

FOR IMMEDIATE RELEASE, THURSDAY, JULY 24, 2007

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Mixed Iowa Job Messages in June Jobless Rate Up in June; Jobs Rise by 900

MOUNT VERNON, Iowa (July 24, 2007) – A third straight increase in the monthly unemployment rate masked slow job growth in June for Iowans.

New figures from Iowa Workforce Development showed a 3.8 percent unemployment rate, up from 3.6 percent in May, 3.4 percent in April and 3.2 percent in March.

Meanwhile, nonfarm jobs rose by 900 – off the monthly average pace of recent years but still at its highest point ever, 1,523,200. A 700-job decline in manufacturing hurt job growth for the month.

“June showed relatively slow job growth overall, but it’s important to note it’s only one month,” said Mike Owen, assistant director of the nonpartisan Iowa Policy Project, which tracks Iowa employment trends. “The average for the first six months of 2007 is a better pace than we’ve seen in several years.”

Through the first six months, Iowa nonfarm jobs have averaged a 2,400 increase per month, helped by strong gains at the start of the year. The state hasn’t finished a year with a monthly pace that high since 1998, when it averaged 2,900 new nonfarm jobs each month.

Manufacturing jobs declined for the third straight month, and were 500 below their level of a year earlier.

Despite the manufacturing decline, June payrolls showed an increase of 700 in financial activities and 600 in professional and business services, with a 400 increase in leisure and hospitality jobs. Education and health services rose by 200, with increases of 100 each in the information and other services sectors.

Government jobs fell by 300 and mining and construction jobs fell by 100 each.

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>.