Georgia still struggling to add jobs
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Despite lower unemployment rates in the last year, Georgia hasn’t come close to climbing out of the job deficit dug during the recession.

The ratio of jobs to Georgians remains far lower than it was in late 2007, when the recession began. For the state to have the same employment-to-population ratio as before the recession, it would need about 478,000 jobs more than it has now, according to the Hamilton Project, a Washington, D.C., think tank.

That means residents are having a harder time finding jobs and raises are likely skimpier. Stores and restaurants are seeing smaller profits — and cutting back on hiring — because there’s less consumer income. Lower incomes also dampen the housing market’s recovery.

At the rate that Georgia added jobs in the past year, it will take six years more to reach the employment to population ratio it had before the recession – if the population doesn’t grow in the meantime, that is.

The state’s unemployment rate in February stood at 8.6 percent. That is higher than any measurement before 2009, although it is the lowest rate in four years.

But the unemployment rate depends on an often-shifting count of how many people are looking for work. A more accurate gauge of the market’s health may be the ratio between jobs and the adult population.

In Georgia before the recession, for every 100 adults, there were 64.6 jobs, a ratio that fell in the next two years to 57.4. Since then, it has inched up to 58.2.

The state hemorrhaged 390,000 jobs after the recession started. Since 2009, Georgia has added 191,000 jobs – but the population since the recession has swelled by about 386,000. That means that just replacing the lost jobs isn’t enough.

Jenese Daniel-Heard hasn’t had a regular paycheck since being laid off from a job as a Walmart cashier in 2009.

The 28-year-old, South DeKalb woman, studied criminal justice at Georgia State and earned her degree last year. She was frustrated by her prolonged job search.
“They tell you, go to college. But now a bachelor’s degree is like a high school diploma and most places are looking for five, six, seven years of experience on top of the degree,” she said.

She persisted and finally landed a job. On April 8, she starts work as a security officer for the Transportation Security Administration.

Erika Green, 35, moved from New York to Lawrenceville in November and at first had trouble getting traction in the job search.

“I saw some real great recruiters and I saw some unkind recruiters who said I wouldn’t fit in because I was from New York,” she said. “I think when you’re looking for work, you need to know yourself and to remain optimistic and positive.”

She landed a couple of temp jobs, and a week-and-a-half ago, one of them turned into a full-time job as a personal assistant for the executives at Aspen Brands in Duluth.

For employers, the job gap means they can be selective, of course. And, with the oversupply of talent, companies figure they can always wait and get what they want later, so there’s no sense of urgency.

To put someone on the payroll is a commitment, said economist David Ranson, president of H. C. Wainwright & Co. Economics. “I would argue that hiring labor is, ironically, a capital decision. It’s a long-term decision like buying a piece of land or building a facility.”

There are many reasons to hesitate, he said.

The excruciatingly slow recovery can be blamed on caution of consumers and that is the fault of plunging asset values – mainly home prices, said Karl Schamotta, senior market strategist at Western Union Business Solutions. “What’s interesting is how psychological this is. That is, if someone has a house, how important is the value of the home to their spending.”

Nationally, the job gap is about 11.4 million jobs, according to the Hamilton Project. Georgia’s job deficit is fifth-largest among the states.

After collapse of the Georgia housing market, positions in construction were decimated, along with many related jobs, from carpeting to consumer goods. And once the economy was sliding, other sectors also took a pounding.

The sluggish pace of recovery since should be no surprise, said Rajeev Dhawan, director of the Economic Forecasting Center at Georgia State.

“You’ve got a shell-shocked consumer and a very, very cautious corporate sector and no one is doing anything they don’t need to do. How could we expect the economy to accelerate in this environment?”
Among sectors still below their pre-recession levels, said Dhawan: transportation, warehousing, retail, finance, hospitality, technology and government. “Only education, health and business services are up.”

To fill the job gap, niche hiring by thousands of small companies needs to increase. And while metro Atlanta does have a pool of small, home-grown firms, those companies are just not expanding fast enough.

Buckhead-based Capitol Media Solutions helps clients plan media strategies for marketing and advertising. The company has a dozen employees and is looking to add two more, said J.T. Hroncich, founder and president.

Georgia also benefits from being so easily linked to bigger companies in the global economy.

About 80 German subsidiaries operate in Georgia, employing about 21,000, said Silke Mielhke, Director, Consulting Services, at the Atlanta-based German American Chambers of Commerce.

Many of those companies have manufacturing here. They are hiring, not for old-style assembly line jobs, but for the skilled technicians who run, manage and repair sophisticated machinery, she said.

Statewide, the rebound in manufacturing has been modest and has not translated into a surge of jobs – in fact, many companies have upgraded their technology to eliminate workers. But the workers they do need have to be more skilled, said Andy Decker, senior regional vice president at staffing company Robert Half International.

Beyond the factory floor, the skills most in demand seem to be either money skills or information technology – or even better, a combination of the two.

“Accounting and finance jobs require more I.T. than even a year ago,” Decker said. “I think you will see a little more hiring in metro Atlanta, partly because so many jobs have gone unfilled.”