

GEORGIA'S



Skills to Workforce Intelligence 2006



Georgia Department of Labor
Michael L. Thurmond, Commissioner

Georgia

ANNUAL REPORT

ANALYSIS

Georgia Department of Labor
Michael L. Thurmond, Commissioner

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GEORGIA DEPARTMENT OF LABOR

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MICHAEL L. THURMOND
COMMISSIONER

Dear Fellow Georgians,

The Georgia Department of Labor is pleased to provide this report of important labor market information. Information is crucial to planning the current and future needs of both Georgia business and the workforce. Informed decision making is the hallmark of what has made Georgia so successful in creating the strong business climate that has brought opportunity to millions of Georgians.



The state of Georgia is a great place to live, work, and do business. However, the world in which we live and work is changing. New challenges and opportunities are created from these changes. The age of information requires more and better information to ensure that Georgia continues to lead during the twenty-first century. I hope you find this report informative and useful. Working together we can meet the challenges that face us and continue to position Georgia as both a national and a world leader in business and opportunity.

An Equal Opportunity Employer

Report Overview

Georgia quietly stepped up to the plate and established the state's prominence as a national leader in job creation and labor force growth during the decade of the nineties.

The state gained nearly one million jobs during the last decade. One minor blip occurred on Georgia's growth radar during the nineties – the state lost 50,000 jobs in a brief recession in 1991. The next year the state regained those 50,000 jobs and proceeded toward its role as a national job growth leader for the remainder of the decade.

For most of the nineties Georgia ranked among the top five states in the nation in terms of total job growth and percentage rate of job growth. Georgia rivaled the nation's perennial employment leaders such as California, Texas, Florida and New York by tallying more than 100,000 jobs per year during five of the six years between 1994 and 1999. Georgia also ranked among the fastest growing job markets in the nation with growth rates that challenged those of much smaller, but rapidly-growing states such as Nevada, Arizona, Colorado and Utah.

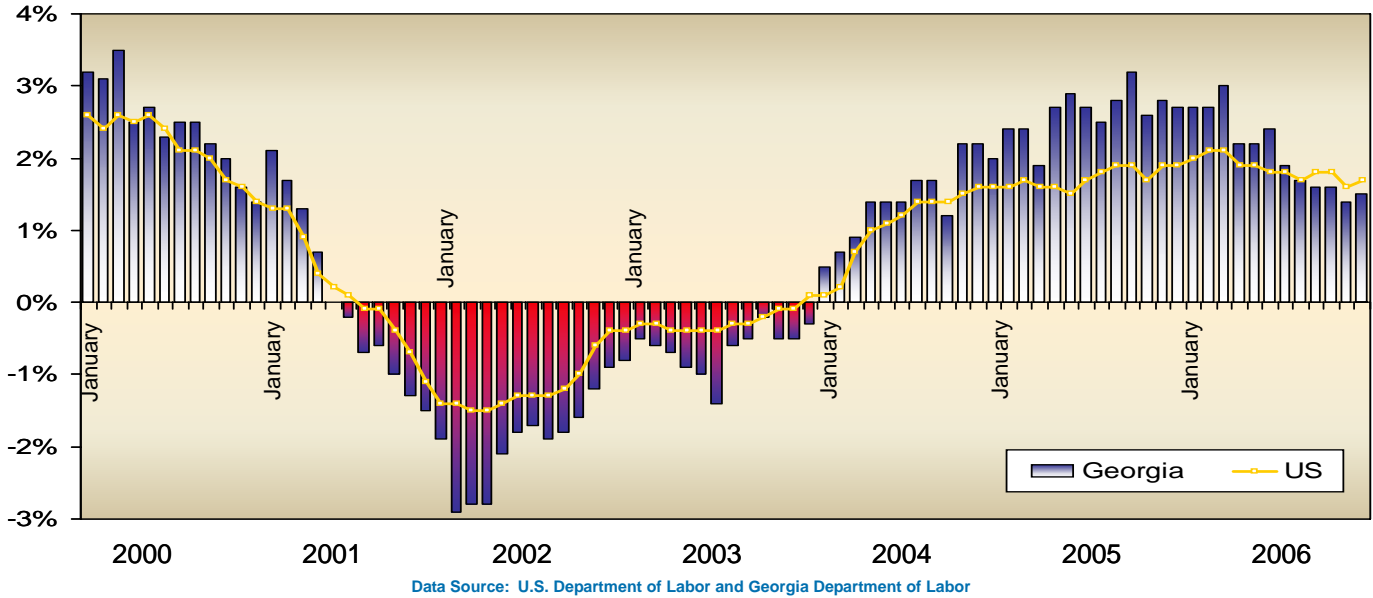
In the fall of 2000, headlines in the Georgia Department of Labor's Georgia Labor Market Trends announced that "Employment growth begins to level off" and one month later: "Narrowing growth margins give signs the boom of the 90s may be a tough act to follow". With employment leveling off Georgia's stubborn economic engine created 94,700 jobs in 2000. In 2001, the state economy was already weakening when the events on September 11, 2001 sent shock waves throughout the nation.

Over the next three years Georgia lost a total of 104,400 jobs. Despite reports of national economic recovery, job growth did not resume in Georgia until 2004. Still, it was not until 2005 that the state once again gained over 100,000 jobs and surpassed the job total achieved in the year 2000.

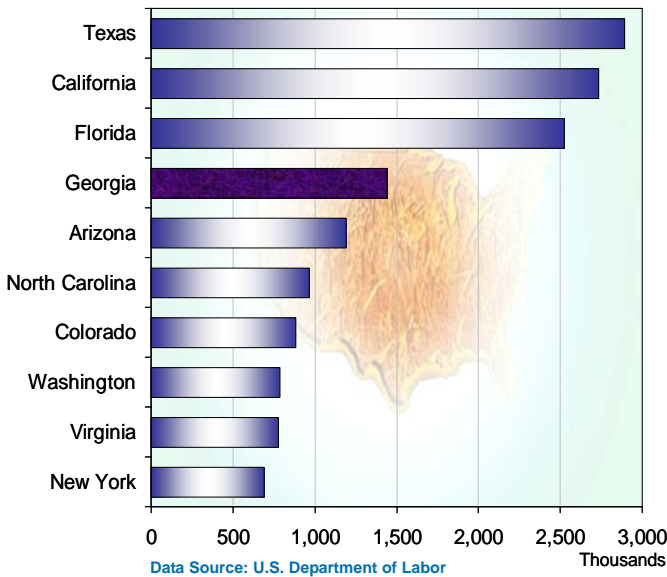
Georgia's economy in 2006 was healthy and dynamic. The state's unemployment rate was below the national average, over 80,000 new jobs were created and people who received unemployment insurance had the shortest duration in the nation. However even with positive labor market indicators, there are challenges present. The state's demographics are changing which will result in shortages of skilled labor. There will be a high demand for occupations in the health care industries. Manufacturing employment has been in decline with more major layoffs expected. Jobs requiring postsecondary education and training are growing faster than jobs requiring any formal education beyond high school.

The following pages contain graphs, charts and maps for Georgia that provide a visual analysis of the most current labor market information for 2006 and beyond. Through thorough examination of the economic statistics in this publication, businesses, education institutions, economic development organizations and governments should be able to understand where Georgia is economically and help to develop a comprehensive workforce system.

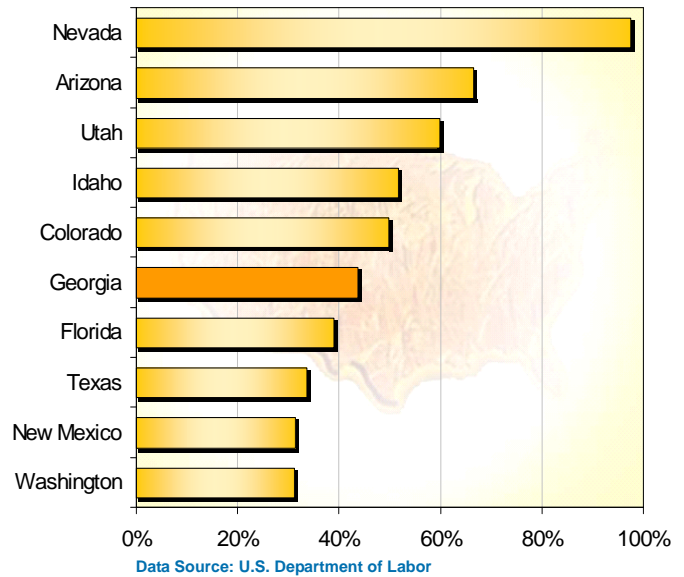
Over-the-Year Percent Change in Jobs 2000 - 2006 Georgia - US



Top 10 States Civilian Labor Force Numerical Change 1990 - 2006



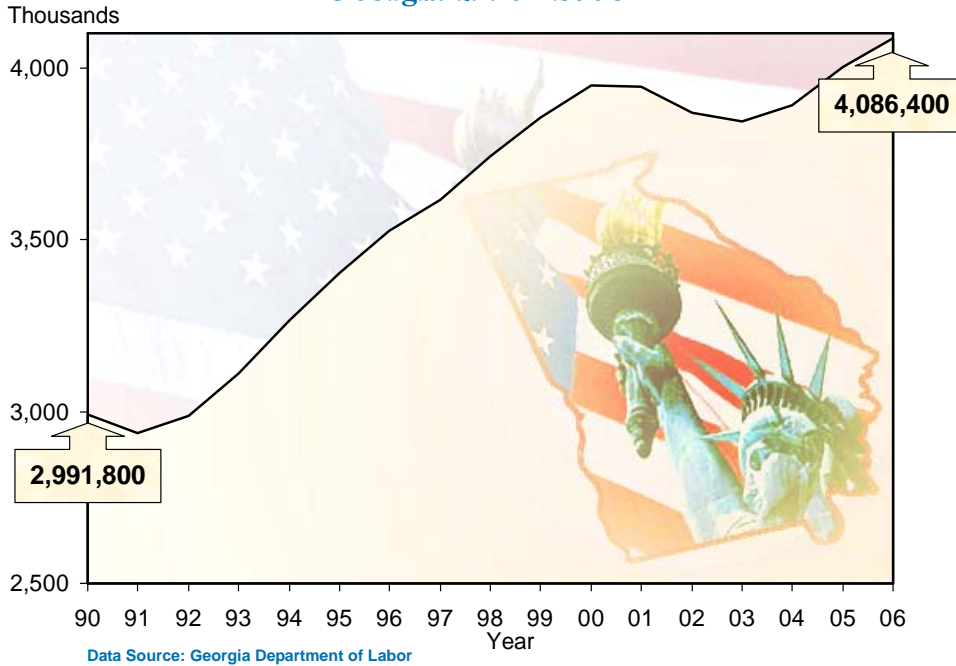
Top 10 States Civilian Labor Force Percent Change 1990 - 2006



Throughout the 1990s, Georgia experienced unprecedented job growth. At the beginning of the new millennium, job growth slowed and entered a recession. Georgia's job market was more negatively impacted than the nation as a whole. However as recovery began, Georgia once again outpaced the national growth trend.

