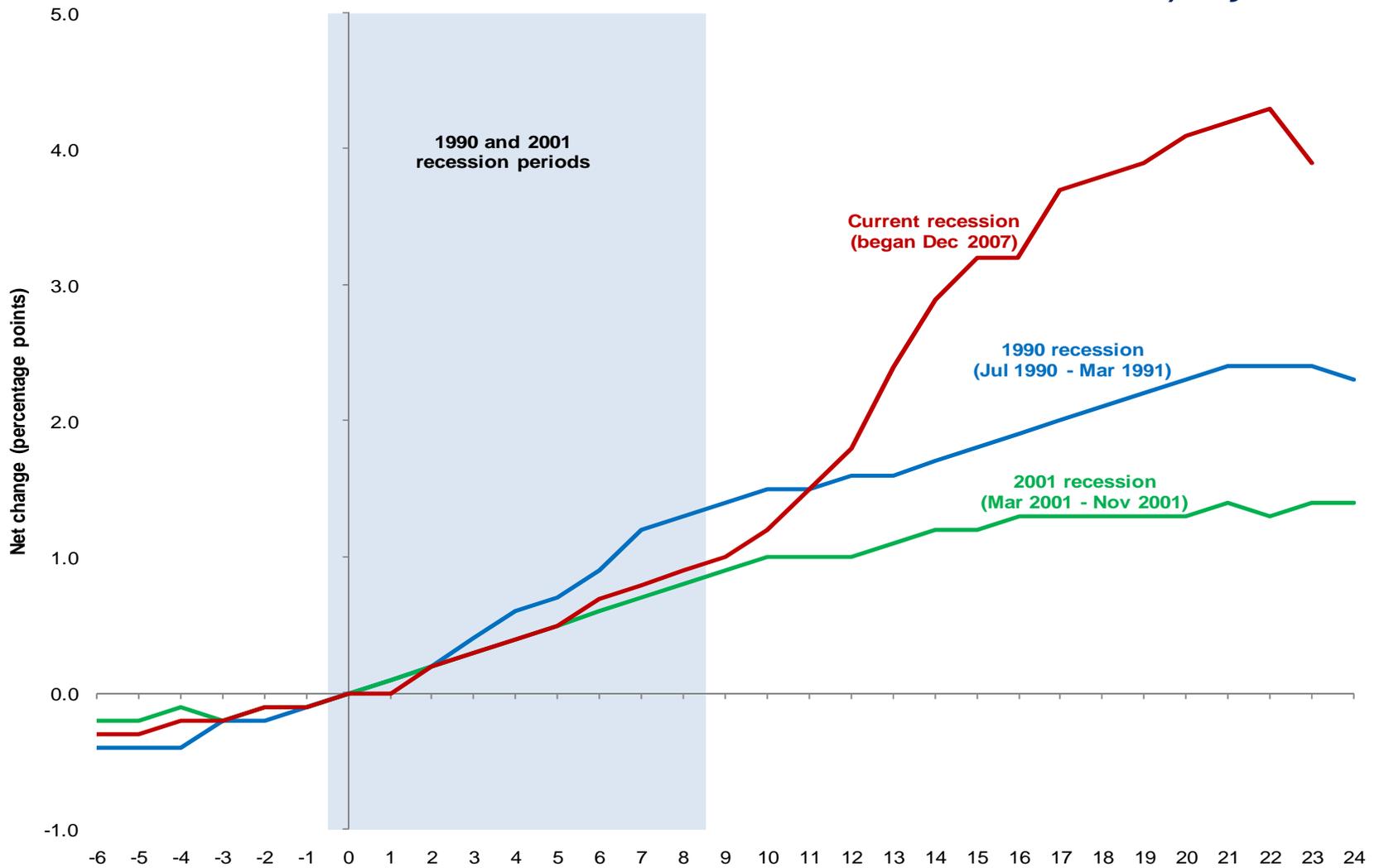
Change in unemployment rate in Maryland, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



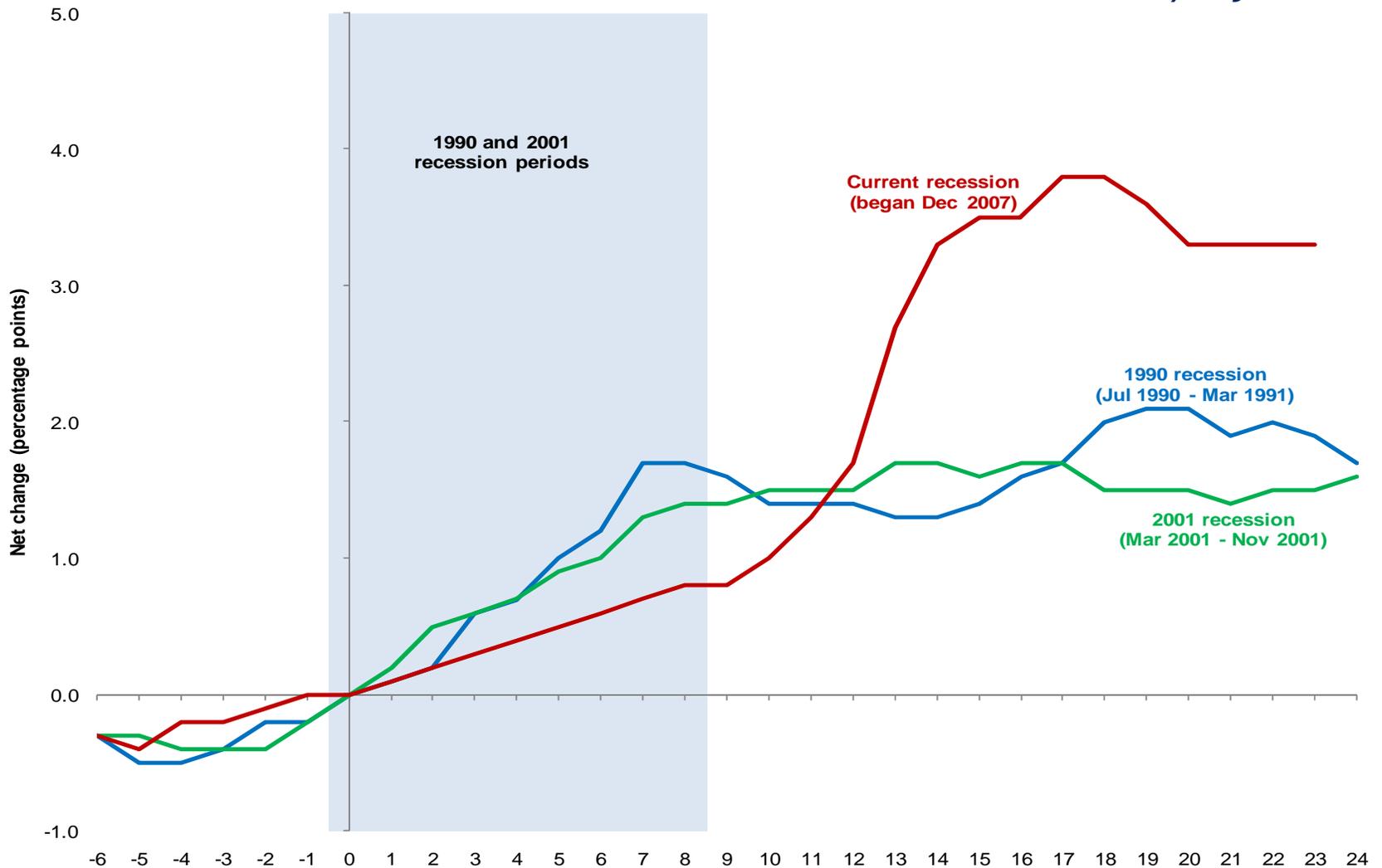
Change in unemployment rate in Pennsylvania, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



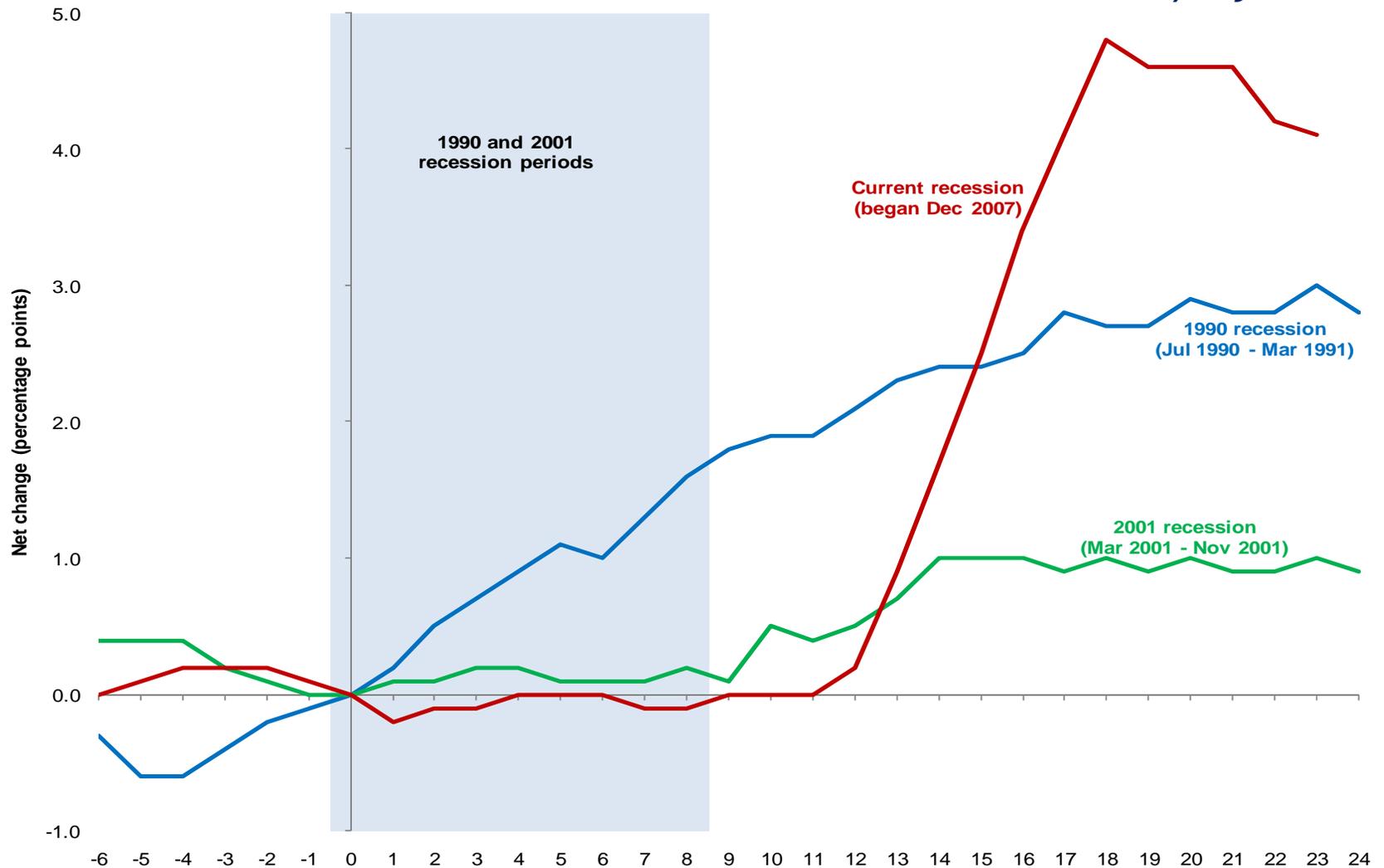
Change in unemployment rate in Virginia, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



Change in unemployment rate in West Virginia, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted

