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Six Years of Slow Growth Nonfarm Jobs Higher, Jobless Rate Down in March

MOUNT VERNON, Iowa (April 19, 2007) – While signs are up for Iowa jobs with the latest report from Iowa Workforce Development, some signs are up more than others.

Nonfarm jobs grew by 1,100 in March while the unemployment rate fell to 3.2 percent, from 3.3 percent in February.

But the six-year climb from the start of the last recession to the current nonfarm job record of 1,519,000 has come slowly – with a 46,000-job gain that is over 100,000 jobs off the pace of the 1990s recovery.

“March represented the six-year anniversary of the start of the last recession. We should ask ourselves how much better off we are,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project (IPP).

“We have used the start of the last national recession as a benchmark for putting perspective on the job numbers released each month by the government. And it is helpful in comparing economic recoveries,” Osterberg said.

The 46,000-job net gain from March 2001 to last month compares with a 153,900-job net gain in the six years after the start of the 1990 recession.

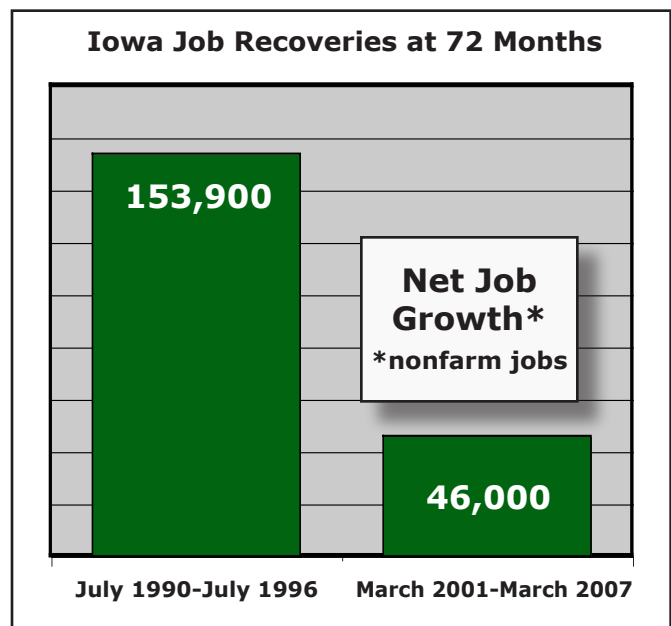
“It’s also important to note that the numbers only say so much,” Osterberg added. “There are some questions we should be asking about the numbers. Would we have more jobs and more people to fill them if our pay and benefits in Iowa were better? Do jobs now pay benefits comparable to jobs in previous years?”

“These are questions policy makers must ask themselves, to better understand both the challenges we face, and what role they have in helping to meet them,” Osterberg said.

By the numbers:

■ Nonfarm employment rose by 1,100 jobs in March, slowing from increases of 4,400 in February 4,700 in January. This is the fifth straight net gain in payroll jobs.

■ The March nonfarm job level of 1,519,000 jobs is 46,000 ahead of the March 2001



level, at the start of the last recession. That compares with a net gain of 153,900 nonfarm jobs at the same 72-month point from the start of the 1990 recession.

■ The unemployment rate fell to 3.2 percent, from 3.3 percent in February. The rate was 3.9 percent in March 2006.

“After the strong increase in nonfarm jobs in the first two months of the year, March fell off a bit,” said Elaine Ditsler, an IPP research associate who analyzes job trends. “It’s a mistake to make too much of monthly comparisons, so we need to watch how the job market reacts over the next several months.”

Professional and business services showed the largest single increase in nonfarm jobs for the month, at 700, while financial activities gained by 500 and four categories posted gains of 200 each: construction, manufacturing, trade and transportation, and leisure and hospitality.

Mining was unchanged, with drops of 500 in government, 300 in other services, and 200 in education and health services.

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>.

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