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Iowa Job Decline Slows in April Jobless Rate Eases, But Nonfarm Jobs at 40-Month Low

IOWA CITY, Iowa (May 22, 2009) — A slight dip in the Iowa unemployment rate for April comes with another decline in payroll jobs, according to information released Friday by Iowa Workforce Development (IWD).

IWD reported Iowa's unemployment rate dropped from 5.2 percent to 5.1 percent in April — up from 4.0 percent a year earlier — but a separate measure, nonfarm or payroll jobs, showed a continued decline. The April drop of 1,600 nonfarm jobs compared with far greater declines in recent months.

“It may be a reflection of the difficult job picture we face that a drop of 1,600 jobs looks better than what we've seen,” said Mike Owen, assistant director of the nonpartisan Iowa Policy Project, which tracks Iowa job trends. “It presents a challenging picture for our state as new graduates accept their diplomas and chart their futures.”

Nonfarm jobs have declined in seven of the last eight months, and were down 32,800 over 12 months, almost two-thirds of the decline coming in manufacturing. Large drops in December 2008, February and March totaled over 28,000 lost payroll jobs. All figures are seasonally adjusted.

“The recent declines have wiped out all of the slow gains Iowa had made over the last three years,” Owen said, noting nonfarm jobs were at their lowest point in April, 1,491,800, since December 2005, when they were at 1,489,900. Nonfarm jobs in Iowa reached a peak of 1,528,200 in November 2007, and have shown an increase in only six months since then.

The improvement in the unemployment rate, based on a household survey rather than payrolls, reflected a slight increase (600) in people seeking work, and more people (2,700) finding jobs.

“It's a good sign that the labor force information showed more people are attempting to find work and were finding it in April. But it's only one month,” Owen said.

By job sector, the nonfarm numbers showed the largest gains in trade, transportation and utilities (2,000) and government (1,700). The largest drops were in construction (1,900), leisure and hospitality (1,700) and financial activities (1,000).

Over the year, manufacturing was down 20,900 jobs, professional and business services down 10,200, and construction down 6,700. The most notable increases over the year have been in trade, transportation and utilities at 4,900, education and health services at 4,400, and government at 2,800.

The Iowa Policy Project is a nonpartisan, nonprofit policy research and analysis organization in Iowa City. Reports on job trends and economic opportunity, as well as budget and tax issues and energy and the environment, are available at www.iowapolicyproject.org.

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