

Md. adds 3,600 jobs; jobless stay at 3.6%

Maryland's employment picture brighter than for nation; 3,600 jobs created in May

By M. William Salganik
Sun reporter
June 20, 2007

Maryland added 3,600 jobs during May - about average for recent months, but a jump from the 600 created in April, the federal Bureau of Labor Statistics said yesterday.

The unemployment rate was 3.6 percent, unchanged from April but down from 3.9 percent a year earlier, a drop the bureau said was statistically significant. Maryland continued to do better than the nation as a whole; the national unemployment rate was 4.5 percent in May.

"It's more of the same," said Richard P. Clinch, director of economic research at the University of Baltimore's Jacob France Institute. The state's economy, hitched to the federal government, remains strong, he said.

Job growth is somewhat better than in the first five months of last year, Clinch added, but still modest because "when you have less than 4 percent unemployment, it's hard to find workers, and that's a barrier to job growth."

Over the one-year period, the number of jobs in Maryland - just over 2.6 million - grew by 29,500, or about 1.1 percent.

The year-to-year job comparison is not seasonally adjusted, but the monthly numbers are adjusted to account for seasonal changes.

The year-to-year figure "was closer to 20,000 in prior months," said Anirban Basu, principal of Sage Policy Research, a Baltimore economic consulting firm. "The fact that it's near 30,000 reflects what appears to be a gentle improvement in Maryland's labor market."

Over the long run, however, Clinch said Maryland needs job growth of 40,000 to 50,000 a year to keep up with projected population growth.

Both Basu and Clinch said the year-to-year comparisons are more telling than the month-to-month ones, where the figures, based on a survey of employers, can bounce around.

In general, Basu said, Maryland is doing well compared to the national economy because of "the stability of federal spending. Our most important industry is more stable than the most important industries in other states."

Also, he said, Maryland has prospered relatively because it is among the highest-income states, and "with that massive spending power, a smaller percentage of the population is forced to make difficult choices in the face of rising gasoline and utility prices."

Much of the one-month job growth in Maryland for May came in government employment, which grew by 2,800 for the month.

Most other economic sectors tracked by BLS showed only small changes. Slight declines were reported in construction and manufacturing (down 200 jobs each) and professional and business services (down 400).

Business and professional services, Basu said, is generally one of the "main job-adding sectors" in Maryland, generally competing with health and education to see which generates the most new employment.

For the year, business and professional services added 9,400 jobs, while health and education added 6,700. Between them, the two sectors recorded more than half of the job growth in the state.

Construction, waning nationally, accounted for a gain of 3,400 jobs in Maryland over the one-year period. Despite a slowing housing market, Clinch said, the state has seen an offsetting pickup in commercial building.

Manufacturing employment continued to decline, with a year-to-year loss of 2,400 jobs.

Clinch said that to create more jobs at a time when workers are scarce, Maryland needs to invest in job training - to improve the employment prospects of low-skilled workers - and in transportation - to get inner city workers to jobs in the suburbs, where employment is growing most quickly.

However, he said, the new O'Malley administration finds itself with budget constraints that will make it difficult to invest more in those areas.

bill.salganik@baltsun.com

Copyright © 2007, [The Baltimore Sun](#)