

# CHAPTER 1: MISSISSIPPIANS, JOBS AND THE LABOR FORCE

**Key Takeaways:** The 2000s have been hard on Mississippi's workforce. The 2007 recession in particular led to persistently high unemployment rates that continue to impact thousands of workers and their families. In late 2011, Mississippi still had 50,000 fewer people employed than it did in the beginning of 2000. However, the state's population and prospective workforce continue to grow, increasing the number of jobs needed to lower unemployment. In the face of many challenges, the state's workers continue to build skills. A larger percentage of Mississippi's workforce has pursued some post-secondary education than in 2000, but the state remains below national norms. Finally, regardless of education, Mississippi's workers face a different job market than they did 12 years ago, as some industries (such as healthcare and business services) experienced job growth, while manufacturing and construction fell in overall employment.

Every 10 years, the U.S. Census gives a comprehensive look at how Mississippi's population has changed over a decade (see figure 1). From 2000 to 2010, Mississippi's overall population grew by 122,639 to more than 2.96 million people. Growth among particular populations has resulted in a more diverse Mississippi. The state also has a larger potential workforce than it did in 2000.

The state's African-American population grew by 64,567--the largest real increase for any racial group. Mississippi is also home to one of the nation's fastest-growing multiracial populations, as the number of Mississippians classifying themselves as 'two or more races' rose by more than 70% (approximately 14,000 individuals) over

the last 10 years. Mississippians identifying themselves in the 'some other race' category now represent 1.3% of residents. Mississippians of Hispanic or Latino origin from any racial group almost doubled, rising to 2.7% of the state's population. Mississippi's Asian and American Indian populations each rose at a modest pace, while Mississippi's white population grew by 0.5%. While having the lowest growth rate of any group, white Mississippians still make up the largest portion (59%) of the state's residents, followed by 37% of residents who are African-American. Overall, while diversity increased, the vast majority of Mississippi's residents continue to be white or African-American (see figure 2).

