April Rate Drop Could Indicate Slightly Slower Economic Growth

Indiana's unemployment rate fell to 3.4% in April, a decline of two-tenths of a percentage point. April normally sees a decline in the rate, as construction work begins to pick up for the approaching summer. The U.S. rate came down, too, from 4.3% in March to 3.7% in April.

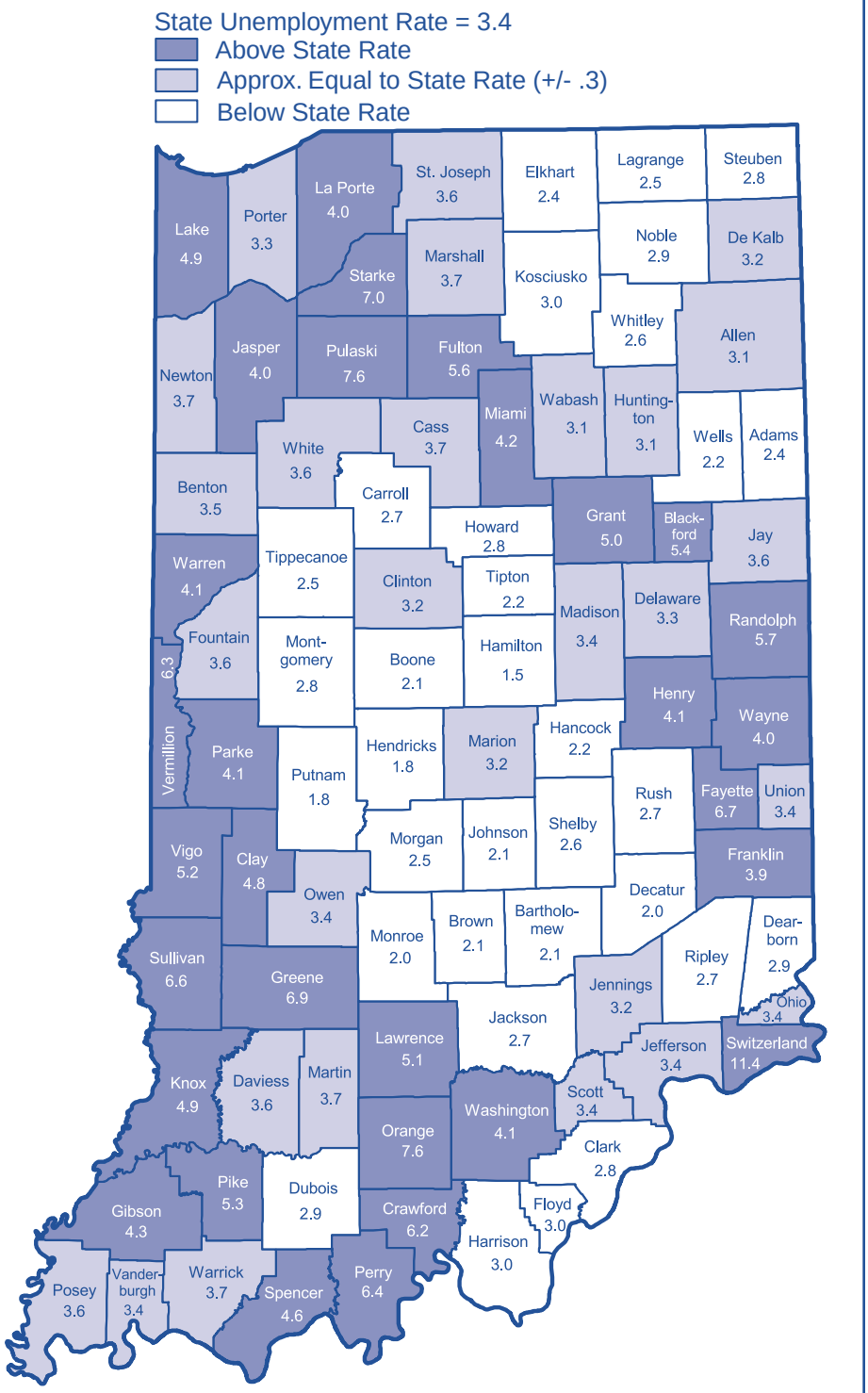
The drop in Indiana's rate, however, was less than in prior years. In 1999, the rate declined four-tenths of a percentage point from March to April, and in April 1998 the rate tumbled half a point.

The fact that the rate did not decline as much this year may not be significant. The difference from previous years is not large. But it's also true that Indiana's unemployment rate was slightly higher this March than in March 1998 and 1999. The total number of unemployed workers stayed at 104,800 in April, higher than April in either of the last two years.

The path of the state's unemployment rate over the next two months will reveal whether the federal government's efforts to slow the U.S. economy are starting to have an effect. On the other hand, we may find no statistically significant change. The low unemployment rates of recent years may not really have changed.

Figure 1: April Unemployment Rates by County

The national unemployment rate for April was 3.7%



Source: Indiana Department of Workforce Development