U.S. Congress Joint Economic Committee

Understanding the Economy: State-by-State Snapshots

Executive Summary

This is the sixth edition of state-by-state snapshots issued by the Joint Economic Committee during the 112th Congress and includes data through May 2011.

This month's report shows that the slowing in employment growth during May at the national level was felt across several states, with a majority of states losing private-sector jobs during the month. Nationally, private-sector employment gains eased to 83,000 in May, after three straight months of private-sector jobs gains exceeding 200,000. Similarly, the ISM Manufacturing Index, while recording its 22nd consecutive month of expansion in manufacturing activity, slowed to its lowest level since September 2009. Retail sales fell in May for the first time since June 2010.

Against this national backdrop, the report highlights progress at the state level in creating private-sector jobs and reducing unemployment and tracks the employment gains in key sectors, including manufacturing and professional and business services.

Additionally, for the first time, the report includes the 2010 average unemployment rates for Post-9/11 veterans (those who have served on active duty since September 2001) and for all veterans. Post-9/11 veterans faced higher unemployment rates than the overall veteran population in 35 states and the District of Columbia *(click here for table).* Post-9/11 veterans in Michigan had the highest unemployment rate (29.4 percent). Indiana saw the largest difference between the Post-9/11 unemployment rate (23.6 percent) and the overall veteran-unemployment rate (9.0 percent) – a gap of 14.6 percentage points. Nationally, Post-9/11 veterans had an average unemployment rate in 2010 almost 3 percentage points higher than the overall veteran-unemployment rate, 11.5 percent vs. 8.7 percent. For additional information on the causes of high unemployment among Post-9/11 veterans, see "Meeting the Needs of Veterans In Today's Labor Force."

Other report highlights include:

Twenty-three sates added private-sector jobs in May. Florida's private sector saw the largest expansion during the month, adding 30,500 jobs, followed by Ohio (13,800) and Louisiana (11,100). In the past 12 months, 14 states (Texas, California, New York, Ohio, Illinois, Pennsylvania, Michigan, Florida, Massachusetts, Washington, Louisiana, North Carolina, Oklahoma and Wisconsin) have each added more than 30,000 private-sector jobs. Only the District of Columbia, Maryland, New Mexico and Nevada have lost private-sector positions in the past year. From May 2010 - May 2011, North Dakota (5.7 percent), Texas (2.8 percent) and Nebraska (2.6 percent) had the largest percentage gains in private-sector employment.

- Twenty-four states saw their unemployment rates decline in May. New Mexico had the largest drop (0.7 percentage point). Only three other states had statistically significant declines – Oklahoma (0.3 percentage point), Florida and Idaho (0.2 percentage point each). The remaining states and the District of Columbia did not have statistically significant changes in the unemployment rate in May. In the past 12 months, Nevada (2.8 percentage points), Michigan (2.5 percentage points) and Indiana (2.2 percentage points) had the largest decreases in the unemployment rate. Nevada (12.1 percent), California (11.7 percent) and Rhode Island (10.9 percent) had the highest unemployment rates in May. The national unemployment rate during the month was 9.1 percent.

- The manufacturing sector expanded in 27 states in May. The largest gains were in Illinois, which added 4,400 manufacturing jobs, followed by Ohio (3,400) and Louisiana (3,000). Overall, the United States has added 158,000 manufacturing jobs in the past twelve months. These gains have been concentrated in the Midwest and South, with Michigan (21,100), Wisconsin (16,000), Illinois (12,200), Texas (10,900), and Oklahoma (10,100) adding the largest number of manufacturing positions in the past year.

- Twenty states and the District of Columbia added jobs in the professional and business services sector in May. Arizona (7,800), Texas (4,300) and Utah (4,200) posted the largest increases. In the past year, more than 500,000 professional and business services jobs have been added nationwide, with Texas, California and New York recording the largest gains. With its gain of 53,700 professional and business services sector jobs in the past twelve months, Texas has accounted for more than 10 percent of all employment gains in the sector.

- The leisure and hospitality sector added jobs in 21 states and the District of Columbia last month. In the past 12 months, 41 states have added positions in the sector. 202,000 leisure and hospitality jobs have been added nationwide in the past year.

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