

Employment Trends and Recovery in the Columbus GA-AL Metropolitan Statistical Area, 2003-2011

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Introduction

The American Recovery and Reinvestment Act of 2009 included over \$800 billion of government spending targeted to stimulate the US economy out of the so-called “Great Recession” which began, according to the National Bureau of Economic Research (NBER), in December, 2007. The third anniversary of the “Stimulus Bill” recently passed which provides us with a timely opportunity to look back and examine how our region was affected by the recession and how our recovery is progressing.

Many different measures can be used to examine the overall performance and health of our regional economy. In this report, we focus on a single measure, employment, which was the number one priority of the Stimulus.¹

We begin by describing how employment statistics are collected and then present an overview of the statewide employment trends for Georgia. We then examine employment trends in our local metropolitan statistical area (MSA) and further focus our attention to the county level.

Employment Statistics

There are two main types of employment statistics collected by the Bureau of Labor Statistics (BLS); employment by place of work and employment by place of residence. Each of these statistics measure very different things and both are needed to create a clear picture of the state of the labor market in the local economy. However, since both statistics are measures of employment they are often confused.

Employment by Place of Work²

Statistics for employment by place of work are collected by the BLS using the Current Employment Survey (CES), also known as the payroll survey or the establishment survey. Each month, approximately 140,000 nonfarm businesses and government agencies are surveyed regarding the employment at their establishment. Anyone who received any payment for the pay period that includes the 12th day of the month is counted as employed. Total employment is then reported at the national, state, and MSA levels. Some important notes regarding the CES are as follows:

- Anyone holding two or more jobs is counted multiple times.
- The survey excludes the following types of employed persons
 - uniformed members of the armed services
 - agricultural workers
 - private household workers
 - unincorporated self employed
 - unpaid family workers

Employment by Place of Residence³

Statistics for employment by place of residence are collected by the BLS using the Current Population Survey (CPS), also known as the household survey. Each month, approximately 60,000 households are surveyed regarding the employment status of their members (civilian, age

¹ Specifically, the first stated purpose was “To preserve and create jobs and promote economic recovery.”
<http://www.gpo.gov/fdsys/pkg/PLAW-111publ5/pdf/PLAW-111publ5.pdf>

² <http://www.bls.gov/ces/cesfaq.htm#data5>

³ http://www.bls.gov/opub/hom/homch1_b.htm

15 and above) during the period that includes the 12th day of the month. A member of the household is considered to be employed if they

- did any work as a paid employee
- worked in their own business
- worked on their own farm
- worked 15 hours or more as an unpaid worker in a family business
- were temporarily on leave either paid or unpaid.

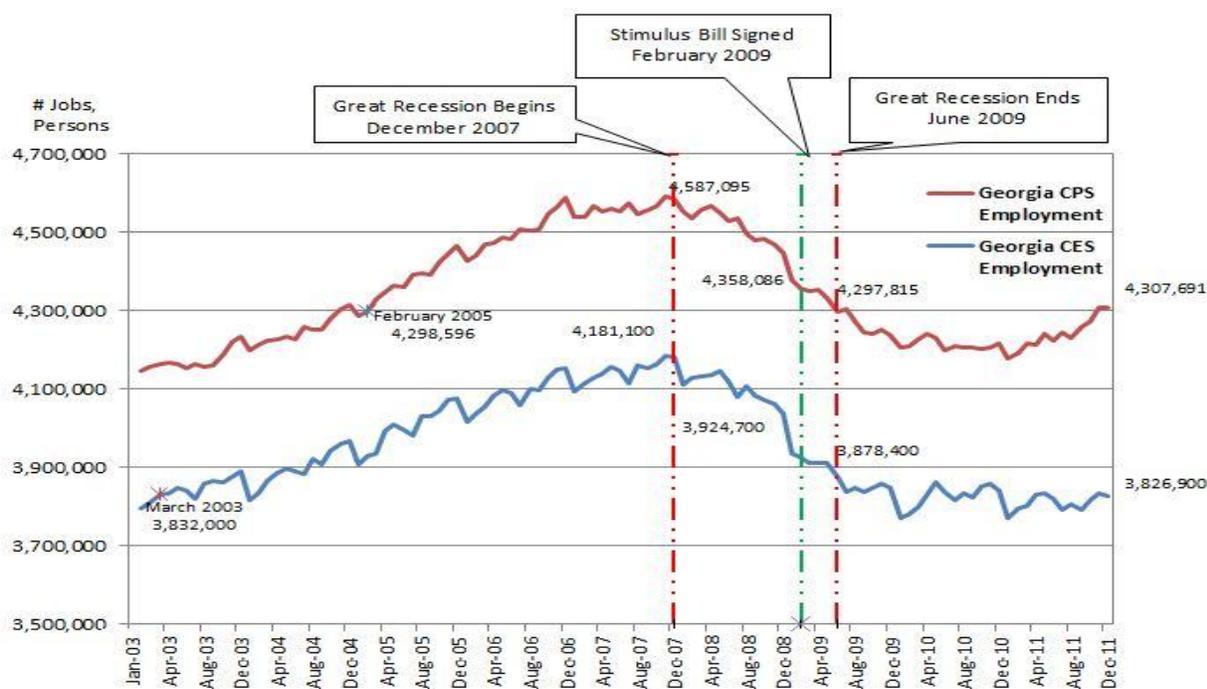
Any household member holding more than one job is counted only once.

