

Pulaski County Virginia

Workforce Participation Rate Analysis

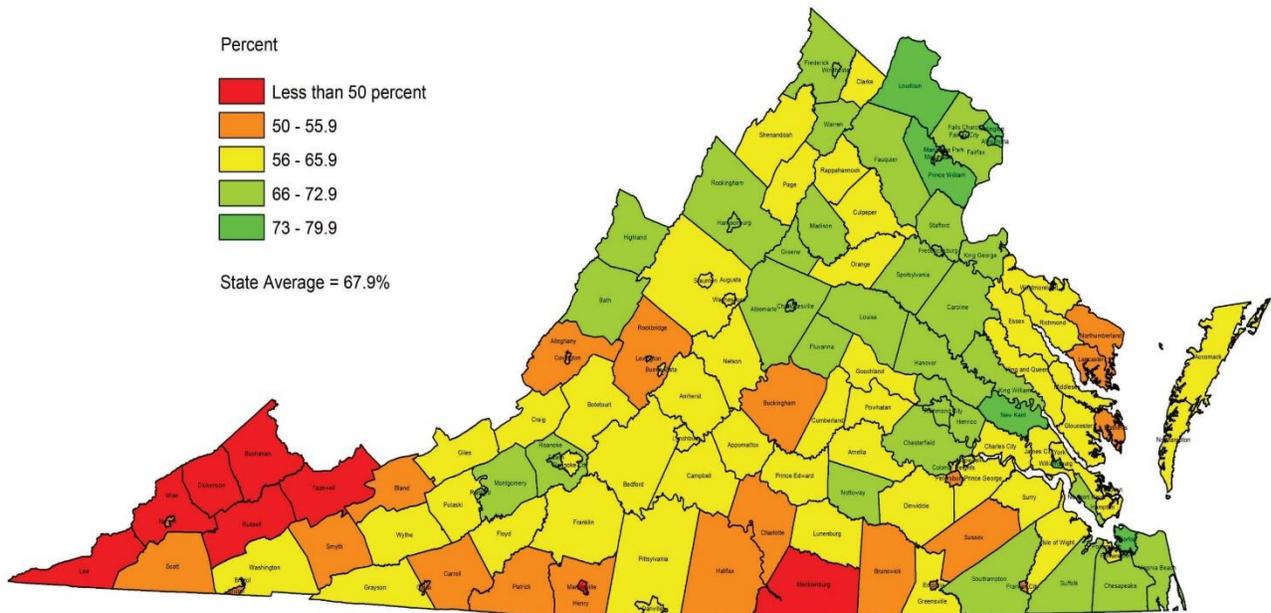
The workforce participation rate is defined as the percentage of the population between 18 and 64 years old that are either working or actively looking for work. Comparing participation rate provides a general idea of the employment capacity of the existing population of a locality. In 2016, the most recent data currently available, Pulaski County had a 2016 workforce participation rate of 59.7 percent.

As shown in the following map of workforce participation rates in Virginia, neighboring counties of Bland and Carroll have lower workforce participation rates. Both have similar demographic and cultural characteristics to that of Pulaski indicating that there may be opportunity to recruit employees from those areas.



Labor Force Participation Rates

2016 (by County and Independent City)



Source: Virginia Employment Commission, September 2017

The Labor Force Participation Rate is the percentage of the population that is in the labor force. The labor force is considered anyone who is employed or unemployed. Unemployed individuals are only those that are actively available and looking for work, not necessarily all individuals without a job. For the most accurate measure, the population considered is the Civilian Non-institutionalized Population. This is individuals over the age of 16, who are not in the military, and are not otherwise prevented from working, such as the incarcerated.

The following chart also from Economic Information & Analytics provides specific workforce participation numbers for localities throughout Virginia.

Labor Force Participation Rates by County and Independent City - 2016 (Preliminary Data)

