

## May Unemployment Rate Falls Even as Labor Force Grows

Indiana's unemployment rate dropped to 3% in May, bringing it down to a level consistent with the same month in 1998 and 1999.

The rate typically falls in the spring, but April's rate did not come down as much this year as it did in 1998 or 1999. Some analysts speculated that April's higher rate signaled a slow-down in Indiana's economy. Then came a healthy drop in May. Taken together, the first five months did not show any significant increase in the unemployment rate.

Indiana's rate decline came despite growth in the state's labor force. A steady expansion of the labor force this year reversed the shrinkage that occurred in 1999. Last year, in most months, the labor force was down compared to the same month in 1998. In the first five months of 2000, the labor force grew at least 1.3% every month, compared to the same month in 1999.

The total labor force in Indiana stood at 3.13 million in May, according to estimates from the Indiana Department of Workforce Development and the U.S. Bureau of Labor Statistics. That's close to the record labor force estimate of 3.18 million set in June 1995.

Coupled with the declining unemployment rate, this larger labor force resulted in a near-record number of Hoosiers at work in May. The total number of employed people surpassed 3.03 million, and was, in fact, just 5,000 people shy of the record 3.04 million in June 1998.

Figure 1: May Unemployment Rates by County

The national unemployment rate for May was 3.9%