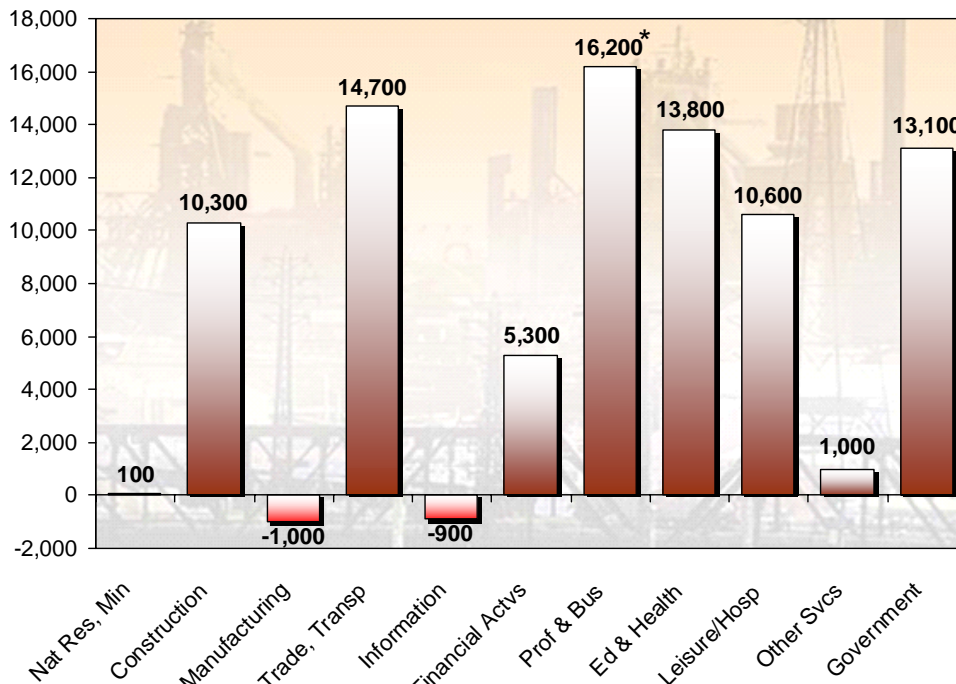
Growth since 1990 has created great opportunities for workers. Since 1990, Georgia has ranked fourth among all states in net labor force growth. In addition, Georgia became the sixth fastest growing labor force in the nation.

Non-Agricultural Employment Georgia 1990 - 2006



Despite two recessions and the tragic events of September 11th, Georgia added 1,094,000 to its payrolls since 1990. This kind of growth reveals a resilient job market able to withstand setbacks and possessing the flexibility to adapt to changing trends in the economy.

Industry Employment Change Georgia 2005 - 2006

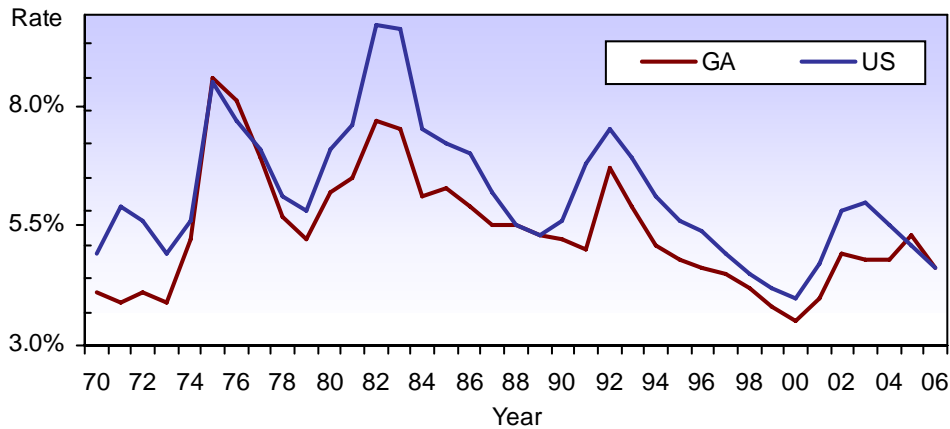


Georgia added 83,200 jobs during 2006. More jobs were gained in Professional and Business services than any other sector. Combined with Trade/Transportation and Education/Health Services, these three sectors accounted for almost 54 percent of the total annual job growth.

*Examples include: legal services, accounting, architectural/engineering services, computer specialists, temporary agencies and management of companies.

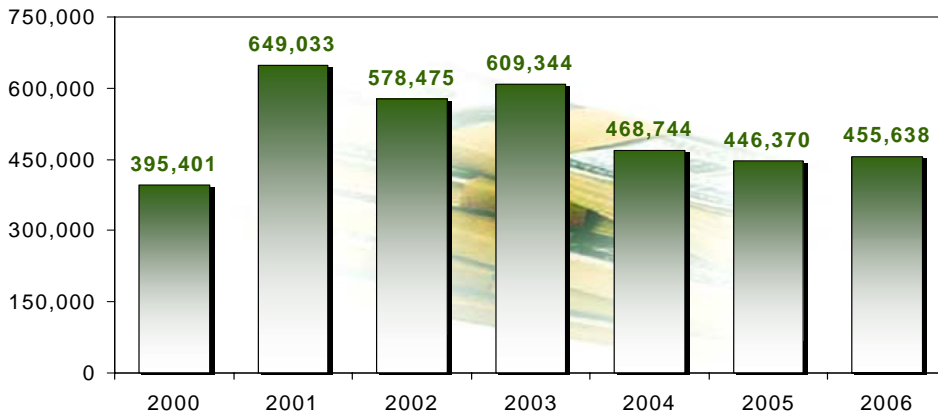
Data Source: Georgia Department of Labor

Total Unemployment Rate Georgia and U.S. 1970 - 2006



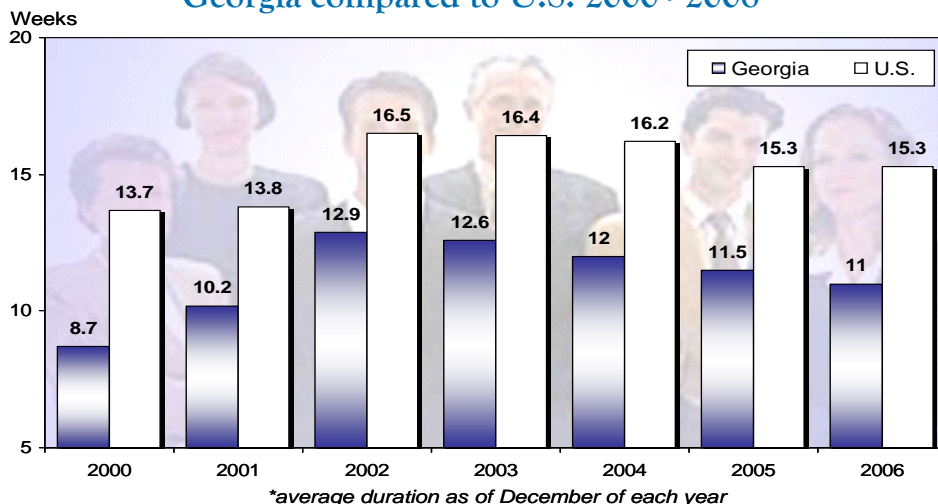
Data Source: U.S. Department of Labor and Georgia Department of Labor

Unemployment Insurance Initial Claims 2000 - 2006



Data Source: Georgia Department of Labor

Average Unemployment Insurance Duration Georgia compared to U.S. 2000 - 2006*



Data Source: Georgia Department of Labor

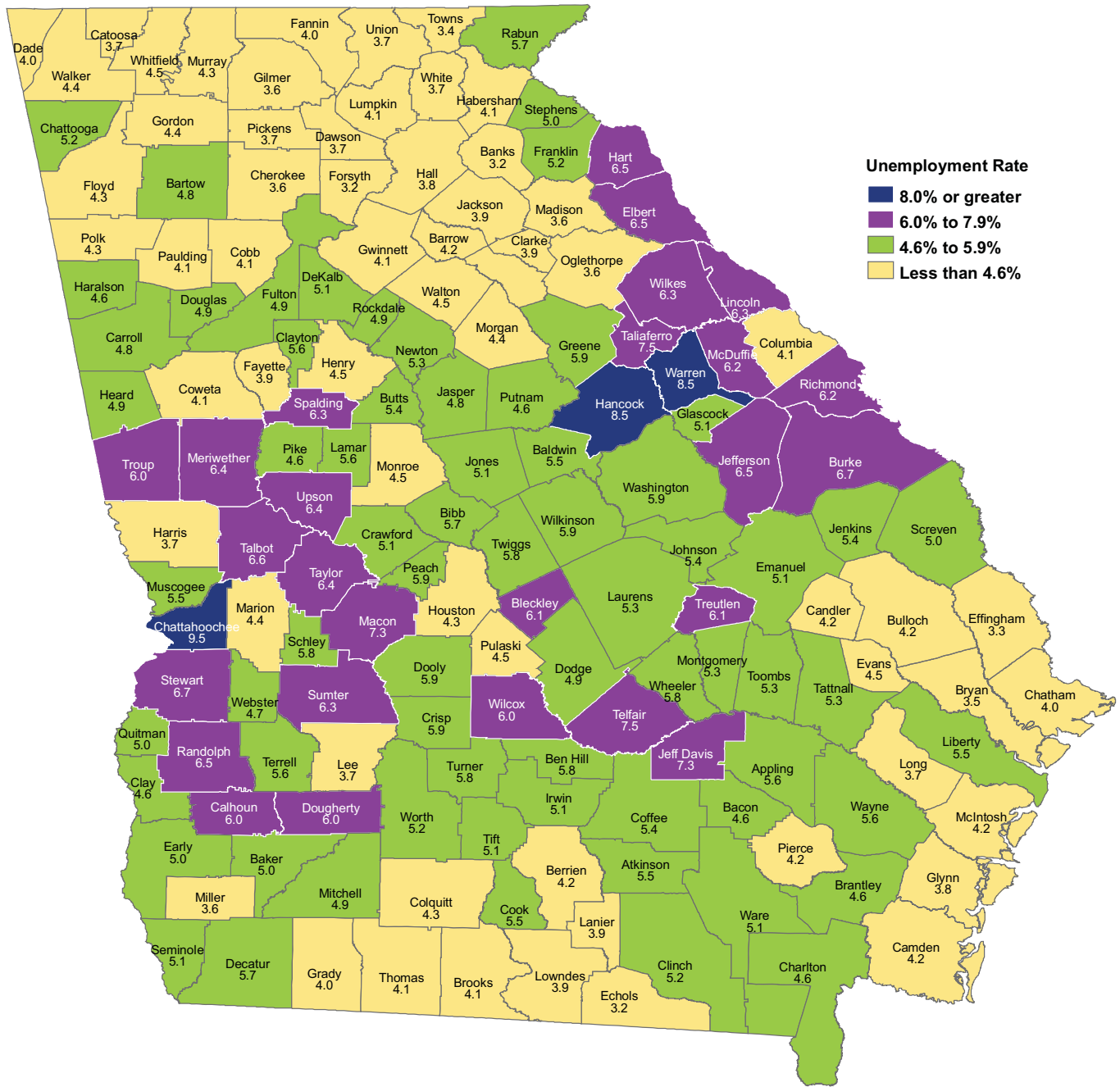
Georgia's annual average unemployment rate has tracked the national rate for nearly four decades and the state's jobless rate has prevailed at or below the U.S. average rate for all but three of those years. High unemployment rates normally lag behind economic recessions. As the economy improves, rates often remain high as more people enter or re-enter the labor market looking for work as jobs become more plentiful.

From 2000 through 2006 Georgia's initial claims for unemployment insurance benefits increased 15.2 percent, while the U.S. figure grew 4.3 percent over the same time period.

Average duration refers to the number of weeks an individual receives unemployment insurance benefits. At 11.0 weeks, Georgia's average duration for 2006 was the lowest in the nation.

