

STATE OF IOWA WORKNET WORKFORCE DEVELOPMENT

THIRD QUARTER 2011

Recovery Still on Track in Third Quarter

A growing number of economic indicators suggest that the recovery may be shifting into a higher gear. Most encouraging is recent evidence of strong retail spending at both the national and state levels. Inflation has also showed signs of easing, and Iowa's prosperous agricultural economy and generally healthy manufacturing sector are managing to keep the statewide recovery on track. As third quarter drew to a close, fears of a double-dip recession had receded.

Statistics on Iowa's Unemployment Insurance (UI) activity also showed steady improvement from one year ago. The number of weeks compensated dropped 20 percent from September 2010 to September 2011, and the average duration for receiving benefits declined from 15.7 weeks to 14.3 weeks on a year-over-year basis. The volume of layoffs has also dropped over the year, particularly in manufacturing.

Iowa's unemployment situation has improved slightly from third quarter 2010, but not enough to make a big difference in the number of persons unemployed in the state. Iowa's pool of unemployed persons has been above 100,000 since December 2009, while the state's unemployment rate averaged 6.1 percent for third quarter compared to 6.2 percent for the same quarter one year ago. Companies are still not confident that demand has picked up enough to justify a resurgence in strong hiring.

Given the considerable slack in the labor market, wage increases continue to be restrained. Average weekly earnings in Iowa's private sector declined 1.4 percent from September 2010 to September 2011. During the recovery, wages have grown slowly because employers are filling many positions with part-time workers, while continuing high unemployment has caused a surplus of labor in many fields. Even workers who are receiving moderate wage increases are not keeping up with inflation. The consumer price index was up 3.9 percent in September from a year ago.

Everything is in place for the opening of the Ottumwa Job Corps Center, which is expected to begin operating education and vocational training programs by the end of October. Construction on the new Job Corps campus began in the fall of 2009, and was completed in January 2011. The new center is expected to have 125 staff and 300 students when it is fully operational. The center's mission will be to educate and provide vocational training for economically disadvantaged youth ages 16-24.

Job Outlook

The Iowa economy continues to add jobs, but not at a pace that signals a solid recovery. The economic recovery is expected to pick up momentum in 2012, and should be on firmer ground by the second half of the year. A full economic recovery is most likely still a couple years away. Unemployment will have to drop substantially to strengthen business and consumer confidence, which will ultimately spur hiring.

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IOWA
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DEVELOPMENT
Smart Results.

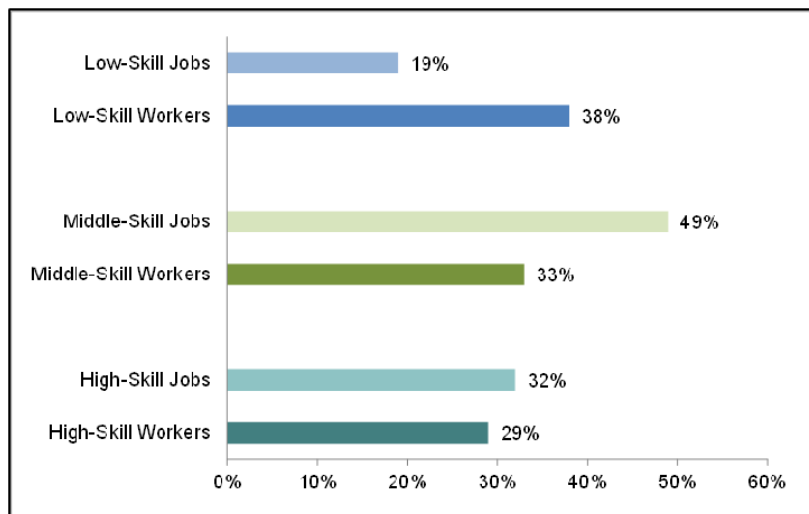
The Role of Middle-Skill Workers in the Iowa Economy



While the economic downturn of the past four years has taken a heavy toll on the state's middle-skill jobs, these occupations will be in demand as job growth picks up. Middle-skill jobs continue to represent close to half of Iowa's employment, and encompass a wide range of occupations from construction supervisors and machinists to dental hygienists and paralegals. These jobs require more than a high school diploma, but not a four-year degree. Specifically, individuals who fill these jobs should have an Associate's Degree, a certificate of some type, or an apprenticeship. Middle skill education and training programs can be obtained from employers, community colleges, apprenticeship programs, nonprofit community-based training organizations and private career schools.

Middle-skill job opportunities can be found in all of Iowa's industries from construction and manufacturing to finance and professional and business services. In Iowa, they account for 49 percent of the jobs in the labor market, and many of them offer high pay with benefits. The demand for middle-skill workers is expected to remain strong despite reports that the middle of the job distribution has been "hollowed out" due to structural change in the economy and the offshoring of jobs. In fact, the majority of "green jobs" that have been identified are traditional occupations that require middle skills. The graph below shows the distribution of Iowa's jobs and workers by skill level:

Figure 1. Iowa's Jobs and Workers by Skill Level – 2009



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

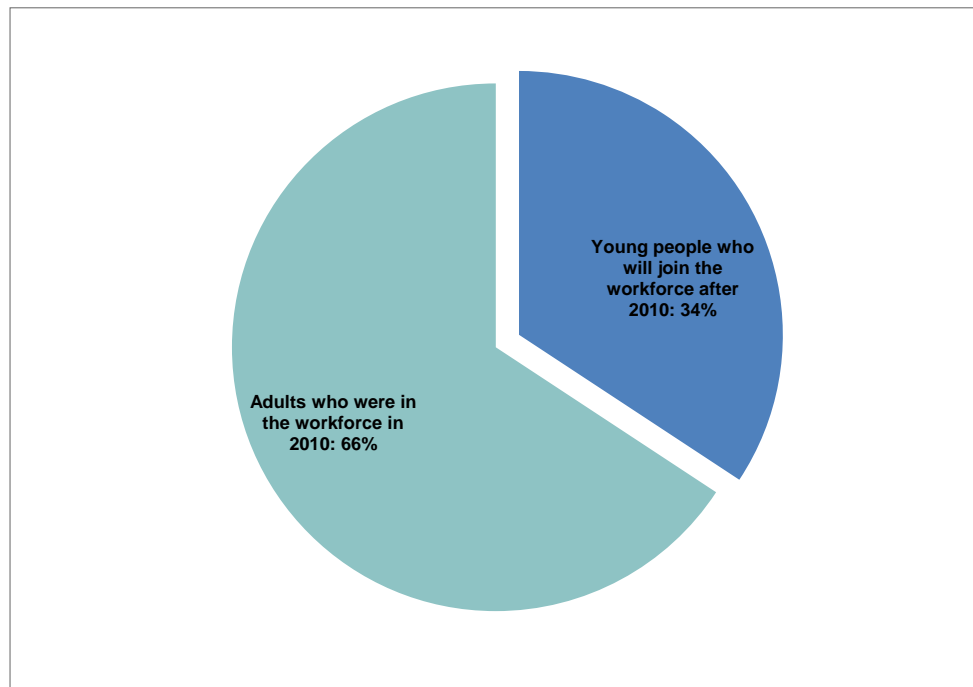
The Role of Middle-Skill Workers in the Iowa Economy

