Net Job Creation

By U.S. Regions



Presented by: Project Garden

Intro to Data

Dataset:

- Source: U.S. Census Bureau Business Dynamics Statistics, compiled by CORGIS
- Purpose: tracks how businesses open, grow, and close to show where jobs are gained and lost
- Size: 1,927 observations and 25 variables
- Unit of observation: one state in one year
- Key variables: Year, State, Job Creation, Job Destruction



Executive summary

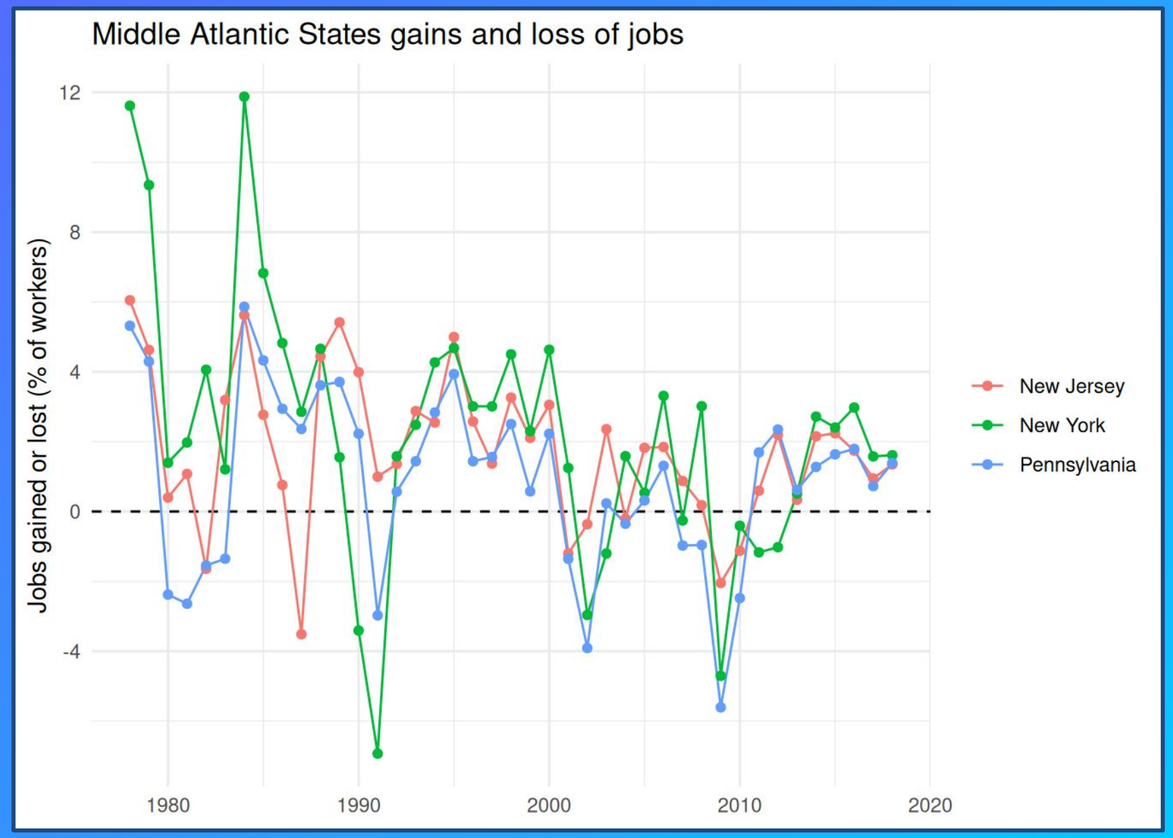
How has net job creation changed over time across different regions of the United States?

- We compared job creation across **nine U.S. regions**.
- The **1990, 91 and 2007, 08, 09 recessions** stand out as periods of decline.
- We first noticed especially large job losses in the **Middle Atlantic** during downturns.
- Looking more closely, we found that **the Mountain region also had high job creation**, with
- Colorado standing out among its states.
- These patterns suggest that regional totals can hide important differences within a region.

