

318 2nd Ave. N • Mount Vernon, IA 52314

www.iowapolicyproject.org

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CONTACT: Mike Owen (319) 338-0773 or ipp@lcom.net.

Job Gains in Iowa, But Jobless Rate Holds at 5.1 Percent State 12,000 Behind Pre-Recession Job Level

MOUNT VERNON, Iowa (April 21, 2005) – Iowa gained 2,500 nonfarm jobs in March, a bright spot as the state unemployment rate remained at 5.1 percent for the third straight month.

“That gain is better than average for what we’ve seen in the state over the past year. We need that kind of gain to continue if Iowa’s job climate is to improve in a lasting way,” said Peter Fisher, research director of the nonpartisan Iowa Policy Project.

New figures released Thursday from the state showed Iowa’s nonfarm jobs remained 12,000 behind nonfarm job levels before the last recession, which began in March 2001.

The nonfarm job growth of 2,500 in March followed a 1,000-job increase in February, and compared with an average of less than 900 over the past 12 months.

“Keeping a long-term perspective on these numbers, we know we need to keep up the kind of job growth we saw in March to see our economy produce the jobs we need to meet new demand in the labor market,” Fisher said. “We’re still catching up with where we were before the recession.”

The unemployment rate stayed at 5 percent or above for the sixth straight month. In January, the rate reached 5.1 percent to match its highest level in Iowa since February 1988. In March 2001 the unemployment rate stood at 3.1 percent, and it has climbed steadily since.

The largest single increase in nonfarm jobs in March was in construction, with 600 new jobs. Trade and transportation, financial activities, and business and professional services each showed 400-job increases in the month. The largest single decline was in government, by 300.

Other key numbers following Thursday’s release from the state:

- Total nonfarm employment rose from 1,459,500 to 1,462,000 during the month, an increase of 2,500 jobs. That is 10,300 more nonfarm jobs than in March 2004.
- The growth of 2,500 jobs in March compares with a monthly average of about 1,300 in 2004, and with an average of about 1,300 needed each month through the rest of 2005 to erase the recession job deficit. Job growth averaged less than 900 per month from March 2004 to March 2005.
- The labor force rose over the month from 1,636,400 to 1,643,200 – people working or looking for work.

The Iowa Policy Project (IPP) is a nonprofit, nonpartisan research organization based in Mount Vernon. IPP reports about job and income trends are on the web at www.iowapolicyproject.org.

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