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STATE OF IOWA

ORKNET

WORKFORCE DEVELOPMENT

THIRD QUARTER 2004

Third Quarter Posts Strongest Performance of the Recovery

The performance of the state's economy during third quarter marked a new phase of the recovery. Despite continued concerns about rising energy prices, nonfarm jobs advanced by 7,800 during the July through September 2004 period. This represented the strongest quarter for hiring since the recession ended in November 2001. The length of time that it has taken to generate job growth suggests that the most recent recession was heavily influenced by structural change. This means that a large number of workers were compelled to transition to new skills and new industries in order to find a job.

During third quarter, workers were encouraged by reports of hiring activity and entered the job market in larger numbers. Iowa's labor force averaged 1,629,500 during the quarter, 27,000 more than the level reported for the same period one year ago. Meanwhile, the state's unemployment rate averaged 4.5 percent for the quarter, considerably less than the U.S. average of 5.4 percent.

In general, the strength in third-quarter manufacturing employment came from hiring in durable goods plants, which had incurred the largest losses over the past three years. Nondurable goods manufacturing, which has a large concentration of employment in food products, was negatively impacted by the closing of Iowa Quality Beef at Tama in August. Over 500 workers were affected by the closing. Among the service-producing industries, finance topped the 100,000 employment level for the first time. This industry continued to be a major source of new jobs for the state.

Job Outlook

The coming year will see the benefits of productivity lift demand across the economy, which will result in more jobs and higher wages. As orders for durable goods products pick up, expect to see more hiring in manufacturing. It will probably take some time for manufacturing to regain the jobs that were lost in the last three years, but the industry will no longer be a drag on employment growth.

As the recovery continues to move forward, expect to see a resurgence in the professional and business services. A large amount of outsourcing is provided by this industry; therefore, it will generate thousands of new jobs as the economy expands. Included in the sector are accounting and bookkeeping services, advertising, architectural and engineering services, computer services, consulting services, legal services, and a wide range of other business services.

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2004 ANNUAL COUNTY PROFILES

2004 Annual County Profiles Now Available!

For individual county profile reports, visit Iowa Workforce Development online at:

www.iowaworkforce.org/lmi/empstat

What is New About the 2004 Annual County Profiles?

- Improved design for easier reading and printing
- Enhanced graphic presentation of employment data
- Insightful analysis

For more information, contact
 Employment Statistics Bureau,
 Iowa Workforce Development
 1-800-532-1249

The 2004 Annual County Profiles are now available online for all of Iowa's 99 counties. County profiles are a compilation of employment data from Quarterly Census of Employment and Wages (QCEW) such as covered employment, reporting units, annual average wages, and average weekly wages (all of which are broken out by the two digit North American Industrial Classification System (NAICS)).

Since QCEW's conception, the quarterly data has served as a highly accurate indicator of Iowa's labor market conditions. Its reliability stems from the fact that it is the largest source of covered monthly employment and quarterly wage information.

As Iowa Workforce Development has continually strived to improve its products and services, the reporting of the QCEW has continued to evolve over the years to provide decision makers a better tool in interpreting and understanding employment conditions in the state. This year Iowa Workforce Development's Employment Statistics Bureau has created a new and improved annual county profile, designed for easier reading. The illustrations below and on the next page are examples of information that can be found in the new 2004 Annual County Profiles.

Individualized reports on each of Iowa Workforce Development's 16 regions and the State of Iowa will soon be available.

DALLAS

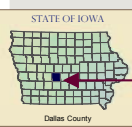
2004 ANNUAL COUNTY PROFILE

Executive Summary

As of 2003, Dallas County's largest private sector was Trade, representing 1602 percent (2.25%) of the county's total covered employment of 14,085. Over 69 percent of the employment in this sector was in the Retail Trade industry. The county's total employment increased by 7.20 percent since 2002 and the average annual wage increased by 4.23 percent to \$30,182 for all industries. Six sectors in Dallas County reported double digit growth in employment for 2003.

Dallas County's average weekly wage for all industries was \$580 for 2003. This was an increase of 4.13 percent since 2002. The highest average weekly wage was in the Finance, Insurance & Real Estate sector, averaging \$808 with gross total wages of \$25.5 million. Retail Trade had the largest percentage increase in average weekly wage of 27.87 percent (1971) since 2002.

