

October 23, 2004

In Swing States, Growth of Jobs Has Faltered

By EDUARDO PORTER

As job growth has picked up in many areas of the country, employment has continued to falter in some crucial battleground states, the government reported yesterday.

In the last state-level employment report to be issued before the election on Nov. 2, the Labor Department found that the job market in September remained relatively weak in the politically divided states along the Great Lakes, and it even took a tumble in Florida, which was hit hard this summer by several hurricanes.

Michigan lost an estimated 15,000 jobs last month, the department reported.

"What we're seeing here is a stagnation; we are not seeing an uptick at all," said Sharon Parks, vice president for policy at the Michigan League of Human Services in Lansing, an advocacy organization for low-income people. Median household income in the state has fallen 3 percent since 2000, she said.

Similarly, Wisconsin lost 7,000 jobs in September, and Minnesota 2,200 jobs.

Employment increased by 5,500 positions in Ohio, however, and grew by almost 5,000 jobs in Pennsylvania during the month.

In Florida, which has been enjoying a generally strong economy for months, employers cut a net 9,500 jobs.

The new state-by-state jobs picture underscored the hopscotch nature of the economic recovery, making it harder to predict the effect of a generally lackluster job market on the attitudes of voters in the swing states that will ultimately decide the result of the presidential election.

The report showed job gains in 33 states in September, declining employment in 16 and the District of Columbia, and flat results in one state. Over the last 12 months, employment has increased in 47 states and the District of Columbia and decreased in 3, the Labor Department said.

But the Economic Policy Institute, a liberal research center in Washington, pointed out that 32 states still have fewer jobs than they did just before the nation entered the last recession in March 2001. Except for Alaska, job growth in every state has lagged working-age population growth since then, the institute found.

The job market has been particularly bleak in the nation's industrial heartland, where manufacturers have been relentlessly cutting jobs for three years, hurt in part by the dollar's high valuation against foreign currencies, which has intensified the effect of competition from abroad.

Pennsylvania has actually gained 43,000 jobs since September of last year. Of the three states that have fewer people working now than they did 12 months ago, one was Michigan, which has lost 52,500 jobs, and one was Ohio, which has shed nearly 18,000 jobs. The third was Massachusetts.

Ohio, despite its September gains, is still more than 200,000 jobs short of where it was when President Bush took office.

"This year we've been doing much worse than the rest of the country," said Zach Schiller, director of research at Policy Matters Ohio, a public policy research institute. "We win jobs one month and lose them the next. We've had no sustained improvement." With 17 electoral votes, Michigan - which polls show is leaning toward Senator John Kerry, the Democratic nominee - is of crucial importance to Mr. Kerry's prospects. So is Pennsylvania, with 21 electoral votes.

The winner in Ohio, considered slightly in President Bush's favor but also still up for grabs, gets 20 electoral votes.

Outside the Midwest, the most important state is Florida, which has 27 electoral votes.

The string of four hurricanes that hit the United States from August through September clearly affected the job market there and in some nearby states. But, the Labor Department said it could not quantify the overall impact of the storms on the employment situation.

Senator Kerry tried to gain some leverage from the latest job report, issuing a statement yesterday noting that 46 states have higher unemployment rates today than when President Bush took office.

"George Bush is the first president in 72 years to lose jobs on his watch," Senator Kerry said yesterday during a campaign speech in Milwaukee. "This state hasn't gained a single job in the last four years. Not exactly what I'd call an economic recovery."

President Bush, in a campaign stop yesterday in Wilkes-Barre, Pa., argued that he inherited a troubled economy from his predecessor, asking his supporters to "remind your friends" that the 2000 stock market decline that heralded the downturn started before he arrived in office, and that the terrorist attacks of Sept. 11, 2001, cost nearly a million jobs.

But for all the back-and-forth over jobs, the economy may matter less in this election than in the past. "The war and terrorism," Ms. Parks, the Michigan advocate for the poor, said, "are eclipsing everything else."