



## Understanding the Economy: State-by-State Snapshots

### EXECUTIVE SUMMARY

This is the sixth edition of state-by-state snapshots issued by the U.S. Congress Joint Economic Committee, containing employment and unemployment data at the state level through May 2010. Job creation in May was dominated by hiring for the decennial Census, with a total of 431,000 jobs created. Although the private sector added only 41,000 jobs in May 2010, since January 2010, the private sector has added jobs every month, for a total of 495,000 jobs created thus far in 2010. In contrast, the private sector lost 3.8 million jobs in 2008 and 4.7 million jobs in 2009. This May is the first time since May 1950 that the private sector did not lose jobs in May of the Census year.

While these job creation numbers provide an indication that the economy has started to recover, a stronger, sustained level of job creation is needed to reduce the large pool of unemployed workers. Although 37 states and the District of Columbia recorded unemployment rate decreases in May,<sup>1</sup> unemployment rates are likely to remain high for the foreseeable future. The reason for this is simply due to the large number of jobs lost during this recession. Private sector job creation during the Clinton administration averaged 217,000 jobs per month. However, even with 200,000 jobs created each month, it would take over 3 years to recreate the 8.5 million private sector jobs lost from December 2007 to December 2009.

Many states have seen job creation similar to the nation as a whole. In May, 27 states saw private sector job creation,<sup>2</sup> far fewer than the 42 states saw private sector job gains in April, but not unexpected given the smaller national increase in private sector employment in May. Massachusetts, Tennessee and Texas have experienced private sector job creation for each of the first five months of 2010. The rebound in Massachusetts and Texas is not unexpected given that these states saw smaller job losses than the national average over the recession. However, Tennessee, particularly hard hit in the recession, losing 7.9 percent of its private sector jobs from February 2008 to December 2009, has seen surprising growth in 2010. In the first five months of 2010, private sector employment in Tennessee grew by 1.4 percent, dominated by increases in the professional and business services sector.

On a national basis, three sectors have seen consistent employment growth in 2010: manufacturing, professional and business services, and leisure and hospitality. In May, 31 states saw increases in their manufacturing sector,<sup>3</sup> and 7 states have seen increases in this

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<sup>1</sup> Alabama, Alaska, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming and the District of Columbia.

<sup>2</sup> Alaska, Alabama, Delaware, Georgia, Hawaii, Indiana, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Michigan, Minnesota, Mississippi, North Dakota, New Hampshire, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Virginia, West Virginia and Wyoming.

<sup>3</sup> Alaska, Arkansas, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Minnesota, Mississippi, North Dakota, New Hampshire, New Jersey, New Mexico, Nevada, New York, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia and Wisconsin.

sector in each month in 2010.<sup>4</sup> 24 states and the District of Columbia saw increases in professional and business services sector employment in May,<sup>5</sup> with 4 states seeing increases in professional and business services each month in 2010.<sup>6</sup> 25 states saw employment increases in the leisure and hospitality sector in May.<sup>7</sup> No state had monthly increases in leisure and hospitality for each month in 2010.

In order to provide a clearer picture of economic performance at a more local level, the Joint Economic Committee has prepared a snapshot of the current economic climate within each state. The state pages that follow highlight 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.

The reports provide an easy way for state residents to see how their state is currently performing relative to the rest of the United States, in terms of the current unemployment rate as well as the magnitude of job losses experienced since the start of the recession.

The average American family was particularly squeezed during the Bush Administration when median income and house prices fell, and employment began its downward spiral. Long-term unemployment rose as well; almost half of the unemployed have been without a job for over six months and almost one-third have been jobless for over a year.

In response to the severity of the Great Recession, Congress acted to bolster incentives to the private sector to hire workers. Congress also strengthened the safety net for those whose jobs were eliminated during this recession by passing a series of extensions to unemployment benefits and providing support for the portion of health care costs usually borne by the worker's employer. As the recession has continued to take its toll on working families, a number of emergency extensions have been provided to continue this safety net. However, the most recent extension of unemployment benefits expired on June 2, 2010, and although the House of Representatives passed legislation to extend these safety nets, the Senate had not passed legislation at the time this report was released.

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<sup>4</sup> Florida, Indiana, Minnesota, New Hampshire, Tennessee, Texas and Wisconsin.

<sup>5</sup> Alabama, California, Connecticut, Delaware, Georgia, Iowa, Illinois, Indiana, Kentucky, Louisiana, Maryland, Maine, Minnesota, Mississippi, North Carolina, Nebraska, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Vermont, Washington, Wyoming and the District of Columbia.

<sup>6</sup> California, Indiana, Tennessee and Texas.

<sup>7</sup> Alabama, California, Delaware, Hawaii, Illinois, Indiana, Kansas, Kentucky, Massachusetts, Maryland, Maine, Minnesota, Missouri, Mississippi, New Hampshire, New Mexico, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, West Virginia, and Wyoming.