Location of County



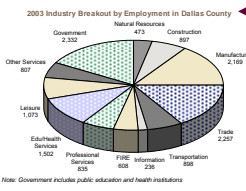
Total Employment¹

Average Weekly Wage²

Largest Private sector³

¹ Percent is based on statewide covered employment of 1,404,476
² Percent is based on statewide average weekly wage of \$591
³ Percent is based on statewide covered sector employment

2003 Industry Breakout by Employment in Dallas County



Industry	Employment
Government	2,332
Natural Resources	470
Construction	867
Manufacturing	2,159
Trade	2,297
Other Services	807
Laborers	1,075
Educational Services	1,502
Professional Services	658
Finance, Insurance, and Real Estate	535
Transportation	236
Health Services	556

QUICK FACTS

Category	Value	%
Covered Employment (2003)	14,085	1.00%
Total Employment	14,085	1.00%
Average Weekly Wage	\$580	98.11%
Largest Private Sector	Wholesale & Retail Trade	2,297 0.92%

¹ Percent is based on statewide covered employment of 1,404,476
² Percent is based on statewide average weekly wage of \$591
³ Percent is based on statewide covered sector employment

Ten Largest Employers by Employment Based on Annual 2003 Employment Private Industry

Rank	Name of Company	Industry
1	Tyson Fresh Meats	Retail Trade
2	Har-Nurn Transportation	Transport/Warehousing
3	Iowa Foundation for Medical Care	Other Services
4	Wells Fargo Bank North America	Finance and Insurance
5	YRCA	Other Services
6	Quebecor World Waukeg	Manufacturing
7	Cater's General Stores	Retail Trade
8	ABC State Healthcare	Information
9	Hwy-Line International	Agriculture
10	Glenn/Lowell Lumber Co	Retail Trade

2003 Population

Growth % Since 1990

2003 Unemployment Rates

2002 Per Capita Personal Income

2002 Median Household Income

Ranking based on Iowa's 99 counties

Website for Additional QCEW Data

www.iowaworkforce.org/lmi/empstat

2004 ANNUAL COUNTY PROFILES

Covered Employment and Reporting Units (worksites) by Industry for 2003 and 2002

Average Annual Weekly Wage by Industry for 2003 and 2002

2004 QUARTERLY CENSUS OF EMPLOYMENT AND WAGES PROFILE

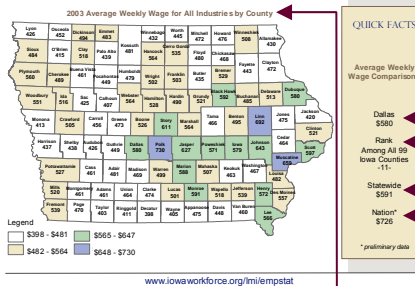
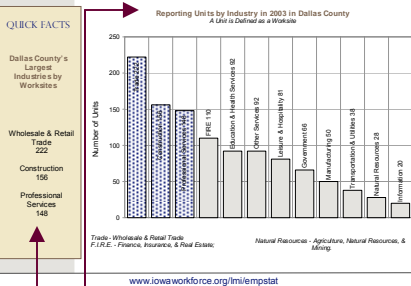
2003 Covered Employment and Reporting Units by Industry in Dallas County			2002 Covered Employment and Reporting Units by Industry in Dallas County		
Reporting Units	% Change	Employment	Reporting Units	% Change	Employment
1,059	1.00%	13,139	1,040	7.20%	14,080
940	10.11%	10,880	11,753	8.02%	
251	28.12%	4,900	473	16.50%	
134	156.42%	812	897	10.47%	
48	50.24%	2,050	2,050	5.50%	
213	222.43%	2,006	2,257	12.51%	
83	84.20%	692	953	0.14%	
130	136.15%	1,314	1,564	19.03%	
38	38.87%	928	898	-3.02%	
20	20.00%	297	298	40.50%	
107	110.88%	450	605	28.14%	
118	149.24%	691	835	20.84%	
84	92.15%	1,430	1,502	4.60%	
74	81.94%	984	1,073	9.04%	
84	92.52%	684	807	17.86%	
69	66.43%	2,259	2,332	3.23%	
9	9.00%	70	73	4.29%	
52	49.77%	2,077	2,144	3.23%	
8	8.00%	112	115	2.68%	

2004 QUARTERLY CENSUS OF EMPLOYMENT AND WAGES PROFILE

2003 Average Annual and Weekly Wage by Industry in Dallas County			2002 Average Annual and Weekly Wage by Industry in Dallas County		
Average Annual Wage	% Change	Average Weekly Wage	Average Annual Wage	% Change	Average Weekly Wage
\$ 28,467	4.21%	\$ 557	\$ 30,182	4.13%	\$ 560
\$ 29,316	4.93%	\$ 564	\$ 30,762	4.96%	\$ 592
\$ 28,862	8.92%	\$ 555	\$ 31,460	9.01%	\$ 606
\$ 32,184	2.75%	\$ 619	\$ 33,068	2.75%	\$ 636
\$ 28,655	10.16%	\$ 569	\$ 32,620	10.16%	\$ 627
\$ 23,256	15.08%	\$ 447	\$ 25,760	15.08%	\$ 513
\$ 33,098	5.86%	\$ 635	\$ 34,988	5.86%	\$ 672
\$ 18,108	27.71%	\$ 348	\$ 23,123	27.71%	\$ 445
\$ 44,635	1.51%	\$ 858	\$ 45,309	1.51%	\$ 871
\$ 32,861	4.15%	\$ 627	\$ 31,239	4.15%	\$ 601
\$ 39,427	6.56%	\$ 758	\$ 41,991	6.56%	\$ 808
\$ 30,493	8.22%	\$ 585	\$ 33,001	8.22%	\$ 635
\$ 29,163	3.84%	\$ 553	\$ 29,874	3.84%	\$ 575
\$ 12,368	-2.05%	\$ 238	\$ 12,114	-2.05%	\$ 233
\$ 37,704	-11.80%	\$ 725	\$ 33,254	-11.80%	\$ 640
\$ 27,227	0.12%	\$ 524	\$ 27,259	0.12%	\$ 524
\$ 33,763	2.94%	\$ 650	\$ 34,776	2.94%	\$ 669
\$ 36,807	0.06%	\$ 702	\$ 36,490	0.06%	\$ 708
\$ 36,490	0.89%	\$ 702	\$ 36,815	0.89%	\$ 708

