

Labor force drops for third straight month, unemployment rate declines to 5.8%

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CHICAGO—The Illinois Department of Employment Security (IDES) announced today that the unemployment rate in July decreased 0.4 percentage points to 5.8 percent and nonfarm payrolls increased by +11,600 jobs, based on preliminary data released by the U.S. Bureau of Labor Statistics (BLS) and IDES. The decrease in Illinois'

unemployment rate is largely due to a decline in the labor force. Job growth is still below the national average, with Illinois -41,200 jobs short of its peak employment level reached in September 2000.

“We’ve seen growth in labor force participation over the last year, but over the last three months we’ve given too much of it back,” said IDES Director Jeff Mays.

"A decrease in unemployment is concerning when it's the product of people leaving the labor force or giving up on finding a job," Illinois Department of Commerce Acting Director Sean McCarthy said. "We're not growing enough jobs for everyone that wants to work. As a result of Illinois' subpar job growth, every day more than 1,000 people give up looking for work. We owe it to these people to make our economy grow at a more competitive rate."

In July, the three industry sectors with the largest gains in employment were: Education and Health Services (+5,400); Other Services (+4,200); and Leisure and Hospitality (+2,100). The two industry sectors with the largest declines in employment were: Construction (-2,700) and Financial Activities (-1,000).

Over the year, nonfarm payroll employment increased by +43,200 jobs with the largest gains in Leisure and Hospitality (+18,900); and Professional and Business Services (+13,800). Industry sectors with the largest over-the-year declines in July include: Manufacturing (-9,100) and Information Services (-3,000). The +0.7 percent over-the-year gain in Illinois is less than the +1.7 percent gain posted by the nation in July.

The state's unemployment rate is higher than the national unemployment rate reported for July 2016, which held at 4.9 percent. The Illinois unemployment rate remains the same as a year ago when it was also 5.8 percent. The unemployment rate declined for the third consecutive month in July, as did the labor force and the number of people unemployed.

The number of unemployed workers decreased -6.4 percent from the prior month to 383,000, up +1.9 percent over the same month for the prior year. The labor force grew by +1.3 percent in July over the prior year, but decreased 0.5 percent over-the-month. The unemployment rate identifies those individuals who are out of work and are seeking employment. An individual who exhausts or is ineligible for benefits is still reflected in the unemployment rate if they actively seek work.

To help connect jobseekers to employers who are hiring, IDES' maintains the state's largest job search engine IllinoisJoblink.com (IJL). IJL recently showed that that 59,700 resumes were posted and 177,416 help wanted ads were available.

Seasonally Adjusted Unemployment Rates

	July 2016	June 2016 *	July 2015 *	3-Month Moving Avg.	Over-the- Month Change	Over-the- Year Change
Illinois	5.8%	6.2%	5.8%	6.1%	-0.4	0.0
U.S.	4.9%	4.9%	5.3%	4.8%	0.0	-0.4
* Revised						

Illinois Seasonally Adjusted Nonfarm Jobs – by Major Industry

Industry Title	July* 2016	June** 2016	July 2015	Over the Month Change	Over the Year Change	3-Month Moving Avg.	Change From Previous 3-Month Mov. Avg.
Total Nonfarm	6,013,900	6,002,300	5,970,700	11,600	43,200	6,007,300	2,200
Mining	9,100	9,100	9,300	0	-200	9,100	0
Construction	214,300	217,000	213,200	-2,700	1,100	216,300	-1,300
Manufacturing	573,900	574,200	583,000	-300	-9,100	573,800	-500
Trade, Transportation, & Utilities	1,209,800	1,208,100	1,203,400	1,700	6,400	1,208,900	0
Information	98,000	97,800	101,000	200	-3,000	98,000	200
Financial Activities	380,100	381,100	380,700	-1,000	-600	380,200	800
Professional and Business Services	937,000	936,500	923,200	500	13,800	935,800	2,000
Educational and Health Services	907,900	902,500	898,900	5,400	9,000	906,800	-2,200
Leisure and Hospitality	595,600	593,500	576,700	2,100	18,900	594,500	1,100
Other Services	259,400	255,200	252,000	4,200	7,400	256,200	2,200
Government	828,800	827,300	829,300	1,500	-500	827,800	-200
*Preliminary							
**Final							

Notes:

- Monthly 2011 - 2015 labor force data for Illinois, and all other states, have been revised as required by the U.S. Bureau of Labor Statistics (BLS). The monthly historical revisions to state labor force estimates reflect new national benchmark controls, state working-age population controls, seasonal factors, as well as updated total nonfarm jobs and unemployment benefits claims inputs. Illinois labor force data were also smoothed to eliminate large monthly changes as a result of volatility in the monthly Census Population Survey (CPS) and national benchmarking. For these reasons, comments and tables citing unemployment rates in previous state news releases/materials might no longer be valid.
- Monthly seasonally adjusted unemployment rates for Illinois and the Chicago-Naperville-Arlington Heights Metropolitan Division are available here: [Illinois & Chicago Metropolitan Area Unemployment Rates](#)

- Monthly 1994 – 2014 unadjusted and seasonally adjusted nonfarm payroll data for Illinois have been revised. To control for potential survey error, the estimates are benchmarked annually to universal counts derived primarily from unemployment insurance tax reports.
- Not seasonally adjusted jobs data with industry detail are available at [Not Seasonally Adjusted Jobs](#). “Other Services” include activities in three broad categories: Personal and laundry; repair and maintenance; and religious, grant making, civic and professional organizations. Seasonally adjusted employment data for subsectors within industries are not available.