

318 2nd Ave. N • Mount Vernon, IA 52314

www.iowapolicyproject.org

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CONTACT: Mike Owen (319) 338-0773 or ipp@Lcom.net.

## Ups and Downs of a Slow Recovery

### Iowa Unemployment Rate Falls to 3.6 Percent, But Nonfarm Jobs Also Drop

MOUNT VERNON, Iowa (Sept. 20, 2006) – Ups and downs of Iowa’s economy gave signals in both directions in August, as the unemployment rate dropped to 3.6 percent after two straight increases, but nonfarm jobs showed a slight decline as well.

The Iowa unemployment rate returned to its June level after rising to 3.8 percent in July – well below the 4.5 percent mark of a year before.

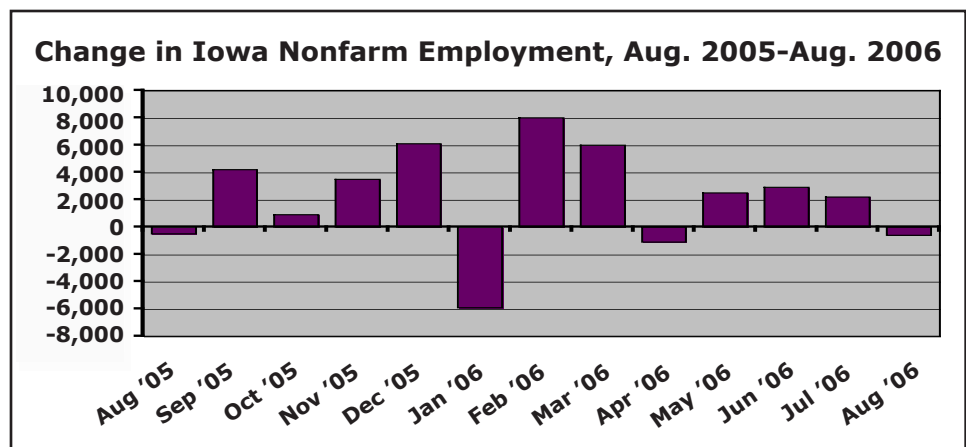
Nonfarm employment, measured in a different survey, fell by 600 in August. Through the first eight months of 2006, jobs have grown at an average pace of about 1,800 per month.

“That’s pretty slow,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project. “But it’s better than the decrease we saw in August.”

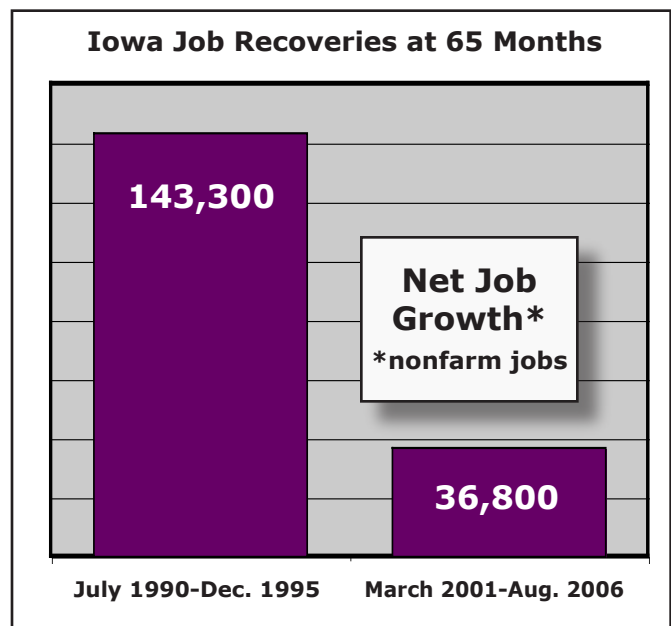
“When you compare this recovery to the recovery in the early 1990s, you can see our pace is very slow. Sixty-five months from the start of the recession, we show a net gain of less than 37,000 nonfarm jobs in Iowa.”

That works out to an average monthly gain of less than 600 jobs since the March 2001 start of the recession – compared to an average 2,200-job gain through 65 months after the start of the 1990 recession.

The apparent conflict of a lower unemployment rate but fewer nonfarm jobs is due to different ways of measuring employment statistics.



Source: Iowa Workforce Development



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.

Iowa Workforce Development reported nonfarm job increases in government, 500, construction, 300, and manufacturing, 200. Declines came in trade and transportation, 700, along with 300-job drops in professional and business services and other services, and a 200-job decline in financial services.

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

- Total nonfarm employment fell by 600 jobs to 1,509,700 in August. The figure is 28,700 higher than in August 2005, and 36,800 above the level for jobs at the start of the national recession in March 2001.

- The unemployment rate fell to 3.6 percent, from 3.8 percent in July. That rate stood at 4.5 percent in August 2005.

- The labor force rose by 5,000, to 1,684,200 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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