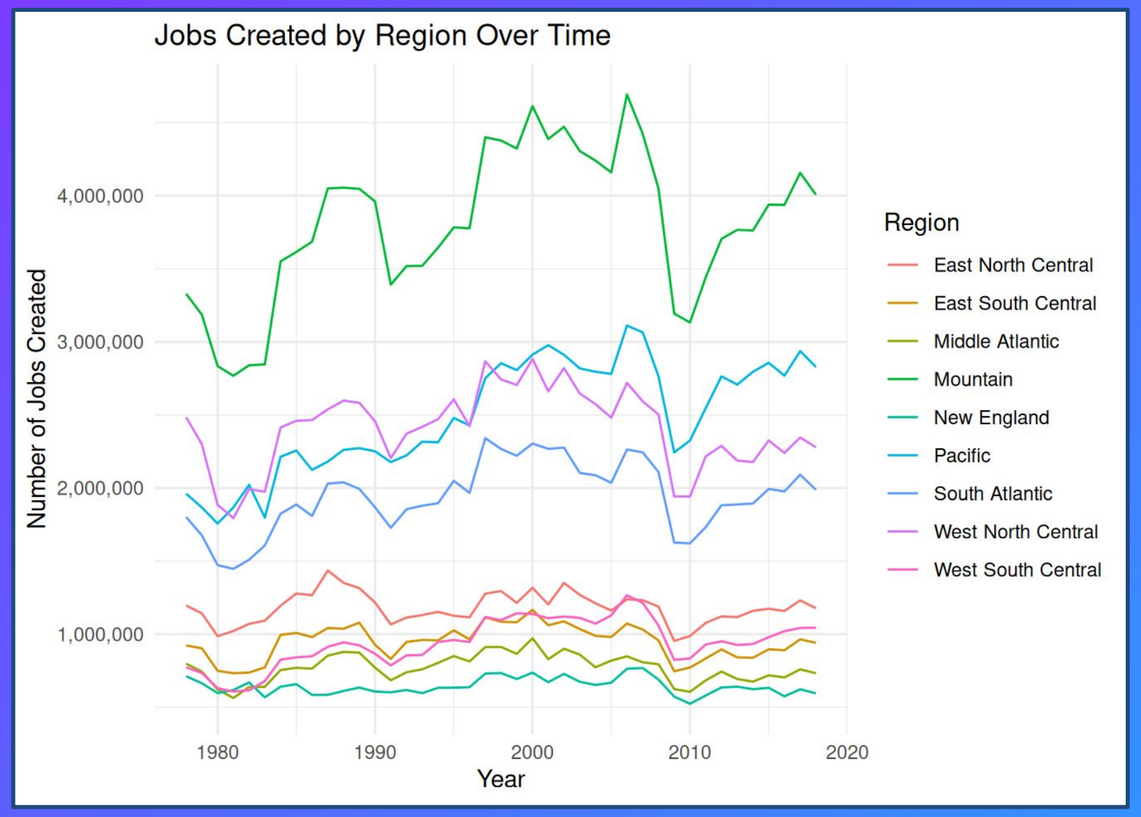
The Middle Atlantic States saw **significant job losses** in the **early 1990s and 2008.**

