

Economist: High Unemployment to Last

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If you're looking for good news on unemployment, Moodys.com chief economist Mark Zandi doesn't have it.

Zandi told **CBS' "The Early Show"** Monday that the nation's near 10 percent unemployment rate will "stay there through this time next year."

However, the economist said, "we're heading in the right direction."

Zandi's comments come on the heels of two drastically different business reports.

Sunday, major lender [CIT Group filed for bankruptcy](#), while Ford Motor Company Monday announced it earned a [\\$1 billion profit in the third quarter](#).

CIT received \$2.3 billion last year in government aid from bailout funds, but after being denied another bailout by the government, the company was forced to file chapter 11 — spawning the 5th largest bankruptcy in us corporate history and marking the first time the government has lost money through the TARP program, reports **CBS News correspondent Kelly Wallace**.

The lack of jobs became a contentious issue last week with the White House's claiming that stimulus spending directly [created or saved about 650,000 jobs](#).

Critics question how can anybody can claim success when unemployment is almost 10 percent, but the Obama administration also said Friday it is on track to reach the president's goal of 3.5 million jobs by the end of next year.

New job numbers from businesses, contractors, state and local governments, nonprofit groups and universities were released publicly Friday afternoon on [Recovery.gov](#), the Web site of the independent panel overseeing stimulus spending. It showed 640,329 jobs created or saved directly through federal contracts.

The result of all the discrepancies: [stocks plunged Friday](#), erasing all of the previous day's big gains, as a drop in consumer spending fueled worries that the economic recovery won't continue.

<http://www.cbsnews.com/blogs/2009/11/02/business/econwatch/entry5492799.shtml>