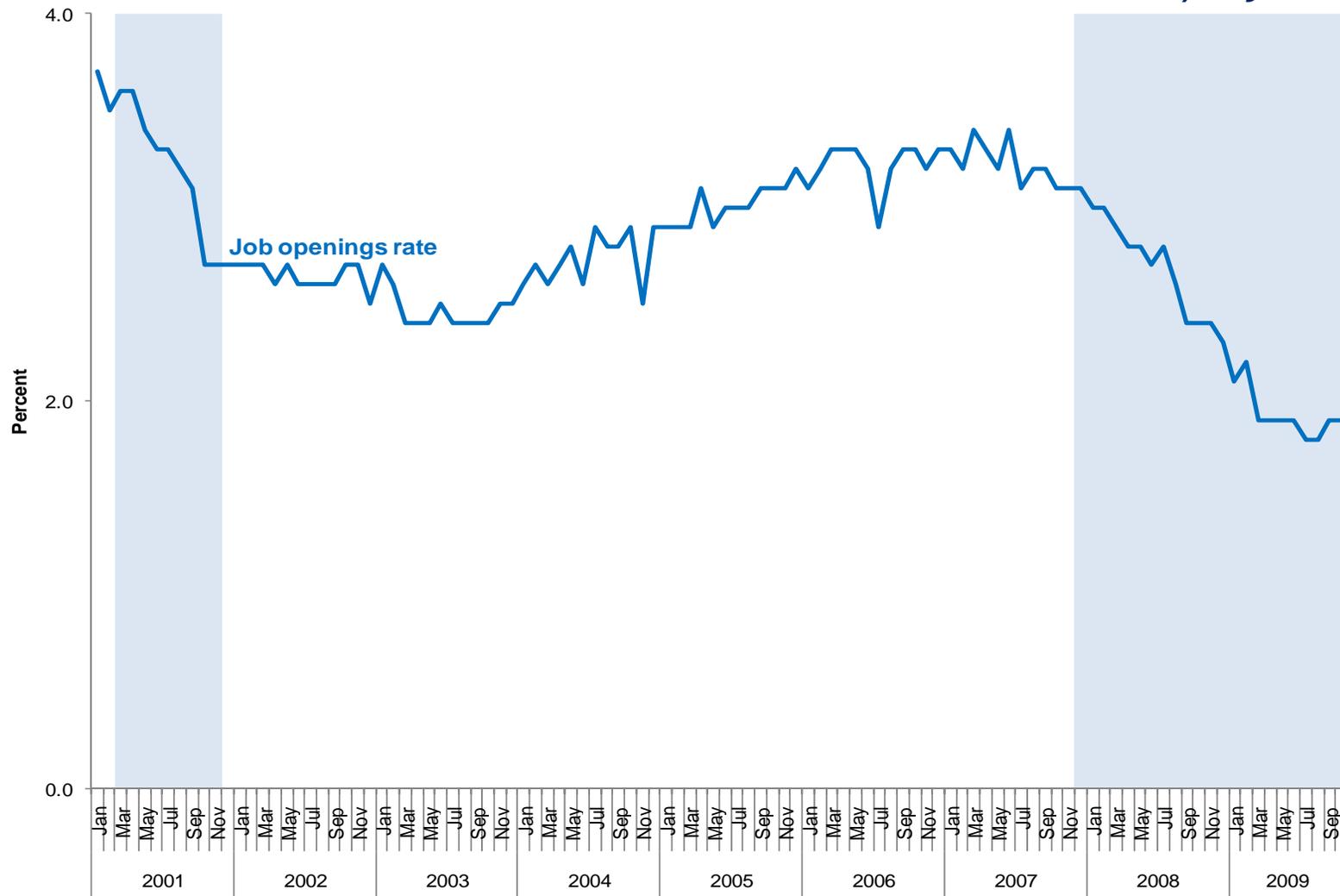


Job openings and labor turnover

- The Job Openings and Labor Turnover Survey (JOLTS) collects data on total employment, job openings, hires, quits, layoffs & discharges, and other separations.
- The availability of unfilled jobs—the job openings rate—is an important measure of the tightness of job markets, parallel to existing measures of unemployment.

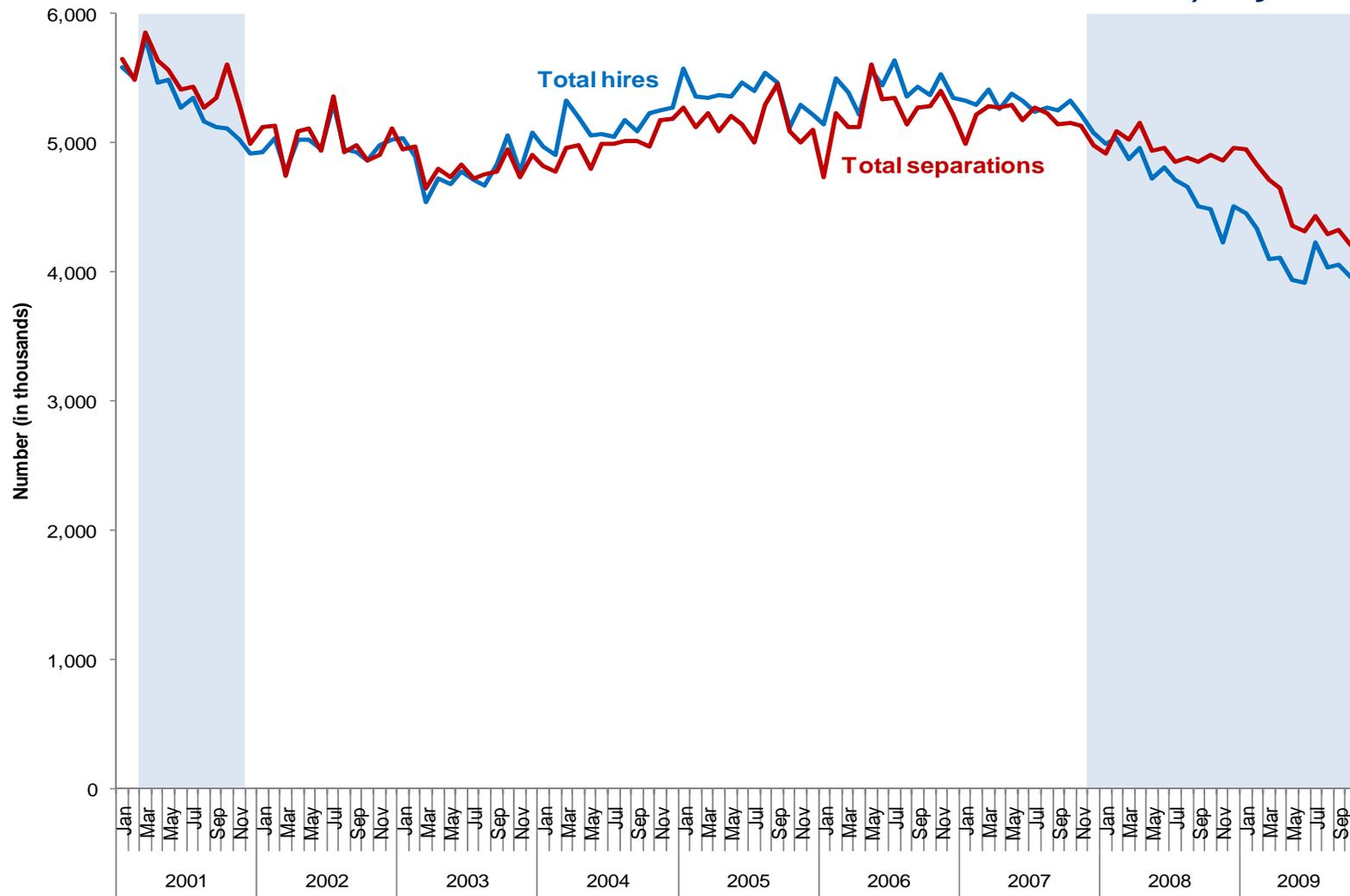
The job openings rate, total nonfarm, 2001-2009

Data are seasonally adjusted



Hires and separations, total nonfarm, 2001-2009

Data are seasonally adjusted

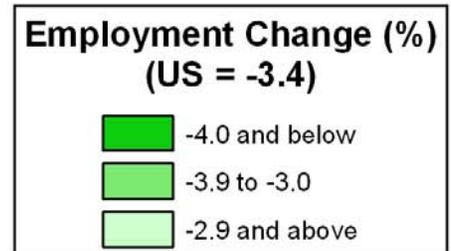
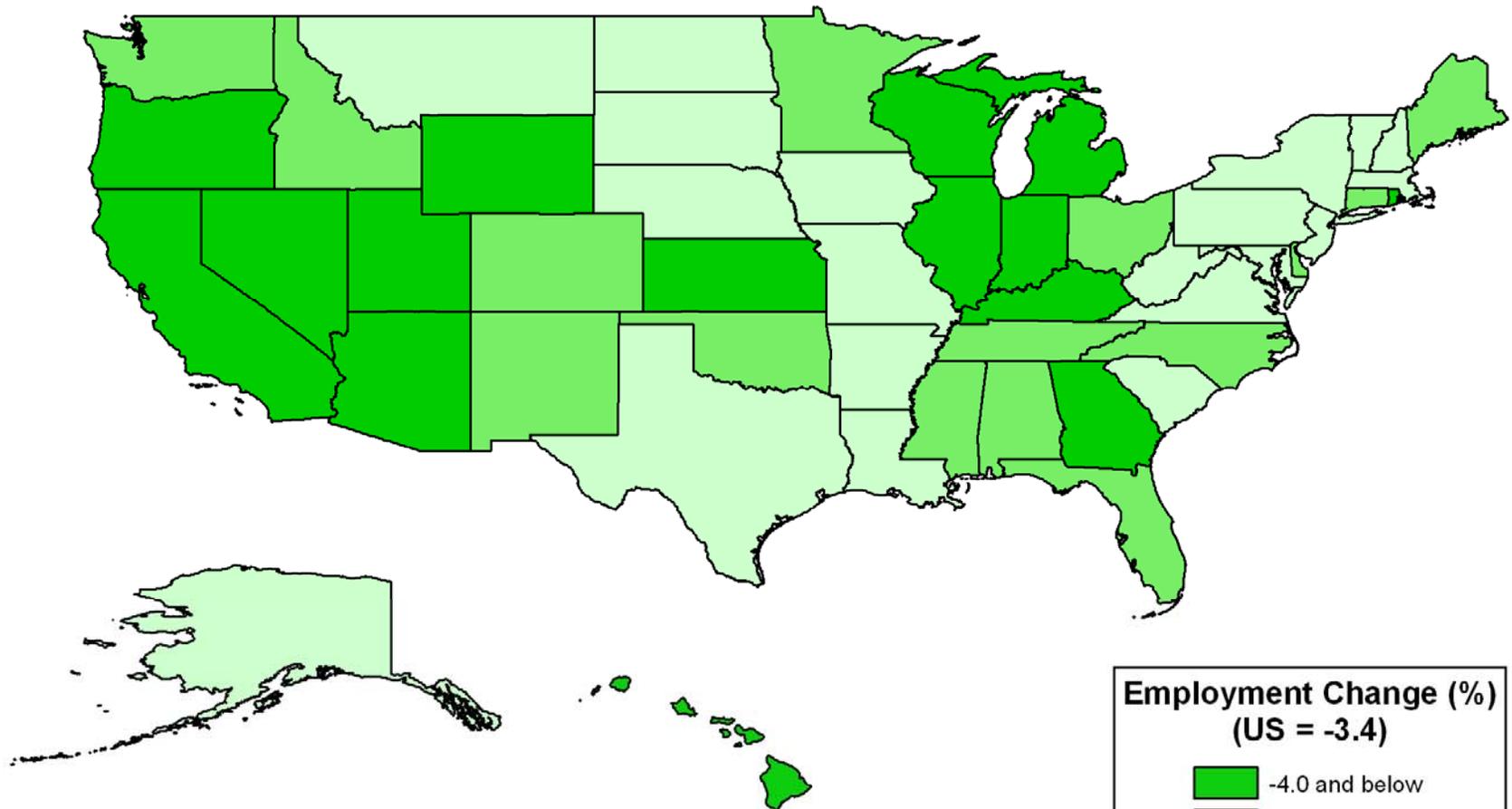


Employment change by area and industry

- **Current Employment Statistics (CES) estimates are among the most current economic information available to analyze changing economic conditions.**
- **CES estimates are heavily used in both the private and public sector.**

