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## Iowa Jobs Down in October Jobless Rate Rises to 3.6 Percent as Job Level Drops

MOUNT VERNON, Iowa (Nov. 16, 2006) – Fewer Iowans found work in October than September as nonfarm jobs showed their biggest drop in nine months and the unemployment rate rose to 3.6 percent.

Over the last 10 months, Iowa is behind its 2005 pace for job gains, and has shown declines in four of those months.

“Unemployed and underemployed Iowans have been on a bumpy road this year. Job growth continues to be slow and inconsistent,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project.

By the numbers:

- Nonfarm jobs fell by 3,900 jobs in October after a 5,800 increase in September.
- The October nonfarm job level of 1,511,800 jobs is 38,900 ahead of the March 2001 level, at the start of the last recession. That compares with a net gain of 144,500 nonfarm jobs at the same 67-month point from the start of the 1990 recession.
- The unemployment rate rose to 3.6 percent in Iowa in October, compared with 3.4 percent in September, but is well below the 4.5 percent level of a year earlier.
- Iowa’s unemployment rate has fluctuated around that 3.6 percent level in 2006, dropping to 3.4 percent in May and September, but reaching 3.8 percent in July.

Ditsler noted the weak job growth in the current Iowa economy compared with the 1990s. Even as the national recession ended in November 2001, Iowa continued to lose jobs until mid-2003, keeping it over 100,000 jobs behind the pace of the 1990s recovery.

“Job growth appears to be slowing before it ever really took off,” Ditsler said. “Iowa is gaining an average of 1,600 jobs per month this year, down from 2,300 per month in 2005.”

By industry, the nonfarm job numbers showed declines of 1,700 in leisure and hospitality, 900 in government, and 600 in manufacturing and in education and health services. Iowa Workforce Development also reported a decline of 300 in information, with increases of 200 in other services and 100 in construction.

The Iowa Policy Project (IPP) is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon. IPP reports on job and income trends are available on the web at <http://www.iowapolicyproject.org>.