



Iowa's Workforce and the Economy

2010



Iowa's Workforce and the Economy 2010

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Message from the Director



Over the past several months, Iowa's economy has shown some of the first signs of recovering from one of the deepest recessions in the state's history. The economic downturn presented many challenges for the State and Iowa Workforce Development, particularly the rapid growth in the number of long-term unemployed. A discussion of unemployment trends and several other relevant issues are covered in the fourth edition of Iowa's Workforce and the Economy. The publication also includes useful information on Iowa's Industry Projections to 2018, the state's higher-paying industries, wage rates by occupational group and how they compare geographically, and the types of assistance Iowa Workforce Development is providing to unemployed workers.

Looking forward, I am confident that the state's economy will steadily gain strength in 2010, and that Iowa Workforce Development will continue to build on its current success in assisting Iowans to be a productive part of the state's future. As Director of IWD, I am committed to ensuring that every individual be provided with the support and training needed to obtain a job that is fulfilling and as financially rewarding as possible.

Sincerely,

Elisabeth Buck

Elisabeth Buck, Director
Iowa Workforce Development

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Executive Summary

- The Iowa economy was under tremendous pressure in 2009 due to the effects of a deep, nationwide recession. The state's unemployment rate climbed to a level not experienced since the late 1980s, and a record \$1.2 billion was paid out in unemployment benefits. To help the state get back on solid footing, Iowa began to invest its share of federal dollars from the American Recovery and Reinvestment Act (ARRA) on such things as assistance for the unemployed, energy efficiency, education, infrastructure and health care. Governor Culver signed I-JOBS into law on May 14, 2009, as a way to further stimulate the Iowa economy by investing \$830 million over three years into the state's environment and water quality, infrastructure, renewable energy and telecommunications. By the end of 2009, the Iowa economy was showing signs of improvement, which was reflected in the Iowa Leading Indicators Index.

- Manufacturing continues to be a main driver in the Iowa economy. The industry accounts for roughly one-fifth of the state's Gross Domestic Product, and represented 89.5 percent of the state's exports in 2009. Iowa also ranked fourth-highest in the nation based on its proportion of manufacturing employment in 2009 (13.8 percent of total nonfarm employment). Even though the industry lost the most jobs during the course of the recession, it appears to be leading the recovery so far. However, increased efficiencies in manufacturing plants could result in the permanent loss of some jobs.

- Individuals who became discouraged by the lack of job opportunities during the recession have started to return to the labor force. This trend has caused the state's unemployment rate to rise at the same time that businesses have started to hire. The state also has a growing number of long-term unemployed who have been without jobs for 27 weeks or longer. A large percentage of these workers were previously employed in manufacturing. There are also some noticeable differences in where the unemployed are geographically distributed across the state. Many of the counties with high unemployment rates are located in eastern Iowa, while the counties with low rates tend to be clustered in the western part of the state.

- Although the National Bureau of Economic Research (NBER) has not officially announced a "trough" or ending date for the recession, layoffs abated somewhat during the second half of 2009. The month of July marked the point at which the state's manufacturing employment bottomed out at 198,100. The subsequent increase in August marked an end to 17 consecutive months without job gains in manufacturing. The early estimates of nonfarm employment for 2010 reinforce the idea that the Iowa economy is in a recovery.

- Since the recession took a heavier toll on men, a larger number of women have assumed the role of "breadwinner." Women already provide a substantial share of the economic support for their families, and in recessions, their financial support becomes even more

important. In Iowa, women have continued to gain greater representation in the professional and managerial occupations, but little progress has been made in achieving a greater presence in the male-dominated, blue-collar jobs in construction, manufacturing, and transportation. This has proven to be a missed opportunity for women since these “nontraditional” jobs typically offer good wages and benefits.

- Based on Iowa’s Industry Projections, 2008-2018, the state will add 162,400 jobs in nonfarm employment and agriculture over the ten-year period. Two major industries are expected to account for over 43 percent (70,600 jobs) of the state’s job growth—health care and social assistance and professional and business services.

- The rapid increase in unemployment in 2009 heightened the demand for employment-related services provided by Iowa Workforce Development. The downturn in the economy came at the same time that some of the Department’s workforce centers had begun transitioning to an integrated delivery system. The integration model departs from the largely self-serve concept of the past to a very helpful, assistance-oriented approach that places a greater emphasis on skills development. Individuals who come to the centers for assistance are given the opportunity to have their skills assessed, to know their skills, improve their skills, and find a job match for their skills. The new model has also been designed to respond to the needs of the local economies.

- Iowa’s preliminary annual average wage for 2009 is \$37,204, and represents wages paid by both the private and public sectors. Five industries had an average wage that was at least 30 percent higher than the statewide average. These industries included utilities (\$70,790), management (\$69,582), finance and insurance (\$55,742), professional services (\$50,515), and wholesale trade (\$49,790). However, these five industries accounted for only 15.3 percent of all jobs held in Iowa. The top five industries based on employment in 2009 accounted for 56.6 percent of the state’s covered

employment, and included manufacturing, health services, retail trade, education and finance and insurance.

- The Occupational Employment Statistics (OES) program is a Federal-State cooperative program between the Bureau of Labor Statistics and the State Workforce Agencies that produces an extensive set of occupational wage and employment data. An analysis of this information shows that Iowa’s highest-paying occupations are in the areas of medical health care, postsecondary teaching, and management. For 2009, mean salaries for the state’s twenty highest-paying occupations ranged from \$95,890 (sales manager) to \$230,530 (surgeon). A comparison of Iowa’s 2009 median hourly wage for all occupations with the same measure for surrounding states revealed that Minnesota had the highest wage at \$17.14.

- In the fall of 2009, Iowa Workforce Development was commissioned by the Iowa Department of Education to conduct a follow-up study on wages and compensation received by Iowa’s early child care workers. An earlier study had been conducted in 2000 to provide baseline information on the education, benefits and wages of the state’s early education workforce. Survey forms were sent to child care centers, registered family child care providers, and non-registered family child care providers. The findings of the survey confirmed that:

- Caregivers with higher education levels offer higher quality early education programs with more positive outcomes.

- Caregivers who have completed results-based training provide higher-quality training than caregivers who have not.

- Individuals who receive adequate wages and benefits are more likely to remain in the early care and education field.

2009 in Review

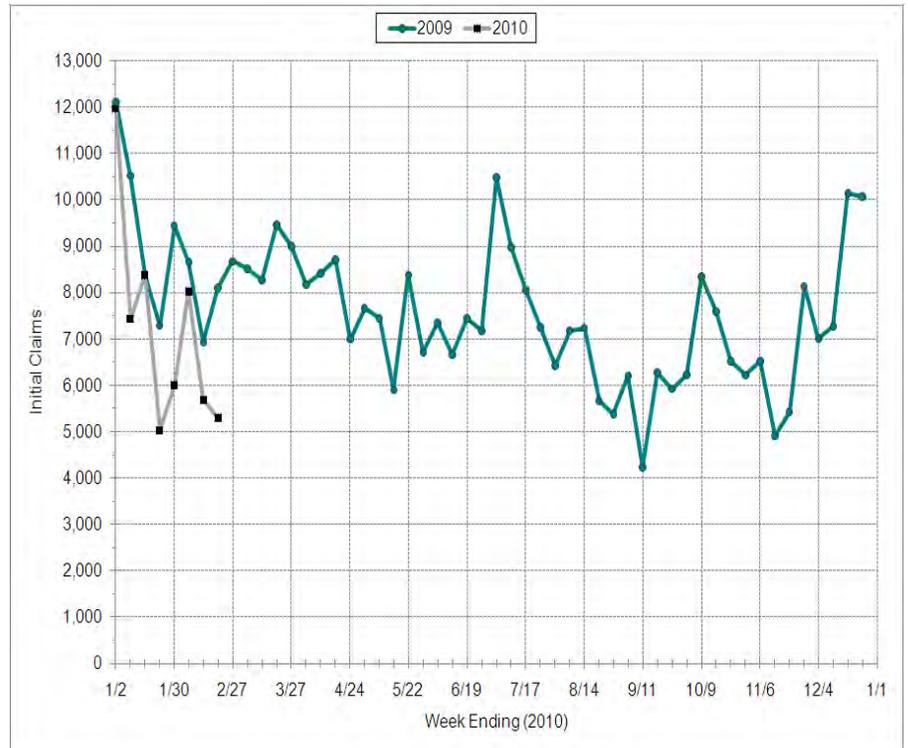
A Recession Transitions into Recovery

The weak economy was at the forefront of most Iowans' minds throughout 2009. During most of the year, announcements of business closings and layoffs were widespread, and thousands of workers had their work hours reduced, or wages frozen. The continued decline of the economy during the first half of last year forced businesses in all sectors to re-evaluate their business plans, and to look for cost savings. Because of the overall malaise in the statewide economy, Iowa's unemployment rate rose to levels not experienced since the late 1980s. A final count of Unemployment Insurance benefits paid for 2009 showed that 219,030 individuals received benefits for the year, which brought the total payout to a record \$1,195,001,909.

Evidence that the Iowa economy has gradually improved is reflected in the Iowa Leading Indicators Index. In December 2009, all eight of its components contributed positively for the first time since April 2007. The components, by order of contribution, were average weekly manufacturing hours, the new orders index, the Iowa stock market index, new residential building permits, unemployment insurance claims (inverted), the yield spread, diesel fuel consumption, and the agricultural futures price index. Weekly initial

unemployment claims, which represents one of the eight components in the Iowa Leading Indicators Index, is shown below for 2009 and 2010:

**Figure 1. Iowa Claims for Unemployment Insurance
Iowa Regular State UI Program (Excludes Transitional Claims)**



Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

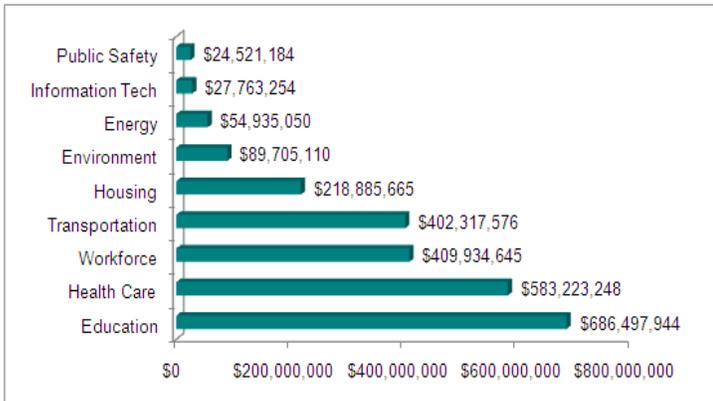
As 2010 gets underway, both the U.S. and Iowa economies are beginning to emerge from a prolonged period of economic turmoil that began over two years ago. While layoffs have started to recede, hiring remains weak. This is not unexpected. Employment gains typically lag behind sales and capital spending in the early phase of an economic upturn. The lag occurs because businesses need to be confident that economic conditions have improved before they add workers to their payrolls. Consumer confidence and business investment, though not completely revived, have picked up, and the state's real estate market is expected to be stronger in 2010 than it was one year ago.

Stimulus Funds Used to Shore Up State Economy

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. The

Recovery Act is intended to stimulate the U.S. economy by injecting roughly \$787 billion in spending and tax cuts. The funds will be used to preserve and create jobs, to assist unemployed and uninsured workers, and to provide state budget relief. At the same time, the funding will be making investments in the state's infrastructure, education, science, health and energy efficiency. Iowa has the potential to receive more than \$2.5 billion in economic assistance from the Recovery Act. The following chart shows how funding will be distributed to nine major ARRA areas within the state:

Figure 2. Distribution of American Recovery and Reinvestment Act Funding in Iowa



Source: State of Iowa, Office of the Governor and Lieutenant Governor

Funds from the federal economic recovery program will come to Iowa through a number of different programs. Some funds will be provided to the State, and then awarded to public, private or non-profit organizations. Other funds will go directly to local governments, schools, and for profit and non-profit entities. For example, Iowa State University researchers have so far won 30 grants worth a total of \$16.38 million from various federal agencies. Funding from the grants will be used for work in advanced biofuels, public health intervention programs, undergraduate research and protein modeling.

As a way to further re-vitalize the Iowa economy, Governor Culver signed I-JOBS into law on May 14, 2009. The \$830 million three-year initiative will be used to fuel job growth by funding a wide variety of building projects, by investing money in improving the state's environment

and water quality, and by making investments in telecommunications and renewable energy. A total of \$115 million of the funds will be used to renovate or replace 10 University of Iowa buildings that were damaged by the 2008 flooding, and to build a veterinary hospital lab at Iowa State University. While the program is intended to provide temporary support for an ailing statewide economy, it is also expected to lay the foundation for long-term economic development goals in the state.

