

EXECUTIVE SUMMARY

This is the second edition of state-by-state snapshots issued by the Chairman-designate of the Joint Economic Committee during the 112th Congress and includes data through January 2011. In recent months, the economy has gained strength and this is reflected in a broad range of economic data.

- In the past 12 months (March 2010 – February 2011), 1.5 million private sector jobs have been created. During that same time period, unemployment has declined from 9.7 percent to 8.9 percent.
- Gross domestic product grew by 2.8 percent in the fourth quarter of 2010, the sixth consecutive quarter of economic expansion.
- Retail sales have increased for eight straight months, a sign that consumers are feeling more confident about their economic prospects.
- The ISM Manufacturing Index shows that economic activity in the manufacturing sector has expanded for 19 consecutive months and currently is at its highest level since May 2004.
- Even with the spike in gasoline prices in February, from \$3.10 to \$3.38 per gallon, auto sales increased by 27 percent during February from a year earlier.

This month's state-by-state report looks at how the economic progress nationally is translating to individual states. The report highlights progress in creating private sector jobs and reducing unemployment and tracks the employment gains in key sectors, including manufacturing and professional and business services.

- Thirty-four states and the District of Columbia added private sector jobs in January. Small states recorded the largest expansion of private sector payrolls in percent terms, with Vermont's private sector employment growing by 2.0 percent, Idaho (1.4 percent) and Maine (1.3 percent.) Midwestern states achieved the largest gains in the number of jobs, with Michigan adding 40,500 private sector positions, Texas (38,600), Ohio (33,100) and Illinois (27,100).
- Since the end of 2009, thirty-eight states and the District of Columbia have added private sector jobs in at least 7 of the last 13 months.

- Twenty-four states saw their unemployment rates decline in January. Nevada (-0.7 percent) had the largest decline. Indiana, Michigan and South Carolina each recorded a drop of 0.4 percent. Other states that showed statistically significant declines in the unemployment rate were Pennsylvania (-0.3 percent), Maryland (-0.2 percent) and Nebraska (-0.1 percent). Even with its decline, Nevada had the highest unemployment rate (14.2 percent), followed by California (12.4 percent) and Florida (11.9 percent). Overall, unemployment in the United States decreased by 0.4 percent from December to January.
- Thirty-one states recorded job gains in the manufacturing sector, with Michigan leading the way. Michigan's manufacturing employment increased by 4.2 percent, adding 20,100 jobs during the month. Idaho (2.3 percent increase) and Missouri (1.9 percent increase) were the other top percent gainers. After Michigan, the states which added the largest number of manufacturing jobs were: Texas (5,600), Missouri (4,700), Wisconsin (4,200), and Illinois and Pennsylvania (each with gain of 4,100).
- Thirty-nine states added jobs in the professional and business services sector during January. Forty-four states and the District of Columbia have added jobs in the sector during at least 7 of the last 13 months. In January, Vermont (2.6 percent increase), West Virginia (2.1 percent), and Iowa (2.0 percent) enjoyed the largest percent gains. Massachusetts added the most professional and business service sector jobs (6,700), followed by Ohio (6,100), and Washington (5,500).

The attached state pages highlight the following key economic statistics for each state:

- Jobs created or lost since the start of the recession;
- Jobs saved or created by the Recovery Act;
- Unemployment rates;
- Per capita earnings; and,
- The condition of the housing sector.