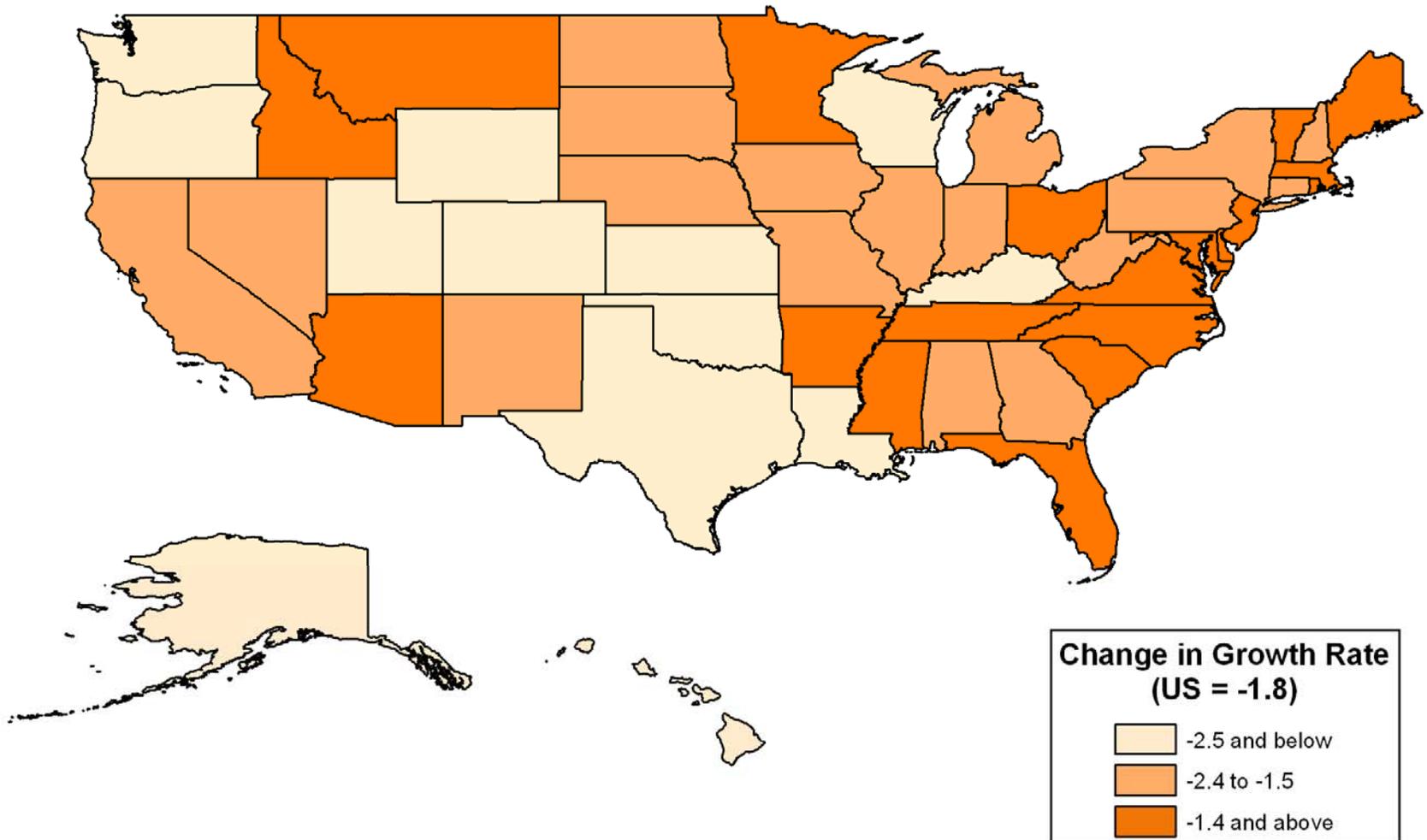
Percent change in total nonfarm employment by state, November 2008-2009

Data are not seasonally adjusted



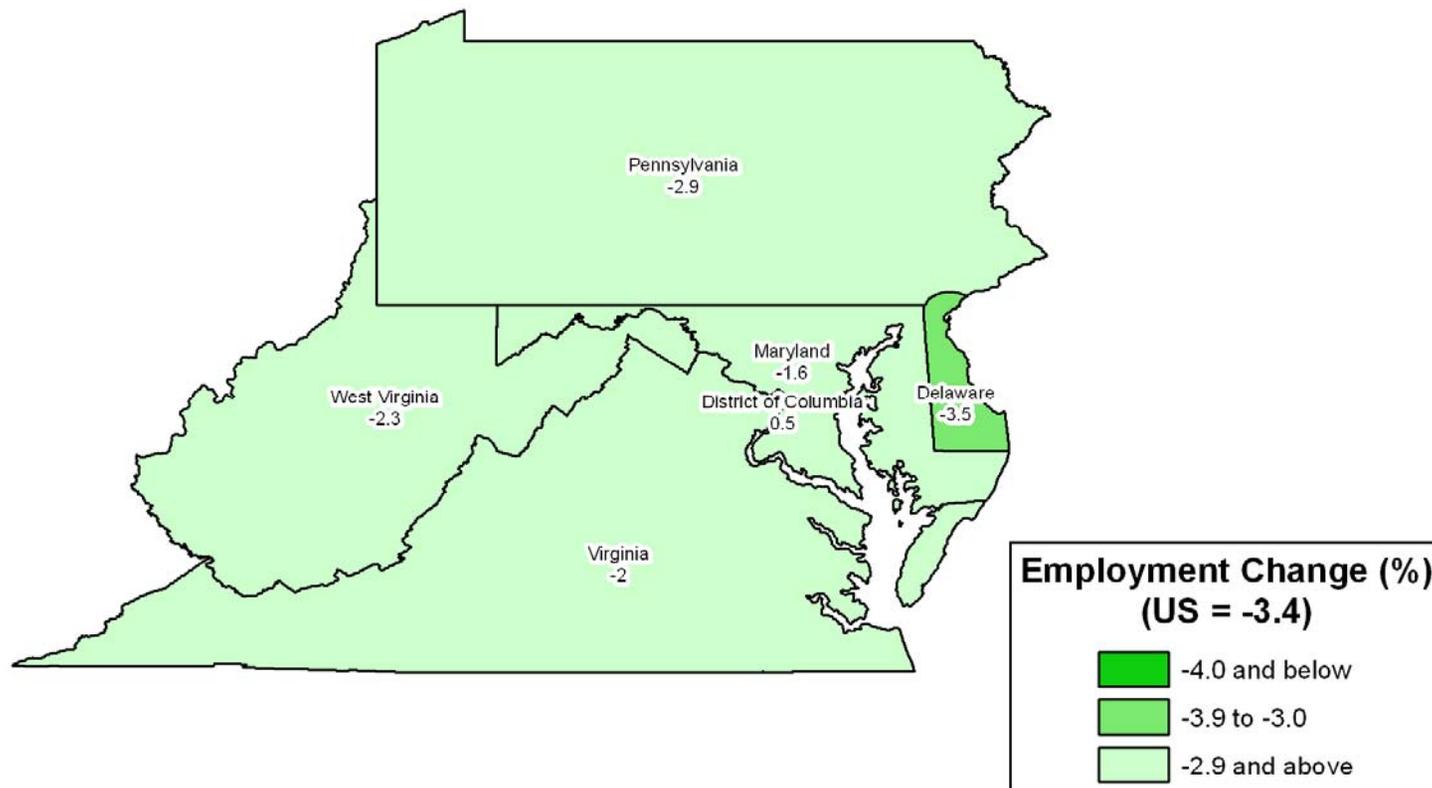
Change in total nonfarm employment growth rates by state, November 2008-2009

Data are not seasonally adjusted



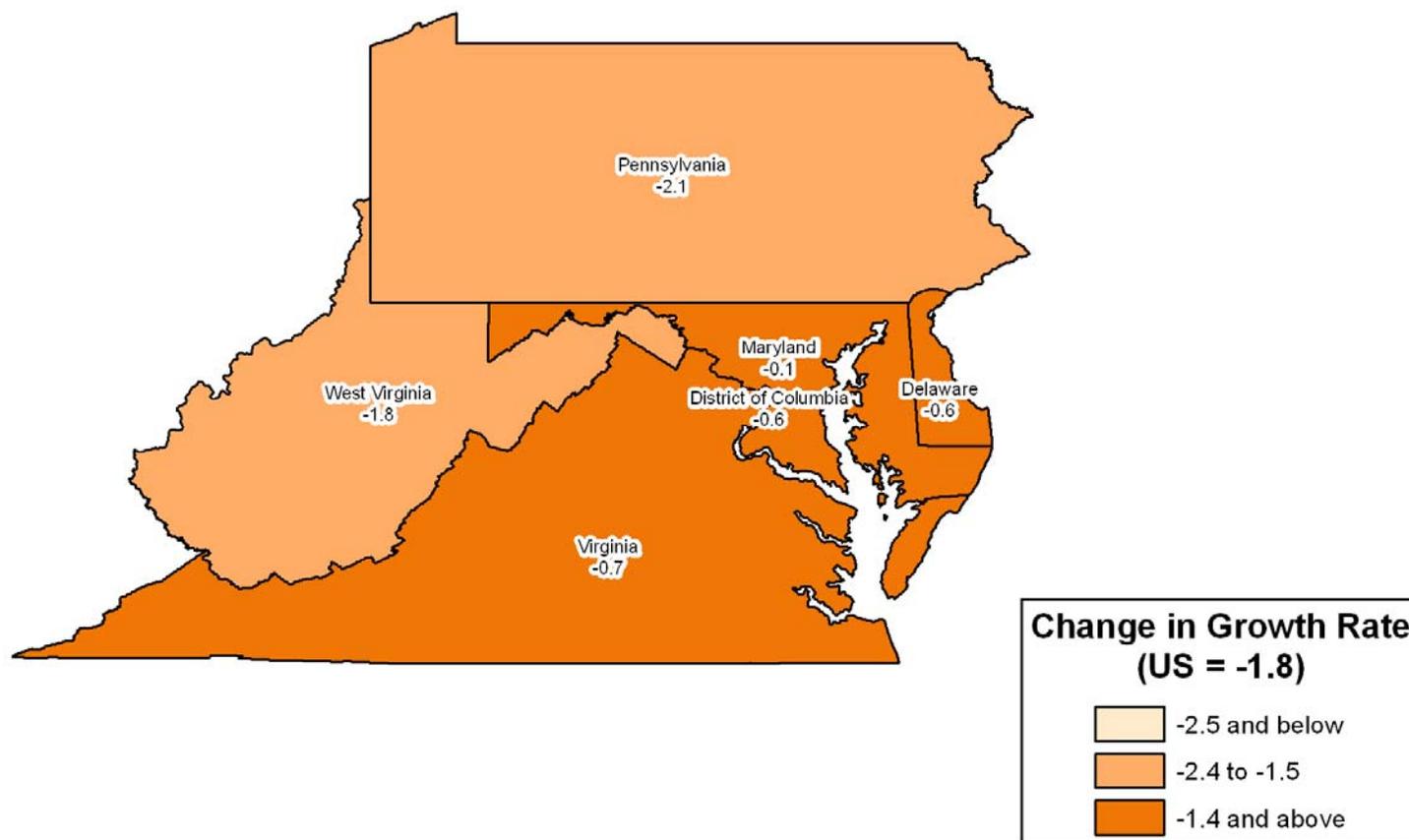
Percent change in total nonfarm employment in Mid-Atlantic states, November 2008-2009

