

W **ORKNET**

STATE OF IOWA
WORKFORCE DEVELOPMENT

FIRST QUARTER 2005

Business Confidence Strengthens Recovery

Over the past six months, Iowa's job growth became more balanced as businesses gained confidence in the durability of the recovery. Most industry sectors gained in employment from first quarter one year ago, while nonfarm employment overall was up 10,500. During March 2005, the state's employers expanded their payrolls by 2,500 jobs. This was the strongest month of job growth since October 2004.

One of the most noteworthy improvements in the state's job market has been the gradual resurgence in manufacturing employment. Compared to first quarter 2004, the industry added 4,000 jobs. Several segments of durable goods manufacturing posted gains over the year such as wood products, primary metal, machinery and computer and electronic products.

The strengthening in the statewide job market continued to attract workers back into the labor force. This phenomenon managed to keep the state's jobless rate at 5.1 percent for first quarter. The U.S. unemployment rate averaged 5.3 percent for the same period.

Job Outlook Brightens for 2005 College Graduates

New college graduates will be able to select from a wider array of job opportunities at the end of the 2004-2005 academic year. This positive outlook is based on a survey of employers that was conducted by the National Association of Colleges and Employers (NACE) in mid-August through September 2004.

More than 80 percent of responding employers rated the job market for new college graduates as good, very good, or excellent. One year ago, just over 38 percent gave the job market those ratings.

Employers also indicated that they will review their hiring needs more frequently, and more than 40 percent of responding employers intend to visit college campuses in Spring 2005 to interview and hire new graduates. The survey also indicated that new college graduates with business, engineering and computer-related degrees will have the most promising job outlook this year.

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REGIONAL CLUSTER ANALYSIS

Industry Clusters are the economic development buzzwords of the twenty-first century. But just what *are* industry clusters?

Industry clusters are a group of concentrated industries that share similar processes, workforce, and resources. In other words, clusters are a group of businesses located in the same area, who have a similar product or service, share workers with similar knowledge and/or skills, and share related infrastructure or natural resources.

Armed with knowledge of where geographic concentrations and gaps exist, policy makers can support clusters and help foster their growth in a variety of ways. Investments for research and infrastructure can be more precisely targeted; new cooperative relationships can be brokered between firms within “core” industry sectors as well as with region suppliers and customers. Occupations within key industries can be identified, and education and training institutions can use this information to counsel and train students for high-demand, high-wage careers.

Iowa Workforce Development’s four primary analysis tools are used to evaluate industry clusters in Iowa’s regions: location quotient, shift/share, Implan input/output modeling, and Regional Data Analysis Tool (RDAT)¹.

The location quotient is a ratio of an industry’s share of the local economy to the industry’s national economy. In other words, it measures an industry’s concentration in the region relative to the rest of the United States (or the region to Iowa).

Shift/share demonstrates the region’s competitiveness and cluster growth. Shift/share is comprised of three components. The national growth component measures the local job loss or gain as a result of changes in the national economy and is especially susceptible to the peaks and valleys of the business cycle. The industry mix component measures the net effects of the business cycle—job loss or gain—on a specific industry. The competitiveness component measures the job loss or gain that cannot be accounted for by either the national growth or industry mix component. This change generally reflects a local advantage such as the availability of natural resources.

Implan input/output modeling software, a product of the Minnesota Implan Group, was used to determine relationships among industries. Input-output modeling shows how industries interact. They show how industries provide input to and use output from each other to produce goods or services. It also provides detailed information on the flow of the goods and services that make up the production processes of industries. Implan is used to identify the buyers/suppliers and infrastructure industries for the core industries in the clusters. In addition to defining relationships among buyers/suppliers, Implan is used to calculate the economic impact of adding jobs in specific industry clusters.

Regional Data Analysis Tool (RDAT) is a database used to calculate employment changes, wide growth, location quotient, and shift/share. Iowa data is used along with national data.

What you can expect from a **regional industry analysis** from Iowa Workforce Development:

- Complete analysis
- Most recent quarterly data available
- Buyer, supplier, and infrastructure linkages
- A review of existing and historical industry concentrations within a region
- Most complete information available
- Analysis tool for regional use
- Comprehensive report detailing a region’s strengths, weaknesses, and opportunities, based on industry cluster formation
- Executive summaries highlighting the details of each key cluster
- Recommendations for cluster growth are made from the detailed analysis
- Follow-up services are available up to two years once an analysis is completed

For more information on industry cluster analysis, or to arrange an analysis of your region, contact us at trends@iwd.state.ia.us.

¹ Developed by the Pennsylvania Center for Workforce Administration and Analysis

LOCATION QUOTIENT

The Bureau of Labor Statistics (BLS) has added a new tool for analyzing employment data in a geographic area—county, multiple counties, or metropolitan statistical area. This tool, called the Location Quotient, allows the user to compare employment concentrations with other parts of the state or the country.

The Location Quotient is a ratio of an industry’s share of the local economy to the industry’s national or local economy. In other words, it measures an industry’s concentration in a county relative to the rest of the United States or to Iowa. A location quotient greater than 1.0 means that an industry is producing more goods and services than are consumed locally (i.e. allowing the excess to be exported) and a location quotient less than 1.0 means that local production is assumed to be insufficient to satisfy local demand, thus requiring products to be imported. A ratio of 1.0 indicates an industry’s share is equal to their share in the national economy. The location quotient also measures an area’s share of activity, such as employment.

The BLS has posted this powerful tool on their Web site. The tool is interactive and allows the user to select the year, the area, (or areas), and industry. In this example, we chose to compare Dubuque County with Iowa Statewide for 2003.

In our example, we see that manufacturing, information, education and health services, and leisure and hospitality have location quotients greater than 1.00, indicating that Dubuque County has a greater “share” in this activity. In the case of education and health services, the colleges and universities contribute heavily, while the natural resource of the Mississippi river contributes to the success of leisure and hospitality.

In addition to the location quotient, the report also has tables showing total employment and percent of total employment. The data for the location quotient calculator is obtained from the Quarterly Census of Employment and Wages, a federal-state cooperative program that collects and publishes employment and wages for those workers covered by unemployment insurance.

Industry	Dubuque County, Iowa
Base Industry: Total, All Industries	1.00
Natural Resources and Mining	0.24
Construction	0.90
Manufacturing	1.03
Trade, Transportation, and Utilities	0.95
Information	1.32
Financial Activities	0.62
Professional and Business Services	0.87
Education and Health Services	1.31
Leisure and Hospitality	1.09
Other Services	0.97
Unclassified	NC
Footnotes: Location Quotients calculated from Quarterly Census of Employment and Wages Data. (NC) Not Calculable, the data does not exist or it is zero.	
Location Quotient: Ratio of analysis-industry employment in the analysis area to base-industry employment in the analysis area divided by the ratio of analysis-industry employment in the base area to base-industry employment in the base area.	

