

# Labor force declines fourth straight month, unemployment rate declines to 5.5 percent

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CHICAGO— The Illinois Department of Employment Security (IDES) announced today that the unemployment rate in August decreased -0.3 percentage points to 5.5 percent and nonfarm payrolls decreased, 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 -46,400 jobs short of its peak employment level reached in September 2000.

"In this 30-day snapshot, manufacturing losses were heavy, which contributed to more than half of the month's decrease in nonfarm payroll jobs," said IDES Director Jeff Mays. "The surveys have shown a great deal of fluctuation over the past year; seeing how the numbers develop over the long-term should make the trend clear."

"Illinois residents continue to drop out of the workforce at a concerning rate, driven out by the steady loss of jobs and anemic growth," DCEO Acting Director Sean McCarthy said. "If our state enacted the structural reforms necessary to get Illinois growing at the national rate, we could create 200 new jobs every day and put Illinois back to work. Instead, the state lost 8,200 jobs and nearly 20,000 people gave up looking for work."

In August, the two industry sectors with the largest gains in employment were: Leisure and Hospitality (+3,400); and Professional and Business Services (+2,000). The three industry sectors with the largest declines in employment were: Manufacturing (-4,400); Financial Activities (-2,600); and Education and Health Services (-1,900).

Over the year, nonfarm payroll employment increased by +40,100 jobs with the largest gains in Leisure and Hospitality (+23,000); and Professional and Business Services (+17,000). Industry sectors with the largest over-the-year declines in August include: Manufacturing (-11,800) and Information Services (-3,600). The +0.7 percent over-the-year gain in Illinois is less than the +1.7 percent gain posted by the nation in August.

The state's unemployment rate is higher than the national unemployment rate reported for August 2016, which held at 4.9 percent. The Illinois unemployment rate is down -0.3 percentage points from a year ago when it was 5.8 percent. The unemployment rate declined for the fourth consecutive month in August, as did the labor force and the number of people unemployed.

The number of unemployed workers decreased -5.1 percent from the prior month to 363,700, down -3.5 percent over the same month for the prior year. The labor force grew by +1.0 percent in August over the prior year, but decreased -0.3 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 61,572 resumes were posted and 176,638 help wanted ads were available.

**Seasonally Adjusted Unemployment Rates**

<b>August 2016</b>	<b>July 2016*</b>	<b>August 2015*</b>	<b>3-Month Moving Avg.</b>	<b>Over-the-Month Change</b>	<b>Over-the-Year Change</b>
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<b>Illinois</b>	5.5%	5.8%	5.8%	5.8%	-0.3	-0.3
<b>U.S.</b>	4.9%	4.9%	5.1%	4.9%	0.0	-0.2

**\* Revised Illinois Seasonally Adjusted Nonfarm Jobs - by Major Industry**

<b>Industry Title</b>	<b>August* 2016</b>	<b>July** 2016</b>	<b>August 2015</b>	<b>Over the Month Change</b>	<b>Over the Year Change</b>	<b>3-Month Moving Avg.</b>	<b>Change From Previous 3- Month avg.</b>
Total Nonfarm	6,008,700	6,016,900	5,968,600	-8,200	40,100	6,009,300	1,000
Mining	8,900	9,100	9,300	-200	-400	9,000	-100
construction	213,000	214,700	213,900	-1,700	-900	214,900	-1,500
Manufacturing	568,400	572,800	580,200	-4,400	-11,800	571,800	-1,700
Trade, Transportation, & Utilities	1,209,300	1,210,100	1,203,900	-800	5,400	1,209,200	200
Information	97,700	97,900	101,300	-200	-3,600	97,800	-100
Finanacial Activities	377,200	379,800	380,400	-2,600	-3,200	379,400	-700
Professiona and Business Services	938,000	936,000	921,000	2,000	1,700	936,800	1,300
Education and Health Services	909,300	911,200	898,900	-1,900	10,400	907,700	-200
Leisure and Hospitality	600,500	597,100	577,500	3,400	23,000	597,000	2,000
Other Services	258,000	259,400	252,600	-1,400	5,400	257,500	1,300
Government	828,400	828,800	829,600	-400	-1,200	828,200	400

\*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.

## **About IDES**

IDES encourages employment by connecting employers to jobseekers, provides unemployment insurance benefits to eligible individuals, produces labor market data and protects taxpayers from unemployment insurance fraud. Visit the Department's website at [www.ides.illinois.gov](http://www.ides.illinois.gov) for more information. You can also follow IDES on [Twitter](#) and [Facebook](#).