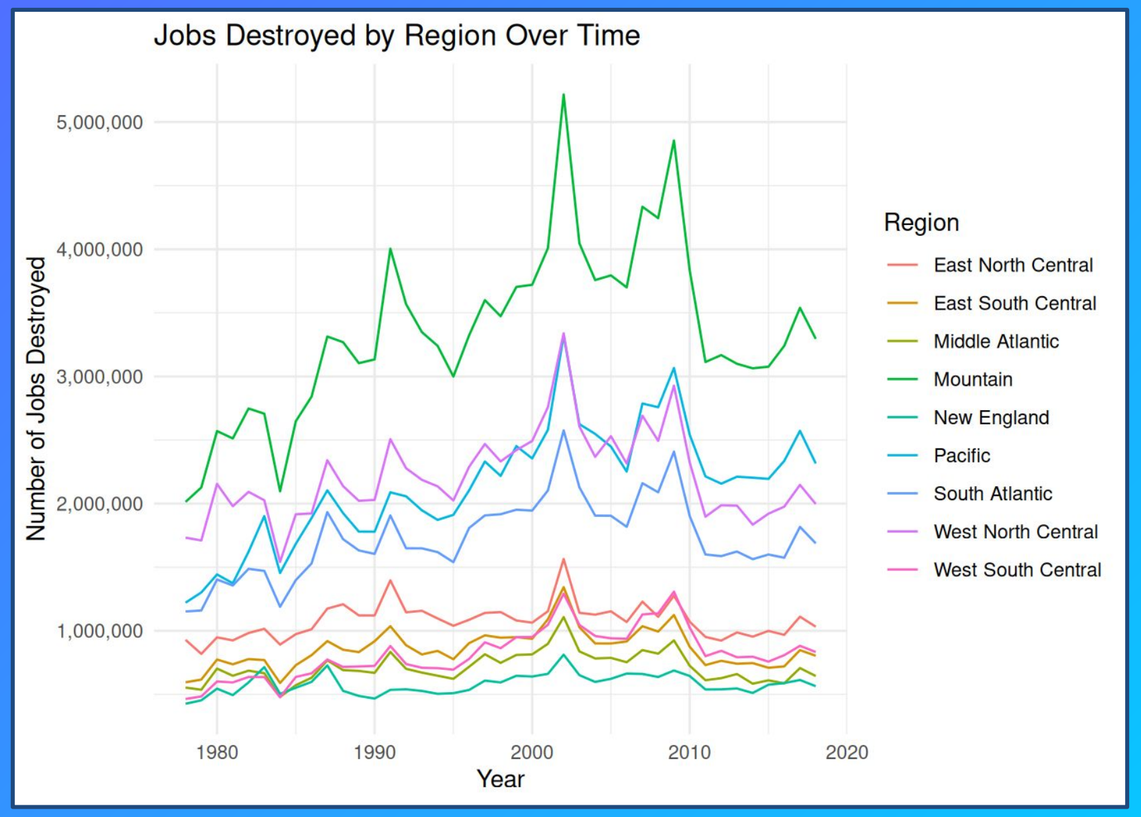
Approach:

- Grouped 50 states into 9 regions
- Explored trends in net job gain in specific regions

