

Employment, Economic and Trust Fund Trends



Joint Legislative Commission on Governmental Operations

January 19, 2010

Employment Security Commission of North Carolina

Moses Carey, Jr., Chairman

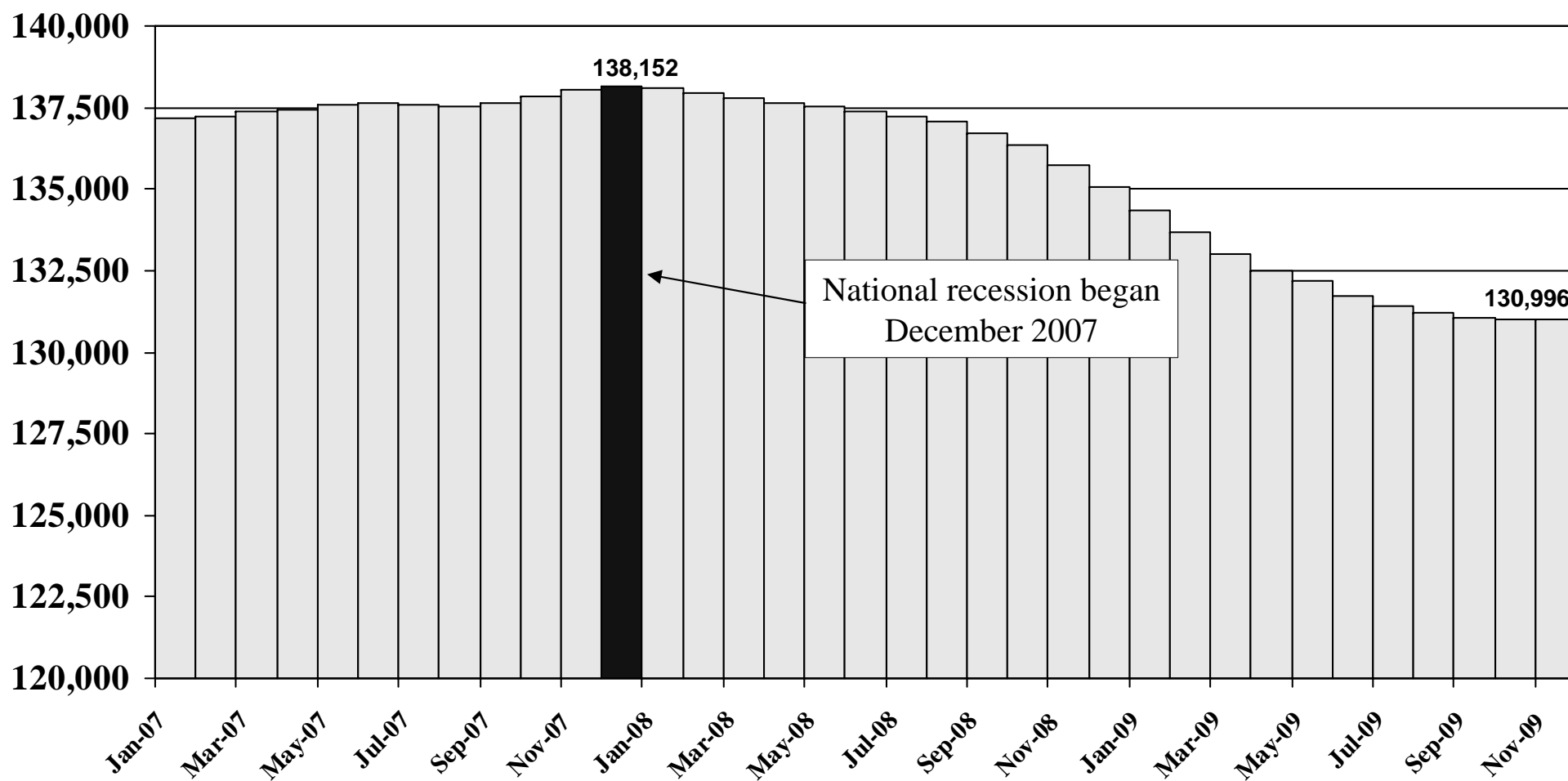
National Situation

- **Between December 2007 and November 2009**
 - **Decrease of 7.2 million (5.2%) Nonfarm Jobs**
 - **3.7 million Goods Producing**
 - **2.1 million - Manufacturing**
 - **1.6 million – Construction**
 - **3.4 million Service Providing**
 - **1.7 million - Trade Transportation & Utilities**
 - **940,200 - Retail Trade**
 - **1.3 million - Professional & Business Services**
 - **854,400 - Employment Services**
 - **.6 million – Financial Activities**

National Employment

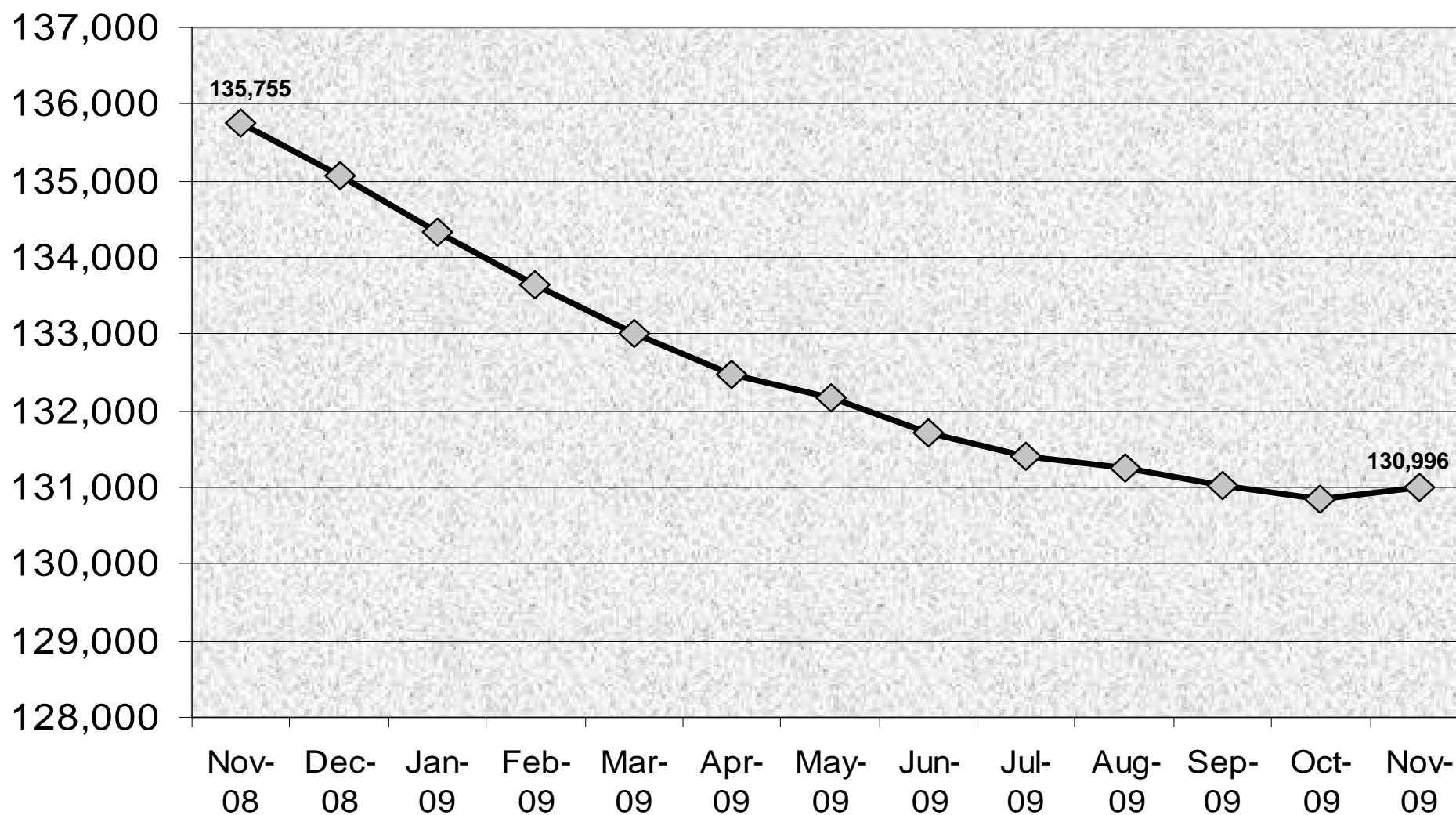
U.S. Nonfarm Employment January 2007-November 2009

(Seasonally Adjusted, in thousands)



National Employment

(Seasonally Adjusted, in thousands)



November 2009 data are preliminary, all other 2009 data are revised and all 2008 data are benchmarked.

