

# West Virginia's Unemployment Rate Held Steady as Employment Edged Higher in August

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Amidst growing concerns about the national economic recovery, West Virginia's labor market held fairly steady in August (on a seasonally adjusted basis). Most notably, the state's unemployment rate was 8.1 percent for the second straight month. Total nonfarm employment recovered the 500 jobs lost in July, led by solid gains in educational and health services, and government. Despite some volatility, the state has now managed steady year-over-year job growth of between 0.4 percent and 0.5 percent for the last four months. While that is less than half the pace of the first four months of the year, it indicates that the labor market is maintaining at least some upward momentum in a recovery that did not begin until early 2010.

West Virginia's labor market continues to be a standout among most states for its relatively low unemployment rate. At 8.1 percent in August, the state was able to maintain a full percentage point advantage over the national average and has now been below the nation for the fifth straight month. Indeed, other than those few months around the beginning of this year, the state enjoyed lower unemployment rates than the nation throughout the last recession and recovery—often in excess of a full percentage point. So, the unemployment rate over the last two months reestablishes a gap between the state and national unemployment rate that has characterized the state's labor market performance over much of the last three years, following more than six years of being virtually in-line with the national unemployment rate.

While the increase in employment in August was relatively modest (at 500 jobs), that gain cast a somewhat brighter light on the labor market's performance over the first eight months of this year. After a strong start to the year, with the labor market increasing by just over 9,000 jobs through April, employment seemed to weaken, taking back nearly 2,000 of those initial job gains over the next three months. With August's modest increase, it can now be said that West Virginia has only experienced two down months so far this year, with most being accounted for by a single month—the 3,700 job loss in May. (Most of that loss was concentrated in trade, transportation and utilities; and professional and business services.) Since May, however, professional and business services recovered its losses and has been one of the largest job contributors, along with educational and health services, so far this year. In contrast, it should be noted that, despite posting some improvement in August, government jobs continued to be a drag on the state's employment this year, as were leisure and hospitality jobs.

On balance, while jobs gains in August were modest, those gains were encouraging. Other than May's sharp job decline, the state's labor market can now be viewed as showing fairly persistent job gains throughout the year. And although the year-over-year growth rates have slowed markedly over the last four months, August's employment performance has eased somewhat any concern for now that the labor market recovery might be stalling out.