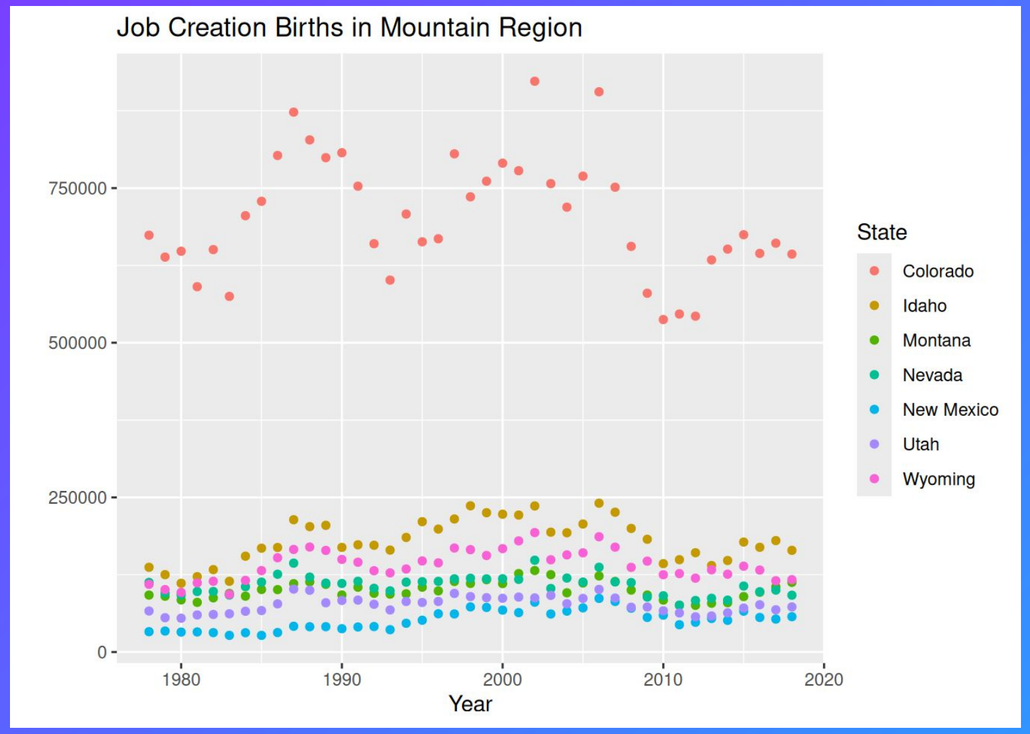


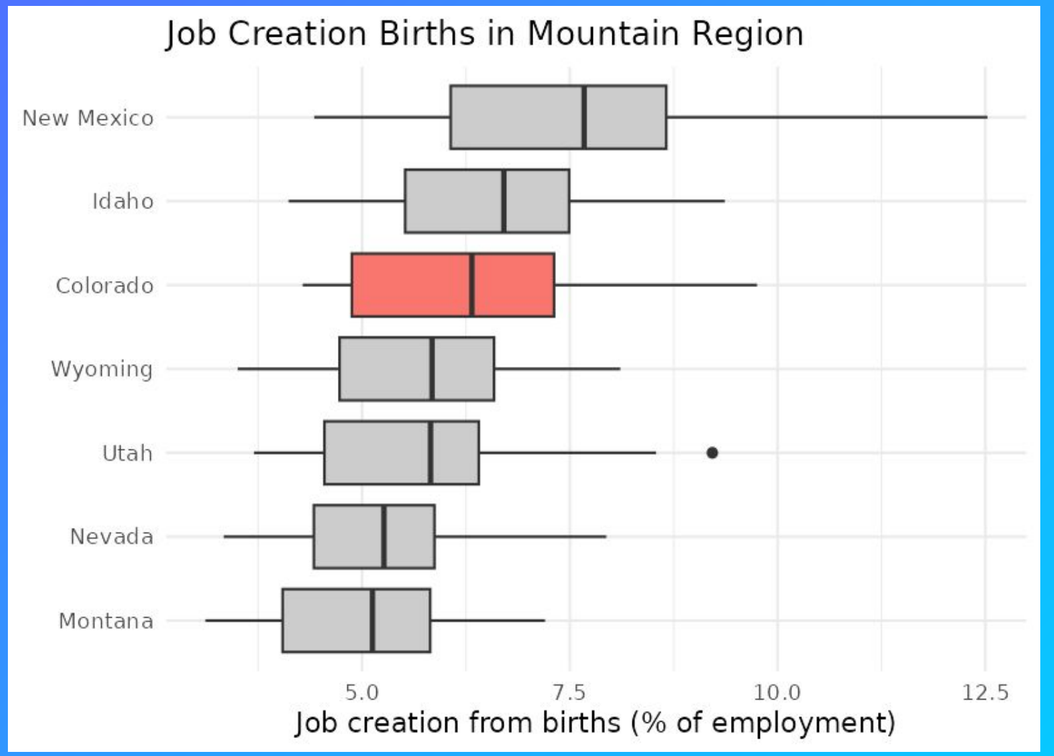
Similar overall job creation and destruction trends are seen across all 9 regions in the US



