

FOR IMMEDIATE RELEASE, THURSDAY, MARCH 15, 2007

CONTACT: Mike Owen or Elaine Ditsler, (319) 338-0773, ipp@Lcom.net or editsler@iowapolicyproject.org

Iowa Jobs Pick Up in January Nonfarm Jobs Rise, Jobless Rate Falls

MOUNT VERNON, Iowa (March 15, 2007) – Iowa’s nonfarm job growth picked up its pace in January in revised numbers from the government, with the unemployment rate falling to 3.4 percent.

Following revisions that lowered nonfarm job numbers by over 10,000 for each of the last four months of 2006, the January increase of 4,700 showed its best monthly performance since January 2006, and compared with a 1,200 average monthly increase throughout 2006.

The unemployment rate fell to 3.4 percent, its lowest point since September 2001 under the revised figures, from 3.5 percent the month before. The drop was caused by job seekers leaving the labor force.

The nonfarm job level of 1,513,500 is a new record under the revised figures. For the year, the increase was 18,000 jobs.

“We are continuing to see slow job growth, not the significant growth needed for unemployed and underemployed Iowans,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project.

By the numbers:

- Nonfarm employment rose by 4,700 jobs in January after a 3,100 increase in December, the third straight net gain for payroll jobs.
- The January nonfarm job level of 1,513,500 jobs is 40,500 ahead of the March 2001 level, at the start of the last recession. That compares with a net gain of 150,500 nonfarm jobs at the same 70-month point from the start of the 1990 recession.
- The unemployment rate fell to 3.4 percent from 3.5 percent in December. The rate was 4.0 percent a year earlier.

"In the past, we've said that this recovery produced about 100,000 fewer jobs over the last six years than the recovery following the 1990 recession. With the recent job revisions by IWD, that number grows to 110,000 fewer jobs. It is hard to describe this period as booming," said Executive Director David Osterberg.

By industry, the biggest nonfarm job increase was 1,900 in construction following a decline of 600 in December. Leisure and hospitality showed a gain of 1,200, with manufacturing up 700 and education and health services up 500. That sector showed the largest gain over the year, at 4,100.

Iowa Workforce Development also reported declines of 700 professional and business services and 500 in retail trade for the month.

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>.

#