

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

### EXECUTIVE SUMMARY

This is the eleventh edition of the state-by-state snapshots issued by the Joint Economic Committee, containing employment and unemployment data at the state level for the first ten months of 2010. Job growth in the fourth quarter of 2010 appears more robust than it was in the middle of 2010, with 43 states and the District of Columbia experiencing private sector growth in October. In contrast, only 22 states saw private sector growth in August and 20 states plus the District of Columbia expanded private sector payrolls in September. While the current recovery remains fragile and uneven, as a whole, the economic situation of the country has improved over the past year.

- Gross domestic product grew by 2.5 percent in the third quarter of 2010, for five quarters of uninterrupted economic expansion. Growth in the third quarter was more robust than in the second quarter of 2010, when the economy grew 1.7 percent.
- Private sector employment has increased by 1.1 million jobs (1.0%) so far in 2010, ten consecutive months of expansion. Private sector job creation slowed in May and June, averaging only 56,000 jobs in those months. In contrast, private sector job creation has averaged 131,500 jobs per month from July to October, with over 100,000 jobs created in each month.

While the economy has started to recover, a stronger, sustained level of job creation is needed to reduce the large number of workers who remain unemployed. The national unemployment rate remained elevated at 9.6 percent in October 2010, although it is below the peak of 10.1 percent reached in October 2009.

This month's report shows the progress states have made creating jobs and reducing unemployment since the beginning of the year, including:

- Forty-three states and the District of Columbia added private sector jobs in October 2010. The District of Columbia has seen the largest expansion of private sector payrolls, expanding by 3.4 percent in 2010 to date. A number of other states have expanded private sector payrolls by more than 2 percent in 2010, including Oklahoma (2.8%); Minnesota (2.5%); Arkansas (2.4%); Texas (2.3%); New Hampshire (2.3%); Indiana (2.1%); Louisiana (2.1%) and Wyoming (2.0%).
- Almost every state has experienced private sector job creation in 2010. The only exceptions are: Rhode Island (-0.3%); Alaska (-0.3%); Missouri (-0.4%); and Nevada (-1.6%).
- In an improvement over August and September, 30 states added manufacturing jobs in October 2010, compared to only 21 states in August, and 23 states in September.

- Texas has seen manufacturing jobs gains in every month so far in 2010 with Texas's manufacturing sector expanding 3.9 percent in 2010. Texas has the second largest manufacturing sector, with 844,000 manufacturing jobs, more than 7 percent of the U.S. total. California, which has the largest manufacturing base of all states, expanded its manufacturing base by only 0.7 percent in 2010, below the U.S. average (1.2%). California's manufacturing base expanded in October, after contracting in July, August and September. Other large manufacturing states have done well in 2010, including: Michigan (3.9%); Indiana (3.2%); and Ohio (2.3%). Although Michigan and Ohio expanded their manufacturing jobs in October, the manufacturing base stagnated in Indiana in the last three months.
- Thirty-two states and the District of Columbia added jobs in the professional and business services sector in October 2010, with California gaining jobs in this sector in each of the first ten months of 2010. The growth in California's professional and business services sector (3.0%) exceeds the national average (1.9%). New York, which has also has a large professional and business services sector, saw a substantial increase in employment in this sector in 2010 (3.0%). However, New York's growth in this sector was not as consistent as California's growth.
- Twenty-eight states added jobs in the leisure and hospitality sector in October 2010, after only 17 states and the District of Columbia expanded jobs in this sector in September. Thirty-seven states and the District of Columbia gained leisure and hospitality jobs in at least five of the first ten months of 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 attached state pages 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.

Next month's edition will be the final edition of the state-by-state for the 111<sup>th</sup> Congress. This release, which will include data through November 2010, will highlight state-level trends during 2010.