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Iowa Jobless Rate Spikes, Payroll Jobs Fall Unemployment at 5.8 Percent in May, 22-Year High

IOWA CITY, Iowa (June 19, 2009) — Iowa's unemployment rate reached an almost 22-year high at 5.8 percent in May, while nonfarm jobs fell to their lowest point in almost four years.

“As graduates finished up their work in May, our employment economy was showing them some of its worst performance during their lifetimes,” said Beth Pearson, research associate at the nonpartisan Iowa Policy Project (IPP), which tracks Iowa job trends and analyzes economic policy.

May figures from Iowa Workforce Development (IWD) show the seasonally adjusted unemployment rate rose in May to 5.8 percent, from 5.1 percent in April, and 4.0 percent a year earlier. The rate, which before March had not been at 5 percent in 21 years, had not reached 5.8 percent since June 1987.

Nonfarm jobs, seasonally adjusted, fell to 1,484,400 in May, down 3,400 from April and 43,100 below May 2008. Nonfarm jobs — measured in a survey of payrolls, separate from the unemployment rate — in May were at their lowest point since August 2005 (1,483,700).

“This was the fourth straight month and the eighth in the last nine in which payroll jobs have declined in Iowa,” Pearson said.

By sector, results were mixed in May. Manufacturing showed the largest drop at 5,100, while six sectors showed increases or no change. Professional and business services showed a 1,600-job increase, followed by 800 each in financial activities and construction. Trade, transportation and utilities had a 200-job increase while information and mining were unchanged.

Besides manufacturing, education and health services dropped by 700, government jobs fell by 500, leisure and hospitality by 300 and other services by 200.

Over the year, manufacturing jobs have fallen by 27,800, almost two-thirds of the overall nonfarm job loss of 43,100 jobs since May 2008. All job sectors have shown declines except trade, transportation and utilities, and education and health services, both of which rose by 3,500, and mining and government, which were unchanged.

Other declines over the year were in professional and business services (9,000), construction (6,500), leisure and hospitality (3,900), other services (1,600), information (1,200) and financial activities (100).

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> <<http://www.iowapolicyproject.org>>.

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