

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

www.iowapolicyproject.org

FOR IMMEDIATE RELEASE, SUNDAY, SEPT. 2, 2007

CONTACT: Mike Owen, 319-338-0773, ipp@Lcom.net

Left Behind at Labor Day 'State of Working Iowa': Trends Lag in Job Growth, Quality

MOUNT VERNON, Iowa (Sunday, Sept. 2, 2007) — Iowa's slow economic recovery is leaving working families behind at Labor Day 2007.

By any reasonable measure — total jobs, job quality, wages, basic economic security — the broader benefits of that recovery have been scarce, according to "The State of Working Iowa 2007" from the nonpartisan Iowa Policy Project (IPP).

"If this recovery is a rising tide, it's sinking most of us in Iowa," concludes Colin Gordon, lead author of the biennial report on the state's job climate.

"There is, quite simply, an alarming and widening gap between the economic fortunes of working Iowans and both the security of the old economy and the promise of the new economy," Gordon said. "No longer can Iowans count on the idea that hard work will yield a family living wage and benefits, and they have yet to see the benefits that were promised by the trend and drive toward globalization."

Gordon, Elaine Ditsler and Jevon Europe of the IPP produced the Labor Day report. This is the fourth installment in the biennial series.

"The State of Working Iowa 2007" notes that the national economic downturn that began in March 2001 "is now well behind us," as a job-loss trend turned around with fairly steady, but slow, overall growth. The report notes, however, that a close examination indicates less favorable signs.

While noting recent advancements in the minimum wage and a low-income tax credit, the report notes Iowa public policy has not responded meaningfully on deteriorating health insurance and pensions, work supports such as child care assistance, and accountability for economic development subsidies.

"Many of our tax and development policies remain mired in a desperate 'any job is a good job' logic," the report states. The authors recommend policies that assume: hard work should return a living wage and economic security, a safety net is needed for those caught in a changing economy, and public policy should encourage only good-quality jobs.

Specifically, the report notes:

- Growing job sectors from 2000 to 2006 had a lower median wage (\$32,537) and were less likely to have health insurance (52 percent) than the declining job sectors (\$35,178, 66 percent).

- Health coverage through employment is provided to fewer than 6 in 10 workers — in line with the national picture, which now includes higher premiums, deductibles and other limits on the benefits that are provided.

■ Most job gains went to urbanized counties. The state’s nine metropolitan areas showed a net gain of 36,000 jobs, compared to a net decline of 7,000 over the rest of the state.

■ Iowa’s median wage has stagnated, and in 2006 was below both the 2000 and 2003 levels, ranking in the bottom half of the nine states in the region compared in the report.

■ While middle-income families have treaded water, low-wage workers in Iowa actually saw a drop in real wages as the economy recovered, and even high-wage workers in Iowa ranked poorly (seventh of nine) in comparison to regional peer states.

“One value of this report is it shows overall job numbers only scratch the surface of the story,” IPP executive director David Osterberg said. “Job quality matters in people’s lives, so it’s important to see what kind of jobs the economy is producing or losing, and where those jobs are available. Not all jobs are equal — and in the balance, this report shows a troublesome trend for Iowans.”

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

#