Housing Recovery Dampened by Weak Job Market

Although the cost of buying a typical home in the state has become more affordable, the housing recovery made slow progress last year due to mounting job losses and the ongoing credit crunch. In addition to high unemployment, weak consumer confidence contributed to a "fragile" housing recovery in 2009. Although most potential buyers were still employed, some of them were working fewer hours or had taken pay cuts. According to the Iowa Association of REALTORS, home sales in Iowa dropped slightly in 2009 to 30,518; which was just 2.1 percent less than the number sold in 2008. Prices also dropped by 2.2 percent from 2008 to 2009.

The average sales price throughout 2009 was \$140,899, while the average in 2008 was \$144,113. However, home sales were particularly strong in September, October and November, which was likely due to the First Time Homebuyers Tax Credit.

Iowa foreclosures rose in 2009 to 5,681 properties with foreclosure filings, a 6 percent increase from the total reported for 2008, and 39 percent higher than the level reported for all of 2007. Put into perspective, Iowa accounted for less than 1 percent of the 2,824,674 properties with foreclosure filings reported nationwide in 2009. Iowa ranked 38th in the nation for total foreclosures in 2009, while the state's foreclosure rate ranked 43rd in the nation for the year. Polk County led the state in total foreclosures in 2009 with a total of 2,313 properties with

foreclosure filings. Other counties with substantial numbers of foreclosure filings for the year were: Linn (615), Scott (531), Pottawattamie (288), and Woodbury (178).

The good news is that 2010 is expected to be a better year for Iowa's housing market. Housing is more affordable, and construction remains low. These factors along with an improving economy should help to move excess inventory. Sales are expected to pick up in the spring, as companies start to hire again, and new and current homeowners take advantage of the Extended Home Buyer Tax Credit, which is in effect through April 30, 2010. In fact, three Iowa cities have been included on Housing Predictor's list of top 25 cities in the country that are expected to have the best housing appreciation rates in 2010: Des Moines (5.1%), Davenport (4.2%), and Iowa City (3.1%).

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RealtyTrac Iowa Foreclosure Activity Increases in 2009, available at <http://www.realtytrac.com/contentmanagement/library.aspx?channelid=13&itemid=8517>

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Why Manufacturing is Important to Iowa

Manufacturing Drives the Iowa Economy

Iowa's manufacturing sector has long been a leader in the production of machinery and food products, which is reflected in Iowa's Gross Domestic Product (GDP), and in the composition of the state's export products. For 2008, manufacturing accounted for 20.8 percent of the state's total GDP of \$135.7 billion. Machinery, chemicals and food products contributed the largest dollar amount to the manufacturing share of GDP. Manufactured goods also represented 89.5 percent of the \$9 billion in exports that Iowa sent to other countries in 2009. Once again, machinery (\$2.2 billion), processed foods (\$2.1 billion) and chemicals (\$899 million) were the state's leading export products.

Manufacturing continues to be a vibrant cornerstone of the Iowa economy. It contributes to the state's economic growth through linkages to other parts of the economy, provides good-paying jobs, and accounts for a significant share of private investment in research and development. Historically, Iowa has ranked higher than most states based on its proportion of manufacturing employment.

In 2009, 13.8 percent of Iowa's nonfarm employment was concentrated in manufacturing, compared to 9.1 percent for the nation. However, in 1980, Iowa's manufacturing proportion was much higher at 22.1 percent. Over the past thirty years, most states have experienced a loss in their share of manufacturing employment due to technological advancements and increased foreign competition.

Figure 1. Top Manufacturing States in 2009

Ten States with the Highest Manufacturing Employment in 2009		Ten States with the Highest Proportion of Manufacturing Employment in 2009		
State	Manufacturing Employment	State	Manufacturing Employment	% of Nonfarm Employment in Manufacturing
California	1,280,900	Wisconsin	435,600	15.9
Texas	840,000	Indiana	440,000	15.8
Ohio	629,200	Arkansas	164,100	14.1
Illinois	577,600	Iowa	203,700	13.8
Pennsylvania	573,600	Alabama	247,800	13.1
New York	477,100	Mississippi	141,200	12.9
Michigan	462,400	Kansas	167,600	12.5
Indiana	440,000	Ohio	629,200	12.4
Wisconsin	435,600	Kentucky	213,200	12.0
Georgia	357,000	Michigan	462,400	11.9

Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

Despite the job losses recently sustained, manufacturing continues to have the largest multiplier effect of all industry sectors, creating \$1.40 of additional economic activity for each \$1 of direct spending, and 2.5 other jobs on average for each job in the sector. By contrast, each new service-related job creates on average no more than 1.6 associated jobs. The effect that manufacturing has on other industries was reflected in the industry employment trends for 2009. Layoffs in manufacturing appeared to have a domino effect, which resulted in further layoffs in professional and business services, and in transportation and warehousing.

Effects of the Recession

Because of its strong manufacturing presence, the Midwest region accounted for about 36 percent of the roughly 2.2 million manufacturing jobs that were lost in the United States from December 2007 to December 2009. The more industrialized states located near the Great Lakes were hit the hardest, primarily due to the downsizing and re-structuring that occurred in the automobile industry. (Figure 2 displays state-by-state comparisons.)

Figure 2. U.S. and Midwest Manufacturing Employment December 2007 – December 2009

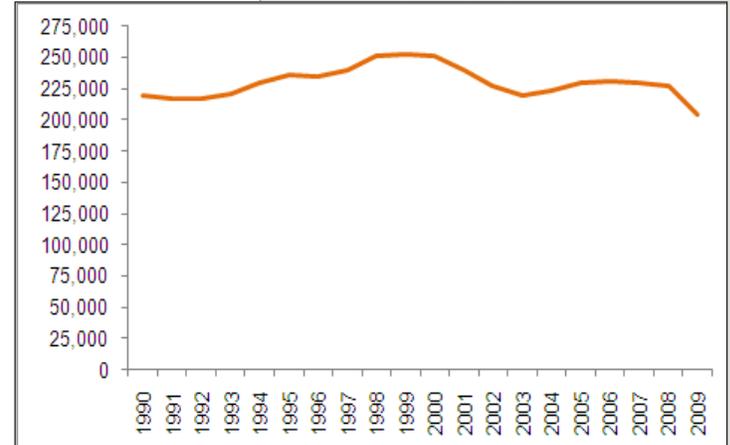
	Manufacturing Employment		Jobs Lost	Percent of
	December	December	Since	Jobs Lost
	2007	2009	Dec. 2007	Over Period
United States	13,726,000	11,534,000	2,192,000	-16.0
Midwest	4,302,000	3,505,500	-796,500	-18.5
East North Central	3,078,700	2,457,300	-621,400	-20.2
Illinois	668,700	554,100	-114,600	-17.1
Indiana	544,000	426,900	-117,100	-21.5
Michigan	606,100	449,600	-156,500	-25.8
Ohio	761,800	608,200	-153,600	-20.2
Wisconsin	498,100	418,500	-79,600	-16.0
West North Central	1,223,300	1,048,200	-175,100	-14.3
Iowa	230,100	200,100	-30,000	-13.0
Kansas	187,700	159,000	-28,700	-15.3
Minnesota	338,800	289,100	-49,700	-14.7
Missouri	296,400	247,700	-48,700	-16.4
Nebraska	102,100	91,900	-10,200	-10.0
North Dakota	21,200	23,300	-2,900	-11.1
South Dakota	42,000	37,100	-4,900	-11.7

Source: Bureau of Labor Statistics, U.S. Department of Labor

While the vast majority of the job losses that resulted from the recession will be short-term, some types of jobs will be eliminated permanently. Recessions typically mix both cyclical and structural adjustments. The job losses associated with cyclical shocks are temporary. As companies rebound from a recession, workers return to their jobs, or find comparable employment with another firm. However, job losses that result from structural change are permanent, forcing workers to switch industries, locations, and/or retrain for entirely new or different occupations. Structural change was largely responsible for the permanent loss of manufacturing jobs following the 2001 recession, and for the long “jobless” recovery. Iowa’s manufacturers continued to increase productivity by introducing new technologies and improved efficiencies. The newer, lean manufacturing processes eliminated waste, and generally required 25 to 40 percent less direct labor. The new processes also required workers to have more skills since they were required to perform many different tasks rather than one repetitive task.

There is some speculation that history will repeat itself, and that manufacturing will not recover the total number of jobs it had prior to the 2008-2009 recession, as even greater efficiencies have been implemented over the past two

years. However, only time will tell. The state’s manufacturing employment dropped from a peak level of 252,700 in 1999 to a twenty-year low of 203,700 in 2009.

Figure 3. Iowa Manufacturing Employment 1990-2009

Source: Labor Market and Workforce Information Division, Iowa Workforce Development

2010 Outlook for Manufacturing Positive

The performance of manufacturing during first quarter 2010 was better than expected, with companies being the most upbeat since the financial crisis began in mid-2007. The Institute for Supply Management’s manufacturing index appears to confirm this sentiment. The March 2010 reading of 59.6 put the index at its highest level since 2004, reinforcing the general consensus that the manufacturing-led recovery is on track.

In fact, John Deere’s financial report for first quarter of fiscal year 2010 was especially optimistic. Deere’s earnings were up 19 percent from the same period one year ago with the improvement led by its Agricultural and Turf and credit businesses. Furthermore, Deere raised its earnings forecast for 2010 to \$1.3 billion, from \$900 million, based on its expected strength in equipment sales and a favorable impact from currency translation. Equipment sales are expected to grow as much as 8 percent this year. Earnings for the first quarter of fiscal year 2010 were the second-highest of any quarter in the company’s history.

The same optimistic forecast was conveyed in the latest quarterly economic report from the Manufacturing Alliance/MAPI. The alliance predicts that total manufacturing production will grow 5 percent in 2010, and another 5 percent in 2011, with high-tech industries outperforming the general manufacturing sector in both years. For 2010, the group predicts that 17 industries of the 27 industries it tracks will show gains over 2009, and steel production is expected to lead the way.

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State and Local Unemployment Trends

High Unemployment the New Norm

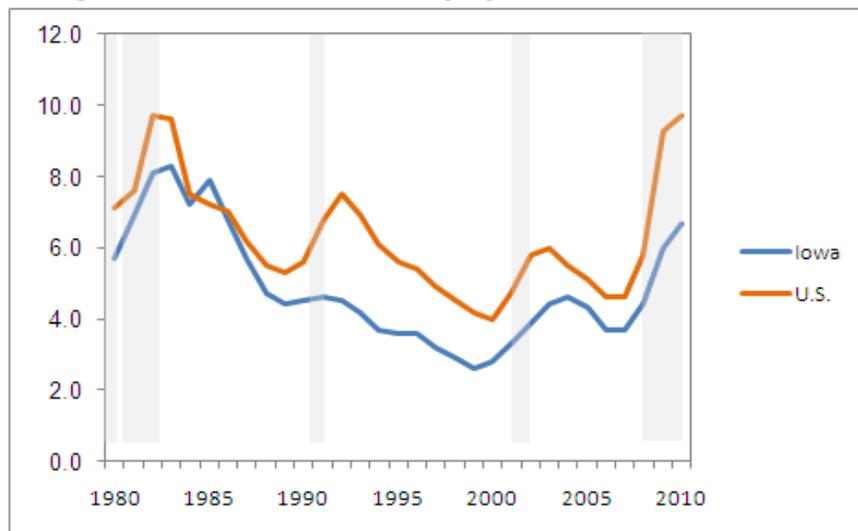
Despite signs that the recent recovery is gaining momentum, the human toll of the recession continues to mount. Millions of workers remain out of work, out of savings and near the end of their unemployment benefits. Unfortunately, the unemployment rate is not expected to drop substantially in 2010. The International Monetary Fund recently predicted that employment creation will turn positive in 2010 in most countries, but the unemployment rate will remain high through 2011.

One factor keeping the unemployment rate high is the improved perception of labor market conditions. Individuals who had abandoned their job searches during the recession are now re-joining the labor force in growing numbers. Another factor is high productivity growth. Employers have managed to increase their output without hiring additional workers. As a result, dealing with the challenges of long-term unemployment continues to be one of the central issues confronting Iowa, as the state navigates through the recovery period.

Following previous recessions, the statewide unemployment rate continued to increase long after there was noticeable improvement in overall economic activity, such as business and consumer spending and job growth. For this reason, the unemployment rate is widely recognized as a “lagging” economic indicator. Iowa experienced its deepest recession in the early 1980s, which caused the state’s

unemployment rate to reach an historic high of 8.3 percent in 1983. None of the recessions that have followed have produced an unemployment rate of that magnitude. However, the 2008-2009 recession proved to be almost as severe as the 1980's downturn, even though the state's 2009 unemployment rate of 6.0 percent was considerably lower.

Figure I. U.S and Iowa Unemployment Rates 1980-2010*



Source: Labor Market and Workforce Information Division, Iowa Workforce Development. *Unemployment rates for 2010 are based on the average for first quarter.

