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## Iowa Jobless Rate Jumps to 6.8 Percent Unemployment Rate at 23-Year High, Payroll Jobs 4-Year Low

IOWA CITY, Iowa (Sept. 18, 2009) — Iowa's unemployment rate reached 6.8 percent in August, rising more than a full percentage point in just three months, while nonfarm job losses slowed but left Iowa with its slimmest payrolls in almost 4½ years.

Figures from Iowa Workforce Development (IWD) show the seasonally adjusted unemployment rate rose from 6.5 percent in July, 6.2 percent in June, 5.7 percent in May and 4.2 percent in August 2008. The rate is at its highest since July 1986, when it also was 6.8 percent.

Part of the increase can be attributed to a larger labor force, as 8,600 more were in the market in August than in July — but only 3,100 found work, so the unemployment rate rose.

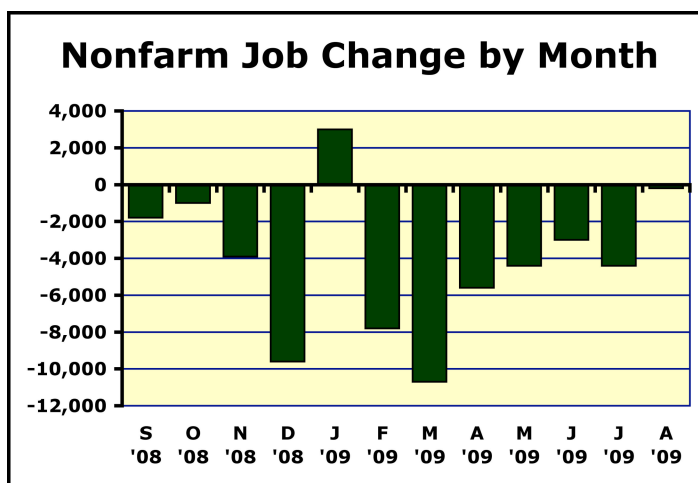
Nonfarm jobs, estimated from a separate survey of employer payrolls, fell by only 200 during the month, the smallest decline since an increase in January — but that came with a big revision in the July estimates, which nearly doubled the job loss for July to 4,400 from a previously reported 2,400.

Iowa Policy Project (IPP) analysts advised against reading too much into the one-month change, noting the sharp revision in the July number, and an average loss of over 4,000 jobs a month during the past year. Iowa has lost 49,400 nonfarm jobs in 12 months.

“Good news is hard to find in these numbers,” said David Osterberg, executive director of the nonpartisan IPP, which tracks Iowa job and income trends. “One point to make, however, is that the federal stimulus package is helping Iowans hurt by unemployment, with increased Medicaid funds for the state to meet their needs.”

Iowa's nonfarm job level stood at 1,475,800 in August, its lowest point since reaching that same mark in March 2005. Iowa's average loss of 4,100 nonfarm jobs over the last 12 months (and the first eight months of 2009) is a level not approached over a full calendar year since 1993, when the average loss was 3,700.

Iowa Workforce Development officials noted that losses in the service sector in August narrowly outpaced gains in goods-producing jobs, attributing this to workers in factories returning to jobs following temporary layoffs in July.



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Durable goods manufacturing gained 2,600 jobs, out of an overall manufacturing gain of 3,200. However, manufacturing over the year posted the largest loss of any sector, 28,000 jobs.

In other sectors in August, trade, transportation and utilities gained 1,100 jobs, and information and financial activities gained 200 each. Professional and business services dropped 1,300 jobs, other services 1,100 and construction 900. Government jobs dropped by 800, education and health services by 700, and leisure and hospitality by 100.

Besides the big manufacturing job drop over the year, professional and business services fell by 10,700 from August 2008 to August 2009, and construction dropped by 9,300. Others services fell by 2,200, leisure and hospitality fell 1,800, and education and health services rose by 1,900. All other changes over the year were by less than 1,000 up or down.

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> <<http://www.iowapolicyproject.org>>.

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