For more information on location quotients, please visit the Bureau of Labor Statistics at: <http://www.bls.gov/cew/ceslq/htm>

For more information on the Quarterly Census of Employment and Wages (QCEW) and other employment data in Iowa, please visit Iowa Workforce Development at: <http://www.iowaworkforce.org/lmi> or contact us at trends@iwd.state.ia.us/.

U.S. EMPLOYMENT SITUATION

Labor Force Data (Seasonally Adjusted)

	Jan. 2005	Feb. 2005	Mar. 2005	Mar. 2004
Civilian Labor Force	147,979,000	148,132,000	148,157,000	146,737,000
Employed	140,241,000	140,144,000	140,501,000	138,408,000
Unemployed	7,737,000	7,988,000	7,656,000	8,330,000
Unemployment Rate	5.2%	5.4%	5.2%	5.7%

Historical Labor Force Series

	2000	2001	2002	2003	2004
Civilian Labor Force	142,583,000	143,734,000	144,863,000	146,510,000	147,401,000
Employed	136,891,000	136,933,000	136,485,000	137,736,000	139,252,000
Unemployed	5,692,000	6,801,000	8,378,000	8,774,000	8,149,000
Unemployment Rate	4.0%	4.7%	5.8%	6.0%	5.5%

*Consumer Price Indexes (All Items)**

	US City Average	Mar. 2005	Feb. 2005	Mar. 2004	% Chg Mar. 2004 to Mar. 2005
CPI-U	1967 = 100	579.0	574.5	561.5	3.1%
	1982-84 = 100	193.3	191.8	187.4	
CPI-W	1967 = 100	561.9	557.9	544.8	3.1%
	1982-84 = 100	188.6	187.3	182.9	

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 CIP for All urban Consumers.

IOWA EMPLOYMENT SITUATION

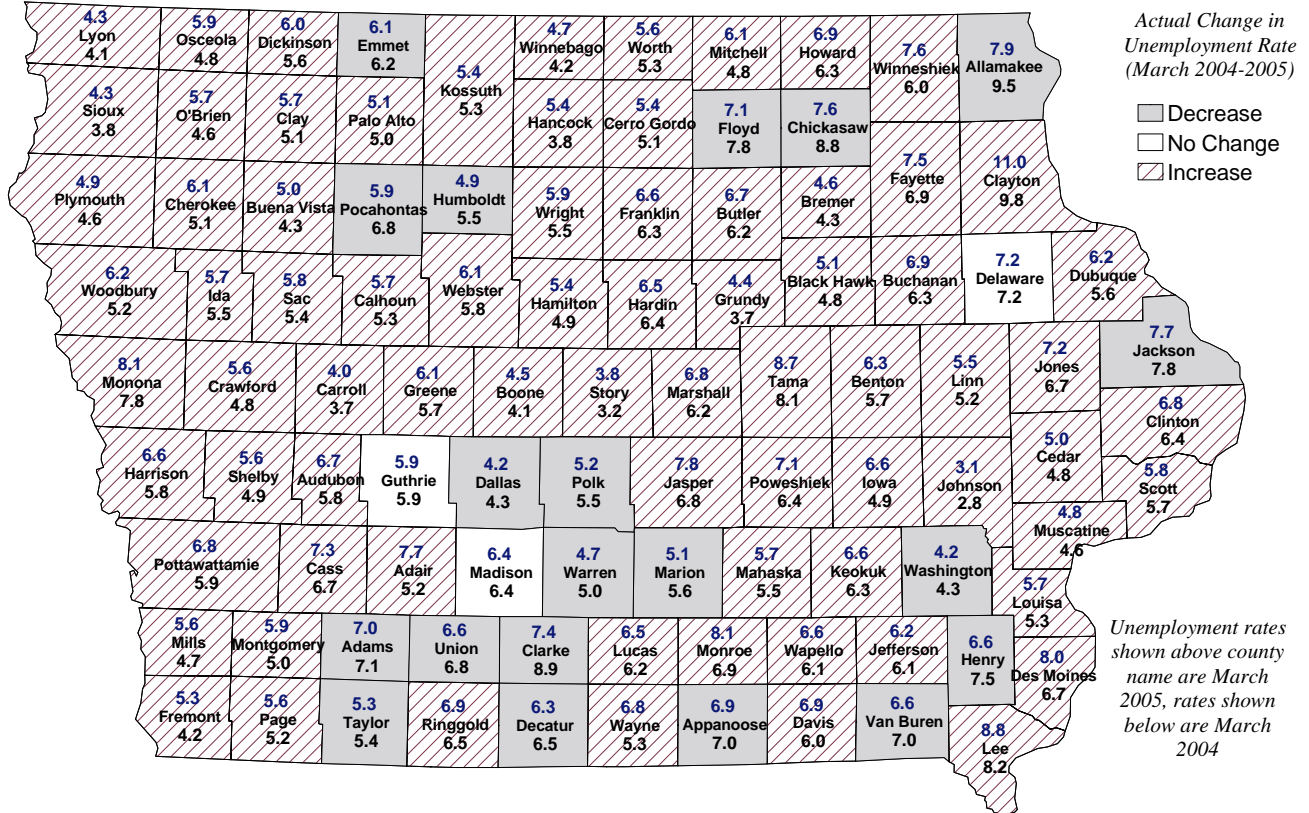
Unemployment Rates for Iowa and Neighboring States March 2005 (preliminary)

State	Rank	Rate
South Dakota	6	3.7%
Nebraska	10	4.0%
Minnesota	14	4.4%
Wisconsin	18	4.6%
IOWA	28	5.1%
Missouri	42	5.7%
Illinois	39	5.6%

Statewide and Local Labor Force Data

State of Iowa	Jan. 2005	Feb. 2005	Mar. 2005	Mar. 2004
Labor Force	1,624,100	1,636,400	1,643,200	1,621,300
Unemployed	82,300	83,100	83,400	76,200
Percent Unemployed	5.1%	5.1%	5.1%	4.7%
Employed	1,541,800	1,553,400	1,559,800	1,545,100