Figure 1 shows why many employers have been unable to find qualified workers for their jobs despite persistently high unemployment in the Iowa economy. While middle-skill jobs account for 49 percent of the jobs in the statewide labor market, only 33 percent of all workers have the necessary skills to fill these jobs. On the other hand, there is not a sufficient number of low-skill jobs for the high number of low-skill workers in the economy. The high-skill jobs category shows the least disparity between supply and demand. High-skill jobs account for 32 percent of all jobs, while high-skill workers represent 29 percent of the state's labor supply.

Jobs in the middle-skill and high-skill categories will become increasingly difficult to fill because of demographic changes, the changing economy, and divergent skill distributions. Iowa's labor force is expected to grow more slowly at the same time that baby boomers will be retiring. This generation of workers is currently 48 to 66 years old, and accounts for about 40 percent of the labor force. In addition, a number of national surveys are showing that a substantial portion of the working-age population does not demonstrate a sufficient level of literacy and numeracy skills to fully participate in the current work environment.

Figure 2 below shows that Iowa cannot address its middle-skill challenges by focusing its education and training resources solely on the next generation of workers coming out of high school. About two-thirds of the people who will be in the state's labor force in the year 2025 were already working adults in 2010—long past the traditional high school-to-college pipeline.

Figure 2. Iowa's 2025 Workforce



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

The Role of Middle-Skill Workers in the Iowa Economy

The Iowa economy has undergone significant changes over the past couple of decades. Several factors have led to change, including industrial and corporate restructuring, less unionization, rapid technological change, and globalization. An important consequence of technological change and globalization is increasing economic returns associated with higher levels of education and skills. These factors have widened the gap between workers who have higher levels of skills and education and those who lack them. Over the past twenty years, the number of high-paying jobs for low-skill workers has decreased substantially.

The manufacturing industry is just one very visible example of how technology and globalization have transformed the way in which work is performed. The changes in manufacturing processes has created a need for highly skilled workers, and the elimination of thousands of low-skill assembly line positions. Advances in computers and robotics enable machines to perform many routine tasks that once required human labor. Modern manufacturing plants also have state-of-the-art inventory systems that can supply needed parts “just in time” for assembly. They have developed computer links to their suppliers and customers. Their suppliers follow progress on the production line via computer, and can arrange to ship parts and materials to the right place at the right time, minimizing inventories and downtime.

The vertical percentage distributions displayed on Figure 3 show how Iowa’s major industry sectors have changed in their proportions to total nonfarm employment since 1990. As an example, manufacturing accounted for 17.8 percent of nonfarm employment in 1990. By 2010, the sector’s proportion had dropped to 13.6 percent. However, once the recovery strengthens in the state, the sector is expected to increase its proportion to about 15.0 percent. On the other hand, several service-providing sectors have significantly increased their proportions. These sectors include finance, professional and business services, and education and health services.

Figure 3. Iowa’s Employment Trends by Industry, 1990-2010

Industry	1990	2000	2010
Total Nonfarm Employment	1,226,600	1,478,500	1,469,000
Natural Resources	0.2	0.1	0.1
Construction	3.7	4.3	4.2
Manufacturing	17.8	17.0	13.6
Trade and Transportation	22.0	21.4	20.4
Information	2.4	2.7	1.9
Financial Activities	5.7	6.1	6.9
Professional and Business Services	5.6	7.3	8.3
Educational and Health Services	12.0	12.3	14.5
Leisure and Hospitality	8.3	8.5	8.8
Other Services	4.5	3.8	3.9
Government	17.9	16.5	17.3

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

U.S. EMPLOYMENT SITUATION

Labor Force Data (Seasonally Adjusted)

	July-11	Aug-11	Sept-11	Sept-10
Civilian Labor Force	153,421,000	153,693,000	153,421,000	153,684,000
Employed	139,674,000	139,779,000	139,334,000	139,092,000
Unemployed	13,747,000	13,914,000	14,087,000	14,593,000
Unemployment Rate	9.0%	9.1%	9.2%	9.5%

Historical Labor Force Series

	2006	2007	2008	2009	2010
Civilian Labor Force	151,428,000	153,124,000	154,287,000	154,142,000	153,889,000
Employed	144,427,000	146,047,000	145,362,000	139,877,000	139,064,000
Unemployed	7,001,000	7,078,000	8,924,000	14,265,000	14,825,000
Unemployment Rate	4.6%	4.6%	5.8%	9.3%	9.6%

Consumer Price Indexes (All Items)*

	US City Average	Sept-11	Aug-11	Sept-10	Chg Sept 2010 to Sept 2011
CPI-U	1967 = 100	679.658	678.628	654.346	3.9%
	1982-84 = 100	226.889	226.545	218.439	
CPI-W	1967 = 100	666.299	665.221	638.353	4.4%
	1982-84 = 100	223.688	223.326	214.306	

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

*The Consumer Price Index for All Urban Consumers (CPI-U) extends coverage to such groups as salaried workers, the self-employed, retirees, and the unemployed. The index covers approximately 80 percent of the total noninstitutional civilian population of the United States. The CPI for Urban Wage Earners and Clerical Workers (CPI-W) represents about one-half of the population covered by the CPI for All Urban Consumers.