**MISSISSIPPI POPULATION CHANGE BY RACE**  
2000 to 2010

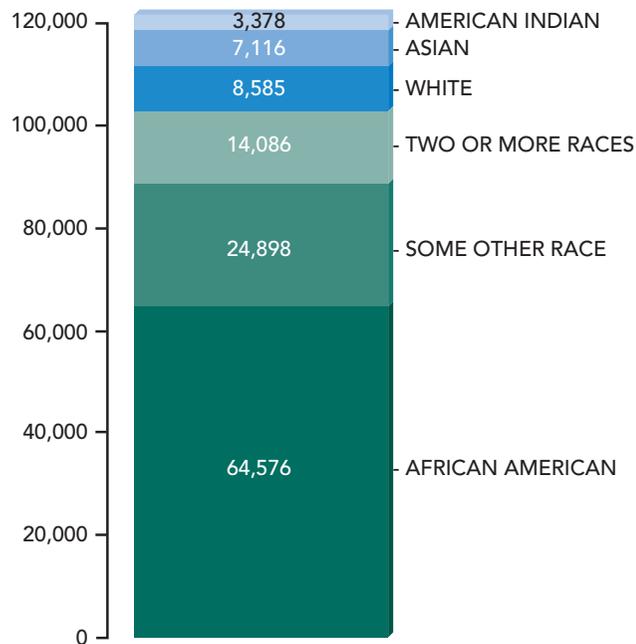


Figure 1

Source: U.S. Census Bureau

**MISSISSIPPI POPULATION BY RACE**

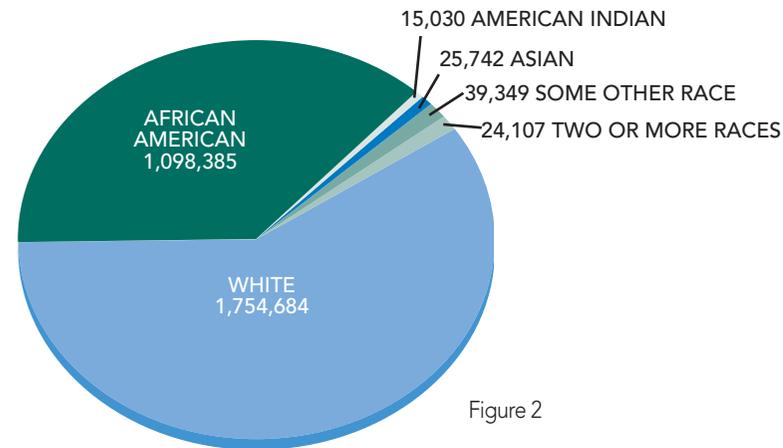


Figure 2

Source: U.S. Census Bureau

As the overall population grew, so did the state's working-age population. The number of Mississippi residents over 18 years old increased by 142,000 between 2000 and 2010. While the number of working-age adults has grown, the harsh impact of two economic recessions has left Mississippi with fewer jobs than it had in 2000. From January 2000 to September 2011, Mississippi experienced a net loss of 61,000 jobs. The rise in population paired with the decline in jobs made the 2000s a particularly challenging decade for working Mississippians.

### MISSISSIPPI'S LABOR FORCE

The racial makeup of Mississippi's workforce corresponds closely with the state's overall population over age 18, as the vast majority of workers continue to be white or African-American (see figure 3). African Americans make up 31.1% of the state's workforce, and white Mississippians account for 66.6% of workers. Over the last 10 years, the percentage of Hispanic Mississippians in the state's workforce has increased to 1.4%. However, relative to the rest of the nation, Mississippi still has a



Source: Mississippi Department of Employment Security. Labor Market Information, May 2011.

low share of Hispanic members in its workforce. Women in Mississippi make up a slightly larger share of the state's workforce than women across the United States. Mississippi's labor force was 48.2% women in 2010, compared to 46.3% nationally. Throughout the decade, men accounted for a slightly larger share of the state's workforce than women, with a rate fluctuating between 51% and 53%.

Across the nation, the plight of older working Americans has been a subject of attention, as many employees delay retirement and choose to work additional years to build economic security after suffering financial losses in the 2007 recession. In Mississippi, the age distribution of the state's workforce has shifted similarly over the decade (see table 1). In 2000, 13.3% of the state's workers were over 55. By 2010, 18.7% of Mississippi's labor force was over 55 years old. The share of the labor force between 25 and 54 years old decreased from 70% to 66.6%. Younger Mississippians also represent a smaller share of the state's workers, falling from 16.7% in 2000 to 14.7% in 2010.

### MS LABOR FORCE OLDER, MORE EDUCATED

Mississippi 2000 and 2010

	2000	2010
<b>GENDER</b>		
Male	51.0%	51.8%
Female	49.0%	48.2%
<b>AGE</b>		
16-24 yrs	16.7%	14.7%
25-54 yrs	70.0%	66.6%
55 yrs and older	13.3%	18.7%
<b>EDUCATION</b>		
Less than high school	15.6%	13.5%
High school	32.1%	29.4%
Some College	31.5%	34.3%
Bachelor's or higher	20.8%	22.8%

