



# Indiana Economic Update

June 19, 2015

## Summary

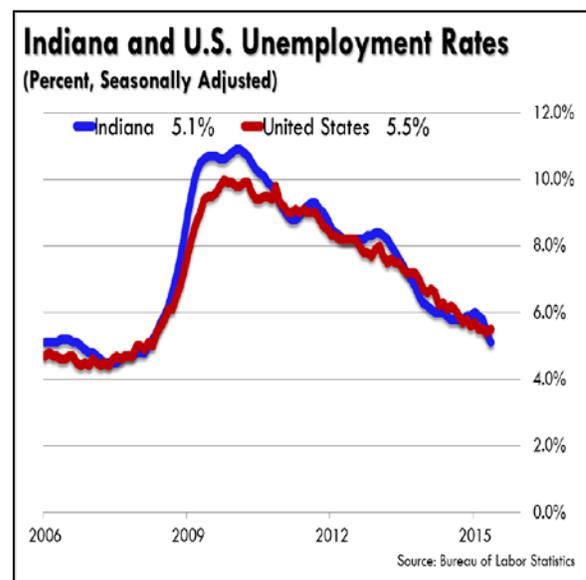
Nonfarm payroll employment in Indiana increased by 10,800 jobs and the unemployment rate fell to 5.1 percent in May according to data released by the Bureau of Labor Statistics (BLS).

## Indiana Unemployment Rate

During May, the unemployment rate in Indiana declined by 0.3 percentage point to 5.1 percent. The number of people counted as unemployed fell by 9,275 in May to 167,037, while the labor force grew by 1,391 to 3,246,344. Among the 50 states and the District of Columbia, 21 posted lower unemployment rates for the month than Indiana. A year earlier, the unemployment rate in Indiana stood at 6.0 percent.

The 10 year peak for the unemployment rate in Indiana was 10.9 percent in February 2010. The series high for the unemployment rate in Indiana occurred in December 1982 when the unemployment rate reached 12.6 percent. The 10 year low for the unemployment rate in Indiana was 4.5 percent in July 2007. The series low for the unemployment rate in Indiana occurred in October 2000 when the unemployment rate reached 2.9 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was inched up to 5.5 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.3 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



## Indiana Payroll Employment

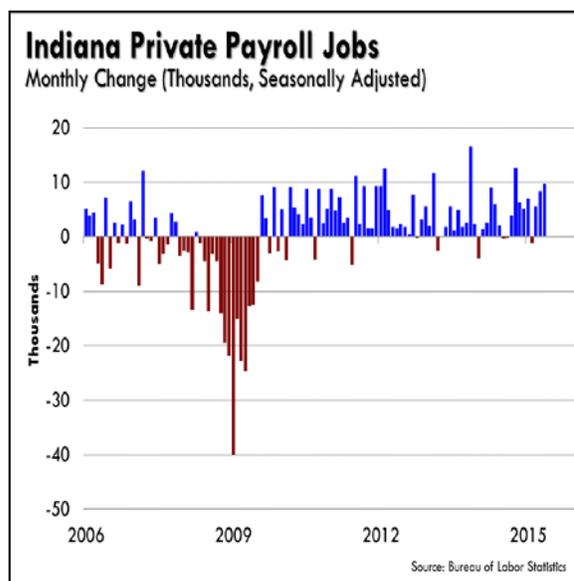
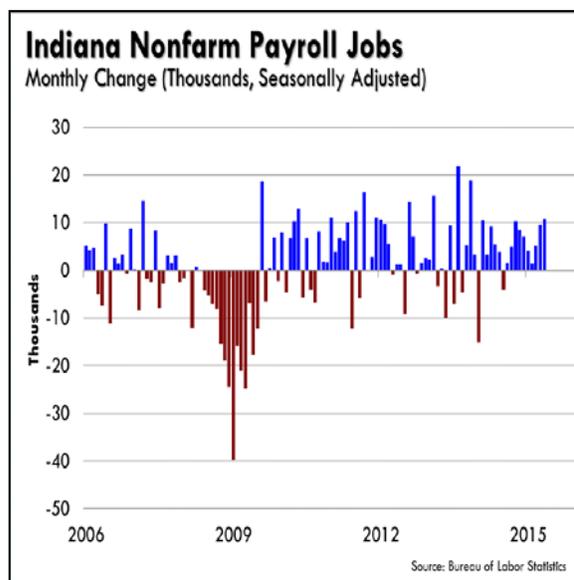
Indiana nonfarm payrolls increased by 10,800 jobs, or 0.36 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 9,500. Over the past 12 months nonfarm payrolls in Indiana increased by 62,700, or 2.10 percent. Indiana nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally nonfarm payrolls increased by 280,000 jobs in May, or 0.20 percent. Over the 12 month period ending in May 2015, nonfarm payrolls grew by 3,058,000 jobs, or 2.21 percent. Indiana ranks 16th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Indiana private sector payrolls increased by 9,700, or 0.37 percent. Private sector payrolls increased by 8,400 jobs in the prior month. Over the past 12 months, private sector payrolls in Indiana increased by 58,900, or 2.31 percent. Indiana private sector payroll employment has increased in 9 of the past 12 months.