Locality	2016	Locality	2016	Locality	2016
Accomack County	59.9%	Fluvanna County	66.7%	Northampton County	60.6%
Albemarle County	70.3%	Franklin County	58.4%	Northumberland County	51.2%
Alleghany County	53.2%	Frederick County	71.5%	Nottoway County	66.8%
Amelia County	61.1%	Giles County	58.6%	Orange County	60.1%
Amherst County	59.9%	Gloucester County	64.4%	Page County	59.3%
Appomattox County	57.2%	Goochland County	62.6%	Patrick County	52.7%
Arlington County	79.5%	Grayson County	58.7%	Pittsylvania County	58.7%
Augusta County	63.4%	Greene County	67.1%	Powhatan County	61.2%
Bath County	66.7%	Greensville County	63.0%	Prince Edward County	65.2%
Bedford County	61.5%	Halifax County	53.1%	Prince George County	61.6%
Bland County	54.8%	Hanover County	72.2%	Prince William County	73.6%
Botetourt County	64.8%	Henrico County	71.8%	Pulaski County	59.7%
Brunswick County	51.2%	Henry County	52.1%	Rappahannock County	59.5%
Buchanan County	36.5%	Highland County	66.3%	Richmond County	62.0%
Buckingham County	53.1%	Isle of Wight County	65.8%	Roanoke County	66.5%
Campbell County	58.4%	James City County	61.0%	Rockbridge County	55.4%
Caroline County	68.0%	King and Queen County	61.7%	Rockingham County	66.9%
Carrroll County	53.0%	King George County	66.6%	Russell County	48.7%
Charles City County	61.4%	King William County	69.6%	Scott County	52.8%
Charlotte County	53.5%	Lancaster County	53.9%	Shenandoah County	61.1%
Chesterfield County	71.6%	Lee County	43.9%	Smyth County	54.3%
Clarke County	64.5%	Loudoun County	79.8%	Southampton County	66.3%
Craig County	58.0%	Louisa County	67.5%	Spotsylvania County	66.1%
Culpeper County	64.6%	Lunenburg County	56.2%	Stafford County	70.0%
Cumberland County	57.4%	Madison County	68.5%	Surry County	63.9%
Dickenson County	37.7%	Mathews County	54.4%	Sussex County	52.6%
Dinwiddie County	60.5%	Mecklenburg County	49.2%	Tazewell County	46.2%
Essex County	61.6%	Middlesex County	56.4%	Warren County	66.4%
Fairfax County	71.8%	Montgomery County	68.2%	Washington County	61.1%
Fauquier County	68.2%	Nelson County	59.2%	Westmoreland County	62.1%
Floyd County	65.8%	New Kent County	74.5%	Wise County	43.2%

Labor Force Participation Rates by County and Independent City - 2016 (Preliminary Data)

Locality	2016	Locality	2016
Wythe County	57.6%	Radford City	68.9%
York County	65.7%	Richmond City	69.5%
Alexandria City	79.0%	Roanoke City	63.6%
Bedford City		Salem City	67.6%
Bristol City	53.3%	Staunton City	62.6%
Buena Vista City	65.0%	Suffolk City	66.1%
Charlottesville City	68.3%	Virginia Beach City	70.6%
Chesapeake City	68.4%	Waynesboro City	61.4%
Colonial Heights City	64.4%	Williamsburg City	74.6%
Covington City	53.4%	Winchester City	69.1%
Danville City	58.5%		
Emporia City	51.3%		
Fairfax City	69.8%		
Falls Church City	78.8%		
Franklin City	54.7%		
Fredericksburg City	69.7%		
Galax City	55.6%		
Hampton City	63.4%		
Harrisonburg City	66.8%		
Hopewell City	57.2%		
Lexington City	62.7%		
Lynchburg City	65.7%		
Manassas City	71.3%		
Manassas Park City	72.1%		
Martinsville City	49.0%		
Newport News City	70.1%		
Norfolk City	76.3%		
Norton City	51.3%		
Petersburg City	54.1%		
Poquoson City	64.1%		
Portsmouth City	62.9%		

- The labor force participation rate is the percentage of the population that is either employed or unemployed (that is, either working or actively seeking work)
- People with jobs are employed.
- People who are jobless, looking for a job, and available for work are unemployed.
- The labor force is made up of the employed and the unemployed.
- People who are neither employed nor unemployed are not in the labor force.
- See https://www.bls.gov/cps/cps_htgm.htm and https://www.bls.gov/cps/eetech_intro.pdf for more detailed technical information



In general, workforce participation rates increase in younger and/or more expensive places to live. As noted by Economic Information & Analytics: "In recent decades the labor force participation rate has reached its peak, but usually averages in the mid to upper 60s. The Virginia participation rate is currently at 67.9 percent, while the national rate is 62.9 percent. The national rate reached its peak of 67% in 2001, with a sharp decline since the end of the last recession. Contrastingly, Virginia's rate has remained relatively stable in the last decade. For more information regarding state averages for all 50 states as well as the national participation rate, see the U.S. Bureau of Labor Force Statistics at www.bls.gov."

Based on a 2016 County population of 20,582 residents ranging in age from 18 to 64 years old, there were 8,294 persons in the working age group that are outside the existing labor force (persons who are not working or seeking work). Without a breakdown of labor force participation numbers, we do not know what portion of the persons outside the labor force are male or female. However, it is generally assumed that women are more likely to be outside the labor force due to traditional roles as stay-at-home moms, due to child care issues, or due to caring for elderly parents.