Unemployment Rate by Counties

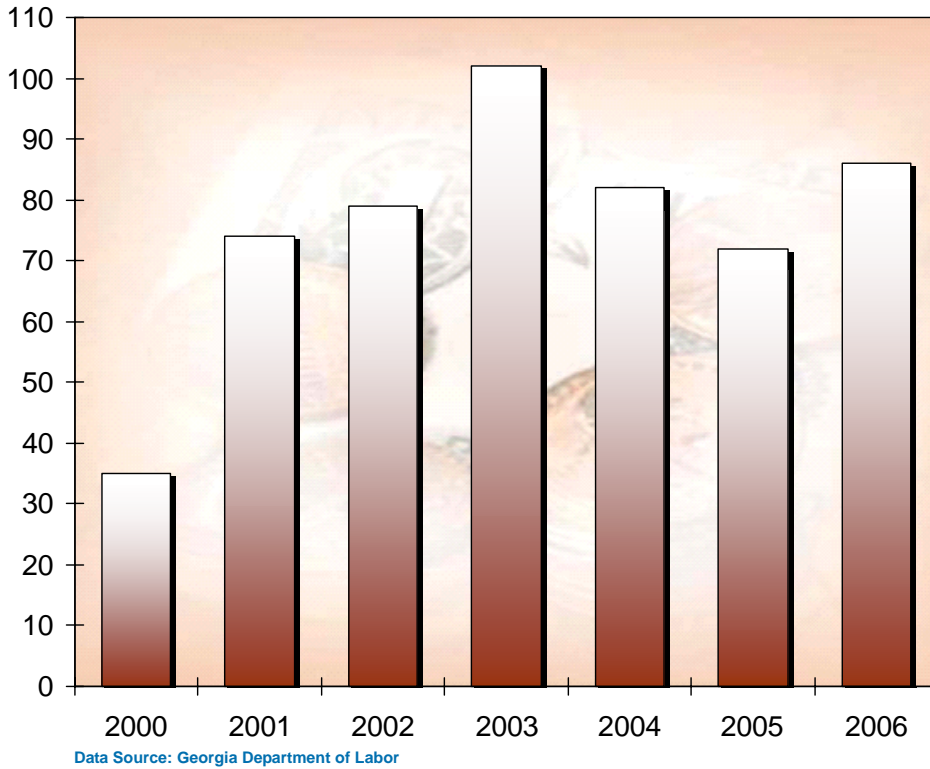
Annual Average 2006



Georgia's Unemployment Rate: 4.6%
U.S. Unemployment Rate: 4.6%

Mass Layoff Statistics (MLS)

Total Events 2000 - 2006

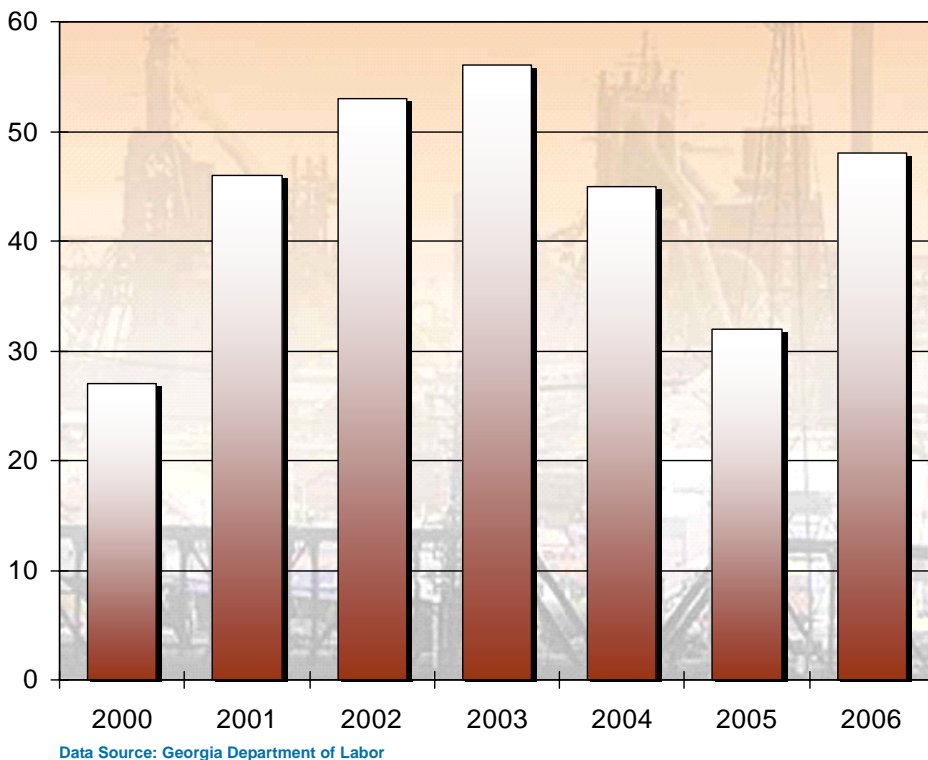


Mass Layoff Statistics events occur when a private sector non-farm employer has at least 50 initial claims for unemployment insurance filed against them during a five-week period and 50 or more workers are separated from their jobs for at least 31 days.

From 2000 to 2003, the total number of mass layoff events nearly tripled, rising from 35 to 102 per year. There were 16 fewer events per year from 2003 to 2006, with 55.8 percent of all mass layoff events for 2006 taking place in manufacturing.

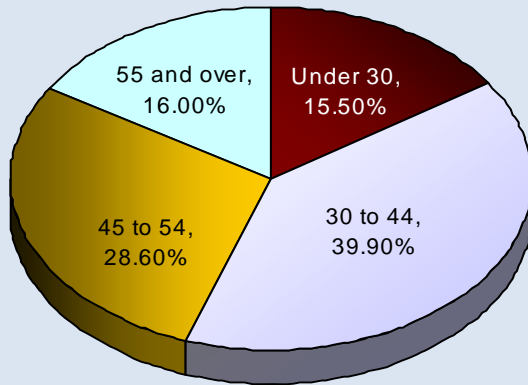
Mass Layoff Statistics (MLS)

Number of Events in Manufacturing 2000 - 2006

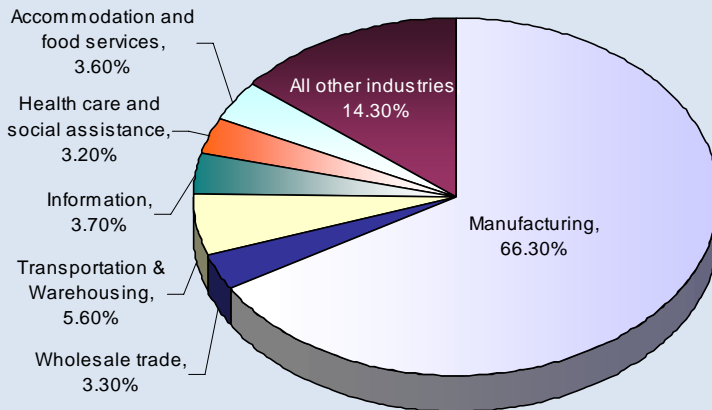


In 2000, there were 27 mass layoff events in the manufacturing sector, with 18.5 percent of those layoffs occurring in Apparel and another 18.5 percent taking place in Transportation Equipment. By 2006, the number of total events per year grew to 48, with 18.8 percent of the layoffs in Textile Mills and an additional 18.8 percent in Transportation Equipment.

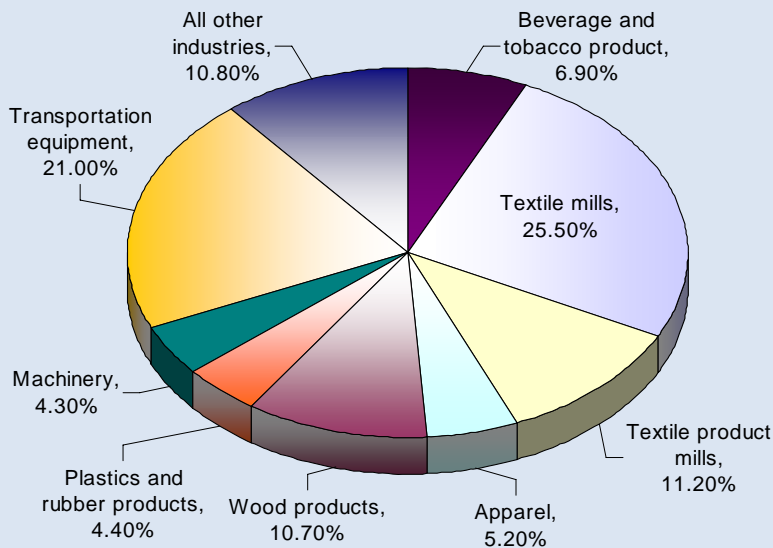
2006 Total Mass Layoff Statistics Worker Characteristics: Age



2006 Total Mass Layoff Statistics Workers: Percentage by Industry



2006 Mass Layoff Statistics in Manufacturing: Percentage of Workers by Subsector



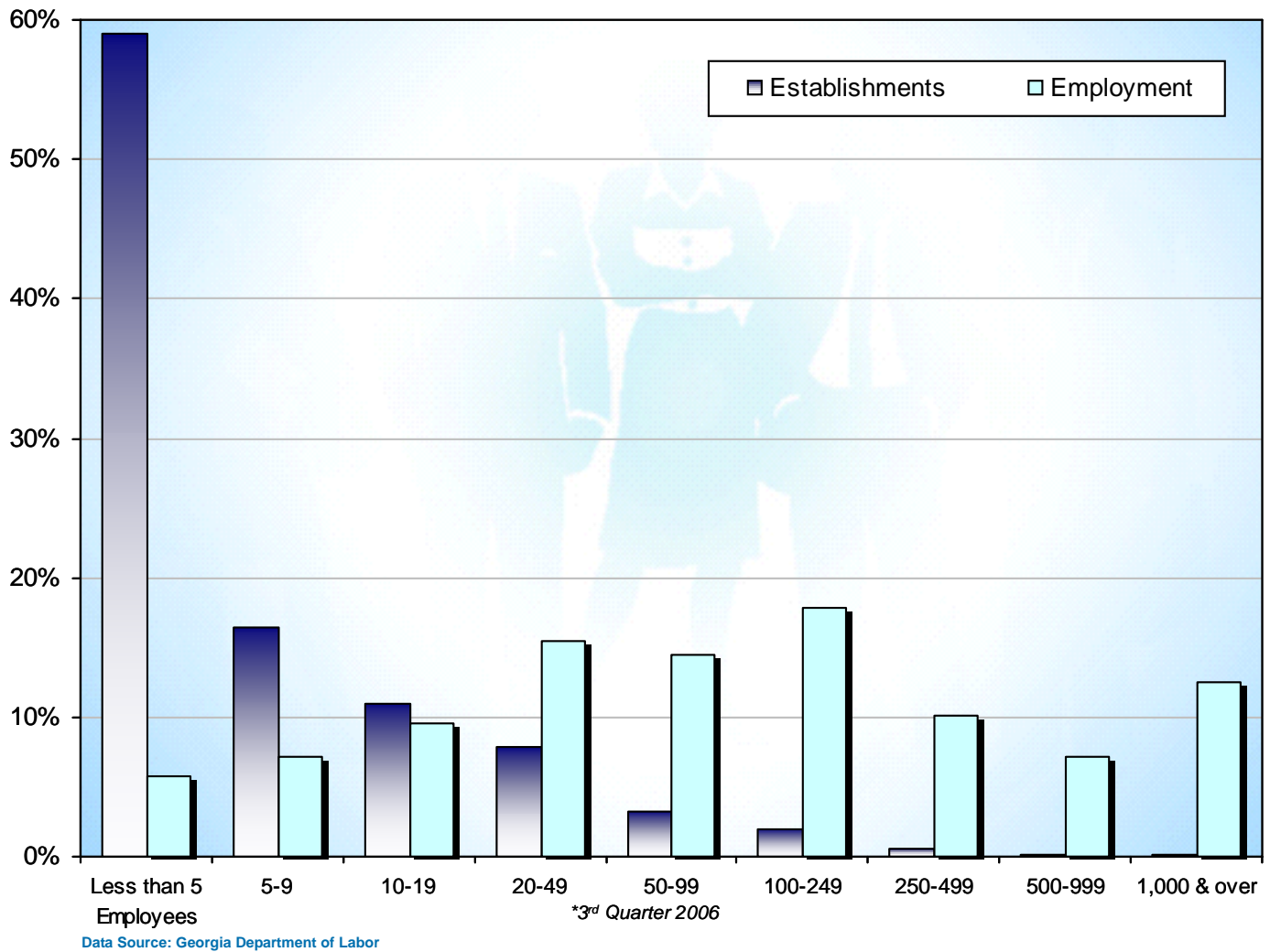
Data Source for all Pie Graphs: Georgia Department of Labor

Between 2000 and 2006, workers that were affected by Mass Layoff Statistics events who were under 30 decreased 6.0 percent, workers between 30 and 44 declined 4.5 percent, between 45-54 increased 7.2 percent and 55 and over increased 3.7 percent.

In 2000, there were nearly 4,200 workers affected by mass layoffs in manufacturing. By 2006, that number had risen to over 11,000 per year, a growth of 171.2 percent.

