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## Fourth Straight Month of Job Growth for Iowa Unemployment Rate at 12-Year High as Growing Numbers Seek Work

MOUNT VERNON, Iowa (Nov. 18, 2004) – Iowa posted its fourth-straight monthly increase in nonfarm jobs in October as growing numbers of Iowans sought work in an economy that remains in a sluggish recovery.

October figures from Iowa Workforce Development (IWD) also showed the fourth-straight monthly increase in the unemployment rate, from 4.7 percent to a 12-year high of 4.8 percent, but Iowa economists said the increase could be due to growing numbers of people in the labor market.

“There’s mixed news in these numbers, just not enough to be celebrating or to be alarmed,” said Elaine Ditsler, research associate for the Iowa Policy Project (IPP). “We have to keep a long-term perspective in viewing monthly job numbers, and despite some recent gains, we still are well off pace for a recovery from a 3-year-old recession.”

IPP Executive Director David Osterberg noted the one-month growth of 5,100 in the labor force number, to 1,635,100 in October – which also is up 26,700 from 1,608,400 a year earlier.

“When people are looking for work, it’s a sign that they have growing confidence in the economy, and that is helping to drive the higher unemployment rate. More than the monthly numbers, the important thing to understand is that our economy needs to deliver quality jobs for those people,” Osterberg said. “We still have not gotten back to where we were in March 2001, when the last recession started. I’m looking forward to the day when I don’t have to say that.”

The 3,300-job increase in October follows a 900-job increase in September, and leaves the job number 8,200 above the October 2003 figure. The latest job figure, however, remains 19,300 jobs behind the March 2001 number, at the start of the last recession.

At 4.8 percent, Iowa’s unemployment rate is up from 4.6 percent in October 2003, and is at a post-recession peak, compared with 4.7 percent last month and in July 2003. The Iowa unemployment rate has not been this high since July 1992.

The largest single increase for October came in trade and transportation employment, with an 1,200 increase that offset a 500-job decline in September. Manufacturing rose by 400 jobs in the month, and while it is at its highest level in the year, it is 25,200 below the March 2001 level, a decline of about 10 percent. Education and health services fell 200 in October and government employment fell by 600.

Key numbers following Thursday's release from the state:

■ The unemployment rate rose from 4.7 percent in September to 4.8 percent in October. In October 2003, the rate was 4.6 percent.

■ The labor force rose over the month from 1,630,000 to 1,635,100 – people working or looking for work. The figure is up by 26,700 from a year earlier.

■ Total nonfarm employment rose from 1,451,600 to 1,454,900, an increase of 3,300 jobs.

■ The nonfarm employment number is up 8,200 from October 2003, but is 19,300 below the level of March 2001, at the start of the last recession.

■ From June 2003 to October 2004, 44,200 jobs were supposed to have been created in Iowa under the federal "Jobs & Growth" tax cut; that plan has fallen 24,600 jobs short in Iowa. To meet the goals of that program, Iowa would have to gain 15,100 jobs in November and again in December, in comparison to the 3,300 increase in October.

IPP reports about job and income trends are on the web at [www.iowapolicyproject.org](http://www.iowapolicyproject.org) <<http://www.iowapolicyproject.org>>. The Iowa Policy Project is a non-profit, non-partisan research organization based in Mount Vernon.

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