

Md. adds few jobs in June

10,500 is fewest created in 17 years; jobless rate inches up to 3.8%

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Maryland employers added fewer jobs last month than in any June in at least 17 years, but unemployment rose only slightly to 3.8 percent.

The U.S. Labor Department numbers, released yesterday, show a gain of 10,500 jobs, the lowest on record. The government statistics date from 1990. The second weakest June was in 1992, in the aftermath of a national recession, when employers added just over 13,000 jobs.

The job-creation numbers are preliminary and not adjusted for seasonal variations.

Economists blame the poor showing on everything from the slumping housing market to a shortage of qualified workers.

"Maryland is no longer growing faster than the country as a whole, it's growing slower - and maybe a lot slower," said Charles W. McMillion, president and chief economist of MBG Information Services in Washington.

The pace of job creation over the past 12 months was 50 percent faster nationwide than in the state, according to the preliminary numbers.

Maryland job creation has been decelerating for a while. State employers added 22,600 jobs in the past 12 months, one of the weakest performances since the 2 1/2 -year doldrums that followed the last recession. Even so, the unemployment rate - which inched up from 3.6 percent in May - remains low. The nation's rate was 4.5 percent last month.

One explanation for that apparent discrepancy is that the state's population isn't growing as fast as it used to, limiting the available pool of workers.

At the same time, it's "really hard" to recruit and retain workers from out of state because the cost of living here is high, McMillion said.

That means positions go unfilled and aren't counted as jobs by the federal government.

But other factors are hurting job growth too, McMillion and other economists say.

The housing slump continues to worsen, both nationally and locally.

Fewer sales are a blow for people working in real estate, construction and lending - not to mention retail, which benefited during the housing boom as homebuyers filled their rooms with new furniture and other items.

The construction sector added 3,200 jobs in the past 12 months, a third of the growth it enjoyed three years ago when home sales and prices were rapidly rising.

Commercial boost

Job numbers in the sector would probably be falling if not for the boost from commercial construction firms. Residential builders have been cutting back for months, said John Kortecamp, of the Home Builders Association of Maryland.

"Most people are pretty much resigned to riding out '07 as best we can and hoping '08 looks better," Kortecamp said.

Add to that a grab bag of other economic problems. Rising energy prices are pinching consumers' wallets and leaving some businesses with less money to hire for new positions.

The manufacturing sector continues to shrink, cutting 2,700 jobs in the past 12 months. Even education and health services, one of the state's reliable sectors, isn't doing as well as before - employers added 2,800 fewer jobs in the past 12 months than they did from June 2005 through June 2006.

'A thousand cuts'

"I think it's the death by a thousand cuts," said Daraius Irani, director of applied economics at RESI, Towson University's research and consulting arm.

He expects more pressure on job numbers as the state reduces spending to deal with a budget crisis.

Two of Maryland's key sectors did well in the past 12 months. Professional and business services added 8,700 jobs, up about 20 percent from the 12 months ending in June 2006. Leisure and hospitality created 4,300 jobs, also an increase.

Trade, transportation and utilities employers added 1,500 jobs. The financial sector and government each created 200 jobs. Employers in the information sector shed 1,100 jobs.

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