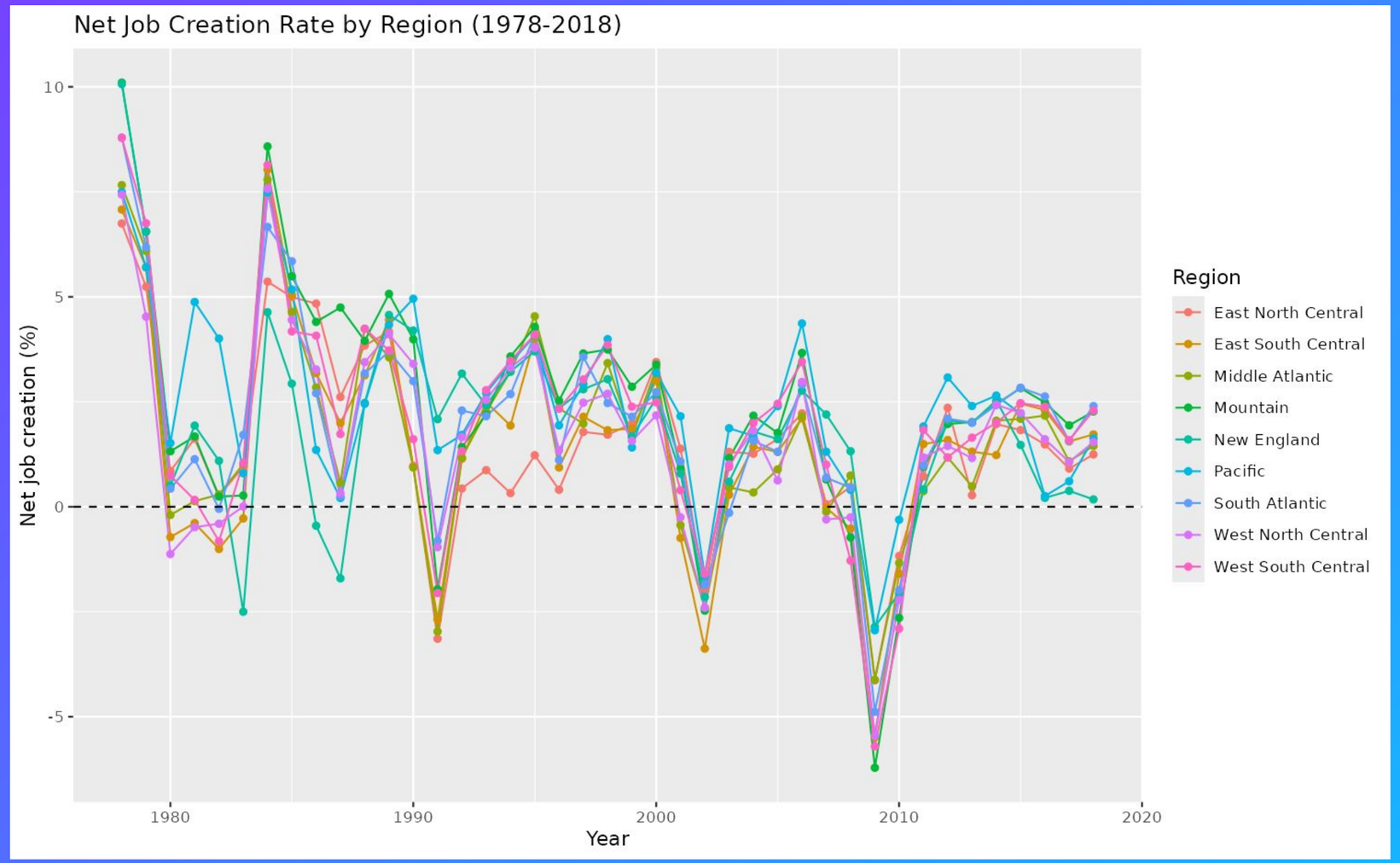


Colorado **dominate** high job creation in the Mountain Region due to population



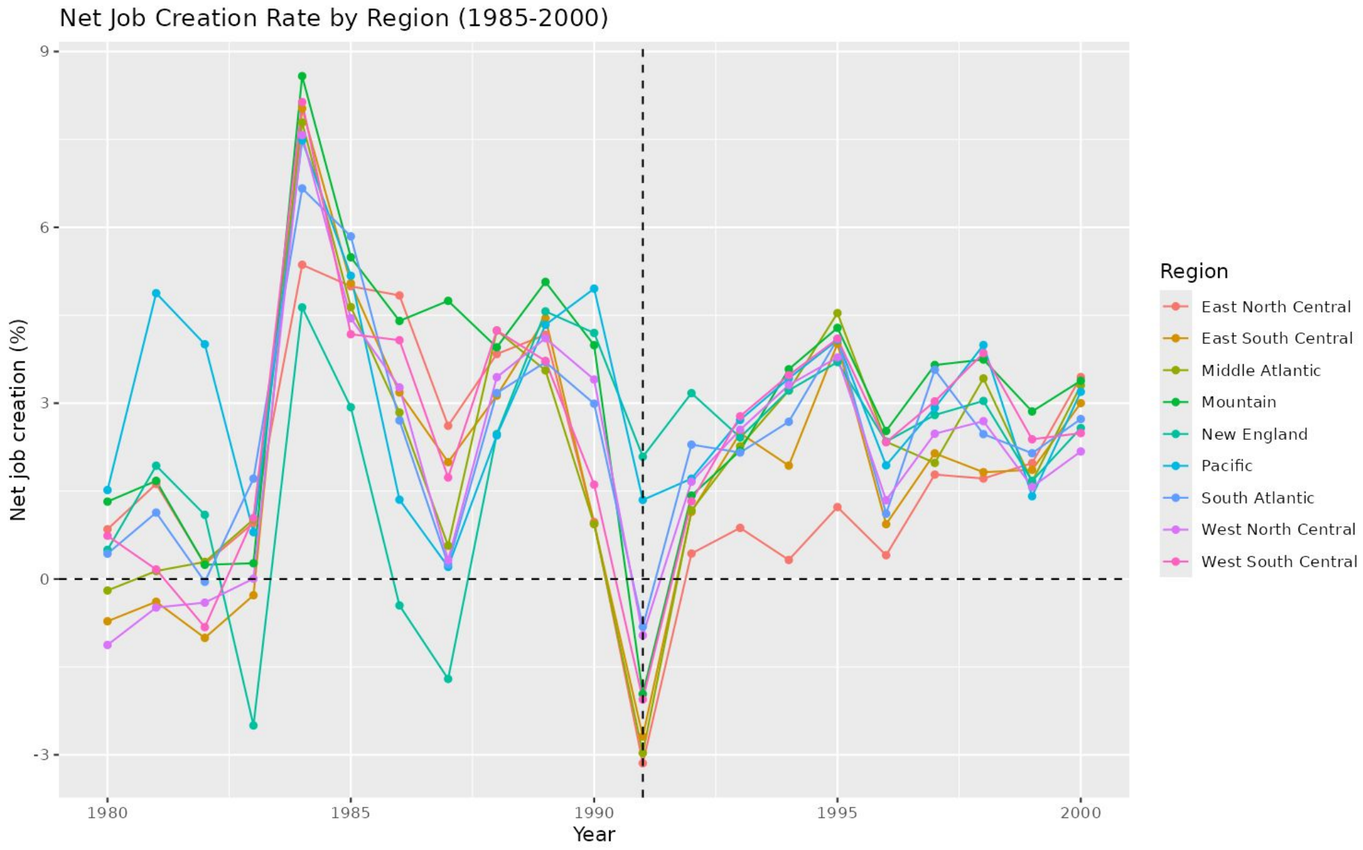


Rate to measure the overall trend in Net Job Creation



- 2 Major Decline After 2000
- 1 Major Decline Before 2000

Contextualizing Observed Trends



1980 to 2000

- Lowest at 1991 across all regions
  - -3% in 1991, back up to about +4% by 1995
- Job destruction rises in recessions and falls in expansion
  - All states show similar trends
- Causes: Oil Price Increase; Defense cuts after Cold War