Nationally, private sector payroll jobs increased by 262,000 in May, or 0.22 percent. Over the past 12 months, the nation's economy has added 2,958,000 private sector payroll jobs, an increase of 2.53 percent. Indiana ranks 17th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Indiana increased by 1,100, or 0.26 percent. Federal government payroll employment declined by 500, or 1.36 percent. State government payroll employment increased by 400, or 0.34 percent, while local government payroll employment increased by 1,200, or 0.44 percent.



Over the past year, total government payroll employment increased by 3,800, or 0.89 percent. State government payroll employment increased by 1,400, or 1.19 percent. Local government payroll employment increased by 2,300, or 0.84 percent.

The best performing sectors on a seasonally adjusted basis during May were Leisure & Hospitality (+3,100) and Trade, Transportation & Utilities (+2,500). The poorest performing sectors during the month were Financial Activities (-500) and Information (-400).



The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+25,000) and Manufacturing (+14,200). The poorest performing sectors for the year were Mining & Logging (-500) and Information (-300).

#### Other Indiana Labor Force Statistics

The labor force participation rate in Indiana was unchanged at 63.3 percent in May. Among the 50 states and the District of Columbia, 26 have a higher labor force participation rate than Indiana. The labor force participation rate in Indiana is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10 year high for the labor force participation rate in Indiana was 67.6 percent in April 2006. The series high for the labor force participation rate in Indiana occurred in

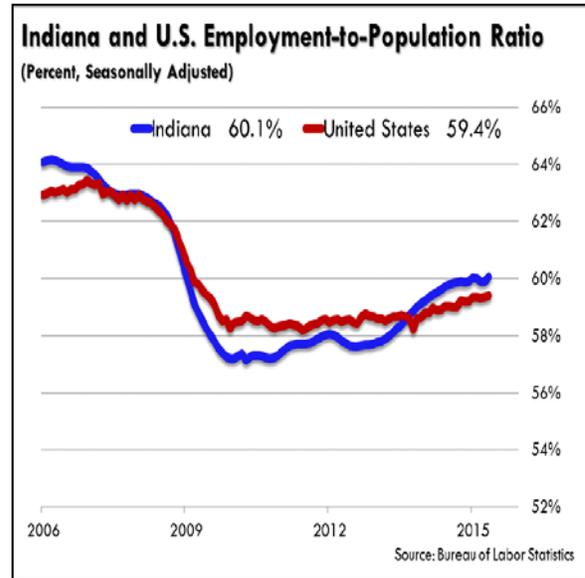
April 1995 when the labor force participation rate hit 71.1 percent. The 10 year low for the labor force participation rate was 62.8 percent in September 2012. This also represents the series low for the labor force participation rate in Indiana.

The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in May. That rate is 0.1 percentage point higher than a year earlier.

The employment-to-population ratio, or the percentage of the Indiana civilian noninstitutionalized population 16 years and older counted as employed, rose to 60.1

percent in May from 59.9 percent the prior month. Among the 50 states and the District of Columbia, 26 have higher employment-to-population ratios than Indiana. The employment-to-population ratio in Indiana is 0.5 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in Indiana was 64.2 percent in March 2006. The series high for the employment-to-population ratio in Indiana occurred in February 1995 when the employment-to-population ratio hit 68.0 percent. The 10 year low for the employment-to-population ratio was 57.1 percent in April 2010. The series low for the employment-to-population ratio occurred in May 1983 when the employment-to-population ratio hit 55.7 percent.



The national employment-to-population ratio ticked up to 59.4 percent in May. At 59.4 percent, the national employment-to-population ratio has finally risen back to the level it was at when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in May 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for May is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Thursday, July 2. The national employment report is being released on Thursday instead of Friday due to the Independence Day holiday.