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## Iowa Jobless Rate Jumps to 6.2 Percent Unemployment Rate at 22-Year High, Payroll Jobs Drop Again

IOWA CITY, Iowa (July 17, 2009) — Iowa’s unemployment rate jumped half a percentage point to a 22-year high of 6.2 percent in June, while nonfarm jobs fell to their lowest point in four years.

“The unemployment rate is 50 percent greater than it was a year ago. May graduates have not faced this kind of a job market for a long time,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project (IPP), which tracks Iowa job trends and analyzes economic policy.

New figures from Iowa Workforce Development (IWD) show the seasonally adjusted unemployment rate rose in June to 6.2 percent, from a revised 5.7 percent in May, and 4.1 percent a year earlier. The rate had not reached 6.2 percent since January 1987 and had not topped 6 percent since April of that year.

The labor force — people working or looking for work — rose by 3,900 in June, while the number reporting they were working had dropped by 4,500.

“The new numbers show more people entering the labor market, which we would expect following May graduations. But they show the same discouraging trend in available jobs, particularly in manufacturing, professional and business services, and construction. Those are all sectors that need to improve for an economic recovery,” IPP Research Associate Christine Ralston said.

Nonfarm jobs, estimated from a separate survey of employer payrolls, showed a decline of 3,400 for the month of June and 43,000 since June 2008, all seasonally adjusted. The nonfarm job level stood at 1,480,000 in June, its lowest point since June 2005, when it stood at 1,478,700.

June marked the fifth straight month and the ninth in the last 10 in which payroll jobs have declined in Iowa.

Education and health services as well as leisure and hospitality both showed 700-job gains in June, with additional increases in financial activities (500) and trade, transportation and utilities (400). The largest losses were in manufacturing (1,800 — down 27,700 over 12 months), professional and business services (1,600, and 11,100 over 12 months), and construction (1,100, and 7,300 over 12 months). Other services fell by 900 and government dropped 300 jobs in June. Mining and information were unchanged.

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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