Effects of Long-Term Unemployment

Due to the length and severity of the 2008-2009 recession, long-term unemployment is a growing problem with serious consequences. Of the nearly 14 million people now counted as unemployed in the United States, 44 percent have been out of work for more than six months. Before the most recent recession, that figure had never reached 24 percent. There are a variety of reasons used to explain why long-term unemployment has reached historically high levels, but three factors seem to be the most plausible. First of all, the length of the recession suppressed hiring for almost two years. In Iowa, nonfarm employment dropped from 1,526,800 in January 2008 to 1,458,800 in December 2009 (-68,000). Secondly, construction and manufacturing have a high proportion of older workers in middle-skilled jobs, many of whom will need to retrain for new jobs in different industries. Finally, the housing crisis has made unemployed persons less mobile, or less willing to leave their homes behind. In 2008, the percentage of individuals living in a county or state different than the previous year was the lowest recorded in more than 50 years of data.

To learn more about Iowa's long-term unemployed, Iowa Workforce Development conducted a survey of these individuals in January 2010. The Center of Survey Statistics & Methodology (CSSM) at Iowa State University was commissioned to select the survey sample of 2,000 from a universe of 77,718 claimants, and to compile and analyze data from the survey results. The individuals selected for the sample had exhausted their regular unemployment benefits, and had an original claim date that fell within calendar years 2007, 2008, or 2009. Responses were obtained from approximately 30 percent of the sample. Demographic characteristics of the respondent group are shown below:

Figure 2. Demographic Characteristics of Survey Respondents

	Percent		Percent
Gender		Education	
Male	53.7	Less than High School	7.5
Female	46.3	High School Diploma/GED	40.9
Age		Some College	27.0
18-29	9.0	Associate Degree	10.2
30-44	23.3	College Degree or Higher	14.4
45-59	43.5	Income (annual before unemployment)	
60+	24.2	Under \$20,000	24.9
Race		\$20,000-\$39,999	48.3
White	91.0	\$40,000-\$59,999	19.3
Black, Non-Hispanic	3.5	\$60,000-\$79,999	5.2
Hispanic	2.8	\$80,000+	2.3
Other Races, Non-Hispanic	1.2	Urbanicity	
Two+ Races, Non-Hispanic	1.6	Urban	36.4
		Rural	63.6

Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

The 2008-2009 recession placed the heaviest burden on men who suffered a major share of the job losses that occurred over the past two years. The male-dominated industries (construction and manufacturing) were hit particularly hard, while industries that disproportionately employ women (education and health care) grew over the period. The recession has intensified a long-standing trend. The service industries, which employ relatively more women, are expanding, while manufacturing, which employs relatively more men, is shrinking.

Key findings related to prior employment of respondents:

- Close to 34 percent of the respondents were employed in manufacturing, followed by 17 percent in construction.

Figure 3. Previous Industry and Occupation of Survey Respondents

Industry	Percent	Occupation	Percent
Agriculture, Forestry	3.3	Management, Business and Financial	6.9
Construction	16.7	Professional and Related	4.4
Manufacturing	33.9	Service	10.8
Wholesale Trade	0.7	Sales and Related	7.8
Retail Trade	5.6	Office and Administrative	
Transportation, Warehousing and Utilities	5.3	Support	10.5
Information	1.8	Farming, Fishing and Forestry	1.6
Finance, Insurance and Real Estate	4.6	Construction and Extraction	12.9
Professional and Business Services	4.7	Installation, Maintenance and Repair	5.1
Accommodation, Entertainment and Food Services	5.3	Production	27.5
Other Services	1.4	Transportation and Material Moving	5.0
Public Administration/Govt	1.4	Other	7.4
Education	2.1		
Healthcare	5.3		
Other	7.9		

Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

- The production occupations represented 27.5 percent of the respondent group; construction and extraction accounted for 12.9 percent.
- Seventy-six percent reported they have been unemployed for 27 weeks or longer.
- Men were more likely than women to be currently unemployed, but women were out of work longer than men.
- Men were more likely to have worked in a for-profit environment (Male 92.5 percent, Female 79.2 percent).
- Eighty-one percent worked for hourly pay.
- Eighty-five percent reported their previous employment was full-time.
- Forty-five percent were employed by companies or organizations of less than 100 people. Thirty-five percent worked for companies that employed 200 or more people.
- Twenty-five percent of respondents were employed 1.5 years or less; 50 percent were employed 4 years or less; 75 percent were employed 10 years or less.
- Eighty-four percent reported that leaving their previous job was a result of a decision made by their former employer.
- Fifty-five percent believed they had no chance of returning to their previous job. Another 19 percent felt that they had a slight chance.

- The most common reason reported for no longer working at the current job (34 percent) was company layoffs, downsizing or consolidation.
- Sixty-three percent felt that they had been treated fairly when they lost their job.
- Two-thirds (67 percent) of respondents did not receive a severance package or other compensation from their prior employer.
- Seventy-five percent of respondents received two weeks or less advance notice of their layoff; more than half received no notice, or less than a one-week notice.

increase in their unemployment rates last year. (Jasper County’s rate remained at 8.0 percent in 2009.) Twenty-seven counties reported an increase of 50.0 percent or more in their 2009 unemployment rate, compared with the 2008 level. Emmet County, which is located along the southern border of Minnesota, reported the largest over-the-year increase in its unemployment rate—90.2 percent.

In general, county unemployment rates for 2009 tended to be much higher in the eastern part of the state, particularly in southeastern Iowa. Lee County, an area that has dealt with chronically high unemployment for years, had the highest jobless rate in the state at 9.6 percent, followed by Allamakee County (9.5 percent) and Hancock County (9.3 percent). Shelby County, located in southwestern Iowa, had the lowest unemployment rate in the state at 3.7 percent, followed by Carroll County (3.9 percent), and Lyon and Sioux counties (4.0 percent).

Local Unemployment Trends

Much of the increase in unemployment in Iowa’s counties was caused by business closings or layoffs in manufacturing. Several counties had unemployment rates that were affected by a combination of internal economic events as well as their residents’ commuting patterns. Individuals who commuted outside of the county for work and lost their jobs were counted as unemployed in the county where they resided, not where they worked.

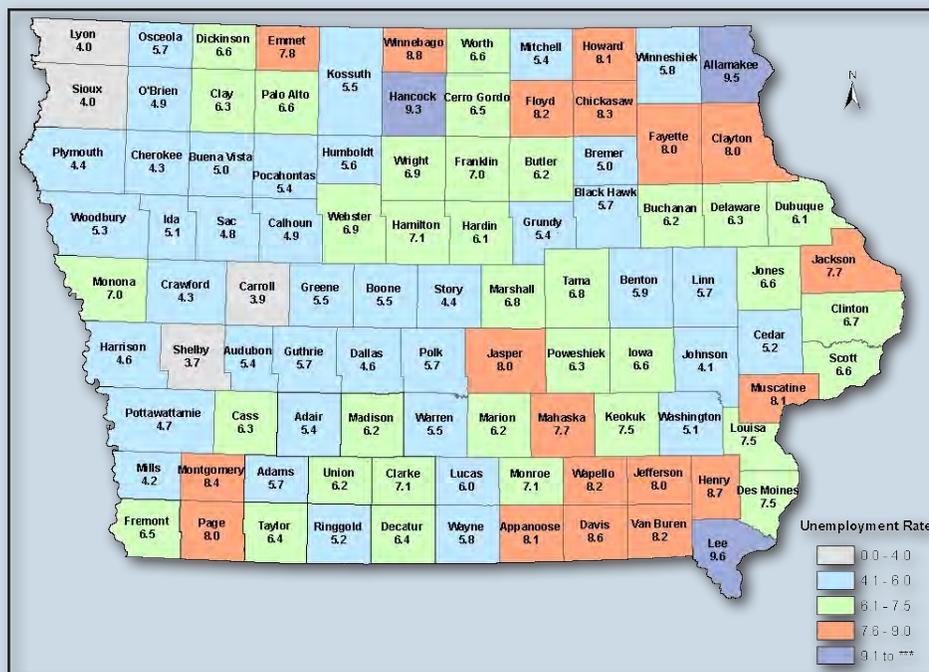
Unemployment conditions in Iowa’s counties greatly deteriorated in 2009 as a result of the recession. Ninety-eight of the state’s ninety-nine counties experienced an

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Figure 4. Iowa Unemployment Rates by County 2009



Total Nonfarm Employment Highlights - 2009

The Year at a Glance

The past year proved to be a tumultuous one for Iowa total nonfarm employment. The National Bureau of Economic Research (NBER) announced in the fourth quarter of 2008 that the recession had officially begun retroactively in December 2007. Following the announcement, total nonfarm employment started its rapid descent. Job losses for Iowa and the U.S. had actually started in August, but the losses did not become substantial until the official announcement from the NBER. Nonetheless, Iowa's annual average nonfarm employment for 2008 still showed growth, albeit small, for the year —up 5,400 compared to 2007.

For 2009, the economic picture was far more bleak. The preliminary 2009 data reflected a loss of 46,200 jobs compared to 2008.

Figure I. Total Nonfarm Employment 2004-2009 (Seasonally Adjusted)

Industry	2004	2005	2006	2007	2008	2009	Change	
							2008-2009	
							Number	Percent
Mining	2.1	2.1	2.2	2.2	2.2	2.2	0.0	1.9
Construction	68.6	71.4	74.4	72.7	72.9	64.8	-8.2	-11.2
Manufacturing	223.3	229.1	231.1	229.6	227.4	203.7	-23.7	-10.4
Durable Goods	136.2	140.9	142.9	141.4	138.4	117.6	-20.8	-15.0
Nondurable Goods	87.1	88.2	88.2	88.2	89.0	86.1	-2.9	-3.2
Trade and Transportation	304.7	306.4	308.7	309.0	309.5	302.0	-7.5	-2.4
Wholesale Trade	66.1	67.4	67.5	67.9	68.7	67.2	-1.5	-2.2
Retail Trade	180.3	180.0	179.9	178.8	178.3	174.8	-3.4	-1.9
Transportation	58.2	59.0	61.3	62.3	62.6	60.0	-2.6	-4.1
Information	33.7	33.0	33.0	33.6	33.0	30.4	-2.5	-7.7
Financial Activities	96.9	98.3	100.6	102.7	102.7	101.8	-0.8	-0.8
Finance and Insurance	82.3	83.6	86.1	88.8	89.4	89.0	-0.3	-0.4
Professional and Business Svcs	108.5	113.2	117.2	121.4	123.1	117.6	-5.5	-4.4
Prof, Scientific and Tech Svcs	37.8	38.4	40.2	41.7	43.0	42.3	-0.7	-1.7
Administrative and Support Svcs	60.5	63.1	64.2	65.8	66.5	62.5	-4.0	-6.0
Education and Health Services	191.5	195.1	199.1	203.3	207.5	211.0	3.5	1.7
Educational Services	32.7	33.1	34.1	35.5	36.5	36.6	0.1	0.3
Health Services	158.8	162.0	165.0	167.8	171.0	174.4	3.3	2.0
Leisure and Hospitality	127.2	130.5	134.2	137.1	135.4	132.4	-3.0	-2.2
Accomm and Food Services	107.5	110.9	113.5	116.3	114.7	112.0	-2.7	-2.4
Other Services	56.4	56.3	56.8	57.7	57.9	57.6	-0.3	-0.5
Government	244.6	245.2	247.1	249.9	252.9	254.7	1.8	0.7
Federal Government	18.2	18.1	18.1	18.3	18.3	18.5	0.2	1.1
State Government	64.0	63.8	64.1	65.3	66.8	66.9	0.0	0.0
Local Government	162.3	163.4	164.8	166.3	167.8	169.3	1.6	0.9
Total Nonfarm	1,457.3	1,480.5	1,504.2	1,519.0	1,524.4	1,478.2	-46.2	-3.0

Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

Slightly over half of the job losses were in manufacturing (-23,700), with durable goods production faring worse than the nondurable goods component. Further analysis revealed that factories specializing in auto parts production or transportation equipment had been hit the hardest, a trend that proved to be consistent across the country. Factories building construction materials had fared no better, as the construction industry dropped significantly compared to 2008 (-8,200), an indication that the U.S. housing market was still in turmoil. Among the service sectors, trade and transportation suffered from slumping retail sales that resulted in a relatively large job loss last year (-7,500). This is hardly surprising, as consumers' disposable income had contracted, causing individuals to become increasingly thrifty. Professional and business services (-5,500) suffered from a decrease in demand, and was the first service sector to lose jobs in the face of the recession. Despite the losses in nonfarm employment, there were still some positive signs in 2009. Education and health services posted a healthy gain (3,500), as demand for these services tend to be more resilient during an economic downturn. In addition, government employment increased by 1,800 jobs, with most of the gains occurring in local government education.

