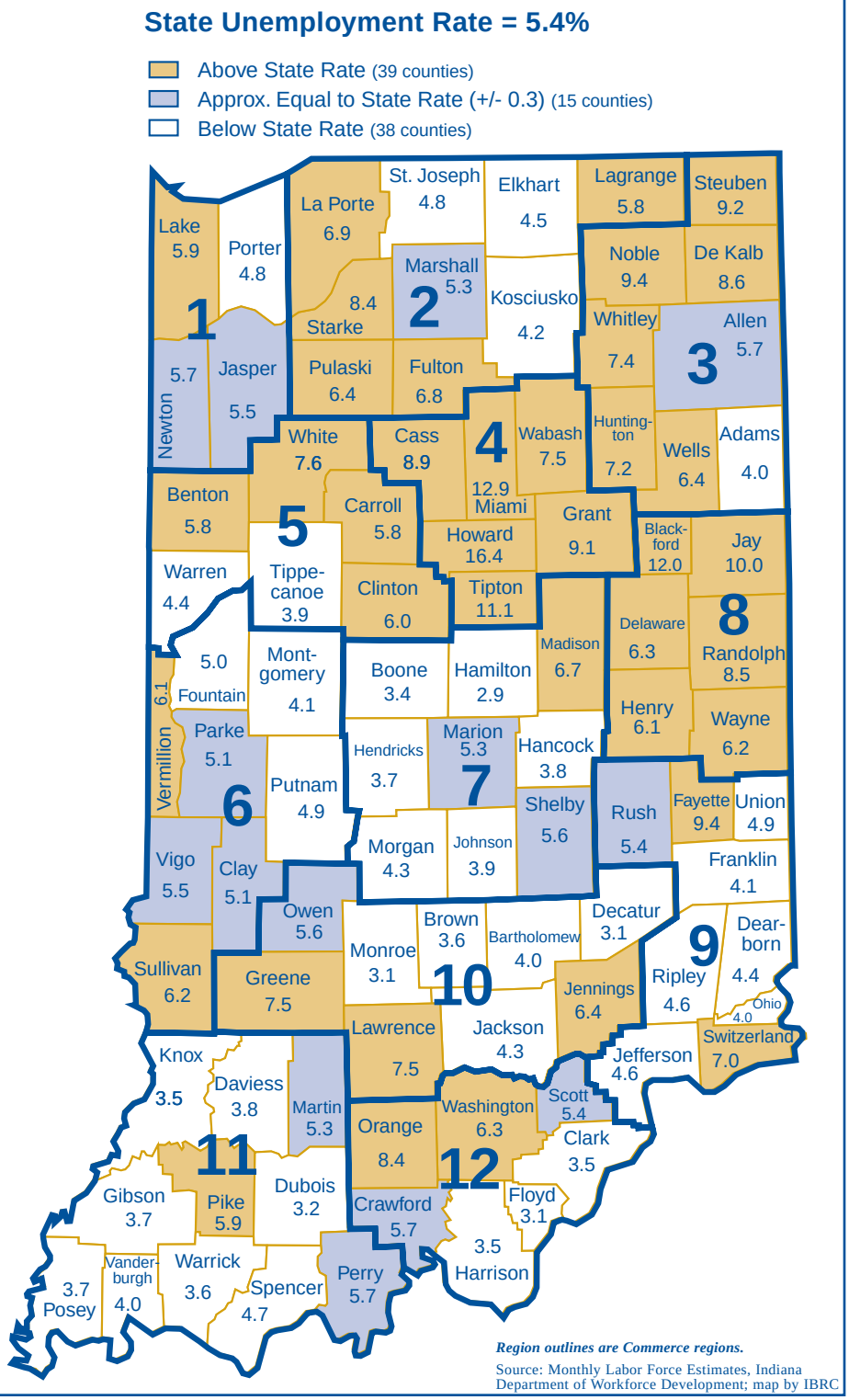
July's Unemployment Snapshot

Figure 1: July 2003 Unemployment Rates

Data collection procedure skews Region 4's rates for July



Indiana's non-seasonally-adjusted unemployment rate was 5.4 for July, an employment picture brighter than the nation's (6.3). The state also had a lower unemployment rate than its midwestern neighbors—Michigan (8.0), Illinois (6.6), Ohio (6.4), Kentucky (6.2) and Wisconsin (5.5).

The two counties comprising the Kokomo metro area experienced dramatic changes from the previous month. Howard County had a 245.5 percent change and 5,180 more residents without a job, while Tipton county had a 198.4 percent increase in the number of people seeking work.

This extraordinary increase in unemployment is due to data collection policies and not a significant shift in the employment picture. The Kokomo metro's data is reflecting layoffs in area manufacturing plants that take place every summer.

We are seeing a "blip" in the data this year because these temporary shutdowns are coinciding with the data collection reference week, which does not usually occur. (Examining seasonally-adjusted data will not account for the changes and improve the state's employment situation because these temporary plant shutdowns occur every year, just not on the same week.) Because of this discrepancy, it appears that Indiana had 9,073 more people unemployed than last year, when in fact many were experiencing their annual temporary layoff.

—Amber Dodez, Data Manager, Indiana Business Research Center, Kelley School of Business, Indiana University