US Labor Force

United States Labor Force December 2007–November 2009 *(Seasonally Adjusted)*

	December 2007^B	November 2009^P	Net Change	Percent Change
Labor Force	153,836,000	153,877,000	41,000	0.0%
Employment	146,294,000	138,502,000	-7,792,000	-5.3%
Unemployment	7,541,000	15,375,000	7,834,000	103.9%
Unemployment Rate	4.9	10.0	5.1	XXX

National Situation

- **As of November, 2009**
 - **7.8 million more individuals unemployed in the United States than there were in December 2007**
 - **Lost 7.2 million jobs**
 - **Need to add 120,000 net jobs a month for the next 60 months to reach December 2007 employment levels**

North Carolina Situation

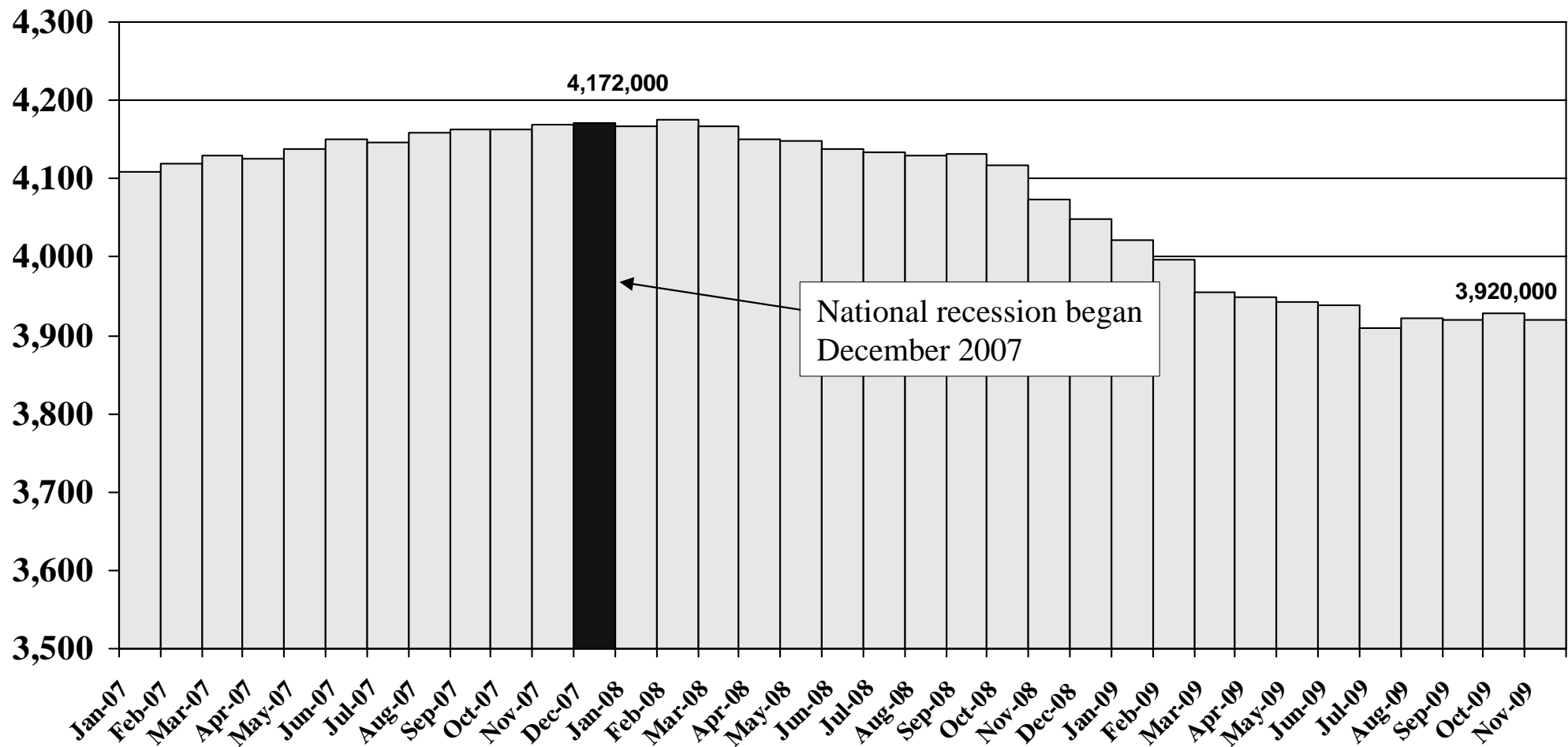
- **Between December 2007 and November 2009**
 - **Decrease of 252,000 (6.0%) total Nonfarm jobs**
 - **159,600 Goods Producing**
 - 94,900 - Manufacturing
 - 64,200 - Construction
 - **92,400 Service Providing**
 - 61,500 - Trade, Transportation & Utilities
 - 39,900 - Professional & Business Services
 - 12,100 - Financial Activities
 - 14,700 – Leisure & Hospitality

North Carolina Employment

Nonfarm Employment

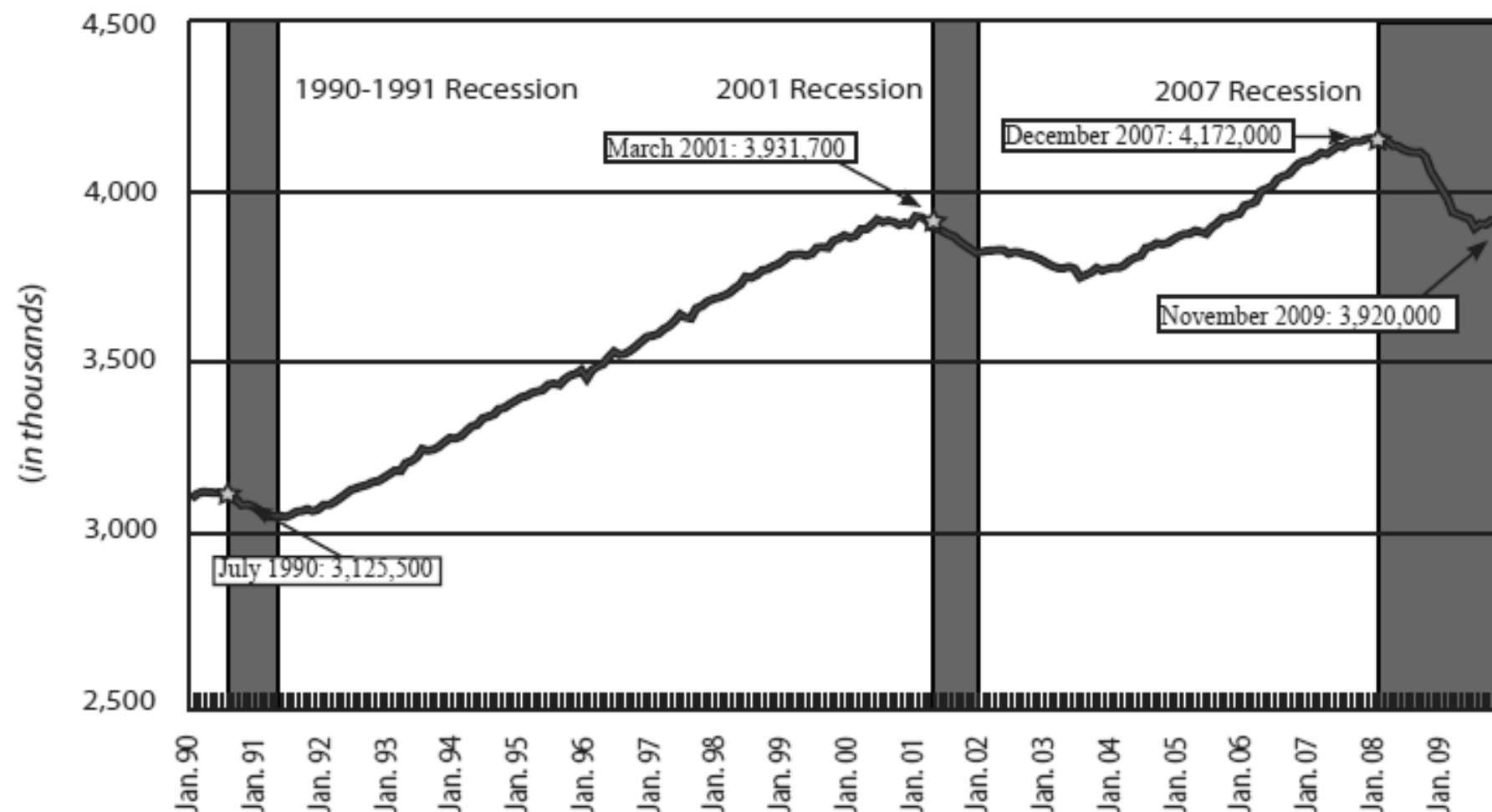
January 2007-November 2009

(Seasonally Adjusted, in thousands)



NORTH CAROLINA TOTAL NONFARM EMPLOYMENT JANUARY 1990-NOVEMBER 2009 (SEASONALLY ADJUSTED)

— Total Nonfarm



Source: CES, LMI of ESC

Note: November 2009 data are preliminary, all other 2009 data are revised, while 1990-2008 data are benchmarked.

