Ga. jobless rate drops to 8.7 percent, as October job growth reaches highest level since '08

By JEFF MARTIN

ATLANTA (AP) - Georgia's seasonally adjusted unemployment rate dropped to 8.7 percent in October, down from 9 percent in September, state labor officials said. That compares to a jobless rate of 9.7 percent a year ago, according to new figures announced early Thursday by the Georgia Department of Labor.

A total of 36,000 new jobs were added, the largest September-to-October job increase ever, Georgia Labor Commissioner Mark Butler said.

The job growth pushed the number of jobs in October to the highest level in any month since December 2008, he said.

The state's labor force also continued to increase, climbing to 4.79 million in October. That represents a gain of 17,438 workers since September.

"Our labor force has grown consistently over the past year, indicating that Georgians are more optimistic about finding a job, and fortunately, we've had the job growth necessary to put these people to work," Butler said.

The unemployment figures come as Georgia economists issued their forecasts for the coming months, which suggest continued sluggishness next year followed by strong growth in 2014.

Uncertainty over what's become known as the looming "fiscal cliff" has already done damage to the U.S. economy, according to Rajeev Dhawan of the Economic Forecasting Center at Georgia State University's J. Mack Robinson College of Business.

"The damage from the fiscal cliff is done and playing out now," Dhawan wrote in his quarterly Forecast of the Nation, released this week. "The issue is, can we can contain it?"

Congress reaching a deal on the issue is of paramount importance because the U.S. must turn to domestic sources to fuel economic growth in the coming year, Dhawan says. He says that's because exports are down, falling 3.5 percent in the third quarter of 2012, a sharp reversal from 7.0 percent growth in the second quarter.

The downward trend for exports will be reflected in Georgia due to a worldwide economic downtown that's hitting China and Europe particularly hard, Dhawan predicts.
Though Georgia exports grew by almost 20 percent in 2011, numbers through July of this year show an increase of only 2.3 percent.

Troubles in the international economy and the decline in exports will ripple through other Georgia industries, Dhawan predicts.

"A global slowdown led by China affect Georgia's transportation and manufacturing sectors via lower demand for state exports - especially of machinery, aircraft and vehicles," Dhawan said in his report.