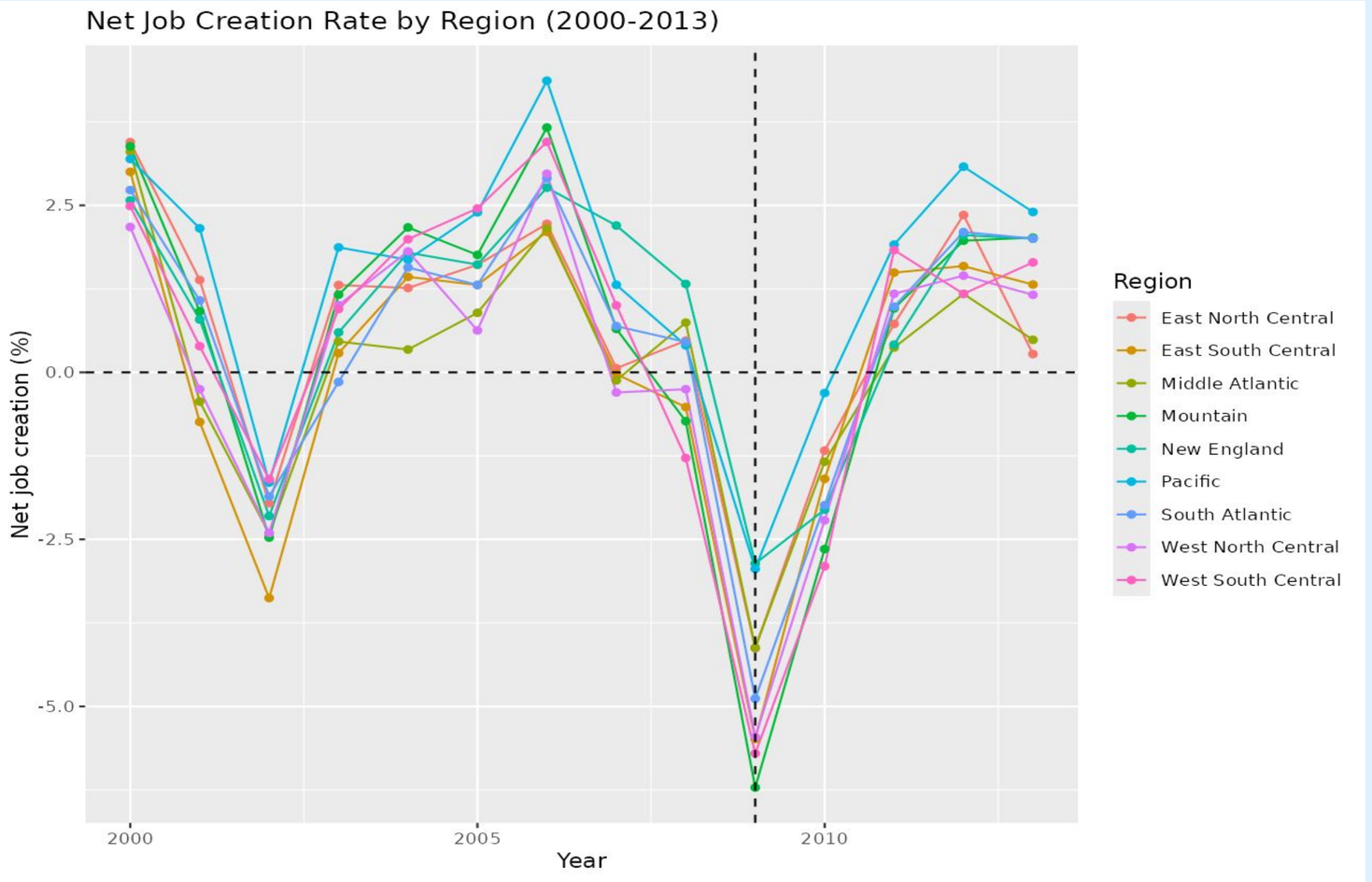
Contextualizing Observed Trends

Mar. 2001 - Nov. 2001

- Manufacturing decline, Dot-Com Bubble, 9/11

Dec. 2007 - Jun. 2009

- Housing market crash, detrimental mortgage loan practices
- Unemployment peaked
  - 10/2009: 10%
- Mass layoffs
- Net Decrease of Establishments



Conclusion!

Limitations

- Lack of predictor variables (GDP, adjusted for population, etc.)
- Hides variability within regions and states