What is the Quarterly Census of Employment and Wages (QCEW)?

- Quarterly employment and wages reported by employers covering approximately 98 percent of U.S. jobs
- Available at the county, regional, state and national levels by industry



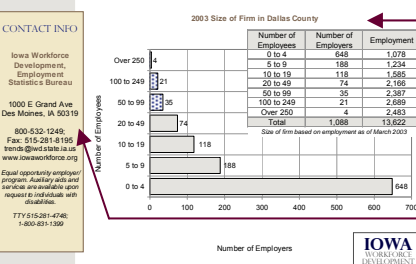
Reporting Units by Industry in 2003 in a Graphical Illustration

2003 Average Weekly Wage for all Counties in Iowa

Quick Facts: Top 3 Worksites by Industry

Quick Facts: Average Weekly Wage (AWW) of County, Ranking in State, Stateside AWW, and U.S. AWW

2004 QUARTERLY CENSUS OF EMPLOYMENT AND WAGES PROFILE



2003 Size of Firm in Graphical Format

Contact Information

What is its Value?

A highly accurate indicator of Iowa's labor market conditions, it is used to estimate:

- Gross Domestic Product
- Personal Income
- State Revenue Projections
- Forecast various economic conditions

In 2005, Iowa Workforce Development will begin using geographical information systems to map some of the Quarterly Census of Employment and Wages data for each of the metropolitan statistical areas (MSA) in Iowa. This will help provide a greater understanding of Iowa's work force characteristics.

US EMPLOYMENT SITUATION

Labor Force Data (Seasonally Adjusted)

	July 2004	Aug. 2004	Sept. 2004	Sept. 2003
Civilian Labor Force	147,856,000	147,704,000	147,483,000	146,610,000
Employed	139,660,000	139,681,000	139,480,000	137,644,000
Unemployed	8,196,000	8,022,000	8,003,000	8,966,000
Unemployment Rate	5.5%	5.4%	5.4%	6.1%

Historical Labor Force Series

	1999	2000	2001	2002	2003
Civilian Labor Force	139,368,000	142,583,000	143,734,000	144,863,000	146,510,000
Employed	133,488,000	136,891,000	136,933,000	136,485,000	137,736,000
Unemployed	5,880,000	5,692,000	6,801,000	8,378,000	8,774,000
Unemployment Rate	4.2%	4.0%	4.7%	5.8%	6.0%

Unemployment Rates for Iowa and Neighboring States September 2004 (preliminary)

State	Rank	Rate
South Dakota	4	3.4%
Nebraska	7	3.7%
Minnesota	15	4.6%
IOWA	18	4.7%
Wisconsin	27	5.0%
Missouri	40	5.6%
Illinois	44	6.0%

*Consumer Price Indexes (All Items)**

	US City Average	Sept. 2004	Aug. 2004	Sept. 2003	% Chg Sept. 2003 to Sept. 2004
CPI-U	1967 = 100	568.7	567.6	554.7	2.5%
	1982-84 = 100	189.9	189.5	185.2	
CPI-W	1967 = 100	552.4	551.0	539.2	2.4%
	1982-84 = 100	185.4	185.0	181.0	

