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Dept. of Workforce Development: State unemployment rate drops to near-historic low of 3.1%

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Contact:
608-266-2722

MADISON – The Department of Workforce Development (DWD) today released the U.S. Bureau of Labor Statistics (BLS) revisions for April and preliminary estimates for May covering employment and job statistics for the state of Wisconsin. In brief, the seasonally adjusted estimates show:

Place of residence data: A preliminary seasonally adjusted unemployment rate of 3.1 percent in May 2017, down 0.1 percent from April and at its lowest rate since October 1999. The rate remains lower than the national unemployment rate, which was 4.3 percent in May 2017. Additionally:

- The rate of 3.1 percent is the second-lowest rate on record for Wisconsin (the lowest rate was 3.0 percent in May-July 1999).
- Wisconsin's January (3.9 percent) to May (3.1 percent) unemployment rate decline of 0.8 percentage points in 2017 is the steepest January-May decline since 1983.
- Wisconsin's labor force participation rate increased by 0.2 percentage points to 68.8 percent, while the U.S. labor force participation rate decreased to 62.7 percent in May.
- Both total labor force and employment in Wisconsin remained at all-time highs in May, while the number of unemployed individuals reached its lowest point since February 2000.

Place of work data: Based on preliminary data, the state added a significant 40,400 total non-farm jobs and a significant 30,700 private-sector jobs from May 2016 to May 2017, with April-to-May 2017 changes within the margin of error for total nonfarm, private, manufacturing and government jobs.

DWD Secretary Ray Allen issued the following statement: “With more people working in Wisconsin than ever in state history and a state unemployment rate hovering near the lowest on record, we are taking the necessary steps to continue building our best-in-class workforce to meet the labor market needs of the modern economy. From Governor Walker’s signature Wisconsin Fast Forward worker training program to our century-old Registered Apprenticeship, Wisconsin is regarded as a national leader in proven programs that address the skills gap.”

The BLS uses three data sets to measure employment and unemployment:

- **Current Employment Statistics (CES):** compiled from a monthly survey sent to about 5,500 employers (3.5 percent of Wisconsin employers). CES data has been shown to be volatile and subject to revision.
- **Local Area Unemployment Statistics (LAUS):** compiled from a monthly survey of 985 households and unemployment insurance claims. Measures the labor force, employment, unemployment, and the unemployment rate.
- **Quarterly Census of Employment and Wages (QCEW):** compiled quarterly based on Unemployment Insurance records from some 96% of Wisconsin business establishments. Considered by most economists to be the most accurate measure of jobs, the QCEW includes data from almost all employers.

Other indicators of the state of Wisconsin’s economy include:

- Initial UI claims ended 2016 at their lowest level in the last 30 years. Year 2017 initial UI claims are running at the lowest in at least the past 30 years.
- Continuing unemployment claims ended 2016 at their lowest level since 1973. Continuing unemployment claims in Wisconsin are running at the lowest in at least the past 30 years.