Recession periods documented in above graph represent the dates July 1990-March 1991, March 2001-November 2001 and December 2007 to present.

North Carolina Industry Employment
December 2007–November 2009
(Seasonally Adjusted, in thousands)

Industry	December 2007 ^B	November 2009 ^P	Net Change	Percent Change
Total Nonfarm	4,172.0	3,920.0	-252.0	-6.0%
Goods Producing	792.9	633.3	-159.6	-20.1%
Service Providing	3,379.1	3,286.7	-92.4	-2.7%
Natural Resources & Mining	6.9	6.4	-0.5	-7.2%
Construction	252.9	188.7	-64.2	-25.4%
Manufacturing	533.1	438.2	-94.9	-17.8%
Durable Goods	287.1	221.8	-65.3	-22.7%
Nondurable Goods	246.0	216.4	-29.6	-12.0%

Industry	December 2007 ^B	November 2009 ^P	Net Change	Percent Change
Trade, Transportation & Utilities	780.2	718.7	-61.5	-7.9%
Wholesale Trade	182.8	171.8	-11.0	-6.0%
Retail Trade	469.2	436.9	-32.3	-6.9%
Transportation, Warehousing & Utilities	128.2	110	-18.2	-14.2%
Information	72.3	66.3	-6.0	-8.3%
Financial Activities	212.1	200.0	-12.1	-5.7%
Finance & Insurance	157.8	150.0	-7.8	-4.9%
Real Estate & Rental Leasing	54.3	50.0	-4.3	-7.9%
Professional & Business Services	507.2	467.3	-39.9	-7.9%
Professional, Scientific & Technical	187.8	182.7	-5.1	-2.7%
Management of Companies	74.8	75.0	0.2	0.3%
Administrative & Waste Management	244.6	209.6	-35.0	-14.3%
Education & Health Services	533.1	547.9	14.8	2.8%
Educational Services	77.1	83.3	6.2	8.0%
Health Care & Social Services	456.0	464.6	8.6	1.9%
Leisure and Hospitality Services	399.1	384.4	-14.7	-3.7%
Arts, Entertainment & Recreation	52.7	46.5	-6.2	-11.8%
Accommodation & Food Services	346.4	337.9	-8.5	-2.5%
Other Services	180.3	169.5	-10.8	-6.0%
Government	694.8	732.6	37.8	5.4%
Federal	63.8	67.9	4.1	6.4%
State	197.3	197.8	0.5	0.3%
Local	433.7	466.9	33.2	7.7%

North Carolina Labor Force

North Carolina Labor Force December 2007–November 2009 *(Seasonally Adjusted)*

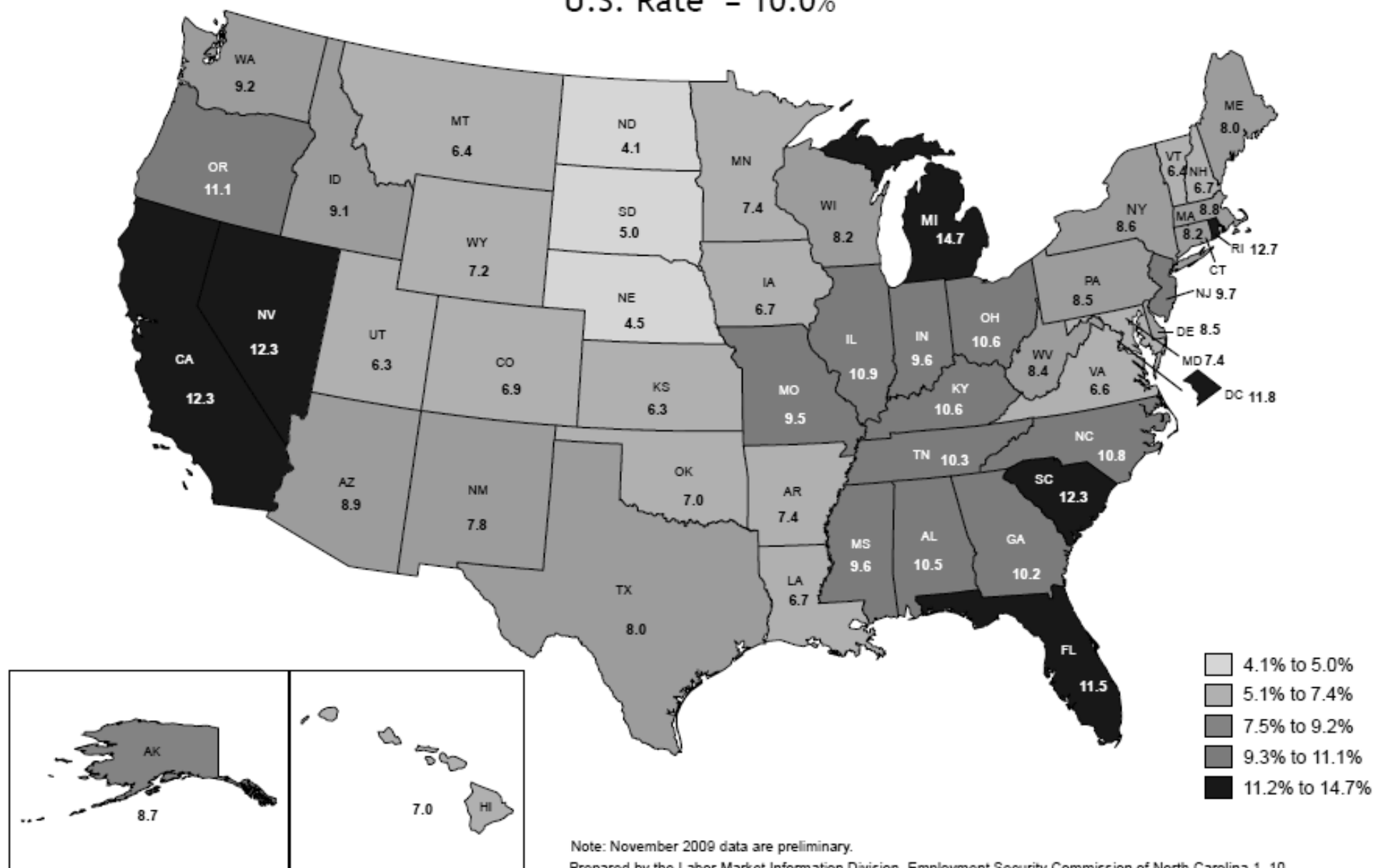
	December 2007^B	November 2009^P	Net Change	Percent Change
Labor Force	4,525,570	4,534,792	9,222	0.2%
Employment	4,299,675	4,047,161	-252,514	-5.9%
Unemployment	225,895	487,631	261,736	115.9%
Unemployment Rate	5.0	10.8	5.8	XXX

North Carolina Situation

- **As of November, 2009**
 - **261,736 more individuals unemployed in North Carolina than there were in December 2007**
 - **Lost 252,000 jobs**
 - **Need to add 4,200 net jobs a month for the next 60 months to reach December 2007 employment levels**

