



Jobless Rate Exceeds 10% in Three More U.S. States (Update1)

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By Bob Willis

March 27 (Bloomberg) -- The number of U.S. states with a jobless rate exceeding 10 percent almost doubled in February as the worst employment slump in the postwar era spread.

Nevada, North Carolina and Oregon last month joined the four other states that had previously climbed above 10 percent, according to Labor Department data released today in Washington. Michigan, at 12 percent, remained the state with the highest unemployment rate, followed by South Carolina at 11 percent and Oregon at 10.8. California and Rhode Island bring the total number of states to seven.

Job losses have spread from areas battered by the housing recession and auto slump to states like the Carolinas where non- auto manufacturers and service companies are cutting staff. Economists at Merrill Lynch & Co. in New York and Wachovia Corp. in Charlotte, North Carolina, are among those projecting **joblessness** nationwide will surpass 10 percent.

"We so seldom see an economy down so broadly," said **Steve Cochrane**, a senior economist at Moody's Economy.com in West Chester, Pennsylvania. "The impact from the downturn in manufacturing is heading south from the Midwest. Job losses have broadened out across all industries because of the credit crunch, the lack of consumer confidence and the global slump."

Forty-nine states and the District of Columbia registered increases in the unemployment rate last month, led by Oregon, North Carolina and New Jersey, the Labor Department said. Nebraska was the only state to post a decrease after the rate jumped the prior month.

Housing Slump

The states where home prices surged and then crashed remain among the hardest hit, including Nevada, with its 10.1 percent joblessness. Nicole Wolf, 39, was working for Harrah's Entertainment Inc. in Las Vegas for the human resources department until this month when she was laid off from her job that paid \$94,000 a year.

With her home worth less than her mortgage, and paying \$800 a month to cover student loans, Wolf is trying to find a job in marketing or communications before her severance pay runs out.

"I'm assuming I'll have a job or declare bankruptcy," Wolf said in a telephone interview.

The outlook for finding work this month hasn't improved. The world's largest economy probably lost more than 600,000 jobs in March for a fourth straight month, and the jobless rate jumped to a 25-year high of 8.5 percent, according to the median estimate of economists surveyed by Bloomberg News before next week's report from Labor.

Bernanke on Unemployment

Federal Reserve Chairman Ben S. Bernanke said in Washington March 10 that it was "certainly well within the realm of possibility" that unemployment nationwide could rise above 10 percent "for a period."

With the recession already matching the longest in the postwar period, the jobless and the needy are becoming more evident across the country.

Gabriela Romero, who works for the Fresno County Economic Opportunities Commission, last month organized a food drive in Mendotta, California, a city where four of 10 workers are unemployed, and arrived to find a crush of people seeking assistance.

"It was just a free-for-all," she said. "You have people waiting in line for hours, pregnant women, disabled people."

Since the recession began in December 2007, the economy has lost 4.4 million jobs, already more than the 3.5 million jobs President Barack Obama is targeting to save or create with his \$787 billion recovery program.

California, Florida

Payroll employment in February decreased in 49 states and the District of Columbia, led by California's loss of 116,000 jobs. Florida had the second-biggest drop with 49,500 workers dismissed, followed by 46,100 positions cut in Texas, 41,600 in Pennsylvania and 37,200 in Illinois.

Surpassing 10 percent unemployment has a psychological impact and may further curtail spending, said **Doug Woodward**, a University of South Carolina regional economist in Columbia.

"It's creating more anxiety and more fear," he said. "It's feeding on itself."

Job losses are spreading from manufacturers such as **General Motors Corp.**, **Caterpillar Inc.** and International Business Machines Corp. to other firms like lumber producer Weyerhaeuser Co., media companies like the New York Times Co. and even the U.S. Postal Service. They are affecting all income brackets and professions.

Quarter Million

Fred Herrmann, 33, of Minneapolis, lost his job as a mortgage broker making \$250,000 a year in December when his company folded. He said he's applied for 25 finance and sales jobs, each making \$14 to \$18 an hour plus commission.

"There's not a whole lot of high-paying jobs," he said. "When you go from making a quarter of a million a year to 15 bucks an hour, that's not good."

On the lower end of the scale, Arthur Bolden, 61, is finding it harder than ever to get a job as a day laborer.

While he used to get \$10 an hour, the prevailing wage now is \$7 or \$8 an hour, he said, as he waited for work outside of a Mecklenburg County, North Carolina, social services building. "People don't even have money to pay for landscaping or to cut grass."

The jobless rates in North Carolina, at 10.7 percent, and Rhode Island, at 10.5, were the highest for those states since records began in 1976. Georgia, at 9.3 percent, also set a new high mark.

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Last Updated: March 27, 2009 13:59 EDT

