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Signs of Stagnation in Iowa Jobs Jobless Rate Up Again; Payroll Jobs Drop

MOUNT VERNON, Iowa (Aug. 21, 2007) – For the fourth month in a row, Iowa's unemployment rate is up, while a drop of 1,900 payroll jobs is contributing to a sputtering trend.

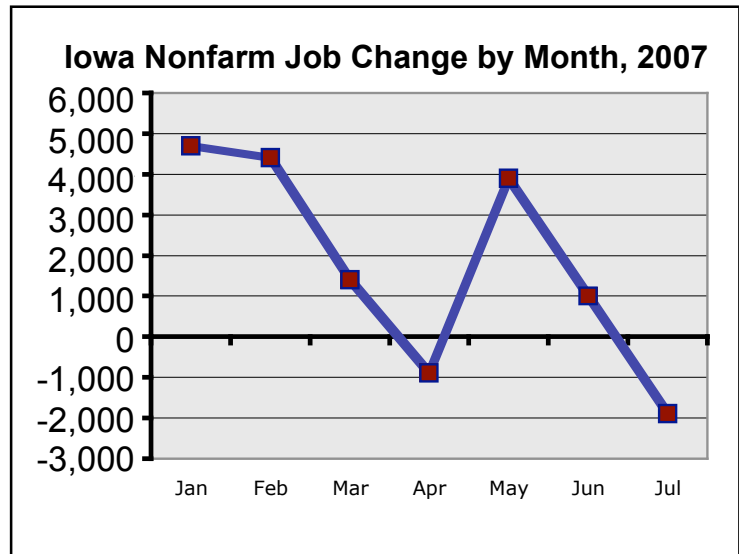
Iowa's unemployment reached 3.9 percent in July — its highest in 16 months — up from 3.8 percent in June and the latest high mark in a steady climb from 3.2 percent in March.

“That trend is disturbing, but the bigger picture is what we see in nonfarm, or payroll, jobs,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project, which tracks Iowa employment trends. “The decline of 1,900 nonfarm jobs in July is only one month, but we’ve only had one good month in the last five.

“And that is consistent with the Iowa economy’s performance way back to the start of last year. We cannot expect or sustain strong economic growth without better job numbers than what we’re seeing.”

Nonfarm jobs stood at 1,521,400 in July, down from a record 1,523,300 in June.

Over the last 12 months, nonfarm jobs have risen at an average of 1,600 per month, compared with 700 per month from March through July. In 2006, the pace was 1,200 per month.



For perspective, Iowa nonfarm jobs in the mid-1990s gained by averages from 2,500 to 3,700 jobs in five of six years (1993-95 and 1997-98).

By job sector, the largest declines were in the trade, transportation and utilities category (2,100), government (1,500), and professional and business services (700). Education and health services showed the biggest increase (1,900).

Over the year, all sectors have gained since July 2006 except manufacturing and mining, both down 200. Education and health services has shown the biggest gain at 5,500, followed by leisure and hospitality (3,300), professional and business services (3,000), construction and trade, transportation and utilities (2,700 in both), and financial activities (2,100).

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>.