Unemployment Rates for Iowa Counties - March 2004 and 2005



Source: Labor Market Information, Iowa Workforce Development

LOCAL LABOR FORCE DATA

Metropolitan Statistical Area Data - March 2005

MSA		Labor Force	Employed	Unemployed	Rate
	Ames	46,400	44,700	1,700	3.8
	Cedar Rapids	142,200	134,100	8,100	5.7
	Des Moines	289,300	274,500	14,800	5.1
	Dubuque	47,400	44,500	3,000	6.2
	Iowa City	104,000	100,600	3,400	3.3
	Sioux City	82,600	77,900	4,700	5.7
	Waterloo-Cedar Falls	103,100	98,000	5,100	5.0
	*Davenport-Moline-Rock Island	191,300	180,700	10,700	5.6
	**Omaha-Council Bluffs	448,700	426,700	22,000	4.9

Source: Labor Market Information Bureau, Iowa Workforce Development

* Prepared by Illinois Department of Employment Security

** Prepared by Nebraska Department of Labor

Micropolitan Statistical Area Data - March 2005

MICROPOLITAN STATISTICAL AREAS		Labor Force	Employed	Unemployed	Rate
	Boone, IA	15,070	14,390	680	4.5
	Burlington, IA-IL	25,470	23,470	2,000	7.8
	Clinton, IA	24,990	23,290	1,690	6.8
	Fort Dodge, IA	18,930	17,790	1,150	6.1
	Keokuk-Fort Madison, IA-MO	19,320	17,650	1,680	8.7
	Marshalltown, IA	19,990	18,630	1,360	6.8
	Mason City, IA	31,840	30,100	1,740	5.4
	Muscatine, IA	31,480	29,900	1,580	5.0
	Newton, IA	19,020	17,540	1,490	7.8
	Oskaloosa, IA	11,150	10,520	630	5.7
	Ottumwa, IA	19,250	17,980	1,280	6.6
	Pella, IA	17,340	16,470	880	5.1
	Spencer, IA	9,390	8,860	530	5.7
	Spirit Lake, IA	10,350	9,730	620	6.0
	Storm Lake, IA	10,180	9,670	510	5.0

IOWA NONFARM EMPLOYMENT

Statewide Nonfarm Employment (Seasonally Adjusted)

(In Thousands)	Jan. 2005	Feb. 2005	Mar. 2005	Mar. 2004	Feb. 2005 - Mar. 2005	Mar. 2004 - Mar. 2005	Net Change
Total Nonfarm	1,458,500	1,459,500	1,446,900	1,451,700	2,500	10,300	
Construction	68,000	67,800	68,400	68,700	600	-300	
Manufacturing	224,700	224,800	225,000	220,900	200	4,100	
Trade and Transportation	305,800	305,700	306,100	304,800	400	1,300	
Information	33,700	34,200	34,100	33,500	-100	-600	
Financial Activities	97,900	98,000	98,400	96,000	400	2,400	
Professional and Business Services	105,700	106,300	106,700	107,400	400	-700	
Educational and Health Services	192,500	192,400	192,300	190,800	-100	1,500	
Government	243,100	242,400	242,100	244,200	-300	-2,100	

Source: Bureau of Labor Statistics, Current Employment Statistics

Seasonally Adjusted Nonfarm Employment

Seasonally adjusted nonfarm employment in Iowa averaged 1,460,000 during first quarter 2005, 10,500 more than in first quarter 2004. Significant gains were noted in manufacturing, financial activities, education and health services, and trade and transportation.

The largest single increase over the past year occurred in manufacturing, which was up by 3,900 from first quarter 2004. Financial activities added 2,100 new jobs, while education and health services increased by 1,700 and trade and transportation grew by 1,400. More modest growth occurred in information, which was up by 500, and construction, which was up by 400.

On the other hand, two major sectors experienced downturns over the past twelve months. Government is currently 1,700 lower than in first quarter 2004, while professional and business services is 1,000 lower.

Hours and Earnings

Workers in Iowa's private sector earned \$464.47 a week during first quarter 2005, \$18.83 a week more than in first quarter 2004. The increase was the result of a gain of 71 cents in average hourly earnings, which more than offset a decline of eighteen minutes in the average workweek.

The nonfarm gain was due mainly to increased earnings in the service-providing sector. Weekly earnings among service-providing industries were up by \$25.97 over the year due to an increase of 94 cents in average hourly earnings; the service-providing average workweek was down by twelve minutes from first quarter 2004. Weekly earnings in the goods-producing sector were down over the year due to less overtime in manufacturing. Workers in goods-producing industries earned \$666.11 a week during first quarter 2005, \$8.75 a week less than in first quarter 2004.

Within the goods-producing sector, mining and construction partially offset manufacturing's decline with increases of \$119.01 a week and \$14.62 a week, respectively. The average workweek for mining was almost five hours longer during first quarter 2005 and was coupled with a gain of \$1.03 in hourly earnings. Construction workers also earned more per hour over the year—\$18.22 in 2005 compared to \$17.49 in 2004. However, weekly hours for construction were down by 42 minutes.

AMES MSA

Ames MSA Nonfarm Employment (Story County)

	Jan. 2005	Feb. 2005	Mar. 2005	1st Qtr 2005 Avg	1st Qtr 2004 Avg	Change 1st Qtr 2004 1st Qtr 2005
Total Nonfarm	46,200	47,100	47,100	46,800	46,400	400
Total Private	27,400	27,500	27,600	27,500	26,600	900
Goods-Producing	6,100	6,000	6,100	6,100	5,500	600
Service-Providing	40,100	41,100	41,000	40,700	40,900	-200
Private Service-Providing	21,300	21,500	21,500	21,400	21,000	400
Government	18,800	19,600	19,500	19,300	19,800	-500

Source: Bureau of Labor Statistics, Current Employment Statistics
Note: Data not seasonally adjusted

**Total nonfarm
employment in the
Ames MSA averaged
46,800 in first
quarter 2005**

**Nonfarm
employment in the
area has shown an
upward trend since
July 2001.**

Metropolitan Statistical Areas (MSAs)

What's New In The Ames MSA?

- During first quarter 2005, total nonfarm employment in the Ames MSA averaged 46,800, up 0.9 percent from first quarter one year ago.
- The largest increase occurred in goods-producing, which includes mining, construction and manufacturing.
- Goods-producing comprises 11.8 percent of total nonfarm employment in the area. Service-providing, which is 45.6 percent of employment, demonstrated a net decrease of 0.3 percent, or 100 jobs.
- Although private service-providing gained 400 jobs, state government saw a decrease of 700 over the year.
- In general, nonfarm employment in the area has shown an upward trend since July 2001, when it fell to a low of 20,300.
- The majority of employment fluctuations occurred as the result of seasonal changes in retail trade and state government.

