



## Alabama Department of Industrial Relations

### News Release

For Immediate Release: June 17, 2011

### **Alabama's May Unemployment Rate is 9.6%** *Several Factors Combined to Produce the Increase, Including April's Tornadoes*

MONTGOMERY – Alabama Department of Industrial Relations Director Tom Surtees announced today that Alabama's May 2011 unemployment rate rose to 9.6%, up from April's rate of 9.3%. May's rate represents 206,809 unemployed persons, up from 199,749 in April. The rate is also slightly higher than last year's rate of 9.5%.

Several factors contributed to this month's increase, the first being the impact of the April 27 tornadoes that ravaged Alabama. Due to the method in which the unemployment rate is calculated, the effects of the storms on unemployment weren't included in April's rate, but rather are reflected in the May rate. To date, over 6,400 storm related unemployment claims have been received by DIR.

Another factor is the national unemployment rate. The national rate has increased for the past two months, from 8.8% in March to 9.0% in April to 9.1% in May.

The final factor is that May is historically a month when the labor force increases. There are additions to the labor force due to college and high school graduations as well as schools letting out for the summer. Also, some recent positive economic indicators have led many people who had given up looking for work to re-enter the job market.

“While we are disappointed to report an increase of three-tenths of a point in our unemployment rate, we have to keep the big picture in mind,” said Surtees. “We knew that the devastating storms we suffered in April were going to have an impact on unemployment. This is something that we could not have foreseen. I'm not going to go so far as to say that the entire increase can be attributed to the storms, but they're certainly a major factor.”

“Also, Alabama is part of a national economy. As I mentioned last month, national trends will impact state economies. We are simply one of the smaller pieces that make

up the whole. Then, when you add in recent graduates who are entering the market for the first time and formerly discouraged workers who are re-entering the workforce, you simply create more demand for the same number of jobs,” Surtees continued.

A recently published study by the Alabama Center for Business and Economic Research indicates that the April 27 tornadoes “will initially reduce...employment by about 5,600 – 13,200 jobs or 0.2 – 0.5 percent.” The study goes on to further say that recovery activities will eventually create up to 51,700 jobs in the short term.

The counties with the lowest unemployment rates were: Shelby County at 6.9%, Coffee County at 7.3%, and Pike County and Madison County at 7.9%. The counties with the highest unemployment rates were Wilcox County at 21.7%, Perry County at 17.3%, and Monroe County at 16.3%.

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*Members of the media needing more information should contact Public Information Officer Tara Hutchison at (334) 242-8616.*