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Jobless Rate Up, But Nonfarm Jobs Improve May Jobs Increase by 3,400 in Iowa

MOUNT VERNON, Iowa (June 14, 2007) – May offered better job prospects for new graduates than April had indicated, according to new figures from Iowa Workforce Development.

While the unemployment rate grew for the second straight month — to 3.6 percent in May from 3.4 percent in April and 3.2 percent in March — nonfarm jobs rose by 3,400, to 1,521,800. That followed a one-month decline the previous month, by 900, and a 1,400 increase in March.

“We never put too much stock in one-month changes,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project. “Over time, we are seeing more jobs available. Over the last 11 months, nonfarm jobs consistently stay 15,000 and 20,000 ahead of the year before — not overly strong growth, but better than the stagnation and decline of previous years.

“The increase in the unemployment rate is partly explained by a bigger labor force; even though more people were working, more people were also looking for work and unable to find jobs.”

The jobless rate stood at 3.8 percent in May 2006. That rate comes from a different survey than the nonfarm jobs figure, which is a payroll survey.

Professional and business services grew by 700 jobs in May, as did the leisure and hospitality sector. Construction jobs rose by 600, while education and health services grew by 500 jobs. Trade and transportation and local government each posted gains of 300 jobs in May.

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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