

Unemployment climbed in May

Jobless rates topped 10% in 5 states

By [Shobhana Chandra](#) Bloomberg News / June 20, 2009

WASHINGTON - The unemployment picture in all but two US states deteriorated in May as the jobless rate in more than a quarter of them exceeded 10 percent.

Five states - Florida, Illinois, Indiana, Kentucky, and Tennessee - crossed into double digits last month, adding to the eight that had the distinction in April, the Labor Department reported yesterday in Washington. Joblessness in eight states, including California, Florida, and Georgia, reached the highest levels since records began in 1976.

The figures make it likely President Obama was correct this week in forecasting the national unemployment rate will reach 10 percent this year. With no region escaping the rout, consumers across the country will probably curtail their spending, preventing any boom out of the deepest recession in half a century, analysts said.

"It's tough everywhere," said Mark Vitner, a senior economist at [Wachovia Corp.](#) "Nobody's really been spared."

The biggest increases in unemployment will be in states most dependent on manufacturing, construction, and financial services, he said.

Michigan's jobless rate, at 14.1 percent, showed the biggest jump from April and remained the highest in the nation. The bankruptcy of [General Motors Corp.](#) and Chrysler LLC is likely to deepen the labor-market slump in the Midwest and ripple through other areas and industries. The others remaining above 10 percent were California, Ohio, Oregon, Rhode Island, Nevada, and North and South Carolina.

Overall, 48 states and the District of Columbia posted increases. Nebraska fell to 4.4 percent from 4.5 percent; Vermont held steady at 7.3 percent.

Payrolls decreased in 12 states in May, led by California with a 68,900 loss, and Florida, where 61,000 workers were dismissed. North Dakota and Alaska reported gains in employment.

Nationwide, payrolls fell by 345,000 in May after a 504,000 decline in April, and the jobless rate reached a 25-year high of 9.4 percent, government figures showed earlier this month.■

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