In 2000, textile mills accounted for 12.5 percent of all workers affected by mass layoffs in manufacturing. By 2006, that figure had risen to 25.5 percent. Over the same time frame, Transportation Equipment increased from 14.4 percent to 21 percent.

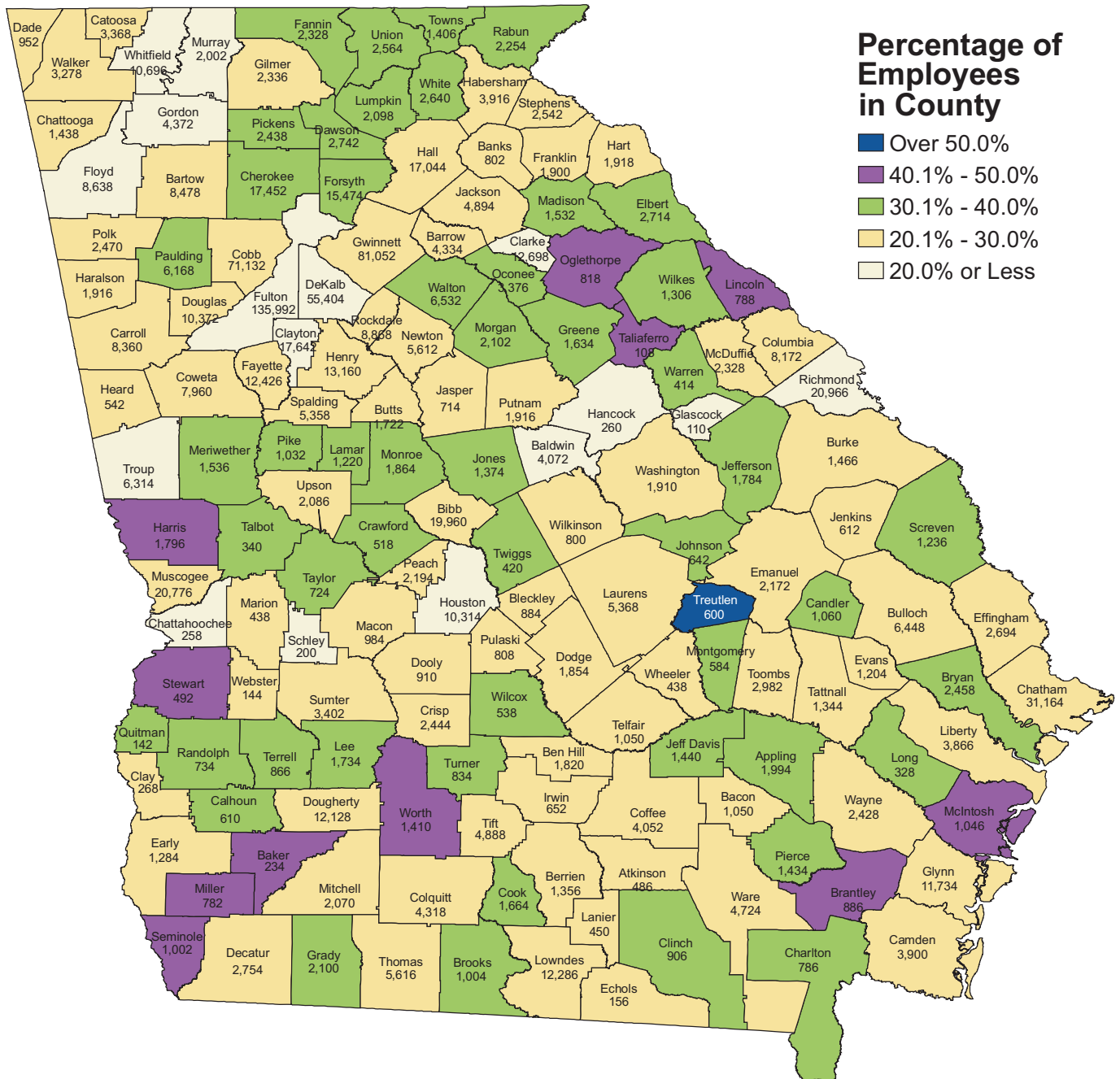
Percent Distribution of Private Sector Establishments and Employment by Size Class*



In 2006, the majority of Georgia privately-owned business establishments (59.4%) employed fewer than five employees, while accounting for 5.5 percent of total private employment for the state. Conversely, the bulk of employment (48.6%) was composed of establishments employing between 20-250 workers, or only 13 percent of total private businesses in the state.

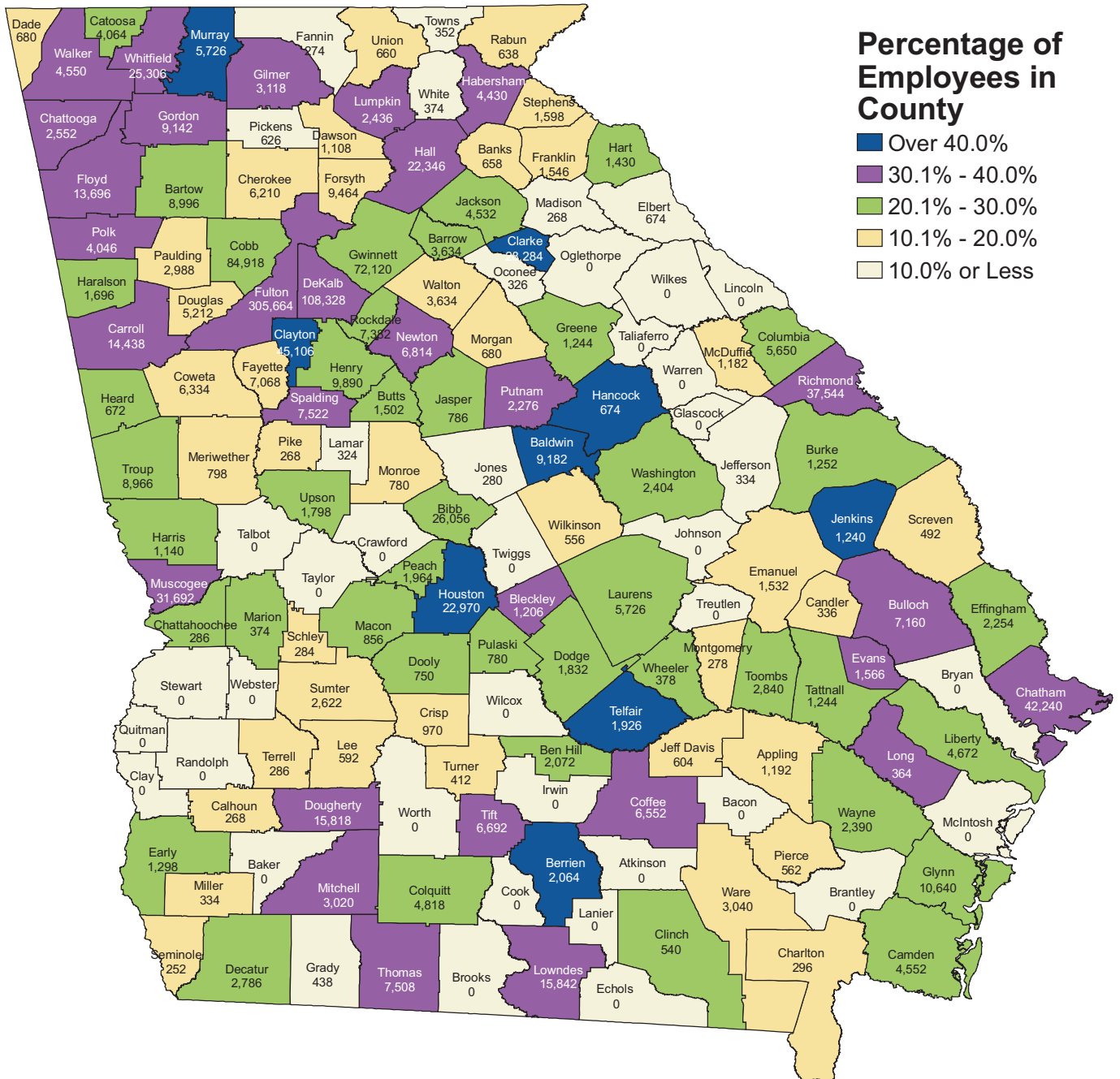
Percent Distribution of Private-Sector Establishments with 1 to 19 Employees

