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Strong One-Month Showing for Iowa Jobs

Iowa Jobless Rate Falls to 3.4 Percent in September; Nonfarm Jobs Rise

MOUNT VERNON, Iowa (Oct. 19, 2006) – More Iowans found work in September as the jobless rate fell for the second straight month, and nonfarm jobs showed their best improvement in six months.

The Iowa unemployment rate dropped to 3.4 percent, and has improved by more than a full percentage point from a year earlier. The rate stood at 3.6 in August and 3.8 percent in July, and was 4.5 percent in September 2005.

Nonfarm employment grew by 5,500 in September after a 600-job drop in August, and is 30,200 ahead of nonfarm jobs in September 2005.

“September’s job growth was among the strongest we’ve seen in Iowa in a long time. During the last year, jobs increased by 30,000 — an average pace of 2,500 jobs per month compared to 5,500 in September,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project.

“What the numbers don’t indicate is job quality — pay and benefits, and full-time vs. part-time employment — so that’s an area we need to monitor.”

In comparison with the recovery from the 1990s recession, the recovery from the 2001 recession in Iowa remains considerably off the pace. At 66 months from the start of the 2001 recession, Iowa has 42,500 more nonfarm jobs — compared with 146,800 more in the comparable 5 1/2-year period from the start of the 1990 recession.

“Iowa needs many more months like September to compensate for the slow job growth since 2001,” Ditsler said.

Iowa Workforce Development reported that larger than expected growth in state and local public education led to the largest nonfarm job increase, in government at 1,100. Other increases were 1,000 in education and health services, and 800 in trade and transportation, financial activities, and professional and business services. Leisure and hospitality rose 600 from August.

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Over the year, the manufacturing sector led the nonfarm job increases with 5,500, while construction and education and health services each grew by 5,300.

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

-- Total nonfarm employment rose by 5,500 jobs to 1,515,400 in September. The figure is 30,200 higher than in September 2005, and 42,500 above the level for jobs at the start of the national recession in March 2001.

-- The unemployment rate fell to 3.4 percent, from 3.6 percent in August. That rate stood at 4.5 percent in September 2005.

-- The labor force rose by 17,800, to 1,702,000 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.

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