With a few exceptions, most of the employment drops started in August 2008, and had moderated somewhat by July 2009. Whereas 2008 was technically in a recession for the entire year, the severity of the job losses did not show up until the last two months of the year. In contrast, 2009 showed losses for the majority of the year. The months of October and November showed slight increases (+3,900 combined), but the gain was subsequently negated by a hefty drop in December (-12,100). Manufacturing dominated last year's slump, with employment dropping in nine of the twelve months, and accounting for 51.2 percent of all job losses. Led by durable goods losses, manufacturing fell to 198,100 in July. In fact, the month of July could be a potential trough for manufacturing employment. The subsequent increase in August marked an end to 17 consecutive months without job gains in manufacturing, and also helped total nonfarm employment end 12 consecutive months of drops. Nondurable goods production shed only 2,900 jobs (compared to 20,800 for durable goods), and was helped by a steady demand for food products. Construction made up almost 18 percent of all jobs lost compared to 2008, as the housing crisis continued. Excluding an increase in February, construction sectors pared employment for 13 consecutive months. Despite a minor gain of 100, professional and business services reported 14 consecutive months of

job losses. Curiously, information services (which includes newspapers, publishing, broadcasting, and other media firms) had posted the most consecutive months of declines of all the services sectors—22 months without an increase. Yet the combined losses sum to a mere 4,200 during that time. Many of the losses resulted from structural change within the industry, reduced revenue from advertising, and technological advances that require less manpower for those firms still in business.

How Does this Recession Compare to the Last?

Since 1990 the U.S. economy has faced two prior recessions. Both were officially 8 months in duration, which is relatively short compared to national recessions historically, and further evidence that the nation might expect future recessions to be shorter in duration than what could be expected decades ago. The 1990-91 recession showed very little in terms of a contraction for the Iowa economy. By contrast, the 2001 recession was short in duration, but Iowa had already begun to pare jobs when the recession was announced. After the official end date (November 2001), Iowa continued to lose employment and spent the next 19 months navigating through a period referred to as the "jobless recovery."

Figure 2. Iowa Total Nonfarm Employment 1990-2009



Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

Although these losses seemed large at the time, they were minor when compared to the tremendous losses experienced during the current recession. Job losses during the 2001-2003 downturn totaled 37,900. In comparison, the current recession has already posted a decline of 46,200 jobs. Furthermore, the majority of the losses took place in a significantly shorter amount of time, as shown

in Figure 2. Iowa experienced a lengthy expansionary period following the recession that occurred in the early 1990's. During that time, employment gains were substantially higher than those gains Iowa recorded from 2004-2007, meaning the economic "boom" experienced during the 90's was far greater in terms of job gains than the brief expansion Iowa experienced during the 2000's.

Figure 3. Annual Growth in Iowa's Total Nonfarm Employment 1990-2009



Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

How Long Will the Recession Last?

Despite the tremendous declines experienced during 2009, there have been some recent signs of improvement in the economy. With the exception of the deep job loss posted for the state in December (12,100), layoffs appeared to moderate toward the end of 2009 for Iowa and the U.S. The state's total nonfarm held steady through most of 2008, until it began to fall during the fourth quarter of the year. Steep losses carried over into 2009, registering 6,700 and 5,600 for the first two quarters of the year, respectively. Layoffs began to moderate during the second half of 2009, with smaller quarterly losses of 2,200 and 2,700 reported for the third and fourth quarters, respectively. Nationally, total nonfarm employment averaged 753,000 jobs lost in the first quarter of 2009; by the fourth quarter of the year, the figure had been reduced to 90,000 jobs lost. In fact, the revised November number was 64,000 higher than October — the first over-the-month gain since December of 2007. Several

of the closely monitored economic indicators support the theory that both Iowa and the U.S. have transitioned into a recovery. The Midwest also appears to be gaining momentum at a faster pace than the rest of the nation due to a resurgence in the manufacturing sector. The early estimates of total nonfarm employment for 2010 reinforce the idea that some recovery is taking place in Iowa, as year-over-year losses have started to moderate. The emergence of this trend implies that job losses are subsiding, and stabilization is nearby.

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Iowa Women at Work

Women's Presence in the Labor Force Grows

Iowa has its own unique place in history by being the first state to provide women equal access to higher education. Beginning in 1860, the University of Iowa was the first public university in the United States to admit men and women on an equal basis. Since that time, Iowa's women have made enormous strides in gaining equality in the labor force, and in achieving greater representation in the labor force. Based on data for 2009, Iowa had the third highest female labor force participation rate in the nation at 68 percent, and females had reached the point where they comprised close to one-half of the state's labor force.

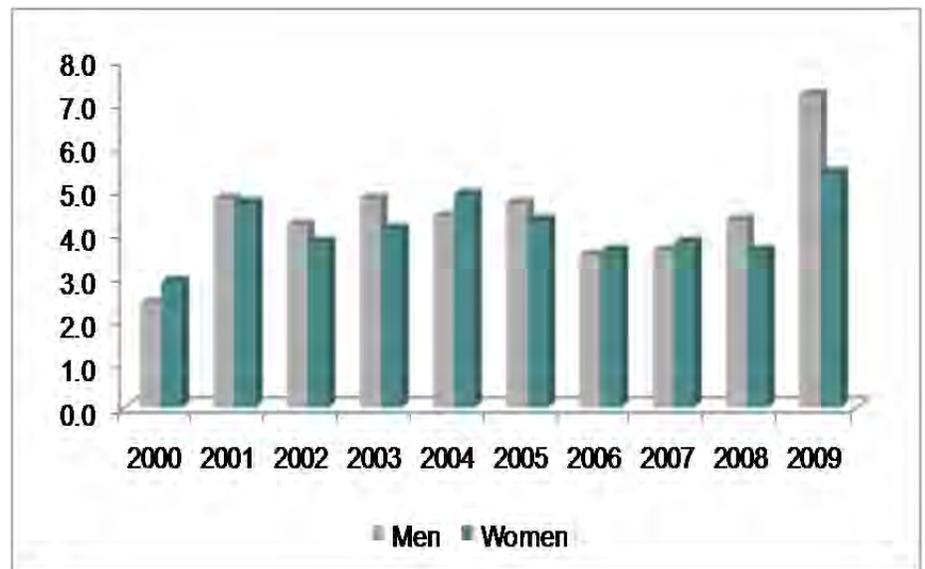
The transformational change caused by the growing presence of women in the labor force is addressed at great length in Maria Shriver's recent report: *A Woman's Nation Changes Everything*. The report points out that women provide a substantial share of the economic support for their families, but businesses, institutions and the social support network are frequently failing women by not doing enough to accommodate this reality. This is all the more vital since there is a growing number of families that rely mainly or solely on the woman's income to survive.

As the effects of the recession continue to linger, an even larger number of women have assumed the role of "breadwinner." In recessions, the percentage of families supported by women tends to rise slightly, and this is expected to be

the case when the final numbers are tallied for 2009. The recession that began in December 2007 hit men particularly hard because they represent the majority in industries like construction and manufacturing, sectors that incurred heavy recession-related layoffs.

Iowa's preliminary unemployment data for 2009 reflected the toll the recession took on men, as they were disproportionately affected by the job losses that occurred across the state. The male unemployment rate rose to 7.2 percent last year compared to a women's rate of 5.4 percent. Manufacturing, which is heavily dominated by males in Iowa (71.6 percent), accounted for an overwhelming share of last year's layoffs. Unemployment rates by gender for the past decade are displayed on the graph below:

**Figure 1. Iowa Unemployment Rates by Gender
2000 - 2009**



Source: Bureau of Labor Statistics, U.S. Department of Labor, Current Population Survey, Annual Averages.

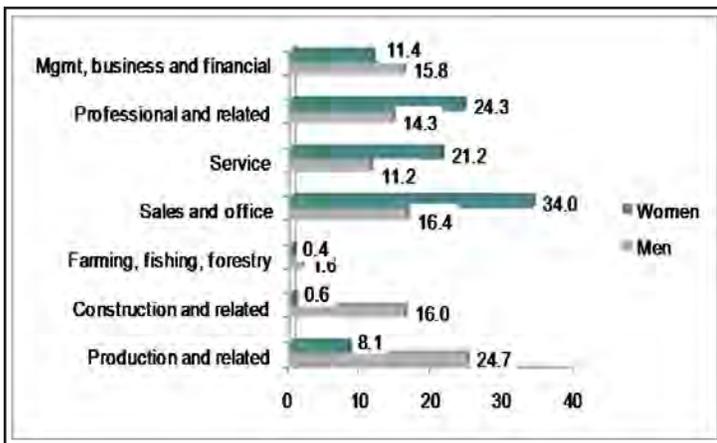
State's Occupational Groups Reflect Gender Segregation

Prior to the early 1960s, newspapers published separate job listings for men and women. It was common for the higher level jobs to be listed almost exclusively under "Help Wanted-Male." When ads for identical jobs appeared in both the male and female listings, they had separate pay scales. Finally, when the Equal Pay Act went into effect on June 11, 1964, it became illegal to pay women lower rates of pay for the same job based solely on the basis of their sex.

Over forty years later, women have come a long way in gaining equality in the workplace. Equal opportunity legislation has made it possible for women to hold almost any job, and to do so without any reprisal from an employer. However, despite the progress that has been made, most of Iowa's occupational groups remain largely segregated along gender lines. While women have entered into professional and managerial careers over the last several decades, they remain noticeably underrepresented in the male-dominated, blue-collar jobs in the construction, manufacturing and transportation industries. However, these nontraditional jobs, which typically offer good wages and benefits, are a way for women to increase their incomes and achieve long-term economic self-sufficiency for themselves and their families.

The graph below shows that over one-third of Iowa's women remain concentrated in the sales and office occupational group, while only 8.1 percent are in production jobs, and less than 1.0 percent are in construction.

Figure 2. Statewide Occupational Employment by Gender (Percent Distribution)



Source: U.S. Bureau of the Census, 2006-2008 American Community Survey 3-Year Estimates.

The Gender Pay Gap

One thing is very clear. The added earnings of women have made all the difference for families and households. There are more women living alone and raising children on their own, and within married-couple families, women's earnings have become more important. Wives' earnings are generally no longer ancillary to the family's budget. Over the past few decades, families who had a working wife were more

likely to be upwardly mobile. Since the late 1970s, the additional earnings of wives has made the difference between falling and slightly rising incomes for families in the bottom 40 percent of the income distribution.

The gender gap has real implications for workers and their families. Even in full-time jobs, women in Iowa currently earn on average 77 cents for each dollar of their male counterparts' income. It comes as no surprise that the single-largest portion of the gender pay gap can be explained by the decisions men and women make in terms of college major, choice of occupation, and work experience. One study found that 95 percent of the gender differential in starting salaries can be explained by differences in college majors, with women continuing to be more likely to major in humanities. Also, some of the wage gap between men and women is attributable to women taking on greater caregiving responsibilities and working fewer hours. Women are more than twice as likely as men to be employed part time. However, despite these factors, a significant percent of the gender pay gap remains unexplained.

In 2009, President Obama signed the Lily Ledbetter Fair Pay Restoration Act, which allows victims of pay discrimination to file a complaint with the government against their employer within 180 days of their last paycheck. This Act is named after a former employee of Goodyear who alleged that she was paid 15 to 40 percent less than her male counterparts, which was later found to be accurate.

Figure 3. Statewide Occupational Employment by Gender (Percent Distribution)

	Both Sexes	Men	Women	Women's Earnings as a Percent of Men's
2008	\$697	\$762	\$503	81.2
2007	668	757	495	77.7
2006	646	612	502	79.1
2005	626	699	568	81.2
2004	610	683	522	76.4
2003	604	593	520	77.9
2002	577	644	502	78.0
2001	564	622	492	79.1
2000	559	621	482	77.6

Source: Bureau of Labor Statistics, U.S. Department of Labor, Current Population Survey.

Closing Remarks

One of the most significant trends over the past forty years has been the increase in the labor force participation rates for women. Iowa, which has a history of high labor force participation for both genders, reported a female labor force participation rate of 68 percent in 2009. This rate was considerably higher than U.S. equivalent of 59.2 percent for women. Based on the strength of these numbers, it has become imperative that the nation reevaluate its workplace policies and social insurance system to address this new economic and social reality. While women currently account for close to half of all workers, and mothers are breadwinners or co-breadwinners in the majority of families, businesses and institutions have been slow to adapt to these changes. There is a growing need to update basic labor standards to include family-friendly employee benefits, and to reform anti-discrimination laws so that employers cannot disproportionately exclude women from workplace benefits.

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Iowa Industry Projections 2008-2018

The 2008-2018 Iowa Industry Projections illustrate projected employment change from a major industry perspective over the next decade. Industry employment projections are presented in terms of numeric change (growth or decline in the total number of jobs), and percent change (the rate of job growth or decline). Employment totals in this section cover wage and salary workers and agriculture, but do not include self-employed or unpaid family workers.