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

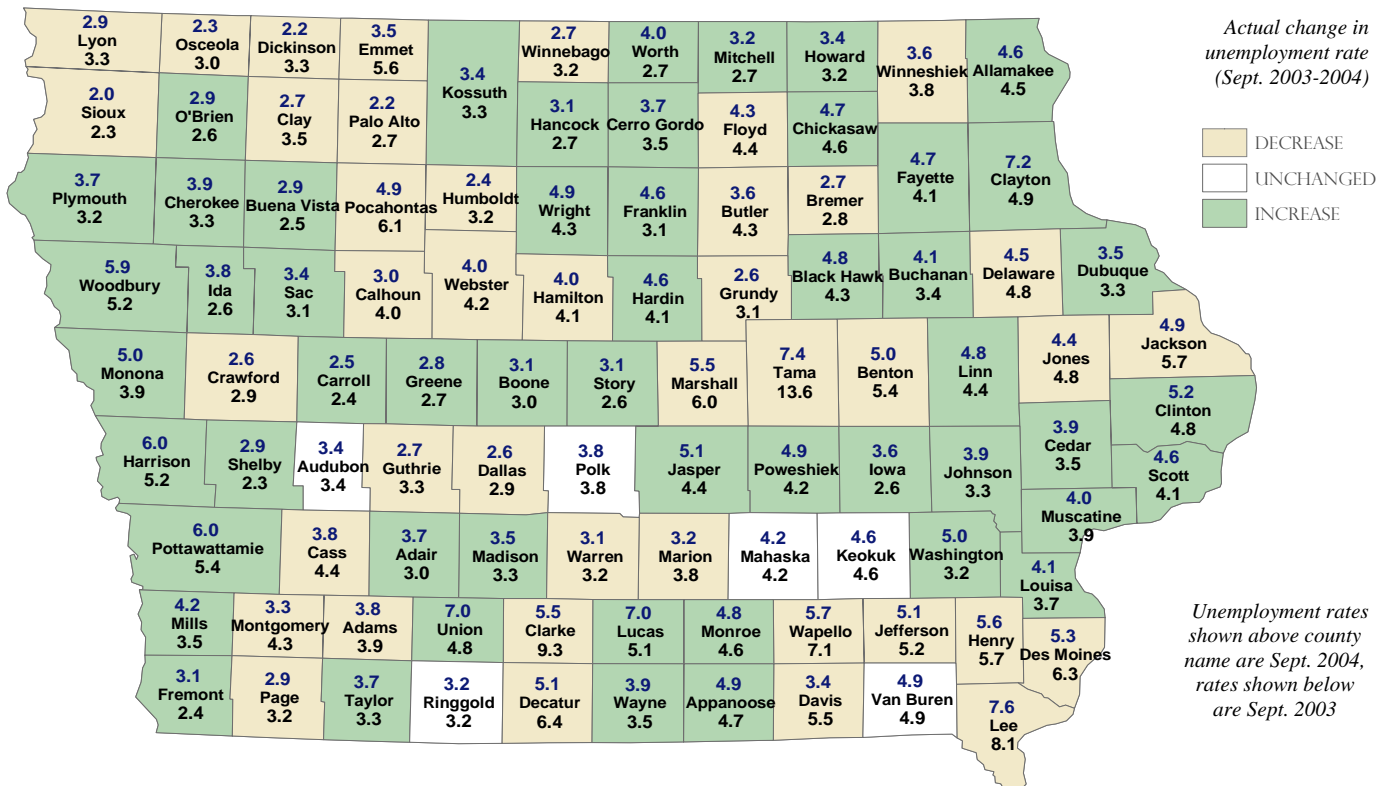
*The Consumer Price Index for All Urban Consumers (CPI-U) extends coverage to such groups as salaried workers, the self-employed, retirees, and the unemployed. The index covers approximately 80 percent of the total noninstitutional civilian population of the United States. The CPI for Urban Wage Earners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

IOWA EMPLOYMENT SITUATION

Statewide and Local Labor Force Data

State of Iowa	July 2004	Aug. 2004	Sept. 2004	Sept. 2003
Labor Force	1,626,000	1,632,600	1,630,300	1,599,200
Unemployed	71,600	74,300	76,400	73,500
Percent Unemployed	4.4%	4.5%	4.7%	4.6%
Employed	1,554,400	1,558,300	1,553,600	1,525,600

Unemployment Rates per Iowa Counties - September 2003 and 2004



Source: Labor Market Information, Iowa Workforce Development

Metropolitan Statistical Area Data - September 2004

MSA		Labor Force	Employed	Unemployed	Rate
		Cedar Rapids	112,300	106,900	5,400
	Des Moines	280,500	270,300	10,200	3.6
	Dubuque	51,200	49,400	1,800	3.5
	Iowa City	76,400	73,400	3,000	3.9
	Sioux City	62,600	59,100	3,400	5.5
	Waterloo-Cedar Falls	74,000	70,400	3,500	4.8
	*Davenport-Moline-Rock Island	188,400	179,900	8,500	4.5
	**Omaha	410,500	393,300	17,200	4.2

Source: Labor Market Information Bureau, Iowa Workforce Development

* Prepared by Illinois Department of Employment Security

** Prepared by Nebraska Department of Labor

IOWA NONFARM EMPLOYMENT

Statewide Nonfarm Employment

Seasonally adjusted nonfarm employment in Iowa totaled 1,449,700 during third quarter 2004, 3,600 more than in second quarter 2004. Gains were noted in education and health services, financial activities, construction, manufacturing, and trade and transportation, while declines occurred in government, information, and professional and business services.