IOWA EMPLOYMENT SITUATION

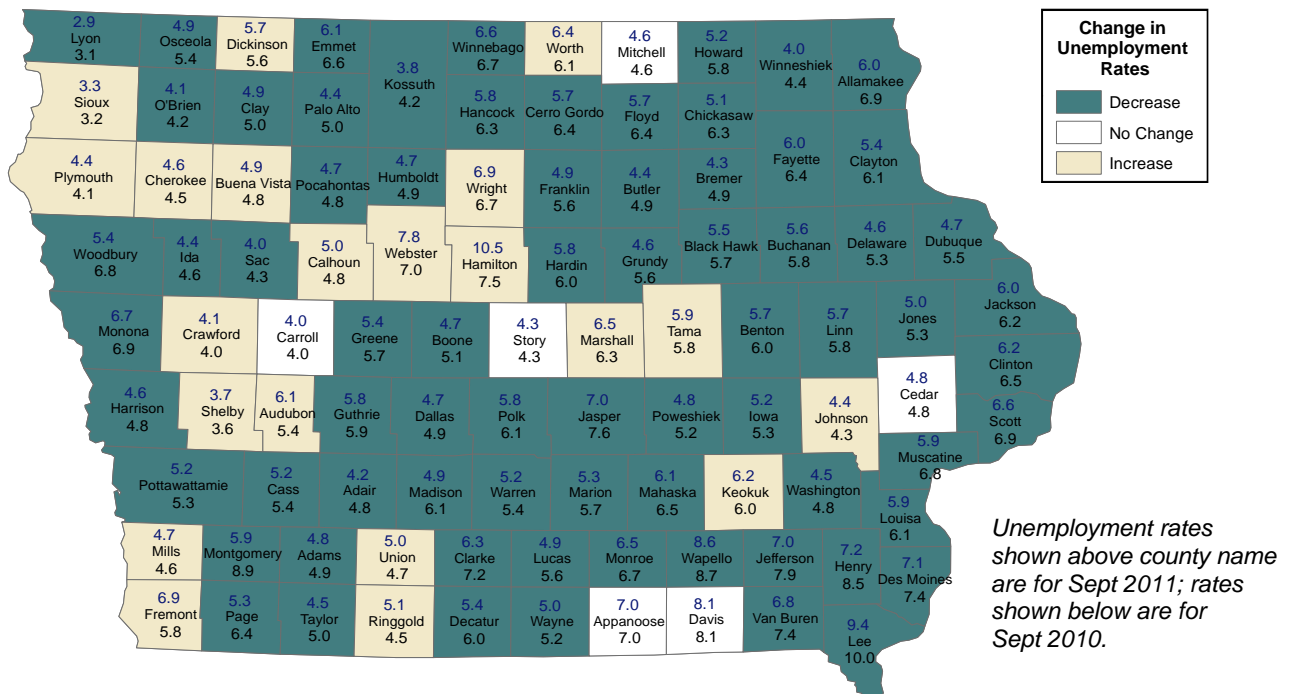
Unemployment Rates for Iowa and Neighboring States Sept 2011

State	Rank in Nation	Rate
Nebraska	2	4.2%
South Dakota	3	4.6%
IOWA	8	6.0%
Minnesota	13	6.9%
Wisconsin	21	7.8%
Missouri	29	8.7%
Illinois	41	10.0%

Statewide and Local Labor Force Data

State of Iowa	July-11	Aug-11	Sept-11	Sept-10
Labor Force	1,668,600	1,664,800	1,661,000	1,671,100
Unemployed	100,400	101,500	100,100	103,400
Percent Unemployed	6.0%	6.1%	6.0%	6.2%
Employed	1,568,200	1,563,200	1,560,800	1,567,700

Unemployment Rates for Iowa Counties Sept 2011 and Sept 2010



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

LOCAL LABOR FORCE

Metropolitan Statistical Area Data - Sept 2011

MSA		Labor Force	Employed	Unemployed	Rate
	Ames	48,800	46,700	2,100	4.3
	Cedar Rapids	147,600	139,300	8,300	5.6
	Des Moines-West Des Moines	312,600	295,100	17,400	5.6
	Dubuque	53,900	51,400	2,600	4.7
	Iowa City	89,900	85,900	4,000	4.5
	Sioux City	78,100	74,000	4,100	5.2
	Waterloo-Cedar Falls	95,900	90,800	5,100	5.3
	*Davenport-Moline-Rock Island	205,700	191,100	14,600	7.1
	**Omaha-Council Bluffs	451,700	431,500	20,200	4.5

* Prepared by Illinois Department of Employment Security

** Prepared by Nebraska Workforce Development, Department of Labor

Micropolitan Statistical Area Data - September 2011

	Labor Force	Employed	Unemployed	Rate
Boone, IA	15,420	14,700	720	4.7
Burlington, IA-IL	23,810	22,100	1,710	7.2
Clinton, IA	27,490	25,780	1,720	6.2
Fort Dodge, IA	18,430	16,990	1,430	7.8
Ft. Madison-Keokuk, IA	20,720	18,830	1,880	9.1
Marshalltown, IA	19,950	18,660	1,290	6.5
Mason City, IA	28,670	27,010	1,660	5.8
Muscatine, IA	28,410	26,740	1,680	5.9
Newton, IA	17,480	16,250	1,220	7.0
Oskaloosa, IA	11,470	10,770	700	6.1
Ottumwa, IA	18,400	16,810	1,580	8.6
Pella, IA	16,670	15,790	880	5.3
Spencer, IA	9,790	9,310	480	4.9
Spirit Lake, IA	9,490	8,950	540	5.7
Storm Lake, IA	10,570	10,050	510	4.9

IOWA NONFARM EMPLOYMENT

Statewide Nonfarm Employment (Seasonally Adjusted)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	QTY Change
Total Nonfarm	1,488,500	1,487,900	1,482,100	1,486,200	1,466,600	19,600
Natural Resources & Mining	2,000	2,000	2,000	2,000	2,100	-100
Construction	63,800	63,000	62,200	63,000	60,600	2,400
Manufacturing	206,300	206,500	205,800	206,200	200,600	5,600
Trade and Transportation	305,000	303,900	305,600	304,800	299,500	5,300
Information	27,300	27,400	27,100	27,300	28,300	-1,000
Financial Activities	99,200	98,500	98,800	98,800	101,000	-2,200
Professional and Business Services	123,600	124,600	123,700	124,000	122,700	1,300
Education and Health Services	216,100	217,300	217,400	216,900	212,800	4,100
Leisure and Hospitality	138,200	137,000	134,100	136,400	128,500	7,900
Other Services	55,300	55,600	54,900	55,300	56,900	-1,600
Government	251,700	252,100	250,500	251,400	253,500	-2,100

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

**Total nonfarm
employment continued
its recovery this quarter.**

**Leisure and hospitality
added the most jobs of
any sector since third
quarter 2010.**

**Iowa's financial sector
continues to struggle in
the wake of the
recession.**

Metropolitan Statistical Areas (MSAs)

- Nonfarm employment gained 19,600 jobs since the third quarter of last year. A majority of the private sectors have added employment during that time.
- Manufacturing added 5,600 jobs. Gains have been spread throughout both durable and nondurable goods factories.
- Leisure and hospitality has gained 7,900 jobs to lead all sectors. Much of the increase was concentrated in accommodations and food services. This is a positive sign that consumers are becoming more willing to spend on nonessential services in the wake of the recession.
- Financial activities is down 2,200 jobs since third quarter 2010, and leads all private sectors in terms of loss.
- Government shed 2,100 jobs. Most of the loss stems from budget cutbacks at the local and state level, although the final shedding of temporary census workers in federal government also had an impact.