CEDAR RAPIDS MSA

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

	Jan. 2005	Feb. 2005	Mar. 2005	1st Qtr 2005 Avg	1st Qtr 2004 Avg	Change 1st Qtr 2004 1st Qtr 2005
Total Nonfarm	129,300	129,600	130,300	129,700	127,800	1,900
Natural Resources and Construction	6,400	6,400	6,500	6,400	6,300	100
Manufacturing	19,700	19,600	19,600	19,600	19,200	400
Trade, Transportation	28,200	27,800	27,800	27,900	27,400	500
Information	5,700	5,800	5,800	5,800	5,800	0
Financial Activities	10,000	9,900	9,900	9,900	9,500	400
Professional and Business Services	11,600	11,800	11,800	11,700	12,400	-700
Educational and Health Services	16,500	16,700	16,700	16,600	16,400	200
Government	15,200	15,600	16,000	15,600	15,600	0

Source: Bureau of Labor Statistics, Current Employment Statistics
Note: Data not seasonally adjusted

What's New In The Cedar Rapids MSA?

- Total nonfarm employment in the Cedar Rapids MSA added 300 jobs between January and February and an additional 700 in March. The 1st quarter average of 129,700 is higher than 1st quarter 2004 by 2,000 jobs.
- The service-providing sector realized the greatest quarterly gain in employment (1,500), when compared to 1st quarter 2004. Over one half of this gain (800) is shown in the leisure and hospitality sector, which has been steadily gaining jobs since November of 2004.
- Professional and business services experienced a decline of 700 jobs since 1st qtr 2004; however, this sector has increased slightly since January 2005, when employment was at its lowest level since November of 1995.

**Employment in
professional &
business services in
January 2005 was at
its lowest level since
November 1995.**

Metropolitan Statistical Areas (MSAs)

DES MOINES MSA

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

	Jan. 2005	Feb. 2005	Mar. 2005	1st Qtr 2005 Avg	1st Qtr 2004 Avg	Change 1st Qtr 2004 1st Qtr 2005
Total Nonfarm	299,100	300,600	302,400	300,700	289,800	10,900
Construction	15,300	14,900	14,800	15,000	14,600	400
Manufacturing	19,400	19,700	20,100	19,700	19,100	600
Trade, Transportation	65,900	65,700	65,700	65,800	62,100	3,700
Information	9,300	9,300	9,300	9,300	9,200	100
Financial Activities	47,400	47,600	47,500	47,500	45,900	1,600
Professional and Business Services	29,400	29,900	30,700	30,000	29,700	300
Educational and Health Services	34,900	35,300	35,400	35,200	34,600	600
Government	38,300	38,600	39,000	38,600	38,900	-300

Source: Bureau of Labor Statistics, Current Employment Statistics
Note: Data not seasonally adjusted

The employment services industry has exceptionally strong relationships with both financial services and business services.

Metropolitan Statistical Areas (MSAs)

What's New In The Des Moines MSA?

- Nonfarm employment reflected a first quarter average of 300,700 in the Des Moines MSA.
- Leisure and hospitality demonstrated the largest gain in first quarter 2005, adding 12.9 percent or 3,400 jobs over the year.
- The largest decrease during the quarter occurred in employment services, down 6.6 percent, or 400 jobs.
- The employment services industry has exceptionally strong relationships with both financial services and business services. As financial services or business services increases or decreases, so does the employment services industry. In first quarter 2005, professional, scientific and technical services experienced a decrease in conjunction with employment services.
- Financial services has seen a steady upward trend since January 1995. However, the industry experienced a slight downturn in March.

DUBUQUE MSA

Dubuque MSA Nonfarm Employment (Dubuque County)

	Jan. 2005	Feb. 2005	Mar. 2005	1st Qtr 2005 Avg	1st Qtr 2004 Avg	Change 1st Qtr 2004 1st Qtr 2005
Total Nonfarm	50,900	51,000	51,400	51,100	51,100	0
Total Private	46,700	46,800	47,200	46,900	46,900	0
Goods-Producing	11,300	11,300	11,400	11,300	10,700	600
Service-Providing	39,600	39,700	40,000	39,800	40,400	-600
Private Service-Providing	35,400	35,500	35,800	35,600	36,200	-600
Government	4,200	4,200	4,200	4,200	4,100	100
<i>Federal Government</i>	<i>300</i>	<i>300</i>	<i>300</i>	<i>300</i>	<i>300</i>	<i>0</i>
<i>State Government</i>	<i>200</i>	<i>200</i>	<i>200</i>	<i>200</i>	<i>200</i>	<i>0</i>
<i>Local Government</i>	<i>3,700</i>	<i>3,700</i>	<i>3,700</i>	<i>3,700</i>	<i>3,600</i>	<i>100</i>

Source: Bureau of Labor Statistics, Current Employment Statistics
Note: Data not seasonally adjusted

What's New In The Dubuque MSA?

- Total nonfarm employment in the Dubuque MSA gained 100 from January to February and an additional 400 in March. The 1st quarter average is unchanged from 1st quarter 2004.
- The greatest gain, when compared to 1st quarter 2004, was realized in the goods-producing sector. This sector gained 600 as a result of seasonal increases, largely due to the construction industry increasing employment as they prepared for increased workload.
- The service-providing sector gained 400 through the quarter, 200 less than the gain realized through 1st quarter 2004, and the average employment for this quarter remains 600 below the 1st quarter 2004 average.

**The greatest gain,
when compared to
1st quarter 2004, was
realized in the
goods-producing
sector.**

Metropolitan Statistical Areas (MSAs)

IOWA CITY MSA

Iowa City MSA Nonfarm Employment (Johnson and Washington Counties)

	Jan. 2005	Feb. 2005	Mar. 2005	1st Qtr 2005 Avg	1st Qtr 2004 Avg	Change 1st Qtr 2004 1st Qtr 2005
Total Nonfarm	82,200	84,100	85,400	83,900	83,400	500
Total Private	51,800	52,800	53,400	52,700	52,000	700
Goods-Producing	9,400	9,400	9,500	9,400	9,200	200
Service-Providing	72,800	74,700	75,900	74,500	74,200	300
Private Service-Providing	42,400	43,400	43,900	43,200	42,900	300
Trade, Transportation	15,500	15,500	15,500	15,500	15,500	0
Professional and Business Services	4,400	4,400	4,500	4,400	4,700	-300
Government	30,400	31,300	32,000	31,200	31,400	-200

Source: Bureau of Labor Statistics, Current Employment Statistics
Note: Data not seasonally adjusted

State government, which includes the university and hospital, represents almost 40 percent of all nonfarm employment in the MSA.

Metropolitan Statistical Areas (MSAs)

What's New In The Iowa City MSA?