The largest single increase during the quarter occurred in education and health services, which was up by 2,300 from second quarter. Financial activities added 1,000 new jobs, while construction increased by 900; manufacturing grew by 700, while trade and transportation was up by 300. On the other hand, government declined by 800 during third quarter, information was down by 400, and professional and business services decreased by just 100.

Compared to third quarter 2003, nonfarm employment is 11,200 higher, with the largest single increase of 5,200 occurring in financial activities. Education and health services has added 4,100 new jobs over the year, construction is up by 2,100, and manufacturing is 1,900 higher. On the other hand, trade and transportation is down by 2,000 from a year ago, government is 1,400 lower, and information is down by 800. Professional and business services declined by 600 over the year.

Nonfarm employment posts strongest quarter for 2004

Financial activities surpasses employment of 100,000 for first time

Financial activities and education and health reflect largest gains from third quarter one year ago

Statewide Nonfarm Employment (Seasonally Adjusted)

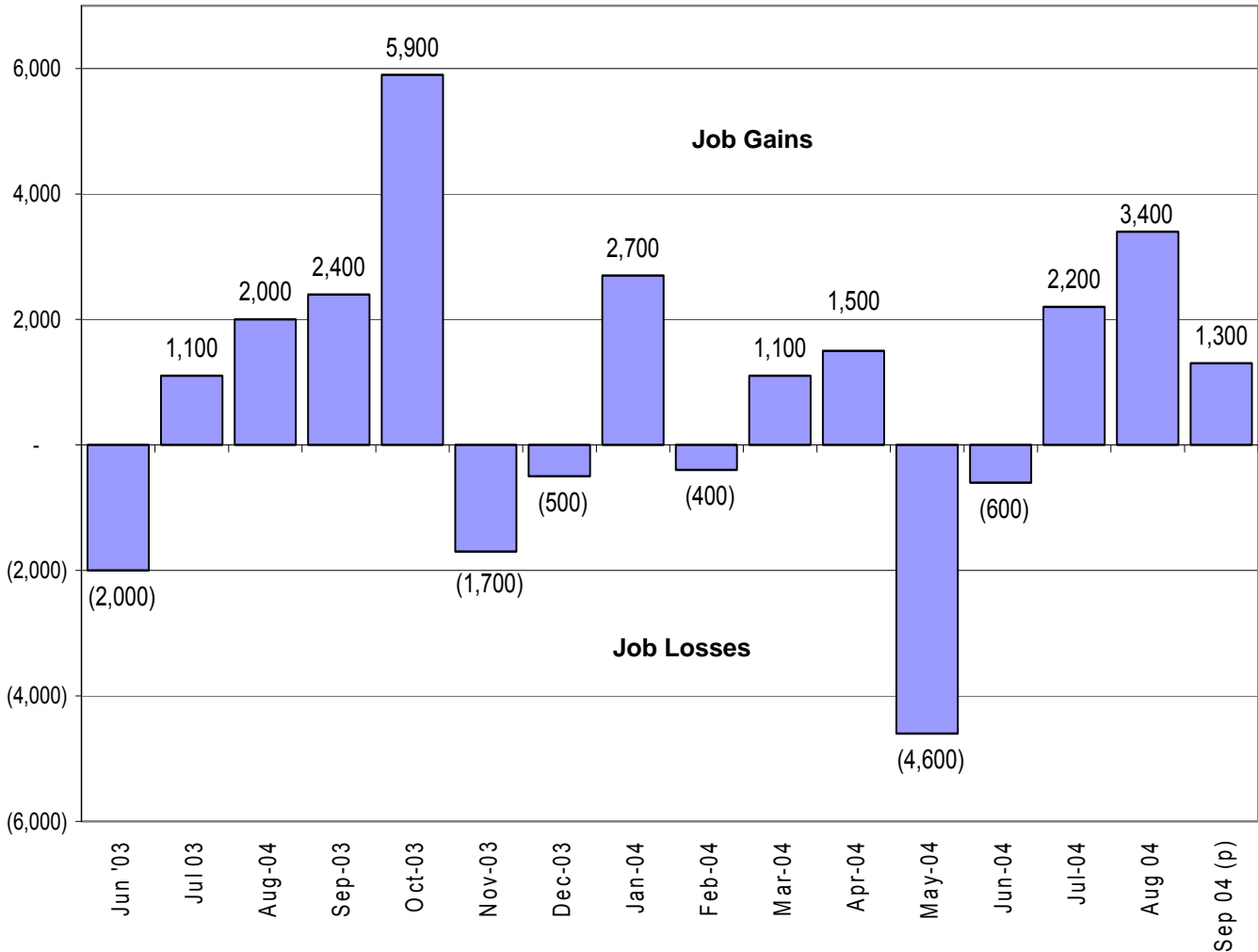
(In Thousands)	July 2004	Aug. 2004	Sept. ^P 2004	3rd Qtr 2004 Avg	3rd Qtr 2003 Avg	Change 3rd Qtr 2003 3rd Qtr 2004	Net Change
Total Nonfarm	1,446,400	1,450,700	1,452,000	1,449,700	1,438,500	11,200	
Construction	67,000	66,900	67,300	67,100	65,000	2,100	
Manufacturing	220,800	220,900	220,800	220,800	219,000	1,900	
Trade & Transportation	300,100	301,700	301,200	301,000	303,000	-2,000	
Information	33,400	32,900	32,800	33,100	33,800	-800	
Financial Activities	100,000	100,600	101,000	100,500	95,300	5,200	
Professional & Business Svcs	104,400	105,300	104,500	104,700	105,300	-600	
Education & Health Svcs	193,900	194,000	193,800	193,900	189,800	4,100	
Government	241,800	243,900	244,300	243,300	244,700	-1,400	