Source: EPI analysis of CPS data and MDES

Table 1

## HARD DECADE AFFECTS MISSISSIPPI'S WORKER PARTICIPATION

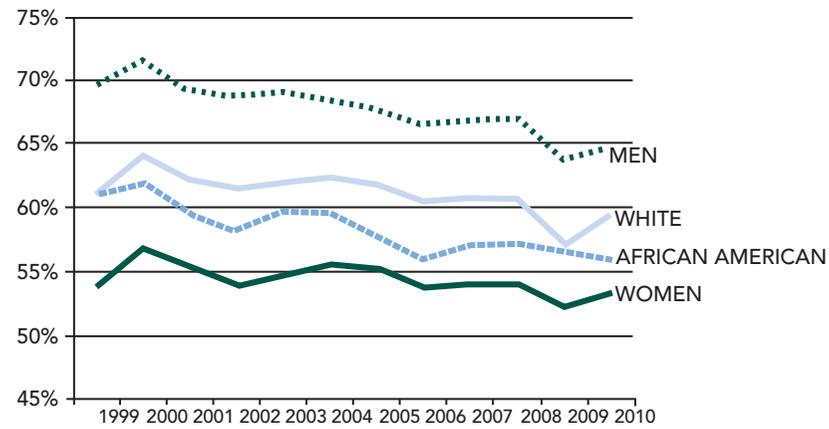
Mississippi's labor force participation has been impacted by the recent recession. When workers are discouraged in their pursuit of jobs and decide to cease searching for employment, they are not counted as participating in the labor force. High rates of long-term unemployment can lead individuals who would normally participate to temporarily step out of the workforce until the economy begins to improve.

Even in the face of economic challenges, 78.3% of adults between the ages of 25 and 54 were engaged in the workforce in 2010. However, labor force participation was higher for this age group at the beginning of the decade, with 82.4% participation in 2000. Feeling the harsh effects of two recessions, Mississippi's overall labor force participation dipped from 63.4% in 2000 to 58.6% in 2010.

Changes in worker participation during the decade run parallel to national trends. Labor force participation decreased among young Mississippians and rose among older adults. The most drastic rates of decline in labor force participation were among young adults ages 16 to 24 and adults who ended their formal education with a high school degree. Adults over 55 were the only group to show an increase in workforce participation for the decade in Mississippi.

While participation was still higher for men than women in 2010, labor force participation decreased more drastically among men than among women in the 2000s (see figure 4). Men's labor force participation fell from 71.6% in 2000 to 64.7% in 2010, while women's participation fell from 56.7% to 53.2%. Both white and African-American worker participation decreased during the decade, and their participation rates converged in 2009, with 56.6% of African-American adults active in the labor force compared to 57.1% of white Mississippians. However, worker participation among white Mississippians increased significantly between 2009 and 2010, and African-American worker participation was statistically unchanged.

## LABOR FORCE PARTICIPATION BY DEMOGRAPHIC 1999-2010



Source: EPI Analysis of CPS Data

Figure 4

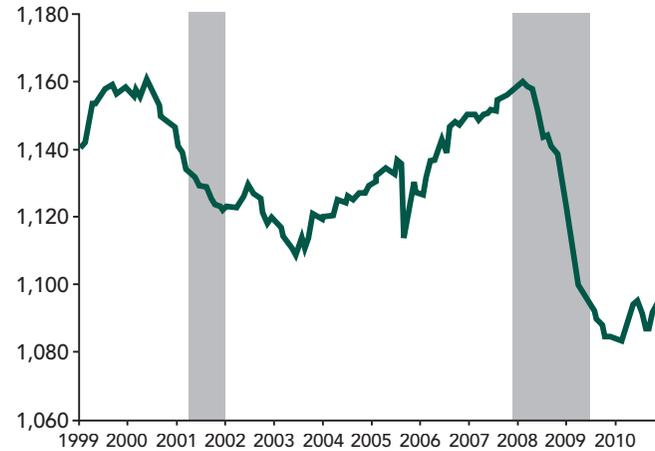
### UNDERSTANDING KEY TERMS:

*Labor force:* All persons age 16 or older who are either employed or looking for work.

*Labor force participation rate:* The number of Mississippians age 16 or older who are in the labor force divided by the total number of Mississippians age 16 or older. Individuals in the military are not included. Simply put, labor force participation is the percentage of a population that is employed or unemployed and looking for work.

## MISSISSIPPI NONFARM EMPLOYMENT 1999-2010

Shaded Regions Indicate National Recession



Source: EPI Analysis of CPS Data

Figure 5

### TWO STEEP DECLINES IN EMPLOYMENT DURING 2000s

Many states across the Mid South, including Mississippi, experienced declines in employment during the last decade. The recessions of 2001 and 2007 caused job losses and high rates of unemployment across the nation. While both recessions impacted the lives and economic security of Mississippi's families, job losses during the 2007 recession were more drastic than in the 2001 recession.

