



News

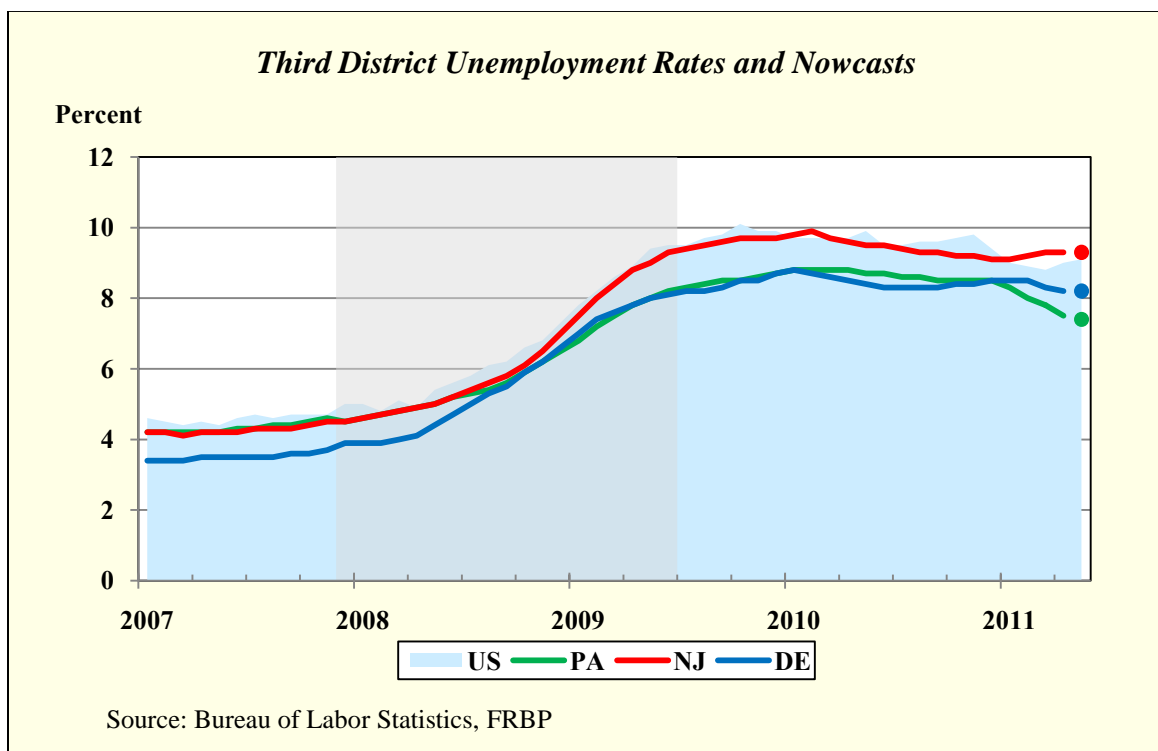
STATE UNEMPLOYMENT RATE NOWCASTS: MAY 2011

The Federal Reserve Bank of Philadelphia’s May nowcasts predict that unemployment rates will improve slightly in Pennsylvania and remain constant in New Jersey and Delaware.

Nowcasts

A nowcast is a forecast for the current month of state unemployment rates based on the national unemployment rate, weekly initial and continuing state unemployment claims, the *Business Outlook Survey’s* current employment index, and the state unemployment rates. Predictions are computed after the current national unemployment rate is released, which will lead the state employment release by roughly two weeks. For a thorough description of the nowcasting procedure, see the Research Rap Special Report “[State Unemployment Rate Nowcasts.](#)”

The unemployment rate in Pennsylvania is expected to decrease from 7.5 percent to 7.4 percent in May (a 90 percent confidence interval of 7.3 percent to 7.5 percent); New Jersey’s rate is expected to remain at 9.3 percent (a 90 percent confidence interval of 9.1 percent to 9.4 percent); and the unemployment rate in Delaware is also expected to stay the same at 8.2 percent (a 90 percent confidence interval of 8.0 percent to 8.3 percent). The decrease in the state unemployment rate for Pennsylvania last month contributed to the prediction of continued improvement. The effect of the increase in the national unemployment rate from 9.0 percent to 9.1 percent this month was dampened by the no-change and the decrease in the state unemployment rates last month for New Jersey and Delaware, respectively, to produce predictions of stable rates in the two states. In the chart below, May nowcasts are presented as dots.



Media Contact: Marilyn Wimp, 215-574-4197, Marilyn.Wimp@phil.frb.org

Release Date: June 6, 2011

Next Release Date: July 11, 2011

RESEARCH DEPARTMENT | FEDERAL RESERVE BANK OF PHILADELPHIA

Ten Independence Mall, Philadelphia, PA 19106-1574 | www.philadelphiafed.org