Source: Bureau of Labor Statistics, Current Employment Statistics
^{P/} Preliminary data



IOWA NONFARM EMPLOYMENT

*Seasonally Adjusted Nonfarm Employment
June 2003—September 2004*



Since June 2003, Iowa's seasonally adjusted nonfarm employment has grown by 16,700. Job growth during this period was strongest in third quarter 2003 and third quarter 2004. An unexpected downturn occurred in May 2004, but this was not enough to offset the general trend of upward momentum that began in mid-2003.

CEDAR RAPIDS MSA

Cedar Rapids MSA Nonfarm Employment (Linn County)

(In Thousands)	July 2004	Aug 2004	Sept. ^P 2004	3rd Qtr 2004 Avg	3rd Qtr 2003 Avg	3rd Qtr 2003-3rd Qtr 2004	Net Change
Total Nonfarm	112,700	113,000	112,100	112,600	115,700	-3,100	
Natural Resources & Construction	5,900	5,800	5,800	5,800	7,100	-1,300	
Manufacturing	17,200	17,200	17,100	17,200	17,600	-400	
Trade & Transportation	24,600	24,500	24,500	24,500	24,800	-300	
Information	5,500	5,500	5,500	5,500	5,700	-200	
Financial Activities	9,600	10,000	9,900	9,800	9,200	600	
Professional & Business Svcs	9,800	9,900	9,700	9,800	12,100	-2,300	
Educational & Health Svcs	15,000	14,700	14,800	14,800	13,600	1,200	
Leisure & Hospitality	10,000	9,900	9,900	9,900	9,500	400	
Other Services	4,900	4,800	4,800	4,800	4,800	0	
Government	10,200	10,700	10,100	10,300	11,200	-900	
Federal Government	1,100	1,100	1,100	1,100	1,200	-100	
State Government	500	500	500	500	500	0	
Local Government	8,600	9,100	8,500	8,700	9,600	-900	

Source: Bureau of Labor Statistics, Current Employment Statistics

^P/ Preliminary data

Note: Data not seasonally adjusted

What is an MSA?

A metropolitan statistical area (MSA) is defined as a county or group of contiguous counties, that contain at least one city of 50,000 inhabitants or more, or "twin cities" with a combined population of at least 50,000. Outlying counties are included in an MSA based on their population densities and the volume of commuting to central counties.

Metropolitan Statistical Areas (MSAs)

What's New In The Cedar Rapids MSA?

- Total nonfarm employment slipped to 112,600 for the third quarter 2004 average, down from 115,700 in third quarter 2003. The most significant downturn occurred in administrative support services which lost 2,300 jobs from 2003 third quarter. Most of these jobs were in business support services. This industry has shown downward trends in employment since April 2001.
- Manufacturing has shown a gradual decline since December 2000, when it showed a peak of 21,400 jobs. In third quarter 2003, manufacturing was at 17,600; the level dropped to 17,200 for third quarter 2004.
- Finance gained a respectable 600 jobs in third quarter 2004. This sector continues its steady increase begun in November 1999.

DES MOINES MSA

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

(In Thousands)	July 2004	Aug 2004	Sept.^P 2004	3rd Qtr 2004 Avg	3rd Qtr 2003 Avg	Change 3rd Qtr 2003- 3rd Qtr 2004	Net Change
Total Nonfarm	292,900	293,600	295,500	294,000	286,500	7,500	
Natural Resources & Construction	17,800	17,500	17,400	17,600	15,700	1,900	
Manufacturing	20,200	20,200	20,200	20,200	18,600	1,600	
Trade & Transportation	61,100	63,300	63,000	62,500	61,600	900	
Information	9,400	9,300	9,300	9,300	9,300	0	
Financial Activities	46,600	46,400	46,200	46,400	44,900	1,500	
Professional & Business Svcs	29,600	29,300	29,900	29,600	30,800	-1,200	
Educational & Health Svcs	35,100	34,700	35,500	35,100	32,700	2,400	
Leisure & Hospitality	24,700	24,800	23,500	24,300	26,200	-1,900	
Other Services	12,400	12,400	11,800	12,200	11,600	600	
Government	36,000	35,700	38,700	36,800	35,000	1,800	
Federal Government	5,200	5,200	5,100	5,200	5,400	-200	
State Government	8,600	8,600	8,300	8,500	8,300	200	
Local Government	22,200	21,900	25,300	23,100	21,400	1,700	

Source: Bureau of Labor Statistics, Current Employment Statistics

^P/ Preliminary data

Note: Data not seasonally adjusted

What's New In The Des Moines MSA?

