

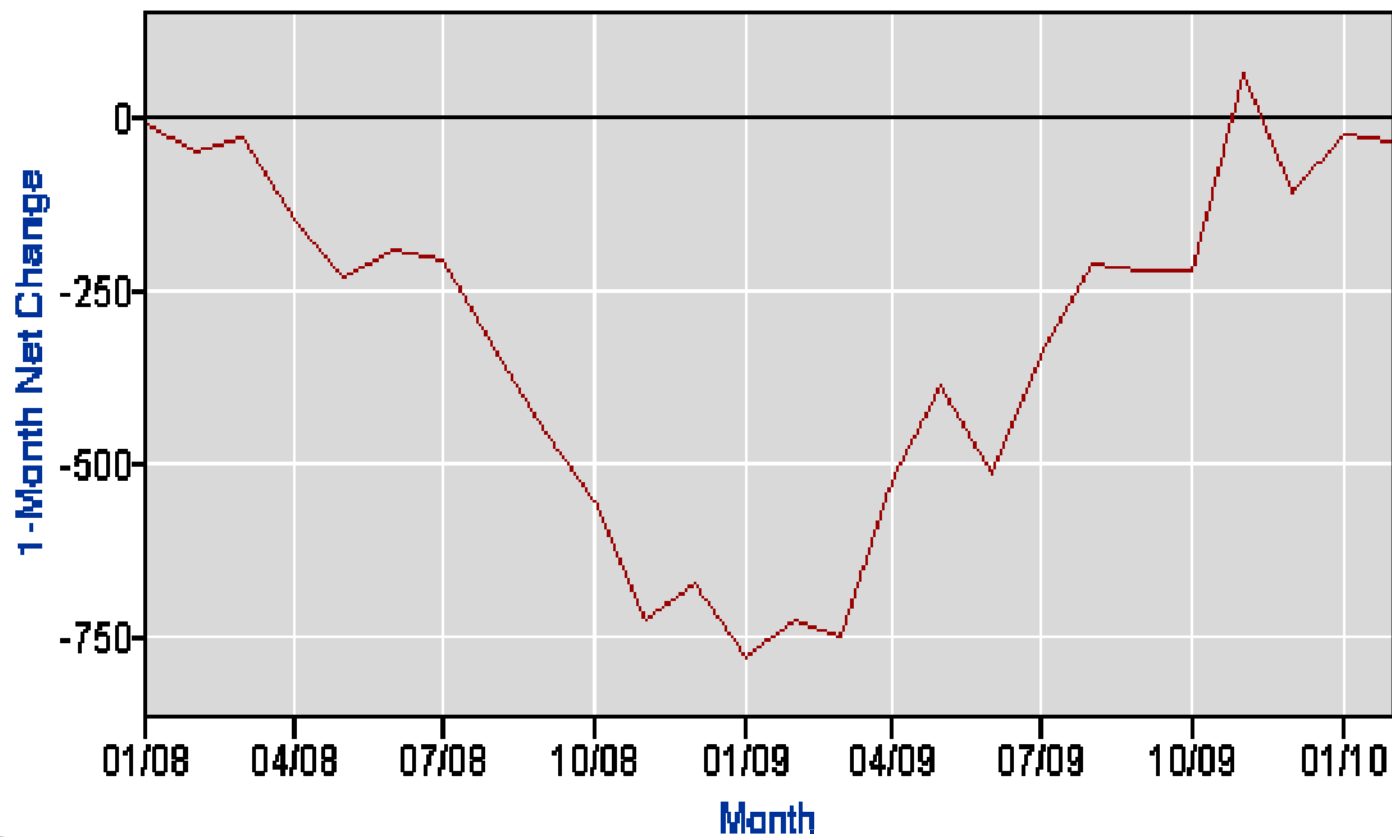
Stimulus, Jobs, and Data: Impact and Next Steps



Local Employment
Dynamics in Action

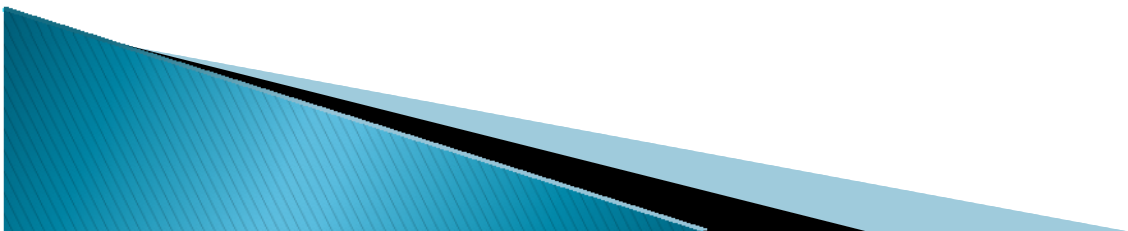
Dr. Edward Montgomery, Executive Director
Office of Recovery for Auto Communities and Workers
LED Partnership Workshop
March 11, 2010

Since March a reversal from the hemorrhaging of jobs



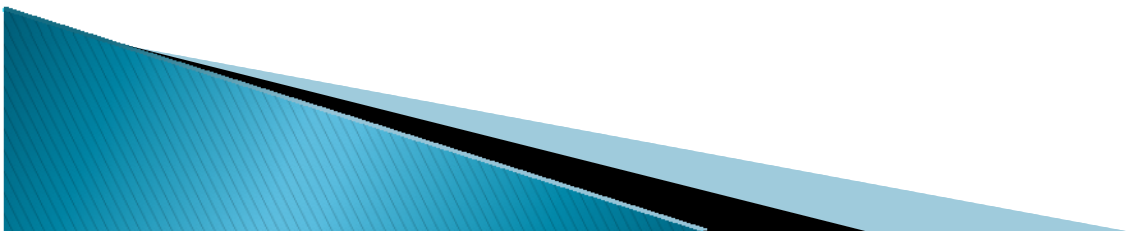
2010 Update

- ▶ Financial Stability Plan
 - Restore confidence in the strength of U.S. financial institutions
 - Restart markets critical to financing American households and businesses
 - Address housing market problems and the foreclosure crisis
- ▶ American Recovery and Reinvestment Act of 2009 \$787 billion investment
 - \$288 Billion to give 95 percent of American workers an immediate tax cut
 - \$275 Billion in contracts and grants
 - \$224 Billion for State Aid and income supports
- ▶ Reports from CBO estimates up to 1.6 million jobs created or saved through Recovery Act

