Jobless rate rises in more than half of US states

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The unemployment rate rose in more than half of the 50 US states in July, according to a report released Monday by US Department of Labor's Bureau of Labor Statistics (BLS). The figures reflect weaker job prospects and sluggish economic growth despite a nationwide drop in the official jobless rate, to 7.4 percent from June's 7.6 percent.

Nearly five years after the Wall Street crash, the BLS report shows many states continue to experience significant declines in employment as a result of state and local budget cuts as well as the deepening impact of the sequestration order signed by President Obama in March of this year.

According the BLS report, jobless rates increased in 28 states, were unchanged in 14, and fell in eight. Unemployment rose sharply in seven US states, ticking up .3 percent in Alaska and Georgia, while rising by .2 percent in California, Iowa, Nebraska, Vermont and Virginia.

Nevada, which continues to feel the impact of the housing crisis, had the highest July unemployment rate, 9.5 percent. Nevada was followed by Illinois, with 9.2 percent jobless, and North Carolina and Rhode Island, both at 8.9 percent. North Dakota continued to have the lowest jobless rate, at 3.0 percent. Only Mississippi saw a significant drop in unemployment, from 9 percent to 8.5 percent.

The West continued to have the highest regional unemployment rate in July, 7.9 percent, while the Midwest and the South had the lowest, 7.3 percent each. While the Northeast region's jobless rate held steady at 7.6 percent, the New England rate rose by .1 percent, to 7.2 percent.

In Massachusetts, unemployment rose in July to 7.2 percent, the highest level since September 2011. The state jobless rate has risen in each of the past three months, as the economy continues to deteriorate under the weight of federal budget cuts and the slowing global economy, including a fall-off in European exports from the region.

Massachusetts has shed about 3,000 jobs since January, and the jobless rate has risen half a percentage point. A meager 300 jobs were added in July, and initial state estimates of 2,800 jobs added in June were revised to show a 2,100-job loss. Private sector employment gains in July, about 2,500, were largely offset by a loss of 2,200 government jobs, including 1,600 at the local level, as jobs fall victim to budget cuts.

Education and health services in Massachusetts, feeling the impact of both federal spending cuts and sequestration, shed 1,100 jobs in July. The manufacturing sector lost 400 jobs. The low-paid—and oftentimes part-time—leisure and hospitality sector added 1,700 jobs, while information services and the financial sector saw modest job growth. Michael Goodman, public policy professor at the University of Massachusetts at Dartmouth, described the state's economy as "treading water."

The Mid-Atlantic region saw a slight dip in its jobless rate, down from 7.8 percent in July to 7.7 percent in June. However, Maryland, Virginia and the District of Columbia all saw their jobless rates rise, an indication that the federal spending cuts are having a significant impact on employment. All three jurisdictions saw losses in professional services and government jobs largely resulting from the sequestration cuts taking hold.

Maryland's jobless rate rose .1 percent from June, to 7.1 percent, the highest level since November 2011. The state shed 9,200 jobs, including 4,300 positions in government and 3,200 in the professional services industry.

The jobless rate in Washington, DC rose to 8.6 percent, after remaining at 8.5 percent since April. The nation's capital lost 1,600 jobs overall, including 1,300 in the government sector. In Virginia, the jobless rate jumped from 5.5 percent to 5.7 percent. While adding 1,400 jobs overall, the state lost 2,700 jobs in government and 2,900 in professional services.

Only 162,000 nonfarm jobs were added across the US in July, the fewest since March, barely making a dent in the pool of 11.5 million Americans who are looking for a job but can't find one. States that saw significant jobs losses in July included New Jersey, down 11,800; Nevada, 10,200; Maryland, 9,200; and New Hampshire, 2,300.

In those states seeing jobs created, the vast majority have been part-time or temporary positions in retail sales, restaurant and other low-wage sectors. Georgia added 30,900 jobs in July, the second highest of any state, most of them in transportation, retail, hotels, restaurants and amusement parks.

Part-time workers are counted as "employed" in the official figures, despite the fact the vast majority of them are working part-time involuntarily, making the reality of the economic picture even gloomier. Those who have given up looking for work are also not counted as jobless.

A BLS Household Survey shows that of the 963,000 people who reported that they were newly employed over the past six months, 936,000 of them said they were in part-time jobs. According to Labor Department figures, there are currently some 8.2 million workers who are working part-time jobs because they cannot find full-time employment—a record for the US.

These part-time positions are largely concentrated in traditionally low-wage sectors, such as retail, home health care, and temporary staffing agencies. Such low-wage jobs, paying poverty wages of $7.69 to $13.83 per hour, constitute the majority of jobs created in the US since the financial crisis, which officially ended in mid-2009.

The massive growth of low-wage, part-time employment is the result of a deliberate policy on the part of the Obama administration and both big business parties. Corporations, sitting on huge hoards of cash, have seized on the economic crisis to drive down labor costs and boost their bottom lines. The limited numbers of workers companies do hire are predominantly in low-wage, part-time or temporary positions.

Some businesses are also responding to a requirement of the Obama health care law that employers with 50 or more workers provide health insurance to all employees working over 30 hours a week. Despite the fact the Obama administration has granted employers a one-year waiver to comply, until January 2015, some companies are moving forward regardless to cut workers' hours.

In a leaked memo from teen fashion chain Forever 21, the retailer indicated it plans to "reclassify" some full-time employees to part-time status, cutting their benefits and limiting their hours to no more than 29.5 a week. Responding to a storm of outrage on social media, Forever 21 is maintaining it "staffs its stores based on projected store sales, completely independent of the Affordable Care Act."