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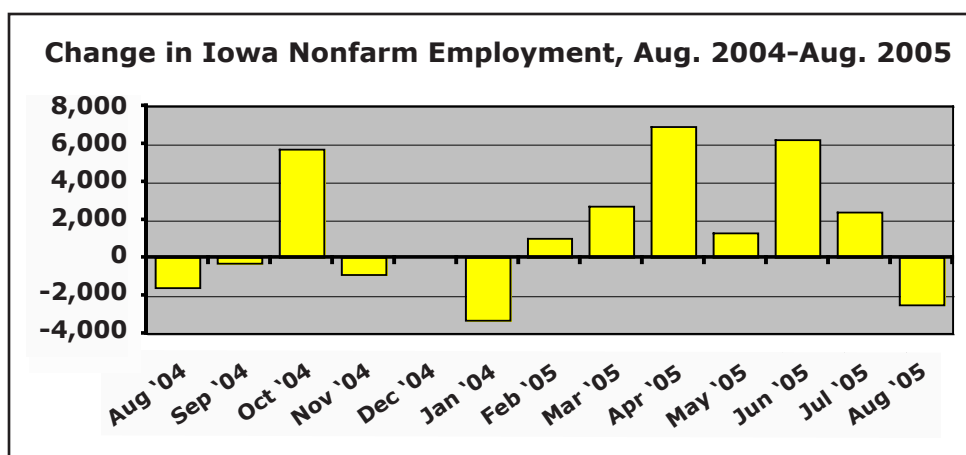
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## Streak Ends for Iowa Job Gains

### Troubling Signs Despite Drop in Jobless Rate — Fewer Seeking, Finding Work

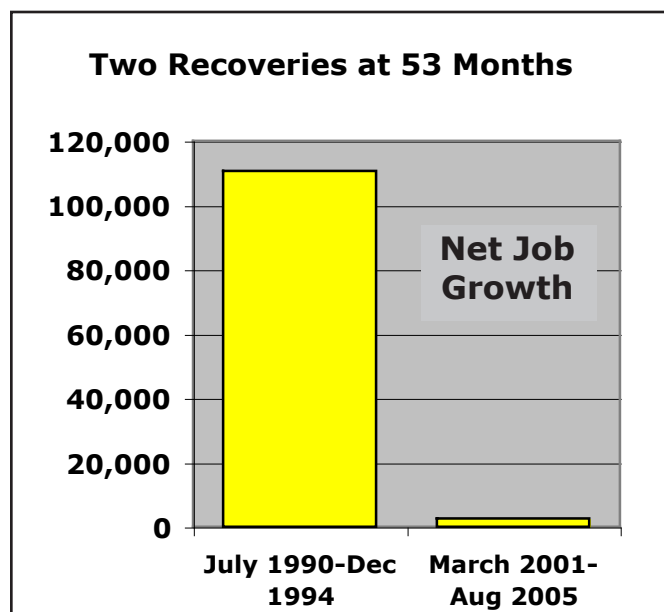
MOUNT VERNON, Iowa (Sept. 15, 2005) – An August drop in Iowa’s nonfarm job total and the state’s labor force offered troubling signs for the state’s economy despite a 29-month low in the unemployment rate at 4.3 percent.

Payroll, or non-farm, employment fell by 2,500 jobs to 1,476,500 during the month. That is 19,200 ahead of a year earlier, but only 2,500 ahead of nonfarm job number at the start of the 2001 recession. The labor force, which includes people both working and looking for work, fell by 4,900 to 1,645,800.



Source: Iowa Workforce Development

“These are only one-month’s worth of numbers, but they illustrate long-term issues that remain for Iowa’s economy,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project. “We are dangerously close to where we were at the start of the last recession.



“In addition, we remain seriously off the 1990s pace for recovery from a recession. At this point — 53 months — after the start of the 1990 recession, we showed a net gain of 110,600 jobs.

“This time, we’re ahead by only 2,500 jobs. Another month like we had in August and we’d be back where we were in March 2001, when the recession started,” Osterberg said.

The unemployment rate fell to 4.3 percent — its lowest since March 2003 — from 4.6 percent the previous two months. IPP Research Associate Elaine Ditsler noted the unemployment rate drop does not represent an improved job picture.

“The decline in the unemployment rate is not a result of higher employment,” Ditsler said. “It is explained by the fact that 5,000 people stopped looking for work and were therefore not counted among the unemployed.”

The August nonfarm figures, seasonally adjusted, showed an increase of 1,300 in government and 100 in financial activities, according to Iowa Workforce Development. Trade and transportation, however, had a 1,400 decline, following five months of gains. Professional and business services fell by 900, manufacturing dropped 700 and construction 300.

Key numbers following Thursday’s release from the state:

■ Total nonfarm employment fell to 1,476,500 in August from a revised 1,479,000 for July, a decline of 2,500 jobs. The August figure is 19,200 higher than in August 2004.

■ The 4.3 percent unemployment rate compared with 4.6 percent in June and July, keeping the state below the 5 percent level of earlier this year. The rate stood at 4.9 percent in August 2004.

■ The labor force fell during the month by 4,900, to 1,645,800 people working or looking for work. The decline included 4,800 who had been counted as unemployed the previous month. Because they were no longer looking for work, the unemployment rate dropped.

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

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