- The Iowa City MSA's average total nonfarm employment for the 1st quarter was 83,900, which is an increase of 500 over the same period in 2004.
- The greatest over-the-quarter change occurred in state government which reported a 1,300 seasonal increase from January to March, yet was only one half of the increase seen in the same period last year. This sector, which represents almost 40 percent of all nonfarm employment, remains 200 jobs lower than 1st quarter 2004.
- The goods-producing sector remained stable this quarter, adding only 100 jobs. At 9,400, the 1st quarter 2005 average is 300 above the 1st quarter 2004 average.

SIoux CITY MSA

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

	Jan. 2005	Feb. 2005	Mar. 2005	1st Qtr 2005 Avg	1st Qtr 2004 Avg	Change 1st Qtr 2004 1st Qtr 2005
Total Nonfarm	69,600	69,600	70,200	69,800	70,800	-1,000
Total Private	60,700	60,500	61,100	60,800	61,700	-900
Goods-Producing	15,600	15,400	15,700	15,600	15,700	-100
Service-Providing	54,000	54,200	54,500	54,200	55,100	-900
Private Service-Providing	45,100	45,100	45,400	45,200	46,000	-800
Manufacturing	12,800	12,800	13,000	12,900	13,000	-100
Trade, Transportation	13,900	13,900	13,800	13,900	13,900	0
Retail Trade	8,400	8,400	8,300	8,400	8,400	0
Professional and Business Services	7,200	7,200	7,300	7,200	7,300	-100
Leisure and Hospitality	6,600	6,500	7,000	6,700	6,700	0
Government	8,900	9,100	9,100	9,000	9,100	-100
<i>Federal Government</i>	1,000	1,000	1,000	1,000	1,000	0
<i>State Government</i>	600	600	600	600	600	0
<i>Local Government</i>	7,300	7,500	7,500	7,400	7,500	-100

Source: Bureau of Labor Statistics, Current Employment Statistics

Note: Data not seasonally adjusted

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

- Total nonfarm employment for first quarter 2005 is 1.4 percent (-1,000) below the first quarter 2004 level.
- Manufacturing lost employment as a result of layoffs in food processing manufacturing. The industry however has reached a trough, and is showing signs of strengthening. The March employment increase represents the eleventh month that employment has increased in the industry.
- The service-providing sector is down 1.7 percent (-800). The employment loss was in finance and insurance, health and social assistance, and other services.

The manufacturing industry has reached a trough, and is showing signs of strengthening.

Metropolitan Statistical Areas (MSAs)

WATERLOO MSA

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

	Jan. 2005	Feb. 2005	Mar. 2005	1st Qtr 2005 Avg	1st Qtr 2004 Avg	Change 1st Qtr 2004 1st Qtr 2005
Total Nonfarm	86,500	86,400	87,100	86,700	85,600	1,100
Total Private	71,800	71,800	72,400	72,000	70,600	1,400
Goods-Producing	20,000	19,800	20,100	20,000	19,100	900
Service-Providing	66,500	66,600	67,000	66,700	66,500	200
Private Service-Providing	51,800	52,000	52,300	52,000	51,500	500
Manufacturing	16,300	16,200	16,300	16,300	15,900	400
Trade, Transportation	16,100	16,200	16,300	16,200	16,100	100
Professional and Business Services	6,700	6,500	6,600	6,600	6,600	0
Educational and Health Services	12,800	12,900	13,000	12,900	12,400	500
Government	14,700	14,600	14,700	14,700	15,000	-300

Source: Bureau of Labor Statistics, Current Employment Statistics
Note: Data not seasonally adjusted

The greatest over-the-quarter change occurred in leisure and hospitality which realized a seasonal gain of 400 from January to March

Metropolitan Statistical Areas (MSAs)

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

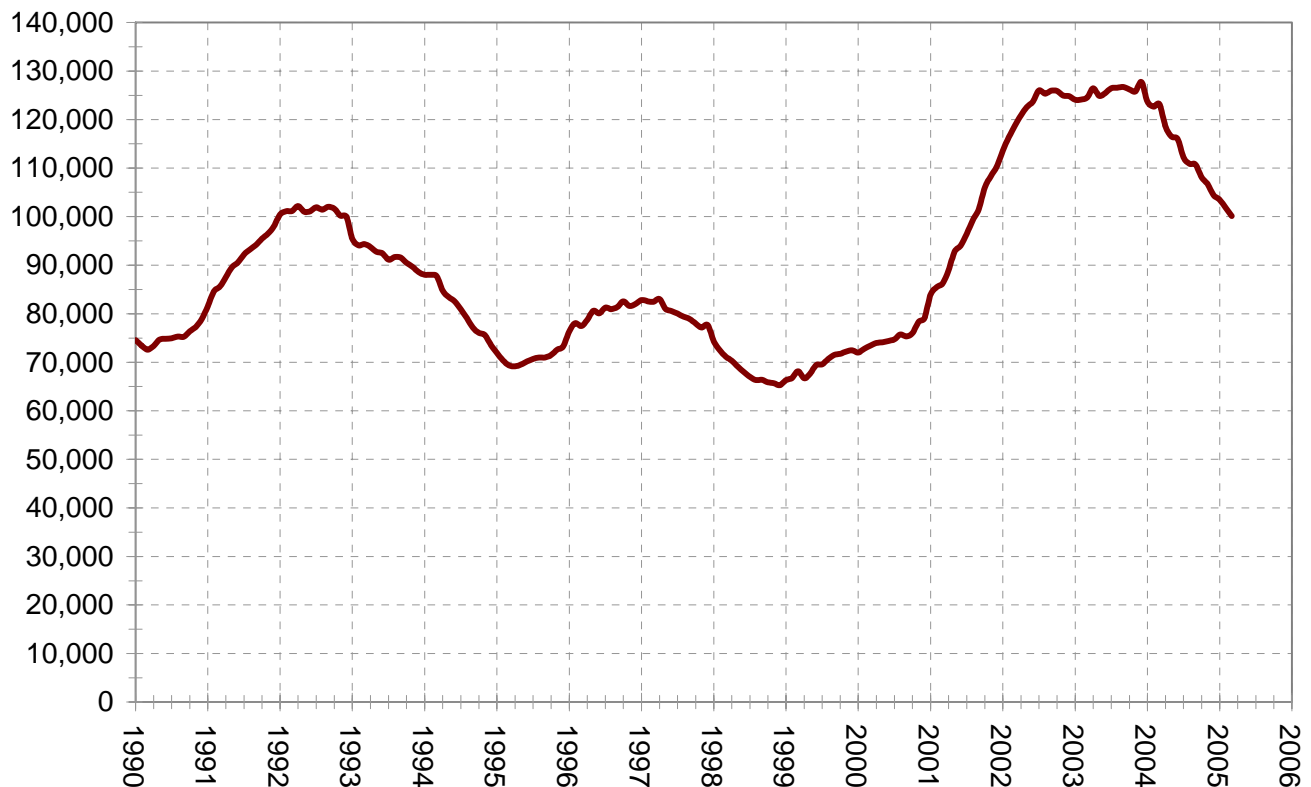
- The Waterloo/Cedar Falls MSA's average total nonfarm employment for the 1st quarter was 86,700, which is an increase of 1,100 over the same period in 2004.
- The greatest over-the-quarter change occurred in leisure and hospitality which realized a seasonal gain of 400 from January to March, doubling the increase seen in the same period last year. However, the quarterly average remains the same as the 1st quarter of 2004.
- Manufacturing declined 100 from January to February before rebounding in March. At 16,300, the 1st quarter 2005 average is 400 above the 1st quarter 2004 average.