Data are not seasonally adjusted



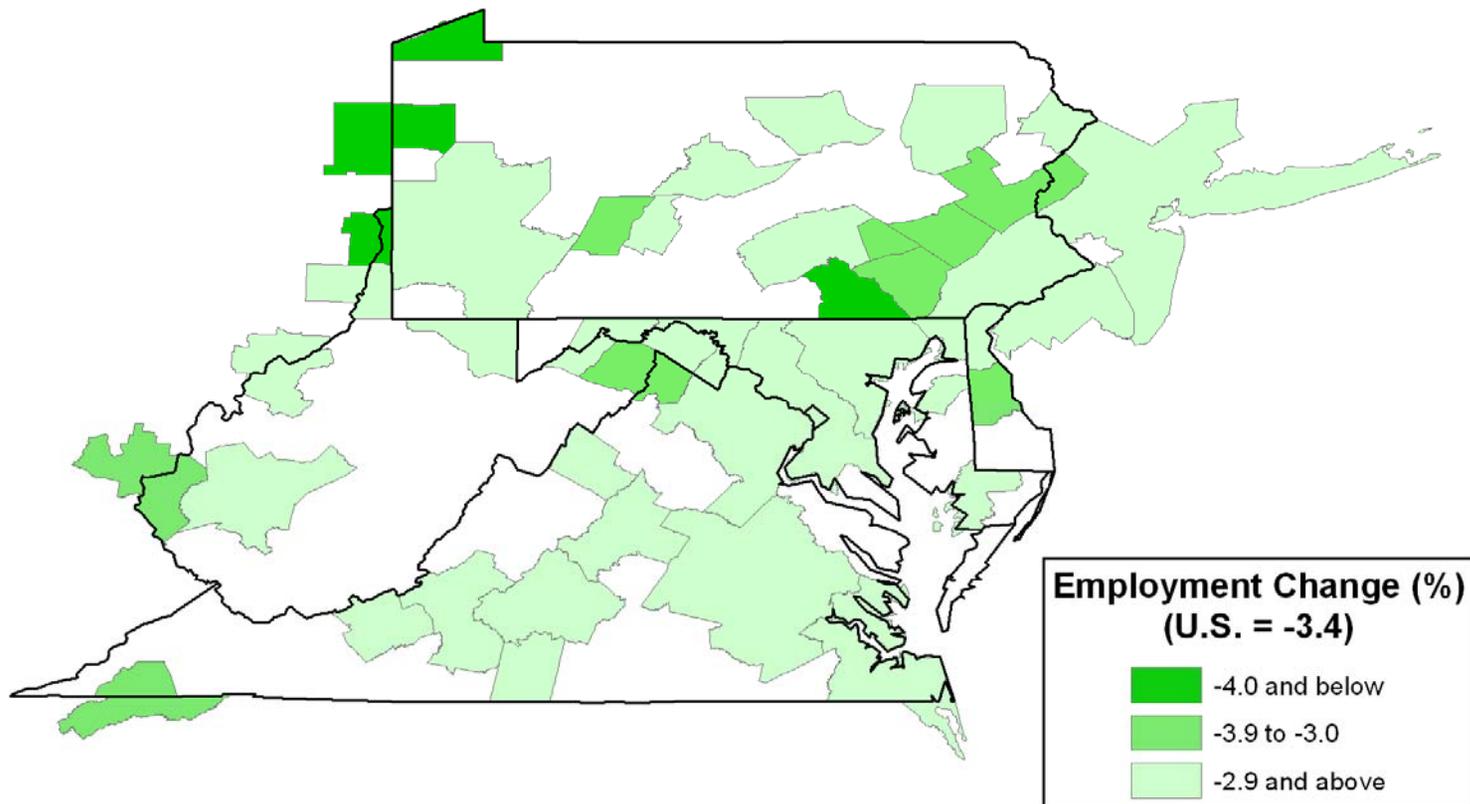
Change in total nonfarm employment growth rates in Mid-Atlantic states, November 2008-2009

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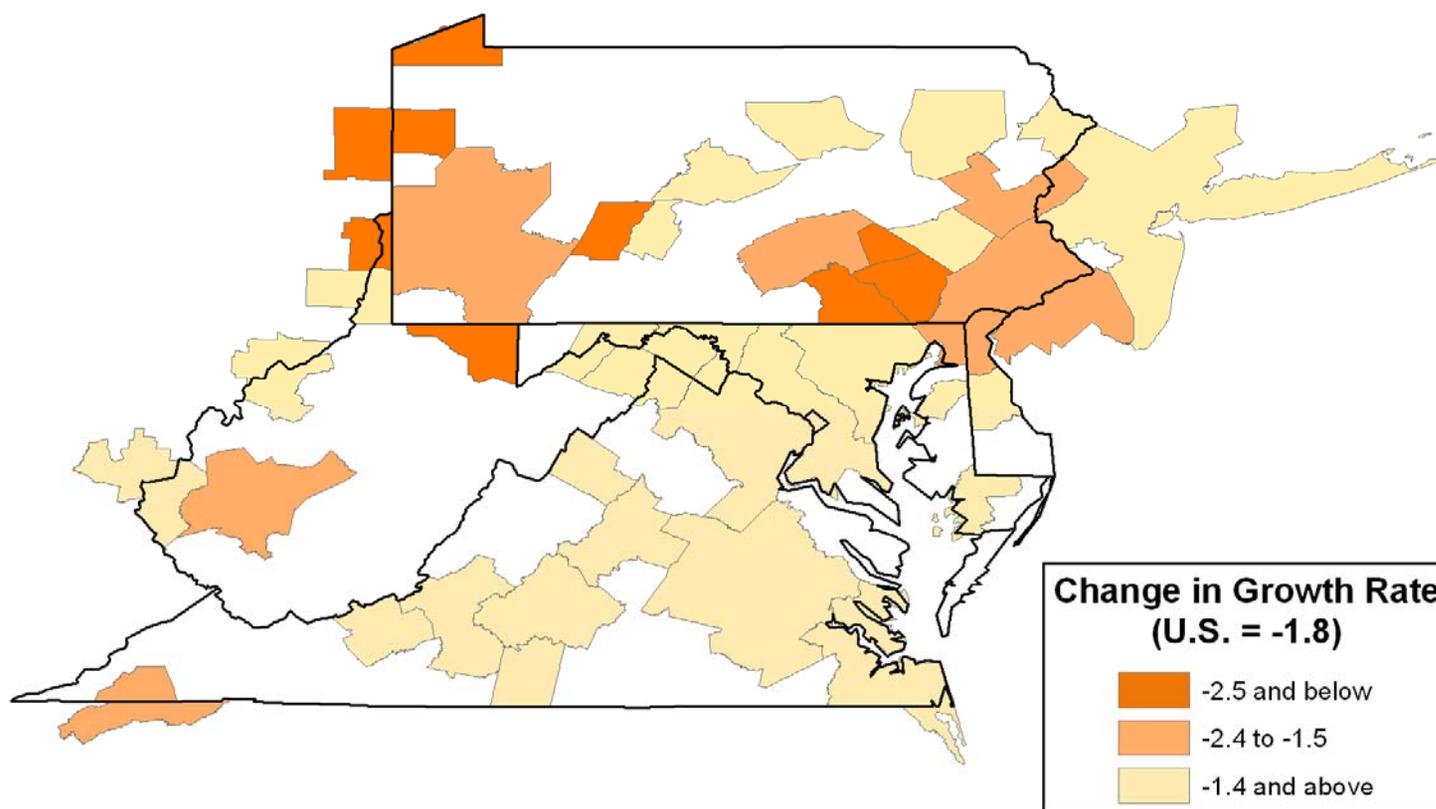
Percent change in total nonfarm employment in Mid-Atlantic metropolitan areas, November 2008-2009

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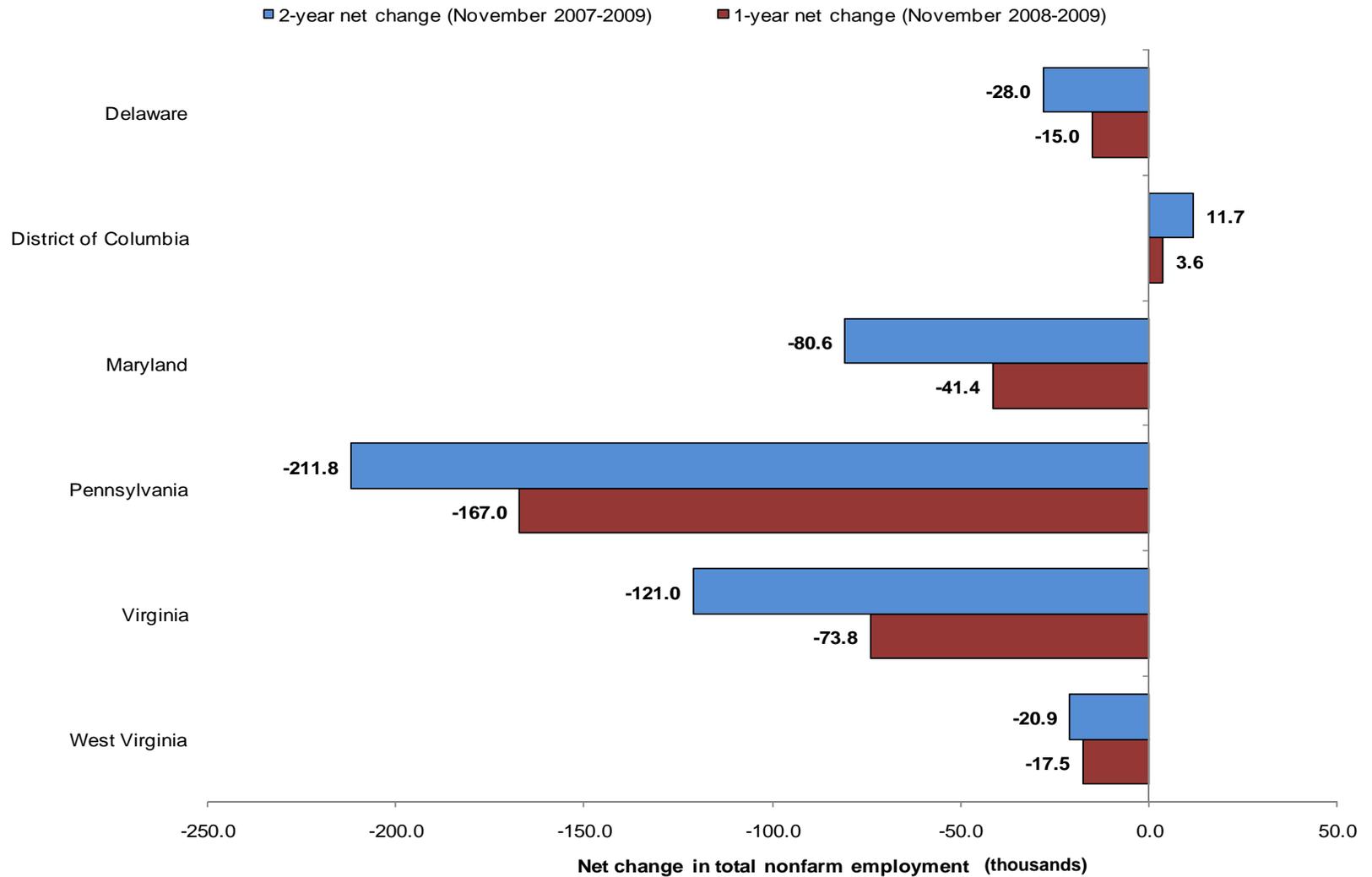
Change in total nonfarm employment growth rates in Mid-Atlantic metropolitan areas, November 2008-2009

Data are not seasonally adjusted



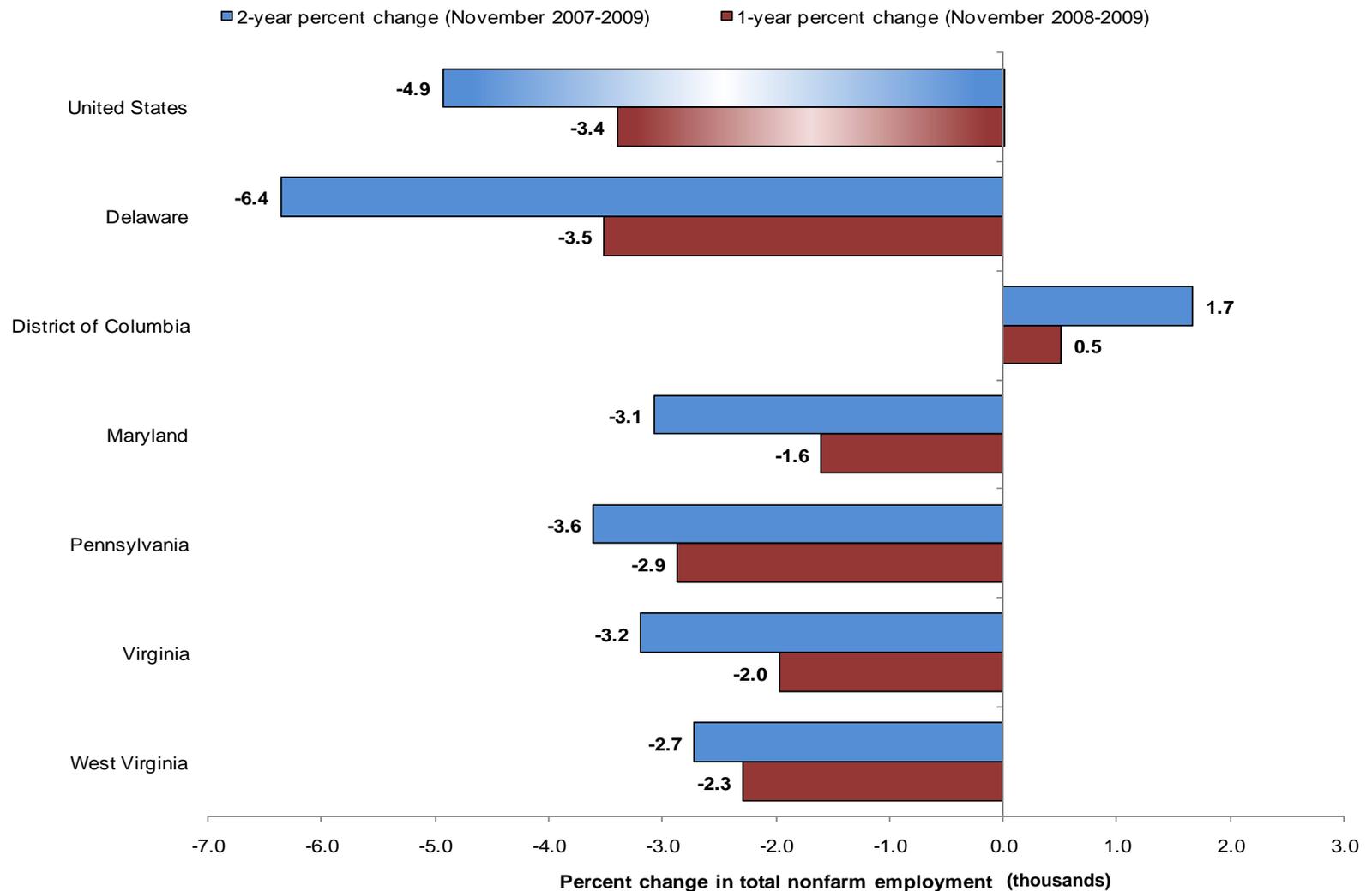
Net change in total nonfarm employment in selected states