AMES MSA

Ames MSA Nonfarm Employment (Story County)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	OTY Change
Total Nonfarm	43,100	44,200	47,400	44,900	45,400	-500
Total Private	26,300	26,300	26,700	26,400	27,400	-1,000
Goods Producing	5,900	5,800	5,800	5,800	5,700	100
Service-Providing	37,200	38,400	41,600	39,100	39,800	-700
Private Service Providing	20,400	20,500	20,900	20,600	21,700	-1,100
Government	16,800	17,900	20,700	18,500	18,100	400

Source: Labor Market & Workforce Information Division, Iowa Workforce Development.
Note: Data not seasonally adjusted.

**Total nonfarm
employment
decreased by 500
since third quarter
2010.**

Metropolitan Statistical Areas (MSAs)

What's New In The Ames MSA?

- Nonfarm employment in the Ames MSA averaged 44,900 during third quarter 2011, 500 less than in third quarter 2010. The service-providing sector accounted for the year-over-year losses.
- The goods-producing sector posted the only year-over-year private sector gain, adding 100 jobs. Government also contributed 400 jobs.

CEDAR RAPIDS MSA

Cedar Rapids MSA Nonfarm Employment (Benton, Jones, and Linn Counties)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	OTY Change
Total Nonfarm	139,300	137,700	138,900	138,600	137,300	1,300
Total Private	124,700	123,600	122,700	123,700	122,200	1,500
Goods Producing	29,100	28,700	28,500	28,800	28,400	400
Service-Providing	110,200	109,000	110,400	109,900	108,800	1,100
Private Service Providing	95,600	94,900	94,200	94,900	93,800	1,100
Manufacturing	21,200	20,900	20,900	21,000	20,700	300
Trade, Transportation	30,700	30,400	30,400	30,500	29,900	600
Information	4,800	4,700	4,600	4,700	4,800	-100
Financial Activities	10,500	10,400	10,300	10,400	10,300	100
Professional and Business Services	14,400	14,500	14,300	14,400	14,200	200
Educational and Health Services	18,300	18,200	18,300	18,300	18,000	300
Leisure and Hospitality	12,000	11,900	11,600	11,800	11,500	300
Government	14,600	14,100	16,200	15,000	15,100	-100

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

Note: Data not seasonally adjusted.

What's New In The Cedar Rapids MSA?

- Nonfarm employment averaged 138,600 for third quarter; 1,300 more than the same quarter one year ago.
- Information and government were the only sectors that lost jobs over the year.
- Trade, transportation and warehousing added 600 jobs from the previous year, despite shedding 300 jobs through the third quarter.
- Of the 300 jobs gained in manufacturing, 200 were in durable goods manufacturing.

**Total nonfarm
employment was
down 2,100 from end
of second quarter.**

**Trade,
transportation and
warehousing led all
sectors with a gain
of 600 jobs from
third quarter 2010.**

Metropolitan Statistical Areas (MSAs)

DES MOINES-WEST DES MOINES

Des Moines-West Des Moines MSA Nonfarm Employment (Dallas, Guthrie, Madison, Polk, and Warren Counties)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	OTY Change
Total Nonfarm	316,800	316,900	317,000	316,900	314,300	2,600
Total Private	276,400	276,200	274,300	275,600	274,400	1,200
Goods Producing	32,800	32,200	32,100	32,400	31,800	600
Service-Providing	284,000	284,700	284,900	284,500	282,500	2,000
Private Service Providing	243,600	244,000	242,200	243,300	242,500	800
Manufacturing	17,800	18,000	17,900	17,900	17,800	100
Trade, Transportation	62,900	62,900	62,700	62,800	62,300	500
Information	7,900	7,900	7,700	7,800	7,900	-100
Financial Activities	51,200	51,100	51,000	51,100	51,100	0
Professional and Business Services	38,700	39,100	37,900	38,600	37,900	700
Educational and Health Services	42,100	42,200	42,500	42,300	41,100	1,200
Leisure and Hospitality	27,900	28,000	27,600	27,800	29,300	-1,500
Government	40,400	40,700	42,700	41,300	39,900	1,400

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

Note: Data not seasonally adjusted.

**Des Moines added
2,600 jobs compared
to one year ago.**

**Jobs were added in
both the private and
public sectors.**

**Leisure and
hospitality had the
only substantial loss
over the year.**

Metropolitan Statistical Areas (MSAs)

What's New In The Des Moines-West Des Moines MSA?

- The Des Moines MSA's third-quarter average employment increased by 2,600 jobs when compared to the same period one year ago. The recovery in the metro area has become evident with only one sector shedding any substantial employment .
- Goods-producing industries added 600 jobs over the year. The majority of the increase occurred in the construction industry.
- Leisure and hospitality decreased by 1,500 jobs since third quarter 2010, the most of any sector.
- Education and health services gained 1,200 jobs, the most of any individual sector. This grouping was fueled almost entirely by health services since private education employment has felt the effects of cutbacks.
- Professional and business services increased by 700 jobs. The gains were highest in employment services, which reflects an increasing trend among firms to take on temporary workers until the recovery becomes stronger.

DUBUQUE MSA

Dubuque MSA Nonfarm Employment (Dubuque County)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	OTY Change
Total Nonfarm	56,900	56,900	57,300	57,000	55,100	1,900
Total Private	53,000	53,000	52,600	52,900	50,900	2,000
Goods Producing	11,100	11,100	11,000	11,100	10,700	400
Service-Providing	45,800	45,800	46,300	46,000	44,400	1,600
Private Service Providing	41,900	41,900	41,600	41,800	40,300	1,500
Trade, Transportation	11,800	11,700	11,700	11,700	11,700	0
Retail Trade	7,100	7,100	7,000	7,100	7,000	100
Government	3,900	3,900	4,700	4,200	4,200	0
Federal Government	300	300	300	300	300	0
State Government	300	300	300	300	200	100
Local Government	3,300	3,300	4,100	3,600	3,600	0

Source: Labor Market & Workforce Information Division, Iowa Workforce Development.
Note: Data not seasonally adjusted.

