

# 42 states lose jobs in August, up from 29 in July

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- By Christopher S. Rugaber, AP Economics Writer
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WASHINGTON (AP) -- Forty-two states lost jobs last month, up from 29 in July, with the biggest net payroll cuts coming in Texas, Michigan, Georgia and Ohio.

The Labor Department also reported Friday that 27 states saw their unemployment rates increase in August, and 14 states and Washington D.C., reported unemployment rates of 10 percent or above.

The report shows jobs remain scarce even as most analysts believe the economy is pulling out of the worst recession since the 1930s. Federal Reserve Chairman Ben Bernanke said earlier this week that the recovery isn't likely to be rapid enough to reduce unemployment for some time.

The jobless rate nationwide is expected to peak above 10 percent next year, from its current 9.7 percent.

"You are seeing the pace of job losses slow a little bit," said Mike Lynch, a regional economist at IHS Global Insight. But states "are not out of the woods yet."

The United States lost 216,000 jobs in August, the department said earlier this month, down from 276,000 in July. Employers have eliminated 6.9 million jobs since the recession began in December 2007.

Texas lost 62,200 jobs as its unemployment rate rose to 8 percent in August for the first time in 22 years. The state's leisure, construction and manufacturing industries were hardest hit, losing 35,500 jobs.

Michigan saw 42,900 jobs disappear, including 25,000 in manufacturing, as the state continued to suffer along with its struggling auto industry.

Michigan's unemployment rate rose to 15.2 percent, the highest in the nation. When its jobless rate topped 15 percent in June it was the first time any state surpassed that mark since 1984.

Most economists project Michigan's jobless rate will continue to rise. The University of Michigan estimates it will average 15.8 percent in 2010.

Nevada has the second-highest rate at 13.2 percent, followed by Rhode Island at 12.8 percent and California and Oregon at 12.2 percent each.

The jobless rates in California, Nevada and Rhode Island were the highest on records dating to 1976. California and Nevada have been slammed by the housing bust, while Rhode Island has lost thousands of manufacturing and government jobs in the past year.

Still, California's net loss of 12,000 jobs was down from 35,000 the previous month. From November 2008 through June, the state lost at least 65,000 jobs each month, said Jerry Nickelsburg, a senior economist with the Anderson Forecast at the University of California, Los Angeles.

Georgia and Ohio reported the third and fourth-highest job losses, respectively, but their unemployment rates both fell as many of the unemployed dropped out of the work force. Once unemployed people stop looking for work -- some, for example, may return to school -- they are no longer included in the jobless rate.

The four states with the largest drops in their unemployment rates -- Indiana, Colorado, Kansas and Virginia -- experienced similar trends: thousands of jobless workers gave up on their searches and left the work force. None of those states actually added any jobs, according to a survey of employers.

Colorado state officials, however, noted that a separate survey of households found the number of residents who said they have jobs increased by 4,900 to 2.49 million.

"This improvement is encouraging news," said Donald Mares, executive director of Colorado's Department of Labor and Employment. While "some ups and downs" are likely over the next several months, "employment appears to be stabilizing," he said.

Still, only eight states added jobs in August on a seasonally adjusted basis, according to employer surveys used by the U.S. Labor

Department. North Carolina added the most, with a gain of 7,000, followed by Montana with 5,100 and West Virginia with 2,800.

The biggest gains in North Carolina and Montana were in government jobs, while West Virginia saw the most improvement in education and health services.

New Jersey added 800 jobs, but its jobless rate jumped to 9.7 percent, the highest in 33 years, from 9.3 percent. The gains there were in transportation and utilities, as well as professional and business services, chiefly because of the hiring of temporary service workers.

"When you see temp firm hirings going up, that's certainly a positive sign," New Jersey Labor Commissioner David J. Socolow said. Companies usually hire temporary workers before they add permanent ones.

North Dakota reported the lowest unemployment rate in August, at 4.3 percent, followed by South Dakota with 4.9 percent and Nebraska at 5 percent.

North Dakota has benefited from a healthy oil sector, and all three states are helped by relatively strong agriculture economies.

Associated Press Writers Beth DeFalco in Trenton, N.J., and Juliet Williams in Sacramento, Calif., contributed to this report.

[http://finance.yahoo.com/news/42-states-lose-jobs-in-August-apf-1171568305.html;\\_ylt=AiSXufqq8MuNzPe5P7W0USS7YWsa;\\_ylu=X3oDMTE1Yms0aGwwBHBvcwMzBHNIYwN0b3BTdG9yaWVzBHNsawM?x=0&.v=3&sec=topStories&pos=1&asset=&ccode=](http://finance.yahoo.com/news/42-states-lose-jobs-in-August-apf-1171568305.html;_ylt=AiSXufqq8MuNzPe5P7W0USS7YWsa;_ylu=X3oDMTE1Yms0aGwwBHBvcwMzBHNIYwN0b3BTdG9yaWVzBHNsawM?x=0&.v=3&sec=topStories&pos=1&asset=&ccode=)