

FOR IMMEDIATE RELEASE, TUESDAY, SEPT. 25, 2007

CONTACT: Mike Owen, 319-338-0773, ipp@Lcom.net

Iowa Jobs in Holding Pattern Jobless Rate Stays at 3.9 Percent; Payroll Jobs Steady in August

MOUNT VERNON, Iowa (Sept. 25, 2007) – August job numbers reflected Iowa’s long-term trend of slow job growth as the state’s unemployment rate held at 3.9 percent and nonfarm jobs showed a slight upward tick.

“These results are consistent with what we’ve been seeing in Iowa,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project, which tracks Iowa employment trends.

Osterberg noted the nonfarm job increase of 200 jobs — on the heels of a slight decline the previous month — leaves Iowa with average payroll job growth of about 800 for each of the last six months. Despite the slow showing over that period, a strong January and February have Iowa on a 2007 pace of a 1,700 net average increase in payroll jobs each month.

That average compares with monthly job growth of 1,200 in 2006 and 1,800 each of the previous two years — which also were considered slow-growth years when compared to Iowa’s job growth in the mid-1990s.

“When we look at six months of data we see a trend. A gain of 800 jobs per month isn’t enough for what we need for substantial growth in Iowa’s economy,” Osterberg said.

The unemployment rate of 3.9 percent stopped a four-month climb, which began in April. The rate was 3.2 percent in March.

Nonfarm jobs rose by 200 in August, to 1,522,600, up from a revised 1,522,400 for July. That payroll job number had been at a record 1,523,300 in June.

By job sector, the largest changes in August were increases of 1,100 in government and 600 in construction, and declines of 600 in trade, transportation and utilities and 400 in financial activities.

Comparing the pace:

- Over the last 12 months, nonfarm jobs have risen at an average of about 1,800 per month.
- Over the first eight months of 2007, nonfarm jobs have grown at a pace of about 1,700 per month.
- Over the last six months, nonfarm jobs have grown at a pace of about 800 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). In 1996, the pace was 1,600.

Other increases came in professional and business services (200) and mining (100). Other declines came in education and health services (300); manufacturing (200); and information, leisure/hospitality and other services (100 each).

Most sectors have gained since August 2006, with education and health services leading the way at 4,800. Professional and business services jobs are up 3,600, while construction and leisure/hospitality are both up 3,100. Trade, transportation and utilities showed a 12-month increase of 2,600, with government up 2,000, financial activities up 1,600 and manufacturing up 700.

The latest seasonally adjusted numbers also show declines of 200 in the “other services” category, and 100 each in mining and information.

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>>, along with other research and analysis on budget and tax issues, and renewable energy and the environment.