Data are not seasonally adjusted



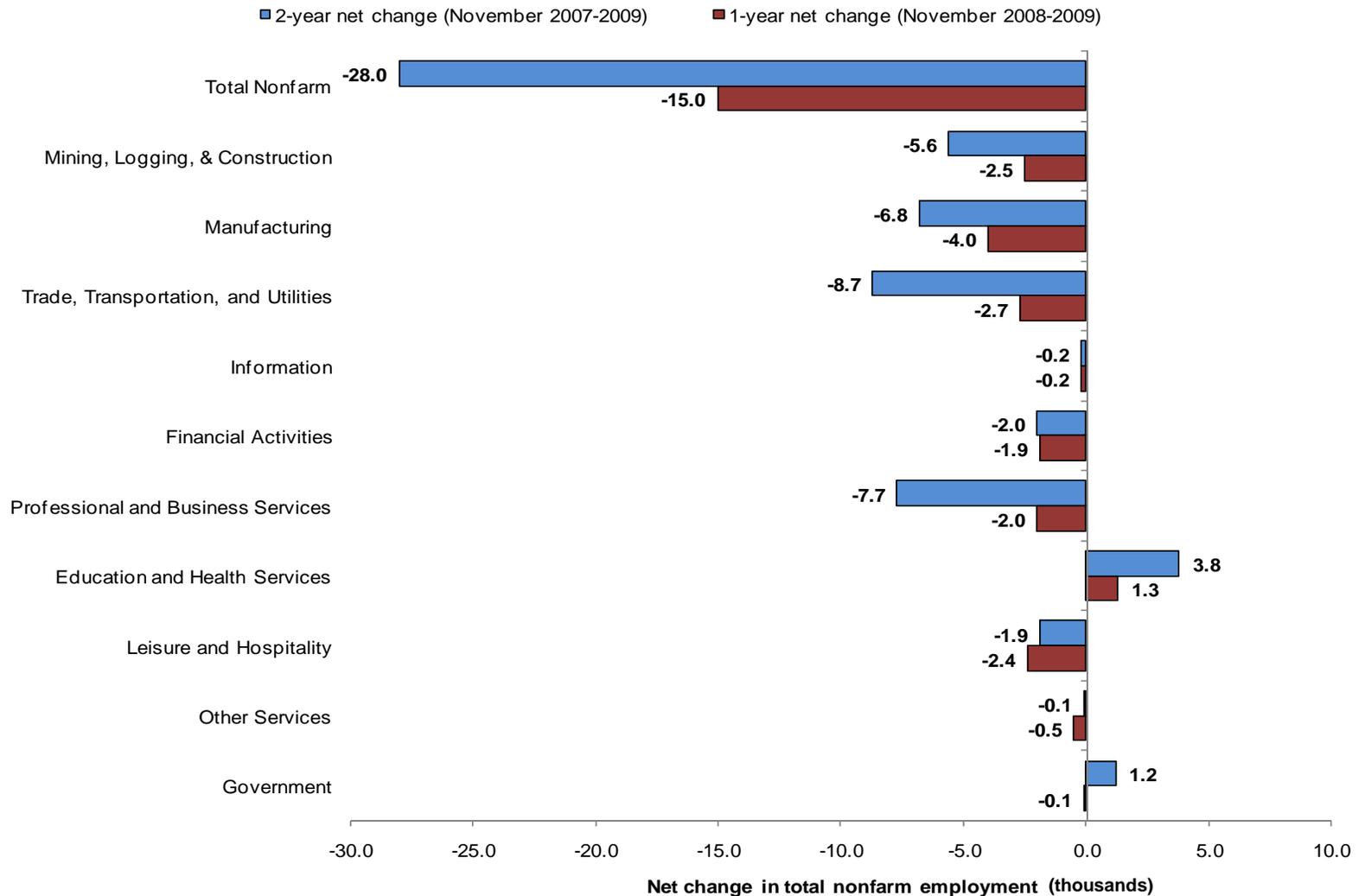
Percent change in total nonfarm employment in the United States and selected states

Data are not seasonally adjusted



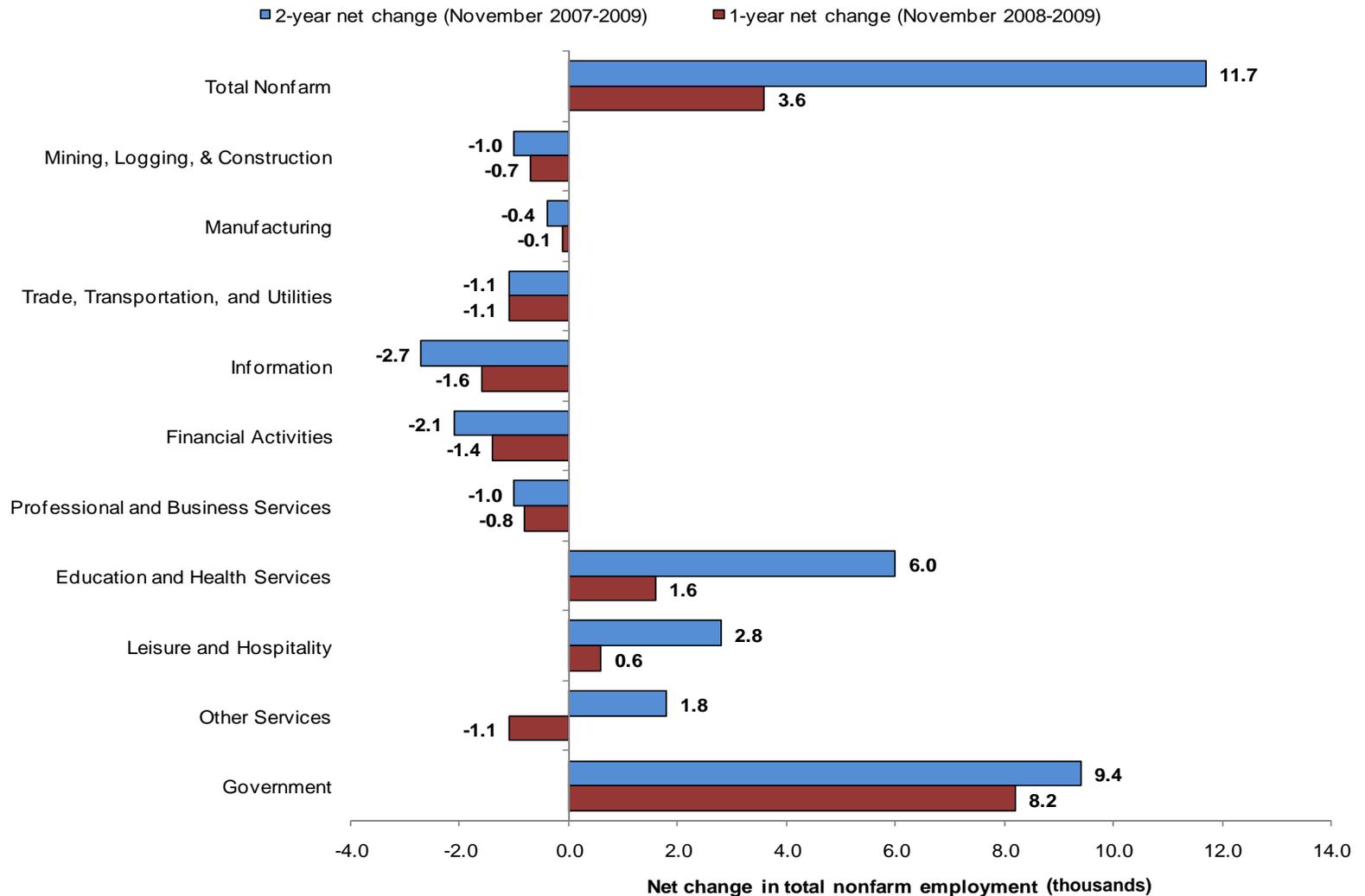
Net change in employment by major industry supersector in Delaware

Data are not seasonally adjusted



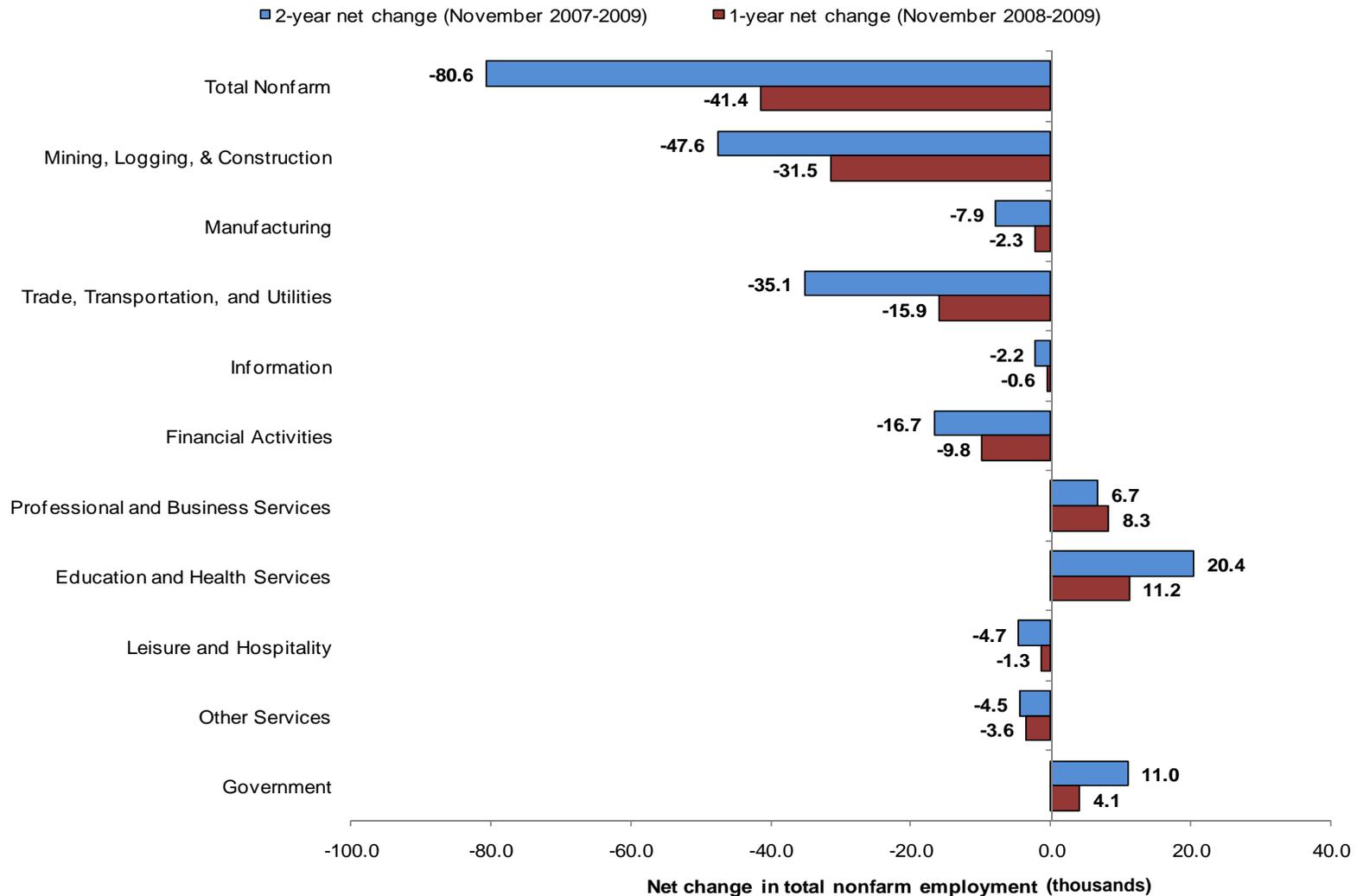
Net change in employment by major industry supersector in the District of Columbia

