

FOR IMMEDIATE RELEASE TUESDAY, MAY 20, 2008

CONTACT: Mike Owen (319) 338-0773, ipp@Lcom.net

Iowa Jobs Show Slowing Pace Jobs Drop Third Straight Month; April Jobless Rate 3.5 Percent

IOWA CITY, Iowa (May 20, 2008) — Nonfarm jobs in Iowa fell in April for the third month in a row, another signal of a sluggish Iowa economy.

“As the national economy has been dragging, so has Iowa’s,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project (IPP), which tracks Iowa job trends. “Over time, we’re growing, but not by much — and it’s hardly a welcoming signal to young people graduating from high school and college this month.”

Nonfarm or payroll jobs dipped to 1,522,500 from 1,523,300 in March, while the unemployment rate, based on a separate survey of households (not payrolls), rose to 3.5 percent from a revised 3.4 percent in March. The jobless rate stood at 3.7 percent in April 2007.

The 800-job drop in April payrolls followed declines of 600 and 500 in the previous two months; only a 3,400 increase in January is keeping the state with a positive monthly average in 2008 — of 400 jobs. If that pace were to continue for the year, it would be the slowest job-growth year since 2003.

“We have a long way to go in 2008 and there’s no reason for alarm, but there is reason to watch carefully how well the job market is meeting the needs of new graduates, particularly in high-paying jobs that can grow our economy,” Osterberg said.

By job sector, seasonally adjusted figures found drops of 600 in construction, 500 in manufacturing and 400 in government, with 200-job declines in two categories: leisure and hospitality, and professional and business services.

Information posted the biggest gain in April, 700 jobs, with increases of 200 in “other” services and 100 each in mining and financial activities. Other categories were unchanged.

Over the year, nonfarm jobs are up 10,600 in Iowa from April 2007 — an average increase of about 900 jobs per month. Five of the 12 months have shown net job losses.

Government jobs gained by 3,800 over the year, with education and health services up 2,600 jobs, and both financial activities and manufacturing showing net gains of 1,500 over the year. Professional and business services were up 1,100, with increases as well in trade, transportation and utilities (700) and “other” services (500).

Other sectors showed small declines over the year, the largest 500 in leisure and hospitality.

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>.