UNEMPLOYMENT INSURANCE

Unemployment Insurance Financial Activity

Regular Unemployment Insurance (UI)				
Item	Quarter Ending:		Twelve Months Ending:	
	Mar. 2005	Mar. 2004	Mar. 2005	Mar. 2004
Benefits Paid (\$)	114,667,664	124,277,734	302,882,731	368,912,116
Weeks Compensated	434,481	486,373	1,201,136	1,477,846
First Payments	36,542	35,007	90,511	104,553
Final Payments	6,692	8,037	25,551	32,881
Average Benefit per First Payment (\$)	-----	-----	3,346.36	3,528.47
Average Weekly Benefit (\$)	263.92	255.52	252.16	249.63
Average Duration	-----	-----	13.3	14.1
Exhaustion Rate	-----	-----	26.8%	29.4%

*UI Total Weeks Compensated
(Twelve-Month Moving Average)*



Weeks Compensated: The number of weeks claimed for which UI benefits are paid.

QUARTERLY INDUSTRY REVIEW

Celestica PLANT Closing

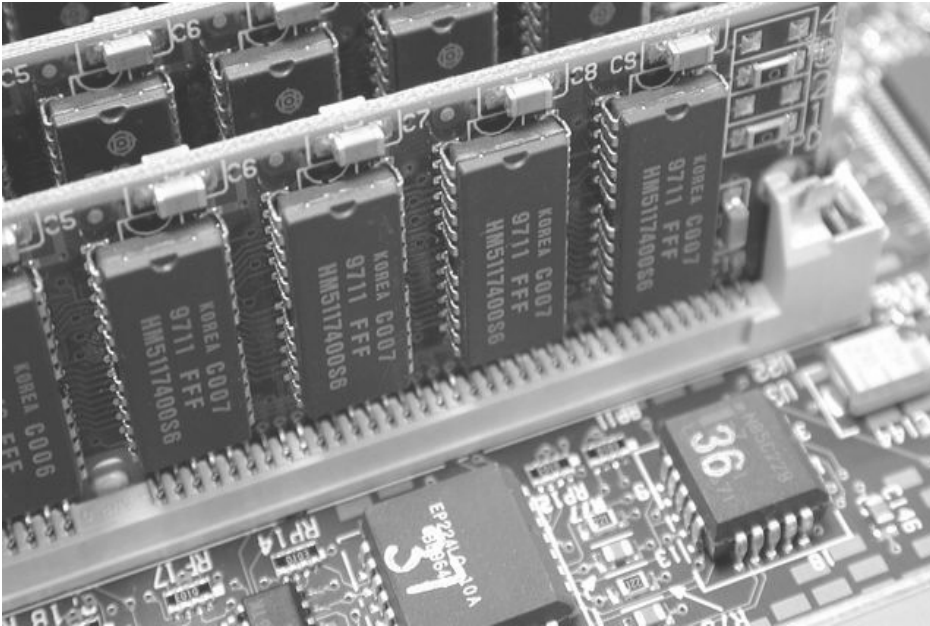


Photo courtesy of Morguefile.com

Mount Pleasant—A major employer in southeast Iowa is closing, leaving 334 people looking for jobs. The Celestica plant in Mount Pleasant will shut down by the end of the year.

A spokeswoman for the company, which manufactures electronics equipment, said the decision to close the plant is part of a global restructuring plan to improve efficiency.

Celestica has 48 plants in 19 countries. The Mount Pleasant plant has been in operation for four years.

Some employees will be offered a chance to transfer, but officials said the available positions in the U.S. are limited. The rest of the workers will be given a severance package.

Western Iowa

Le Mars—Wells' Dairy in Le Mars has announced it will create 129 jobs and retain 346 in its contract with the State of Iowa for Values Fund dollars, according to Tina Hoffman, communications director for the Iowa Department of Economic Development.

Denison—Tyson Foods Inc. closed three of its Midlands meatpacking plants for three to five weeks, starting January 10, according to a company announcement. The plants in Norfolk and West Point, Nebraska; and Denison, Iowa, employ a total of 1,450 workers. Tyson said "unfavorable beef operating margins" prompted the decision. Other meatpackers have also reduced production in recent months. Workers affected by the shutdowns will be paid for the equivalent of 32 hours a week for the second and subsequent weeks of their furlough, Tyson said. The company encouraged workers to use paid vacation for the first week, when they will not be paid. In later news, it was announced February 11 that plans were underway to end the temporary suspension of operations at Tyson beef plants in the Upper Midwest and Pacific Northwest. The affected plants would resume production on a staggered basis over the next two weeks. The company planned to resume production at the Denison, Iowa plant on Wednesday, February 16.

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

Western Iowa

Continued ...

Emmetsburg—Voyager Ethanol, the state's 16th ethanol plant, opened February 25 near Emmetsburg. The \$64 million plant will produce 50 million gallons of ethanol a year, using about 17.5 million bushels of corn from the area. It is expected to create 40 jobs. The company has also committed to the New Jobs and Income Program (NJIP) as part of the funding package from the State of Iowa for the company's decision to build its new corporate campus in Iowa. The new corporate campus is currently under construction.

Sioux City—Smithfield Foods Inc. will close its Case Ready Meats Inc. plant in Sioux City May 13, eliminating 105 jobs, company officials said. The plant packages cuts of pork for grocers' meat cases. Smithfield officials said the inability to drum up more case-ready business made the plant unprofitable.

Solar Plastics, based in Minneapolis, Minnesota, planned to close its plant in Sioux City in January, eliminating about 40 jobs. The company makes plastic components for farm and industrial equipment. Solar Plastics acquired the Sioux City plant in 1976. It currently employs more than 200 people at its corporate offices and plants in Minnesota, and Sioux City and Davenport, Iowa.

