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Iowa Jobs Sliding Downhill November Payrolls Down — Third Straight Month

IOWA CITY, Iowa (Dec. 19, 2008) — Iowa’s new-job production is slipping back toward its early-decade doldrums as payrolls dropped for the third straight month in November.

The state’s jobless rate actually fell to 4.3 percent in November from 4.4 percent in October, but Iowa Workforce Development (IWD) pointed out that can be a lagging indicator, reflecting outdated circumstances, while payrolls tend to move “in tandem with current economic events.” The rate had been 3.8 percent in November 2007.

Payroll (or nonfarm) numbers, which are determined from a separate, larger survey than the unemployment rate, dropped by 1,400 jobs in November after declines of 800 in October and 600 in September.

Nonfarm jobs have fallen in seven of the 11 months of 2008, leaving jobs slightly ahead of where they stood at the start of the year, but averaging only a 200-job monthly gain. Iowa jobs have not grown so slowly since 2003, in the wake of the 2001 recession.

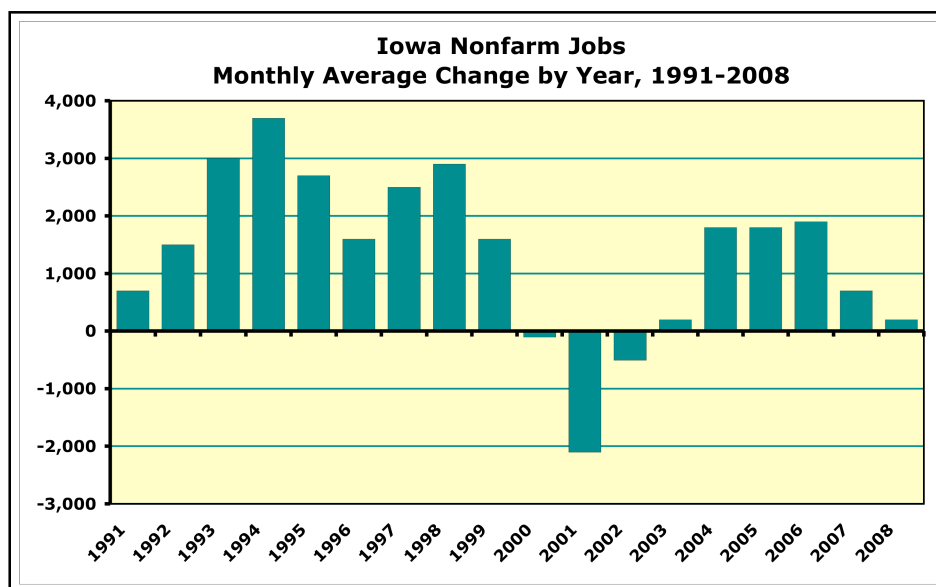
“It’s only been a matter of time for the national downturn to begin to strike at Iowa jobs,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project, which tracks Iowa job trends. “Even when we were growing in the middle of this decade, it wasn’t strong growth.

“As state policy makers deal with the budget implications of a declining economy, they need to keep in mind the impact of their budget decisions. Leading economists have pointed out that cutting state spending can deepen a recession, while properly targeted spending boosts the economy. It is important for our state policymakers to recognize this in the coming weeks and months.”

Job drops in the leisure/hospitality industry (1,300) and professional and business services (1,200) led the payroll declines.

Nonfarm jobs in November stood at 1,523,500 according to IWD. That figure is 3,700 ahead of nonfarm jobs in November 2007.

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Iowa's monthly average increase of 200 in 2008 compares with monthly averages over 1,800 from 2004 through 2006, and 700 last year.

Besides the drops in leisure and professional/business services, the 1,400-job net drop in Iowa payrolls included declines in information (800) and construction (400). Trade, transportation and utilities showed the largest gain at 700, followed by education and health services (500), government (500), other services (400) and manufacturing (200). Financial activities and mining showed no change.

The Iowa Policy Project (IPP) is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon, with its principal office in Iowa City. IPP reports on job trends and other public policy issues facing Iowa are at <<http://www.iowapolicyproject.org>>.

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