To summarize, the CES provides monthly estimates of nonfarm payroll jobs within a geographic region while the CPS provides estimates of the number of persons who live within a geographic region that have jobs no matter where the jobs are located.

Employment in the State of Georgia

Figure 1 shows the two measures of employment for the state of Georgia from January 2003 through December 2011.⁴

Figure 1. CES and CPS Employment Statistics for Georgia, 2003 – 2011.



Source: Bureau of Labor Statistics

Because the CPS definition of employment is much broader than the CES definition, employment measured by the CPS will always be greater than that measured by the CES for an economy as large as Georgia's. For the most part, the difference between the two measures is the number of persons employed in agriculture and those who are self-employed. Even though they

⁴ In order to examine the actual employment levels, all of the employment statistics presented in this report are not seasonally adjusted.

differ in their levels, the two series tend to move in the same direction. This is most likely due to the fact that most Georgia residents are employed in payroll jobs located in Georgia.

The graph also illustrates the impact of the Great Recession on employment in the state. Over the course of the recession, jobs located in Georgia fell by 302,700 and continued to fall after the official end of the recession by an additional 108,500 by January 2010. Likewise, the number of Georgians who were employed fell by 289,280 over the course of the recession and continued to fall by an additional 119,521 by January 2011.

Since the passage of the Stimulus on Feb 17, 2009, Georgia has received nearly \$7 billion dollars in grants, contracts, and loans from the Federal government.⁵ As of December 2011, 3.83 million jobs (CES) were located in Georgia, down 354,000 from the beginning of the recession, down nearly 98,000 from the start of the Stimulus, and down 51,000 since the official end of the recession. The number of jobs located in Georgia in December 2011 is roughly the same as the number of jobs back in March 2003.

Using the CPS definition of employment, as of December 2011, 4.3 million Georgians were employed. This is about 280,000 less than at the beginning of the recession, 50,000 less than when the Stimulus was signed, and almost 10,000 more than the end of the recession. Compared to pre-recession employment, the number of employed Georgians in December 2011 is roughly the same as the number back in February 2005.

Employment in the Columbus GA-AL MSA

The Federal Government's Office of Management and Budget establishes various geographic areas for statistical purposes. One of these geographic areas is the metropolitan statistical area (MSA) which has a concentrated population at its core and includes the adjacent areas that are highly integrated with the core both socially and economically. Columbus is at the core of the Columbus GA-AL MSA. Since 2003 this MSA has included Muscogee, Harris, Chattahoochee, and Marion counties in Georgia and Russell County in Alabama.

Figure 2 shows the CPS and the CES measures of employment for the MSA from January 2003 through December 2011. The CPS measure of employment is missing for 2007 due to missing or inaccurate data for Chattahoochee County during that time period.

