

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

www.iowapolicyproject.org

FOR IMMEDIATE RELEASE, THURSDAY, JAN. 19, 2006

CONTACT: Mike Owen (319) 338-0773, (319) 331-1287 or ipp@Lcom.net.

Job Growth Picks Up Pace in December

Nonfarm Jobs at High for Second Straight Month; Jobless Rate Returns to 4.5 Percent

MOUNT VERNON, Iowa (Jan. 19, 2006) – Iowa saw one of its best job months of 2005 in December as payroll jobs posted record numbers for the second straight month and the unemployment rate dropped to 4.5 percent.

“Job growth was widespread,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project. “We saw increases in every industry, except information, which held steady.”

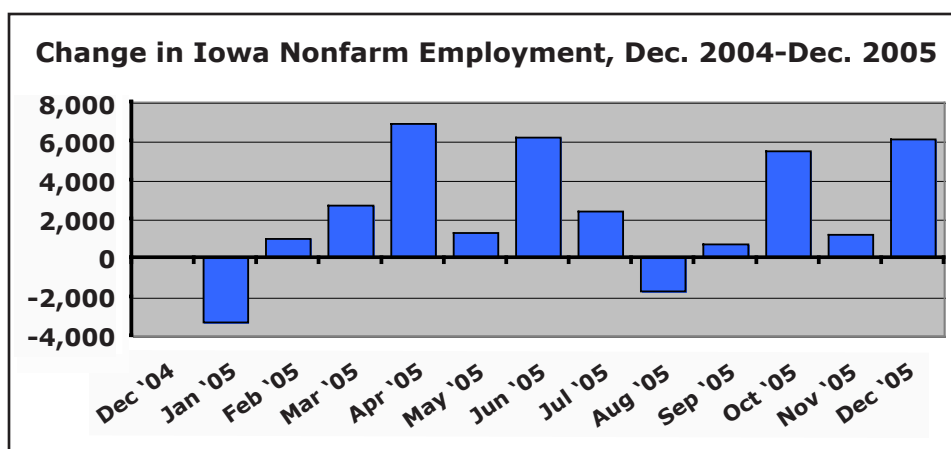
Iowa’s unemployment rate fell back to the 4.5 percent level it held in October, following a blip up to 4.8 percent in November, according to monthly job figures released by Iowa Workforce Development (IWD).

Payroll, or nonfarm, employment rose 6,100 jobs to a record 1,490,800 in December, up from a revised but still record 1,484,700 for November. The December figure is 29,000 higher than in December 2004.

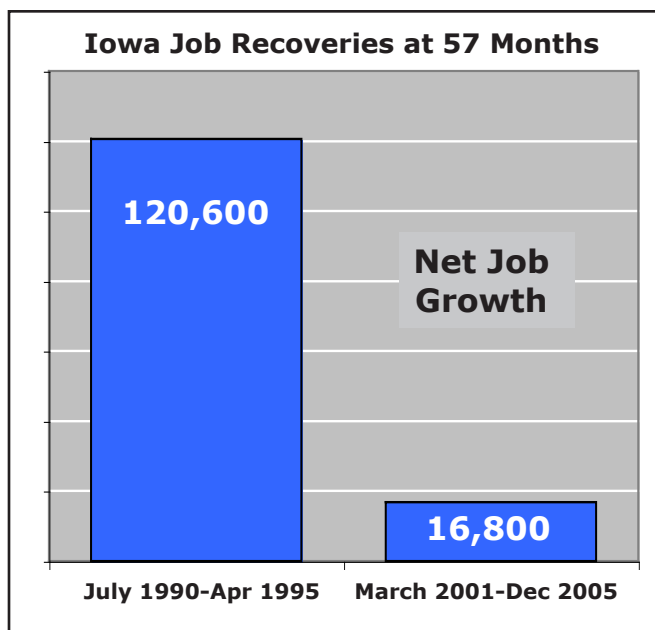
“The net increase of 6,100 jobs is very good, if it holds,” Ditsler said. “What we don’t know from these monthly reports, however, is detail about the new jobs – such as how much they pay or whether they offer benefits.”

While the size of the growth has fluctuated, Ditsler said it was a good sign that 10 of the last 12 months have shown increases in nonfarm jobs.

The one-month, 6,100 bump in nonfarm jobs was well ahead of the pace for 2005, in which job growth averaged 2,400.



Source: Iowa Workforce Development



IPP Executive Director David Osterberg also noted the fact that there have been job increases in 10 of the last 12 months.

“Slow and steady may yet win the race,” Osterberg said. “We agree that we are moving out of the recession. We would hope to see faster growth on a monthly basis, but continued growth is better than the erratic employment changes of the last few years.”

Osterberg noted the 16,800 net increase in jobs from the start of the 2001 recession compares with 120,600 job growth over the same 57-month stretch from the start of the 1990 recession.

“We are still waiting for substantial job growth and, like IWD, we hope to see it soon,” he said.

Iowa’s December nonfarm job figures, seasonally adjusted, showed increases in all categories except information jobs, which were unchanged. Increases included 1,600 jobs in construction and 1,300 in manufacturing, with 1,100 in education and health services and 1,000 in trade and transportation.

Over the year, manufacturing showed a 6,200 increase, with education and health services up by 3,900, financial activities up 3,500 and trade and transportation up 3,400. Government jobs rose 2,400 over the year, professional and business services rose 1,000 and construction was up 600.

Key numbers following Thursday’s release from the state:

- Total nonfarm employment rose 6,100 jobs to a record 1,490,800 in December, up from a revised but still record 1,484,700 for November. The December figure is 29,000 higher than in December 2004. (The revised November number remained ahead of the previous record of 1,484,500 set in March 2000.)

- The nonfarm increase in December was the third month in which job growth exceeded 6,000 for a single month. It tripled the average growth of 1,900 for the previous 12 months, and far outpaced the monthly average of 2,400 for all of 2005.

- The unemployment rate fell to 4.5 percent in December from 4.8 percent in November; the rate had been at 4.5 percent in October. It stood at 5 percent in December 2004.

- The labor force declined by 10,800, to 1,655,400 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.

#