U.S. Congress Joint Economic Committee

Understanding the Economy: State-by-State Snapshots

EXECUTIVE SUMMARY

This is the ninth 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 eight months of 2010. 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 (GDP) grew by 1.6 percent in the second quarter of 2010, marking four quarters of uninterrupted economic expansion. In contrast, GDP fell in the second quarter of 2009, which was the fourth consecutive quarter of economic contraction.

- Private sector employment rose by 763,000 jobs so far in 2010, with eight consecutive months of job gains. In contrast, employment fell by over 4 million jobs in the first eight months of 2009. Most recently, private sector employment rose by 67,000 jobs in August, after having fallen by 215,000 jobs in August 2009.

While these numbers suggest that the economy has started to recover, a stronger, sustained level of job creation is needed to reduce the large pool of unemployed workers. The national unemployment rate was 9.6 percent in August 2010, below the peak of 10.1 percent reached in October 2009.

Private sector job creation during the Clinton administration averaged 217,000 jobs each 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, so unemployment rates are likely to remain high for the foreseeable future.

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

- Seventeen states added private sector jobs in August 2010 and two states – Massachusetts and Texas – added private sector jobs in each of the first eight months of 2010.

- Forty-three states and the District of Columbia added private sector jobs in 2010. Only Alaska, Colorado, Michigan, Mississippi, New Mexico, Nevada and Vermont have not added to their private sector payrolls over the first eight months of 2010.

- Twenty-three states added manufacturing jobs in August 2010 and two states – New Hampshire and Texas – experienced growth in manufacturing employment in each of the first eight months of 2010.

- Seven states have added more than 10,000 manufacturing jobs in their state thus far in 2010 – Illinois, Indiana, Michigan, Minnesota, Ohio, Texas and Wisconsin. Texas has added over 20,000 manufacturing jobs to date.

- Twenty-four states added jobs in the professional and business services sector in August 2010, with California and Texas gaining jobs in this sector in each of the first eight months of 2010.

- Ten states added more than 10,000 jobs in the professional and business services sector in the first eight months of 2010 – California, Illinois, Indiana, Massachusetts, North Carolina, New Jersey, New York, Ohio, Tennessee and Texas. Indiana and New York added over 20,000 jobs, California added over 30,000 jobs and Texas added nearly 50,000 jobs to date in 2010.

- Twenty-three states and the District of Columbia added jobs in the leisure and hospitality sector in August 2010. Seven states – Florida, Massachusetts, Maryland, Minnesota, Pennsylvania, Texas and Virginia – added more than 10,000 jobs in this sector thus far in 2010, with Maryland adding over 20,000 jobs to date this year.

In addition, the Joint Economic Committee has updated statistics on median income, poverty and health insurance coverage for each state as well as for the U.S. as a whole for 2007 and 2009. The Great Recession lowered median incomes, raised poverty rates and increased the number of people without health insurance coverage.

Finally, 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.