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## Iowa Jobs Picture Stagnant

Economists note lagging job growth behind stable 4.1 percent jobless rate

MOUNT VERNON, Iowa (April 15, 2004) – Iowa job numbers rose only slightly in March, contributing to a stagnant employment picture that shows the state lags behind pre-recession job levels and the pace of the 1990s recovery, economists said Thursday.

Iowa Policy Project analysts' observations follow release of March employment data from the state, which said the unemployment rate held steady at 4.1 percent for third straight month. Nonfarm employment grew by 100 in the month, following a 400-job loss in February.

“Any increase in employment is good news these days, but the March increase is pretty small, especially when combined with the recent job losses, and when considered in the context of the ground that Iowa needs to make up,” said Peter Fisher, research director of the Iowa Policy Project.

“While the numbers nationally looked much better in March, Iowa is not participating in that job growth.”

Those figures left Iowa still 27,300 jobs behind employment levels in March 2001, at the start of the last recession.

“We need to do much better. If we were to continue the kind of job growth we saw in the past year – 620 jobs per month – it would take about three-and-a-half years just to get us back to the March 2001 job level. And that’s not even taking into account the additional job growth we need to match increases in the working-age population,” Fisher said.

Iowa's loss of 27,300 nonfarm jobs three years after the start of the last recession compares with 48,500 jobs that had been created at this same point after the start of the 1990 recession.

Despite this context, state officials chose to view the new job numbers in the light of “robust” job growth nationally in the monthly release to the media from Iowa Workforce Development.

“Our state officials need to pay attention to the Iowa perspective,” said David Osterberg, executive director of the IPP. “Almost every month, they find a way to spin the employment numbers to look good. The unfortunate fact is, we lost many thousands of jobs in the last recession, and we’re not even close to catching up. There is no sign in Iowa of a ‘long-awaited turnaround in the labor market.’”

The seasonally adjusted unemployment rate of 4.1 percent for March compares with 4.3 percent in March 2003 and 3.1 percent when the recession began in March 2001, according to Iowa Workforce Development.

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Key perspectives on Thursday's employment report for March:

■ Iowa nonfarm payroll employment was 1,446,900 in March, up 100 from February, 300 behind January and 7,400 ahead of March 2003. IWD said the sector with the largest increase was trade and transportation, which added 800 jobs in the month after two months of decline and remains 2,600 below its March 2003 level. Construction, manufacturing and financial activities each showed 300-job gains in March, with professional and business services gaining 200. Jobs fell for the month in government and information, by 900 and 500, respectively, with no change in education and health services.

■ The nonfarm employment level in March was 27,300 below the number in March 2001 when the recession officially began, and 5,300 below the number in November 2001, when the recession ended.

■ By contrast with the 1990s recovery, Iowa had 48,500 more jobs (total payroll employment) at this same point, three years after the July 1, 1990, beginning of that recession.

■ Iowa's manufacturing sector employed 218,700 – up 300 from February's 218,400, which was the low-water mark for the past year.

■ The 4.1 percent March unemployment rate compares with 4.1 percent in February and January, and 4.3 percent in March 2003.

■ The March labor force was at 1,621,800, down from 1,629,400 in February and down from 1,625,100 in March 2003.

■ The federal "Jobs and Growth" tax-cut plan is 13,300 jobs short of the 24,900 that were supposed to have been created from June 2003 to March 2004.

The Iowa Policy Project is a non-profit, non-partisan research organization based in Mount Vernon. The IPP engages scholars at Iowa's public and private colleges and universities to perform research on issues of importance to the citizens of Iowa. IPP reports are available to the public, free of charge, on the web at [www.iowapolicyproject.org](http://www.iowapolicyproject.org) <<http://www.iowapolicyproject.org/>>.