State's jobless rate dips, but school employment falls

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Arizona’s jobless rate remained basically unchanged in August, dropping to 9.1 percent from 9.2 percent in July.

The state did add 19,700 jobs, but that was the lowest increase for August in a decade. During good economic times, the state typically adds more jobs this time of year as employees for school districts and state universities return to work after summer break.

Employment in the education sector was hit particularly hard by state budget cuts and other factors, such as enrollment drops at the kindergarten through 12th-grade level.

“This is a double blow,” said John Wright, president of the Arizona Education Association. “You have so many families now without the income from somebody who did work in a school last year … now you’ve got students in schools that are understaffed.”

Understaffing can mean larger classes, longer bus rides, dirtier buildings and longer lines in the cafeteria.

“This (job market) is unprecedented for schools and school employees,” Wright said.

Over the past year, the number of local education positions dropped by 2 percent. State education positions fell by 10 percent.

Arizona's three public universities lost 20 percent, or $190 million, of their state funding for the 2008-09 school year. They won't get that money back for this school year.

All have left some positions vacant and let other employees go.
ASU laid off 285 employees, left another 268 positions unfilled and did not renew the contracts of 205 non-tenured faculty. The University of Arizona laid off 120 people this year, and an additional 500 positions are vacant. Northern Arizona University has about 100 unfilled positions and cut 45 jobs earlier this year.

Commerce Department officials said they won't know the full extent of layoffs in education until September's numbers are released.

The data will likely show a continuing contraction.

“Part of the reason for that are large layoffs in the public sector (schools, state and local governments, and universities) that are just now beginning and the coming shake-out in commercial real estate,” Marshall Vest, director of the Economic and Business Research Center at the University of Arizona, wrote in a forecast released last month.

“It will be 2013 before employment losses economywide are recovered and a new expansion can begin.”

The monthly unemployment report from the Commerce Department, released Thursday, showed just how fragile other parts of the labor market remain.

The unemployment rate in metro Phoenix remained at 8.4 percent, unchanged since July. In August 2008, the rate was 5.5 percent. The national rate is 9.7 percent.

Other employment sectors critical to the state's economic foundation — such as construction, which has shrunk by more than a quarter — continue to be walloped by the worst labor market in Arizona since the Great Depression.

Educational and health services — which include for-profit schools and health-care fields like nursing — have withstood the troubled economy better, shedding less than 1 percent of jobs.

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