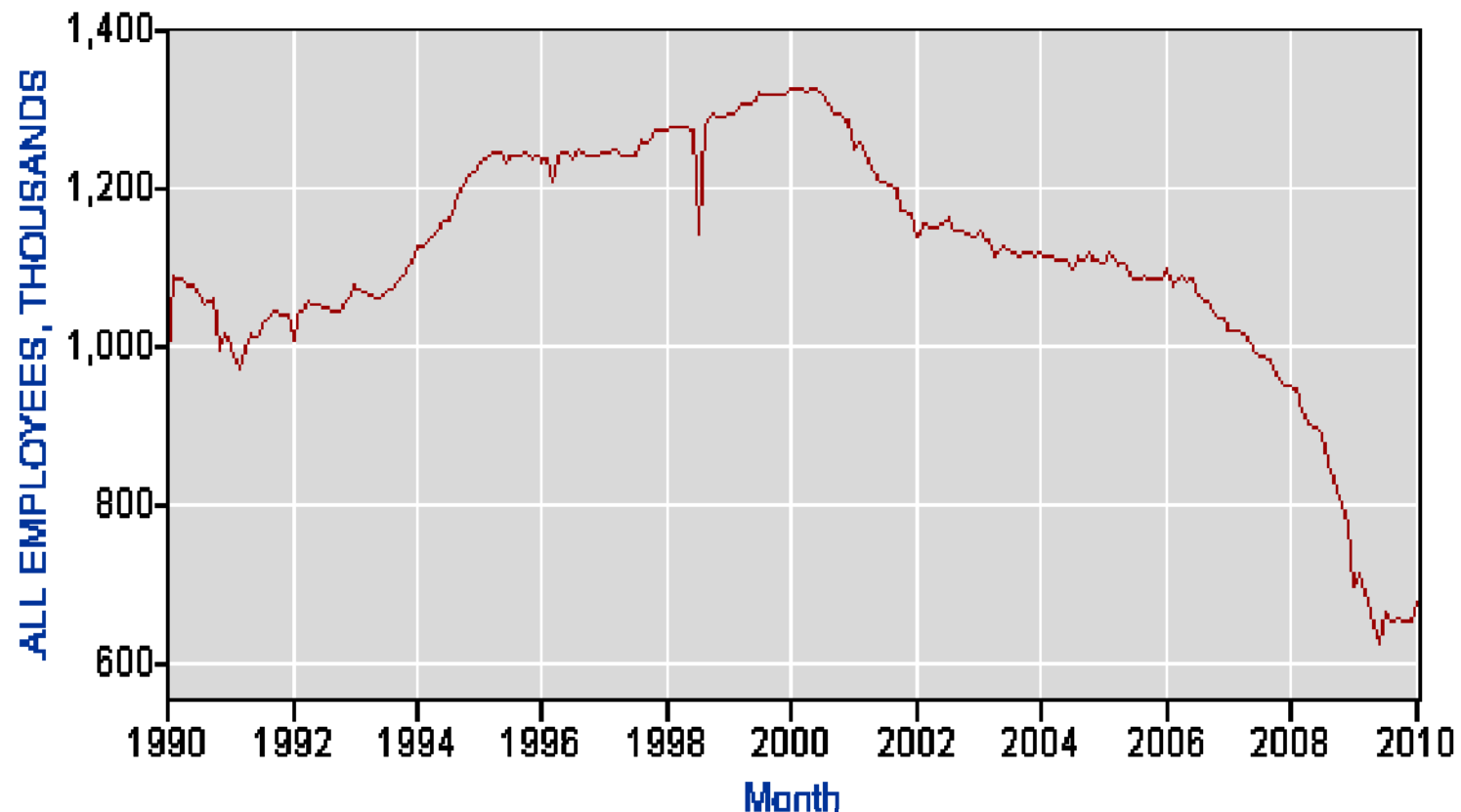


Economic Context in Auto Communities

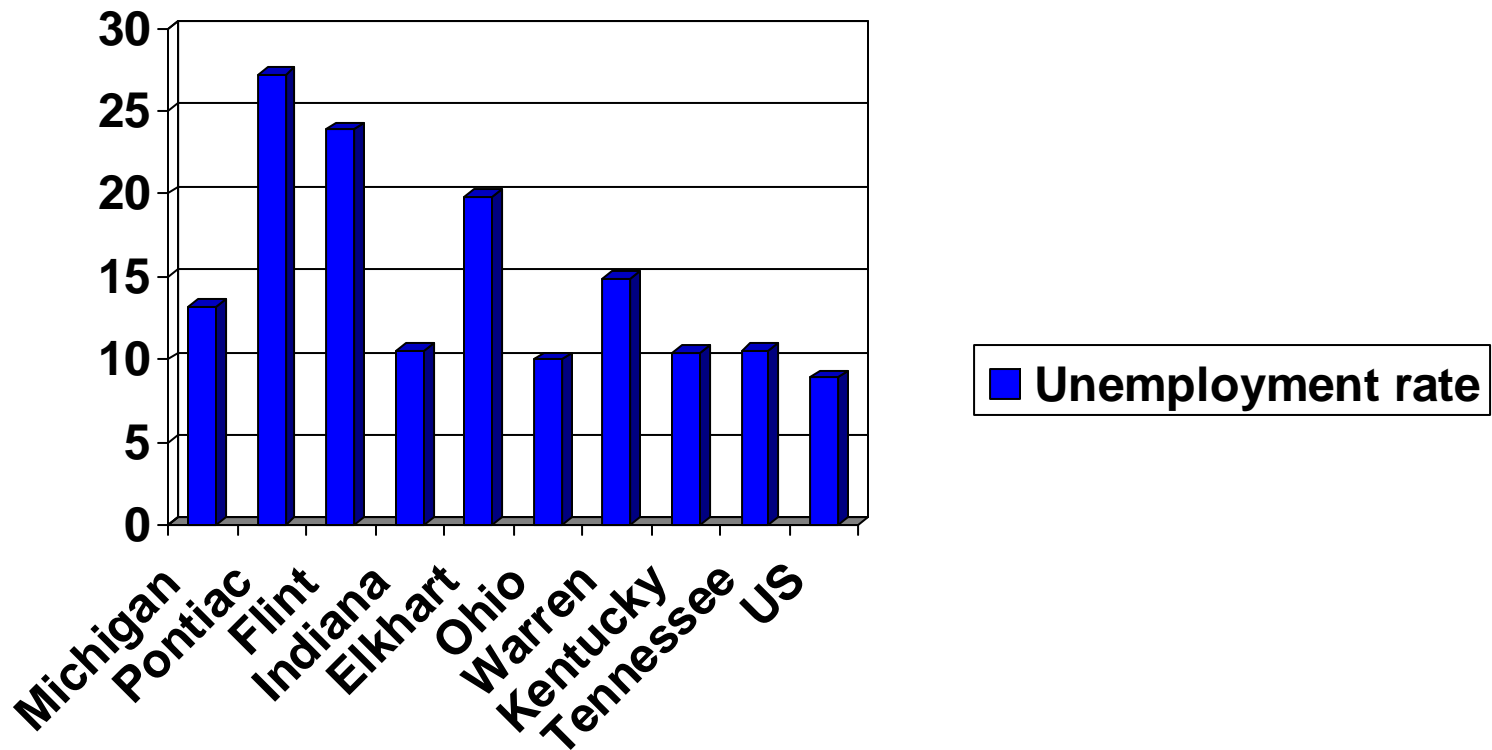
- ▶ Motor vehicle sales dropped to a 9.5 million unit rate in January.
- ▶ Motor vehicle production was cut to the lowest level since at least 1967, and
- ▶ Chrysler and GM requested Federal government help to stay in business.