Fourth Quarter 2006

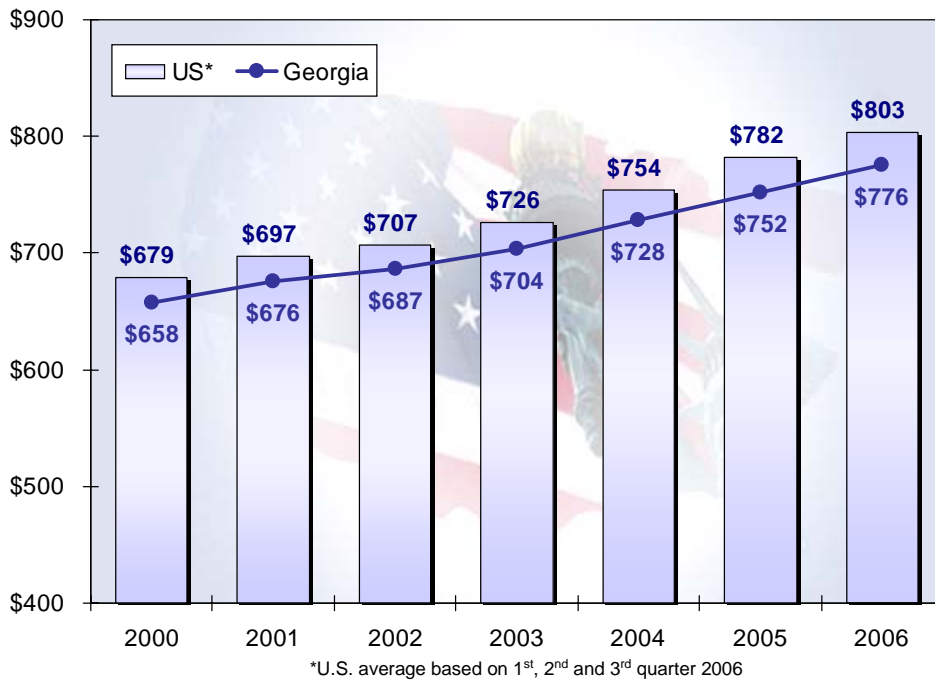


Percent Distribution of Private-Sector Establishments with 250 or More Employees

Fourth Quarter 2006

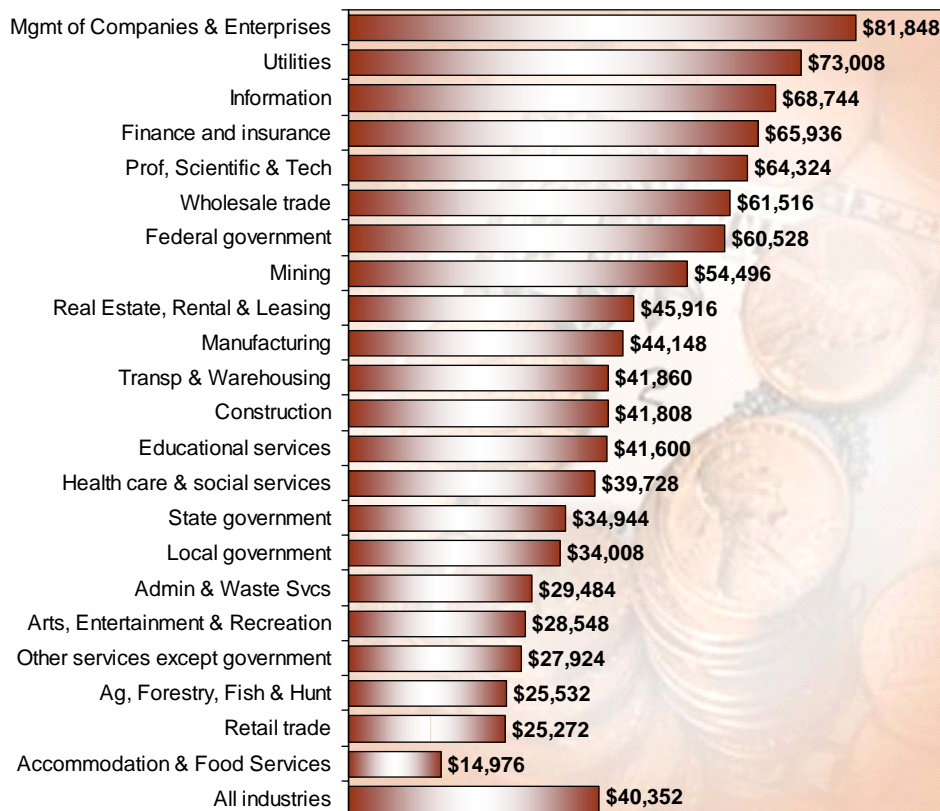


Average Weekly Wage All Industries 2000 - 2006



Data Source: U.S. Department of Labor and Georgia Department of Labor

Average Annual Wage by Industry 2006

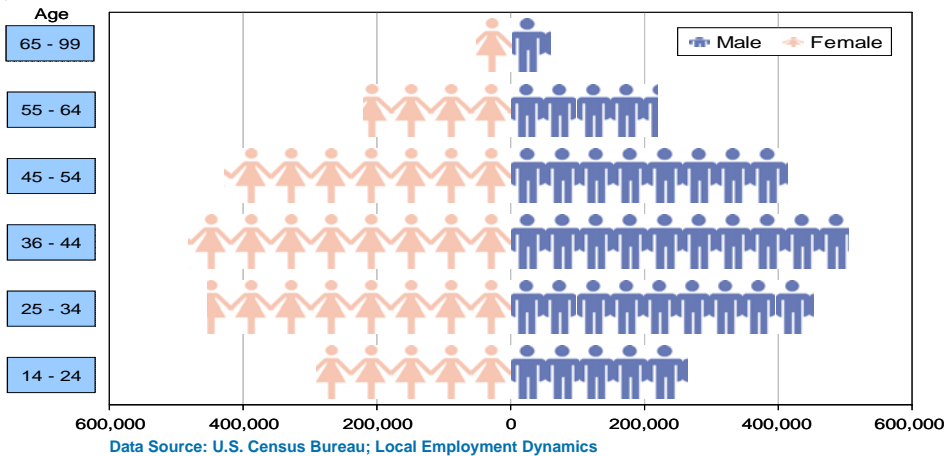


Data Source: Georgia Department of Labor

Georgia has averaged about twenty five dollars less in average weekly wage compensation than the U.S. during 2000 - 2006. In 2006, the state ranked twenty-first in the nation for weekly wage compensation just behind Arizona. The District of Columbia had the highest average weekly wage in the nation during 2006.

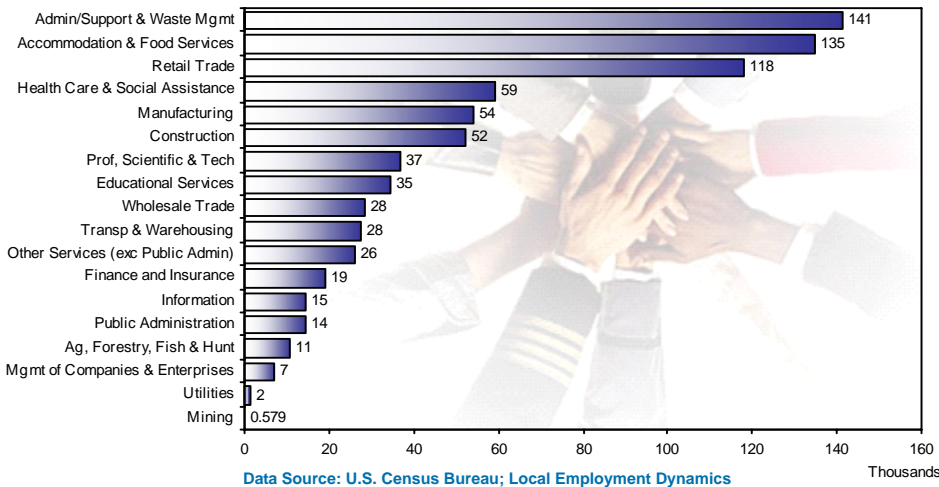
Annual wages by industry sector include all employment covered by unemployment insurance laws in Georgia. Generally, jobs with the highest rate of pay require postsecondary education, provide the greatest opportunities for advancement and offer greater geographic mobility. Many lower paying jobs are part-time and seasonal or temporary. In this graph, local education and hospitals are included in local government. State education and hospitals are included in state government.

Georgia Employment By Age Year Ending March 2006



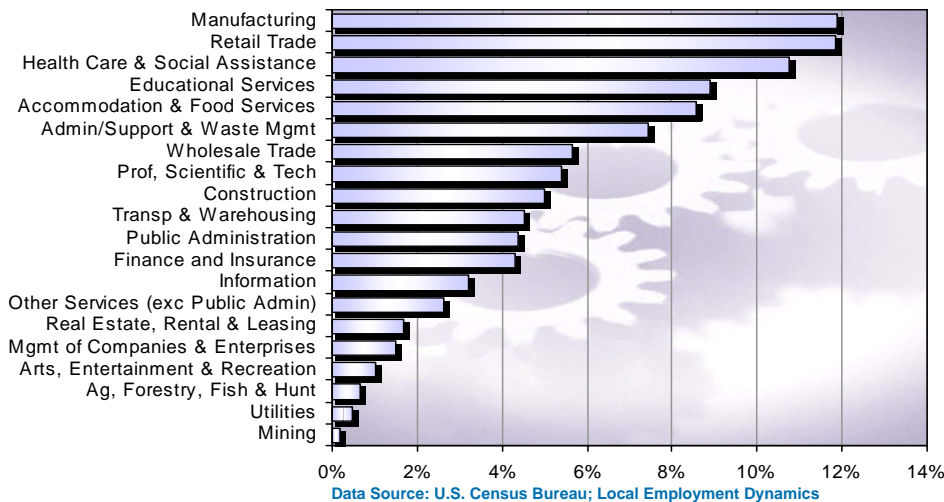
Unless older workers remain in the labor force beyond traditional retirement age, labor shortages will occur due to fewer numbers of young workers.

Georgia Separations by Industry Year Ending March 2006



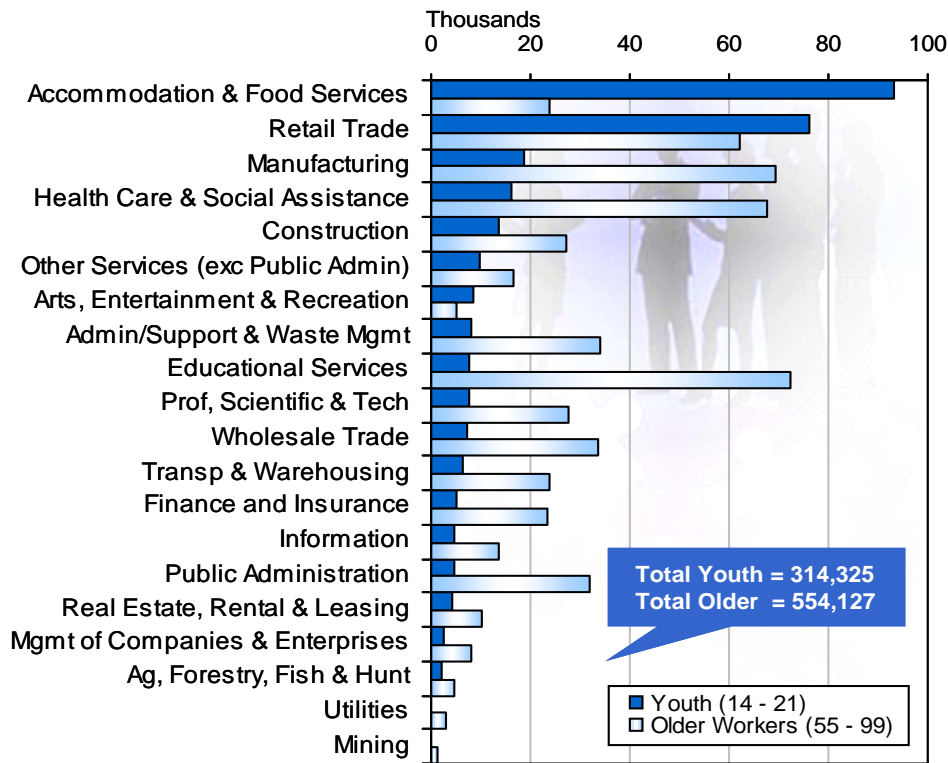
Workers separate from their jobs for various voluntary and involuntary reasons. The net effect of hirings and separations produces the net job gains (or job losses) that are commonly reported in labor market information.

Georgia Industry Employment Percentages Year Ending March 2006



Despite manufacturing losses exceeding 80,000 jobs since the year 2000, manufacturing continues to maintain prominence along with retail trade as Georgia's largest industry sectors. In these graphs attributed to the U.S. Census Bureau, public hospitals and public education are shown in Health Care and Social Assistance and Educational Services respectively rather than in Public Administration (government).

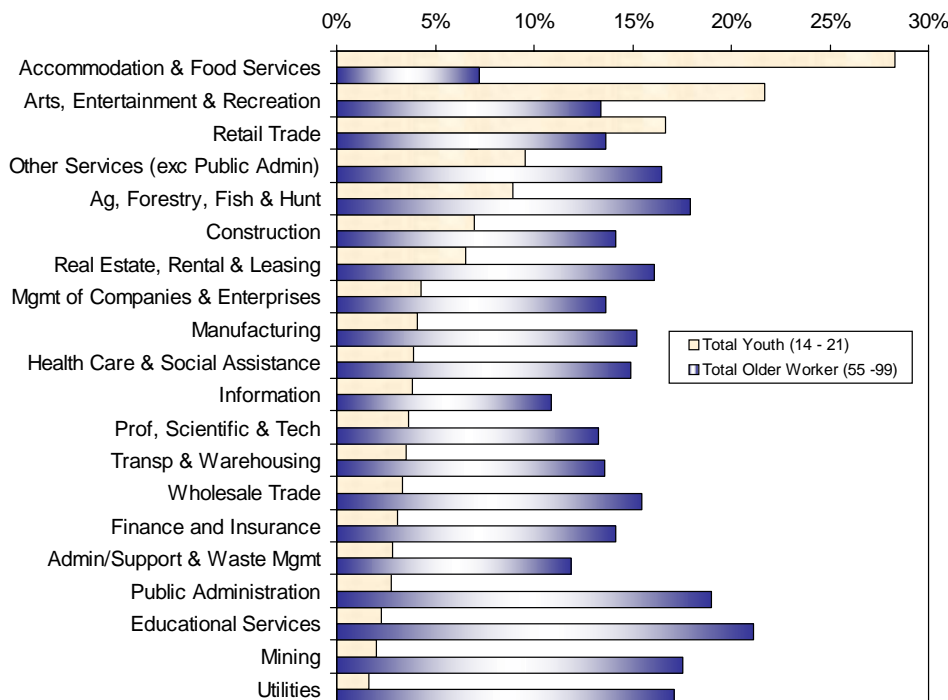
Where People Work in Georgia By Selected Age Groups: Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

More than half of all youth 14-21 work in either Accommodation & Food Services or Retail Trade. These industry sectors have large numbers of entry level occupations along with part-time, seasonal and temporary jobs. With the exception of Retail Trade, industries with largest numbers of older workers have relatively few young workers.