What's New In The Dubuque MSA?

- Total nonfarm employment increased by 1,900 jobs (or 3.5 percent) compared to the third quarter 2010. By comparison, the State of Iowa was up only 1.3 percent during this same time period.
- The private sector was responsible for all of the gains during this time. Private service-providing added 1,500 jobs while goods-producing firms gained 400 jobs.
- Retail trade added a slight 100 jobs.
- State government increased by 100 jobs.

**Total nonfarm
employment has
remained positive—
up 1,900 jobs since
last year.**

**Private industry
accounted for all of
the year-over-year
gains.**

Metropolitan Statistical Areas (MSAs)

IOWA CITY MSA

Iowa City MSA Nonfarm Employment (Johnson and Washington Counties)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	QTY Change
Total Nonfarm	86,800	88,100	88,200	87,700	88,000	-300
Total Private	55,600	55,800	54,700	55,400	56,500	-1,100
Goods Producing	9,400	9,400	9,300	9,400	9,300	100
Service-Providing	77,400	78,700	78,900	78,300	78,700	-400
Private Service Providing	46,200	46,400	45,400	46,000	47,200	-1,200
Trade, Transportation	16,200	16,100	16,100	16,100	15,900	200
Retail trade	9,700	9,600	9,600	9,600	9,500	100
Professional and Business Services	6,100	6,100	6,100	6,100	5,800	300
Leisure and Hospitality	8,800	8,900	9,000	8,900	8,700	200
Government	31,200	32,300	33,500	32,300	31,500	800

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

Note: Data not seasonally adjusted.

**Government
employment was up
due to gains in local
government.**

**Total nonfarm shed
300 jobs from third
quarter 2010.**

Metropolitan Statistical Areas (MSAs)

What's New In The Iowa City MSA?

- Total nonfarm employment for third quarter was down 300 from the same quarter one year ago.
- Government employment expanded 800 from 3rd quarter 2010. Most of the gain was in local government.
- Professional and business services added 300 jobs from one year ago, and has been steadily increasing over the last two quarters.

SIoux CITY MSA

Sioux City MSA Nonfarm Employment (Woodbury County IA, Dakota and Dixon Counties, NE, and Union County SD)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	OTY Change
Total Nonfarm	74,400	74,500	74,600	74,500	72,100	2,400
Total Private	66,000	66,000	65,400	65,800	63,200	2,600
Goods Producing	15,900	15,900	15,900	15,900	15,000	900
Service-Providing	58,500	58,600	58,700	58,600	57,000	1,600
Private Service Providing	50,100	50,100	49,500	49,900	48,200	1,700
Manufacturing	11,800	11,800	11,800	11,800	11,700	100
Non-Durable Goods	9,800	9,800	9,800	9,800	9,600	200
Trade, Transportation	16,500	16,200	16,200	16,300	15,500	800
Retail Trade	9,200	9,100	9,100	9,100	9,000	100
Professional and Business Services	7,800	7,800	7,700	7,800	7,700	100
Leisure and Hospitality	7,300	7,400	7,200	7,300	7,100	200
Government	8,400	8,500	9,200	8,700	8,900	-200
Federal Government	900	900	900	900	1,000	-100
State Government	700	700	700	700	600	100
Local Government	6,800	6,900	7,600	7,100	7,300	-200

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

Note: Data not seasonally adjusted.

What's New In The Sioux City IA-NE-SD MSA?

- The Sioux City MSA added 2,400 nonfarm jobs from third quarter 2010 to third quarter 2011.
- Private service-providing industries contributed 1,700 jobs since third quarter 2010.
- Within the private service-providing sector, trade and transportation added 800 jobs. Other increases were spread evenly throughout the private service-providing industries.
- Government employment fell by 200 when compared year-over-year. Losses in local and federal government were only partially offset by a slight increase in state government.

**Nonfarm
employment posted
an increase of 2,400
from third quarter
2010.**

**Over-the-year gains
were spurred by
private service-
providing industries
adding employment.**

Metropolitan Statistical Areas (MSAs)

WATERLOO-CEDAR FALLS MSA

Waterloo MSA Nonfarm Employment (Black Hawk, Bremer, and Grundy Counties)

	Jul-11	Aug-11	Sep-11	3rd QTR 11 Avg	3rd QTR 10 Avg	OTY Change
Total Nonfarm	88,000	88,000	90,200	88,700	86,800	1,900
Total Private	74,200	74,500	74,500	74,400	73,200	1,200
Goods Producing	20,100	20,100	19,900	20,000	19,800	200
Service-Providing	67,900	67,900	70,300	68,700	67,000	1,700
Private Service Providing	54,100	54,400	54,600	54,400	53,400	1,000
Manufacturing	16,000	16,100	16,100	16,100	15,800	300
Trade, Transportation	16,700	16,700	16,800	16,700	16,200	500
Financial Activities	5,100	5,100	5,100	5,100	5,000	100
Professional and Business Services	6,500	6,500	6,400	6,500	6,200	300
Educational and Health Services	12,900	13,200	13,600	13,200	13,000	200
Leisure and Hospitality	8,300	8,300	8,100	8,200	8,100	100
Government	13,800	13,500	15,700	14,300	13,600	700

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

Note: Data not seasonally adjusted.

**All industry sectors
added employment
over the year.**

**Trade,
transportation added
500 jobs over the
year.**

Metropolitan Statistical Areas (MSAs)

What's New In The Waterloo/Cedar Falls MSA?

- Total nonfarm employment for third quarter 2011 averaged 88,700; this is a gain of 1,900 from the same quarter one year ago.
- Professional and business services ended the quarter with a gain of 300 jobs after shedding 100 jobs in September.
- Every industry sector added jobs when compared to third quarter 2010.