Motor Vehicle and Part Manufacturing faced a decade long decline before the collapse

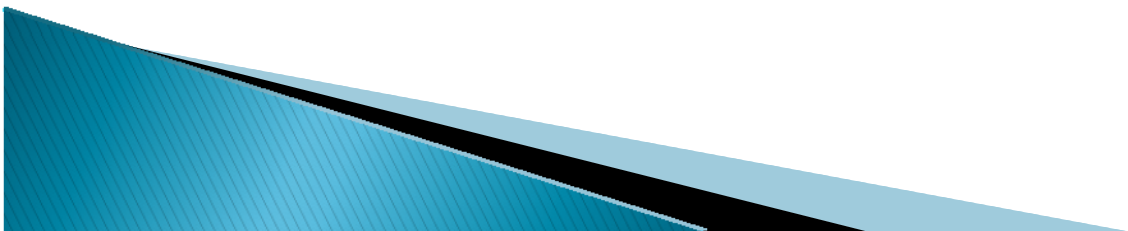


April 2009 Unemployment Rates



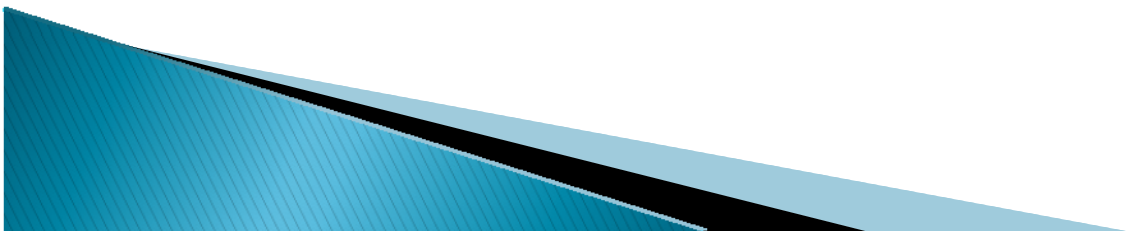
Response: White House Council on Auto Communities and Workers

- ▶ Created by Presidential Executive Order on June 23, 2009
 - Use resources of Recovery Act to help auto communities
 - Cut red tape
 - Coordinate multi-agency effort in partnership with state/local governments, foundations, and private sector
 - Bring support to businesses, workers, and communities



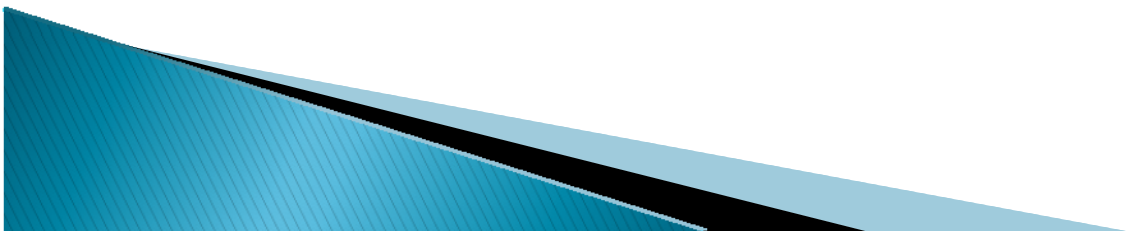
Support for Communities, Business and Workers

- ▶ Communities: EDA, EPA Brownfields, NSP, Treasury Recovery Zone Bonds
- ▶ Business: DOE, SBA, MEP, tax credits, Cash for Clunkers
- ▶ Workers: DOL NEG, TAA, Green Jobs grants, UI, and Dept of Education's AGI



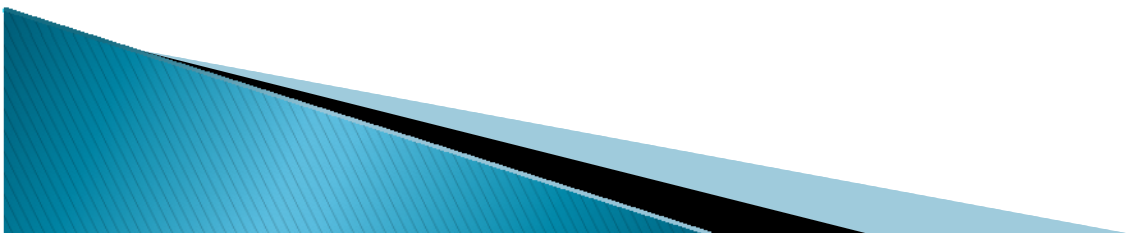
Key Insights

1. There is no silver bullet solution.
2. Transitions in the past have often taken decades.
3. Communities, companies, workers face a choices about how to respond in the current economic environment.
4. Lessons learned in auto communities and states will be relevant to other communities in transition.



Moraine, Ohio Visit

- ▶ In February, visited City of Moraine, OH
- ▶ Brought multiple federal agencies to discuss how each could advance a recently-completed CEDS plan.
- ▶ This is where data are critical, and LED could play a key role in informing strategic decisions.
- ▶ *Examples of how our office can utilize LED ahead of a regional visit*



Preparing for the Visit: Quarterly Workforce Indicators

U.S. Census Bureau
Local Employment Dynamics All About Jobs

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[CED HotReports](#) [QWI Online](#) [OnTheMap](#) [Industry Focus](#) [Case Studies and Examples](#)

Print Search

QWI Online [NAICS]

LEHD State of Ohio County Reports - Quarterly Workforce Indicators
Select Criteria below. A new report will be created below as selections change.

Year: 2009 Geographic Grouping: County or [Information by Detailed Industry](#)
Quarter: Q1 County: 113 Montgomery
Sex: Male and Female Industry: All NAICS Sectors
Age Group: 14-99 Ownership: All(1-5)

[Download Dataset](#) [Print Table](#)

QWI Quick Facts	Montgomery (Q1)	Montgomery (Avg. Selected + 3 Prior qtrs)	Ohio (Q1)	Ohio (Avg. Selected + 3 Prior qtrs)
① Total Employment	239,399	250,480	4,854,890	5,054,571
② Net Job Flows	-1,714	-1,414	-120,093	-24,700
③ Job Creation	11,035	12,305	188,899	269,163
④ New Hires	21,966	32,380	445,929	673,162
⑤ Separations	31,255	42,665	698,629	888,526
⑥ Turnover	8.1%	8.8%	8.4%	9.2%
⑦ Avg Monthly Earnings	\$3,410.00	\$3,534.75	\$3,419.00	\$3,479.00
⑧ Avg New Hire Earnings	\$1,909.00	\$2,133.75	\$1,802.00	\$2,074.75

[View Detailed Comparison Reports](#)
[For more information](#)

Age Group = 14-99; County = 113 Montgomery; Geographic Grouping = county; Industry = All NAICS Sectors; Owner = All(1-5); Quarter = Q1; Sex = Male and Female; State = Ohio; Year = 2009;

Preparing for the Visit: Transportation Equipment Dynamics

QWI Online [NAICS] - Mozilla Firefox

http://lehd.did.census.gov/lehd/datatools/qwiapp.html

QWI Online [NAICS]

LEHD Ohio Industry Reports - Quarterly Workforce Indicators

Geographic Reports: County | Metro | WIA

Top Level Industry Reports: County | Metro | WIA

Back to County 31-33 Manufacturing

More NAICS data code

Select	data code	Description
<input checked="" type="radio"/>	336	Transportation Equipment Manufacturing
<input type="radio"/>	3361	Motor Vehicle Manufacturing
<input type="radio"/>	3362	Motor Vehicle Body and Trailer Manufacturing
<input type="radio"/>	3363	Motor Vehicle Parts Manufacturing
<input type="radio"/>	3364	Aerospace Product and Parts Manufacturing
<input type="radio"/>	3365	Railroad Rolling Stock Manufacturing
<input type="radio"/>	3366	Ship and Boat Building
<input type="radio"/>	3369	Other Transportation Equipment Manufacturing