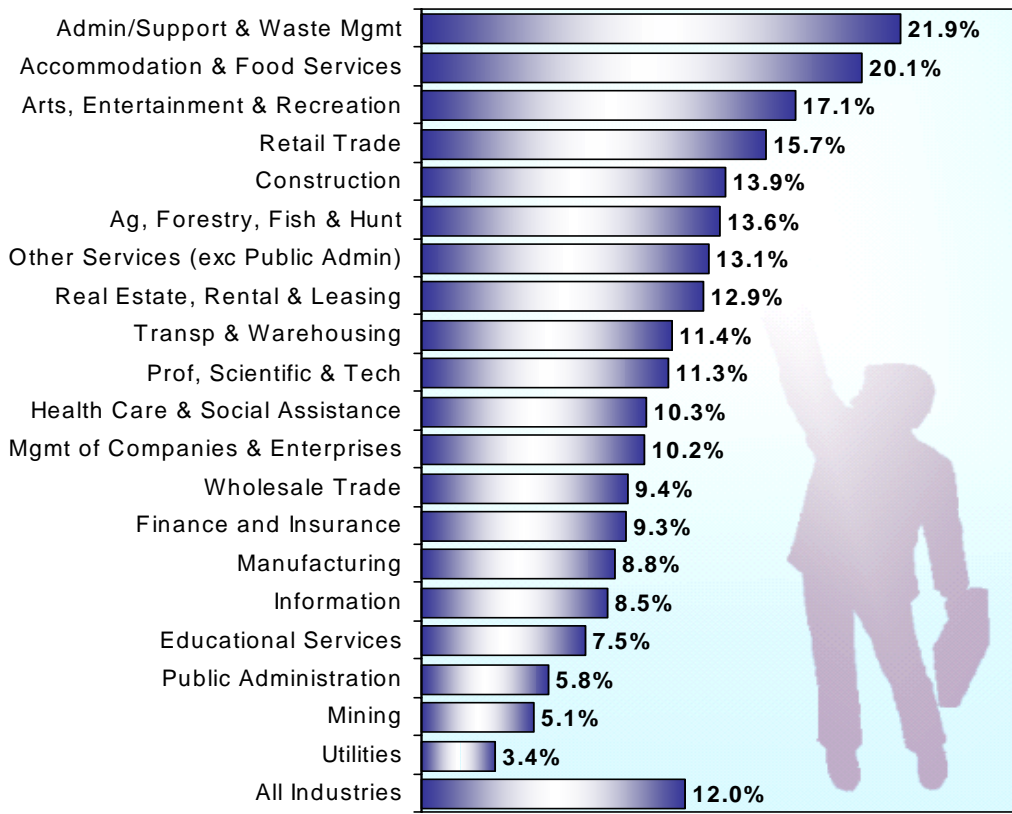
Selected Age Groups as a Percentage of Industry Employment: Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

Educational Services not only has the largest number of older workers, it is also the most heavily concentrated with workers 55 and over, along with Public Administration. Many industry sectors face the possibility of significant numbers of workers reaching retirement age over the next several years.

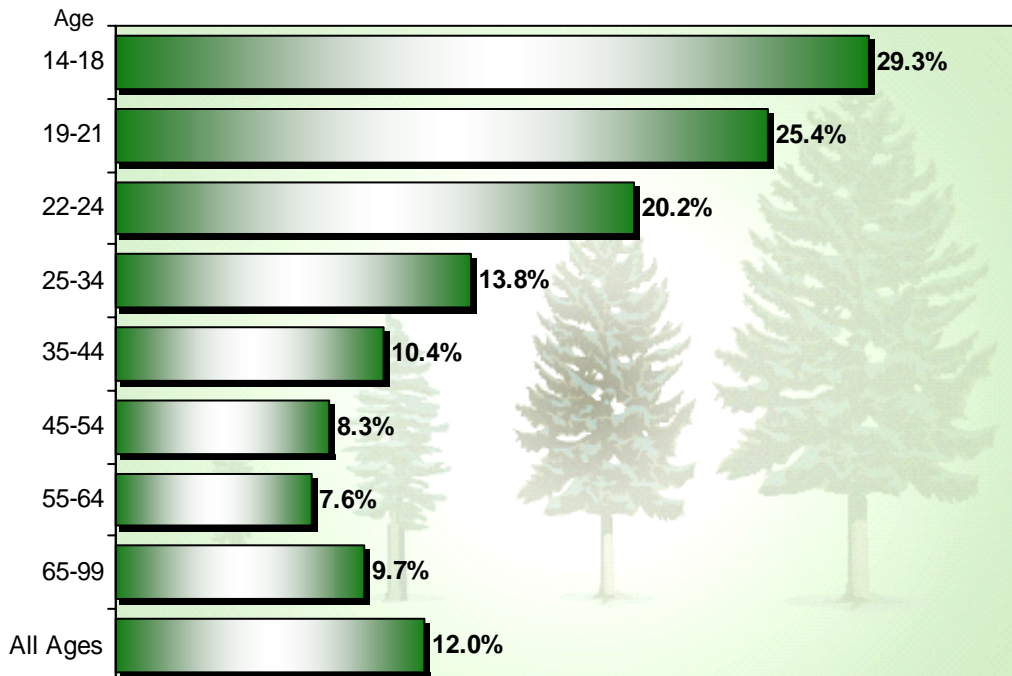
Turnover Rates by Industry Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

In Georgia the industry sector with the highest turnover rate includes the Employment Services sub-sector, which by its nature offers many temporary job opportunities. The next three industry sectors exhibit distinct seasonal trends. Construction also has seasonal trends along with many project-based jobs of limited duration.

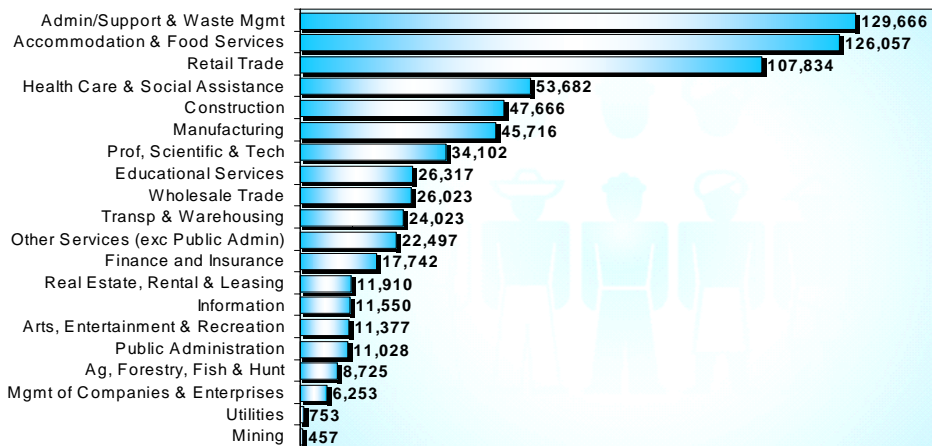
Turnover By Age Group Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

As would be expected, younger workers have higher turnover rates. However, older workers today and in the future are likely to retire from one career and begin another.

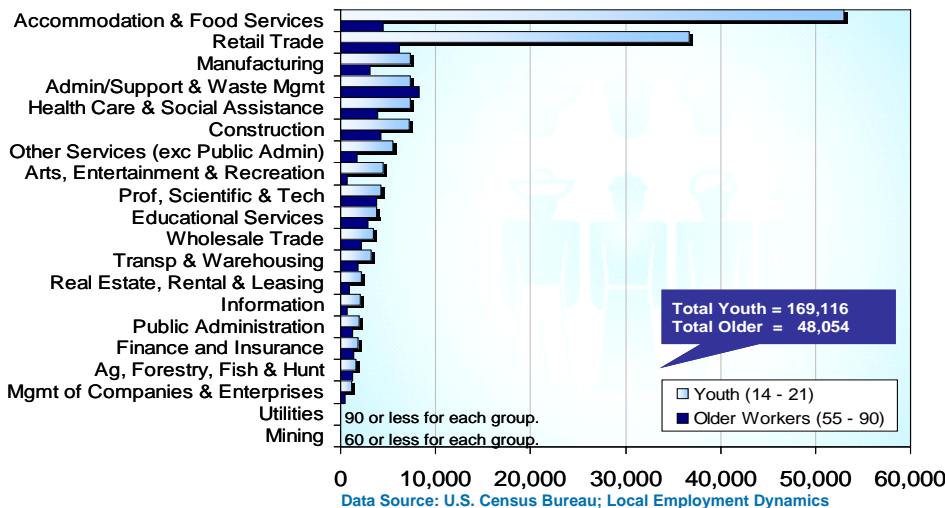
New Hires in Georgia Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

New hires by industry closely resemble separations by industry on page 15. These large numbers of new hires illustrate the amount of churning or simultaneously creating and eliminating jobs that occurs in today's job market. New hires in this graph do not include seasonal workers that leave and return to the same employer year after year.

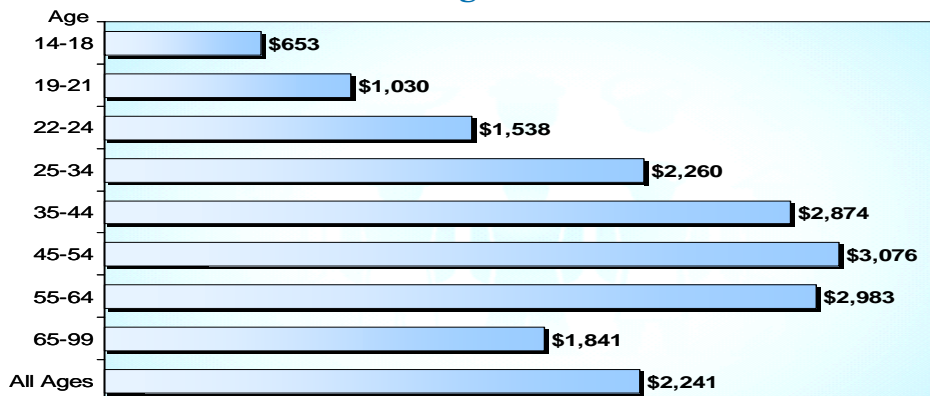
New Hires in Georgia By Selected Age Groups Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

Turnover rates account for the large number of youth new hires even though there are many more older workers in the labor force.

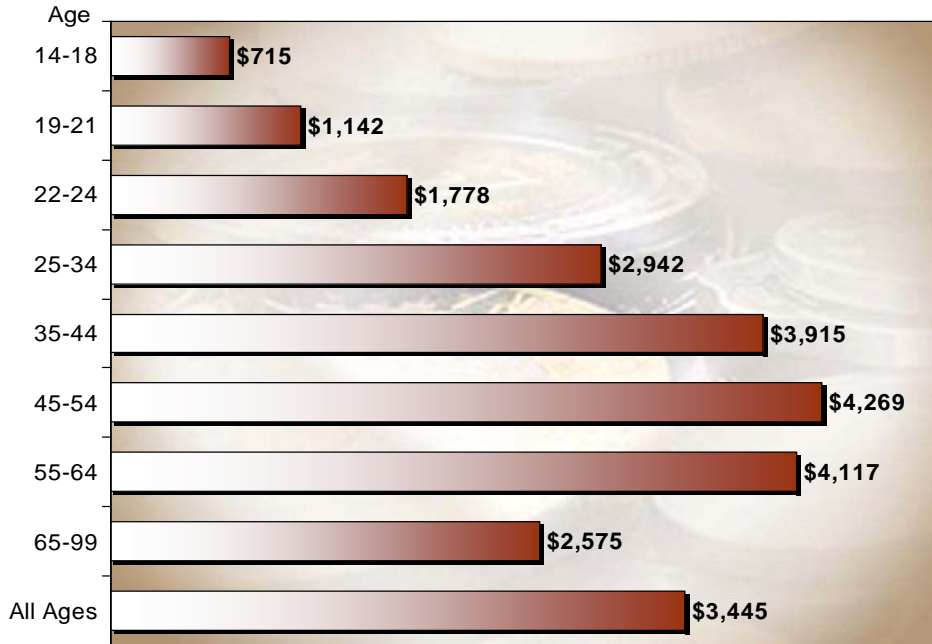
New Hires in Georgia Monthly Earnings By Age Groups Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

Similar to turnover rates by age group, new hire earnings by age offer no surprises. Lower earnings in the younger age cohorts and the oldest cohort result from part-time and temporary employment.

