

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

www.iowapolicyproject.org

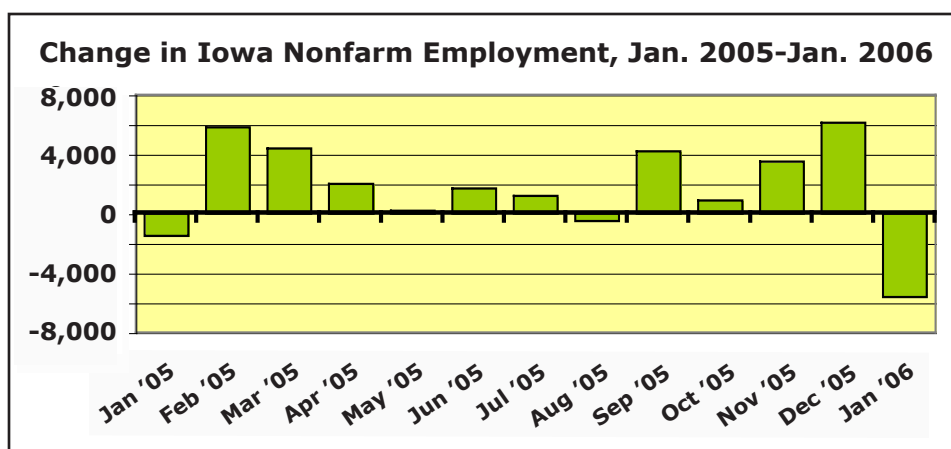
FOR IMMEDIATE RELEASE, THURSDAY, MARCH 9, 2006

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

Iowa Nonfarm Jobs Fall in January Unemployment Rate Falls to 4.1 Percent in Revised Figures

MOUNT VERNON, Iowa (March 9, 2006) – Iowa nonfarm jobs fell in January for only the second time in a year, but the state’s unemployment rate dropped sharply to 4.1 percent, its lowest level in over three years, as the newest state figures offered conflicting signals about the Iowa economy.

Nonfarm jobs fell by 5,600 to 1,490,100, but remained 23,900 ahead of the level for a year earlier, and 17,200 since the start of the last recession in March 2001. The latter indicated a continued slow recovery from that recession, according to revised data from the government.



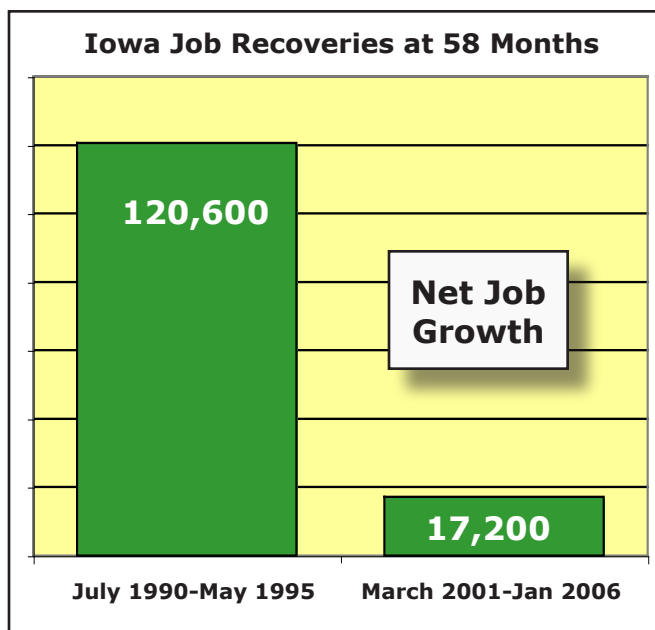
Source: Iowa Workforce Development

At the same time, the unemployment rate fell after six straight months at 4.5 percent.

Despite the contradictory signals, IPP Research Associate Elaine Ditsler noted the two measures come from different sources. The nonfarm job numbers come from a payroll survey of employers, and the unemployment rate from a household survey.

“The payroll numbers are considered more stable and reliable. They come from a much larger survey sample. But the household survey also picks up some self-employment and less traditional work arrangements that aren’t shown in the payroll survey. It’s worth watching both of them,” she said.

Fifty-eight months after the start of the 2001 recession, Iowa showed a net gain of 17,200 nonfarm jobs.



“The recovery pales in comparison to the recovery after the 1990 recession. We had made up that much ground in only 19 months last time, and by this point, we were 120,600 jobs ahead,” Ditsler noted.

Iowa’s January nonfarm job figures, seasonally adjusted, showed declines in all categories except financial activities (200 up) and leisure and hospitality (unchanged). The largest one-month declines were in government, 1,500; trade and transportation, 1,300; construction, 1,100; and professional and business services, 800.

Over the year, the biggest increases came in educational and health services, 5,500, and manufacturing, 5,300. Construction rose 3,800, with professional and business services up 3,500 and trade and transportation up 3,200. There also were increases in government, 1,900, and financial activities, 1,800. Declines showed in information, 700, and natural resources and mining, and other services, 200 in both categories. Leisure and hospitality showed no change.

Key numbers following Thursday’s release of updated and revised employment figures from Iowa Workforce Development and the Bureau of Labor Statistics:

■ Total nonfarm employment fell by 5,600 jobs to 1,490,100 in January, down from a record 1,495,700 in December. The January figure is 23,900 higher than in January 2005, and 17,200 ahead of the revised level for jobs at the start of the national recession in March 2001.

■ The decline in nonfarm jobs compared with an average monthly net increase of 2,300 through all of 2005.

■ The unemployment rate fell to 4.1 percent in January after six months at 4.5 percent. It stood at 4.7 percent in January 2005. The state unemployment rate has been at 4 percent or above since June 2002, when it was 3.9 percent.

■ The labor force declined slightly, by 300, to 1,666,900 people working or looking for work. It remains near the 1,668,800 record set in November 2005.

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.

#