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## Jobless rate up to 7.6% in state

### Level is highest since fall 1988

By David Smith

*Saturday, November 21, 2009*
[Print item](#)

LITTLE ROCK — Arkansas' unemployment rate rose half a percentage point to 7.6 percent in October, the highest joblessness rate in more than 21 years, the U.S. Bureau of Labor Statistics said Friday.

Unemployment in the state has not been as high since September 1988, when it also was 7.6 percent.

More than half of the states added jobs in October, though economists said many of the gains likely occurred in temporary employment.

Michigan had the highest jobless rate at 15.1 percent, followed by Nevada at 13 percent, Rhode Island at 12.9 percent, California at 12.5 percent and South Carolina at 12.1 percent.

North Dakota had the lowest unemployment rate at 4.2 percent, followed by Nebraska at 4.9 percent, South Dakota at 5 percent, Montana at 6.4 percent, and Utah and Vermont, each at 6.5 percent.

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Arkansas' unemployment rate was the 17th-lowest in the country. The U.S. rate, which was announced earlier this month, was 10.2 percent in October.

Arkansas' jobless rate is still below the highest level ever recorded in the state, 10.2 percent in 1983, according to Kimberly Friedman, a spokesman for the Arkansas Department of Workforce Services.

October is usually a relatively good month in terms of unemployment, said Kathy Deck, director of the Center for Business and Economic Research at the University of Arkansas at Fayetteville.

Retailers are gearing up for the Christmas shopping season, and all teachers have returned to work, Deck said.

"It's one of the months where we're used to seeing unemployment at one of the low points for the year," Deck said.

The number of unemployed Arkansans reached 103,900, the highest level since March 1983 when more than 104,000 were out of work.

"Even in a recession, there are jobs being created," Deck said. "But there are just more jobs being destroyed."

The unemployment rate has been somewhat volatile in the past six months or so, bouncing from 6.5 percent in April to 7 percent in May, to 7.4 percent in July, to 7.1 percent in August and September, and back up to 7.6 percent in October.

Arkansas has lost 28,700 jobs in the past year, a 2.4 percent drop in jobs compared with October last year. Arkansas added 2,400 jobs in October when compared with September.

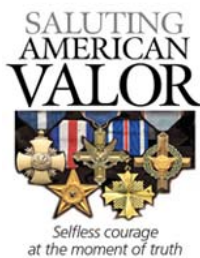
The rise in the unemployment rate in Arkansas is "just a reflection of the national economy pulling us in that direction," said John Shelnett, the administrator for economic analysis and tax research for the state's Department of Finance and Administration.

The number of private sector jobs was down 3.4 percent in October compared with October 2008, Shelnett said.

"You would expect at some point for the private sector to pick up the ball and the government sector to slow down as the [federal] stimulus [programs] fade," Shelnett said.

Shelnett, Deck and Michael Pakko, state economic forecaster, expect that Arkansas' unemployment rate will remain high for up to two years. Traditionally, employment is one of the last segments to recover after a recession.

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The national unemployment rate probably will hit a peak sometime in the middle of next year, Pakko said.

Six industry sectors in Arkansas reported declines in jobs from September to October, three had increases and two were unchanged, according to the state Department of Workforce Services.

The trade, transportation and utilities sector had the biggest loss, 1,600 jobs, primarily because of a seasonal decline in the transportation, warehousing and utilities categories.

The leisure and hospitality sector lost 700 jobs, with almost all the jobs coming in the arts, entertainment and recreation category.

Construction lost 400 jobs, information lost 300 jobs, manufacturing dropped 200 jobs, and the mining and logging sector lost 100.

Government added 2,800 jobs, most because public schools reached their anticipated employment level for the year.

The professional and business services sector grew by 2,700 jobs, with the administrative and support services category accounting for almost all of the gain.

Information for this article was provided by Christopher S. Rugaber of The Associated Press.

Front Section, Pages 1 on 11/21/2009

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