

NEWS RELEASE

For Statewide Distribution



For Release: 10:00 a.m.
Date: June 19, 2009

Contact: Kerry Koonce
Telephone: (515) 281-9646

Iowa Unemployment Rate Climbs to 5.8 Percent

DES MOINES, IOWA – Iowa’s seasonally adjusted unemployment rate jumped to 5.8 percent in May from 5.1 percent in April, confirming the labor market’s current weakness. The state’s jobless rate stood at 4.0 percent for the same month one year ago. The U.S. unemployment rate reached 9.4 percent in May, up from 8.9 percent in April, and 5.5 percent in May 2008.

“A surge in new labor force entrants combined with a drop in employment pushed the state’s unemployment rate to a 22-year high in May,” said Elisabeth Buck, director of Iowa Workforce Development. “While unemployment may continue to rise for some time, job losses are expected to progressively lessen in the months ahead.”

The total number of working Iowans dropped to 1,583,100 in May from 1,589,900 in April. Total employment was 25,400 higher in May 2008 at 1,608,500.

The estimate of unemployed persons increased to 96,900 in May from 84,900 in April. This is the highest level of unemployment experienced in the state since July 1986, when the number was reported at 97,700. Unemployment is currently 29,300 higher than the year ago figure of 67,600.

Seasonally Adjusted Nonfarm Employment

Total nonfarm employment continued to drop for the fourth consecutive month, falling to 1,484,400 in May from 1,487,800 in April. Job losses were heavily concentrated in the goods-producing sectors, down 4,300. Meanwhile, the service sectors advanced by 900.

Professional and business services reflected a modest rebound of 1,600 in May, with increases primarily in temporary help and administrative support services. Construction and financial activities posted gains of 800 each; and trade, transportation and utilities was up 200 from April. The manufacturing sector continued to lose employment, as both durable and nondurable goods producers shed jobs, down 3,600 and 1,500, respectively. Education and health care declined by 700, and government lost 500.

Total nonfarm employment is 43,100 lower than the same month one year ago, and at its lowest point since August 2005. About 80 percent of the job losses have occurred in the goods-producing sector. Manufacturing has 27,800 fewer jobs than this time last year, while construction has pared 6,500. Among the service sectors, professional and business services has lost 9,000 jobs for the year, while leisure and hospitality has declined by 3,900. Conversely, trade and transportation and education and health have both advanced by 3,500 since May 2008.

MEDIA ALERT: An audio cut of comments about Iowa’s labor market situation is available by calling (515) 281-6057. Local data for May will be available on the Web on Tuesday, June 23, 2009. Statewide information for June will be released on Friday, July 17, 2009, followed by the posting of the local data on Tuesday, July 21, 2009.

- More -

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	May 2009	Apr. 2009	May 2008	Change from	
				Apr. 2009	May 2008
Civilian labor force	1,680,000	1,674,800	1,676,100	5,200	3,900
Unemployment	96,900	84,900	67,600	12,000	29,300
Unemployment rate	5.8%	5.1%	4.0%	0.7	1.8
Employment	1,583,100	1,589,900	1,608,500	-6,800	-25,400
U.S. unemployment rate	9.4%	8.9%	5.5%	0.5	3.9

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,484,400	1,487,800	1,527,500	-3,400	-43,100
Mining	2,200	2,200	2,200	0	0
Construction	67,300	66,500	73,800	800	-6,500
Manufacturing	201,800	206,900	229,600	-5,100	-27,800
Trade, transportation and utilities	312,900	312,700	309,400	200	3,500
Information	32,600	32,600	33,800	0	-1,200
Financial activities	102,800	102,000	102,900	800	-100
Professional and business services	114,200	112,600	123,200	1,600	-9,000
Education and health services	209,400	210,100	205,900	-700	3,500
Leisure and hospitality	132,000	132,300	135,900	-300	-3,900
Other services	56,200	56,400	57,800	-200	-1,600
Government	253,000	253,500	253,000	-500	0

Unemployment Insurance Claims for Iowa

	May 2009	Apr. 2009	May 2008	% Change from	
				Apr. 2009	May 2008
Initial claims	32,902	34,698	14,946	-5.2%	120.1%
Continued claims					
Number of claimants	68,743	85,026	29,130	-19.2%	136.0%
Weeks paid	214,744	291,624	85,006	-26.4%	152.6%
Amount paid	\$63,371,950	\$87,810,824	\$24,128,684	-27.8%	162.6%

Visit www.iowaworkforce.org/lmi/laborforce/locallaborforce.html for county unemployment rates, www.iowaworkforce.org/lmi/laborforce/index.html for current and historical labor force data and www.iowaworkforce.org/lmi/empstat/msanonag.htm for detailed information on nonfarm employment.

Visit www.iowaworkforce.org/trends/wages.html for information on hours and earnings and www.iowaworkforce.org/trends/uiclaimscomo.html to obtain a breakout of jobless benefits by county.

###

An Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request for individuals with disabilities.
www.iowaworkforce.org • www.iowaworks.org • www.iowajobs.org