Employment growth for all wage and salary workers and agriculture is projected to add almost 162,400 jobs between the years of 2008-2018, an increase of about 10 percent. Two major industries are expected to account for over 43 percent (70,600 jobs) of the state's job growth—health care and social assistance and professional and business services.

Employment growth in industries is dependent on industry output (the total amount produced) and worker productivity (how much each worker produces). However, labor-saving technologies and methods can increase productivity, limiting employment growth even as output increases. As such, even though agricultural output is projected to increase, employment on farms is projected to decline as advanced methods and machinery reduce the number of workers needed to raise crops and livestock. This is reflected in the natural resources

and mining sector, which is expected to lose 1,700 jobs.

Although manufacturing is still one of the largest industries in Iowa with a 2008 employment level of 227,400; the sector is expected to add only about 3,500 jobs during the 10-year projection period. Manufacturing has lost a large number of jobs in the state due to technological change and intense foreign competition.

Figure 1. Iowa Industry Projections, 2008-2018

Major industry	2008	2018	Growth	Percent Change
Total wage and salary employment	1,622,700	1,785,100	162,400	10.0
Natural resources and mining	103,700	102,000	-1,700	-1.6
Trade, transportation and utilities	318,800	337,350	18,550	5.8
Construction	73,000	85,350	12,350	16.9
Manufacturing	227,400	230,900	3,500	1.5
Information	33,400	36,750	3,350	10.0
Financial activities	102,850	118,400	15,550	15.1
Professional and business services	122,450	153,400	30,950	25.3
Educational services	166,900	185,900	19,000	11.4
Health care and social assistance	192,450	232,100	39,650	20.6
Leisure and hospitality	135,350	148,750	13,400	9.9
Other services	58,900	64,000	5,100	8.7
Government	87,500	90,200	2,700	3.1

Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

In developing the 2008-2018 Iowa Industry Projections, the industries were defined according to the 2007 North American Industry Classification System (NAICS), which is used by the federal government to classify establishments into industry categories. Industries fall into either goods-producing or service providing sectors.

The goods-producing sectors are:

- **Construction.** Examples of establishments in this sector include electrical contracting firms, residential and non-residential building companies, and companies whose primary activity is the construction of entire engineering projects. This industry has experienced only modest growth in the last few years due to the housing crisis. However, the projection for the 2008-2018 period assumes that construction will recover, and add about 12,350 jobs. Most of the increase (9,500, 21%) will occur in the specialty trades.
- **Manufacturing.** Examples include businesses that engage in ethanol production, and plants that manufacture products such as appliances, machinery and plastic components. The sector is expected to add only

3,500 jobs. The areas of the industry that will register gains (200 or more jobs) are: chemical manufacturing (ethanol), machinery, computer and electronics, wood products, transportation equipment, furniture and related products, and miscellaneous manufacturing.

- **Natural Resources and Mining.** Establishments in this sector include farms, forestry, fishing, and mining companies. The main component of this industry is crop and livestock production, which will see a decrease in employment. Support activities for agriculture will add about 700 jobs. Mining employment in Iowa had about 2,100 jobs in 2008, and will show a very small decrease of 50 jobs by 2018.

The service-providing sectors are:

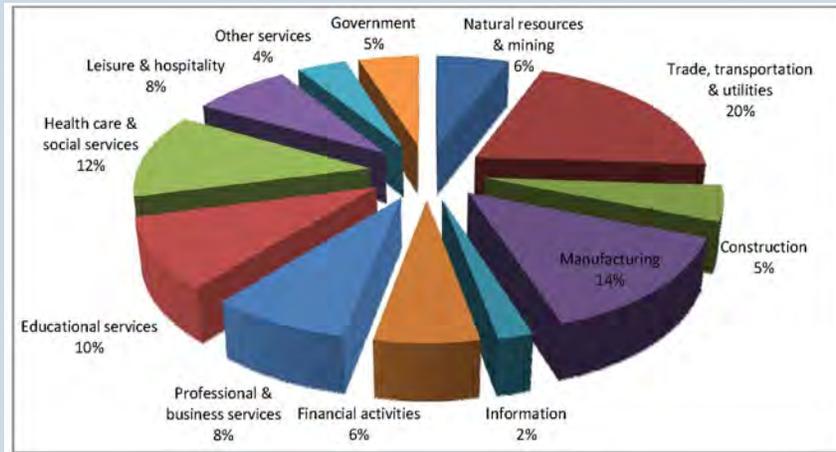
- **Educational services.** This sector includes local, state, and private schools and other providers of education. Education is currently facing some funding issues, but is still expected to add about 19,000 jobs by the projection year.
- **Financial activities.** Included in this sector are finance, insurance, real estate, and rental services businesses. Financial activities and insurance will add about 13,700, or 15 percent. Real estate and rental leasing have also been projected to add about 1,900 jobs.
- **Health care and social assistance.** This sector includes both public and private providers of health care and social assistance. Examples include hospitals, doctors' offices, and assisted living facilities. The industry is expected to see substantial growth due to the aging population. Total growth in this industry will increase by 21 percent, creating 40,000 jobs. Ambulatory health care is expected to add the most jobs at 14,600; while nursing and residential care facilities will grow by 20 percent, adding 10,400 jobs. Social assistance will follow with 7,600 jobs added, while hospitals will increase by 7,100, or 11 percent growth.
- **Information.** This sector includes print, software, and database publishing firms; movie, video, and sound production and distribution establishments; broadcasting and telecommunications providers; and information and data processing providers. The publishing and telecommunications areas of the industry will show decreases in employment (-1,000). The one bright spot in this sector will be the Internet service providers industry, which is projected to add 3,800 jobs, representing an increase of 51 percent over the 2008-2018 projection period.
- **Leisure and hospitality.** Examples include hotels, casinos, restaurants, sports teams, theme parks, performing arts companies, and arcades. This industry is expected to add 13,400 jobs by 2018. Most of these jobs (9,600; growth of 10%) will be in food service and drinking places. Amusement, gaming, and recreational establishments will account for 2,500 jobs. Hotel/motels are also expected to add about 1,000 jobs.
- **Professional and business services.** Examples include temporary help firms, consulting services, and waste management establishments. This industry is expected to grow at a relatively rapid pace over the projection period, expanding by 31,000 jobs, or an increase of 25 percent. Ninety-one percent of this number (28,100 jobs) will be in the professional, scientific, technical services and administrative support services industries.
- **Trade, transportation, and utilities.** Included in this sector are wholesale and retail trade establishments, airports, messenger services, and power plants. Utility companies will continue to automate their procedures, which will eliminate about 500 jobs. The larger gains projected for the sector will occur in truck transportation (6,600, 22%) and warehousing, which will add 2,900 jobs. Wholesale and retail trade will post gains of 1,200 and 8,000 jobs, respectively. The postal service will experience large reductions (-1,100) by the projection year of 2018.
- **Other services.** This sector includes repair and maintenance firms, laundry services, and religious,

civic and professional organizations. These services are expected to expand by 5,000 with most of the jobs coming from religious, grant making and professional organizations, which encompass 3,200 jobs.

- **Government.** This sector consists of government establishments that administer programs and provide for a wide range of services, such as public safety.

Federal, state, and local government (except education and hospitals) are classified here. The federal government is expected to add about 850 jobs during the 10-year projection period. Local government is expected to grow by a slight 3.6 percent, creating about 1,950 jobs. State government will most likely lose jobs (-115) by 2018.

Figure 2. Percent Distribution of Employment by Industry Sector, 2008



Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

Figure 3. Industries Projected to Have the Most New Jobs, 2008-2018



Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

How Iowa Workforce Development is Assisting the Unemployed

Unusually high unemployment in Iowa has created a heightened demand for services to individuals seeking employment and training services. The good news is that Iowa compares favorably against most of the states, as the entire country struggles to recover from one of the deepest recessions in years. Despite the Obama administration's increase of the federal training budget by \$200 million, and an extra infusion of \$4.5 billion designated for training through the 2009 stimulus bill, more funding may be warranted. In fact, President Obama, upon passage of the 2010's Hiring Incentives to Restore Employment (HIRE) Act, which offers employers a 6.2 percent Social Security tax exemption if they hire previously unemployed workers claimed, "While this jobs bill is absolutely necessary, it is by no means enough."

Many Congressional leaders today are contemplating a new national jobs creation bill as a further stimulus. For states like Iowa facing major financial challenges, federal dollars for maintaining and creating new job training and reemployment services are essential. The following discussion highlights some of the programs and services that are available to help dislocated workers and other unemployed individuals get the education and training they need to find stable, higher-paying jobs.

The ways of assisting the job seeker and dislocated worker have changed through the years, and are continuing to change. Initially, a nationwide system

of multiple public employment offices created under the Wagner-Peyser Act of 1933 focused on delivering various labor exchange services such as job search assistance, job referral, and job placement activities. Today, as amended by the Workforce Investment Act (WIA) of 1998, these services and more are located under one roof, in Iowa Workforce Development's (IWD) One-Stop Career Centers. Funded primarily by the U.S. Department of Labor's Employment and Training Administration (ETA), education and training opportunities, career counseling assistance, job search and skill development, job listings, and other employment-related programs and services are being offered to career planners and jobseekers. Beginning with the initial membership process at any one of Iowa's One-Stop Career Centers, IWD facilitators work to place individual job seekers into one or more beneficial services and/or programs.

“ I felt all of the workshops were very helpful and the instructors did a very good job of answering our questions. The mock interview was the best! It was the best part of the three sessions. It was beyond the best for me, actually. I was very satisfied with the help Jane gave me on the résumé. She was very helpful to me. ~ **Linda F., IowaWORKS – Ft. Dodge** ”

Workforce Centers and Integration

Iowa's statewide centers are in the process of transitioning to an integrated delivery system, as described in a 2009 IWD report to the state legislature. That is, individuals seeking employment-related programs and services become acculturated as members in an integration process that directs them into one of three development tracks, depending on their career situation and goals. Helpful assistance from workforce professionals is an integral part of the integration process that informs members of the programs and services that available to them. The old way of having job seekers navigate through a wide range of employment-related options on their own was deemed confusing and inefficient. By integrating programs and services that are already assembled in the workforce system into a professionally-advised logical, functional, and efficient process is integration's central objective.

The process includes three integration stages that are designed to facilitate an efficient flow of services to members. Membership is the first, which basically takes an assessment of an individual's needs and goals. Member input is then used to determine one of three career pathways as options. These pathways, also known as cohorts, are identified as Employment Express (assisting

members to find employment), Career Advancement (providing members with skills development training), and Career Development (offering members core employment skills). The second stage, skills development, identifies through further assessment, the skill sets a member needs to advance in a career, and the services and programs available to obtain them. Recruitment and placement is the final stage, which emphasizes services that are geared toward job searching, matching, and development.

Unemployment Insurance, Job Training and Dislocated Worker Programs

With professional guidance, members, in whatever career pathway selected, are provided with many employment-related options. These options take the form of unemployment insurance benefits, federal job training and dislocated workers programs, and employment service programs. All are administered by the Employment and Training Administration (ETA) in partnership with state workforce agencies. For example, consider unemployment insurance. As determined by state guidelines emanating from Federal law, eligible workers who are unemployed through no fault of their own may seek temporary financial assistance through The Federal-State Unemployment Insurance Program. Eligibility for unemployment insurance, benefit amounts and the length of time benefits are available are determined by the State law under which unemployment insurance claims are established. In the majority of states, benefit funding is based solely on a tax imposed on employers.

Job training and dislocated worker programs abound. For example, public apprenticeship programs were initially established under The National Apprenticeship Act of 1937, which authorized the implementation of a national apprenticeship program. Apprenticeship is basically a concept that combines on-the-job training with classroom training to help workers learn both the practical and theoretical components of a highly skilled occupation. Currently, the Office of Apprenticeship (OA) registers and/or oversees apprenticeship programs and apprentices across the nation (including Iowa) in a wide range of industries such as

construction, manufacturing, transportation, telecommunications, retail trade, health care, the utilities, the military and the public sector. Programs can be sponsored by individual employers, joint employer and labor groups, and/or employer associations. In Iowa, the business and industry-driven Registered Apprenticeship program claims more than 544 programs that impact approximately 2,000 employers and over 5,000 apprentices.

In cases where individuals lose their jobs, or have their work hours significantly reduced as the result of foreign trade, special benefits may be obtained through the Trade Adjustment Assistance (TAA) Program. Established from the Trade Act of 1974, this federal program provides qualified dislocated workers paid training for a new job, job search and relocation financial assistance, income support (called Trade Readjustment Allowances), and other reemployment services. IWD and Workforce Investment Act (WIA) professionals estimate 1,000-1,200 TAA participants in Iowa are enrolled in post-secondary training at any one point in time.