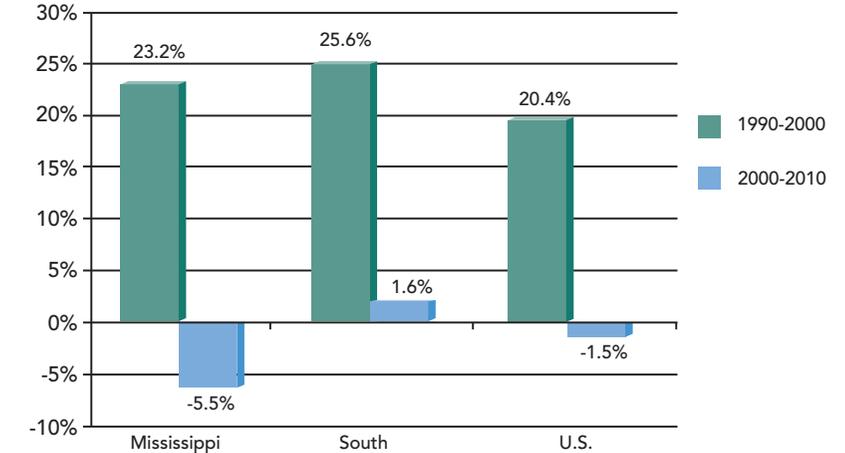
Nationally, the 2001 recession started in March 2001 and lasted eight months. However, *figure 5* reveals that declines in Mississippi's overall employment started well before March 2001 and lasted for nearly two years. In fact, Mississippi entered a recession in 2000, 11 months before the nation as a whole.<sup>i</sup> Nine months after the 2001 recession ended, Mississippi's economy independently entered a double dip recession in 2002-2003, resulting in a total loss of close to 49,000 jobs during the early 2000s.<sup>ii</sup> Declines in manufacturing employment were substantial in both of Mississippi's recessions in the early 2000s.

After December 2003, Mississippi entered a period of increased employment for the middle of the decade, and by 2007 reached employment levels similar to those seen prior to the 2001 recession. However, Mississippi and its working adults were hit even harder by the 2007 recession. Nationally, the 2007 recession lasted 18 months--much longer than the 2001 recession. In Mississippi, employment peaked in February 2008 and then steeply declined until February 2010. In total, Mississippi lost 76,800 jobs (6.6%) over the two-year period (as opposed to job losses of 4.2% during the recessions of the early 2000s).

Mississippi's job losses in the 2000s appear particularly harsh when compared to the prosperity of the 1990s (see *figure 6*). Mississippi's employment grew by 23.2% during the 1990s, in contrast to a 5.5% decline in the 2000s. The Southern region and the United States experienced similar trends of strong job growth during the 1990s; however, the South and the nation both had lower rates of job loss in the 2001

## CHANGE IN NON-FARM EMPLOYMENT

Mississippi, South and U.S. by Decade



Source: EPI Analysis of CPS Data

Figure 6

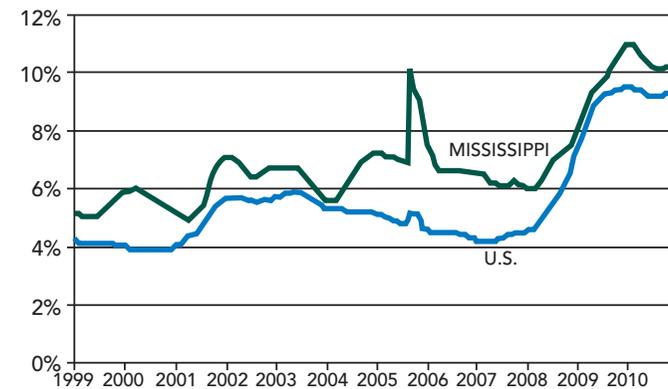
recession and stronger job growth after the 2001 recession than Mississippi. As a result, neither the South nor the nation experienced the same level of overall decline in employment for the decade.