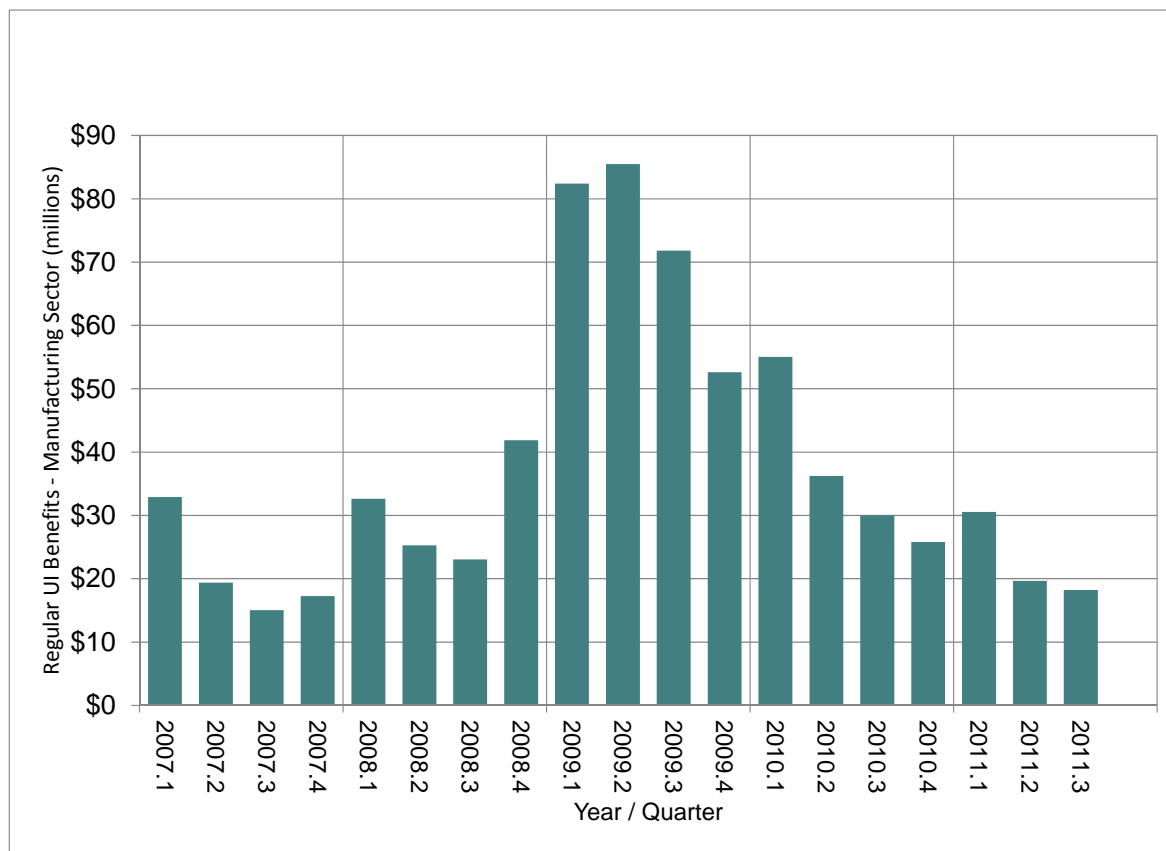
UNEMPLOYMENT INSURANCE

Unemployment Insurance Financial Activity

Regular Unemployment Insurance (UI)				
Item	Quarter Ending:		Twelve Months Ending:	
	September	September	September	September
	2011	2010	2011	2010
Benefits Paid (\$)	89,621,856	114,302,214	482,927,788	637,465,393
Weeks Compensated	305,657	382,997	1,601,102	2,079,063
First Payments	20,003	21,329	112,126	132,825
Final Payments	8,937	12,490	44,753	61,640
Average Benefit per First Payment (\$)	-----	-----	4,307.01	4,799.29
Average Weekly Benefit (\$)	293.21	298.44	301.62	306.61
Average Duration	-----	-----	14.3	15.7
Exhaustion Rate	-----	-----	38.1%	40.1%

Source: ETA-5159

A Reduction in New Layoffs Caused UI Benefits to Decline in Manufacturing Sector to Pre-Recession Levels



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

QUARTERLY INDUSTRY REVIEW

Central Iowa

Ames - As reported by the *Omaha World-Herald*—A software development company has announced plans to bring 20 new jobs to Ames this fall. Georgia-based Rural Soluxions LLC plans to open an office in Ames in October. The company hopes to be able to add more jobs in the future. Ron Hallenbeck of the Ames Economic Development Commission said the jobs will be well suited for experienced information technology workers as well as recent graduates of Iowa State University who want to stay in Ames. Rural Soluxions' parent company, Xpanxion LLC, offers software development, design, maintenance and support. The focus of the Ames office will be software testing and quality assurance for existing and future clients.

Ft. Dodge - As reported by the *Des Moines Register*—The closing of a Fort Dodge plant in 2014 will eliminate nearly 100 jobs, though many of those employees could still find work within the company. Boehringer Ingelheim Vetmedica spokeswoman, Cory Sullivan, says officials recently decided to gradually remove production from the plant after pharmaceutical giant Pfizer opted to shift work away from the facility. Sullivan said about 90 percent of the work done at the plant is manufacturing Pfizer products. The company is preparing to expand its research capabilities at its main Fort Dodge facility. The Messenger newspaper in Fort Dodge says that expansion will yield nearly 60 new jobs. Sullivan said the company hopes the majority of the laid-off workers can transfer to another facility.

Grinnell - As reported by the *Des Moines Register*—Jeld-Wen Inc., an Oregon-based window and door maker with operations in Grinnell and Dubuque, will sell a majority interest to Onex Corp., a publicly traded, Toronto-based private equity company, later this fall. The transfer of ownership will have no impact on the company's work force, either in terms of head count or benefits, Jeld-Wen communications director Ten Cline said. The company's window and door-making plants in Grinnell employ about 500 people, while about 85 people work in its Dubuque operations. Worldwide, Jeld-Wen has about 20,000 employees, including about 1,125 at its headquarters in Kiamath Falls, Oregon. Onex announced plans in May to acquire 39 percent of Jeld-Wen for \$475 million, but said earlier this week that it will increase its control to 58 percent at a total cost of \$675 million. It will also lend Jeld-Wen \$189 million, which is expected to be paid off in 18 months. The restructuring was prompted by the death in 2010 of co-founder Richard Wendt. His son, Rod Wendt, will remain as chief executive, while Onex will bring in a new president, Philip Orsino, a former CEO of Masonite International. The transaction is expected to close in the third quarter. Onex has \$14 billion of assets under management.

Hampton - As reported by the *Omaha World-Herald*—A company that makes corrugated plastic pipe has announced its plans to open a new factory in Hampton. Advanced Drainage Systems Inc., said that it hopes to have the plant fully operational by mid-September. Franklin County economic development officials said the plant will create 10 to 12 jobs, and add more as production increases. Company officials said Hampton was chosen because of its access to Interstate highways and its labor force.