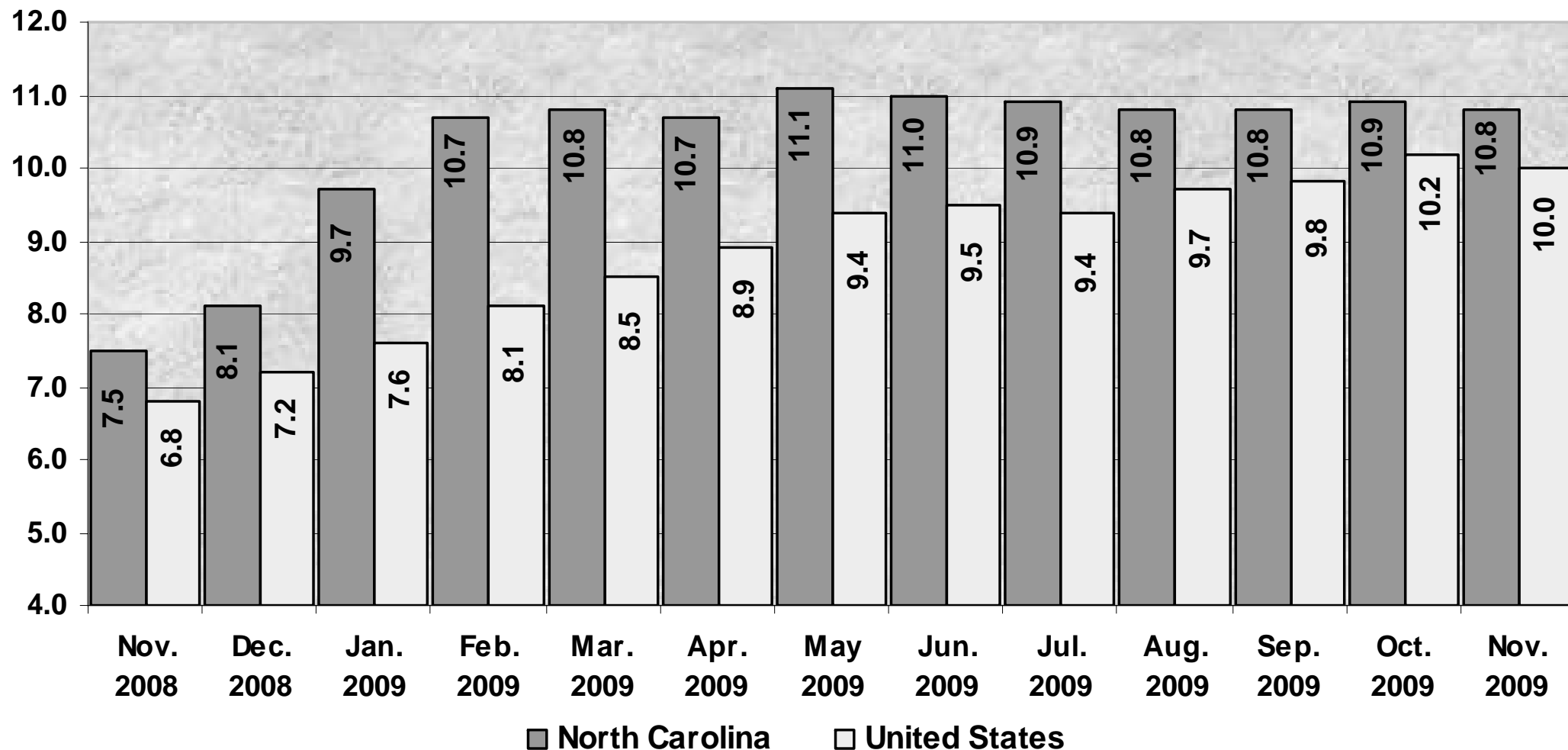
Unemployment Rates By State, Seasonally Adjusted November 2009

U.S. Rate = 10.0%



United States/North Carolina Unemployment Rates

November 2008-November 2009



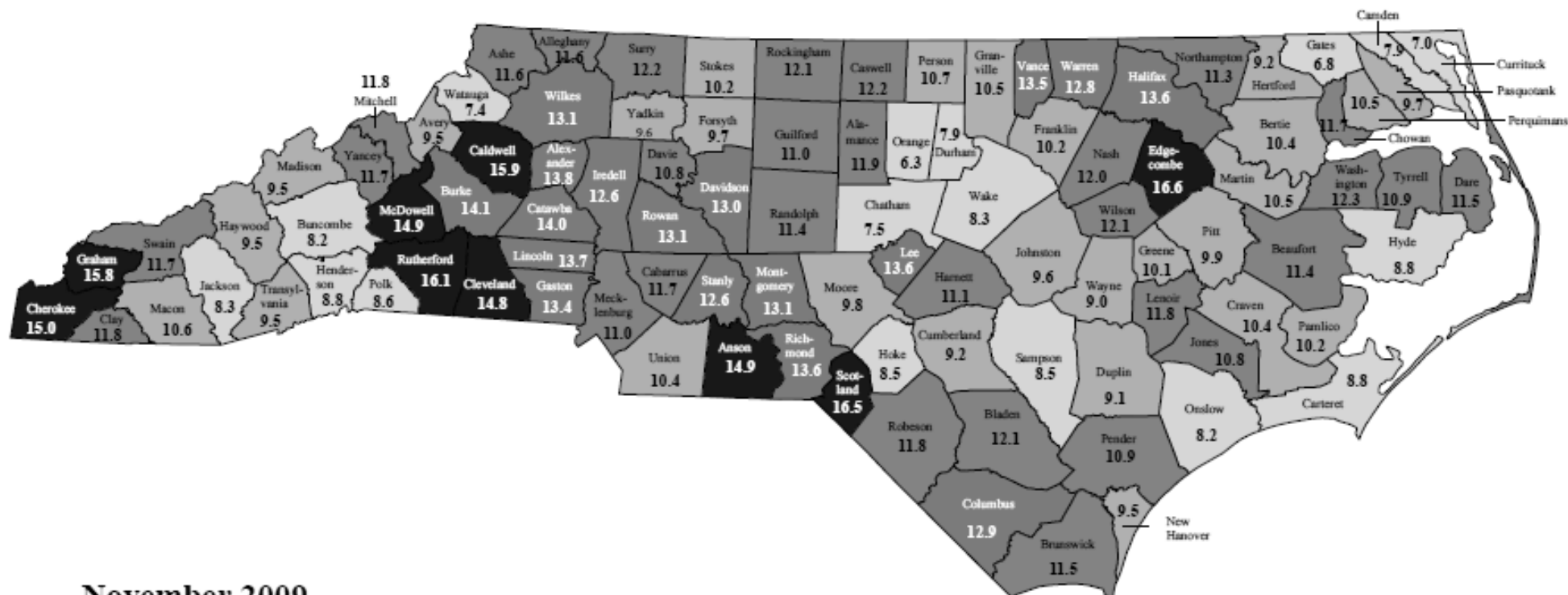
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States With the Highest Unemployment Rates, November 2009

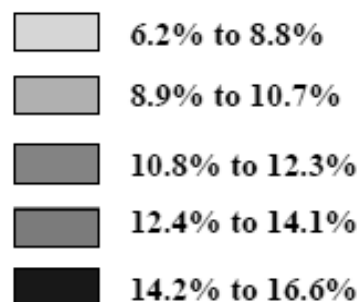
(Seasonally Adjusted)

	Labor Force	Unemployed	Unemployment Rate
Michigan	4,845.7	712.6	14.7
Rhode Island	570.6	72.4	12.7
South Carolina	2,173.1	266.3	12.3
Nevada	1,378.3	169.3	12.3
California	18,320.8	2,253.8	12.3
Florida	9,202.0	1,056.0	11.5
Oregon	1,954.2	216.3	11.1
Illinois	6,648.0	723.1	10.9
North Carolina	4,534.8	487.6	10.8
Kentucky	2,064.3	218.7	10.6
Ohio	5,906.5	623.2	10.6
Alabama	2,065.2	217.4	10.5
Tennessee	2,984.6	306.0	10.3
Georgia	4,720.8	480.3	10.2
United States	153,877.0	15,375.0	10.0

North Carolina Unemployment Rates by County November 2009



November 2009



- △ 60 Counties Higher Than Previous Month
- ▽ 31 Counties Lower Than Previous Month
- = 9 Counties Same as Previous Month

North Carolina Rate 10.7%
Not Seasonally Adjusted

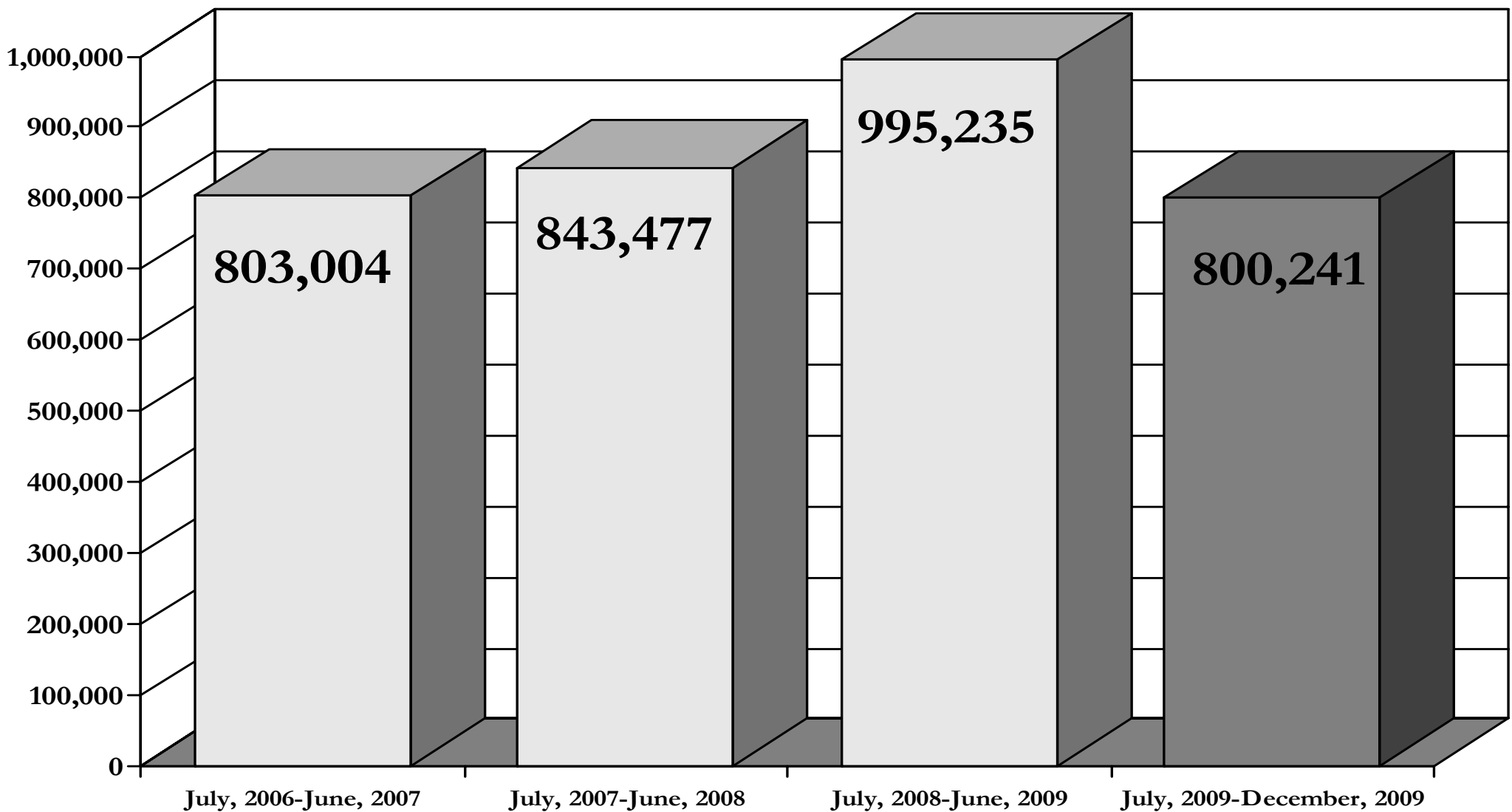
Note: November 2009 data are preliminary.

Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 12_2009

Impact of the Economic Conditions on Employment Security Commission

- As the state experienced economic recession citizens turned to the Employment Security Commission for assistance.
 - Increased numbers of customers to ESC Local Offices
 - Increased Claims for Unemployment Insurance Benefits
 - Pressures on the Unemployment Insurance System

Employment Services Registered Applicants



ESC Services

- **Employment and Workforce Related Services to North Carolina's Citizens and Employers**
 - Labor Market Information
 - Unemployment Insurance
 - Employment Services
 - Job Referral and Placement Assistance
 - Re-employment Services
 - Career Counseling
 - Resume Preparation Assistance
 - Assessment and Testing
 - Referral to Training Services
 - Referral to Supportive Services
 - Trade Adjustment Assistance (TAA and ATAA)

ESC Services

- **Employers**
- **Dislocated Workers**
- **Veterans**
- **Agricultural Workers**
- **Older Workers**
- **Disabled Workers**
- **Youth**
- **Ex-Offenders**

Unemployment Insurance Compensation Programs

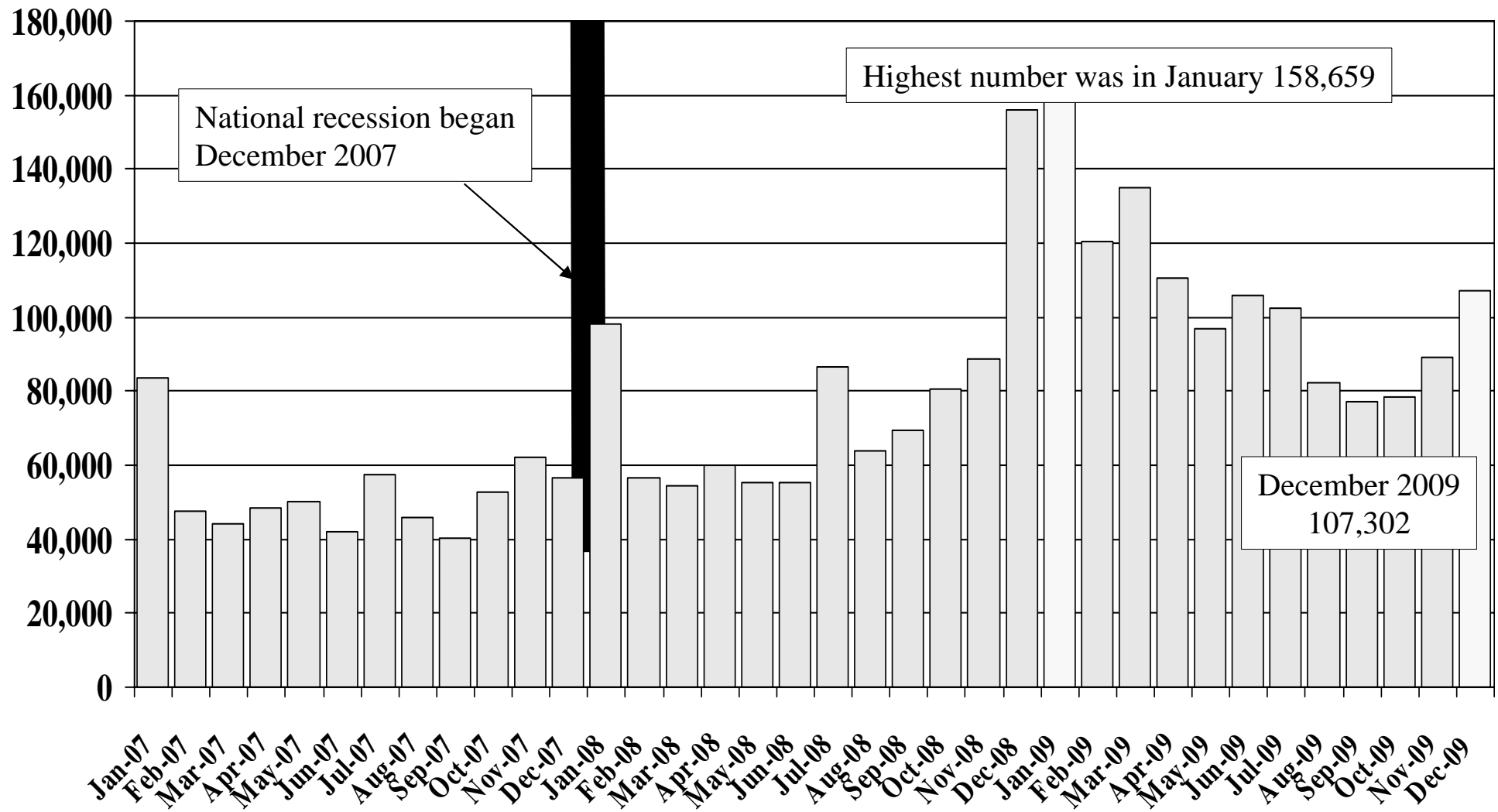
- **Unemployment Insurance – 26 weeks**
- **Extended Benefits – 20 weeks**
- **Extended Unemployment Compensation
Tier I (EUC Tier I) – 20 weeks**
- **Extended Unemployment Compensation
Tier II (EUC Tier II) – 13 weeks**
- **Federal Additional Compensation**

Newest Extension

- Added 1 additional week to EUC Tier II
- Extended Unemployment Compensation Tier III (EUC Tier III) – 13 weeks
- Extended Unemployment Compensation Tier IV (EUC Tier IV) – 6 weeks
- Individuals may be eligible for up to 99 weeks of UI benefits

