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Slow Job Growth Holds Iowa Jobless Rate at 5.1 Percent State 14,500 Behind Pre-Recession Job Level

MOUNT VERNON, Iowa (March 31, 2005) – Iowa’s unemployment rate remained at a 17-year high of 5.1 percent in February as slow job growth kept the state 14,500 jobs behind the pre-recession nonfarm job levels dating back four years.

Nonfarm jobs grew by 1,000 over the month, holding close to the slow average gain over 12 months. Nonfarm jobs were up 10,200 for the year. The unemployment rate stayed at 5 percent or above for the fifth straight month. In January, the rate reached 5.1 percent to match its highest level in Iowa since February 1988.

“We have to keep a long-term perspective with these numbers. We’re getting too used to what we saw in February – slow job growth that isn’t enough to get us out of the hole that the recession put us in,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project. “If we were to have a year of Februaries, we still would be behind where we were in March 2001, when the recession started.”

In March 2001 the unemployment rate stood at 3.1 percent, steadily climbing since then to 5 percent in the last three months of 2004 and 5.1 percent the last two months.

The largest single increase in nonfarm jobs in February was professional and business services, with a total of 500 new jobs. Manufacturing showed a 300-job increase.

Other key numbers following Thursday’s release from the state:

- The growth of 1,000 jobs in February compares with a monthly average of about 1,300 in 2004, and with an average of 1,400 needed each month through the rest of 2005 to erase the recession job deficit.

- As a comparison with the recovery from the early 1990s recession, the state had seen a 7.5 percent net increase in nonfarm jobs at this same point, 47 months after the start of the recession.

- The labor force rose over the month from 1,624,100 to 1,636,600 – people working or looking for work.

- Total nonfarm employment rose from 1,458,500 to 1,459,500 during the month, an increase of 1,000 jobs. That is 10,200 more nonfarm jobs than in February 2004, and follows a revised decline of 3,300 nonfarm jobs from December to January.

Iowa Policy Project reports about job and income trends are on the web at www.iowapolicyproject.org <<http://www.iowapolicyproject.org>>. The Iowa Policy Project is a nonprofit, nonpartisan research organization based in Mount Vernon.