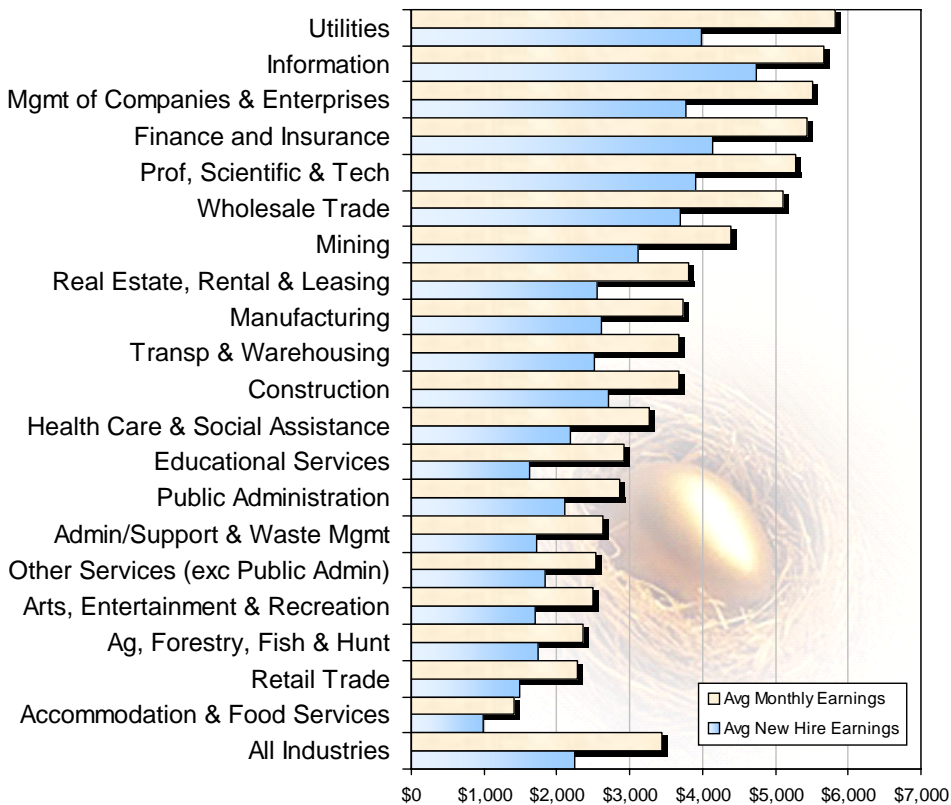
Georgia's Monthly Earnings By Age Groups Year Ending March 2006



Data Source: U.S. Census Bureau; Local Employment Dynamics

In Georgia average monthly earnings for the two youngest age cohorts barely exceed their new hire earnings by \$100 per month. As previously reflected, high turnover rates for youth explain this small variation in earnings.

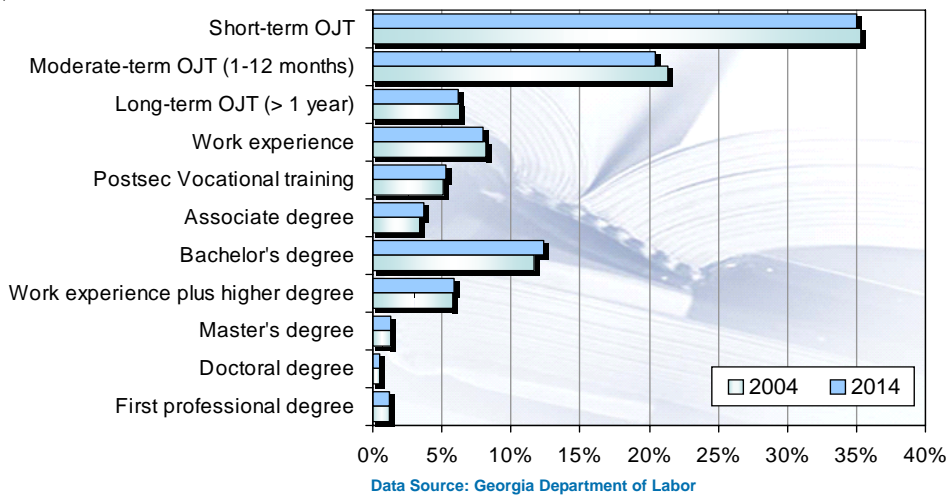
Georgia's Average Monthly & New Hire Earnings Year Ending March 2006



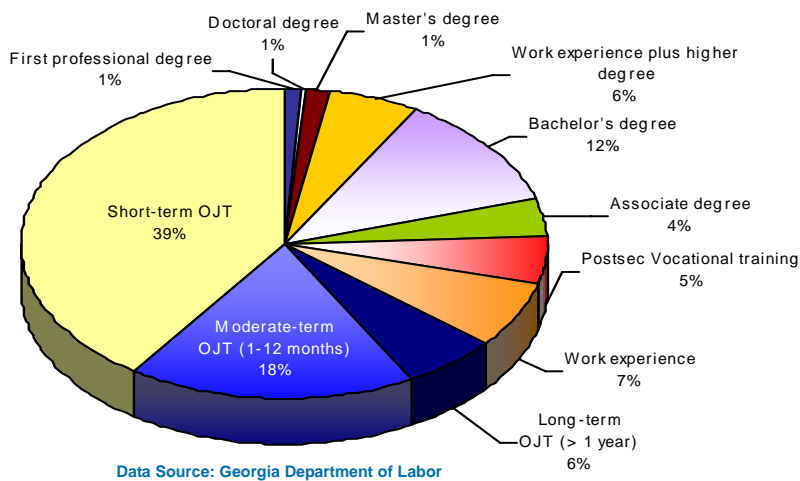
Data Source: U.S. Census Bureau; Local Employment Dynamics

Seven of the top ten industries with the highest monthly earnings are also seven of the smaller industry sectors in Georgia. Professional, Scientific & Technical, Wholesale Trade and Manufacturing, however, are among Georgia's largest industries that also pay above average wages.

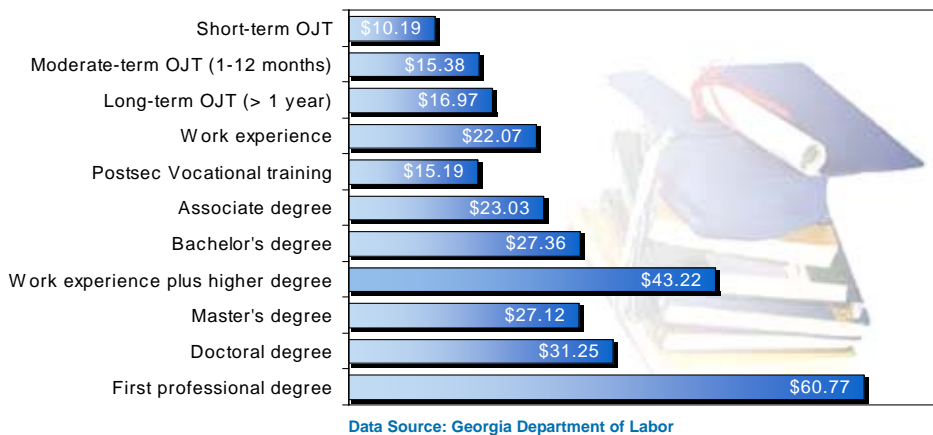
Percentage of Jobs by Education/Training 2004 - 2014



Percentages of Annual Openings by Education/Training Levels 2004 - 2014



Average Hourly Wage by Education/Training Level 2006



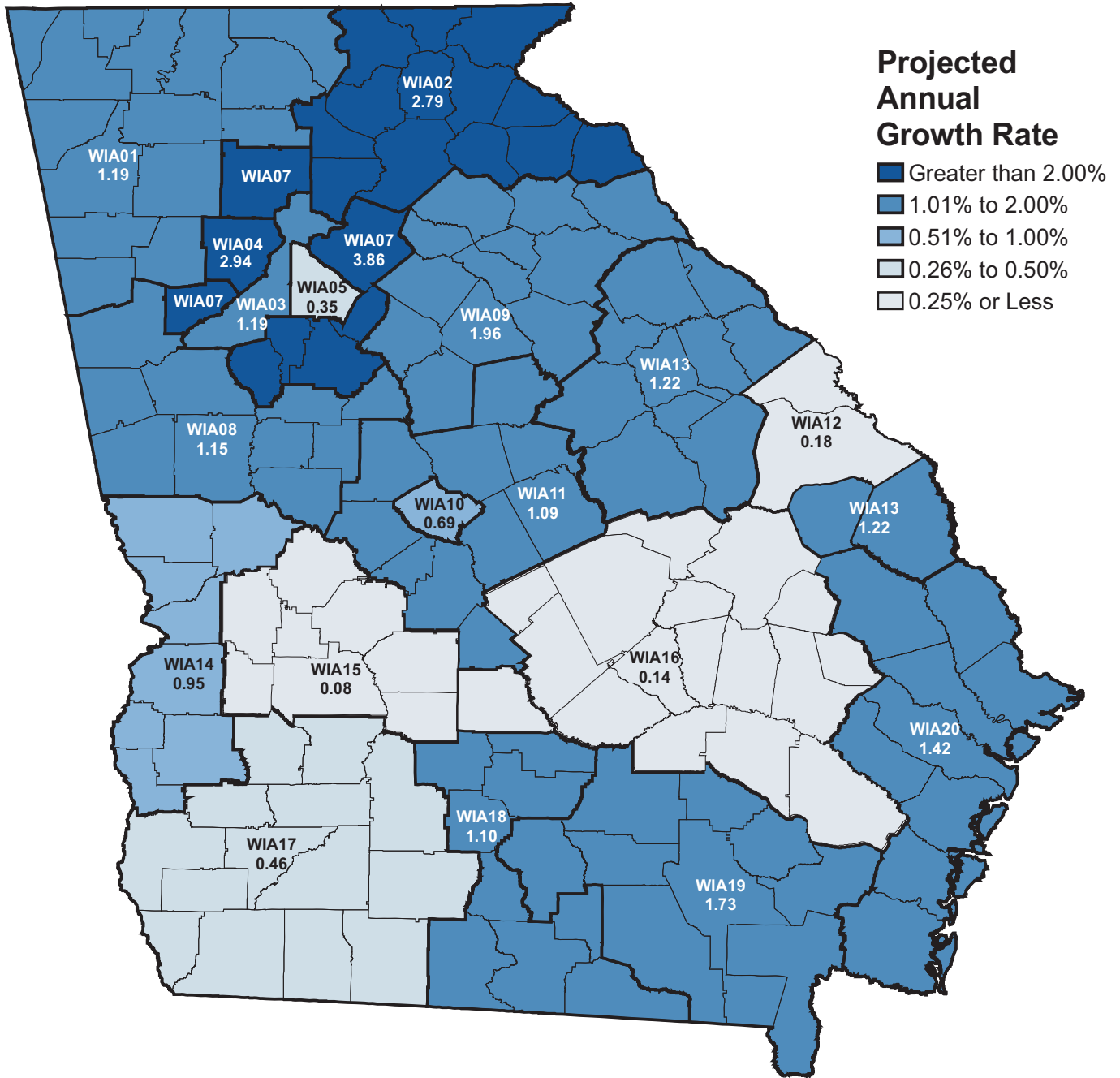
It is expected that by the year 2014 all occupational groups that require some postsecondary education will see their share of jobs increase or remain the same over 2004 employment levels. All occupational groups that do not require any formal education beyond high school will see their shares of total jobs decrease over the same period.

Occupations requiring short- and moderate-term on-the-job training will generate the majority of all job openings over the projection period, largely because of employee turnover. All occupational groups requiring some postsecondary education will have more job openings from business expansion than from turnover.

In general, the more education and training that a worker has, the higher the average wage. As seen in the graph to the left, occupational groups requiring postsecondary education and training are among the highest paid. Occupational groups that do not require any formal education beyond high school are generally among the lowest paying.

