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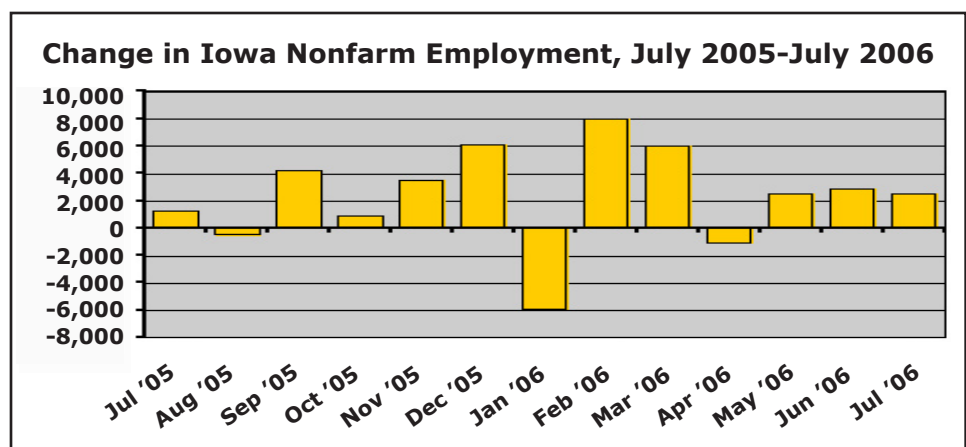
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## Slow Growth for Iowa Jobs in July Unemployment Rate Rises to 3.8 Percent, But Nonfarm Jobs Climb

MOUNT VERNON, Iowa (Aug. 17, 2006) – A third-straight month of slight improvement in nonfarm jobs came with a second straight increase in the state unemployment rate in July.

The Iowa unemployment rate rose to 3.8 percent from 3.6 percent in June, still below the 4.5 percent mark of a year before.

Nonfarm employment – measured in a different survey – rose by 2,500 in July, similar to the increases in May and June of 2,500 and 2,900, respectively.

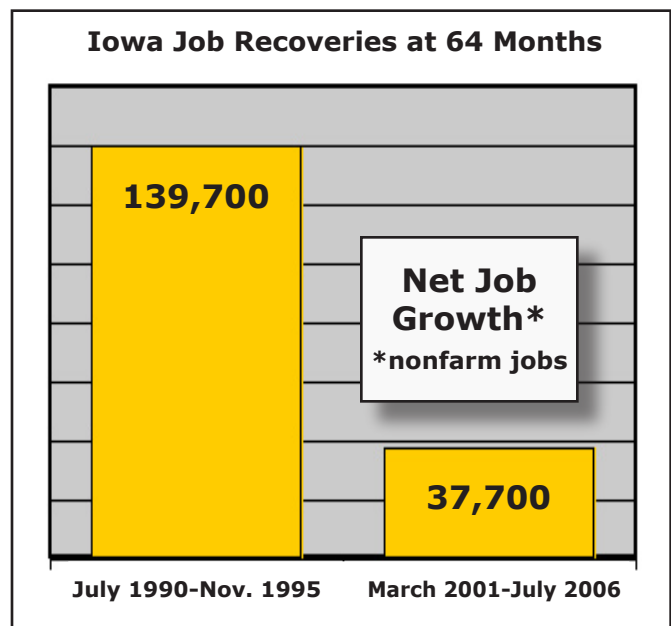


Source: Iowa Workforce Development

“Slow job growth seems to be the name of the game,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project. “Nearly five years into this economic recovery and we are still not seeing the type of job growth one would expect during an expansion.”

Ditsler noted that current workers are also feeling the effect of a sluggish economic recovery, “After adjusting for inflation, median real wages in Iowa have declined in the last five years.”

Nonfarm jobs are measured in a payroll survey of employers. The jobless rate comes from a smaller household survey, which estimates the size of the labor force — people both working and looking for work. New entrants to the labor market who are looking for work, rather than job loss, is the primary reason for the increase in the unemployment rate.



The new nonfarm numbers continue to show a slow recovery from the 2001 recession. Nonfarm jobs are 37,700 ahead of the March 2001 start of the recession. At the same 64-month point after the start of the 1990 recession, Iowa had seen an increase of 139,700 payroll jobs.

Iowa Workforce Development reported the largest nonfarm job increase in government, 1,200, after a 300 decline in June, attributed to seasonal shifts in state and local education employment. Education and health services showed an 800-job increase, with construction up 700 and professional and business services also up 700. Trade and transportation fell by 500 and manufacturing by 400.

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

- Total nonfarm employment rose by 2,500 jobs to 1,510,600 in July. The figure is 29,100 higher than in July 2005, and 37,700 (or 2.6 percent) ahead of the level for jobs at the start of the national recession in March 2001.

- The unemployment rate rose to 3.8 percent, from 3.6 percent in June and 3.4 percent in May.

- The labor force rose by 2,500, to 1,679,200 people working or looking for work.

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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