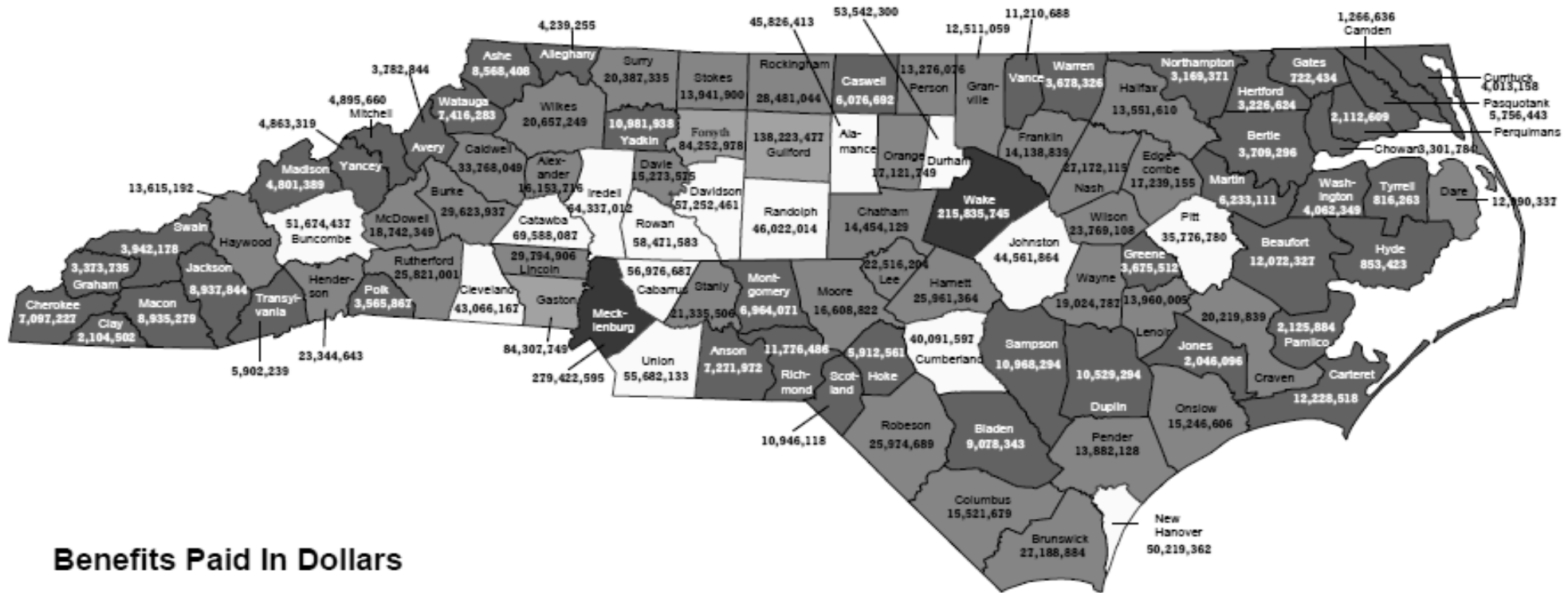
Regular Initial Claims

January 2007-December 2009



NC Trust Fund Benefits Paid by County

December 2008-November 2009



Statewide \$2,724,104,013

Source: ETA Reporting

Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 12/2009

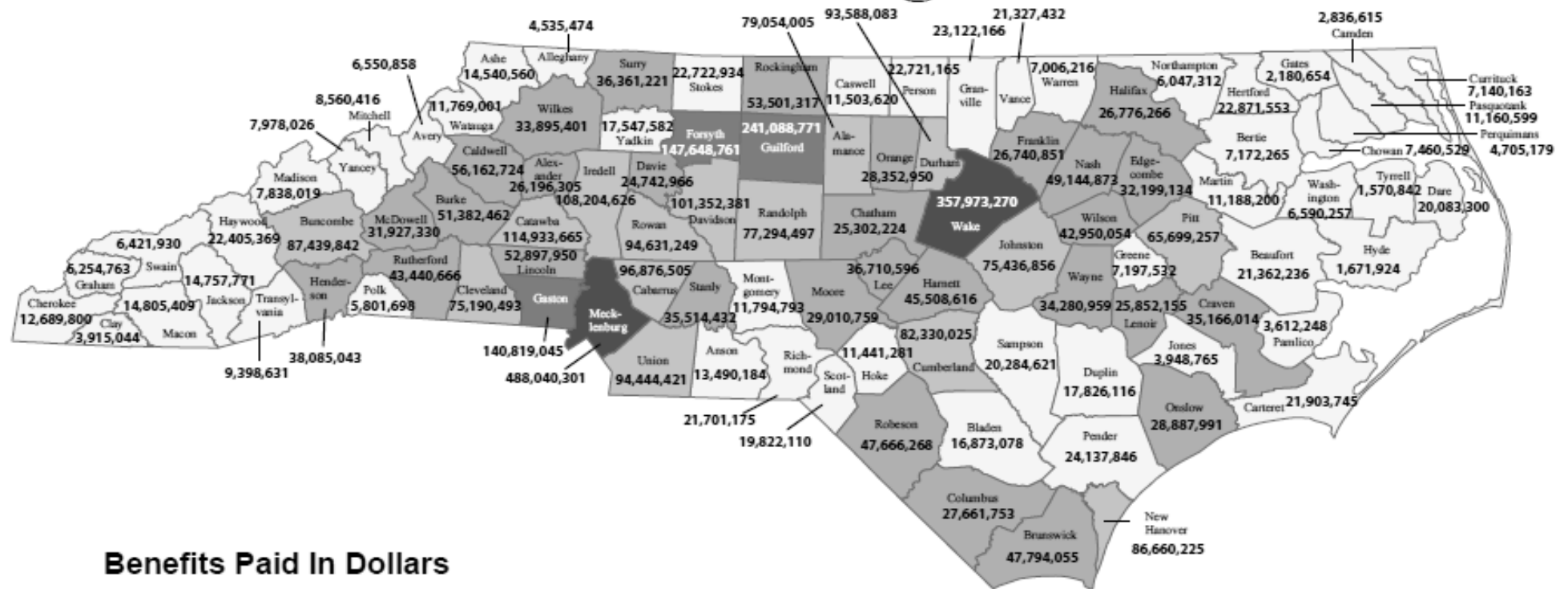
Note: Extended benefits are not included in totals.

North Carolina

UI Benefits Paid by County

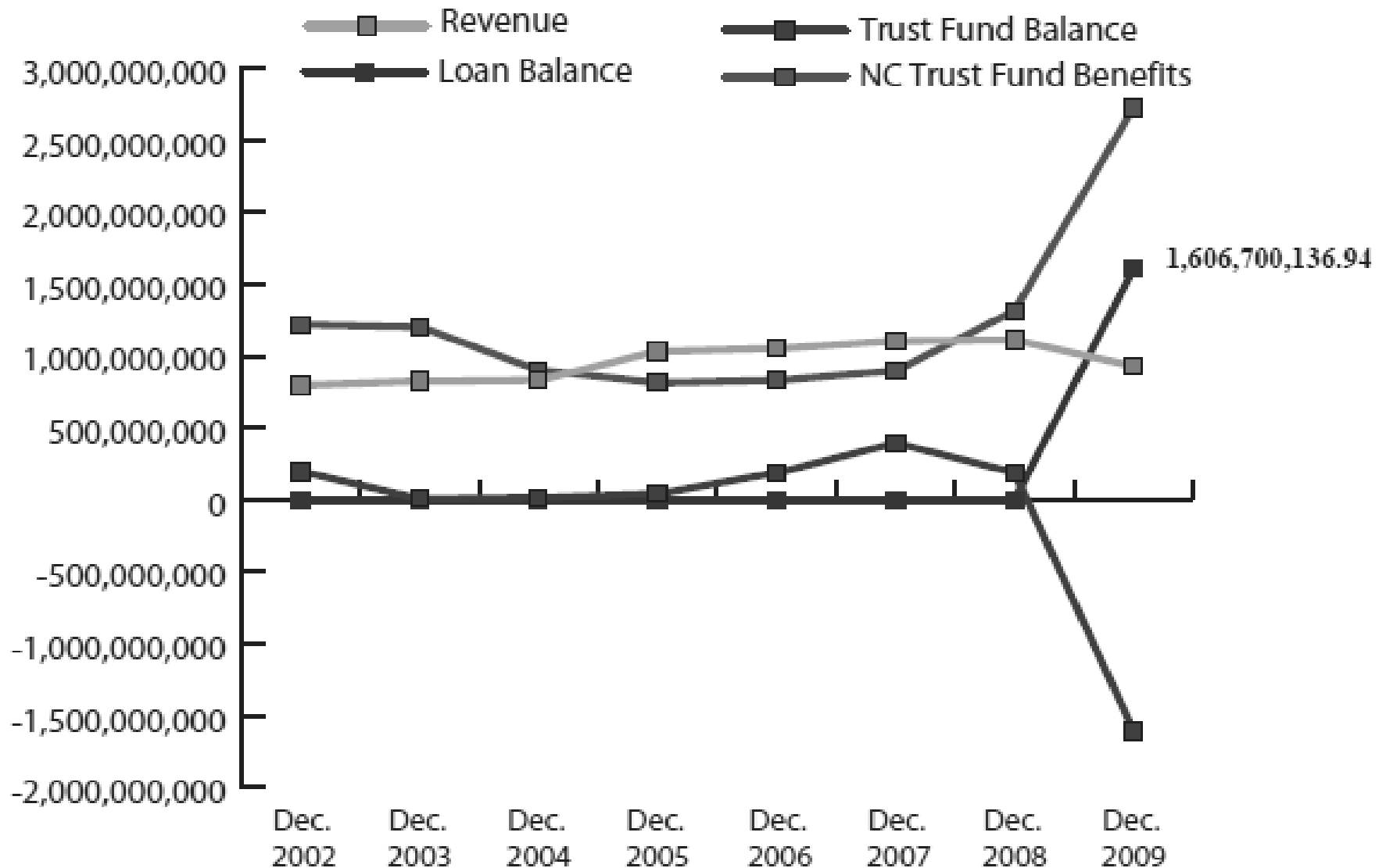
December 2008-November 2009

Total All Programs



UI Trust Fund Update

12-Month Balances
January-December, 2002-2009



Cash Flow

Cash Flow Yearly Rating Period, January-December

		Taxes				
Year	UI	State Reserve	Total Taxes Available	Other Revenue*	NC Trust Fund Benefits Paid	Trust Fund Balance Ending
2002	\$409,501,000.00	\$112,642,000.00	\$522,143,000.00	\$275,212,163.37	(\$1,216,344,710.95)	\$195,561,800.81
2003	\$738,329,000.00	\$77,837,731.90	\$816,166,731.90	\$8,258,732.81	(\$1,201,994,803.15)	\$10,011,839.45
2004	\$830,405,377.02	0.00	\$830,405,377.02	\$459,893.01	(\$901,422,507.62)	\$16,531,517.52
2005	\$897,462,000.00	\$133,906,330.45	\$1,031,368,330.45	\$950,179.66	(\$814,307,444.95)	\$42,651,692.44
2006	\$944,782,615.88	\$99,698,000.00	\$1,044,480,615.88	\$7,093,202.76	(\$830,474,196.43)	\$186,617,912.22
2007	\$927,069,681.23	\$160,119,000.00	\$1,087,188,681.23	\$16,344,111.11	(\$896,273,617.12)	\$393,877,087.44
2008	\$888,452,509.20	\$201,857,000.00	\$1,090,309,509.20	\$19,607,156.88	(\$1,313,630,974.03)	\$190,162,779.49
2009	\$803,152,000.00	\$127,287,000.00	\$930,439,000.00	\$690,193.91	(\$2,727,357,756.52)	(\$1,606,065,783.12)