- Although subject to seasonal gains and losses, construction has shown significant increases since January 2004, and continues to show upward trends, climbing well above peak employment in 1999 through 2003.
- Manufacturing is up 1,600 from third quarter 2003 average. This sector demonstrated peak employment of 20, 200 in September 2001.
- Retail trade is up 1,800 over the average employment in third quarter 2003, nearly reaching seasonal peaks generally seen in December.
- Information remained at the year ago level. Information has shown a downward trend since it hit a peak of 10,500 in January 2001. Information averaged 9,300 for third quarter 2004, the same level that was reported for third quarter 2003. This sector has been trending down since it hit a peak of 10,500 in January 2001.

**Educational and
Health Services lead
annual gains**

Metropolitan Statistical Areas (MSAs)

DUBUQUE MSA

Dubuque MSA Nonfarm Employment (Dubuque County)

(In Thousands)	July 2004	Aug 2004	Sept. ^P 2004	3rd Qtr 2004 Avg	3rd Qtr 2003 Avg	Change 3rd Qtr 2003-3rd Qtr 2004	Net Change
Total Nonfarm	52,200	52,100	53,100	52,500	51,300	1,200	
Natural Resources & Construction	2,700	2,700	2,600	2,700	2,600	100	
Manufacturing	9,600	9,400	9,400	9,500	8,900	600	
Trade & Transportation	11,100	11,200	11,200	11,200	11,200	0	
Information	1,800	1,800	1,800	1,800	1,700	100	
Financial Activities	2,500	2,500	2,500	2,500	2,300	200	
Professional & Business Svcs	3,500	3,500	3,500	3,500	3,700	-200	
Educational & Health Svcs	9,600	9,500	10,000	9,700	9,400	300	
Leisure & Hospitality	5,400	5,400	5,300	5,400	5,500	-100	
Other Services	2,600	2,600	2,500	2,600	2,500	100	
Government	3,400	3,500	4,300	3,700	3,700	0	
Federal Government	300	300	300	300	300	0	
State Government	200	200	200	200	200	0	
Local Government	2,900	3,000	3,800	3,200	3,200	0	

Source: Bureau of Labor Statistics, Current Employment Statistics

^P/ Preliminary data

Note: Data not seasonally adjusted

Manufacturing demonstrates single largest industry gain

What's New In The Dubuque MSA?

- A gain of 1,000 in September helped boost the third quarter average nonfarm employment to 1,200 above the third quarter 2003 employment level.
- Manufacturing employment gained 100 in July, lost 200 in August and held steady through September, yet it demonstrated the single largest industry gain over third quarter 2003 with an increase of 600.
- Three industries suffered losses in employment compared to third quarter 2003. Retail trade and professional and business services each declined by 200 and Leisure and Hospitality lost 100.

Metropolitan Statistical Areas (MSAs)

IOWA CITY MSA

Iowa City MSA Nonfarm Employment (Johnson County)

(In Thousands)	July 2004	Aug 2004	Sept. ^P 2004	3rd Qtr 2004 Avg	3rd Qtr 2003 Avg	Change 3rd Qtr 2003-3rd Qtr 2004	Net Change
Total Nonfarm	73,000	73,400	76,100	74,200	75,800	-1,600	
Natural Resources & Construction	2,900	2,900	2,900	2,900	3,000	-100	
Manufacturing	5,300	5,200	5,200	5,200	5,400	-200	
Trade & Transportation	13,500	13,400	13,600	13,500	13,700	-200	
Information	2,500	2,200	2,200	2,300	2,300	0	
Financial Activities	2,900	2,900	2,900	2,900	2,600	300	
Professional & Business Svcs	4,600	4,500	4,600	4,600	4,800	-200	
Educational & Health Svcs	7,000	7,000	7,000	7,000	7,000	0	
Leisure & Hospitality	6,700	6,800	6,900	6,800	6,800	0	
Other Services	1,900	1,900	1,900	1,900	1,900	0	
Government	25,700	26,600	28,900	27,100	28,400	-1,300	
Federal Government	1,500	1,600	1,600	1,600	1,600	0	
State Government	21,100	22,000	23,500	22,200	23,300	-1,100	
Local Government	3,100	3,000	3,800	3,300	3,500	-200	

Source: Bureau of Labor Statistics, Current Employment Statistics

^P/ Preliminary data

Note: Data not seasonally adjusted

What's New In The Iowa City MSA?

