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Iowa Jobs: Less of the Same Small Job Drop in March Keeps Iowa on Sluggish Pace

IOWA CITY, Iowa (April 22, 2008) — Iowa nonfarm jobs dropped slightly for the second straight month, leaving the state on pace with its sluggish performance for the past year.

The March numbers from Iowa Workforce Development (IWD) showed a 300-job drop in nonfarm, or payroll, employment. It was the fifth monthly decline in the last 12 months. The unemployment rate, from a separate, smaller survey of households, stayed steady at 3.5 percent, the same as February but down from 3.7 percent in March 2007.

Nonfarm jobs were up 10,900 from March 2007 — an average of about 900 jobs per month, which is the same as it is for the first three months of 2008. The monthly average for all of 2007 was about 700.

“There isn’t a lot of ‘news’ in these numbers in terms of a change in trends,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project (IPP), which tracks Iowa job trends. “The important point: Over time, Iowa’s job performance is not impressive, but for now we appear to be holding on to the slight gains we have made over the past several years.”

Key numbers from Tuesday:

- Iowa nonfarm jobs were at 1,523,600 in March, compared with 1,523,900 in February — a 300-job drop in one month and 10,900 increase from a year earlier.

- The unemployment rate held at 3.5 percent for the second straight month, down from 3.7 percent in March 2007.

- Seven years after the start of the last recession (March 2001) Iowa shows a net gain of 50,500 jobs. The performance over the same 84-month stretch following the start of the previous recession (July 1990) was 3 1/2 times as great — 180,300 jobs.

“We wouldn’t make too much of the importance of a seven-year number, but it does give perspective on how slow growth in Iowa jobs has been even before the clear slowdown of the last 15 months,” Osterberg said.

“These are not good signs when the national economy is showing signs of a potential recession. It would be a mistake to assume Iowa could buck national economic trends. We have yet to see how what’s happening nationally will play out in Iowa’s economy.”

By industry sector, manufacturing showed the biggest improvement over the month with a gain of 600 jobs, followed by financial activities, government and education and health services at 300 each. Construction jobs posted a 200 gain.

Two sectors showed 700-job drops: trade, transportation and utilities, and leisure and hospitality. Mining and professional and business services fell by 200 each. The information and other services categories fell by 100 each.

Only three sectors were down compared with March 2007 — information (900), trade, transportation and utilities (300), and mining (300). Government jobs led gains over the year, with 3,700. The other leading gains were in professional and business services (2,200), education and health services (2,100), financial activities (1,900), and manufacturing (1,600).

The Iowa Policy Project is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon, with its principal office in Iowa City. IPP reports on job and income trends, budget and tax issues, and energy and environmental policy are available at <http://www.iowapolicyproject.org>.

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