

## 3,046,404 Hoosiers Employed in July, Up Almost 15,000

Interest rate hikes by the U.S. Federal Reserve Board appear to be having their intended effect on the U.S. economy: National indicators show growth is continuing, but the rate of growth has moderated since the rapid expansion in 1999 and early 2000.

Indiana's economy, like that of the nation, is showing no signs of recession, however. The unemployment rate in Indiana rose slightly to 3.6% in July, the second consecutive monthly increase. The rate in July last year was 2.9%. The July U.S. unemployment rate was still substantially higher than in Indiana, at 4.2%, unchanged from June (see Figure 1 for the July unemployment rates for all Indiana counties).

The uptick in the unemployment rate indicates that the pace of economic growth in Indiana has slowed, but employment is still rising. Indiana is thus in the interesting situation of seeing rising employment with a simultaneously rising unemployment rate.

Indiana's labor force has risen compared to the preceding month in every month this year except January. The number of employed people in the labor force rose in most months, too, but not always at the same rate.

Whenever the growth in the number employed exceeded the growth in the labor force, the unemployment rate dropped. The drop occurred because the economy was putting people to work faster than people were being added to the labor force. When the labor force expands faster than the growth in the number of people working, unemployment inches up.

Figure 1: July Unemployment Rates by County

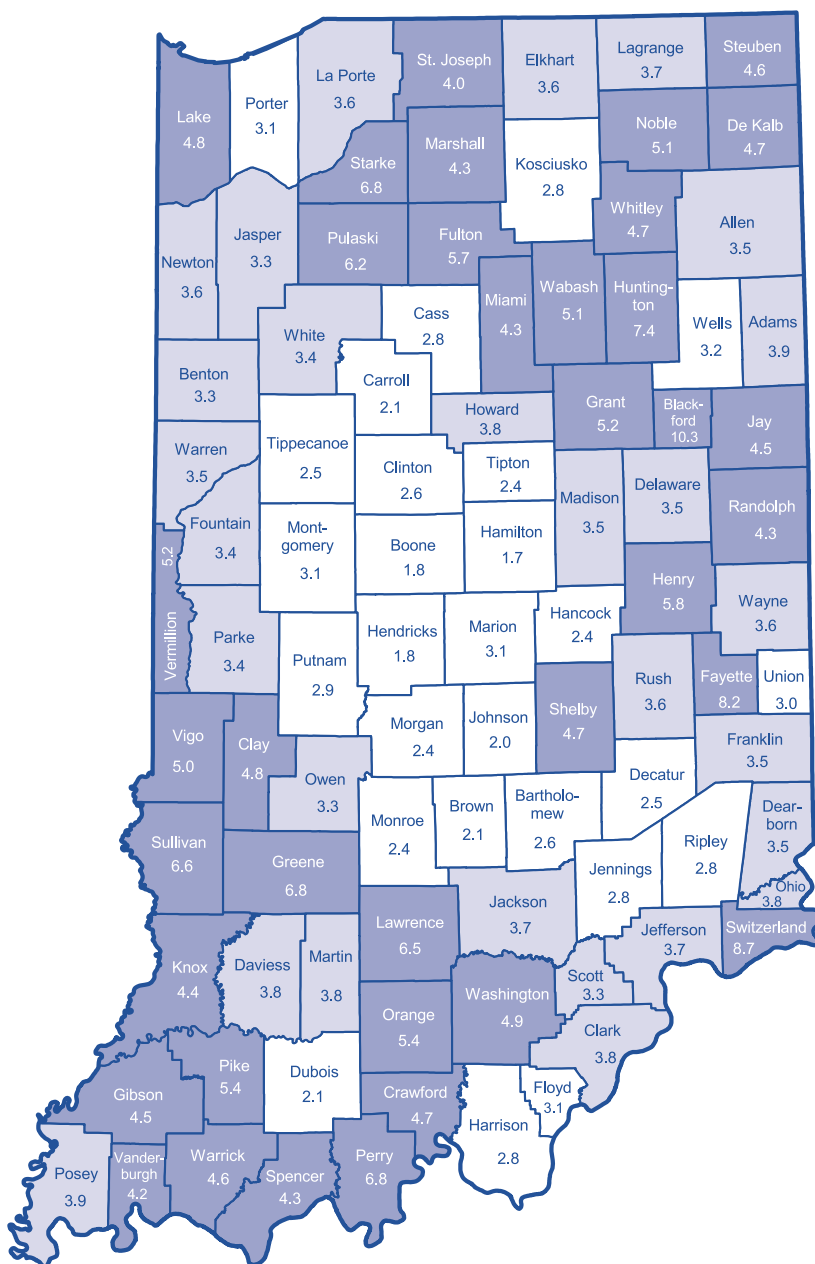
The national unemployment rate for July was 4.2%

State Unemployment Rate = 3.6

Above State Rate (37 counties)

Approx. Equal to State Rate (+/- 0.3) (28 counties)

Below State Rate (27 counties)



Source: Indiana Department of Workforce Development