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FOR IMMEDIATE RELEASE FRIDAY, SEPT. 6, 2004

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Working Blues: Labor Day in Iowa, 2004 Distressing Pattern in Iowa Jobs Picture

MOUNT VERNON, Iowa (Sept. 3, 2004) – On the weekend of Labor Day 2004, Iowans are still waiting for a recovery from the 2001 recession, with jobs and wages on the decline after the late 1990s boom.

A new report for the Iowa Policy Project examines changes in employment by industry, showing double-digit percentage growth in the late 1990s in financial activities, construction, transportation and utilities and professional and business services.

“After 2000, growth in some of Iowa’s leading sectors slowed considerably, and some lost ground,” said Colin Gordon, a University of Iowa professor who authored the report for the Iowa Policy Project. “And, as we might expect, the dismal jobs picture has begun to affect wages - which already were low in Iowa.”

The Labor Day report offers an off-year update of the IPP’s biennial “State of Working Iowa” report, published in 2001 and 2003, and available on the web at www.iowapolicyproject.org <<http://www.iowapolicyproject.org>>.

“If Iowans are asking themselves whether they are better off now than they were four years ago, the answer is pretty clear,” said David Osterberg, executive director of the Iowa Policy Project. “They are not better off.”

Key findings of Gordon’s report:

■ Iowa lags behind most of its peers in nonfarm employment from 2000 through July 2004, with a 2.2 percent decline, from 1,478,400 to 1,446,200. Only Missouri, Indiana and Illinois among nine Midwestern states had a worse showing.

■ Total nonfarm employment in Iowa rose 8.9 percent from almost 1.36 million in 1995 to almost 1.48 million in 2000, but fell back by 2.6 percent to about 1.44 million in 2003.

■ Despite strong growth in the 1990s across industry sectors, not a single sector approached a pace to do as well from 2000-2003 as it did from 1995-2000. Among those that grew since 2000, only one - education and health services - approached half of its percentage growth in the late ‘90s.

■ The 10 occupations losing the most jobs in Iowa from 2000 to 2003 boasted an average annual wage of \$48,314. By contrast, the 10 occupations adding the most jobs paid an average annual wage of \$26,587 – a gap of almost \$22,000.

— more —

■ Iowa's median wage (in 2003 dollars) went from \$12.03 in 1979 to \$10.99 in 1995, rising to \$12.71 in 2000 and \$13.01 in 2003.

"In the last three years of the 1990s, Iowa's median wage grew by almost \$1.25, but in the three years afterward, it grew by only 30 cents," Gordon said.

"It's also important to note that the wage comparisons only tell part of the story," Gordon said. "Low-wage occupations are less likely to offer other forms of economic security, such as health insurance or pensions. So, it's no surprise that Iowa's rate of uninsurance has risen sharply - from 8.2 percent in 1999-2000 to 10.4 percent in 2002-03."

The Iowa Policy Project is a non-profit, non-partisan research organization based in Mount Vernon. IPP reports are available to the public, free of charge, on the web at www.iowapolicyproject.org <<http://www.iowapolicyproject.org/>>.

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