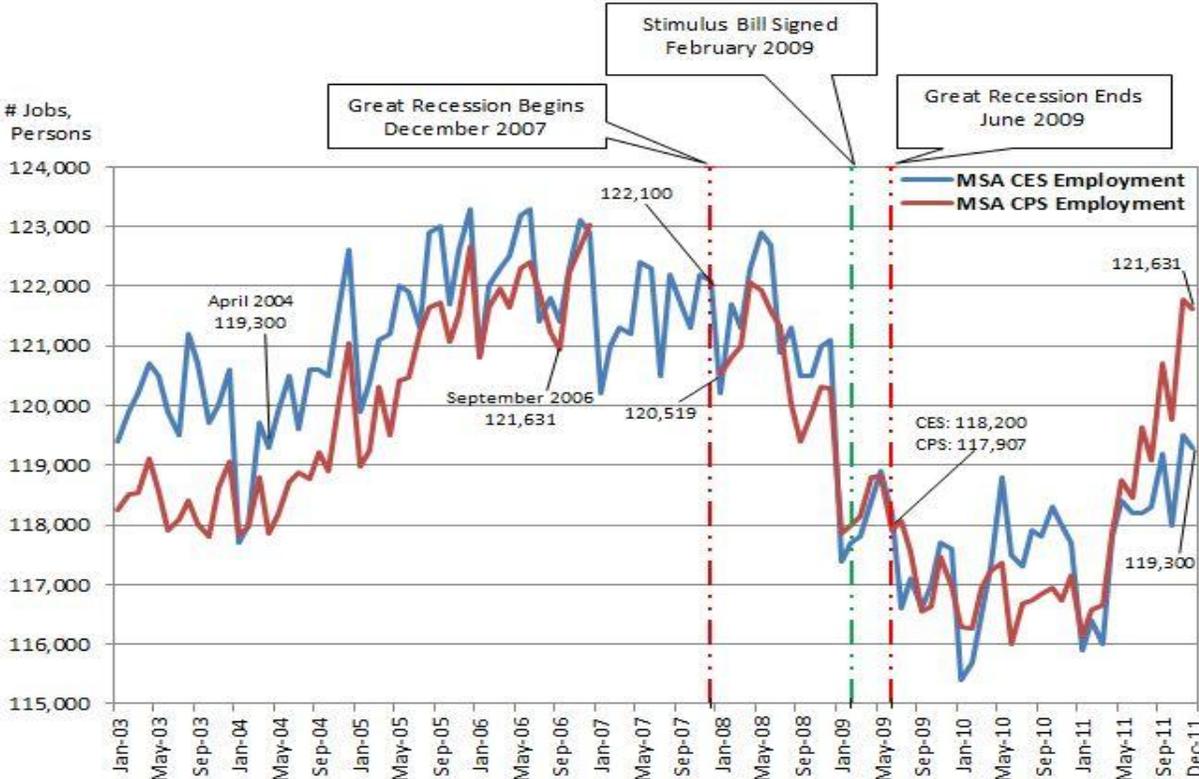
One of the first things to note is the degree of seasonality in the employment numbers. In general, the following cycle repeats itself year after year; following a reduction in employment in January due to layoffs after Christmas employment rebounds from February through May, there is a dip during June and July and a slight increase in August, after decreasing in September and October employment rises at the end of the year in November and December.

Since the MSA is a much smaller geographic area than the State as a whole and labor can more easily move into and out of the region, the relationship between the CPS measure of employment (by residence) and the CES measure of employment (by place of work) is not clearly defined. In contrast to the State's graph in Figure 1, in Figure 2 we see that for the MSA it is typical that the CES measure lies above the CPS measure. This is most likely an indication of the amount of in-migration of labor from outside the MSA to jobs that are located within the MSA. However, since January 2011 this trend seems to have reversed itself as the CPS measure is now above the CES measure. This could be the result of an increasing number of MSA residents finding jobs outside the region⁶ or an increase in self-employed, family, or agricultural workers.

⁵ <http://www.recovery.gov/Transparency/RecipientReportedData/Pages/RecipientReportedDataMap.aspx>

⁶ For example, Harris County residents commuting to work at KIA in Troup County.

Figure 2. CES and CPS Employment Statistics for the Columbus GA-AL MSA, 2003 - 2011.



Source: Bureau of Labor Statistics

Over the course of the recession, jobs located in the MSA fell by 3,900 and continued to fall after the end of the recession by an additional 2,800 jobs to a low of 115,400 in January 2010. Likewise the number of residents in the MSA who were employed fell from 120,519 in January 2008 to 117,907 by the end of the recession and continued to fall to a low of 116,003 in June 2010.

As a result of the Stimulus, the MSA has received an influx of Federal dollars totaling over of \$180 million (approximately 1.5% of the region’s GDP) since February 2009 (Table 1). Since January 2011 the region has experienced an increase in both jobs located in the region and the number of employed residents of the region. As of December 2011, 119,300 jobs were located in the MSA, up 1,100 since the end of the recession and up 1,600 since the Stimulus. Using the other definition of employment, the number of MSA residents that are employed has increased from 117,907 at the end of the recession to 121,631 by December 2011, an increase of 3,724 jobs.

