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Shaky Footing for Iowa Jobs Small Job Drop in February Another Slow Signal for Iowa

MOUNT VERNON, Iowa — Nonfarm jobs dropped slightly and so did the state unemployment rate in February, but both represented another tick in the possible slowing of Iowa's economy.

New job numbers from Iowa Workforce Development released Wednesday showed a 200-job decline in payroll, nonfarm jobs — not a significant change but one that contributed to a continued trend of slow growth over the last several months. At the same time, the unemployment rate fell to 3.5 percent in February from 3.6 percent the previous month and 3.7 percent a year earlier.

“The unemployment rate was down, but that is partly due to fewer people looking for work along with fewer holding down jobs,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project, which tracks Iowa job trends.

“One month never tells a full story. But there is nothing here that diverges from the trends we've seen in recent years and months — slow growth over time in nonfarm jobs, and a slowing even of that growth,” Osterberg said.

The February numbers show:

- Iowa nonfarm jobs (payroll survey) at 1,524,200, down 200 from the previous month and up 10,400 over the year, an average of about 900.
- The 900-job monthly average growth over the past 12 months down from even the slow averages from 1,800 to 1,900 in 2005-07.
- From the separate household survey used to determine the unemployment rate, 1,669,500 were working or looking for work in February, down 4,000 for the month, contributing to the drop in the jobless rate.

By industry sector, construction jobs dropped by 900 in the month, followed by trade, transportation and utilities at 500 and leisure and hospitality at 300. A 500-job increase in education and health services led gaining sectors, followed by increases of 300 each in manufacturing and financial activities, 200 in government and 100 in professional and business services, and other services. Mining and information were unchanged.

Most sectors were up compared with February 2007, with the largest increase at 3,500 in government, followed by 2,300 in education and health services and 2,000 in professional and business services. Financial activities rose by 1,800 over the year, while other services were 900 jobs ahead, manufacturing up 700, leisure and hospitality up 400.

There was a decline of 700 information jobs from February 2007, with a 500-job decline in construction, and no change in mining or in trade, transportation and utilities.

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>>.