



For Immediate Release

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Virginia in the Great Recession

Six years of job gains largely wiped out in 22 months; wage declines piling up and we've only just begun.

RICHMOND, VA – It's bad, and it's going to get worse. Since the Great Recession started in December 2007, Virginia's growth in unemployment rate has been two- to three-times that of the 1981 and 2001 recessions. Substantial job losses have wiped out the gains of the recent economic expansion. Wage declines continued for most workers, and a weak safety net in Virginia has meant that only a fraction of unemployed workers are actually covered by the unemployment insurance system.

These and other trends are documented in a new, comprehensive report, *Scratching the Surface: The State of Working Virginia in the Great Recession*, released today by The Commonwealth Institute for Fiscal Analysis in Richmond.

"And this is just the tip of the iceberg," says Michael Cassidy, Executive Director. "Sharp increases in unemployment, wage declines for most workers and continued deterioration in workers' health insurance coverage has been coupled with the fact that Virginia workers pay the greatest share of insurance premiums in the country," says Cassidy. "As the effects of the recession drag on, these challenges will only increase."

These discouraging trends stem from just the first year (2008) of what has become a prolonged recession. But there is some good news: despite these strongly negative trends, Virginia workers continue to be among the most productive in the United States, and more Virginia workers are engaged in the labor market than ever.

For the third straight year, *The State of Working Virginia* report examines trends in employment, wages, labor force demographics and employee benefits. It documents the many successes and challenges of Virginians in the current economy. Findings in this year's report, *Scratching the Surface: The State of Working Virginia in the Great Recession*, include:

- Virginia has lost more than 125,000 jobs since the start of the Great Recession. During the expansion period prior to this time, the state added 276,600 jobs.
- While it took the state six years to realize this gain, it has taken only 22 months for Virginia to see one in three of these jobs disappear. That's a job growth rate of about 3,700 jobs per month during the expansion, and an average rate of job loss of more than 5,700 jobs a month during the recession.
- Virginia's increase in labor force participation between 2007 and 2008 was larger than that of any other state. Roughly 70 percent of Virginia's working age population was either employed or actively seeking employment in 2008.
- An increasing share of Virginians age 55 and older is participating in the labor force. In 2008, 44.5 percent of Virginians in this age group were working or seeking work — compared to just 39.4 percent nationally.
- Virginia's median hourly wage places it as the 12th highest in the nation. Throughout the wage distribution, Virginia workers earn more than their regional and national counterparts. However,

since 2001, Virginia wage earners who are below the median have actually lost ground in terms of real wages.

“Finding constructive ways to address the growing needs of Virginia’s workforce should be at the center of policy debates in our state. Virginia workers deserve nothing less,” said Cassidy.

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