

# Unemployment rises in 29 US states

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Unemployment rates rose in 29 of the 50 US states in October, according to a report released by the federal Department of Labor Friday, with California, Florida, South Carolina and Delaware reporting all-time highs since 1976, when the Labor Department began reporting statewide totals. The District of Columbia also had its highest-ever official jobless total.

The jobless rate in California, the largest US state, hit 12.5 percent, while the jobless rate in Florida, the fourth-largest state, was 11.2 percent. The 29 states showing increased unemployment was itself a rise over September, when 22 states had rising unemployment figures. Eight states showed no change in the unemployment rate, while 13 states reported a drop.

Michigan still had the nation's highest unemployment rate in October: 15.1 percent, slightly below the September rate of 15.3 percent. It was followed by Nevada at 13 percent, Rhode Island at 12.9 percent, California at 12.5 percent and South Carolina's 12.1 percent. All told, 13 states were above the national average of 10.2 percent (the others being Illinois, Indiana, Ohio, Kentucky, Tennessee, Oregon, Alabama, North Carolina and Georgia).

Michigan, Ohio, Kentucky and Indiana, all centers of auto production, saw slight increases in the actual number of employed workers, partly as a consequence of the cash-for-clunkers program, which expired in September.

The actual number of jobs reported in Michigan rose by 38,600, the second largest for any state, trailing only Texas, which added 41,700 jobs, largely in education, health care and government. The Texas unemployment rate nonetheless increased, to 8.3 percent.

Every one of the 50 states has a higher unemployment rate than one year ago, and all have a lower total number of jobs than in October 2008. Since the US recession began officially in December 2007, total US unemployment has increased by 8.2 million

people.

While the state-by-state variation was quite pronounced—ranging from Michigan's 15.1 percent down to North Dakota's 4.2 percent—the regional variation was far less. The Western US had the highest unemployment rate, at 10.8 percent, with the Northeast showing the lowest rate, 9 percent, and the Midwest and South in between.

These figures indicate catastrophic levels of social distress, given that the official unemployment rate is effectively doubled once involuntary part-time and so-called discouraged workers are included.

Several other reports have been released that suggest the human dimensions of the economic and social crisis in the United States.

The Mortgage Bankers Association reported that 14 percent of borrowers were in trouble on their mortgages during the third quarter (July to September 2009), a record for the industry. Unemployment, rather than the collapse in home prices, was the biggest factor in delinquencies, the survey found.

The 14 percent rate translates into 7.4 million households, with approximately one third in foreclosure, and two thirds delinquent on payments but not yet in foreclosure. This compares to 5 million households in trouble one year ago.

A Census Bureau survey, based on figures collected in 2007, at the early stages of the current slump, found that 20 percent of Americans needed outside assistance to pay for basic needs like food, mortgage or utilities. Nine percent of households had to resort to food pantries and soup kitchens for food. More than one million households were without a refrigerator or stove.

A report in the *Detroit Free Press* Sunday found that record numbers of Michigan residents were receiving food stamps, Medicaid and other forms of social assistance, with new applicants, largely workers recently laid off from their jobs, jamming social service

offices throughout the state.

Some 1.8 million people were receiving Medicaid benefits in Michigan last month, and 1.65 million receiving food assistance. More than 20 percent of the population was dependent on some form of aid.

Nearly one million people were receiving food or Medicaid in Wayne County, the state's largest, which includes the city of Detroit. Even in the once largely affluent Oakland County suburbs, some 224,000 people were received food assistance or Medicaid in October.

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Meanwhile, the comptroller of New York state, in a report issued November 17, projected that Wall Street profits in 2009 would top the record set in 2006, at the height of the speculative bubble. The four largest investment firms—Goldman Sachs, Morgan Stanley, Merrill Lynch (now the investment arm of Bank of America), and JP Morgan Chase—made \$22.5 billion in profits during the first nine months of the year.

Member firms of the New York Stock Exchange made a record \$35.7 billion in trading profits during the first six months of 2009, shattering the previous record, set in 2000, by nearly \$9 billion. The top six US banks have already set aside \$112 billion for salaries and bonuses in the first nine months of the year, and could easily shatter the 12-month record total of \$162 billion set in 2007, once mammoth year-end bonuses are reported.

In his Saturday Internet and radio speech, recorded at the end of his east Asian trip, President Obama rejected any special job-creation measures. Claiming that the US economy was now emerging from recession, Obama declared, "In order to keep growing, we need to spend less, save more, and get our federal deficit under control."

Obama touted the forum on economic growth he will convene at the White House on December 3, but added, "It is important that we do not make any ill-considered decisions—even with the best of intentions—particularly at a time when our resources are so limited."

"I will not let up until businesses start hiring again," he said, language that means new jobs will come only from private capitalists, not through the public sector.

The list of those Obama is inviting to the White House forum was revealing: "CEOs and small business owners, economists and financial experts, as well as

representatives from labor unions and nonprofit groups." Not a single worker or unemployed person will be involved.



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