Relative to the State which has lost 7.2% of its jobs as a result of the recession, the MSA has lost only 3.2% (1800 jobs). However, the number of MSA residents that have jobs regardless of location has rebounded to pre-recession levels.

The next section examines these changes in greater detail at the county level.

Table 1. Federal Stimulus Funding, Feb 17, 2009 – Dec 31, 2011.

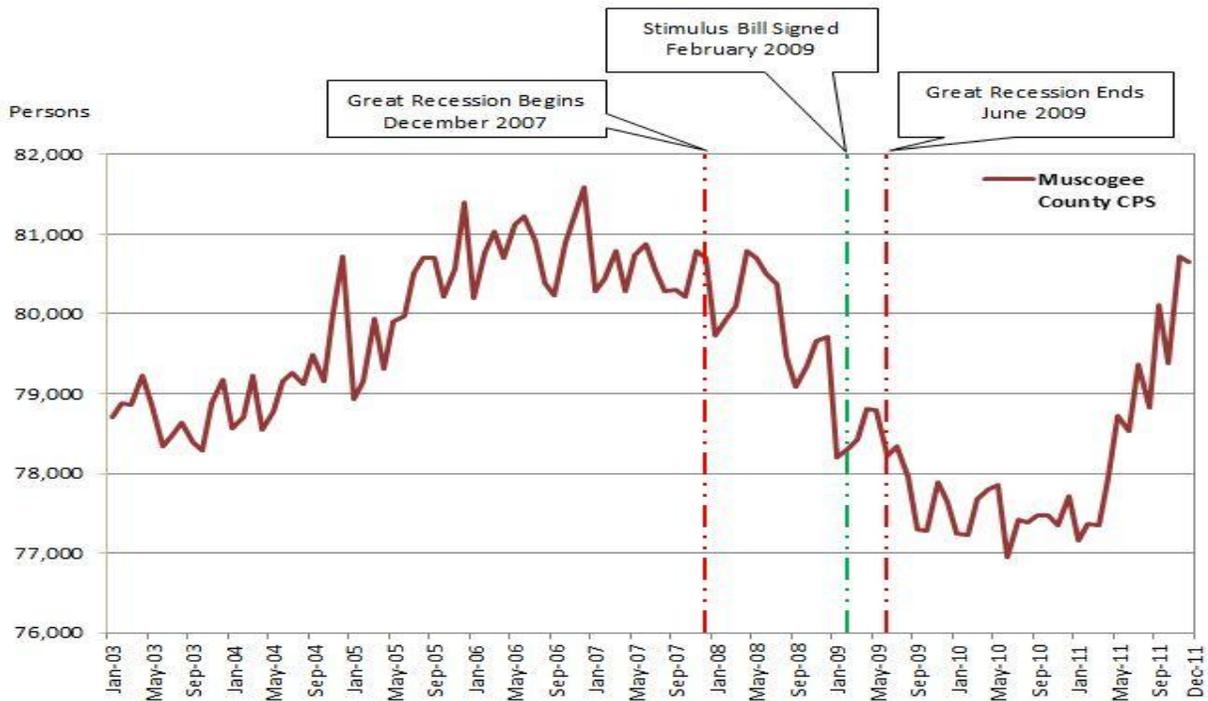
Geographic Region	Stimulus Funding ⁷
Muscogee County	\$122,317,231
Russell County	\$23,821,418
Harris County	\$12,940,317
Marion County	\$3,454,390
Chattahoochee County	\$18,826,305
Columbus GA-AL MSA	\$181,359,661

Source: www.recovery.gov

Employment in the Counties of the Columbus GA-AL MSA

Employment data at the county level is only collected using the CPS, i.e., by place of residence. Figure 3a through Figure 3c illustrates this employment for each of the counties in the MSA. Muscogee County has the highest level of employment, followed by Russell, Harris, and Marion counties. Chattahoochee County has the fewest employed residents in the region.

Figure 3a. CPS Employment Statistics for Muscogee County, 2003 – 2011.



