



## **FOR IMMEDIATE RELEASE**

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# First Year of Recovery More Like Another Year of Recession

*Virginia faces greater challenges now than after prior recessions*

RICHMOND, VA –Unemployment in Virginia rose 14 percent in 2010 – the largest jump in the South Atlantic Region -- to its highest level since the recession of the early 1980s, making the first year of recovery seem more like another year of recession for many Virginians. In addition, nearly four years since the start of the Great Recession – a point when Virginia had not only regained but surpassed pre-recession employment levels in prior recessions – Virginia remains 128,200 jobs below pre-recession job levels.

These are among the key findings of a new report published today by The Commonwealth Institute for Fiscal Analysis, a Richmond-based fiscal and economic policy think tank. The report, *Unemployed, Underutilized, Undone*, examines detailed 2010 employment data from the U.S Census and looks back across the 1980s and 1990s to assess key milestones for the first decade of the 2000s and the first full year of Virginia's slow economic recovery.

“Taking stock of this first year of the recovery shows that workers in Virginia are really only just now facing the headwinds of a deep and devastating recession,” says Institute President Michael Cassidy. “When you add up the disappearance of jobs, the erosion in wages, the increasing cost of health insurance, the increasing number of uninsured, and the absence of enough job growth just to keep up with the growth in the working age population, you see that we are in a very deep hole.”

Among the report's additional key findings:

- More unemployed workers looked for work for six months or longer before finding a job. In 2010, the share of unemployed workers looking for a job for 27 weeks or longer soared to more than one in three unemployed workers, nearly double the highest recorded rate since before the Great Recession.
- In 2010, Virginia's underemployment rate was at its highest level in at least 15 years, rising at a rate faster than that of the United States as a whole. Underemployment rose seven percent in 2010 on top of a 61-percent jump in 2009 and a 23-percent increase in 2008.
- Between 1980 and 2010, the drop in the employment rates for Virginians with low levels of education was almost twice the drop for their peers in the United States as a whole, pointing to a labor market that is splintering faster in Virginia than in the U.S.

“What this latest analysis shows is that the devastation caused by the Great Recession among Virginians with low-levels of education comes on top of a 30-year erosion of employment for these workers, even as highly educated Virginians have fared better than their peers elsewhere,” says Cassidy. “The policies we put in place at the state level need to take into account the extended jobless recovery, the growing needs of Virginians, the disparate impacts among groups of Virginians and the fact that we are going to be in this situation for a very long time.”

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#### **About The Commonwealth Institute**

The Commonwealth Institute for Fiscal Analysis provides credible, independent and accessible information and analyses of fiscal and economic issues with particular attention to the impacts on low- and moderate-income persons. Our products inform fiscal and budget policy debates and contribute to sound decisions that improve the well-being of individuals, communities and Virginia as a whole. Visit [www.thecommonwealthinstitute.org](http://www.thecommonwealthinstitute.org) for more information.

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