Data are not seasonally adjusted



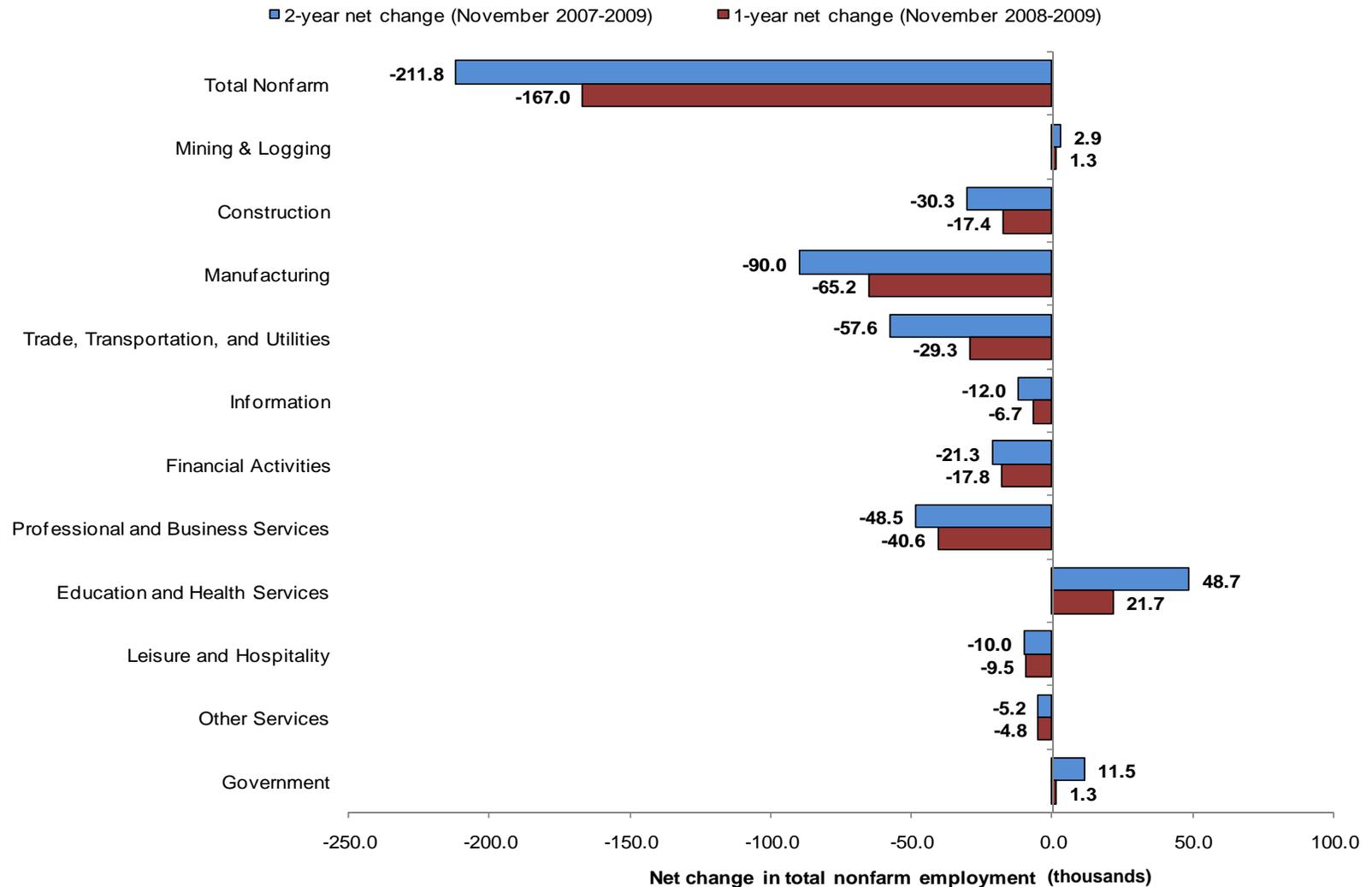
Net change in employment by major industry supersector in Maryland

Data are not seasonally adjusted



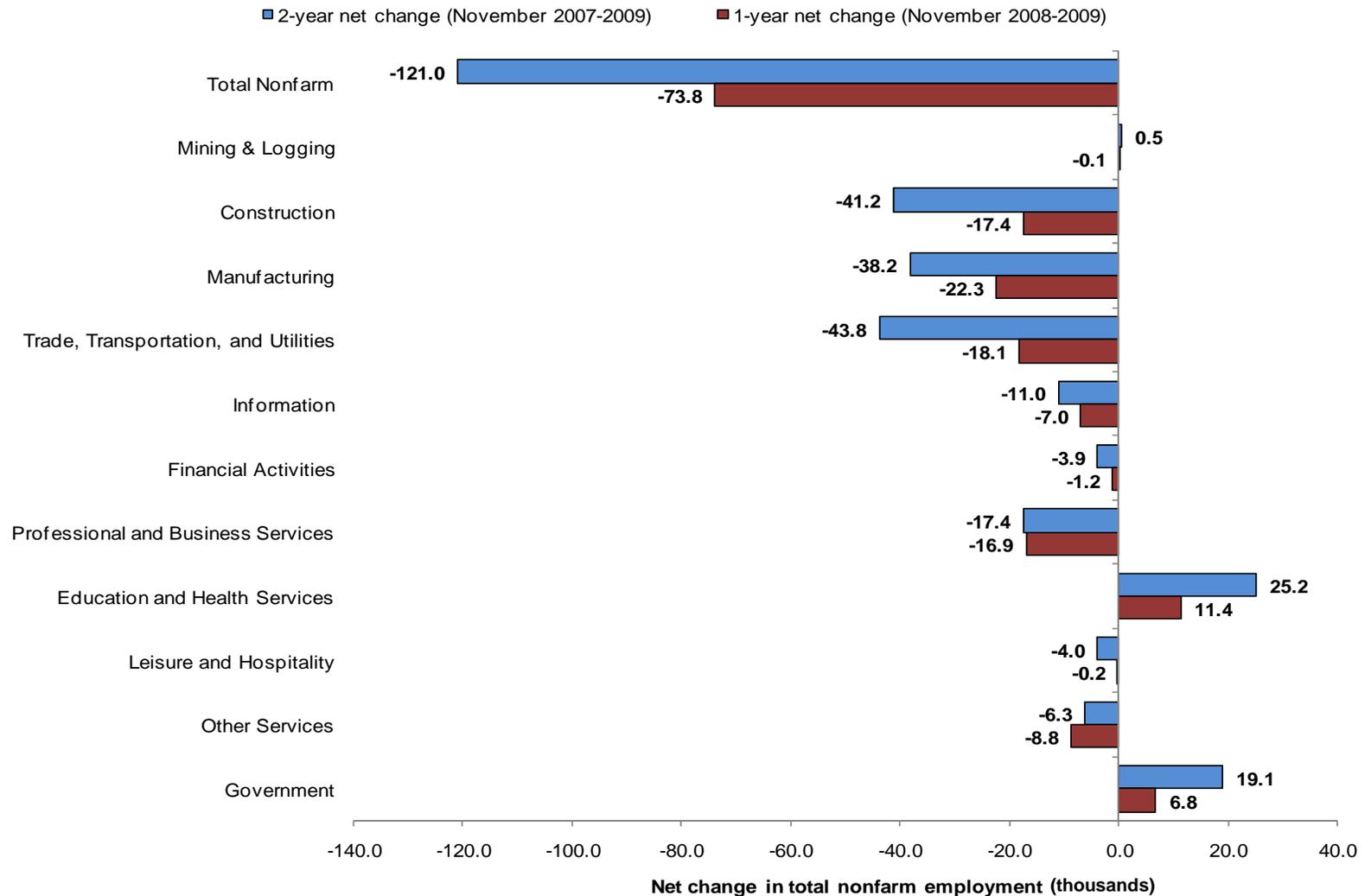
Net change in employment by major industry supersector in Pennsylvania

Data are not seasonally adjusted



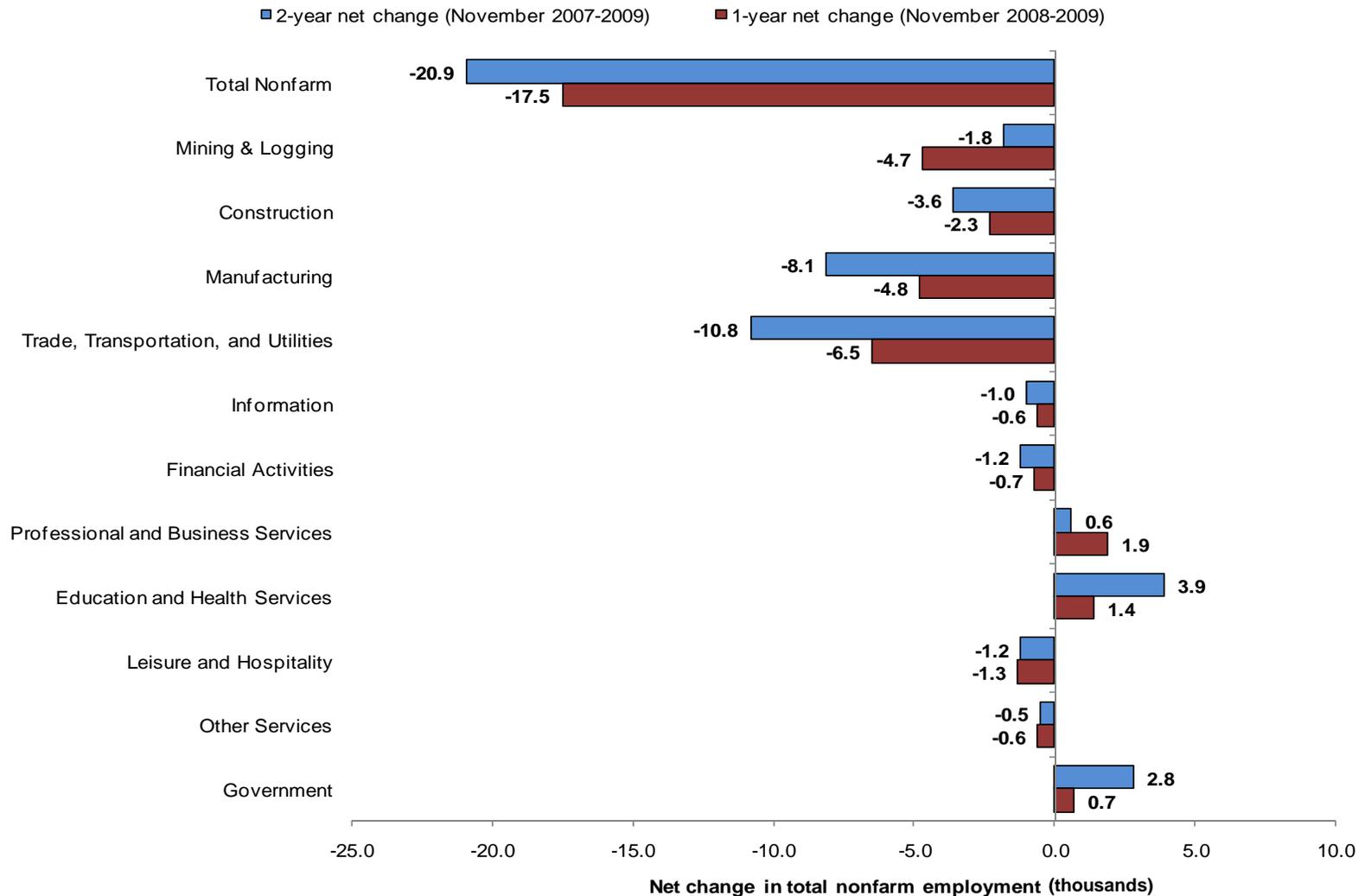
Net change in employment by major industry supersector in Virginia