Source: Bureau of Labor Statistics

⁷ The locations of the projects that were funded by the Stimulus are based on how the recipient reported the location and may not be entirely accurate. If a location was denoted by a zip code then the location was taken to be the center of the zip code not necessarily where the project was located. This causes a problem when zip codes extend across county lines or the MSA boundary. As an example, zip code 31833 is centered in Harris County but also includes part of Troup County. As a result, some of the projects that are designated in Harris County are actually located in Troup County.

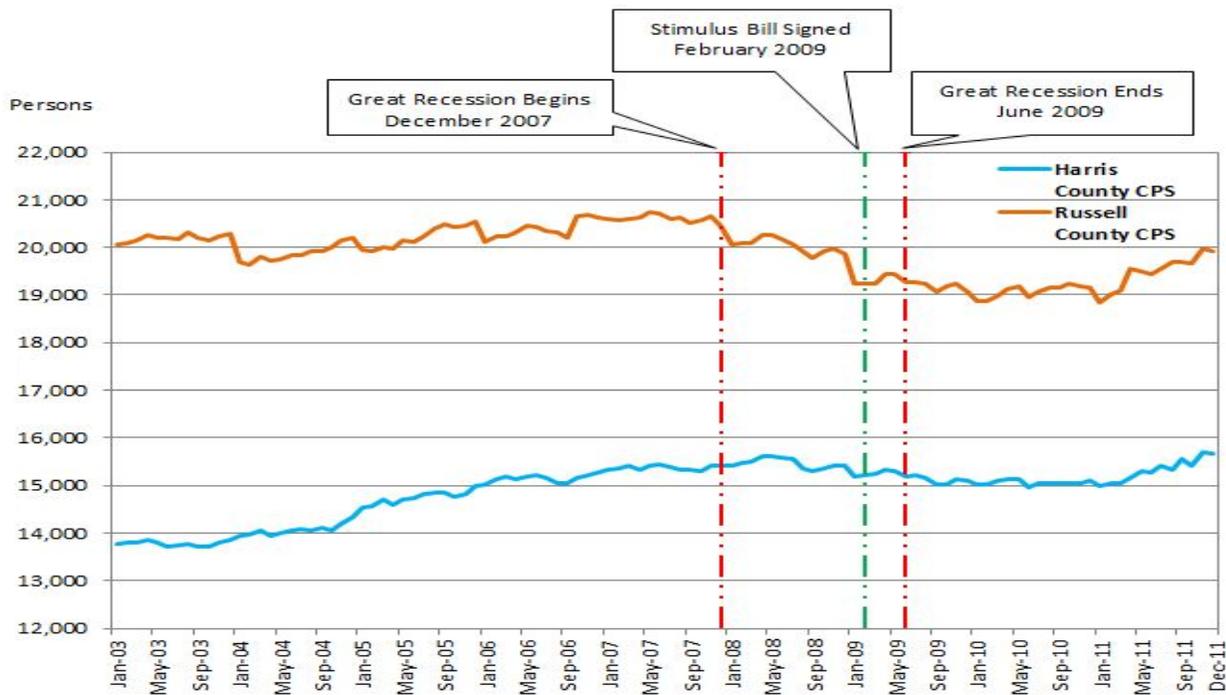
Over the course of the recession, the number of Muscogee county residents who were employed fell by 2,497 and continued to fall after the end of the recession by an additional 1,258 to a low of 76,954 in June 2010.

As a result of the Stimulus, Muscogee County has received an influx of Federal dollars totaling over \$122 million (approximately 67% of the Stimulus dollars flowing to the region since February 2009). Since January 2011 Muscogee County has experienced an increase the number of employed residents. The number of county residents that are employed has increased from 78,212 at the end of the recession to 80,652 by December 2011, an increase of 2,440 jobs.

By the end of 2011, the number of employed residents had returned to what it was just prior to the recession.

