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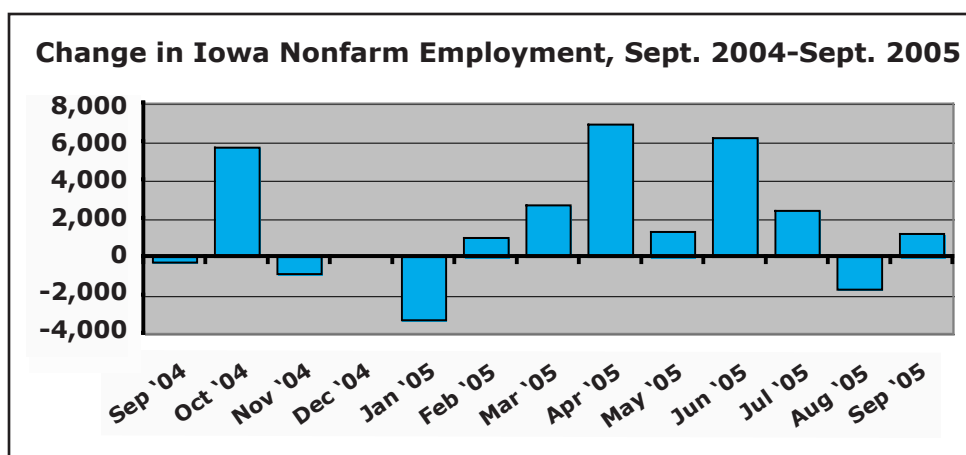
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Mixed Signals in September Jobs for Iowa Jobless Rate and Nonfarm Jobs Rise – So Do Iowans Looking for Work

MOUNT VERNON, Iowa (Oct. 20, 2005) – More Iowans held jobs in September than a month earlier, while an increased number looking but unable to find work drove the state unemployment rate up to 4.5 percent.

On the same day the state released the new job numbers, a national report noted fresh concerns about health-coverage benefits through work.

Payroll, or non-farm, employment rose by 1,200 jobs to 1,478,500 during the month. That is 21,500 ahead of a year earlier, and 4,500 ahead of the nonfarm job number at the start of the 2001 recession.

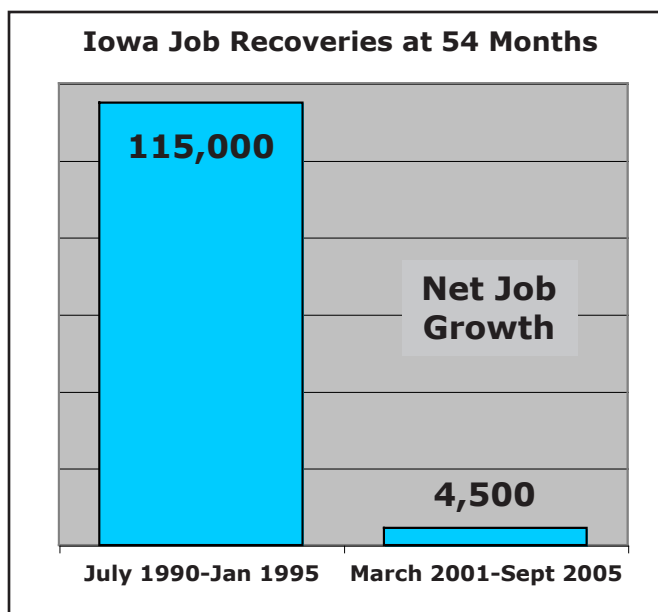


Source: Iowa Workforce Development

The labor force, which includes people both working and looking for work, rose by 6,200 to 1,652,000. But more of those were unable to find jobs than those who did, so the unemployment rate rose from 4.3 percent to 4.5 percent.

“It’s good to see more Iowans feeling enough confidence in the economy to look for work,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project (IPP). “We would, however, like to see the job market on more firm footing for those people, or else job market expectations will continue to exceed reality.”

Iowa Workforce Development cited “fairly consistent job growth over the year.” While there has been growth in seven of the past eight months, the numbers have fluctuated. (*See figure above.*)



“Let’s put this in perspective. Iowa’s job recovery is very slow,” IPP executive director David Osterberg said.

The 4,500-job net growth in nonfarm employment since the start of the recession is far less than at a comparable point after the start of the 1990 recession. At the same 54-month point, Iowa posted net growth of 115,000 jobs by January 1995.

“Today’s report from the state doesn’t address the question of job quality in terms of wages and benefits. We have seen repeated signs that benefits, for example, are less likely to be provided through work than in the past,” Osterberg said. “We saw another sign of that today, with a new report in Washington.”

On Thursday, the Economic Policy Institute (EPI) in Washington released a new report about health care coverage through employment. It includes state-by-state tables showing that not only have Iowa and its neighbors seen declines in such benefits, but Iowa’s declined by more than most.

The report shows that Iowa workers receiving employer-provided health insurance coverage declined from 61.2 percent in 1999-2000 to 57.8 percent in 2003-04. The drop of 3.4 percentage points was the third-largest among nine states in the region, and left Iowa sixth among those states in the percentage of workers covered by their employer for 2003-04.

Minnesota led with 62.9 percent of workers receiving employer-provided insurance in 2003-04, followed by Missouri, 60.3 percent; Kansas, 60 percent; Illinois, 59.9 percent; Indiana, 58.5 percent; Iowa, 57.8 percent; Wisconsin, 57.4 percent; Nebraska, 56.7 percent; and South Dakota, 54.6 percent. Nationally, coverage ranged from 43.3 percent in New Mexico to 70.2 percent in Hawaii.

The EPI report is available on the web at www.epinet.org.

Iowa’s September nonfarm job figures, seasonally adjusted, included an increase of 1,600 jobs in manufacturing following a decline in that category in August. Financial activities and construction showed gains of 300 and 200, respectively, while professional and business services fell by 1,600.

Key numbers following Thursday’s release from the state:

- Total nonfarm employment rose to 1,478,500 in September from a revised 1,477,300 for August, an increase of 1,200 jobs. The September figure is 21,500 higher than in September 2004.
- The unemployment rate rose to 4.5 percent from 4.3 percent in August. The rate stood at 4.9 percent in September 2004.
- The labor force rose during the month by 6,200, to 1,652,000 people working or looking for work.

The Iowa Policy Project (IPP) is a nonprofit, nonpartisan research organization based in Mount Vernon. IPP reports about job and income trends are on the web at www.iowapolicyproject.org.