Data are not seasonally adjusted



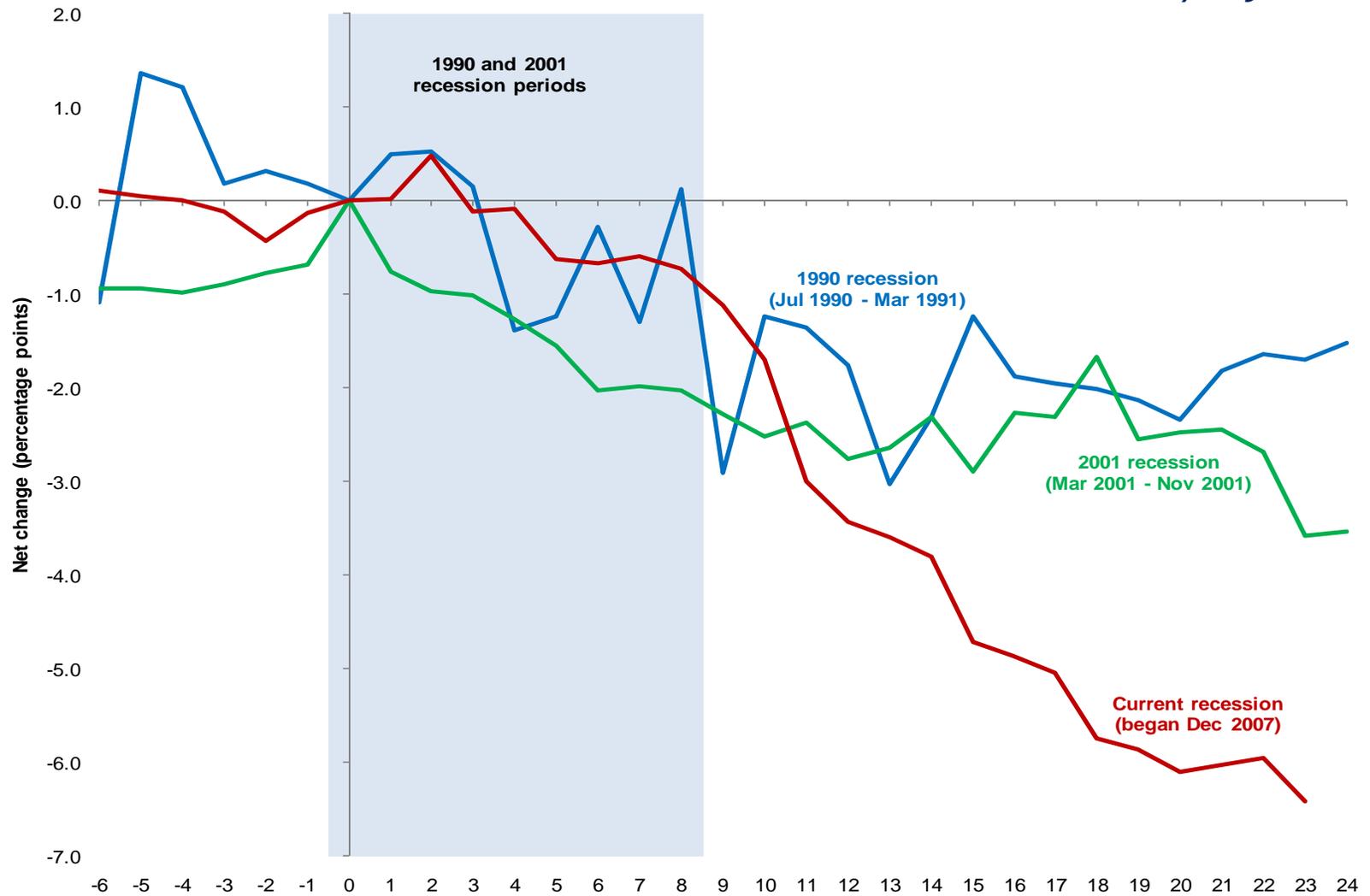
Net change in employment by major industry supersector in West Virginia

Data are not seasonally adjusted



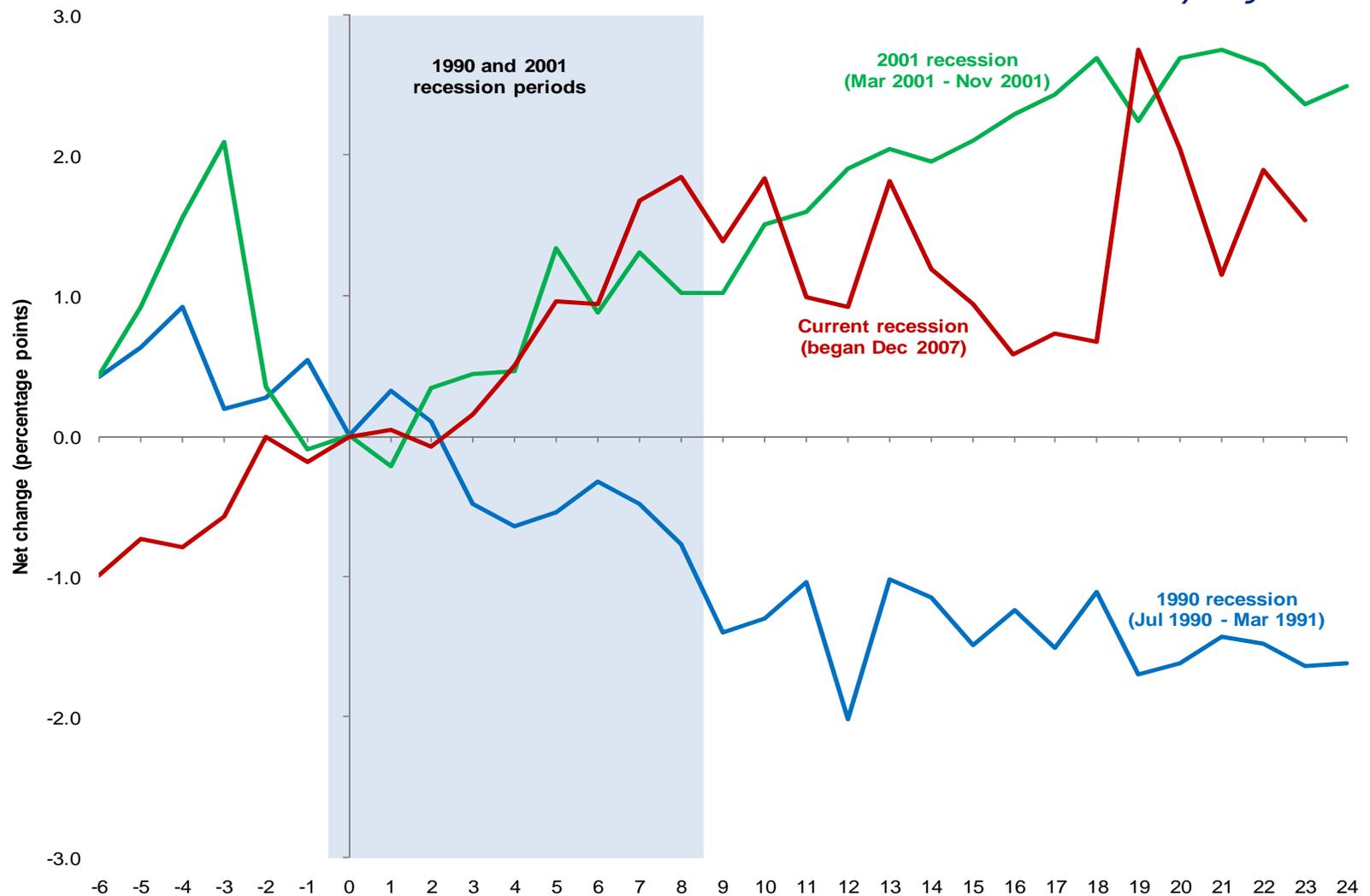
Change in total nonfarm employment growth rate in Delaware, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



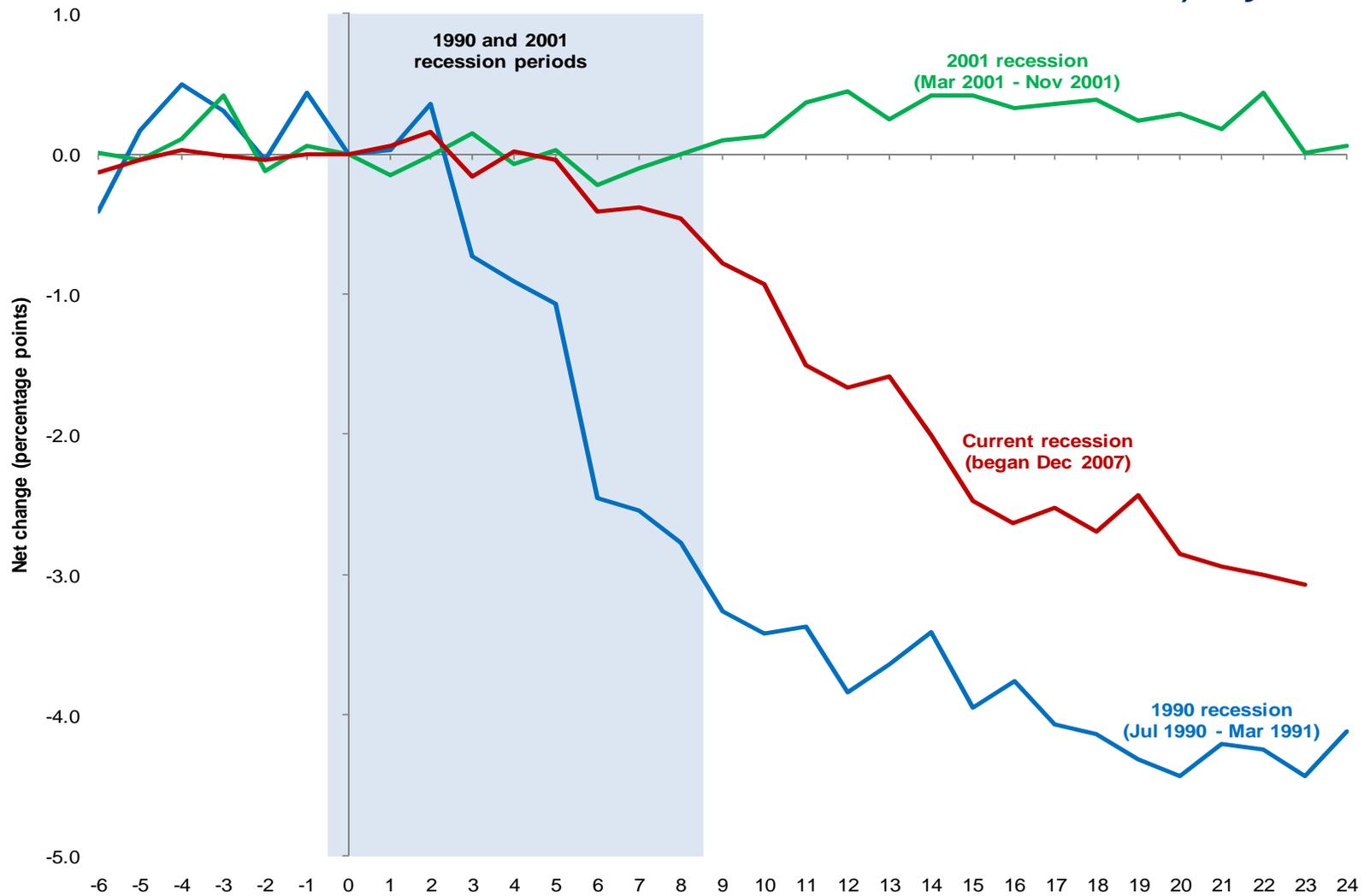
Change in total nonfarm employment growth rate in the District of Columbia, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