Name: 2009
Quarter: Q1
AgeGroup: 14-99
Sex: Male and Female
Ownership: All(1-5)
County: 113 Montgomery

Download Dataset | Print Table

QWI Quick Facts	Transportation Equipment Manufacturing (Q1)	Transportation Equipment Manufacturing (Avg.Selected + 3 Prior qtrs)	All NAICS subsectors (Q1)	All NAICS subsectors (Avg.Selected + 3 Prior qtrs)
Total Employment	3,115	4,271	239,399	250,490
Net Job Flows	-830	-596	-1,714	-1,414
Job Creation	N/A	N/A	11,035	12,305
New Hires	20	281	21,966	32,380
Separations	889	1,274	31,255	42,665
Turnover	18.8%	12.1%	8.1%	8.8%
Avg Monthly Earnings	\$3,330.00	\$3,904.00	\$3,410.00	\$3,534.75
Avg New Hire Earnings	\$2,651.00	\$4,602.00	\$1,909.00	\$2,133.75

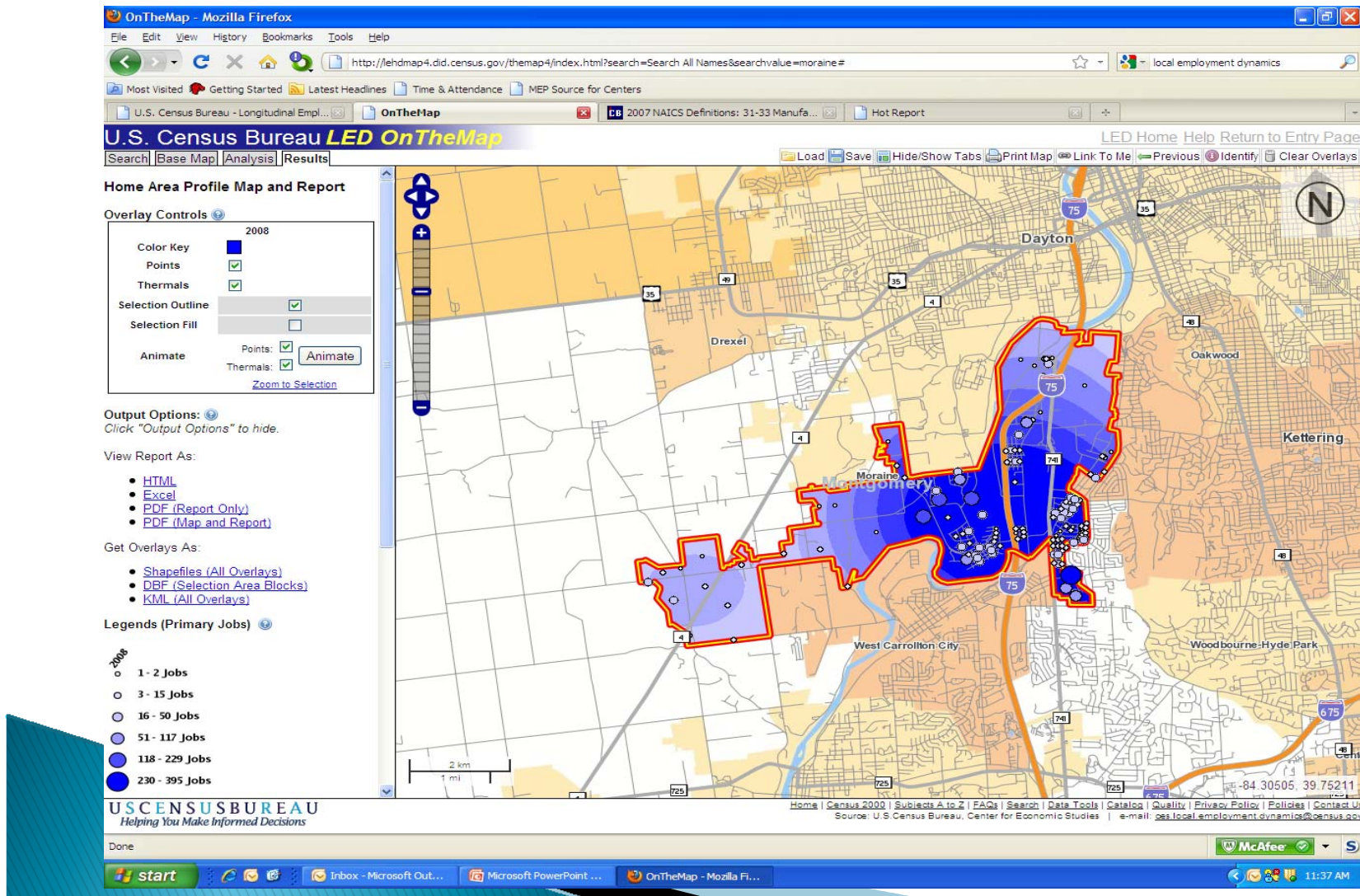
View Detailed Comparison Reports

For more information

Done

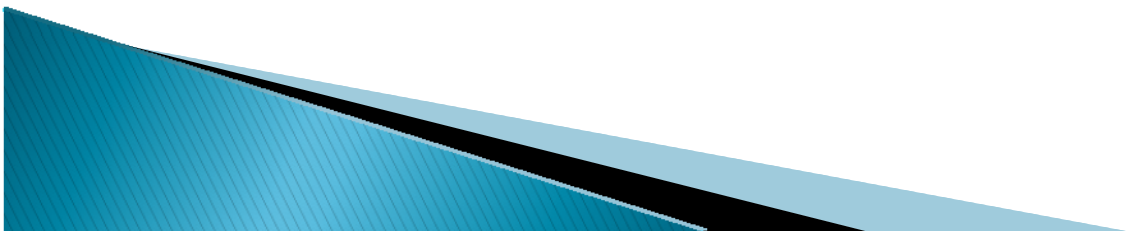
start | Inboxes - Microsoft Out... | Microsoft PowerPoint ... | QWI Online [NAICS] ... | 11:34 AM