Central Iowa

Ames—Grand Rapids, Michigan-based Clarion Technologies Inc. has leased a 124,000-square-foot building in Ames to meet demand in the consumer goods and appliance sectors, the company said in a statement. The company manufactures parts for the automotive, appliance and furniture industries.

Buffalo Center—The Wilson clothing stores have closed after more than 100 years in Buffalo Center. Mick Wilson, 65, owner of Wilson's Men's Clothing and Wilson's for Women, planned to retire. The closing affected approximately 12 employees.

Chariton—American Republic Insurance Company has announced that effective September 30, 2005, jobs at its service center in Chariton will be transferred to its national headquarters in Des Moines. The center, which primarily houses claims processing and customer service functions, has served as a satellite office for American Republic since April 2001. The decision to close the Chariton facility impacts 46 employees working at this site. The majority of jobs will be retained; staff in needed positions who wish to remain with American Republic will be offered transfers and will work out of Des Moines.

Des Moines—Kemin Industries Inc. plans a \$10 million expansion at its campus on Des Moines' southeast side, contingent upon government incentives. Plans call for construction of an \$8.5 million office building, as well as spending \$1.5 million on equipment to increase production of lutein, which it produces for multivitamins. Kemin is seeking \$5 million in financial assistance from state and local government. In turn, the privately held company would add 40 jobs over the next five years that would pay an average of \$28.37 per hour, President Chris Nelson told Polk County Supervisors. The Iowa Department of Economic Development has awarded a Community Economic Betterment Account grant to Des Moines-based Kemin Industries, Inc. for the planned expansion. The grant includes a \$300,000 loan at 0% for seven years and a \$250,000 forgivable loan from the Physical Infrastructure Assistance Program (PIAP).

Fort Dodge—A factory that once made grain bins will soon begin making trailers for inter-modal cargo containers. The move will keep the Chief Industries Inc. plant in Webster County open, and create at least 17 jobs. The Grand Island, Nebraska-based company is investing \$500,000 in the plant east of Fort Dodge. Production is expected to begin April 1.

QUARTERLY INDUSTRY REVIEW

Central Iowa

Continued...

Marshalltown—The Marshalltown Company, formerly known as Marshalltown Trowel, announced its plan to lay off a portion of its workforce in January. "For some time our production capacity has exceeded demand for our forged product," said Dick Hovey, human resources manager for the company. "We'd taken some steps to adjust for it but we continued to have excess." Hovey said this is the first workforce reduction the company has experienced in the last 30 years. There was no word on whether affected workers could possibly be recalled. Hovey would not give the number of workers that would be affected, saying the release of that type of information could put the company at a disadvantage with competitors.

Mason City—Alexander Technologies announced February 1 that it is moving the bulk of its battery manufacturing operations from Mason City to Malaysia. "Our customers are very demanding on cost and what their expectations are," said Jay S. Miller, senior vice president of marketing and engineering. "And for us to be competitive, that's what it takes. The labor force in Asia, as everybody knows, is substantially cheaper." About 24 jobs will be affected by the move, he said. Sales, engineering and customer service functions will remain in Mason City, along with a downsized manufacturing unit. About 20 to 25 workers will stay in Iowa, Miller said.

Newton—Maytag has again laid off about 155 of its work force, reducing employment at its Newton factory to almost half of what it was three years ago. The layoffs put the Newton production work force at an estimated 1,275 workers, compared with around 2,500 as recently as 2002.

Osceola—The Iowa Department of Economic Development has awarded a Community Economic Betterment Account (CEBA) grant to Paul Mueller Company of Osceola for the retention of 20 jobs and the creation of 6 jobs. The grant includes a \$36,000 forgivable loan and a \$24,000 loan at 0% for two years with one lump sum payment.

The Iowa Department of Economic Development has awarded a Community Economic Betterment Account (CEBA) grant to Boyt Harness Company, LLC of Osceola for the retention of 26 jobs. The grant includes a \$46,800 forgivable loan and a \$31,200 loan at 0% for two years with one lump sum payment.

Sheffield—The Iowa Department of Economic Development Board awarded \$240,000 to Creative Solutions Unlimited. The company is planning to build two new office buildings in Sheffield, renovate part of its existing facility and add 21 jobs as part of a \$4.2 million expansion. The firm pledges to retain 19 current jobs. The jobs are expected to pay an average wage of \$17.18 per hour. The \$240,000 package includes a \$120,000 forgivable loan and a five-year, zero-interest \$120,000 loan.

Knoxville—The U.S. Department of Veterans Affairs will phase out most services at its Knoxville hospital over the next four years. Inpatient services will be moved to Des Moines as part of the VA's initiative to modernize its outdated hospitals, improving health care for veterans. All 600 employees will be given the option of transferring to Des Moines, relocating within the VA or working at the mental health clinic that will remain in Knoxville.

QUARTERLY INDUSTRY REVIEW

Eastern Iowa

Amana—An eastern Iowa refrigerator manufacturing plant owned by Maytag Corp. has applied for a state tax credit to expand. Amana Refrigeration Products would create 200 jobs, according to an application approved by the Iowa County supervisors. The company is seeking assistance from the New Capital Investment Program, which grants tax credits to companies expanding existing operations. The amount sought by Amana was not specified, but is typically 10 percent of the total capital investment. The application form said Amana refrigeration plans to invest \$65.5 million in machinery and equipment to make a new product line at the Middle Amana plant.

Bloomfield—American Welding and Tank in Bloomfield is operating without one-third of its workforce. The company, a division of Harsco Inc., announced layoffs in several of its plants around the country. For Bloomfield, in southeast Iowa, it means the reduction of 24 jobs. Currently the plant has 60-65 employees. Plant manager Jerry Batterson said the market situation forced the company to issue the layoffs. Increases in the price of the tanks manufactured by the company were forced primarily due to the continually rising cost of the steel that is used to make the tanks.

Burlington—A conveyor production plant has announced plans to locate in Burlington, a move that would employ a dozen people. The company, GB LLC, will assemble heavy-duty conveyor systems for recycling, solid waste and scrap processing operations, according to Dennis Hinkle, vice president of economic development for the Burlington-area Chamber of Commerce. GB planned to begin building the conveyors by early March.

Dubuque—An East Coast tele-services company plans to open a Dubuque call center that would create up to 150 jobs this year. Bristol, Connecticut-based American Customer Care Inc. expects to open the facility in February, initially with about 50 workers, said Jim Lange, the company's vice president of business development. Depending on business levels, Lange said the operation's staff could grow to about 150 employees on three shifts within six to nine months.