* Includes interest and Reed Act distribution in 2002 (\$243M)

North Carolina Trust Fund Model Money Flow

January 2009 - December 2009

Trust Fund
Interest
\$690,193.91

Employer Contributions
\$803,152,000.00

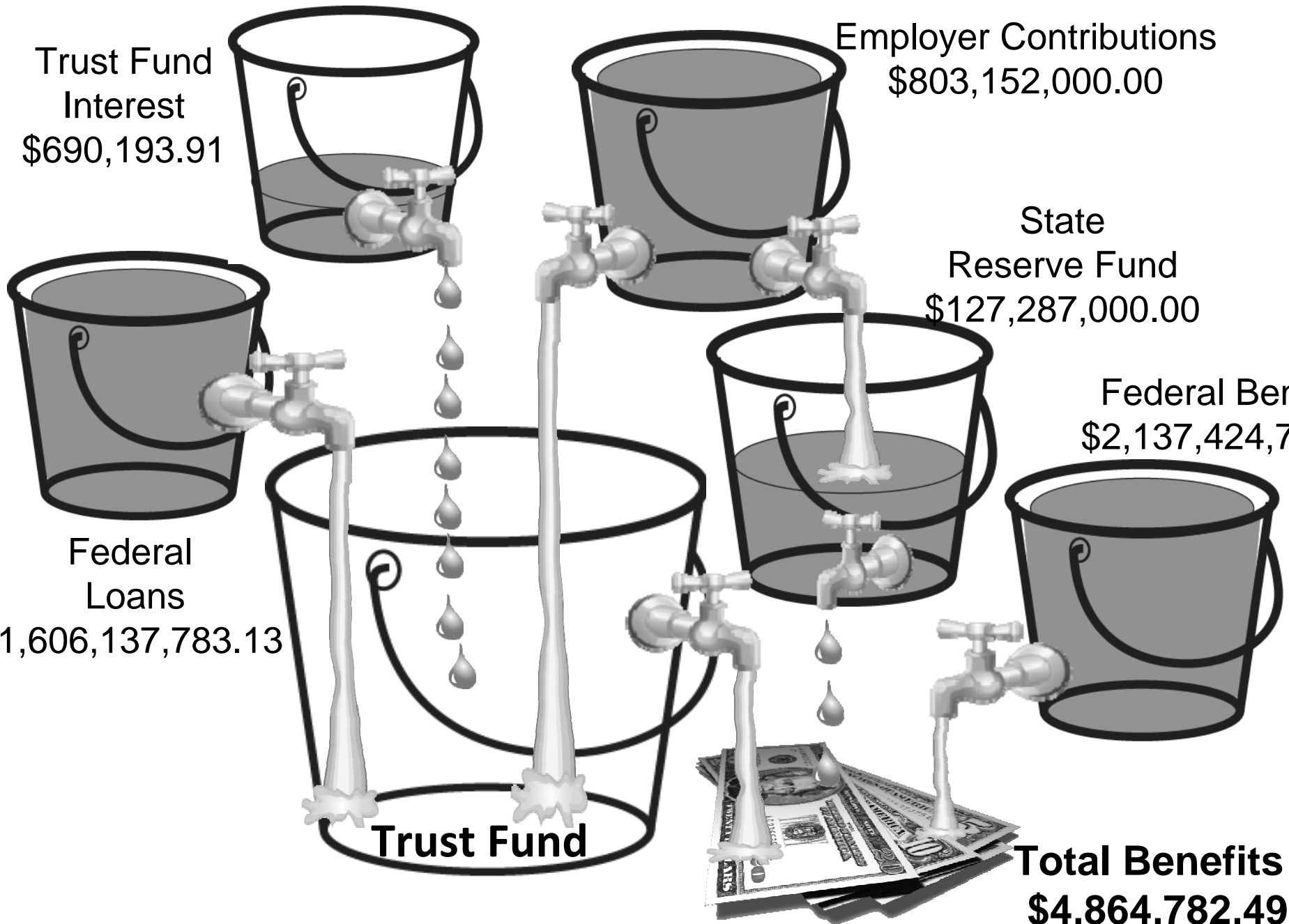
State
Reserve Fund
\$127,287,000.00

Federal Benefits
\$2,137,424,740.48

Federal
Loans
\$1,606,137,783.13

Trust Fund

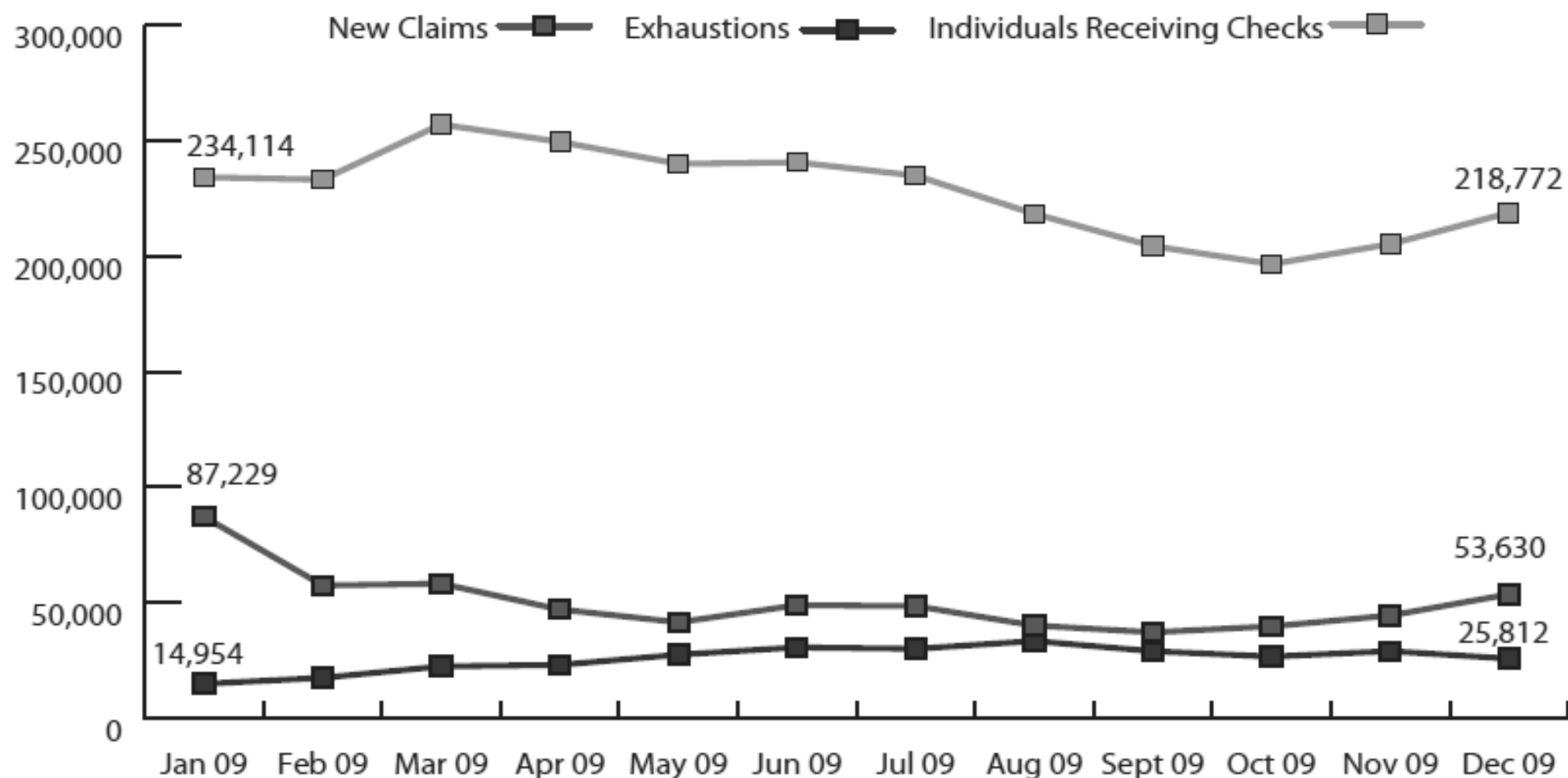
Total Benefits Paid
\$4,864,782,497.00



Regular UI Claims and Exhaustions

Regular UI New Claims (Interstate & Intrastate) and Exhaustions
January 2009-December 2009

