Recession Created a Skills Disconnect in the Pensacola MSA

The Longitudinal Employer-Household Dynamics (LEHD) program is part of the Center for Economic Studies at the U.S. Census Bureau. The program creates statistics on employment, earnings, and job flows at detailed levels of geography and industry and for different demographic groups.

We recently looked at the inflow and outflow of workers to and from the Pensacola MSA from 2002 through 2015 – the most recent data available – and found some surprises.

Prior to the Great Recession, the Pensacola metro area was a net exporter of workers. Not only were a larger number of workers residing in the two county area, but more left the area for work than entered it. But this trend reversed itself from 2007 through 2014 as the area saw both fewer workers residing in it and a significant number of workers commuting to it from other areas. This reversal occurred even as the number of unemployed residents climbed.

These patterns suggest a disconnect between the skill set of the labor force that resided in the counties and the workforce needs of employers as they weathered the economic downturn. A brief look at occupational data from EMSI, for example, shows that construction worker employment fell from 12,285 in 2006 to just 7,176 in 2013. Worker's in this industry might lack the skills necessary to transition into jobs in occupations that lost fewer employment opportunities, such as office and administration jobs. Additionally, because the recession effected housing prices so severely, many workers may have been unable to relocate to find employment, creating high unemployment at the same time workers with other skills sets were commuting into the MSA.

Sources: US Census Bureau On the Map and Florida Dept. of Economic Opportunity FREIDA applications
The last data points suggest that this pattern may be reversing itself again as the recovery solidified. Future data releases from the Census Bureau will see if this bears out.

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