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Record High for Iowa Nonfarm Jobs Jobless Rate Rises to 4.8 Percent in November as More Seek Work

MOUNT VERNON, Iowa (Dec. 15, 2005) – More Iowans held payroll jobs in November than at any point before, giving the state its ninth nonfarm job increase in 10 months, while record numbers of people in the workforce pushed the unemployment rate up to 4.8 percent.

“We’re seeing a good trend developing,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project. “The test will be over the long term – whether new people entering the market will continue to find job growth.”

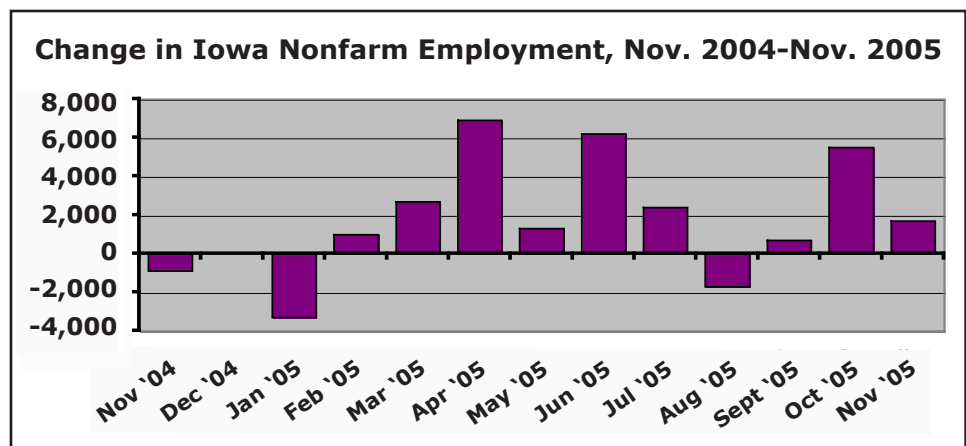
Payroll, or nonfarm, employment rose by 1,700

jobs to a record 1,485,200 during the month. That surpasses the 1,484,500-job mark set in March of 2000 – one year before the start of the 2001 national recession. It is 23,400 ahead of November 2004.

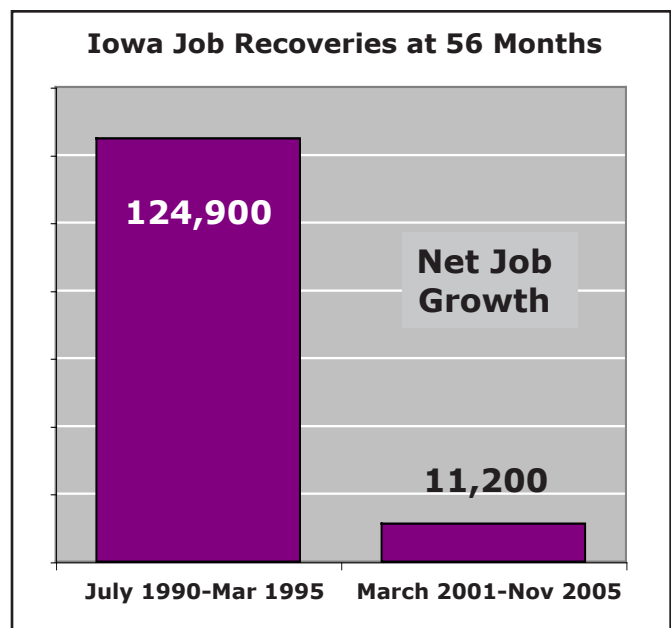
Nonfarm jobs for the last six months have remained 20,000 or more above numbers from a year earlier. That trend started in June, the first month in which Iowa erased its nonfarm jobs deficit from the start of the recession.

The state’s unemployment rate rose from 4.5 percent to 4.8 percent during the month, though still below the November 2004 level of 5 percent.

Ditsler attributed the increase in the unemployment rate to a larger labor force – which rose by 15,400 in the month to a record 1,667,000, the number of people working or looking for work.



Source: Iowa Workforce Development



“There are two long-term trends that appear to have developed,” Ditsler said. “One is that job growth is up, with nine months out of the last 10 showing growth, and a record number of nonfarm jobs. The other is that the growth – while certainly welcome – is slow, as we have seen throughout 2005. Comparing this recovery to the one in the 1990s, the last one created 11 times the number of jobs we have seen since the start of the 2001 recession.”

Fifty-six months after the start of the 2001 recession, Iowa’s nonfarm jobs were up 11,200 in November. At the same point following the start of the 1990 recession, Iowa’s nonfarm-job growth was 124,900.

“It’s good, however, to see the growing numbers of people entering the job market – which is the reason the unemployment rate went up. Now, they need to find jobs,” Ditsler said.

“This is the second straight month we can say the critical signs for Iowa jobs look good,” IPP Executive Director David Osterberg said. “While we can’t say a lot about the quality of the jobs that are increasing, it is an encouraging report from the state.”

Iowa’s November nonfarm job figures, seasonally adjusted, included increases of 1,300 jobs in trade and transportation, 500 in professional and business services and 500 in education and health.

Over the year, manufacturing remained up, by 4,300 over November 2004, and jobs in financial activities remained 3,600 ahead of the year-ago level. Both the trade and transportation, and education and health-services sectors added 2,800 jobs, with government up 1,300. Only construction saw a decline over the year.

Key numbers following Thursday’s release from the state:

- Total nonfarm employment rose to 1,485,200 in November from a revised 1,483,500 for October, an increase of 1,700 jobs. The November figure is 23,400 higher than in November 2004 and surpassed the previous record of 1,484,500 set in March 2000.
- Over the past six months, nonfarm jobs have stayed roughly 20,000 ahead of their level for the same month a year before.
- The unemployment rate rose to 4.8 percent from 4.5 percent in October. The rate stood at 5 percent in November 2004.
- The labor force rose markedly during the month, by 15,400, to a record level in November of 1,667,000 people working or looking for work. Since January, Iowa has seen a net increase of about 43,000 people in the labor force.

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.