Preparing for the Visit: Commuting Patterns

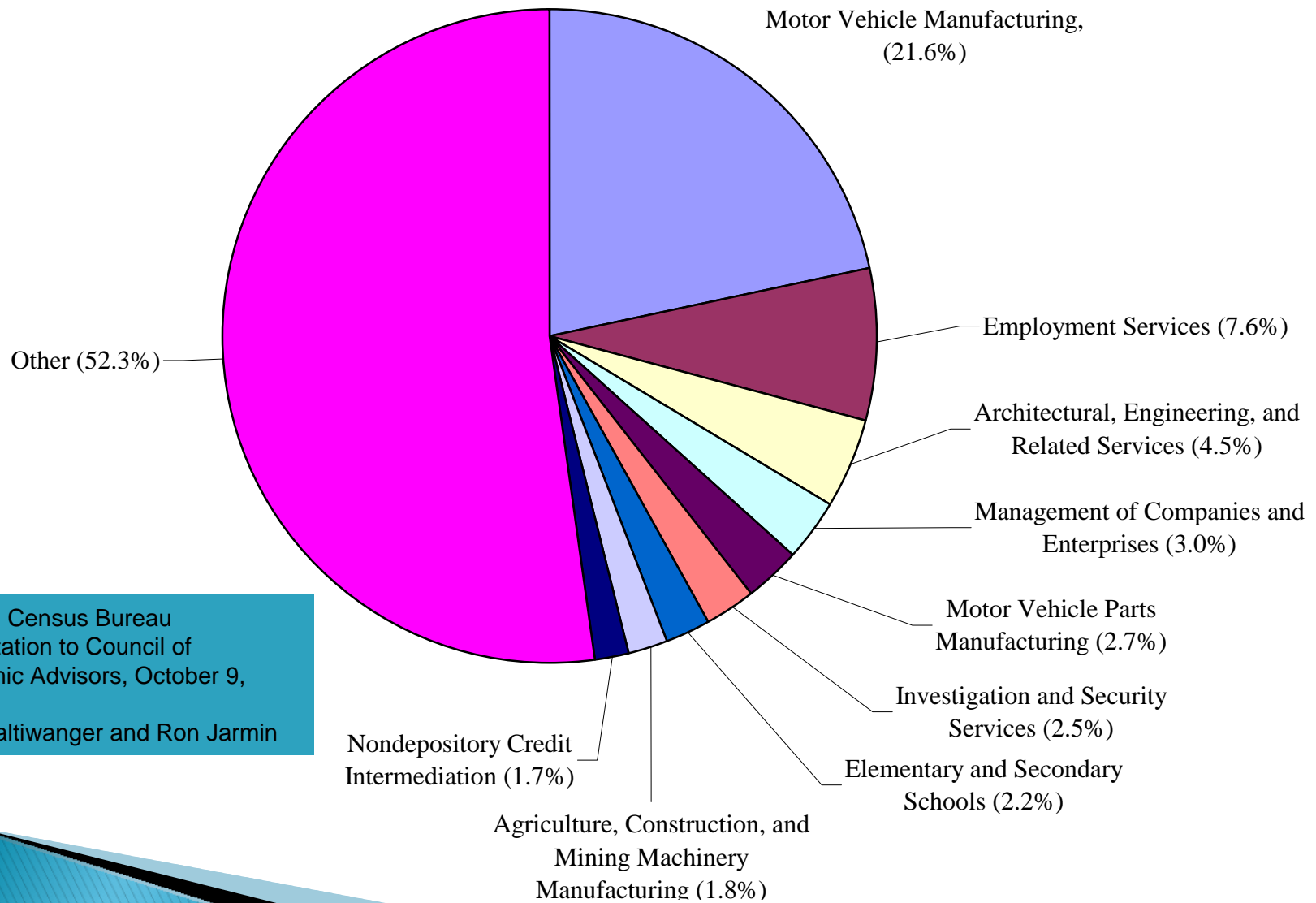


What Else Can LED Do for Our Efforts?

- ▶ Current Public Use Data is helpful, it is not sufficient
- ▶ Consider these Questions:
 - Which industries are likely to employ dislocated auto workers?
 - Do dislocated Midwest auto workers relocate to the Southeast's growing auto sector?
 - Is Southeast job creation higher than Midwest job creation?



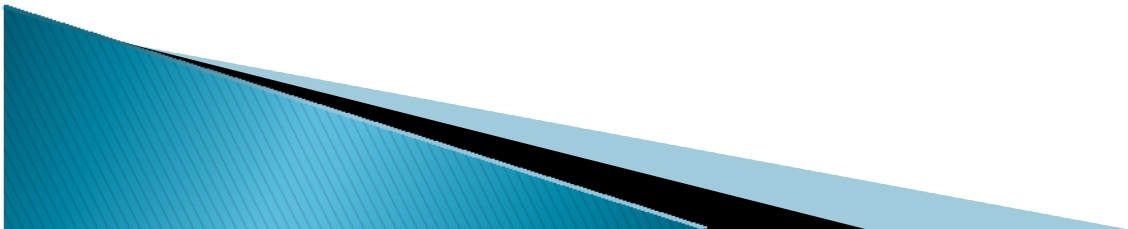
**Top 10 Destination NAICS for Motor Vehicle Manufacturing (NAICS 3361),
Four Quarters After Job Loss**



Source: Census Bureau
Presentation to Council of
Economic Advisors, October 9,
2008
John Haltiwanger and Ron Jarmin

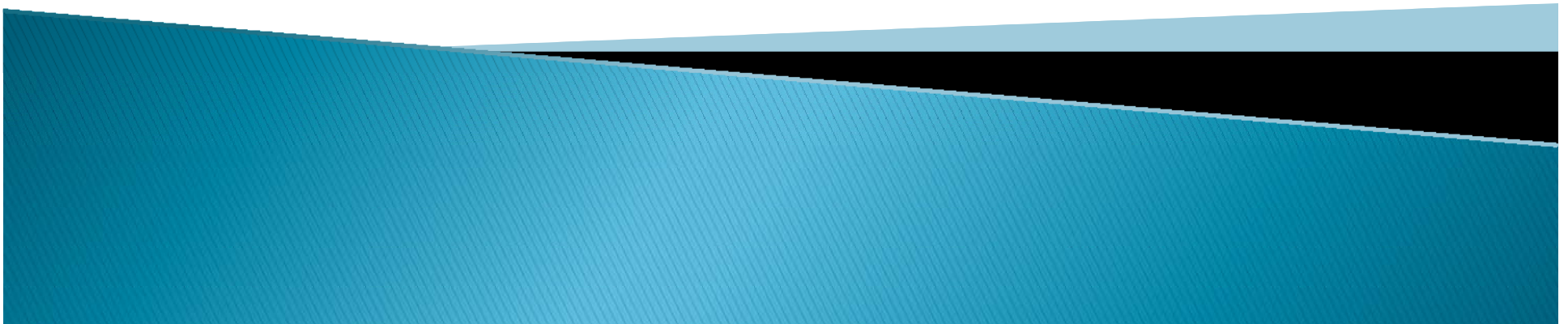
Tracking U.S. Auto Workers

- ▶ Employment probabilities within the same state (IL, KY, MI, WI)
 - After 1-quarter: 14.6 percent
 - After 2-quarters: 43.8 percent
 - After 4-quarters: 44.1 percent
 - The 56 percent not re-employed are either:
 - Unemployed, not in the labor force, or are employed in another state
 - Future plans (subject to project development and funding) to track workers nationally



