State Unemployment Rate Takes Normal Jump

Indiana’s unemployment rate jumped to 3.4% in January, from 2.9% in December 1999. But that’s normal. Nearly every year, unemployment in the state peaks in January, as Christmas retail jobs get cut back and other seasonal employment ends. Last year, the rate rose from 2.9% in December 1998 to 3.5% in January 1999.

By March the statewide unemployment rate normally returns to a level closer to its annual average.

Metro Area Labor Force

Labor force growth rates in Indiana’s metropolitan areas varied widely over the past year. Lafayette’s labor force grew fastest, up 2.2% from January 1999 to January 2000 (see figure 2). Growth in the Elkhart-Goshen metro area came in at 2.1%. South Bend and Gary each dropped about 2%.

From January 1999 to January 2000, Indiana’s statewide labor force remained nearly unchanged, at about 3.1 million persons. In fact, during 1994 the state’s labor force inched up from 2.9 million to nearly 3.1 million and it has stayed there, with only minor fluctuations, ever since.

The total U.S. labor force expanded by about 1.1% over the same period, so four Indiana MSAs beat that average.

![Figure 1: January Unemployment Rates by County](source: Indiana Department of Workforce Development)

![Figure 2: Metro Area Labor Force Growth Rate](source: IN Dept. of Workforce Development)