

PERSONALLY SPEAKING

Number 60

July 7, 2009

JOBLESS IN LOUISIANA

Edward J. O'Boyle, Ph.D.

Mayo Research Institute

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Unemployment in Louisiana in May 2009, according to the latest information from the Bureau of Labor Statistics, stood at a seasonally adjusted rate of 6.6 percent, well below the national jobless rate of 9.4 percent. The current State unemployment rate is even further below the peak rate of 11.4 percent reached two months after Hurricanes Katrina and Rita hammered Louisiana in September 2005. Setting aside that devastating hurricane season, the last time unemployment in Louisiana reached 6.6 percent was June 2003.

Among metro areas in Louisiana Monroe stood out with the highest rate of joblessness in May – 7.5 percent – while Houma-Bayou Cane-Thibodaux had the lowest – 4.3 percent. However, without exception, the rate of unemployment in each of the State's eight metro areas was higher than one year earlier.

The current recession is heavily concentrated in metro areas along the three West Coast states and east of the Mississippi River with the exception of most of New England. Unemployment in California, District of Columbia, Florida, Indiana, Kentucky, Michigan, Nevada, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, and Tennessee is 10.0 percent or higher. Several states have hardly been touched at all including Iowa, Nebraska, North Dakota, South Dakota, Utah, and Wyoming where the jobless rates hovers around 4-5 percent. Overall, unemployment is below the national average across the vast expanse of the plains states and the mountain states.

Louisiana has lost 15,700 nonfarm payroll jobs since May 2008. Ranked nationally without regard to the size of the state's workforce, only Alaska, District of Columbia, Montana, South Dakota, Vermont, and Wyoming have fared better. North Dakota alone posted a year-to-date increase in payroll jobs.

Information from the State's unemployment insurance program reveals more about the impact of the current recession on the people of Louisiana. During the twelve-month period April 2008-March 2009 joblessness has risen slowly and steadily to an estimated 120,679. Over that period, a total of \$255,569,000 has been paid to 90,872 unemployment insurance beneficiaries.

The average weekly benefit amounted to \$212.90. Since the maximum weekly benefit in Louisiana is set by law at \$258, many beneficiaries no doubt would have qualified for an even higher weekly benefit had they not run up against the legal limit. The average weekly

wage for all employees in the State covered by unemployment insurance was \$756.52. Thus, weekly benefits averaged 28.1 percent of weekly wages.

Average benefit duration during the last 12 months was 13.4 weeks. This figure is not to be confused with average duration of unemployment because included in the 13.4 weeks average benefit duration figure are beneficiaries who have not yet completed their spell of unemployment. An estimated 44 percent exhausted their benefits, that is drew the final payment of their original entitlement. Maximum benefit duration is 21-26 weeks unless benefits are extended as often happens in periods of rising unemployment.

During the current recessionary period, taxable employers in the State were contributing to the unemployment insurance fund at an average rate of 0.31 percent of all wages paid which is one-half the average for the entire United States. Employers in only five other states, including Texas, were paying at a lower rate.

Comparing first quarter 2009 with the immediate aftermath of Hurricanes Katrina and Rita provides some insight into the relative impact of the current recession. During the January-March 2009 quarter, a total of \$91,319,000 was paid in benefits. For the July-September 2005 quarter, benefit payments totaled \$472,654,000 which is \$217 million more than was paid during the entire 12-months ending in March 2009.

Without making light of the devastating financial and emotional effects on those who are out of work during the current recession, truth be told the collapse of the levies in New Orleans the day after Hurricane Katrina slammed into the City was far more devastating to the Louisiana economy than the current recession. Sadly, the under-reaction of the federal government after Katrina seems to be matched by its over-reaction to the current recession. Powerful hurricanes and deep recessions lay bare the problems of managing large-scale emergency response and of intervening in a complex and hugely diversified economy from the nation's capitol which is too far removed from those problems to react quickly and effectively.

*Edward J. O'Boyle is Senior Research Associate with Mayo Research Institute.
He completed his doctorate in economics at Saint Louis University in 1972.*

*Mayo Research Institute
Offices in New Orleans, Lake Charles, and West Monroe
www.mayoresearch.org 318-381-4002 edoboyle@earthlink.net*