Marshalltown - As reported by the *Marshalltown Times-Republican*—Thomas L. Cardella & Associates announced the company will bring 50 new jobs to its contact center located in Marshalltown. The first paid training class was scheduled for July 25th, and additional classes were scheduled for August. "The company is excited to be able to bring this many additional quality jobs and benefits to the residents of Marshall County," Thomas L. Cardella said. "We are committed to job growth in Iowa and our clients' needs are well served by the dedicated workforce in this hard-working community." Cardella said the hiring spree was the result of new contracts the company has received recently, which will require an additional workforce.

Source: The Quarterly Industry Review is a compendium of excerpts from public announcements, newspapers and periodicals. Iowa Workforce Development does not verify the accuracy of the excerpted information.

QUARTERLY INDUSTRY REVIEW

Central Iowa (continued)

Mason City - *As reported by the Mason City Globe Gazette*—The Kraft Foods plant in Mason City will shut down twice this fall, affecting about 275 employees. Joyce Hodel, corporate spokeswoman for Kraft Foods, said the plant typically shuts down for several days around Thanksgiving, but will also shut down for a week in October. During the October shutdown, employees can take those days as vacation or a layoff, Hodel said. The shutdowns are due to seasonal factors, external conditions and efficiencies at the plant, she said. The Kraft plant makes prepared desserts such as packaged pudding .

Eastern Iowa

Amana - *As reported by the Waterloo-Cedar Falls Courier*—Whirlpool Corporation is laying off 350 workers from its refrigerator plant in Iowa. Kristine Vernier, spokeswoman for the Benton Harbor, Michigan-based company, told KGAN-TV that 300 permanent workers and 50 summer workers are losing their jobs. Workers were told of the layoffs Friday, July 15, 2011. They took effect August 1. Earlier this year, Whirlpool announced plans to move some production capacity from a plant in Indiana to Amana. At the time, officials expected the change to create 60 jobs.

Bettendorf - *As reported by the Davenport Quad-City Times*—The president and CEO of an LED light manufacturer told the Bettendorf City Council that he plans to move his company's manufacturing from China to the 1-74 Industrial Park in Bettendorf. The \$10 million project would bring 132 jobs with a starting wage of about \$16.97 an hour, and would be the first development in the 1-74 Technology Park, located northwest of the intersection of Tanglefoot Lane and Utica Ridge Road. The council approved the first reading of an ordinance that would establish a tax increment financing district for the development of a 75,000 square-foot facility on a 1.05-acre tract of land at the technology park. Joel Westermarck said his company, LEDs America, manufactures the Led-O line of LED lights, which are designed to replace florescent bulbs. He said his company's products can last 50,000 hours, and are more durable and 60 percent to 80 percent more energy efficient than standard bulbs. He said the products are primarily marketed to hospitals, schools and offices. Bettendorf Economic Development director Steve Van Dyke said one of the most exciting aspects of the project is that it would bring jobs from China to Bettendorf.

Cedar Rapids - AgSugar, A St. Louis biotech company, has been awarded incentives from the Iowa Economic Development Board and the city of Cedar Rapids to establish a manufacturing plant, a data center and executive offices in Cedar Rapids. The incentives include a \$250,000 loan that will be repaid with royalties, returning \$375,000 back to the state; \$117,954 in tax credits; and \$205,200 in job training assistance. Cedar Rapids will provide \$17,237 in tax abatement.

Cedar Rapids - *As reported by KCCI.com*—A California manufacturer of unmanned surveillance drone aircraft expects to open an operation in Cedar Rapids next year. AirCover Integrated Solutions of El Dorado Hills, California plans to lease space near downtown to assemble, test and sell its QuadRoter systems to non-military commercial users, such as police, firefighters, farmers, forest rangers and railroads. The project is contingent on approval of state and local incentives. The project represents \$5 million in capital investment, and will create 15 to 25 jobs over the next three years. Company President, James Hill, says its drones are designed to deploy rapidly and get feedback on "dirty, dull and dangerous missions." The aircraft, which weigh less than 5 pounds, are equipped with cameras and heat sensors to produce real-time streaming video.

QUARTERLY INDUSTRY REVIEW

Eastern Iowa (continued)

Cedar Rapids - As reported by the Cedar Rapids Gazette—Clipper Windpower, citing reduced market demand, is reducing its workforce by 75. "Recently, the wind market in North America has reduced significantly and become price competitive, requiring companies like Clipper Windpower to look for every opportunity to reduce cost," the company said in a statement Thursday. The 75 positions are being eliminated "across the business," the statement said. Spokesman Bryan Kidder said he did not know the exact number affected in the company's Cedar Rapids location, where Clipper manufactures wind turbines.

Davenport - As reported by Bloomberg Business Week—Alcoa Inc. will invest \$300 million to expand and add 150 jobs to its Davenport plant to meet the growing demand from the automotive industry, as automakers work to meet federal guidelines for increasing gas mileage and lowering emissions, company officials announced Thursday. Alcoa officials were joined by Gov. Terry Branstad and other state leaders in making the announcement from Branstad's office in Des Moines. It followed a decision earlier in the day by the Iowa Department of Economic Development board to award \$3 million in incentives to the Pittsburgh aluminum manufacturer for the project. Alcoa Vice President and General Manager, John Fox, said demand for aluminum products produced by Alcoa is growing with the new automotive guidelines. "It allows for a smaller power train, better mileage and less CO2 output," Fox said. "It means our business is growing quite well." Fox said the company approached the governor about expanding in Davenport. "We saw Davenport as being the best location because of its workforce and a very progressive support from the government side," he said. "We hope this is just the first phase of what can be a very dynamic growth period for us in the automotive area. "All the major manufacturers continue to express interest in moving to aluminum, with that movement it means we can bring more people to work," Fox said. The expansion will also help retain 200 jobs Fox said would otherwise have been lost. He said with the automakers required to increase mileage by 2016, the company needed to move forward with the project immediately. He said equipment has been ordered, and the expansion of the plant is expected to be completed by the end of 2013. The plant currently employs nearly 2,200 employees, and Fox said the experience of that workforce was a key factor in the decision to expand in Davenport.