Department Approved Training (DAT) and Extended Training Benefits (TEB) are two additional options for the job seeker or dislocated worker to receive benefits for education and training. Under DAT, IWD-approved individuals may continue to receive their unemployment benefits when attending a qualified school or training program. Though DAT does not pay for tuition and books, it allows individuals the opportunity to receive financial assistance to further their skills development. Upon exhausting all payments on regular and extended unemployment insurance benefits, qualified individuals may consider the TEB program. Established in 2009, TEB is designed to extend unemployment benefits up to 26 additional weeks for qualifying persons seeking further education and training. TEB candidates must meet certain unemployment benefit eligibility and education and training guidelines in being approved. Also, training must be for occupations considered in high demand by IWD and/or high tech under WIA.

UI Profiling and Reemployment Services

The Worker Re-Employment Services (RES) program is a key component of today's One-Stop/Integration process. It is designed to facilitate, through career and skills assessment, any employment-related intensive services needed for members most likely to exhaust their unemployment benefits. (Candidates are profiled and ranked as to their difficulties in returning to work). Working in alignment with IWD's integration approach to service delivery, RES seeks through a wide array of programs and services an expeditious path to member employment. These services may include the many previously mentioned ETA-IWD education and training programs, and other programs that serve special populations like seniors, Native Americans, farm workers, the disabled, youth, and the tragedy-stricken. This program does not set up a whole new set of services. Instead, it helps individuals take advantage of services that are already provided in a community.

IWD (under Wagner-Peyser) provides orientation workshops that feature many intensive employment and reemployment services. Not unlike education and training programs, employment services' goal is to leave participants with the advanced skill sets necessary to gain timely and meaningful employment. Workshops typically focus on job loss, financial management, financial aid, résumé and cover letter development, job search aids, job development and placement assistance, labor market information, interviewing skills, desirable work habits, and so on. Additionally, workforce centers may introduce members to a host of employment-related programs and/or accompanying web sites that are beneficial to the job seeker. These include Iowa Access (serving disabled individuals), Iowa Advantage (serving individuals in career transition), New Iowan Centers (serving individuals new to Iowa), PROMISE JOBS (serving individuals on public assistance), IowaJobs (job bank), and IWIN (labor market information).

To recap, there are many employment-related services and programs available for the job seeker and dislocated worker. Some of these services and programs have evolved

out of economic necessity, as witnessed during the prolonged recession of the past two years. With unemployment at high levels and states experiencing budget shortfalls, the federal government has been called upon to increase funding for more economic and social safety nets. State workforce agencies, like IWD, are dealing with large numbers of unemployed workers with limited staff and resources, and are heavily dependent on ETA funding. States that are able to capitalize on an ample supply of skilled labor have an advantage in attracting some of the more value-added industries, such as advanced manufacturing, and the newer technology-driven businesses and professional services.

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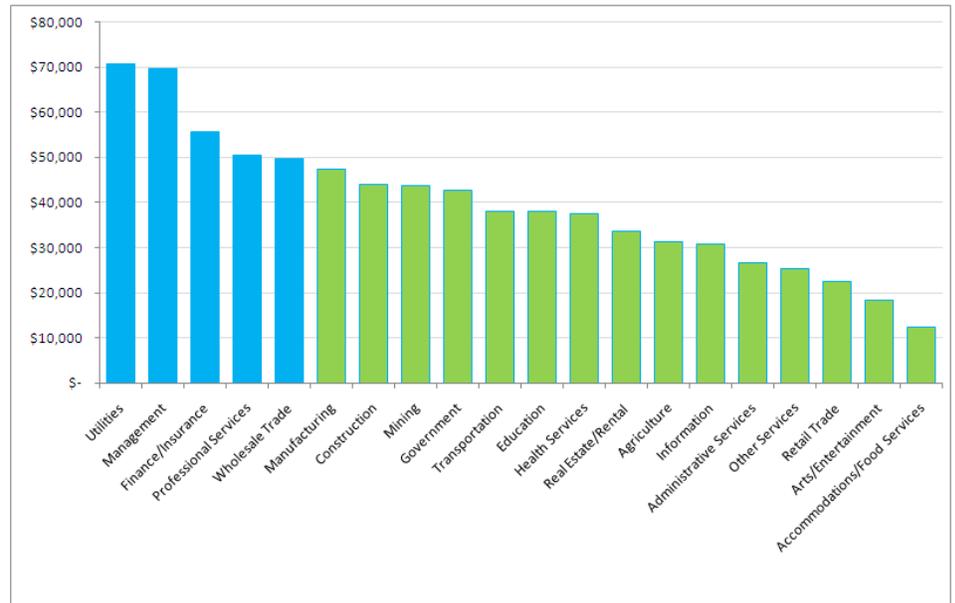
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Iowa's Highest-Paying Industries

What industries provide Iowans with the highest-paying jobs in the state? Iowa's preliminary average annual wage for 2009 is \$37,204 for all industries and ownerships. Although 12 sectors (out of 20) report a higher average sector wage than the statewide wage, five sectors provide a higher wage than the average by at least 30 percent. However, these five industries account for only 15.3 percent of all jobs held in Iowa. The highest-paying industry, Utilities, has an average annual wage of \$70,790; yet, the sector provides jobs for only 8,800 (0.6%) workers. The next highest, Management, has an average of \$69,582 and accounts for 12,798 jobs (0.9%). Filling out the top five are Finance and Insurance (\$55,742), Professional Services (\$50,515) and Wholesale Trade (\$49,790).

Figure I. Average Annual Wage by Industry Sector, 2009*

Source: Labor Market and Workforce Information Division, Iowa Workforce Development.
*preliminary data

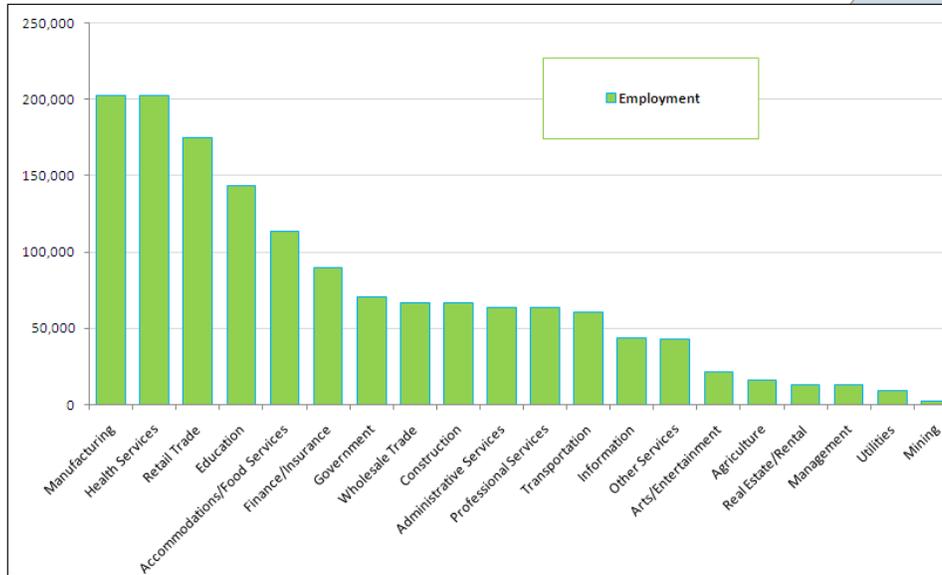
Wide Range of Wages in the Subsectors

As a sector, each of the five top industries has an average wage that is at least 30 percent higher than the statewide average, but there are subsectors listed in each industry that report a wide range of wages. For instance, in the Utilities sector, wages range from \$46,086 (Water, Sewer and Other Systems) with 1,191 employees to \$75,125 (Power Generation and Supply) with 7,049 workers. In the Finance and Insurance sector, wages range from \$29,646 (Funds, Trust and Other Financial Vehicles) with 630 employees to \$111,197 (Monetary Authorities) with only 49 employees. The Professional and Technical Services sector has nine subsectors, ranging in wage from \$24,869 (Other Professional and Technical Services) with 5,689 employees to \$64,634 (Architectural and Engineering Services) with 6,305 workers.

Employment by Industry Sector

None of the highest-paying industries in Iowa are represented within the top industry sectors ranked by employment. Although manufacturing employment ranks at the top by job count, the wages for this industry now rank 6th in Iowa. This industry has been declining in recent years, and now holds first place over Health Services by only 195 jobs.

Figure 2. Covered Employment by Industry Sector, 2009*

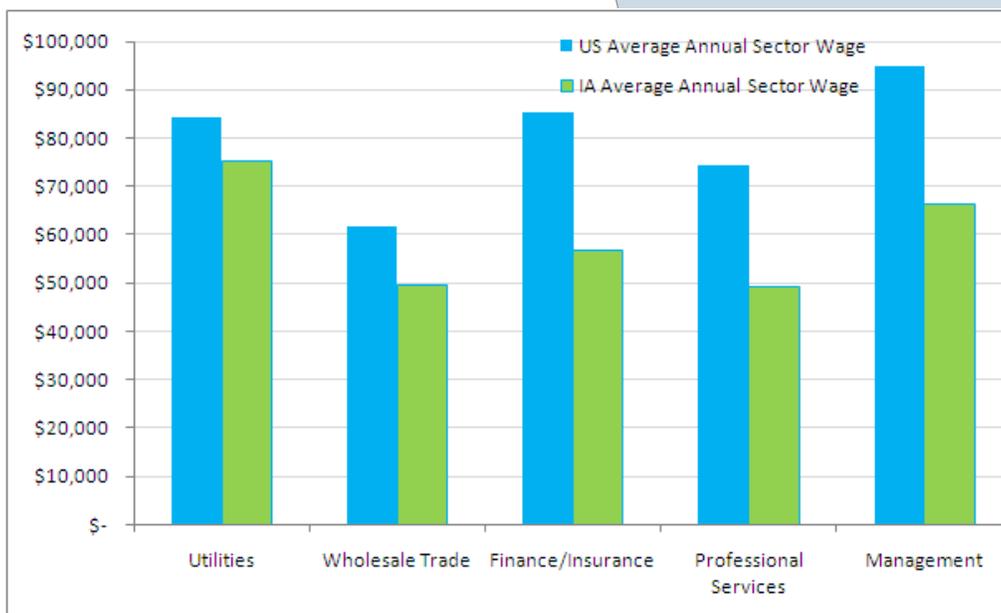


Source: Labor Market and Workforce Information Division, Iowa Workforce Development
*preliminary data

The top five industries by employment in Iowa for 2009 account for 56.6 percent of all covered jobs. The average annual wage for these five industries ranges from \$12,403 (Accommodations and Food Services) to \$47,418 (Manufacturing). However, it is important to note that in the Retail and Accommodations sectors, many of the workers are part-time, which can account for the low wage. Yet, these two sectors employ 19.5 percent of Iowa's workers.

Two of the highest-paying industries, Utilities and Management, only provided jobs for 1.5 percent of Iowa's workers in 2009. Industries like Health Services and Education provided jobs at both ends of the monetary spectrum, which makes it a bit more difficult to assess the actual average. There are many aides employed in both sectors who earn relatively low wages per hour, but there are also physicians and Ph.D.s on the other end that skew the results.

Figure 3. Iowa vs. U.S. Average Annual Wage for Iowa's Highest-Paying Industries, 2008



Source: Labor Market and Workforce Information Division, Iowa Workforce Development

Comparison with the Nation

As a whole, Iowa ranked 31st in covered employment, but placed 42nd in terms of average wage per job for 2008. Manufacturing, Iowa's top industry by employment, was positioned in 4th place in the nation, yet ranked 38th in terms of pay. Even Iowa's highest-paying industries do not compare favorably to the United States as a whole.

The closest that Iowa compares to the national wage is in the Utilities sector. Iowa's wage is only \$8,976 less than the national average (\$84,153). The largest disparity in wage is in the Professional Services sector, which reflects a difference of 33.6 percent. The Finance/Insurance and Management sectors are not far behind with disparities of 33.6 and 30.1 percent, respectively. Average wages in the Finance/Insurance sector rank 29th in the nation.

Summary

Do you need a college degree to get a high-paying job? Not necessarily. While a college education increases an individual's chances of earning more money, it is not always the only option. Workers can follow a variety of paths to a high-paying job, such as apprenticeships, on-the-job training, or obtaining a certificate or an associate degree through a community college or technical school. Many high-paying jobs also require a person to do some ladder climbing within the organization. There are also some industries that start new employees at a much higher salary than other industries. In certain sectors, an entry-level position can start at \$40,000 or higher. The economic environment makes a difference too. When the economy is expanding and prospering, workers can expect to earn higher wages. However, one expectation is not likely to change regardless of the industry or occupation. In today's highly technical and service-oriented market, workers will increasingly be selected on the basis of their skills and how they can be of value to the employer.



Iowa's Occupations and What They Pay

What is OES?