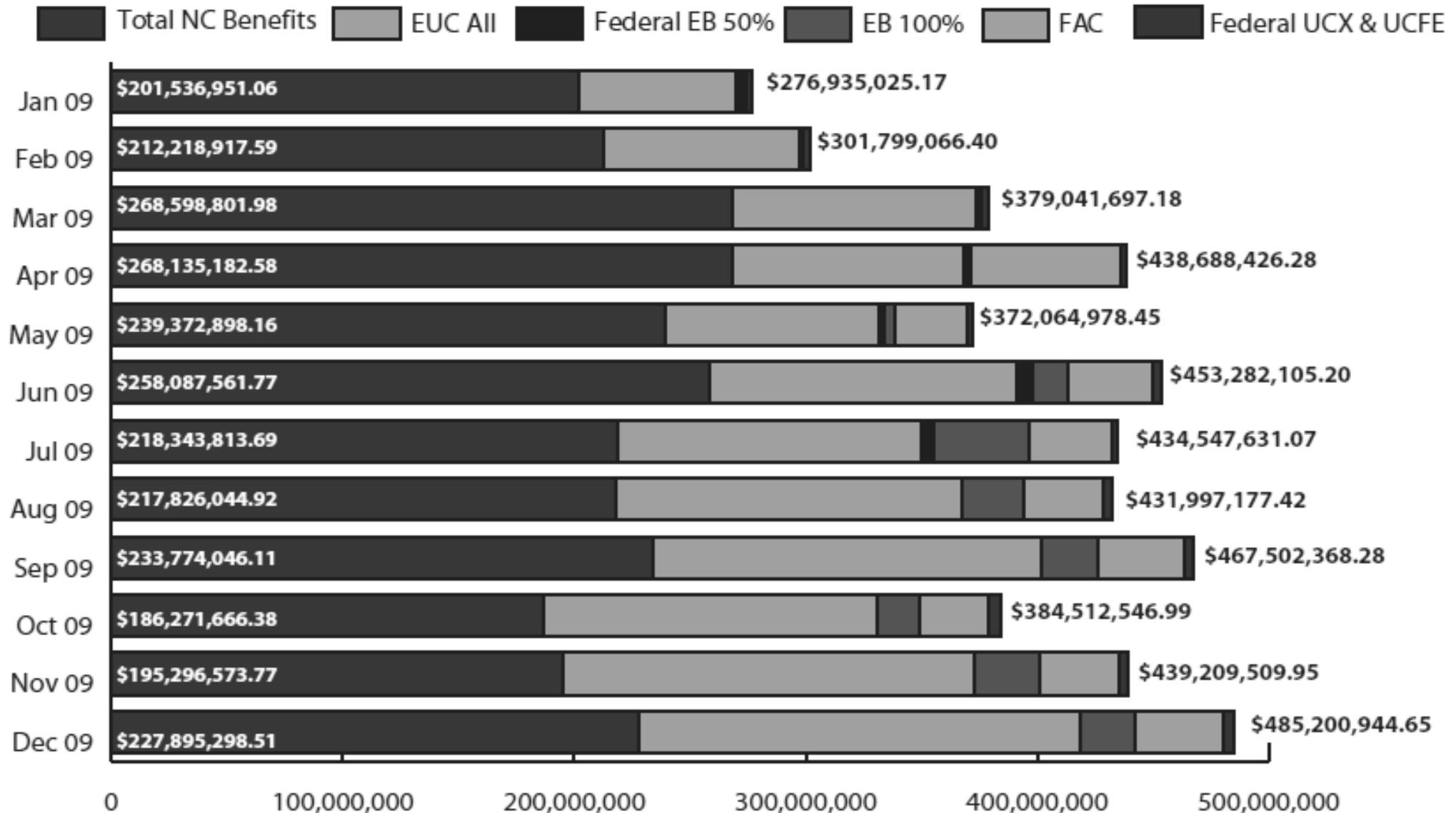
Regular UI Exhaustions	310,305
Regular UI New Claims	605,796
Individuals Receiving Regular UI	621,525



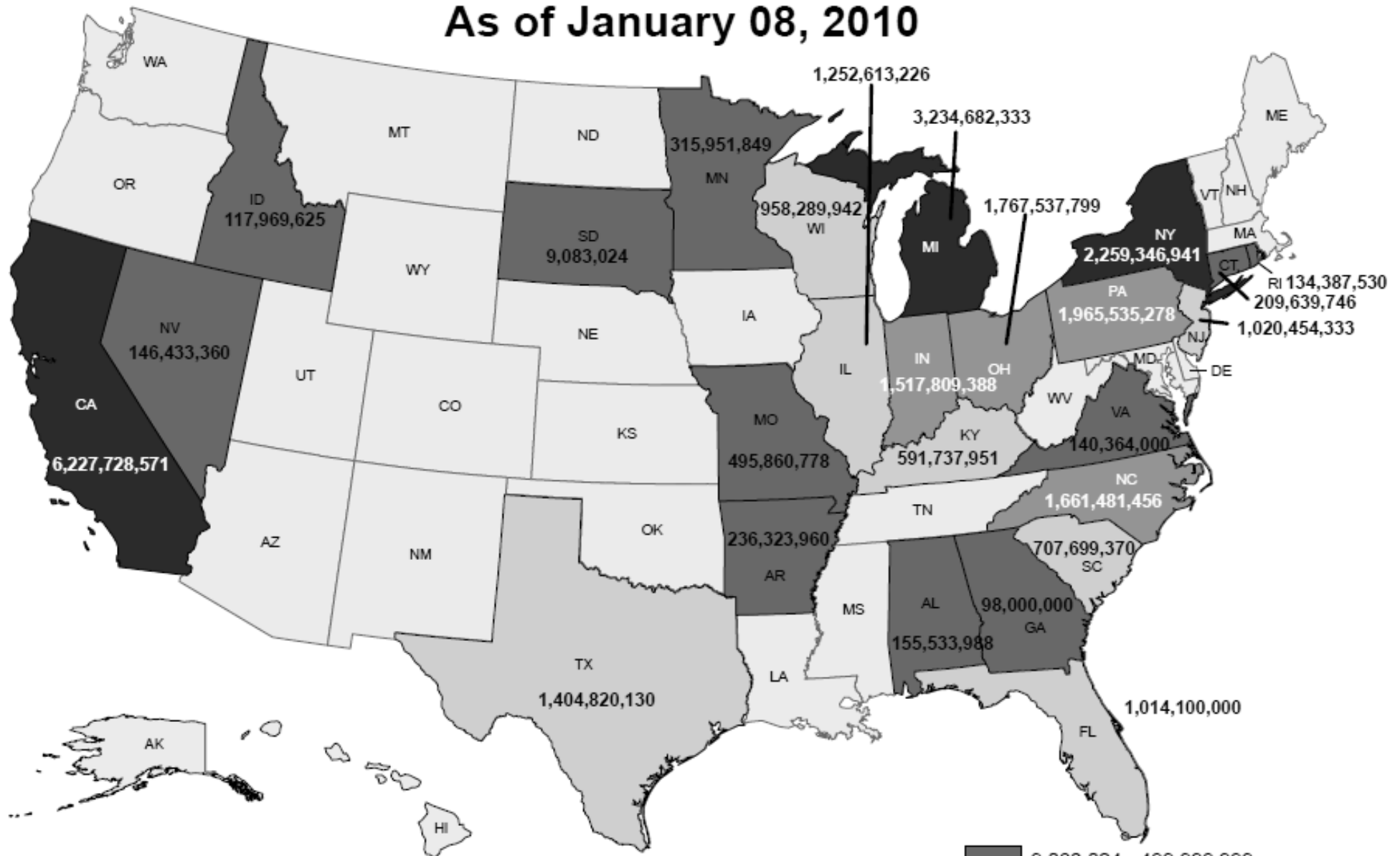
UI Benefits Paid

Total State and Federal Benefits
January 2009-December 2009

Total All Programs	\$4,864,782,497.00
Total NC Benefits	\$2,727,357,756.52



States With Loans From The Federal Unemployment Account As of January 08, 2010



Note: The amount owed by the U.S. Virgin Islands is \$8,386,556.00.

Source: U.S. Department of Labor, Employment & Training Administration

Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 1_10

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 2,000,000,000 +



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