### UNEMPLOYMENT HIGHEST TOWARDS END OF DECADE

Unemployment rates rise as Mississippi jobs are lost. *Figure 7* traces the national and state unemployment rates throughout the 2000s. Mississippi's unemployment rate nearly doubled during the decade. In January 2000, Mississippi's unemployment rate was 5.9%, higher than the national rate at that time of 3.9%, but much lower than Mississippi's peak of 11% in January 2010. In the fall of 2011, the state unemployment rate lingered above 10%, with 1 in 10 Mississippi workers still looking for employment.

### UNEMPLOYMENT RATE 1999-2010

Mississippi and U.S.



Source: EPI Analysis of CPS Data

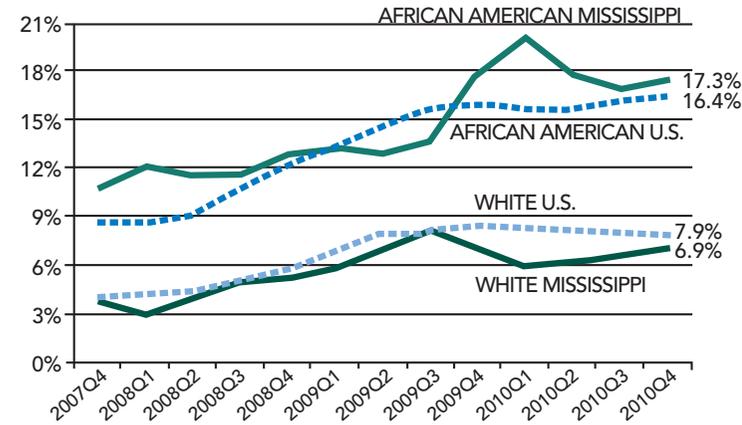
Figure 7

Throughout the 2007 recession, unemployment rates for African Americans far surpassed those of white workers (see figure 8). Unemployment among African Americans peaked in the first quarter of 2010, with 1 in 5 African-American workers jobless and looking for work. At the same point, unemployment for white workers in Mississippi was 6%, with a gap between the two groups of 14 percentage points. When Mississippi's white unemployment had peaked at 8.1% in the third quarter of 2009, it was still well below the unemployment rate for African Americans at any point during the recession.

The gap between Mississippi's white and African-American unemployment rates exceeds the national gap and has grown over the course of the recession. This large disparity in unemployment rates has serious implications for the state's economic recovery and future economic development. Thirty-seven percent of Mississippi's residents are African-American, and persistently high unemployment among such a large portion of the state's residents impacts the overall economic security and stability of families and communities across the state.

## QUARTERLY UNEMPLOYMENT RATE BY RACE

Mississippi and U.S.



Source: EPI Analysis of LAUS Data

Figure 8

## UNDEREMPLOYMENT CHALLENGES MISSISSIPPI WORKERS

In addition to unemployed Mississippians, there are many other adults not included in the traditional measure who 1) are working part-time for economic reasons, but would prefer to work full-time or 2) want work and have looked for employment in the last 12 months, but have become discouraged and stopped looking. Adults in these groups are added to those who are officially counted as unemployed to get a more comprehensive 'underemployment' rate. Mississippi's underemployment rate was 17.6% in 2010, compared to 10.8% before the recession in 2007.<sup>iii</sup>

When adults are forced to take on part-time employment, they experience reduced hours and lower wages, and they frequently do not receive employer-sponsored benefits like health insurance or paid sick leave. Like unemployment, underemployment can have a significant impact on a family's economic security. Beyond individual families, the state's economy also feels the effects in lower tax revenues and decreased worker productivity. While Mississippi's underemployment rate warrants concern and attention, ten states fared worse in this measure in 2010 than Mississippi did. Among Southern states, Georgia, Florida and South Carolina had higher underemployment rates than Mississippi, while Louisiana, Alabama, Arkansas and Tennessee had lower rates.<sup>iv</sup>

## EDUCATIONAL ATTAINMENT AND MISSISSIPPI WORKERS

The educational attainment of Mississippi's labor force has shifted slightly over the last 10 years. The number of workers ending their formal education in high school or at a high school degree decreased during the 2000s. In contrast, the percentage of workers with at least a bachelor's degree rose to 22.8% from 20.8% during the decade. The largest share of workers, those with some college, also increased significantly from 31.5% in 2000 to 34.3% in 2010.