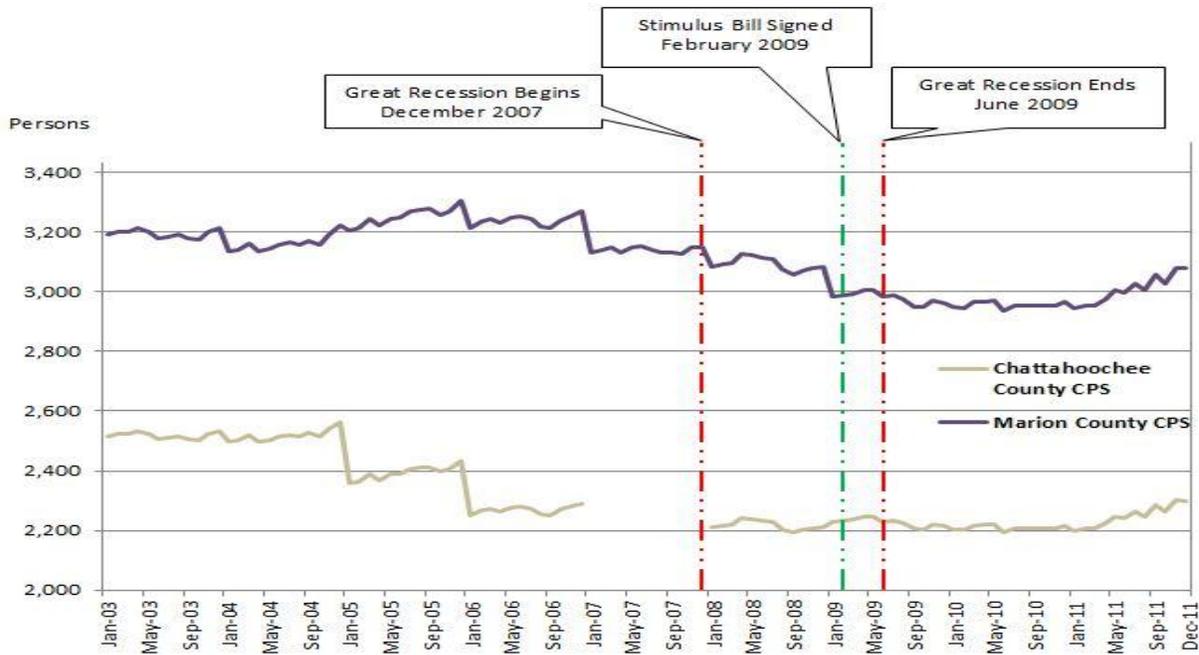
As shown in Figures 3b and 3c, the recession had minimal effects in both Chattahoochee and Harris counties. From the beginning of the recession to the end, Harris county residents lost only 204 jobs (a 1.3% decline) and employment in Chattahoochee County remained nearly constant. The number of Harris county residents who were employed actually reached 15,627 during the midst of the recession, a historic high up to that point.

Figure 3b. CPS Employment Statistics for Russell and Harris Counties, 2003 – 2011.



Source: Bureau of Labor Statistics

Figure 3c. CPS Employment Statistics for Marion and Chattahoochee Counties, 2003 – 2011.



Source: Bureau of Labor Statistics

Chattahoochee County has received \$18.8 million dollars in Stimulus funding. By December 2011, employment by Chattahoochee county residents climbed to 2300, above what it was at the start of the recession.

Harris County has received approximately \$12.9 million in Stimulus funding since February 2009. At that time, 15,218 residents were employed. By December 2011, employment stood at 15,677 slightly off the all-time high set in November of 15,691.

Marion and Russell counties have been the slowest to recover from the recession. In Marion County, employment was falling well before the recession and continued to fall to a low of 2,937 in June 2010. Since that time, employment has rebounded to 3,078 at the end of 2011. Russell County employment fell by 1,171 persons (5.7%) over the course of the recession and continued to fall by an additional 406 persons until January 2010. Since then, employment has increased by 1,052 persons to a total of 19,924 at the end of 2011.

Marion County has received approximately \$3.5 million from the Stimulus so far. From the time of the Stimulus to the end of 2011, employment has increased by 90 persons, not quite back to its pre-recession level.

Since February 2009, Russell County received approximately \$24 million in federal Stimulus funding. As of December 2011, employment in Russell County was at the same level it was in February 2005.

Concluding Remarks

This report has presented the employment trends for the Columbus GA-AL MSA from 2003-2011 and provided a description of the impact on the region of the Great Recession. Compared to the State of Georgia, the Columbus MSA fared much better over the course of the recession and has recovered much more quickly. Only Marion and Russell counties in the MSA have yet to recover to their pre-recession levels of employment.

Since February 2009, the MSA has received \$176 million in federal Stimulus funding. While we cannot directly tie the region's job recovery to the Stimulus, it surely played some role, although the exact size is debatable. Also during this time the region was the beneficiary of several large economic development projects including the movement of the armor division from Fort Knox to Fort Benning, the opening of the NCR production facility in Columbus and the location of the KIA manufacturing facility just outside the MSA.