

NEWS RELEASE

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Unemployment Drops for Second Month; Job Growth Remains Flat

Idaho's seasonally adjusted unemployment rate fell for the second straight month in May, but employers generally hired at less than the seasonal norm.

The unemployment rate fell two-tenths of a point to 9.4 percent in May. Substantial increases the previous three months in the number of people entering the labor force evaporated in May. Below-normal seasonal hiring that provided jobs for new entrants and almost 1,600 previously unemployed workers was responsible for driving the rate down.

The number of jobs across the state continued to track 2010 levels. Wages have been rising modestly in recent months due to employers restoring hours cut during the recession or giving raises to workers who took on more responsibilities as payrolls shrank

Job creation in January, February, March and April was weaker than initially estimated, and that weakness continued into May. Another 7,900 jobs were generated between April and May compared to 9,300 between April and May 2010.

Total nonfarm jobs fell 1,800 below May 2010 after nearly matching the year-earlier total in April. While the economy appears to no longer be losing significant numbers of jobs, significant increases have yet to occur. For the past 11 months, current job totals have ranged from 0.6 percent higher than a year earlier to 0.6 percent lower. May's total was 0.3 percent lower.

Manufacturers hired a few dozen more workers than normal for May, offering the brightest spot in Idaho's jobs picture. But manufacturing payrolls across the state still totaled less than 54,000 for the sixth straight month, stuck at 1991 levels.

Construction, which bore the brunt of the recession after the housing bubble burst, also generated jobs a little faster than the five-year average, but total construction employment at under 29,000 was still at 1994 levels.

Retailers added staff at the expected rate in May, maintaining a stability that suggests consumers are not pulling back. Employment agencies also adding more jobs than the five-year average would expect, continuing a year-long recovery that suggests employers are taking advantage of growth opportunities but are not ready to expand their own payrolls.

Businesses services, often an early sign of where the economy is headed, held its own in May at just over 11,000 jobs. Still this subsector has been wedged between 11,000 and 12,000 jobs for over three years.

Even health care, which grew steadily through the recession and since, generated new jobs at only half the pace of the previous five years.

The number of Idaho workers without jobs in May fell below 72,000 for the first time in nine months as Idaho's unemployment rate went the opposite direction of the national rate, which rose two tenths to 9.4 percent. Three months earlier Idaho's rate was at a record 9.7 percent and the national rate was down to 8.8 percent. Idaho's rate a year ago was 9.2 percent while the national rate was 9.6 percent.

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High fuel prices continue to create financial hardships for jobless workers required to make weekly job search contacts to remain eligible for unemployment insurance benefits. Nearly \$33 million in benefits was paid to about 32,000 unemployed workers in May.

The Conference Board, a business think tank, found there were still nearly four unemployed workers for every job opening in Idaho during May. Over 10,000 people have exhausted all their unemployment benefits without finding work.

Near normal seasonal hiring pushed total employment back over 694,000 for the first time in two years, but employment was still 38,000 below the peak in 2007.

Seventeen primarily rural counties posted double-digit unemployment rates, down from 18 in April. Two major urban counties remained in double-digits, but Canyon County's rate dropped another six-tenths to 10.9 percent while the Kootenai County rate was up two-tenths to 11.4 percent. The significant decline in Canyon County for a second straight month was enough to bring the unemployment rate for the Boise metropolitan area down another three-tenths to 9.5 percent. The other three metro areas remained in single-digits, all lower than April.

Twenty-four of Idaho's 44 counties recorded lower rates in May than April while 20 saw rates rise. Clearwater County saw its jobless rate jump over two percentage points to 17.4 percent to outdistance Valley County for the highest in the state.

Oneida and Owyhee counties recorded the lowest rates at 4.8 percent. With Bear Lake County at 5.9 percent, they were the only counties with rates under 6 percent. Oneida, Owyhee and Teton counties were under 6 percent in April.

Seasonally Adjusted Data

	5/11	4/11	5/10
Civilian Labor Force	766,000	765,400	758,500
Unemployment	71,700	73,200	69,700
% Labor Force Unemployed	9.4	9.6	9.2
Total Employment	694,300	692,200	688,900

Unadjusted Forecast Data

Civilian Labor Force	763,000	761,700	757,900
Unemployment	66,100	73,800	65,200
% Labor Force Unemployed	8.7	9.7	8.6
Total Employment	696,900	687,900	692,700

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