

Unemployment and the Great Recession: Applied Research on Workforce Equity

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Setting the Stage

The Great Recession in North Carolina was characterized by:

- Record-high rates of long-term unemployment
- Job losses in the goods-producing sectors
- Job losses in rural counties

Findings

Long-term unemployed (LTU) had much worse re-employment and wage outcomes than the short-term unemployed (STU)

- LTU vs STU disparity worse than other group inequities

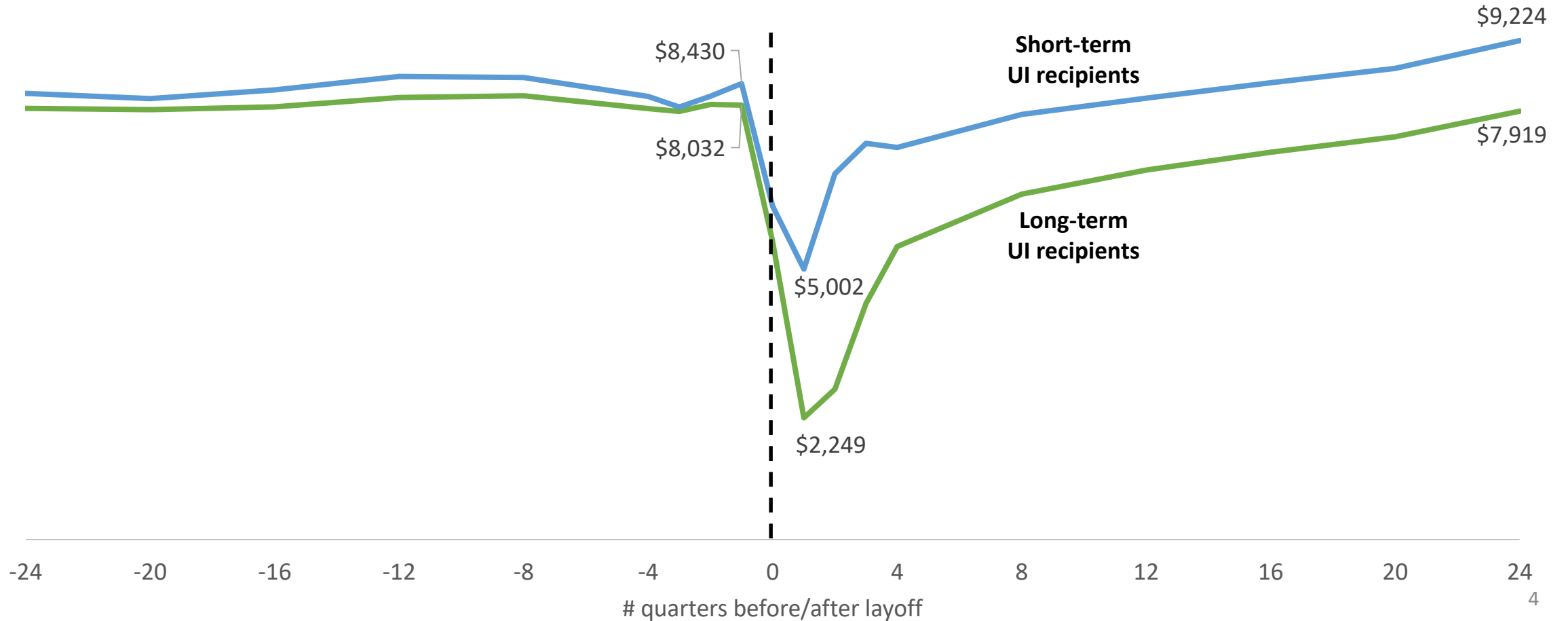
“Duration dependence”: poor outcomes now → worse outcomes later

Evidence of employment discrimination against LTU

- Few observable differences between LTU and STU
- Resume audit studies (e.g., Kroft et al. [2013])

