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Iowa Jobs See Uptick in November Jobless Rate Drops Back to 3.4 Percent

MOUNT VERNON, Iowa (Dec. 21, 2006) – A boost in nonfarm jobs in November put Iowa on pace with the slow level of growth the state saw in 2005.

Iowa nonfarm jobs grew by 3,600 in November after a drop of 2,700 in October, leaving that level at a record high of 1,516,600 in payroll employment.

“The one-month bump is good news, but the recovery remains weak for unemployed and underemployed Iowans,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project.

By the numbers:

- Nonfarm employment rose by 3,600 jobs in November after a 2,700 decrease in October.
- The November nonfarm job level of 1,516,600 jobs is 43,700 ahead of the March 2001 level, at the start of the last recession. That compares with a net gain of 150,500 nonfarm jobs at the same 68-month point from the start of the 1990 recession.
- The unemployment rate fell back to 3.4 percent from 3.6 percent in October. The rate also had been 3.4 percent in September. It remains well below the 4.5 percent level of a year earlier.

From November 2005 to November 2006, nonfarm jobs grew at a monthly average pace of about 2,300, which was the pace in 2005.

“Growth in Iowa jobs continues to be more than 100,000 jobs behind the last recovery. This pace is better than it had been in the early part of the decade, but it’s not enough to represent a strong recovery from the 2001 recession,” IPP Executive Director David Osterberg said.

By industry, the biggest nonfarm job increase was 1,700 in trade and transportation, which has shown an increase in all but two months of 2006 and was up 3,200 from November 2005.

Iowa Workforce Development also reported increases of 700 in construction, 600 in leisure and hospitality, 300 in both the education and health and “other service” categories, and 200 in manufacturing. The professional and business service and government sectors were the only categories showing slight drops in November, of 200 and 100, respectively.

The Iowa Policy Project (IPP) is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon. IPP reports on job and income trends are available on the web at <http://www.iowapolicyproject.org>.