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## Latest Job Count Falls Short Even With September Increase, Iowa Job Performance Disappoints

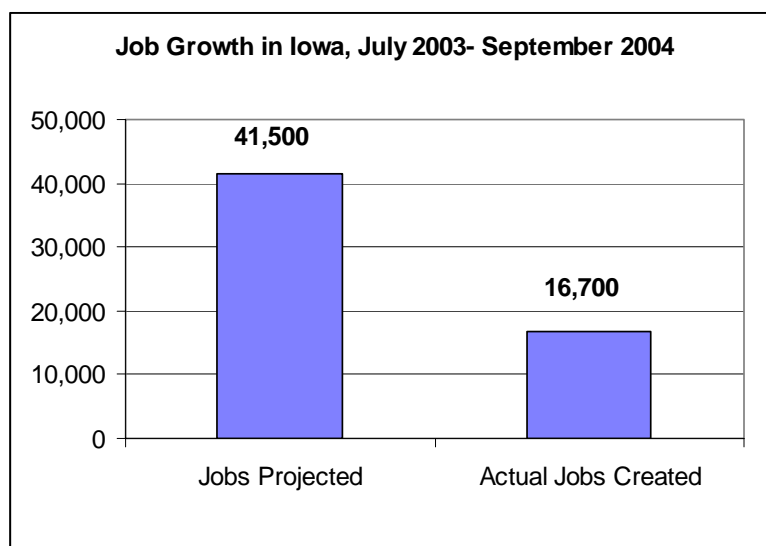
MOUNT VERNON, Iowa (Oct. 21, 2004) – An increase in the number of nonfarm jobs in September is encouraging, but the economic recovery in Iowa continues to be weak, analysts said today.

Iowa's nonfarm payrolls expanded by 1,300 jobs in September 2004 according to data released today by Iowa Workforce Development. Government, construction, and financial sectors each gained 400 jobs.

However, the unemployment rate increased to its highest level for the year at 4.7 percent. The last time the unemployment rate was higher was July 1992, when it reached 4.8 percent.

"We always concentrate on job growth," said David Osterberg, executive director of the Iowa Policy Project. "That is why we are still concerned that Iowa has not fully recovered from the 2001 recession. Iowa has 22,200 fewer jobs than when the recession began in March 2001."

The economic recovery continues to disappoint in Iowa. Based on Bush Administration projections, 41,500 new jobs were supposed to have been created in Iowa since July 2003, when the federal "Jobs and Growth" tax cuts were to start having an impact. During that period, however, Iowa has gained only 16,700 jobs.



“Job growth has fallen short on all measures,” said Peter Fisher, research director of the Iowa Policy Project. “Job quality has suffered as well. The new jobs generally pay less and offer fewer benefits compared to the jobs lost. Nationally, about 14% of all new jobs have been temp agency jobs.”

Deepening the job deficit is the fact that the number of people needing jobs has increased. Four years of college graduates have entered the workforce since Iowa began shedding jobs.

Since the recession ended in November 2001, during what is supposed to be a period of economic recovery, Iowa has continued to lose jobs. Usually during a “recovery” jobs are created, not lost. For example, this many months after the end of the 1990 recession, Iowa had *gained* 62,300 jobs.

Jobs in Iowa’s manufacturing and trade/transportation sectors have been especially hard hit. About 25,500 manufacturing jobs and 12,500 trade/transportation jobs have been lost since the beginning of the last recession (March 2001). Job gains have primarily been in financial activities (+10,100) and education/health services (+9,400).

Recent job figures as well as census projections suggest that temporary agency jobs are among the fastest growing occupations in the nation. For full-time workers who have lost a job, however, temp agency positions do not provide the same stable employment and benefits.

Key numbers following Thursday’s release from the state:

- The unemployment rate increased from 4.5 percent in August to 4.7 percent in September, the highest it has been since July 2003. In March 2001, at the start of the recession, it was 3.1 percent.
- The total number of unemployed Iowans increased by 2,100, from 74,300 to 76,400. The labor force—people working or looking for work—decreased over the month from 1,632,600 to 1,630,000.
- Nonfarm, payroll employment rose from an August figure of 1,450,700 to 1,452,000, an increase of 1,300 jobs. Government, construction, and financial sectors each gained 400 jobs.
- The nonfarm employment number is up 11,200 from September 2003, but is 22,200 below the level of March 2001, at the start of the last recession. It is 200 behind the level in November 2001, when the recession officially ended.
- From July 2003 to September 2004, 41,500 jobs were supposed to have been created in Iowa thanks to the federal “Jobs & Growth” tax cut; that promise has fallen 24,800 jobs short in Iowa.

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For other information or an interview with Peter Fisher or David Osterberg, contact Elaine Ditsler at (319) 338-0773 or [iapolicy@Lcom.net](mailto:iapolicy@Lcom.net)

More information about Iowa employment trends is available at the Iowa Policy Project website, [www.iowapolicyproject.org](http://www.iowapolicyproject.org). The Iowa Policy Project is a non-partisan, non-profit research organization headquartered in Mount Vernon.