Long-Term Employment Projected Annual Growth Rate by Workforce Investment Area

2004 to 2014



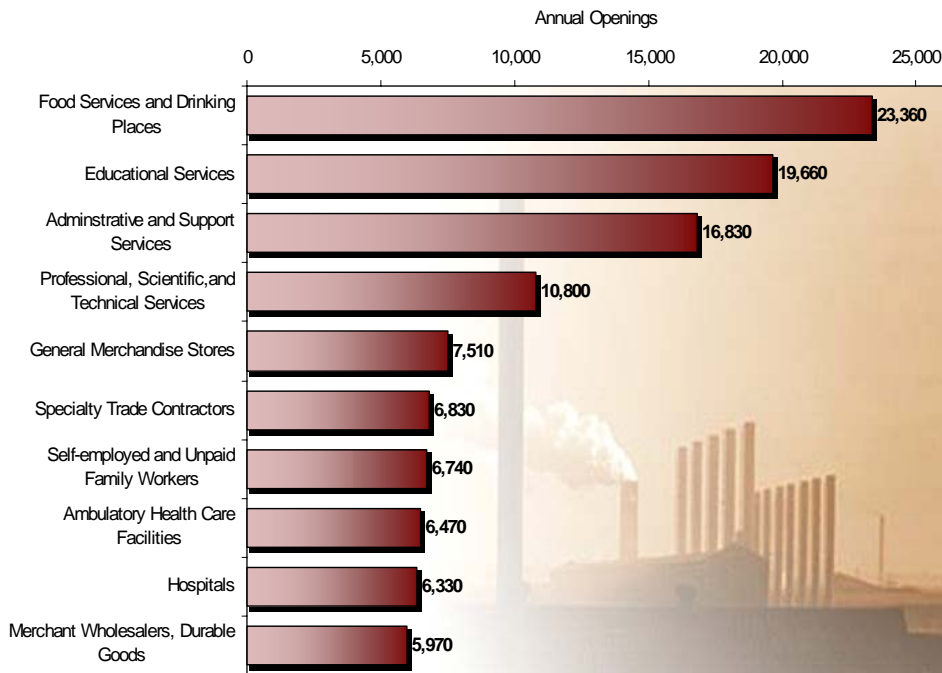
Long-Term Employment Projections by Workforce Investment Areas 2004 - 2014

Workforce Investment Act Area	Base Year Employment	Projected Employment	Change in Employment
WIA #1- NW Georgia	295,810	332,850	37,040
WIA #2- GA Mountains	209,630	276,050	66,420
WIA's #3 & #6 - City of Atlanta & Balance of Fulton Co.	763,450	859,430	95,980
WIA #4 - Cobb County	333,390	445,590	112,200
WIA #5 - DeKalb County	315,770	326,980	11,210
WIA #7 - Atlanta Regional	654,290	955,240	300,950
WIA #8 - West Central GA	162,860	182,630	19,770
WIA #9 - NE Georgia	185,460	225,160	39,750
WIA #10 - Macon/ Bibb County	89,040	95,210	6,170
WIA #11 - Middle GA	111,270	124,010	12,720
WIA #12 - Richmond & Burke Counties	118,370	120,530	2,160
WIA #13 - East Central GA	65,890	74,410	8,520
WIA #14 - Lower Chattahoochee	118,010	129,710	11,700
WIA #15 - Middle Flint	38,720	39,030	310
WIA #16 - Heart of GA/Altamaha	98,850	100,250	1,400
WIA #17 - SW Georgia	148,180	155,010	6,830
WIA #18 - South GA	99,940	111,430	11,490
WIA #19 - SE Georgia	58,890	68,400	9,510
WIA #20 - Coastal GA	262,170	301,660	39,490

With the exception of the Coastal Georgia Workforce Investment Area, (WIA #20), all WIA areas with employment levels over 200,000 in 2004 were in north Georgia.

Fueled largely by the phenomenal growth in employment in Gwinnett County, the Atlanta Regional area, (WIA #7), will forge ahead of the two Fulton County WIA's to become the state's largest by 2014. In addition, the Northwest Georgia area, (WIA #1), will surpass the DeKalb WIA to become the 4th largest by 2014. Middle Flint (WIA#15) will remain the smallest area, with projected growth slightly above 300 in the ten year period. In contrast, the Atlanta Regional area (WIA#7) will grow by over 300,000, nearly reaching one million in employment.

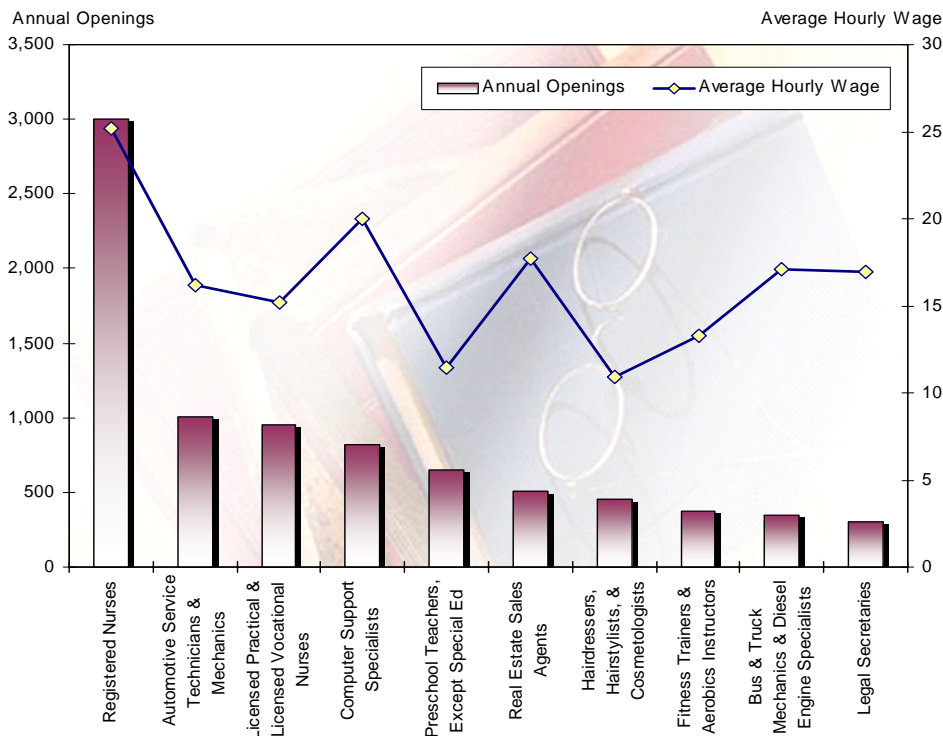
Top Ten Industries with the Most Annual Openings, 2006 - 2007



Industries from almost all of the major industrial sectors are represented in this list. With the exception of specialty trade contractors, all of them are in the services-providing sectors. This is expected since more than 94 percent of Georgia's job growth during this period will be in the services-providing areas.

Georgia's Top Ten Jobs by Most Expected Annual Openings for 2006 - 2007

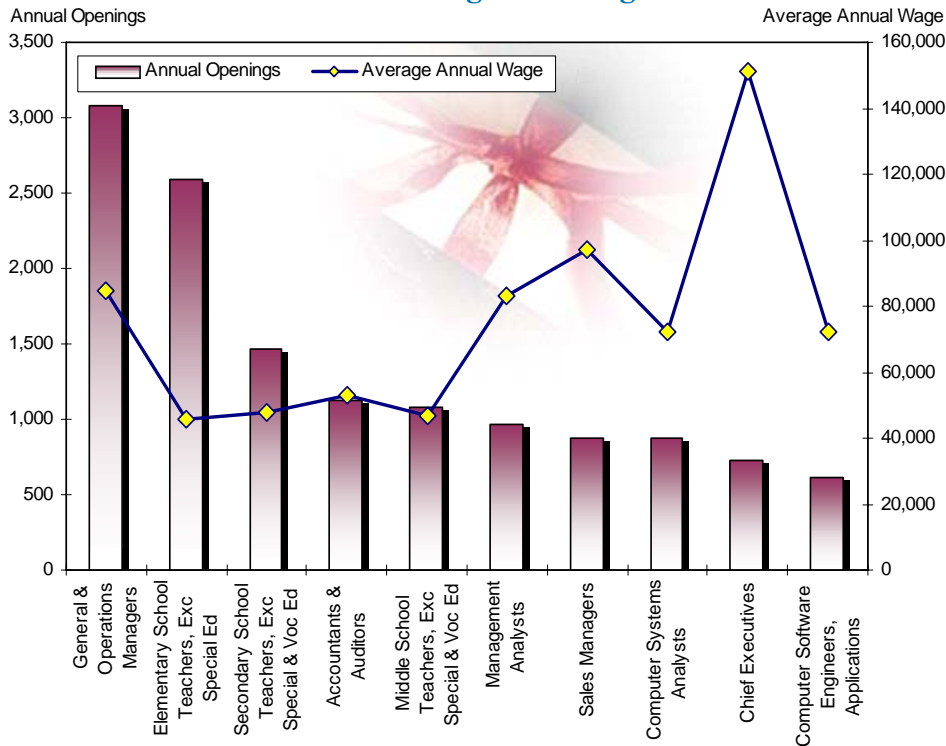
Associate's Degree or Postsecondary Vocational Training



The annual openings for jobs requiring an associate's or postsecondary vocational training at this job preparation level are dominated by registered nurses, the ninth most in-demand occupation in Georgia. Average hourly wages run from a high of \$25.20 for registered nurses to a low of \$10.95 for hairdressers and cosmetologists.

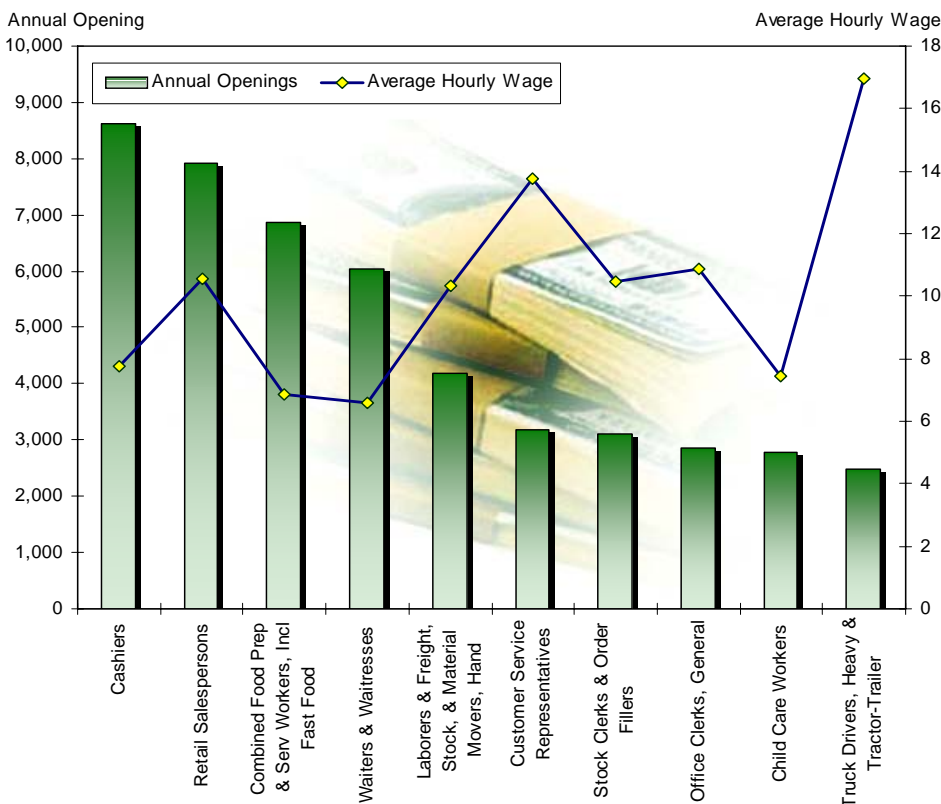
Georgia's Top Ten Jobs by Most Expected Annual Openings

Bachelor's Degree or Higher



General & operations managers lead the list of most in-demand jobs at this job preparation level. However, when all K-12 school teachers are considered as a group, their annual job openings outnumber those for general & operations managers. Each of these occupations paid more than the state-wide annual average in 2006.

Long-term, Moderate-term, or Short-term On-The-Job Training



Generally occupations on this list require limited education and training. As such, the majority of their annual openings will come from high employee turnover, as a result of their entry level nature and the relatively low average wages in these jobs.