Although the share of Mississippi's workforce with post-secondary education or training has grown during the decade, the state's portion of adults with college experience registers below national levels (see figures 9 & 10). Nationally, 60.5% of workers have a bachelor's degree or some college, compared to 57.1% of Mississippi workers. At the same time, a larger share of Mississippi's workforce lacks a high school degree (13.5%) than the national norm of 10.5%.

## EDUCATIONAL ATTAINMENT OF LABOR FORCE, 2010

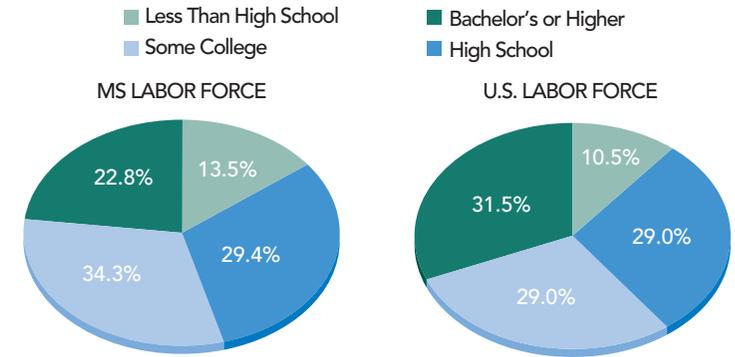


Figure 9

Figure 10

Source: EPI Analysis of CPS Data

## EDUCATIONAL ATTAINMENT OF MISSISSIPPI'S POPULATION

Focusing the lens of educational attainment on the state's working-age population reveals that gaps continue to exist between the educational attainment of white and African-American adults in Mississippi (see table 2). Almost twenty-three percent of white adults attained a bachelor's or professional degree, compared to 12.0% of African-American adults. On the other end of the educational spectrum, a large portion of African-American adults have not attained a high school degree (29.2%, compared to 16.8% of whites). The percentage of African-American Mississippi adults without a high school degree is well above the national norm for African-Americans of 20.0%.

## EDUCATIONAL ATTAINMENT OF MS ADULTS by Race

	White	African-American
Population 25 Years and Over	1,188,854	614,531
Less Than High School Degree	16.8%	29.2%
High School Degree	30.8%	32.6%
Some College or Associate's Degree	29.9%	26.2%
Bachelor's Degree	14.8%	8.1%
Graduate or Professional Degree	7.8%	3.9%

Source: American Community Survey, 2008-2010 Averages

Table 2

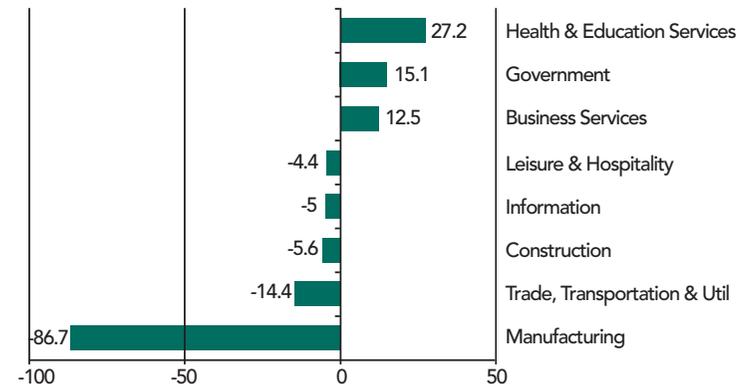
## A CLOSER LOOK AT EMPLOYMENT BY INDUSTRY

