



## **GUEST OPINION**

January 15, 2013  
[www.iowapolicyproject.org](http://www.iowapolicyproject.org)

**As published, *The Des Moines Register*, January 24, 2013**

<http://www.desmoinesregister.com/article/20130116/OPINION01/301160037/>

### **Iowa View: Counting job gains while excluding losses is wrong**

**By Colin Gordon**

Gov. Terry Branstad's claim that Iowa has added 100,000 jobs since January 2011 is nonsense. The number is based on an invented — and utterly invalid — measure of "gross over-the-month employment gains."

This measure is calculated — and I am not making this up — but counting every monthly increase in employment in one of Iowa's major sectors as a "gain" while ignoring all of the accompanying losses.

So even in a month in which statewide employment goes down, the number is positive because it only counts those sectors in which jobs go up. And even in an economic sector in which we are losing jobs over the long term, the number is positive because it only counts those months in which that sector added jobs.

The result? Branstad is claiming to be halfway to his goal of creating 200,000 new jobs during his four-year term, because the "gross new jobs" since January 2011 (the start of his term) is 97,800.

**By this logic, the state budget** would run a surplus of \$6 billion (why not just count the revenues?). The Iowa State University Cyclones would win every game (why count the halves in which they are outscored?). And I would weigh what I did in high school (why count the weeks in which I gained a pound?).

And, of course, the governor's political opponents could offer up a number of "gross jobs lost" since January 2011 — a measure (about 56,000 lost jobs) that would be just as impressive, and just as silly.

The proper measure, of course, is not gross jobs gained, but net jobs. You tally up the jobs we've added, subtract the jobs we've lost and yield an important — and widely accepted — marker of state economic performance. The U.S. Bureau of Labor Statistics and Iowa Workforce Development do this on a monthly basis. And, at the Iowa Policy Project ([www.iowapolicyproject.org](http://www.iowapolicyproject.org)), we interpret these numbers to reflect other changes in the labor market — including growth in the working age population and changes in the rate of labor force participation.

So what do those numbers look like? For starters, the net gain in nonfarm jobs since January 2011 is 18,700, or less than a fifth of the governor's claim. Over that same span, Iowa's working age population has grown by almost 30,000.

At Iowa's labor force participation rate of 70 percent, that demographic change alone would require over 19,000 new jobs. In effect, we are running in place — adding jobs at about the same rate of the growth in our working age population.

(The details can be found in our recently released "State of Working Iowa 2012" report and in our monthly JobWatch. You will find these at [StateOfWorkingIowa.org](http://StateOfWorkingIowa.org).)

**The "gross new jobs" measure** deserves no attention, although it may well receive it repeatedly over the next two years. Whenever the governor's goal is raised, Iowans will hear this concocted number from his staff. But this is not a contest in which one side gets to pick its own benchmarks and its own way of calculating job growth. There are well-established measures and methods for counting state job growth.

These cannot be discounted as politically inspired just because they yield a number that is politically inconvenient.

In the bigger picture, these job numbers are not even shaped much by state policy, by what governors do or do not do. Jobs are won or lost by national economic conditions. States can try to pirate jobs or investment from other states, but the only sustained impact of state policy is on the quality of state jobs. Higher labor standards and better investments in education are places to make that impact.

Iowa's leaders can move these discussions forward constructively, but that starts with ending the politicization of basic economic data, as the governor's staff has done with numbers on job growth.

*Colin Gordon is senior research consultant with the Iowa Policy Project, an Iowa City research group, Contact: <mailto:cgordonipp@gmail.com>.*