Eagle Window & Door, Dubuque, has seen major growth. And the company's success could generate a powerful ripple effect, as businesses built to serve the fenestration giant begin to appear around it. Eagle, bolstered by soaring demand for its high-end products, anticipates adding more than 100 jobs at its Kerper Boulevard plant this year, according to a company official.

Last year, Vessel Systems, Inc., a Dubuque-based manufacturer moved into a new state-of-the-art factory partly due to state and local incentives. Now it appears the manufacturer is fighting for its life, bringing in a management specialist charged with putting Vessel back on course. On March 16, the management firm laid off all 41 of the plant's employees, including 30 unionized workers. Seventeen employees were called back to work the next day. Ken Yager, of AQM Inc., a corporate "turnaround" firm based in Libertyville, Illinois, said it is much too early to make any determinations on calling back employees. Asked if his firm can save Vessel Systems, he said: "There are no guarantees, but we are here because there is a belief that that is possible."

The Iowa Department of Economic Development has awarded a Community Economic Betterment Account (CEBA) grant to Prudential Retirement Insurance & Annuity Company of Dubuque for the creation of 69 jobs. The grant consists of a \$207,000 forgivable loan.

Keokuk—A southeast Iowa plant that makes marine bearings and fenders will close this year, company officials announced. Officials with Finland-based Metso Minerals said the company's plant in Keokuk will close during the first half of 2005. The move will eliminate about 100 jobs. Metso's core businesses are fiber and paper technology, rock and mineral processing and automation and control technology. Because the fender business is not one of the company's core businesses, Metso is considering the sale of all fender-related assets, company officials said in a written statement.

QUARTERLY INDUSTRY REVIEW

Eastern Iowa

Continued...

North Liberty—Revenue Cycle Partners, a hospital account management firm based in Billings, Montana, said it plans to open an office in North Liberty by May 1. The company plans to create 40 jobs by the end of the year and to expand its work force to 100 within two years. Revenue Cycle Partners said it expects to be handling 6,000 patient contacts a week at North Liberty within 12 months.

Waverly—Workers at Koehring Cranes, of Waverly, walked off the job on Saturday, February 5, after rejecting the company's latest contract offer. About 135 workers with United Auto Workers Local 411 voted to strike after their five-year contract expired at midnight on February 4. The two sides had been negotiating for about a month.

West Burlington—General Electric laid off 85 workers at its West Burlington plant effective Monday, January 10. The plant, located at 510 E. Agency St., manufactures low and medium-voltage switchgear for industrial, commercial, telecommunication, Internet and electric utility applications. An additional 43 workers were laid off February 7 because of a downturn in orders.

Contact Information

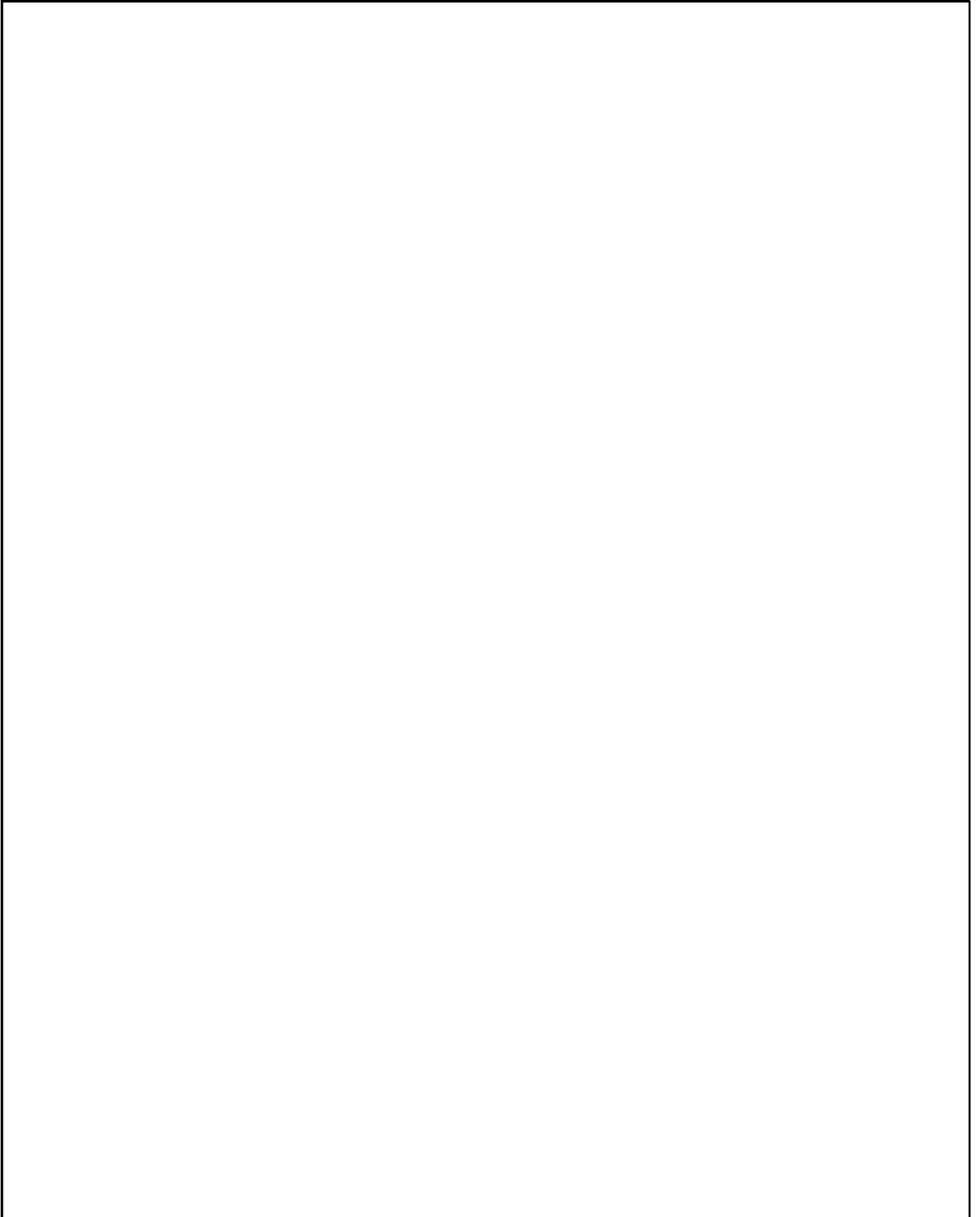


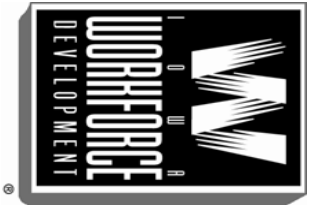
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