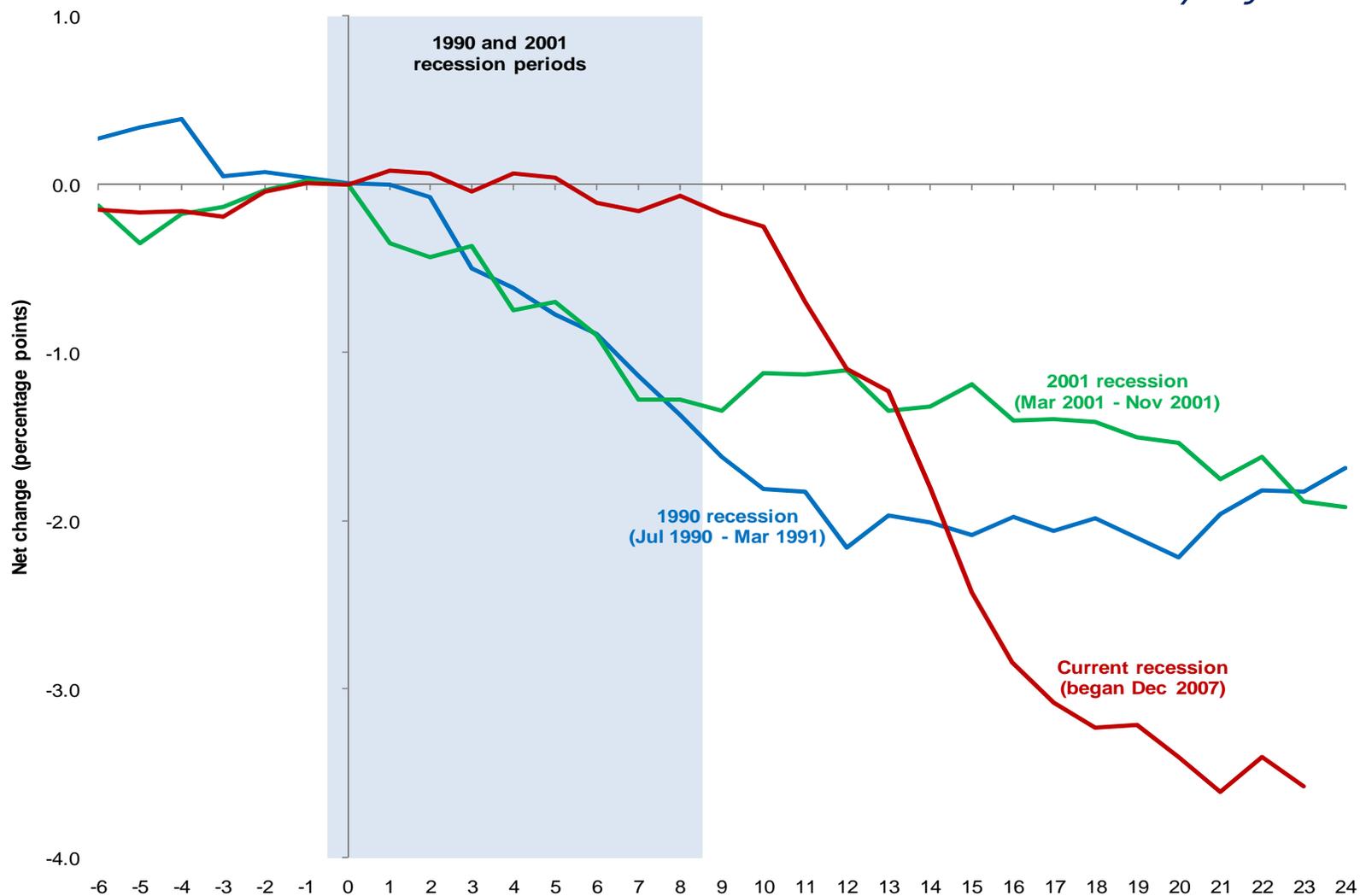
Change in total nonfarm employment growth rate in Maryland, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



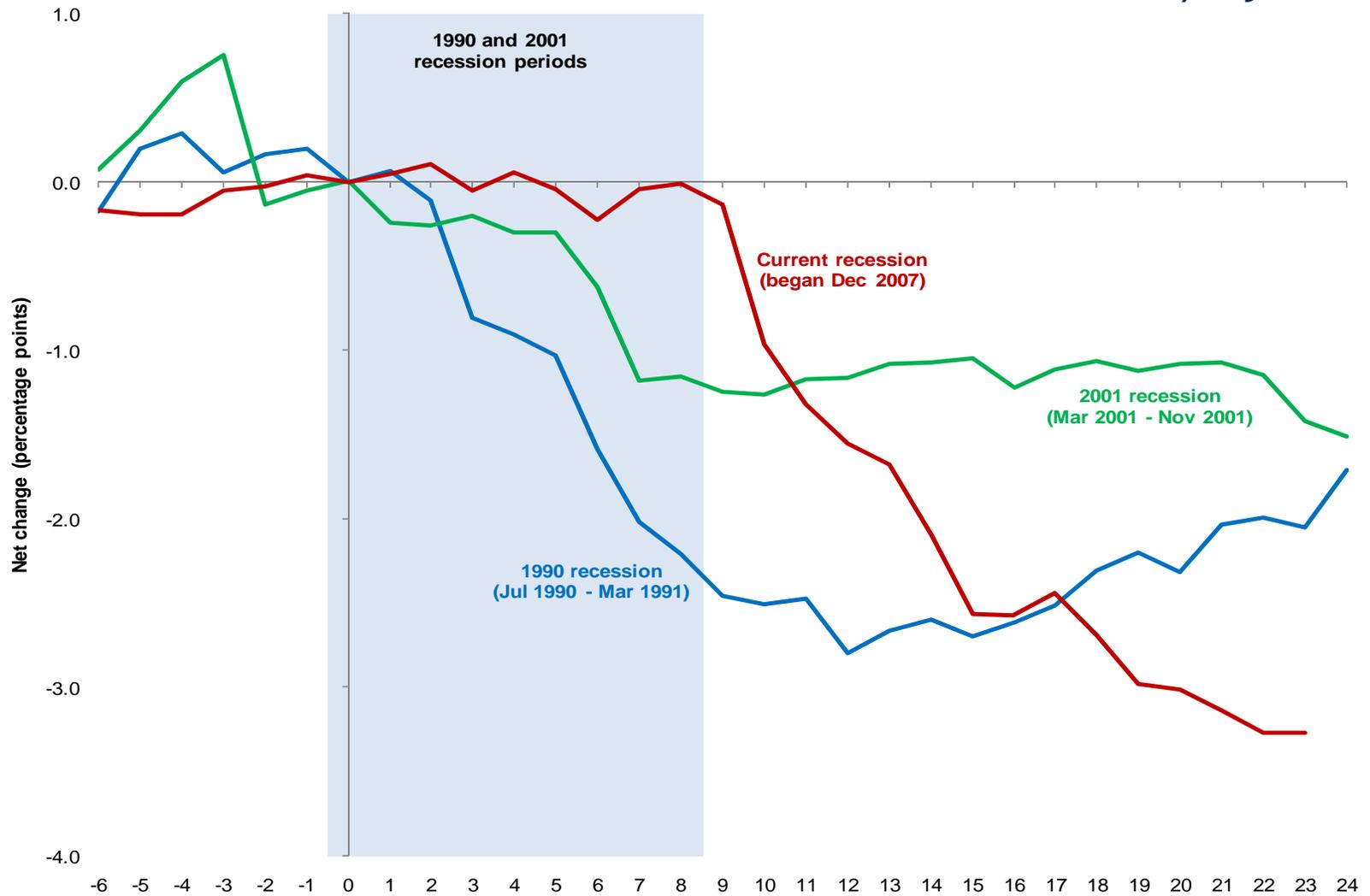
Change in total nonfarm employment growth rate in Pennsylvania, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



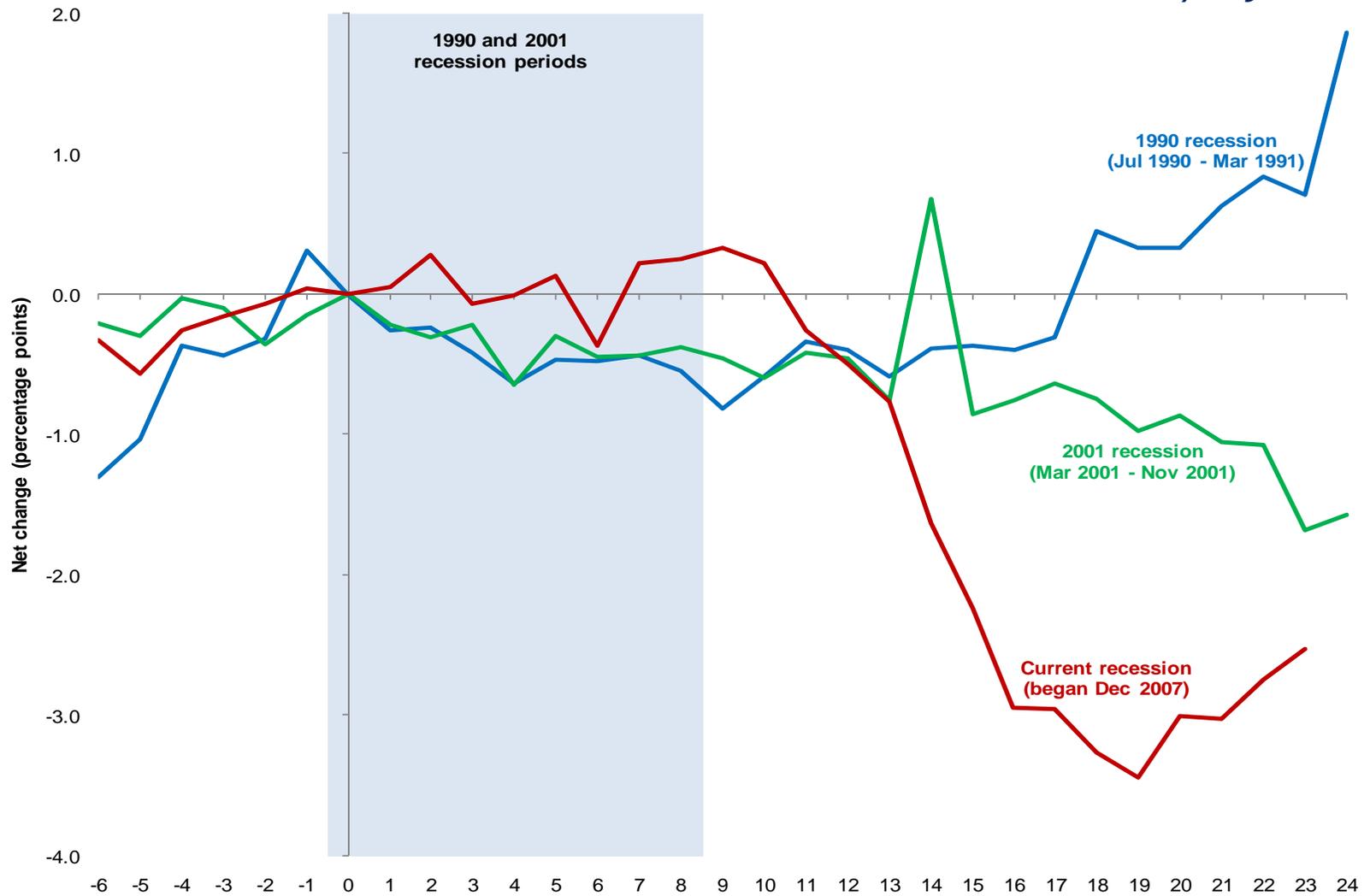
Change in total nonfarm employment growth rate in Virginia, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



Change in total nonfarm employment growth rate in West Virginia, current vs. 1990-91 and 2001 recessions

Data are seasonally adjusted



Mid-Atlantic Information Office

- Economic Analysis & Information
215-597-DATA (597-3282)
- Mid-Atlantic Information Office Web site
www.bls.gov/ro3
- Information requests by email
BLSinfoPhiladelphia@bls.gov
- Information requests by fax
215-861-5720

Contact Information

Gerald Perrins

Branch Chief

U.S. Bureau of Labor Statistics

www.bls.gov/ro3

215-861-5687

perrins.gerald@bls.gov



www.bls.gov