

# NWAOnline.com

## Jobless figures in state stable

### Lower rates said likely for March

By [David Smith](#)

Wednesday, March 24, 2010

LITTLE ROCK — It takes some tinkering with numbers, but economists say that the unemployment rates for Arkansas' metropolitan statistical areas remained relatively stable in January.

Every January, unemployment always rises sharply compared with December because many businesses lay off temporary employees who worked during the Christmas shopping season, said Kathy Deck, director of the Center for Business and Economic Research at the University of Arkansas in Fayetteville.

That is reflected in the jobless rates released by the U.S. Bureau of Labor Statistics, which doesn't seasonally adjust figures for the recurring changes in January or for any other month.

Using those federal government numbers, the unadjusted jobless rates for Arkansas' metro areas, compared with December, were:

Fayetteville, 6.8 percent, up from 5.7 percent.

Fort Smith, 8.9 percent, up from 7.9 percent.

Hot Springs, 8.6 percent, up from 7.5 percent.

m Jonesboro, 8.0 percent, up from 7.0 percent.

Little Rock, 7.4 percent, up from 6.5 percent.

Pine Bluff, 10.5 percent, up from 9.7 percent.

Texarkana, 7.8 percent, up from 6.5 percent.

“When you look at January, it is a high unemployment month,” Deck said. “But even on a seasonally unadjusted basis, we see the rate of increase in unemployment declining. In other words, even though they are high, they are rising ever more slowly.”

January, or possibly February, likely will be the high end of unemployment rates that the metro areas are likely to see, Deck said. February historically has high unemployment rates, Deck said.

“But I wouldn’t be surprised at all if the March [unemployment] numbers aren’t back down to what we were seeing at the end of last year,” Deck said.

Michael Pakko, state economic forecaster and chief economist at the Institute for Economic Advancement at the University of Arkansas at Little Rock, also believes jobless rates in Arkansas are at a peak.

“I think the general direction is going to be down for the rest of the year,” Pakko said. “It’s not going to be fast. We may see upticks and downticks along the way, but averaging over the state, I think the trajectory will generally be down.”

Every month, Pakko calculates the seasonally adjusted unemployment rates for the metro areas, as well as for the state. The changes adjust for any differences that occur every year during the month. Adjusting jobless rates for seasonal changes gives a more accurate reading of the unemployment level each month.

The seasonally adjusted unemployment rate in January for Arkansas was 7.6 percent, while for the nation it was 9.7percent. Arkansas’ rate was down slightly from 7.7 percent in December.

Pakko uses a software package that considers the recurring patterns every month in the employment data.

“It recognizes that seasonal patterns can change over time,” Pakko said. “It weights more heavily the most recent observations [in seasonal changes]. It’s not perfect. I did it last month a couple of different ways and came up with slightly different estimates.”

So, adjusting for recurring changes, the unemployment rates in January for Arkansas’ metro areas, compared with December’s adjusted numbers, were:

Fayetteville, 6.3 percent, up from 6.0 percent.

Fort Smith, 8.0 percent, up from 7.9 percent.

Hot Springs, 7.7 percent, up from 7.4 percent.

Jonesboro, 7.1 percent, down from 7.2 percent.

Little Rock, 6.7 percent, unchanged.

Pine Bluff, 9.1 percent, down from 9.7 percent.

Texarkana, 7.2 percent, up from 6.8 percent.

Pakko, when asked about the significant change in Pine Bluff’s rate when the adjustment was made, said the region’s employment didn’t decline as much in January as it normally does. Thus,

the adjustment showed the area's rate decreased by 0.6 of a percentage point whereas the unadjusted number showed unemployment going up by 0.8 of a point.

Fayetteville's unemployment rate remained the lowest in the state, but it was 0.3 of a percentage point higher than it was in December.

"That surprised me," Pakko said.

Jonesboro continues to be one of the better performers in the labor market, Pakko said.

"That has been true from its employment level, too," he said.

Business, Pages 25 on 03/24/2010