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Revised Jobs Data Less Optimistic Job Gains in January Come With Fewer Iowa Jobs Overall

MOUNT VERNON, Iowa (March 11, 2008) — This month's revisions of employment data may signal a long term slowing for the Iowa economy.

While the news from the Department of Workforce Development shows Iowa gained in nonfarm jobs from December to January, revisions of all data from 2007 demonstrate that jobs have not increased at the rate previously recorded.

The data set used previously showed that during 2007, nonfarm jobs grew at a pace of about 1,600 per month, slightly ahead of 2006. Newly revised data for 2007 shows only a 1,000 per month gain.

"Not only did 2007 come in with a slower job growth, it was only about half of the 1,800 per month gains in both 2004 and 2005," said David Osterberg, executive director of the nonpartisan Iowa Policy Project, which tracks Iowa job trends.

According to the Department of Workforce Development's monthly release today, nonfarm employment in Iowa totaled 1,522,900 in January, reflecting a gain of 1,900 jobs from December. However, before a recent, annual statistical adjustment, the December nonfarm total had been estimated slightly higher at 1,527,800.

"That means, even with an increase in jobs in January, total jobs are fewer than we had previously recorded," said Beth Pearson, research associate at IPP.

"As we've noted often, one month's performance should not be overstated. The trends over several months and longer are more important. That is why we are bringing attention to the revised data for last year rather than concentrating on the one-month change," Osterberg said.

"For the year 2007, nonfarm jobs grew at a pace of about 1,000 per month, but in five of those 12 months, jobs actually decreased. And to put the numbers into a longer term perspective, in the seven years from 1992 through 1999 there were only 16 months in which jobs decreased," Pearson said.

The Iowa Policy Project is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon. IPP reports on job and income trends, budget and tax issues, and energy and environmental policy are available at <http://www.iowapolicyproject.org>.

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