A one-percent change in the workforce participation rate in Pulaski County would result in the addition or loss of approximately 206 persons to the workforce. Increasing Pulaski County's workforce participation by 8.2 percent to equal the statewide average would add 1,689 persons to the workforce.

Increasing workforce participation goes against the current national trend but would be in keeping with more affluent economies found in the urban crescent of Virginia. While difficult, increasing the local participation is not impossible. Making a change would involve communicating work opportunities with those currently outside the labor force and then removing obstacles affecting their ability to work. Tools available to the County in addressing this issue include access to places where those outside the workforce congregate, the willingness of employers to think through traditional barriers to employing those outside the workforce, ready access to transportation services through Pulaski Area Transit and perhaps Sunshine Tours, and a number of service organizations dedicated to helping others.

The Adult Day Care facility in Dublin is of some help in giving working age persons the ability to work. A similar effort to address child care issues could be a helpful step making it possible for parents of young children to join the local workforce. As noted by Alyson Hunter, Executive Director of the Pulaski YMCA: "Pulaski County is a child care desert".

Another factor affecting the workforce participation rate of Pulaski County is the regional jail. Counted as residents of Pulaski County by the US Census, the 943 inmates housed in the jail in September 2016 would have reduced the County's workforce participation rate by 4.58 percent. With approximately 500 inmates being released each month, these same inmates could be part of the solution to solving the County's workforce shortage. Inmate work release programs have been of major help to localities for several years. In addition, inmates used to be able to work for private firms, allowing them to earn wages necessary to pay restitution, gaining specific skills related to that employer and often remaining employed after completing their sentence.

Jim Cox, former Plant Manager at Imperial Fabrication from 2001 to 2010, discussed his experience hiring inmates in 2005: "We really liked the inmate program because we had the people there prior to work time and we were able to rely on them each day. Their work performance was good because they liked the opportunity to make money. We paid them the starting wage that we paid anyone else and offered them full time work at the end of their sentences. This was at a time of low unemployment in the County. Another great thing about this was that we did not have to worry about their being able to pass a drug test. For the most part they were strong, healthy people just looking for an opportunity". Any program that prepares inmates for long-term employment would be of significant benefit to area employers while also helping localities reduce recidivism rates.

Two blogs posted by Chmura Economics & Analytics help to frame this issue from a national perspective. In a September 21, 2017 Patrick Clapp, Economist with Chmura Economics & Analytics posted the following:

Where Participation Points Matter: Labor Force Participation Rates in US Counties

Source: Chmura Economics & Analytics, JobsEQ

In Eagle County, Colorado, 80% of the civilian population 16 or older were either working or looking for work in 2015. In Sumpter County, Florida, that figure was below 25%.

An active working-age population is a critical component to support economic growth, and the labor force participation rate—calculated as the percentage of the civilian population 16 years and older who have a job or are looking for one—provides a helpful measure of this activity and the health of a region’s economy.

The national labor force participation rate was 63.3% in 2015, but participation rates vary widely by county. The top 10 counties[1] with the highest labor force participation rates (and populations greater than 10,000) are detailed in the table below. Many of the top counties benefitted from growth in bordering counties due to the oil and gas boom occurring during the survey years (2011-2015) or are bedroom communities for commuters working in nearby metro centers experiencing growth (such as Washington, D.C.) and tourist attractions.

County with Population Greater than 10,000	Labor Force Participation Rate 2015
Eagle County, Colorado	80.0%
Teton County, Wyoming	78.6%
Summit County, Colorado	77.9%
Alexandria City, Virginia	77.7%
Lincoln County, South Dakota	77.4%
Arlington County, Virginia	77.3%
Scott County, Minnesota	76.7%
Campbell County, Wyoming	76.6%
Teton County, Idaho	76.5%
Carver County, Minnesota	76.1%

Source: JobsEQ®, ACS 2011-2015

The national unemployment rate of 4.4% in September 2017 suggests full employment. At the same time, some regions continue to struggle to recover from the Great Recession based on their low participation rates.

The participation rate provides a measure of the population willing to work as well as groups that have been discouraged from participating or are unwilling to enter the labor force. Increasing participation in the labor market can boost production and economic growth in a region if firms are not producing at full capacity because of labor shortages.

People may not participate in the labor force for a number of reasons, including retirement, disabilities, taking care of a family member, and attending school. In a previous blog post we discussed the population facing barriers to employment which may discourage them from participating in the labor force. We estimated integrating this group into the labor market could increase the national labor force participation rate by 1.2 percentage points.

