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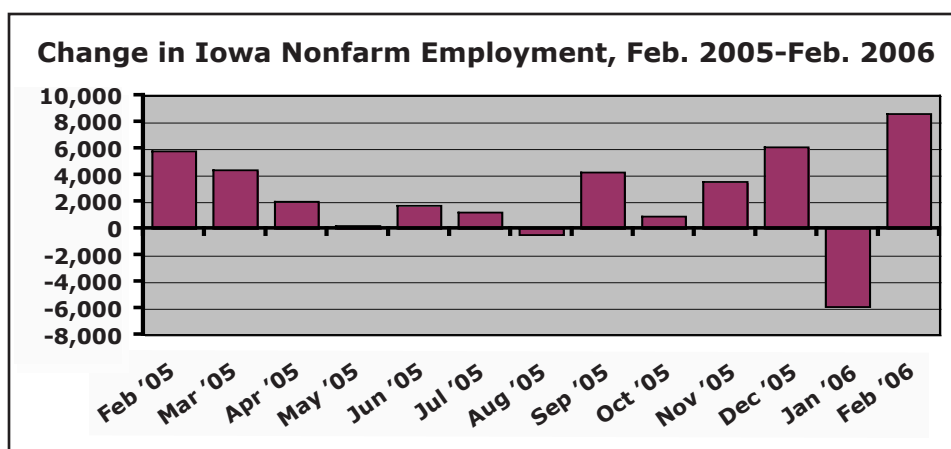
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Iowa Nonfarm Jobs Bounce Back in February Unemployment Rate Rises to 4.4 Percent as More Seek Work

MOUNT VERNON, Iowa (March 30, 2006) – Iowa nonfarm jobs bounced back in February with a comfortable gain despite an increase in the unemployment rate to 4.4 percent, attributable in part to growing numbers of Iowans seeking work.

Nonfarm jobs rose by 8,600 following a 5,900 drop in January, reaching a new high of 1,498,400 — or 26,400 ahead of February 2005, and 25,500 above the job level at the March 2001 start of the last recession. The February job level was 2,700 above the previous high set in December.

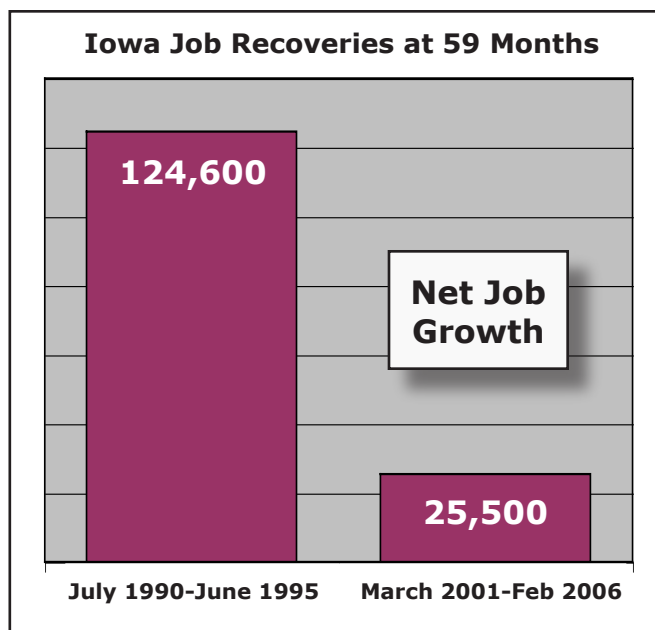


Source: Iowa Workforce Development

At the same time, the unemployment rate — which had been at 4.5 percent for six straight months before dropping to 4.1 percent in January — rose back to 4.4 percent. It stood at 4.7 percent a year earlier. While more people reported holding jobs in February than a month before, the number looking for work rose by more, causing the increase in the unemployment rate.

“This is another indication why it’s important to look at jobs before the unemployment rate, and to be careful about one-month changes,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project.

“It was a good month for jobs, but it’s best to look at the job numbers in comparison with recent years. That’s a better indicator of what’s happening in the Iowa economy and what opportunities are being offered.”



IPP Research Associate Elaine Ditsler noted the gain since the start of the 2001 recession — 25,500 after 59 months — compares to a gain of 124,600 over the same period following the start of the 1990 recession.

“Last time, it took less than half as long, 27 months, to see a net gain of 25,500 jobs,” Ditsler said.

Iowa’s February nonfarm job figures, seasonally adjusted, showed increases in all categories after most showed declines the month before. The largest one-month increases were in professional and business services with 1,800 net new jobs, construction with 1,400 and manufacturing with 1,200. Government jobs rose by 1,100, attributed by Iowa Workforce Development (IWD) to shifting seasonal patterns at state universities, although IWD also noted this number remains 900 below December’s total.

Over the year, the biggest nonfarm increases showed in manufacturing, up 6,300 from February 2005, and education and health services, up 5,800. Professional and business services rose by 4,300 over the year, and construction by 4,100. Trade and transportation was up 2,800, financial activities up 2,200 and government 2,100. Declines were in information, leisure and hospitality, mining, and “other” services.

Key numbers following Thursday’s release of employment figures from Iowa Workforce Development and the Bureau of Labor Statistics:

- Total nonfarm employment rose by 8,600 jobs to 1,498,400 in February, up from a record 1,495,700 in December. The February figure is 26,400 higher than in February 2005, and 25,500 ahead of the level for jobs at the start of the national recession in March 2001.

- The unemployment rate rose to 4.4 percent in February, from 4.1 percent in January. The state unemployment rate has been at 4 percent or above since June 2002, when it was 3.9 percent.

- The labor force rose by 6,000, to 1,672,900 people working or looking for work. Of that increased number, 1,100 reported having work, with 4,900 reporting they were unemployed, raising the latter number to 72,900.

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.

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