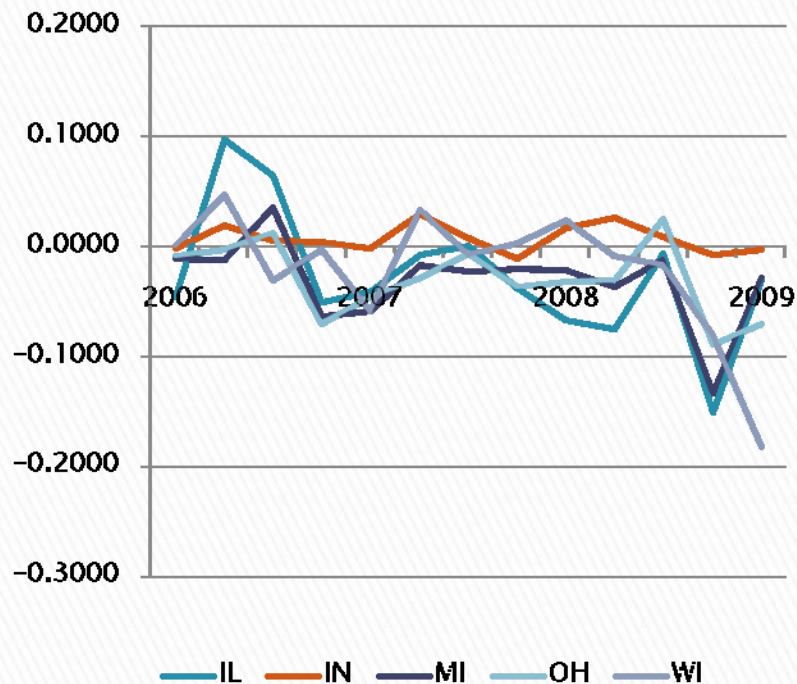
Analysis of Job Creation and Destruction for Auto in Midwest and Southeast

Prepared for Ed Montgomery and LED Conference by
John Haltiwanger, Emily Insenberg, Ron Jarmin

