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What's behind Alabama's job numbers?

by Stephen Stetson
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When I was young, I used to pretend I could control the outcome of Alabama football games from my distant perch in front of the TV.

“If I can eat this hot dog before the first quarter ends,” I’d tell myself in a typical scenario, “Alabama will come back and Bobby Humphrey will score a touchdown.”

If Bama scored, I would congratulate myself for my contribution. If, as occasionally happened, Bama lost, it must have been because I didn’t finish my hot dog in time.

This crude, childhood theory of causation comes to mind when Alabama politicians take credit for improvements in the state’s unemployment rate. When the rate goes down, suggesting (sometimes incorrectly) that joblessness has declined, they are quick to claim success for their agenda — usually crediting various tax cuts, giveaways to corporations, or foremost lately, their new law attempting to drive undocumented immigrants out of Alabama.

If the economic news is less sunny, there’s always President Obama to blame.

In the real world, cause and effect are more complicated than a child’s magical thinking for a favorite sports team or a politician’s desire to be proven right.

No question, Alabama’s unemployment rate has been going down. That seems like good news, except that the numbers can be deceiving. When the unemployment rate drops, it means fewer people are seeking jobs. If that’s because they’ve found jobs, that’s a good thing. If it’s because they’ve gotten frustrated because there are no jobs to be had and have quit looking, that’s a bad thing. Nothing good happens when someone without a job decides to stop sending out resumes.

Unemployment numbers can rise or fall for any number of reasons. A company moves to town and needs workers? Unemployment goes down. A company automates something that once was done by people? Unemployment goes up. Job seekers move out of state to take jobs somewhere else? Fewer people in the available workforce means the rate goes back down.

Nor do the numbers tell you whether wages are going up or down, or if the jobs being filled are dead ends or tickets to the middle class.

All of which is to say that caution is required before claiming political credit for complex economic forces. Still, the numbers can’t be ignored.

When the December figures showed that Alabama’s unemployment rate had fallen to 8.1 percent from November’s 8.7 percent, Gov. Robert Bentley and the Department of Industrial Relations

claimed that 41,000 more Alabamians were working than they were at the start of 2011. That's undeniably good news — and those numbers are nothing to sneeze at. But we're still a long way from being back to where we were a few years ago. And that tricky question of what caused this turnaround persists.

It probably wasn't something Alabama did on its own. Since September, the unemployment rate has fallen in 44 states. We're one of seven states that have shaved a full point or more off the unemployment rate during the last part of 2011.

None of that has stopped several state lawmakers from boldly claiming credit for the brighter picture, particularly those eager to tamp down criticism of the immigration law, HB56.

“More Alabamians are working today thanks in part to our decision to crack down on illegal immigration,” crowed Rep. Micky Hammon, R-Decatur, who co-sponsored the law.

Alabama's optimistic figures can hardly be attributed to driving off all the undocumented immigrants. The law didn't go into effect until the last quarter of the year, and much of it still can't be enforced, pending court decisions. Many who have left the state (or been deterred from coming here) are actually citizens or workers legally present in the United States.

What's more, unemployment numbers don't include agriculture, where many of the undocumented immigrants toiled. If those workers left the state, it wouldn't show up in the official figures.

Alabama's total labor force grew steadily from January through June of 2011, along with the state's unemployment rate. But when the unemployment rate hit 10 percent in July, something changed. Over the following six months, about 30,000 people gave up on finding work here and no longer counted as unemployed members of Alabama's active work force. Whether they moved away or stayed, we don't know. But what we do know is that when the year-end count shows 41,000 fewer unemployed workers than last year, only a quarter that many people found jobs in Alabama.

All of our neighboring states have managed to create jobs in recent months without claiming to have driven off their populations of undocumented immigrants. And the national trend of a dwindling unemployment rate suggests that Alabama's figures aren't directly tied to legislative action, whether related to immigration policy or otherwise.

Nonetheless, Sen. Bryan Taylor, R-Prattville, also touted the possibility HB56 might be responsible for Alabama's declining unemployment rate. “It's hard to draw a causal relationship conclusively, but it's certainly plausible,” he said.

Sort of like the hot dogs I used to scarf down to help Alabama win.

Stephen Stetson is a policy analyst with Arise Citizens' Policy Project, a statewide nonprofit coalition of 150 congregations and organizations promoting public policies to improve the lives of low-income Alabamians.