Fairfield - As reported by the Cedar Rapids Gazette—Consolidation of Harper Brush Works distribution facilities is expected to bring 25 to 30 jobs to the company's distribution facility in Fairfield. The manufacturer of brooms, brushes and handheld cleaning products has manufacturing and distribution facilities in Greenville, North Carolina, and the Jefferson County community. The company determined it was spending too much time and money forecasting inventory needs by location, and moving products between sites. The consolidation plan is contingent on a state and local incentive plan that will be considered by the city of Fairfield and the Iowa Department of Economic Development.

Independence - As reported by the Independence Bulletin Journal—L&M Radiator, Inc. intends to expand production at its Independence plant by hiring about 30 percent more workers. Dan Chisholm, company president, said the goal is to add more manufacturing positions by late September and by year-end. The positions are primarily entry level for applicants with demonstrated mechanical abilities. L&M currently employs 95. L&M Radiator manufactures heavy-duty radiators and heat exchangers under the brand name MESABI. L&M's Independence plant was L&M's third US plant when it opened in 2005, and fifth in the world. L&M also has plants in Mexico and Australia, and is in the process of opening a plant in northern Chile that will serve L & M's markets in South America. Total L & M employment worldwide is more than 700, according to Chisholm.

Iowa City - As reported by the Oelwein Daily Register—Roberts Dairy says that it is closing its plant in Iowa City immediately and moving operations to Dubuque and Omaha, Nebraska. The Iowa City Press Citizen says the company sent a letter to the mayor, saying the closure is effective July 22. Forty-seven workers will be affected. Roberts Dairy will continue to employ 30 workers as drivers and support personnel. In the letter, the company says the closure is the result of lower volumes and the need to consolidate operations. The dairy says it will continue to have 250 employees in Iowa.

QUARTERLY INDUSTRY REVIEW

Eastern Iowa (continued)

Muscatine - As reported by the *Davenport Quad-City Times*—Gov. Terry Branstad got some good news at The Hon Company during a quick tour of the company's showroom, and so did the community. The Muscatine-based company will add 90 to 100 production jobs in Muscatine to perform work that's now being done at the company's Cedartown, Georgia., plant. HNI Corp., Hon's parent company, already employs about 3,000 people in Muscatine and about 3,500 in Iowa. The jobs will be added over the next four to five months, said Gary Carlson, HNI's vice president for member and community relations. Some workers who are now temporary will be made permanent, he said.

Waterloo - As reported by the *Waterloo-Cedar Falls Courier*—A 90-year-old construction company that built many of the buildings of Waterloo's largest manufacturers and retail centers is closing. Prairie Construction, the successor to Jens Olesen & Sons Co., one of Waterloo's oldest construction businesses, is closing effective at the end of September 2011. The company currently employs about 25 people. Prairie officials will do what they can to help them find other work.

Western Iowa

Council Bluffs - As reported by the *Omaha World-Herald*—Shoppers in Council Bluffs will soon have a new stop for brand-name clothing, a T.J. Maxx at Metro Crossing. The store opens October 9, 2011. The 25,160-square-foot store's regular hours will be 9:30 a.m. to 9:30 p.m. Mondays through Saturdays, and 11 a.m. to 8 p.m. on Sundays. The new store will add about 60 full- and part-time jobs to the area.

Council Bluffs - As reported by the *Omaha World-Herald*—Tyson Foods said Friday it will temporarily lay off 135 people from one of its Council Bluffs plants, as the facility undergoes a \$48 million renovation. The project, Tyson said, will transform the current cooked meats operation at 2101 S. 29th St. into the company's fifth dry sausage and pepperoni operation. The layoffs will begin to hit workers in September, when Tyson begins to slow production at the facility. By October, the plant will be closed until sometime in the spring of 2012, when the renovation is completed. That means some workers could be facing at least six months of layoffs. During that time, Tyson said, employees still will qualify for some benefits, including health care, which the company helps pay for. There are about 170 employees that currently work at the plant. Those workers not laid off, mostly management and maintenance staff, will stay and help prepare the new pepperoni factory. Those workers who are due to lose their jobs will be rehired on a seniority basis, depending on what openings are available. Tyson said the renovation will expand the plant by 60,000 square feet and is part of the company's strategy to meet the increasing demand for pizza toppings. Employees at the company's Bluffs plant at 2700 23rd Ave., which produces case-ready beef and pork, will not be affected.

Hamburg - As reported by the *Des Moines Register*—First it was the Missouri River flooding for the town of Hamburg; now it's the economy. The town has learned one of its biggest employers is shutting down. Ninety-five workers will lose their jobs in October when Con Agra closes its microwave popcorn plant. The company said it needs more efficiency and the plant closure was the best option. Residents of Hamburg said they've had enough. "It's been a rough year for everybody in town," said Hamburg resident James Acamo. Record flooding led to evacuations of part of the southwest Iowa town. The south and west sides of Hamburg are still suffering the effects of the high water. Con Agra said the processing and packing center at its plant will remain open. That means 45 people will keep their jobs, but for 95 people employed in the production part of the plant, the future is uncertain. Some residents say the impact of the closure will stretch far beyond the lost jobs. "It's a large blow to the city," said Acamo. "It's one of those things that doesn't just affect the people that are losing their jobs, but it affects families and ripples down to their friends and their families."

QUARTERLY INDUSTRY REVIEW

Western Iowa (continued)

Red Oak - As reported by the *Omaha World-Herald*—Communications One, a Kanawha-based telecommunications company, broke ground recently for a building on Main Avenue in Britt with a similar building under construction in Garner. The new locations will support the company's expansion of services and fiber optic cable along with Internet and phone service into the Britt and Garner areas. Communications One serves Kanawha, Klemme and Corwith, said Randy Yeakel, chief operating officer and president of Communications One. The entire expansion project will cost around \$8 million, he said. Laying fiber optic cable underground will begin near Garner in August. Yeakel said it will take about three years to complete the project. "The main thing we want you to know is it will be a work in progress," Yeakel said. "We are looking at a minimum of three years before everything is all hooked up." First to be serviced will be local businesses, Yeakel said. "They are the lifeblood of the community," Yeakel said. New services will provide subscribers with better connection speeds, clarity and more service on voice lines, Yeakel said. He said the firm has added a marketing and sales representative, and a customer service representative who will be based out of the Britt office. Potential technician jobs will be added later. Britt is now served by both Qwest and Mediacom. The addition of Communications One will provide one more option to residents as well as provide a few jobs, Yeakel said. Adding a third communications provider will be good for competition, Britt business owner John Swenson said. Hancock County Economic Development Corp. Executive Director Dwight Widen said, "Communications One will help bring the future to our region. We are pleased to have them. They have a good vision and a great plan, and we will do whatever we can to support them."

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