OES stands for Occupational Employment Statistics, a program that conducts a semi-annual mail survey to produce occupational and wage estimates for the United States, District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands for over 800 specific occupations. The OES survey is a Federal-State cooperative program between the Bureau of Labor Statistics (BLS) and State Workforce Agencies (SWAs), which produces an extensive set of occupational wage and employment data. BLS provides technical support and survey materials for the program and draws the sample, while the SWAs collect the data and produce the reports.

Nationally, approximately 200,000 nonfarm establishments are contacted for each panel which is mailed in May and November. Three years are required to complete a full survey of 1.2 million sampled establishments. In comparison, Iowa surveys 3,000 non-farm establishments per panel, for a total of 18,000 for a full survey.

The May 2009 national response rate was based on responses from the most recent six panels, and was 78.2 percent based on establishments, and 74.5 percent based on employment. Iowa's May 2009 response rates were based on one panel, which produced response rates of 78.2 percent for establishments, and 69.8 percent for employment.



What Does OES Produce?

The employment and wage estimates include information on all full-time and part-time wage and salary workers. Surveyed employers are asked about the number of wage and salary workers in detailed occupations, and about the wage distribution for those workers. Data are not collected from self-employed persons, owners and partners in unincorporated firms, household workers, or unpaid family workers. Therefore these groups are not included in the estimates.

The OES data are considered estimates, and can be compared across industries and geographic areas. However, data for the individual years should not be compared due to changes within the classification systems and survey methodology.

Iowa is required by BLS to produce data for the State, nine Metropolitan Statistical Areas (MSAs), and four Balance of State Areas. Iowa's MSAs contain a city with a population of at least 50,000 or more. The Balance of State Areas aggregate data from counties not included within a MSA.

The OES wage and employment information is a valuable resource for a wide array of users such as businesses, counselors, economic developers, educators, job seekers, and students. These individuals can use the information to examine the variation in occupational wages by geographic area and industries. The information can also help identify the industries that employ the skills acquired by recent school graduates and completers of various training programs. School counselors, vocational counselors and workforce staff can use the information as a guide to determine reasonable wage expectations.

Businesses use the data to plan budgets, to make important decisions regarding relocation and expansion plans, and to ensure they are paying competitive wages to their employees. Economic specialists use the information to assist prospective employers with assessing the available labor supply and estimating labor costs.

Data from the OES program are used in BLS programs such as the Employment and Training Administration's development of occupational projections, which provides information on the outlook for specific jobs. OES is also used to establish the employment weights for the Employment Cost Index, occupational rates for the Survey of Occupational Injuries and Illnesses, and in the administration of H1-B visas for the Foreign Labor Certification program.

Iowa's Highest-Paying Occupations

The twenty highest-paying occupations in Iowa are in the areas of medical health care, postsecondary teaching, and management. The largest share, forty percent, can be found in medical health care. Thirty percent are in the management field, fifteen percent in postsecondary teaching, ten percent in computers and mathematics, and five percent in the legal occupations.

Individuals looking to pursue a career in medical health care should keep Iowa in mind. This occupational area pays well in the state, and many people consider the level of pay an important factor when choosing a career.

Figure 1 shows that mean salaries range from \$95,890 to \$230,530 for Iowa's twenty highest-paying occupations. A review of the education/training requirements by occupation (using Iowa's statewide occupational projections) revealed a correlation between a higher salary and a higher education. Sixty-five percent, (13 out of 20), of the highest-paying occupations require a master's degree or higher, and thirty-five percent (7 out of 20), require a bachelor's degree. Individuals who decide to work in these occupations know they will be well compensated. However, they will also be required to have higher levels of education and training in addition to holding a position of responsibility.

Figure 1. Annual Mean Wages of Iowa's Highest Paying Occupations, 2009



Source: Bureau of Labor Statistics, U.S. Department of Labor

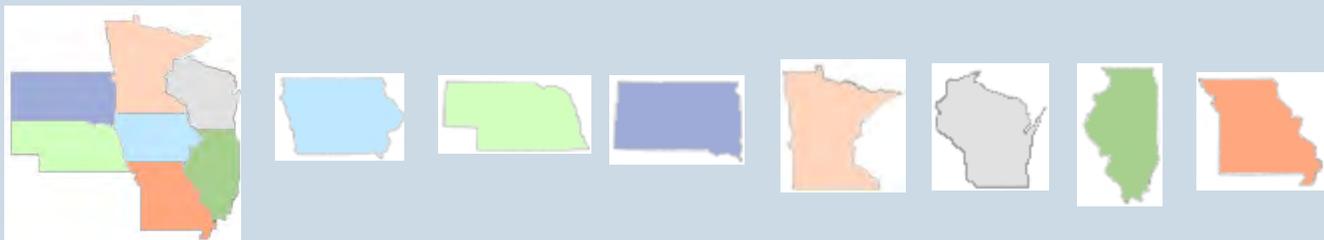
Median Wage by Occupational Group for Iowa and Regional States

Iowa ranked highest in the Farming, Fishing, and Forestry occupations two years ago; however, as of 2009 Illinois surpassed Iowa, Minnesota, and Wisconsin. The 2009 data show that Iowa no longer ranks highest in any occupational group, but remains competitive with Nebraska, South Dakota, Wisconsin, and Missouri. Illinois and Minnesota have the highest median wage in almost all of the major occupational groups. Nebraska had the highest median hourly wage in the Transportation and Material Moving group (\$14.36), and

Wisconsin had the highest wage in the Community and Social Services group (\$19.47). South Dakota had the most low-wage groups, fourteen of the twenty-two. However, Nebraska had low wages in five groups, and Missouri had them in three groups.

A review of the state median wages for all occupations revealed that Minnesota had the highest wage (\$17.14), followed by Illinois (\$16.74), Wisconsin (\$15.56), Missouri (\$14.70), Iowa (\$14.40), Nebraska (\$14.39), and South Dakota (\$13.06).

Figure 2. Median Wages by Occupational Group, Iowa and Regional States (2009)



Major Occupation Groups	Iowa	Nebraska	South Dakota	Minnesota	Wisconsin	Illinois	Missouri
Management	\$36.06	\$36.32	\$34.76	\$44.48	\$39.68	\$42.67	\$38.97
Business and Financial Operations	\$24.32	\$24.68	\$23.00	\$26.54	\$25.38	\$28.36	\$25.08
Computer and Mathematical	\$29.74	\$30.73	\$23.91	\$35.36	\$30.28	\$34.80	\$31.56
Architecture and Engineering	\$29.52	\$27.43	\$25.21	\$30.88	\$28.96	\$32.93	\$30.98
Life Physical and Social Science	\$23.72	\$24.04	\$20.77	\$29.30	\$25.63	\$29.19	\$24.86
Community and Social Services	\$16.34	\$15.27	\$16.50	\$18.05	\$19.47	\$19.06	\$16.81
Legal	\$25.73	\$24.51	\$25.95	\$36.51	\$27.16	\$43.92	\$28.95
Education Training and Library	\$17.76	\$18.97	\$16.60	\$20.36	\$20.94	\$23.91	\$18.28
Arts Design Entertainment Sports and Media	\$14.89	\$16.24	\$14.19	\$20.59	\$17.56	\$19.88	\$17.99
Healthcare Practitioner and Technical	\$22.91	\$23.80	\$22.85	\$30.25	\$27.66	\$27.61	\$23.37
Healthcare Support	\$11.62	\$11.61	\$11.28	\$12.47	\$12.36	\$12.10	\$10.72
Protective Service	\$16.59	\$16.02	\$15.21	\$17.71	\$17.62	\$19.50	\$14.37
Food Preparation and Serving Related	\$8.40	\$8.14	\$8.25	\$9.16	\$8.53	\$8.90	\$8.30
Building and Grounds Cleaning and Maintenance	\$10.37	\$9.71	\$9.82	\$11.70	\$10.91	\$11.04	\$10.06
Personal Care and Service	\$9.25	\$9.04	\$9.70	\$10.99	\$9.86	\$9.96	\$9.12
Sales and Related	\$10.56	\$10.39	\$10.38	\$11.98	\$10.85	\$11.47	\$11.01
Office and Administrative Support	\$13.47	\$13.12	\$12.04	\$15.63	\$14.40	\$15.03	\$13.67
Farming Fishing and Forestry	\$11.73	\$11.22	\$11.65	\$12.09	\$12.11	\$12.69	\$11.20
Construction and Extraction	\$17.79	\$16.16	\$14.60	\$23.69	\$21.62	\$27.80	\$21.21
Installation Maintenance and Repair	\$17.92	\$17.66	\$16.68	\$20.31	\$19.31	\$20.65	\$18.15
Production	\$14.37	\$13.91	\$13.23	\$15.61	\$15.48	\$14.31	\$14.04
Transportation and Material Moving	\$13.83	\$14.36	\$12.14	\$14.31	\$13.99	\$13.46	\$13.37
Average for all occupations	\$14.40	\$14.39	\$13.06	\$17.14	\$15.56	\$16.74	\$14.70

Source: Bureau of Labor Statistics, U.S. Department of Labor

OES Wage Rates by Metropolitan Statistical Area (MSA)

The OES produces detailed occupational wage and employment information, but also allows for providing the data by twenty-two major occupational groups. The table below displays the data in this format for the nation, state, and Iowa's Metropolitan Statistical Areas (MSAs). The mean wage rate from the May 2009 OES survey is used to compare the areas.

Figure 3. Mean Wage Rates for Iowa's MSA's

MAJOR OCCUPATIONAL GROUP	AMES MSA	CEDAR RAPIDS MSA	DAVENPORT MOLINE ROCK ISLAND MSA	DES MOINES WEST DES MOINES MSA	DUBUQUE MSA	IOWA CITY MSA	OMAHA COUNCIL BLUFFS MSA	SIoux CITY MSA	WATERLOO CEDAR FALLS MSA	IOWA STATE-WIDE	NATIONAL (U.S.)
Management	\$43.99	\$46.17	\$41.41	\$44.50	\$39.35	\$41.26	\$45.97	\$38.63	\$40.51	\$36.06	\$49.47
Business and Financial Operations	\$26.76	\$26.39	\$30.81	\$28.02	\$25.41	\$25.03	\$28.20	\$27.35	\$25.35	\$24.32	\$31.68
Computer and Mathematical Science	\$27.00	\$33.10	\$31.89	\$32.64	\$26.32	\$28.28	\$33.44	\$26.90	\$27.24	\$29.74	\$36.68
Architecture and Engineering	\$30.48	\$31.06	\$33.18	\$30.38	\$33.02	\$29.42	\$30.82	\$28.49	\$34.51	\$29.52	\$35.38
Life, Physical and Social Science	\$26.79	\$27.40	\$27.48	\$27.34	\$22.86	\$24.73	\$28.78	\$24.99	\$23.56	\$23.72	\$31.57
Community and Social Services	\$17.20	\$16.56	\$19.02	\$18.87	\$16.12	\$18.85	\$17.66	\$17.88	\$16.11	\$16.34	\$20.55
Legal	\$28.92	\$30.89	\$37.24	\$43.57	\$38.86	\$26.44	\$35.42	\$34.62	\$27.91	\$25.73	\$46.07
Education, Training and Library	\$30.60	\$19.11	\$21.89	\$20.74	\$17.92	\$35.25	\$19.62	\$18.02	\$19.84	\$17.76	\$23.81
Arts, Design, Entertainment, Sports and Media	\$21.62	\$17.62	\$17.08	\$21.78	\$17.19	\$20.29	\$19.68	\$14.10	\$17.78	\$14.89	\$24.87
Healthcare Practitioner and Technical	\$27.85	\$28.62	\$28.69	\$29.90	\$31.14	\$30.13	\$30.50	\$28.80	\$27.89	\$22.91	\$33.51
Healthcare Support	\$13.44	\$12.87	\$12.03	\$13.09	\$11.94	\$13.67	\$13.18	\$11.77	\$12.53	\$11.62	\$12.84
Protective Service	\$10.99	\$12.04	\$12.46	\$13.10	\$13.55	\$15.86	\$18.04	\$12.91	\$14.61	\$16.59	\$20.07
Food Preparation and Serving Related	\$9.77	\$9.53	\$9.34	\$9.68	\$9.28	\$9.60	\$9.46	\$8.98	\$8.82	\$8.40	\$10.04
Building and Grounds Cleaning and Maintenance	\$12.31	\$11.29	\$11.34	\$11.64	\$11.36	\$12.76	\$11.04	\$10.87	\$11.41	\$10.37	\$12.00
Personal Care and Service	n/a	\$10.20	\$10.59	\$11.94	\$10.41	\$11.34	\$11.20	\$10.49	\$10.43	\$9.25	\$11.87
Sales and Related	\$14.10	\$17.44	\$15.43	\$18.17	\$15.04	\$14.21	\$16.90	\$14.26	\$15.17	\$10.56	\$17.32
Office and Administrative Support	\$15.57	\$14.92	\$14.20	\$15.88	\$13.67	\$15.60	\$14.88	\$13.49	\$14.12	\$13.47	\$15.86
Farming, Fishing and Forestry	\$15.87	\$14.65	\$13.98	\$13.56	n/a	\$11.41	\$12.58	\$12.28	\$14.73	\$11.73	\$11.53
Construction and Extraction	\$19.21	\$20.41	\$21.89	\$20.15	\$17.72	\$19.99	\$20.28	\$17.89	\$17.98	\$17.79	\$20.84
Installation, Maintenance and Repair	\$19.23	\$20.66	\$19.30	\$20.30	\$17.38	\$18.29	\$19.08	\$18.22	\$18.17	\$17.92	\$20.30
Production	\$16.28	\$18.49	\$15.05	\$16.02	\$15.33	\$14.85	\$14.99	\$13.63	\$15.80	\$14.37	\$16.01
Transportation and Material Moving	\$14.05	\$16.36	\$15.21	\$15.39	\$14.68	\$15.91	\$16.48	\$14.37	\$14.32	\$13.83	\$15.41
All Occupations	\$19.56	\$19.74	\$18.61	\$20.25	\$17.10	\$19.42	\$19.23	\$16.10	\$17.29	\$14.40	\$20.90

Source: Bureau of Labor Statistics, U.S. Department of Labor

Analysis of the OES Major Occupational Groups by MSA

The major occupational groups with the highest pay are: Management (\$36.06), Computer and Mathematical Science (\$29.74), Architecture and Engineering (\$29.52), Legal (\$25.73), and Business and Financial Operations (\$24.32).