Nationally, the labor force participation rate has been declining since 2000, and there is some confusion about why. Some of the change can be explained by the baby boomer population entering retirement as well as more young adults staying in school longer and pursuing higher education. Numerous other

explanations exist for the remaining decline, including recently that opioids account for a large share of the drop in labor force participation among men.

However, participation rates are not declining everywhere. Between the 2010 and 2015 estimates, labor force participation rates rose in about 20% of counties. The ten counties with the largest percentage point change in labor force participation between 2010 and 2015 are shown in the table below. Areas at the top of this list tended to have particularly low participation rates in 2010, and often also saw improved educational attainment of the population.

Labor Force Participation Rate			
County with Population Greater than 10,000	2010	2015	Change (Percentage Points)
Buckingham County, Virginia	27.4%	51.4%	24
Goochland County, Virginia	45.1%	60.3%	15.2
Powhatan County, Virginia	47.8%	59.6%	11.8
Karnes County, Texas	35.5%	45.8%	10.3
Summers County, West Virginia	38.5%	46.9%	8.3
Limestone County, Texas	48.1%	54.8%	6.6
Harrisonburg City, Virginia	51.8%	58.3%	6.5
Iron County, Missouri	46.8%	52.6%	5.8
Clarke County, Alabama	44.4%	50.2%	5.8
Rio Grande County, Colorado	54.0%	59.8%	5.7

Source: ACS 2011-2015, ACS 2006-2010

[1] Though data in the map are shown for every county, data in the tables are limited to regions with a population of at least 10,000 people to minimize potentially misleading estimates in small counties.

The significant changes in Buckingham, Goochland, Powhatan counties provide hope that local efforts can make a significant difference in the economy of a community. The following September 4, 2017 blog, by Chris Chmura, founder and chief economist for Chmura Economics & Analytics points to where communities could focus their efforts:

[Who is Missing from the Labor Force?](#)

Source: Chmura Economics & Analytics, JobsEQ

As we celebrate the achievement of American workers on this Labor Day, we shouldn't forget those who are left out of the labor market.

The labor force participation rate, which is the percent of the civilian population 16 years and over who have a job or are looking for one, hasn't been lower since 1978.

In July 2017, the labor force participation rate was 62.9 percent — down from a peak of 67.3 in March 2000.

The Federal Reserve Bank of Atlanta, which analyzes the changes in labor force at its Center for Human Capital Studies, concluded that the retiring population explains about half of the 3-percentage point decline in the labor force participation rate since 2008.

The Atlanta Fed also consider the reasons that people are not in the labor force, which varies by age, education, race and gender.

Not surprisingly, a higher percentage of people younger than 25 are not in the labor force because they are in school full-time, while many people (mainly women) 25 to 40 years old are taking care of the

family. Disability or illness increases as a reason for not being in the labor force for the 45 to 60 age group. After age 60, retirement is the leading reason why individuals are not in the labor force.

One particular group not in the labor force includes those “hard-to-employ” people with barriers to work.

Kevin Corinth wrote an article in July when he was a research fellow at the American Enterprise Institute that digs deeper into why those individuals are not participating in the labor force and estimates the number of people not working because they face barriers.

He estimated that in 2015, 14.5 million adults between 25 and 54 had incomes below 200 percent of the poverty line and at least one of the following barriers to work:

- Homelessness;
- Serious mental illness;
- Substance abuse; or
- Arrested and booked for breaking the law.

Not all people with barriers would be willing to work if offered a job, so Corinth used information on peers with similar demographic characteristics and education but who do not face barriers to tease out the percentage with barriers who would work.

This method resulted in an estimate of 2 million people who potentially would be willing to work. If those people are successfully integrated into the labor market, they can increase the national labor force participation by 1.2 percentage points.

Corinth points to social enterprises as a solution to help this population, particularly those with recent experiences of homelessness, serious mental illness, and those with multiple barriers, which makes up 1.6 million adults where the gap between the actual and predicted work rate is largest.

These enterprises offer on-the-job training to people that are hard-to-employ with the goal of transitioning them into conventional employment.

When we look at macro-level statistics, it’s easy to lose sight of the human side of those numbers.

This Labor Day might be a good time to think differently about those who are not participating in the labor force as well as the social enterprises that help bring these individuals back into the labor force.

Applying Mr. Corinth’s rationale to the number of persons in Pulaski County that are outside of the local workforce could be estimated to result in an expansion of the labor force and a better life for more than 1,100 persons.