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## Iowa Jobs Gains Washed Out in June June Floods Part — But Not All — of Equation

IOWA CITY, Iowa (July 18, 2008) — June flooding and other economic setbacks wiped out late-spring gains in Iowa nonfarm jobs, contributing to an already sluggish job performance for Iowa in 2008.

Iowa Workforce Development (IWD) today reported a 3,400 drop in nonfarm jobs in the monthly payroll survey of Iowa employers, while the unemployment rate rose to 4 percent, its highest level since January 2006. The jobless rate stood at 3.9 percent in May, and 3.8 percent in June 2007.

“We’re seeing the initial impact of the disastrous flooding on the Iowa job picture with these numbers,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project (IPP), which tracks Iowa job trends. “Iowa’s job numbers in 2008 weren’t strong before the flooding hit. Plus, as IWD noted in its release today, other economic-related layoffs are part of the picture.”

Iowa nonfarm jobs in June stood at 1,522,100 — only 3,000 ahead of where they were a year earlier.

“Other than the May gains, which were canceled out in June, we have had only one other month on the plus-side through the first half of 2008. Looking at this over the last 12 months, our average monthly job gain is only 300 — about one-tenth of the performance in Iowa’s strong recovery years in the 1990s,” Osterberg said.

IWD’s Kerry Koonce said next month’s numbers are likely to provide a better idea of the impact of flooding, as the payroll and household surveys used for the June jobs report reflect some pre-flooding information.

Through the first six months of 2008, Iowa’s monthly average nonfarm job gain is 200. After a gain of 3,400 in January, Iowa lost 2,200 from February through April. A gain of 3,300 in May (revised down from IWD’s report last month) provided a brief uptick until the June numbers released today.

“Over the long term, we have yet to see the full effects of flooding on the Iowa economy,” Osterberg said.

The payroll survey of employers showed June job drops of 3,200 in government, 1,500 in trade, transportation and utilities, 1,300 in manufacturing, 900 in professional and business services, and 200 in information.

Nonfarm job gains during June were 2,000 in education and health services, 1,000 in leisure and hospitality, 400 in construction, and 100 each in mining, financial activities and other services.

The Iowa Policy Project (IPP) is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon, with its principal office in Iowa City. IPP reports on job trends and other public policy issues facing Iowa are at <http://www.iowapolicyproject.org>.

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