The Journe

Unemployment rate falls in 39 states in June

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WASHINGTON — The unemployment rate fell in most states in June, mainly because more people gave up searching for work and were no longer counted.

Fewer states saw job increases, the latest evidence that the economic recovery is slowing.

The jobless rate declined in 39 states and Washington, D.C. last month, the Labor Department said Tuesday. That's a slight improvement from May, when 37 states saw their rates decline.

But only 21 states saw net job gains in June, the government said. That compared to 41 the previous month and was the fewest for the year.

The decline in job creation reflects the layoff of thousands of temporary census workers. Those jobs inflated total payrolls in May and then reduced them in June.

The report also indicated that businesses aren't hiring many new workers. Nationwide, private employers added a net gain of only 83,000 jobs last month

The national unemployment rate dropped to 9.5 percent in June from 9.7 percent the previous month, as about 650,000 people stopped looking for work.

Nevada, battered by a housing slump and a drop in tourism, posted the nation's highest unemployment rate of 14.2 percent. That's the state's highest since records began in 1976.

In May, Nevada displaced Michigan from the top spot for the first time in more than four years. Michigan's unemployment rate fell to 13.2 percent in June, the nation's second-highest. It was followed by California with 12.3 percent and Rhode Island with 12 percent.