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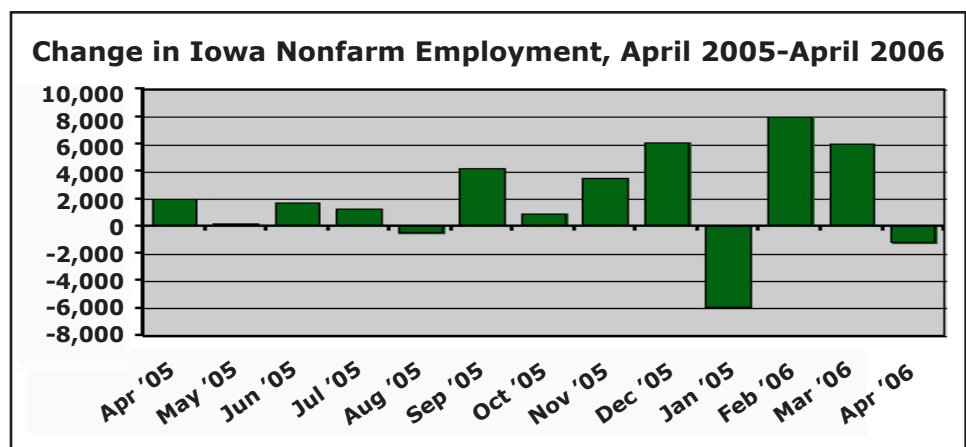
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Up-and-Down Iowa Job Picture Greet New Graduates Unemployment Rate Drops to 3.6 Percent — But Nonfarm Jobs Fall

MOUNT VERNON, Iowa (May 18, 2006) – Nonfarm jobs in Iowa dropped in April, part of a trend of slow job growth that will greet a new class of graduates this spring.

At the same time, Iowa's unemployment rate dropped to 3.6 percent from 3.8 percent in March. It's the lowest point for the jobless rate since it was 3.6 percent in January 2002.

Nonfarm jobs fell by 1,200 following increases of 8,000 and 6,000 the previous two months. Monthly job growth has averaged about 2,000 over the past 12 months.

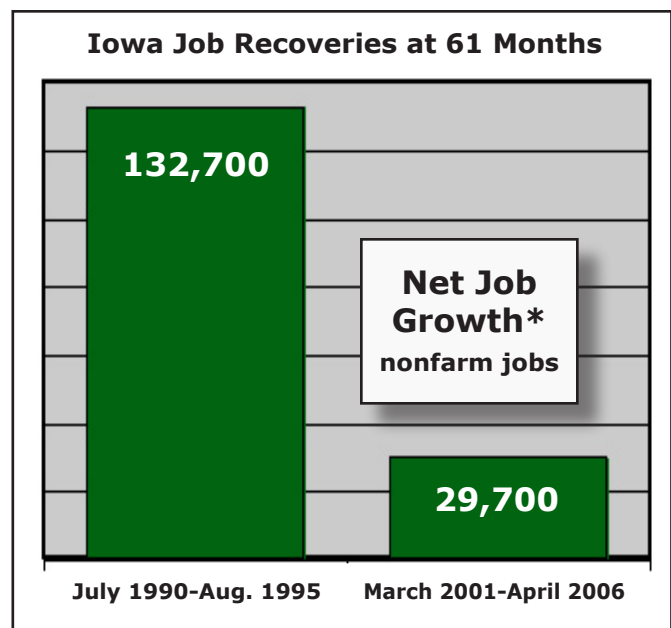


Source: Iowa Workforce Development

While a decline in the number of nonfarm jobs and the unemployment rate might seem inconsistent, it is the result of a difference in how the numbers are gathered. Nonfarm jobs are measured in a payroll survey of employers. The jobless rate comes from a smaller household survey.

Regarding the loss of nonfarm jobs, economists for the nonpartisan Iowa Policy Project (IPP) agreed with David Neil, interim director of Iowa Workforce Development (IWD), that it was best to keep a long-term perspective.

“We always caution that the one-month numbers are less meaningful than a longer perspective,” IPP Executive Director David Osterberg said.



“We’re still 100,000 nonfarm jobs off the recovery pace for a comparable period for the last recession, in the 1990s,” Osterberg said.

Nonfarm jobs are only 29,700 ahead of the March 2001 start of the recession. Osterberg noted that the same 61-month point after the start of the 1990 recession, Iowa had seen an increase of 132,700 payroll jobs.

“We need to be showing better job growth for these new graduates to believe there is opportunity in Iowa,” IPP Research Associate Elaine Ditsler said.

Iowa Workforce Development reported widespread decreases in the nonfarm picture for April, with information and financial activities each down by 700, and professional and business services down 600. trade and transportation declined 400, government 300, and construction, mining and manufacturing each down 100.

The April figures indicated Iowans were returning to the workforce after a decline in March. The labor force – people working or looking for work – rose by about 8,000 during the month.

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

- Total nonfarm employment fell by 1,200 jobs to 1,502,600 in April, from a record 1,503,800 in March. The April figure is 24,200 higher than in April 2005, and 29,700 ahead of the level for jobs at the start of the national recession in March 2001.

- The unemployment rate fell to 3.6 percent in April from 3.8 percent in March after being at or above 4 percent for 44 months.

- The labor force rose by 8,000, to 1,674,200 people working or looking for work.

- Iowa jobs have grown by only 2 percent over the last five years – but the state’s economy has picked up the pace. Three-fourths of that growth has come over the last year.

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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