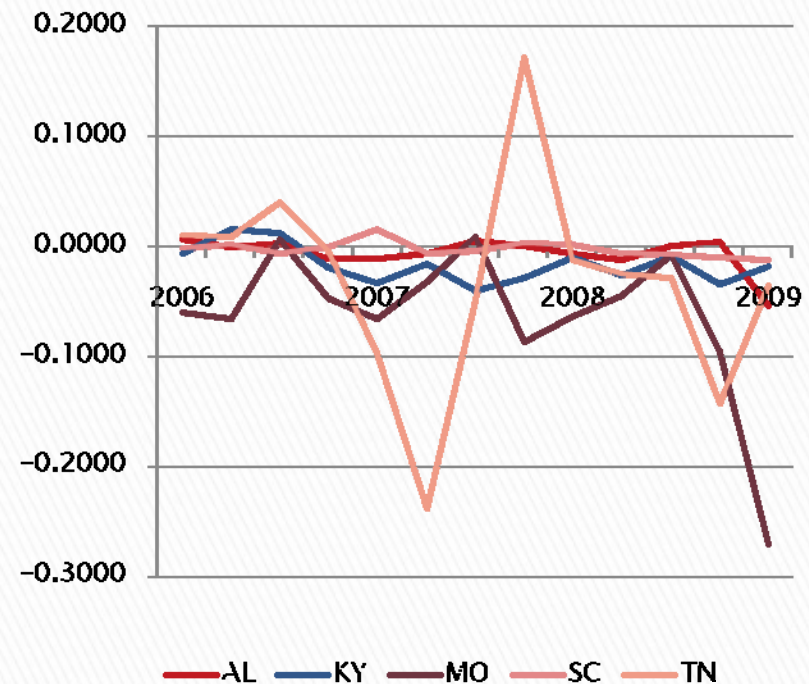


Net Job Flows by State in Midwest and Southeast Regions

Net Job Flows by State, Midwest

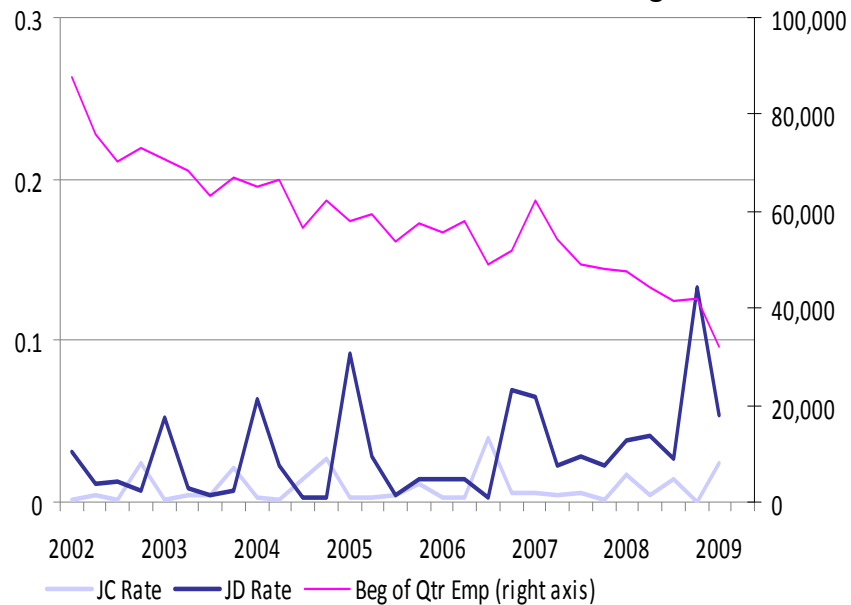


Net Job Flows by State, Southeast

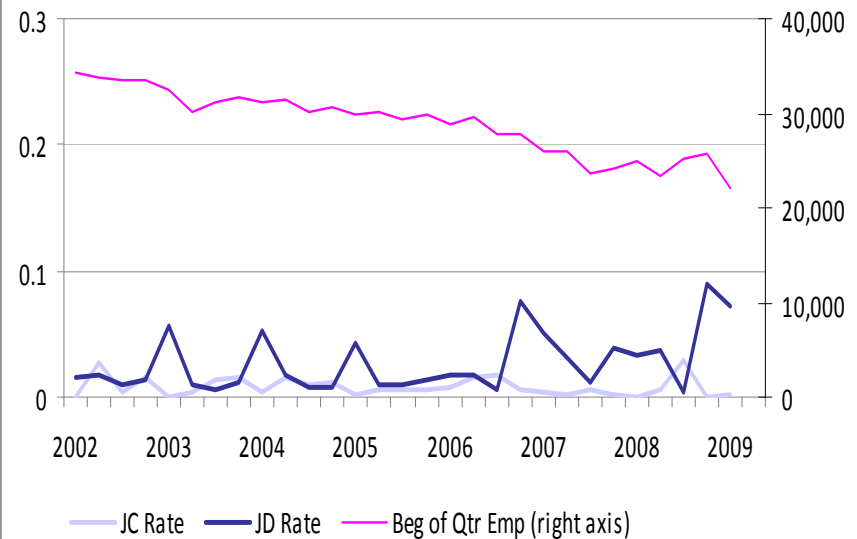


Job Flows in MI and OH

Job Flows, Motor Vehicles, Michigan

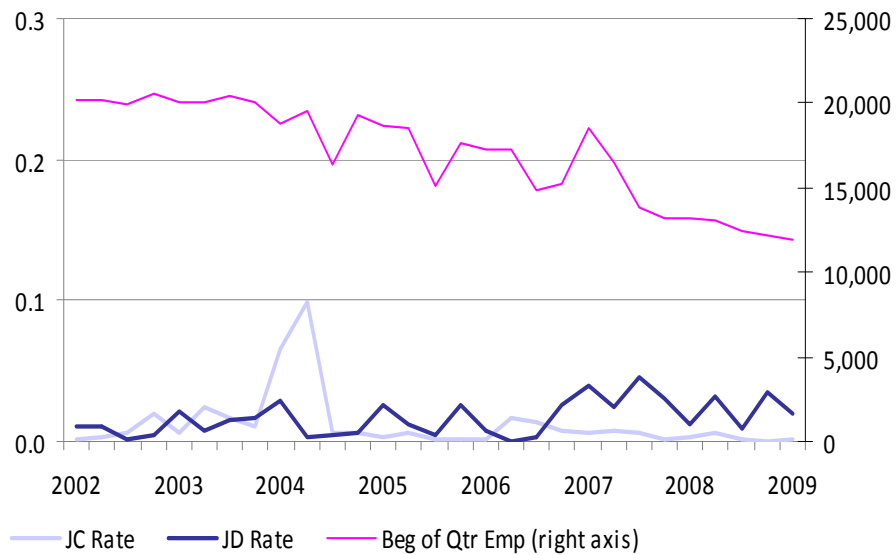


Job Flows, Motor Vehicles, Ohio

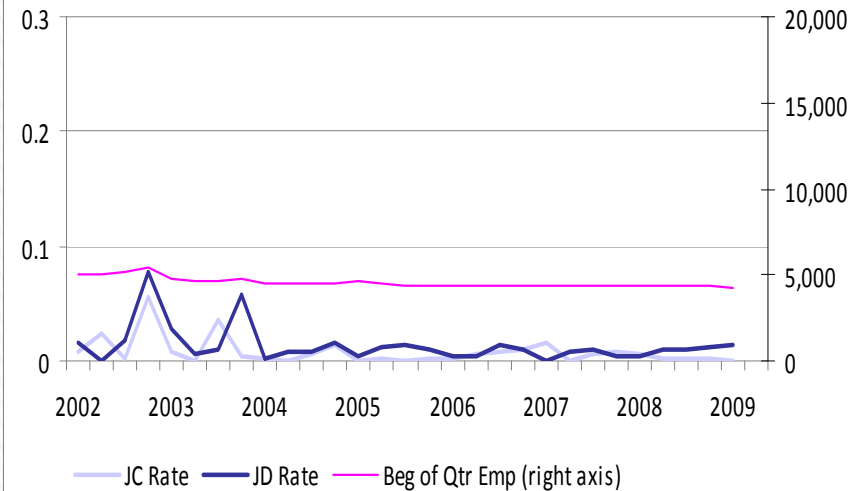


Job Flows in KY and SC

Job Flows, Motor Vehicles, Kentucky

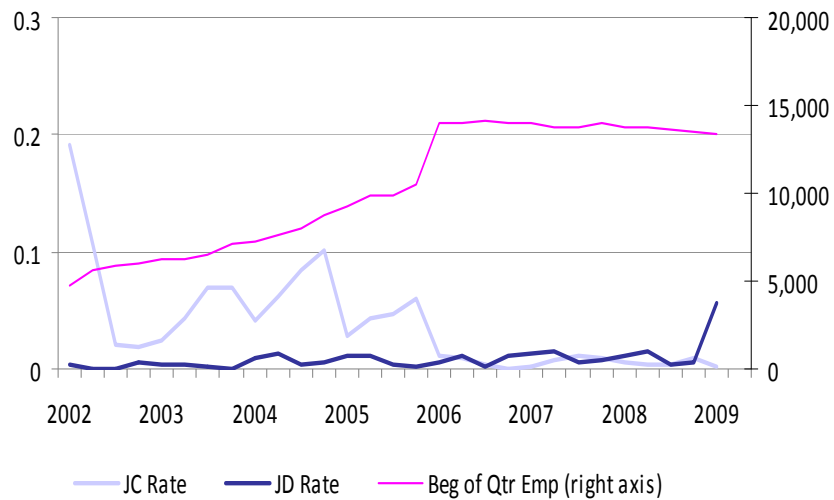


Job Flows, Motor Vehicles, South Carolina

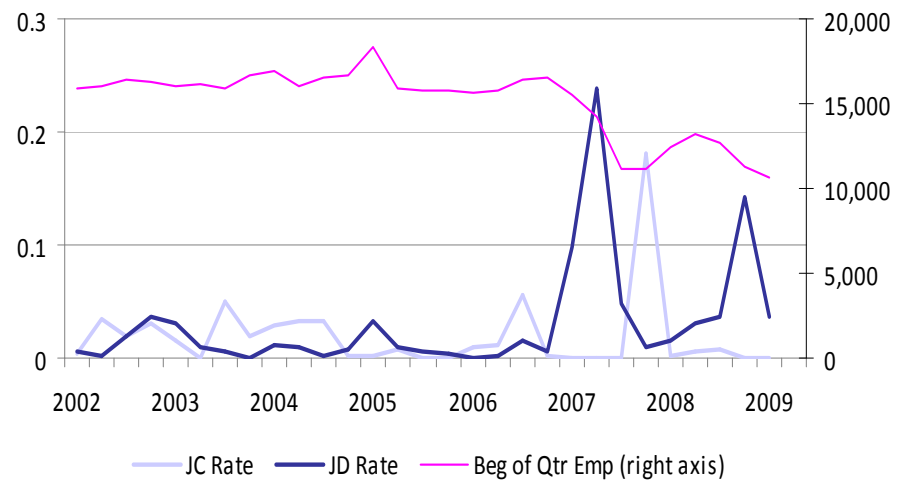


Job Flows in AL and TN

Job Flows, Motor Vehicles, Alabama

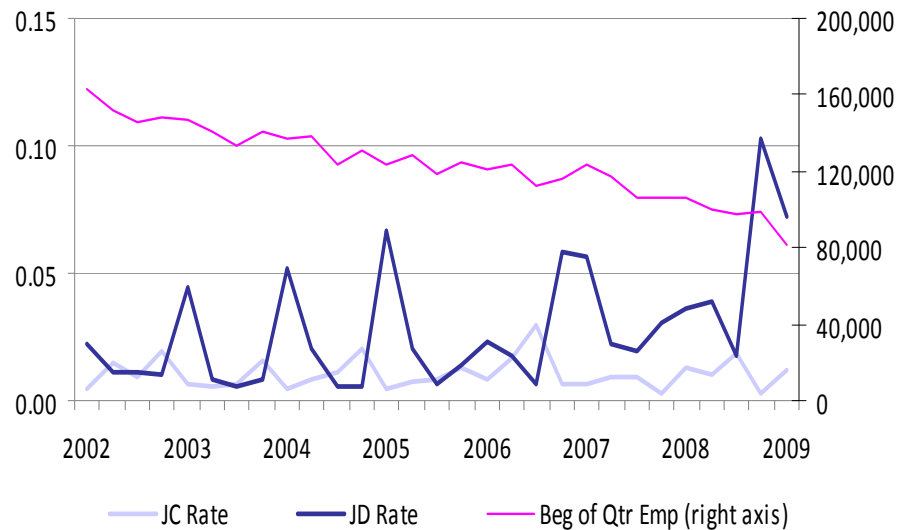


Job Flows, Motor Vehicles, Tennessee

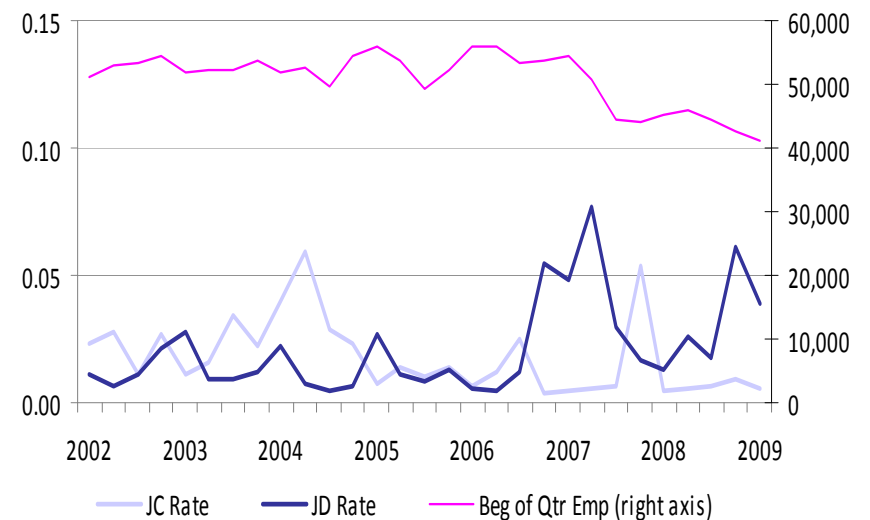


Job Flows for Midwest and Southeast Regions

Job Flows, Motor Vehicles, Midwest

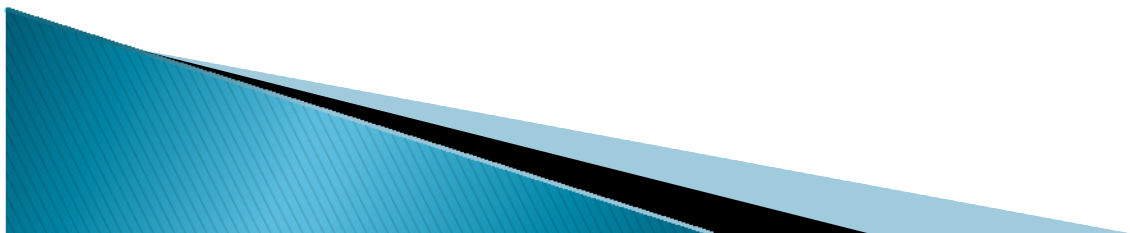
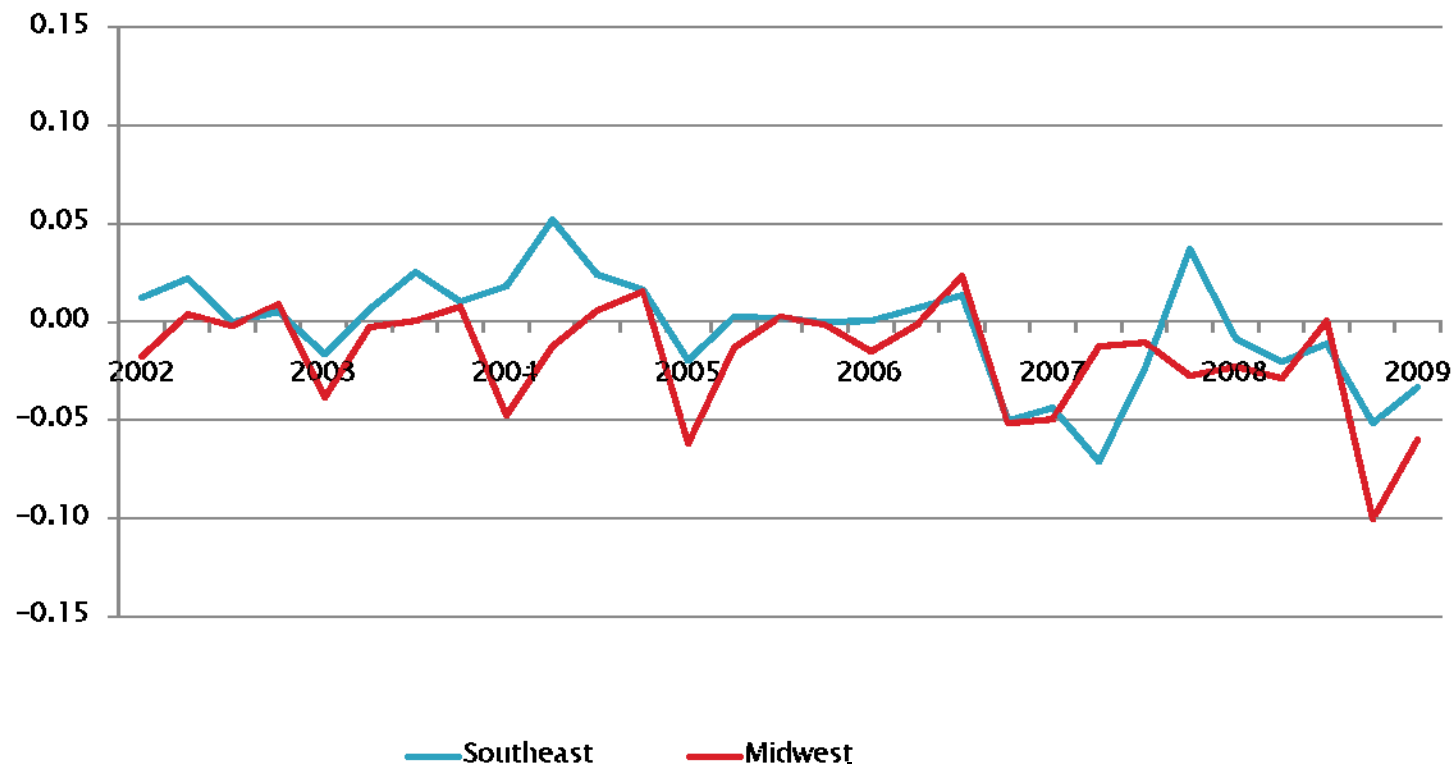


Job Flows, Motor Vehicles, Southeast



Net Jobs Flows for Midwest and Southeast Regions

Net Job Flows for Motor Vehicles by Region



What Does this Data Tell Us

- ▶ Differences between regions are not as pronounced as expected, particularly over the past few years
- ▶ Job destruction increased substantially in many of the states in 2008 and into the first quarter of 2009.
- ▶ In Midwest there is a pattern of falling employment throughout the period with relatively high rates of job destruction relative to creation throughout the period.
- ▶ In contrast, in the Southeast, employment was reasonably stable through 2007. In the Southeast, employment also has fallen in the recession but not as dramatically as seen by the smaller rise in job destruction in the post 2007 period.
- ▶ The only state with a pronounced increase in employment over the entire time period is Alabama with especially large increases (and high rates) of job creation.



Closing Thoughts

- ▶ Excited about the current and potential uses of LED
 - Very important data not available elsewhere
- ▶ States around the country should be creating data like this to inform key industry strategies (including but not limited to auto)
- ▶ Wish List for Future of LED:
 - Can we differentiate between small business and new business (similar to research from J. Haltiwanger that shows new job creation from new businesses)?
 - Can we track dislocated workers across states?
 - Can we estimate through current quarter? (Moraine example of 2009–Q1, while helpful, isn't current enough)
 - Can we see detailed industries within On-the-Map?
- ▶ We want to work with you as we seek data-driven approaches to re-energize auto communities