While job losses have been experienced by Mississippians across all sectors during the decade, *figure 11* takes a closer look at Mississippi's industries during the 2000s. The manufacturing, trade and government sectors combine to provide over half of the state's jobs.<sup>vi</sup> Among all industries, manufacturing employment for both durable and nondurable goods has suffered the largest decline. Between 2000 and 2010, Mississippi experienced a 39% decrease in manufacturing employment, equal to 86,700 jobs lost. The construction, trade, information and leisure & hospitality industries also experienced net job loss during the decade. Many of these sectors reported overall declines as a result of substantial employment losses during the 2007 recession that outweighed gains made during the early 2000s. As Mississippi slowly emerges from the recession of the late 2000s, the numbers of jobs in business services and healthcare are on the rise. Health services added 27,200 jobs in the 2000s, the state's largest increase at 26%. In the government sector, local public employment rose overall for the decade, while state government showed a small loss in jobs from 2000 to 2010.

What do the next five years hold for Mississippi's workforce? Mississippi gained 12,800 jobs between January 2010 and September 2011, and slow job growth is expected into 2012.<sup>vii</sup> The University Research Center at the Mississippi Institutions of Higher Learning expects overall employment to grow at a rate of 1.3% through 2016. Projections indicate that job growth will not be equal across all industries. Employment in business services, health & social assistance and construction is

projected to grow by more than 2%.<sup>viii</sup> Although manufacturing employment may temporarily increase as a result of new and expanding facilities, overall employment in the industry is expected to grow by less than one percent in the long term.<sup>ix</sup> Mississippi's remaining industries (trade, agriculture, forestry & fishery and leisure & hospitality) have a longer road to recovery ahead and are not expected to reattain employment levels of 2000 until after 2016.

**CHANGE IN JOBS BY INDUSTRY FROM 2000 TO 2010**  
Mississippi Jobs in Thousands, Annual Averages



Source: EPI Analysis of Current Employment Statistics Survey Data

Figure 11

## RECOMMENDATIONS FOR MEETING REGIONAL INDUSTRY NEEDS AND INCREASING LABOR FORCE SKILLS

### • INCREASE EMPHASIS ON SECTOR INITIATIVES STATEWIDE

The state's workforce needs college courses and training to access employment with wages high enough to support a family. Sector initiatives bring together a region's workforce development efforts and resources to meet the specific labor needs of a cluster of employers. Within a regional industry cluster, leaders in workforce development, education and training collaborate with employers to determine joint labor force and training needs. Low-income, low-skill adults in the area can then access in-demand training options linked to higher wages in a particular industry. The State Workforce Investment Board; Blueprint Mississippi; the State Sector Strategy Team; and many colleges, public agencies and nonprofits are working toward increasing resources for sector-based efforts. While progress is being made, additional resources need to be directed statewide and regionally for more Mississippi workers to connect with job opportunities that provide financial security.

### • INCREASE FUNDING FOR WRAP-AROUND SUPPORTS FOR ADULTS IN TRAINING

Often, sector initiatives place an emphasis on moving low-skill adults to higher wage levels on a career path through training. Training efforts can include on-the-job training, customized training or community college courses. Strong wrap-around support services are key for adults trying to balance work, family and school. Mississippi's colleges and training providers need resources for supports such as transportation and childcare. Without these resources, even the strongest students will struggle to meet both the needs of their families and the demands of training. More broadly, adequate revenue to strengthen all levels of education, from K-12 to colleges and universities, continues to be important for building a stronger labor force and industries.

i "Mississippi Business." May 2011. University Research Center. Institutions of Higher Learning. 69(4) p.2.

ii Ibid

iii Bureau of Labor Statistics. Alternative Measures of Labor Utilization. 2010 Annual Average

iv Ibid

v U.S. Census Bureau. American Community Survey. 2008-2010 Averages.

vi Institutions of Higher Learning. University Research Center. "Mississippi Economic Review and Outlook." January 2011.

vii Institutions of Higher Learning. Mississippi Center for Policy Research and Planning. 2011 Economic Outlook Conference.

viii Ibid

ix Ibid