

# Manufacturing Jobs Ease Nationwide Economic Stress

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WASHINGTON (AP) — Manufacturing job gains in the Midwest helped lower the nation's economic stress in April to its lowest point in five months, according to The Associated Press' monthly analysis of conditions around the country.

Contributing to the improvement were lower foreclosure rates in two states with beaten-down housing markets: California and Florida.

Economic stress levels dipped in every state except Louisiana and Nevada in April. They also declined in more than 90 percent of the nation's 3,141 counties, according to AP's Economic Stress Index.

Only 42 percent of counties were deemed stressed in April, compared with half in March. The AP's index found the average county's Stress score in April was 10.6, down from 11.5 in March. It was the lowest score since November's rating of 10.2.

The index calculates a score for each county and state from 1 to 100 based on unemployment, foreclosure and bankruptcy rates. A higher score indicates more stress. Under a rough rule of thumb, a county is considered stressed when its score exceeds 11.

States with manufacturing bases like Wisconsin are enjoying a slow but steady recovery. Factory jobs are returning. Of the roughly 30,000 jobs created in Wisconsin since December, about 10,000 are in manufacturing, said John Koskinen, the state's chief economist.

"The mood is something like, 'Whew,'" Koskinen said. "After sweating the downturn and the decline in employment for so long, to see this turnaround is such a relief."

Wisconsin (10.48), Missouri (10.62) and South Carolina (11.78) saw the most month-over-month economic improvement from March to April.

North Dakota (4.53) again led the nation in economic health, as it has since the AP began publishing the Stress Index in May 2009. It was followed by South Dakota (5.2), Nebraska (6.11), Vermont (7.28) and Louisiana (7.23).

Nevada remained the most economically stressed state. It suffered the biggest increases in foreclosures and unemployment in April. And it absorbed an increase in bankruptcy filings. Nevada had a Stress score of 21.97. It was followed by Michigan (17.06), California (16.56), Florida (15.33) and Arizona (14.71).

Louisiana was the only state besides Nevada to suffer higher stress from March to

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April. Its unemployment rate was unchanged. But it saw small upticks in foreclosure and bankruptcy rates.

Bankruptcy rates held steady for most of the nation, though they rose month-to-month in several Western states.

Mark Zandi, chief economist for Moody's Analytics, said a tracking tool his forecasting firm uses is also showing an upturn: Nearly two-thirds of metro areas are flashing signs of growth.

"That's the best showing since mid-2008," Zandi said.

But he and other analysts cautioned that the recovery is likely to remain sub-par compared with other expansions after deep recessions.

The government reported Friday that temporary government hiring for the census drove nearly all the U.S. job market's gains last month — a sign that private employers still aren't ready to start hiring aggressively.

The unemployment rate could rise in coming months from the current 9.7 percent as more people enter the labor force. Zandi said he didn't expect the country to recoup the more than 8 million jobs lost during the recession until 2013.

"Given the severity of the job losses during the recession, it will take longer to get back to where we started," Zandi said. "The job market is getting better, but it is not getting better fast enough to make us feel good about what is happening."

David Wyss, chief economist at Standard & Poor's in New York, predicted the economy, as measured by the gross domestic product, will grow 3.3 percent this year. That would be a big improvement from last year's 2.4 percent decline. But it would be only about half-speed compared with other recoveries after severe downturns.

Nevada, the most stressed state, is still hung over from the excesses of the mid-decade real estate boom. The state has a glut of about 10,000 homes. An additional 5,000 could be headed for foreclosure, said Mary Riddel, an economist at the University of Nevada, Las Vegas.

About 8,000 hotel rooms were added last year, making it harder for hoteliers to make money. Budget-conscious visitors who splurged during the boom years are now cutting short their stays and gambling less.

Tourism isn't expected to pick up until next year, Riddel said. The construction industry likely won't come back for five more years. And more jobs will be shed during the rest of the year, she said.

Vermont, North Dakota, Minnesota (9.15) and South Carolina have seen the biggest improvement in economic conditions for the year. Nevada, Idaho (12.02), New Mexico (9.57) and Mississippi (12.09) have fared the worst.

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Counties of at least 25,000 residents that were the most economically stressed in April were Imperial County, Calif. (32.03); Lyon County, Nev. (28.16); Yuma County, Ariz.(26.4 ); Merced County, Calif. (26.23); and Sutter County, Calif. (25.22).

The economically healthiest were Ward County, N.D. (3.83); Brookings County, S.D. (3.9); Ellis County, Kan. (4.08); Burleigh County, N.D. (4.17); and Ford County, Kan. (4.18).

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