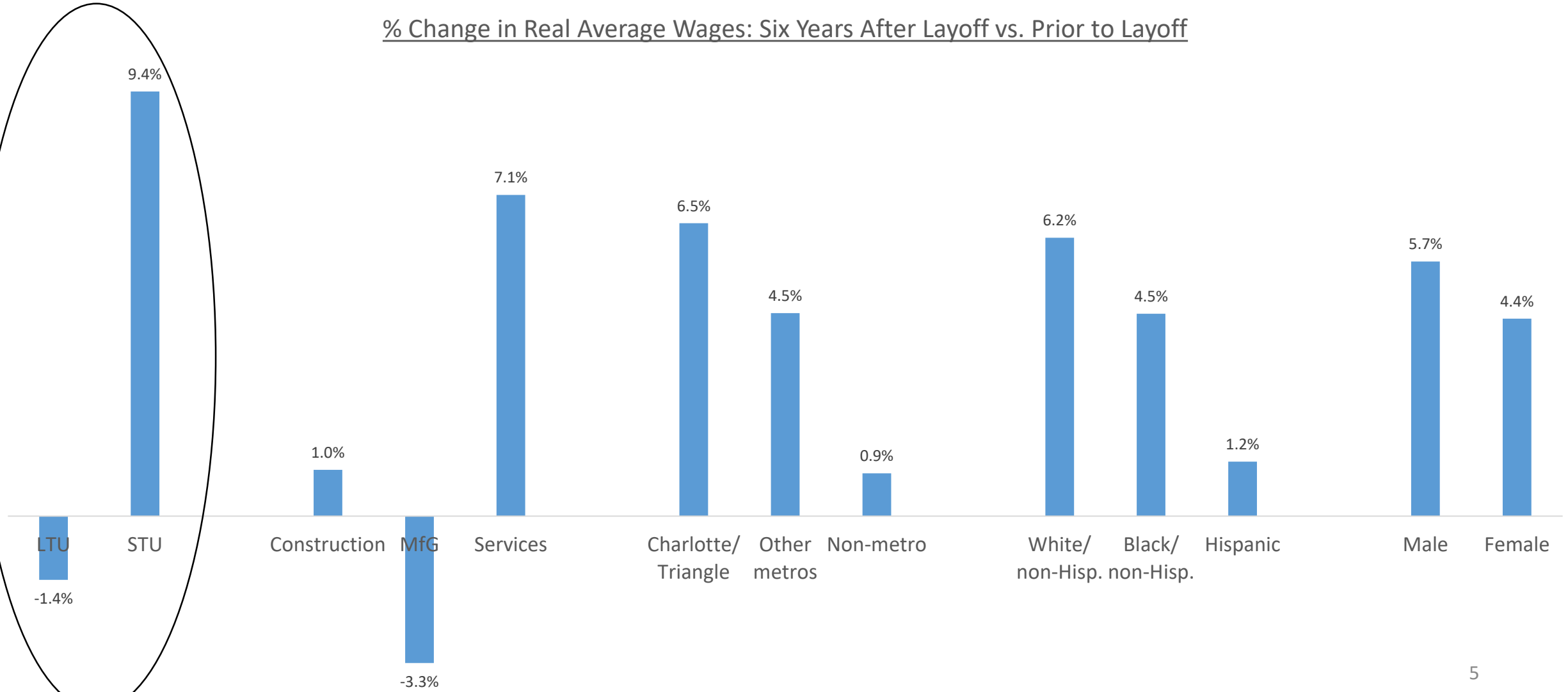
Long-Term UI Recipients Saw Permanent Pay Cut

Real Average Quarterly Wage, Pre- and Post-Layoff, of North Carolina Workers Laid Off 2008Q3-2009Q2



LTU vs. STU Disparity Worse Than Other Groups

% Change in Real Average Wages: Six Years After Layoff vs. Prior to Layoff



Resources for Applied Research

Funding: Workforce Data Quality Initiative (WDQI) grant

- Data system enhancements
- Longitudinal research

Longitudinal microdata: federal and state sources

- Tracks individual workers (“microdata”) over time (“longitudinal”)
- NC Common Follow-Up System (CFS): Unemployment insurance (UI) wage records, UI claims, and workforce/education programs, linked by SSN
- Current Population Survey (CPS): public use microdata sample (PUMS)

Skilled talent: quantitative economists with programming knowledge

- Need programming (SAS, R, SQL, etc.) to manage and analyze “big data”

Data on Workforce Equity: Cautionary Notes

Be careful when using administrative data for research purposes

- Administrative data = administrative concepts ≠ research concepts
- Current Population Survey: designed to quantify labor force status
- UI system: designed for administration of UI benefits
 - No data on labor force status (“unemployed”) or duration of jobless spell (“long-term”)
 - Need to translate between administrative and research concepts

Existing data may not include the groups you’re concerned about

- Federal statistical data: driven by research needs
- Administrative data: driven by administrative needs
 - Program administration (e.g., eligibility for public benefits)
 - Compliance (e.g., EEO requirements)

Policy Context

Labor market conditions

- Slack (2013) vs. tight (2018)

State and national politics

State and national policy priorities

- Concern about inequities: which ones??
- Support for data/research capacity

Takeaways

Data on workforce equity

- Longitudinal microdata allows you to quantify workforce outcomes
- Administrative data is powerful, but tricky

Capacity

- Need to obtain funding, build data systems, and invest in data skills

Policy context

- Research—and impact—are framed by economic and political conditions

Thank you!

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Report: [Unemployment & the Great Recession in North Carolina](#)

Blog post: on [the LEAD Feed](#)

More about the Common Follow-up System: on the [LEAD website](#)