The lowest-paying groups are: Food Preparation and Serving Related (\$8.40), Personal Care and Service (\$9.25), Building and Grounds Cleaning and Maintenance (\$10.37),

Sales and Related (\$10.56), and Healthcare Support (\$11.62).

The highest wage for any occupational group was found in Management for the Cedar Rapids MSA (\$46.17). The Management occupations displayed the highest wages in all nine of the MSA's.

The Education, Training and Library group has two MSA's with noticeably higher mean wages: Ames (\$30.60), and Iowa City (\$35.25). It is likely that the higher wages

are a reflection of earnings paid to employees by the large universities located within the MSA's, Iowa State University and the University of Iowa, respectively.

The low wages were consistently found within the same groups across the MSA's. Healthcare Support wages ranked either 18th or 19th in all MSA's, and Food Preparation and Serving Related ranked last among the twenty-two groups.

The highest overall wages were found in the Des Moines-West Des Moines MSA (\$20.25), and Cedar Rapids MSA (\$19.74). The lowest overall wages were found in Sioux City (\$16.10) and Dubuque (\$17.10).

Where Can I Find the OES Estimates?

The Occupational employment and wage estimates for Iowa can be viewed by going to: <http://iwin.iwd.state.ia.us/iowa/> and selecting, "Wages and Income." National data for OES can be found at: http://www.bls.gov/oes/current/oes_nat.htm and information for States, District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands can be found at: <http://www.bls.gov/oes/current/oesrcst.htm>

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Building Iowa's Child Care Workforce

for the 21st Century

In the year 2000, the Iowa Early Care and Education Professional Development project produced a report that provided baseline information on the education, benefits, and wage levels of Iowa's Early Care and Education Workforce. Iowa Workforce Development (IWD) was commissioned by the Iowa Department of Education in the fall of 2009 to create a follow-up study that would provide wage and compensation data on Iowa's early child care workers.

IWD contracted with the Department of Statistics at Iowa State University to collaborate on various aspects of the study including sampling, survey tool development, and analysis. During the process, two survey tools were developed, one for child care centers and another for both registered and unregistered family child care providers.

The definition of the three groups who were selected to participate in the survey are as follows:

- Child care centers provide child day care for seven or more children, except when registered as a child development home. This includes child care centers, preschools, and Head Start agencies licensed by the Iowa Department of Human Services.



- Registered family child care providers are a person or program registered with the Iowa Department of Human Services that may provide child care to six or more children at any one time in a single-family residence.
- Non-registered family child care providers are a person or program eligible to receive Child Care Assistance for the provision of child care for five or fewer children at any one time, that is not registered with the Iowa Department of Human Services.

The sampling pool was obtained from the Iowa Department of Human Services database of approximately 1,549 child care centers, 6,691 registered family child care providers, and 5,961 unregistered family child care providers. A stratified sampling of the three groups was conducted, and surveys were mailed to 156 child care centers, 1,168 registered homes, and 876 unregistered family child care providers.

Responses were obtained from 73 child care centers (47% response rate), 390 registered child care providers (33% response rate) and 131 unregistered family child care providers (15% response rate). It was also determined that 167 surveys were not deliverable due to a change of address, and lack of forwarding information.

While the actual results of the survey were provided for all three groups, for the purpose of this article discussion will be based on the two main groups — child care centers and family child care providers.

The demographics of the survey respondents found that:

- Early child workers were predominately white and female.
- Most family child care providers were between thirty-one to fifty years of age, and were married or living with a partner.
- A high proportion of the family child care providers had access to a computer and the internet in their homes.

Education: Research confirms that caregivers with higher educational levels offer higher-quality early educational programs with more positive child outcomes. This is particularly true when caregiver education is in child development and early childhood education.

- The survey results showed that a large number of workers in early child care had acquired postsecondary education. Sixty percent of the family child care providers had at least some college or above, and only five percent reported that they had not completed high school.

- Among staff in child care centers, ninety percent of the directors, seventy-six percent of the teachers and sixty-one percent of assistant teachers had some college or above. A high school diploma or equivalent was held by ten percent of the directors, less than one percent of the teachers, and five percent of the assistant teachers.

Training: Caregivers who have completed results-based training provide higher-quality training than caregivers who have not. Caregivers also need regular in-service training to stay current with best care and education practices and to comply with state regulations.

- Eighty percent of the family child care providers received ten hours or more of training. In the last 12 months, seventy-two percent of the family child care providers received an average of eighteen hours of in-service or professional development training related to child care.
- The largest barriers to training for family child care providers were inconvenient time followed by distance/location. The two major reasons given for not attending training were that it did not increase their earnings, and it was difficult to locate appropriate training.
- Over ninety percent of child care center directors completed ten or more hours of in-service or professional development training in the last twelve months, and felt that child care related training had a positive effect on the quality of care provided by staff.
- In the last twelve months, seventy-three percent of teachers and seventy-one percent of assistant teachers completed ten or more hours of professional development.
- The largest barrier to training for family child care providers, directors, teachers, and assistant teachers was inconvenient time. Distance/location was the second major cause for family child care providers and directors. However, teachers and assistant teachers believed cost to be the second barrier.

Gross Incomes and Benefits: Individuals who receive adequate wages are more likely to remain in the early care and education field. Benefits such as health insurance, retirement savings, and vacation pay are also critical to maintaining a quality child care workforce.

- The reported median annual income was lowest for assistant teachers \$17,680, followed by family child care providers \$19,760 and teachers \$20,720. (The income question was not included in the survey for directors.)
- Family child care providers bear a sizeable business cost which impacts their income. When expenses were taken into consideration, the median annual income for family care providers was reduced to \$16,560.
- Benefits were limited for family child care providers through their own employment. The most common benefit was insurance. Thirty-seven percent received private life insurance; thirty-three received health insurance; and twenty-four percent received dental insurance. While the presence of insurance existed, it is important to note that thirty-six percent had no life insurance; twenty-two percent had no health insurance; and forty-four percent had no dental insurance.
- Child care centers offered both health and dental insurance for staff. The most common form of insurance was a policy in which the employer contributed a partial payment. Health insurance was offered to forty-nine percent of the directors, fifty-four percent of the teachers, and thirty-two percent of the assistant teachers. Dental insurance was offered to thirty-eight percent of the directors, forty-five percent of the teachers, and twenty-nine percent of the assistance teachers. No health insurance coverage was available for forty-six percent of the directors, forty percent of the teachers, and sixty-six percent of the assistant teachers. The lack of dental coverage was broader, in that no coverage was available for sixty-one percent of the directors, fifty-four percent of the teachers, and seventy-two percent of the assistant teachers.

- It was rare that family child care providers received sick days (17 percent), or vacation (27 percent). However, a child being absent did not necessarily result in a loss of income. Fifty-five percent received pay if the child was ill and did not attend, and thirty-seven percent received pay if the child was on vacation.
- Child care center staff were more likely to receive sick days and vacation days. Seventy percent of the directors, sixty-seven percent of the teachers, and forty-six percent of the assistant teachers received sick days. Vacation days were provided to seventy-six percent of the directors, eighty-one percent of the teachers, and fifty-one percent of the assistant teachers.
- The vast majority (seventy-nine percent) of family child care providers contributed to a retirement/savings plan in the last twelve months.
- A retirement/saving plans was offered to fifty-three percent of the directors, forty-six percent of the teachers and thirty-three percent of the assistant teachers.

Findings and Conclusions

The results of the 2009 study mirrored the recommendations of the earlier report which were to:

- increase the financial incentives for the Early Care and Education workforce,
- increase access to health insurance and retirement planning for the Early Care and Education workforce,
- expand the availability of business practices training for child care center administrators and similar training and technical support for family child care practitioners, and
- create a public awareness of the value of the Early Care and Education workforce so that it becomes a highly respected and important profession.

The results also lead to the following further recommendations:

- expand the child care labor force by actively recruiting growing segments of Iowa's population, and by developing partnerships with two-year and four-year academic institutions.
- provide regular follow-up studies of Iowa's child care workforce to achieve a better understanding of how educational attainment and training can enhance incomes, benefits, and retention.

Sustainable and effective child care in Iowa requires the commitment of adequate public and private resources to invest in Iowa's future that is embodied in its children. Iowa needs an Early Care and Education workforce that is appropriately educated and compensated. This will enable them to provide quality child care in an educational environment that will help them succeed.

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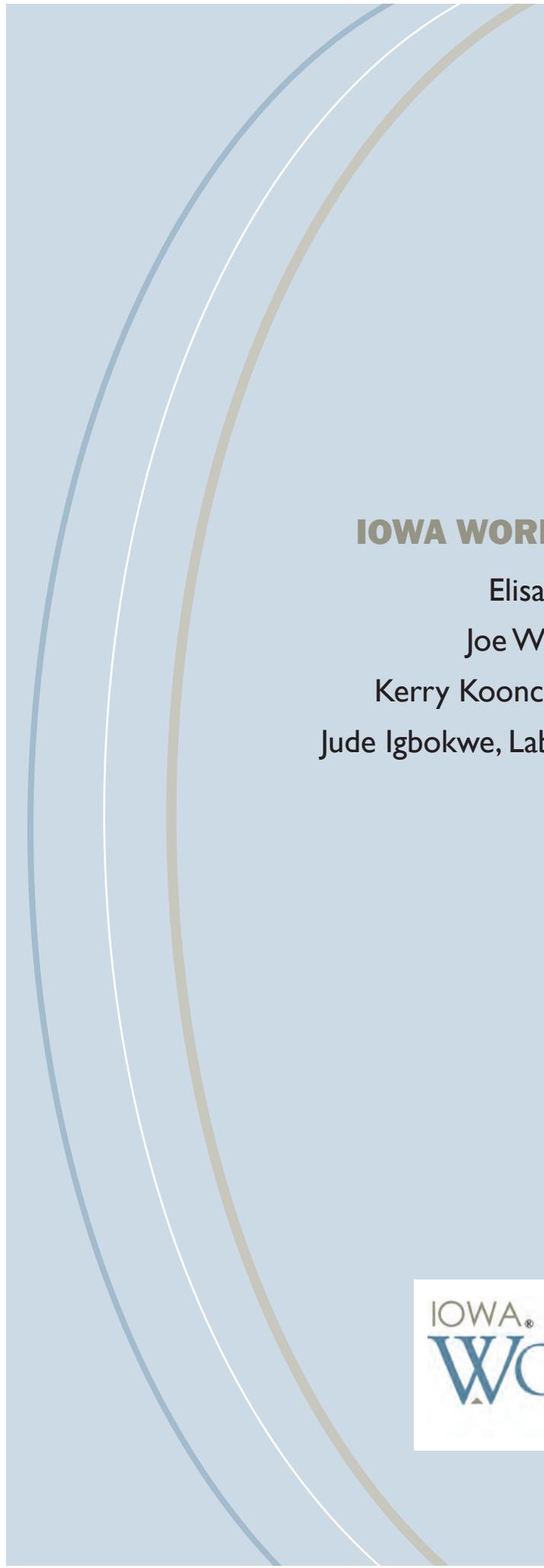
ACKNOWLEDGEMENTS

Edited by: Donna Burkett, Kerry Koonce and Ann Wagner

Design and Layout: Kathryn Hommer

Mapping by: Wendy Gerrish

Funding for publication provided by:
Employment and Training Administration
U.S. Department of Labor



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