- Despite announcements of business expansions and new businesses which added nearly 1,000 jobs, total nonfarm employment edged down from quarterly average of 75,800 in third quarter 2003, to 74,200 in third quarter 2004.
- Manufacturing employment is down by 200 jobs over the last four quarters despite gains in September 2003 and May 2004. In June 2001, manufacturing reached 5,600, the highest level from second quarter 1998 through third quarter 2004.
- Retail trade experienced several closures from third quarter 2003 through third quarter 2004, resulting in a net job loss of 400 jobs over the four quarters.

**Iowa City
experiences over-
the-year job losses**

Metropolitan Statistical Areas (MSAs)

SIoux CITY MSA

Sioux City MSA Nonfarm Employment (Woodbury County)

(In Thousands)	July 2004	Aug 2004	Sept. ^P 2004	3rd Qtr 2004 Avg	3rd Qtr 2003 Avg	Change 3rd Qtr 2003-3rd Qtr 2004	Net Change
Total Nonfarm	61,100	60,900	61,100	61,000	61,600	-600	
Natural Resources & Construction	3,300	3,300	3,300	3,300	3,200	100	
Manufacturing	10,400	10,300	10,400	10,400	10,800	-400	
Trade & Transportation	13,500	13,500	13,300	13,400	13,900	-500	
Information	800	800	800	800	800	0	
Financial Activities	3,100	3,100	3,100	3,100	3,000	100	
Professional & Business Svcs	4,400	4,400	4,400	4,400	4,600	-200	
Educational & Health Svcs	9,800	9,700	10,200	9,900	9,600	300	
Leisure & Hospitality	6,200	6,300	6,100	6,200	6,000	200	
Other Services	2,400	2,400	2,400	2,400	2,300	100	
Government	7,200	7,100	7,100	7,100	7,400	-300	
Federal Government	900	900	900	900	900	0	
State Government	5,800	5,700	5,700	5,700	6,000	-300	
Local Government	3,200	3,100	3,500	3,300	3,400	-100	

Source: Bureau of Labor Statistics, Current Employment Statistics
^P/ Preliminary data

Sioux City experiences job losses from third quarter one year ago

What's New In The Sioux City MSA?

- Total nonfarm employment for third quarter 2004 is 1.0 percent (600) below the third quarter 2003 level. Nonfarm employment suffered four consecutive months of decline prior to a gain of 100 in September.
- Trade, transportation and warehousing, which held steady for five consecutive months prior to a September decline of 200, suffered the greatest loss when compared to third quarter 2003. The largest portion (400) of the industry's loss of 500 was in retail trade.
- Health care and social assistance, leisure and hospitality and other services were the only industries to make employment gains compared to third quarter 2003. The gains were 300, 200 and 100, respectively.

Metropolitan Statistical Areas (MSAs)

WATERLOO MSA

Waterloo MSA Nonfarm Employment (Blackhawk County)

(In Thousands)	July 2004	Aug 2004	Sept. ^P 2004	3rd Qtr 2004 Avg	3rd Qtr 2003 Avg	Change 3rd Qtr 2003-3rd Qtr 2004	Net Change
Total Nonfarm	73,300	72,900	75,700	74,000	71,400	2,600	
Natural Resources & Construction	3,100	3,100	3,100	3,100	3,100	0	
Manufacturing	14,300	14,100	14,200	14,200	13,900	300	
Trade & Transportation	14,300	14,100	14,300	14,200	14,100	100	
Information	1,100	1,100	1,000	1,100	1,000	100	
Financial Activities	3,800	3,800	3,800	3,800	3,600	200	
Professional & Business Svcs	6,900	6,700	6,900	6,800	5,900	900	
Educational & Health Svcs	10,200	10,200	10,200	10,200	9,700	500	
Leisure & Hospitality	6,700	6,700	6,600	6,700	6,400	300	
Other Services	2,900	2,900	2,800	2,900	2,800	100	
Government	10,000	10,200	12,800	11,000	11,000	0	
Federal Government	500	500	500	500	500	0	
State Government	3,200	3,500	5,500	4,100	4,100	0	
Local Government	6,300	6,200	6,800	6,400	6,400	0	

Source: Bureau of Labor Statistics, Current Employment Statistics

^P/ Preliminary data

Note: Data not seasonally adjusted

What's New In The Waterloo MSA?

- Total nonfarm employment in the Waterloo/Cedar Falls MSA increased 2,600 compared to third quarter 2003. After three consecutive months of decline, nonfarm employment rebounded in September with a gain of 2,800.
- Professional and business services realized the greatest gain in employment from third quarter 2003 to third quarter 2004, increasing 900.
- All sectors of the government industry remained unchanged from third quarter 2003 levels except local government education which gained 100.
- Health care and social assistance gained 500 when compared to third quarter 2003 despite a loss of 100 from August to September.

**Waterloo posts
annual gains in all
industries**

Metropolitan Statistical Areas (MSAs)

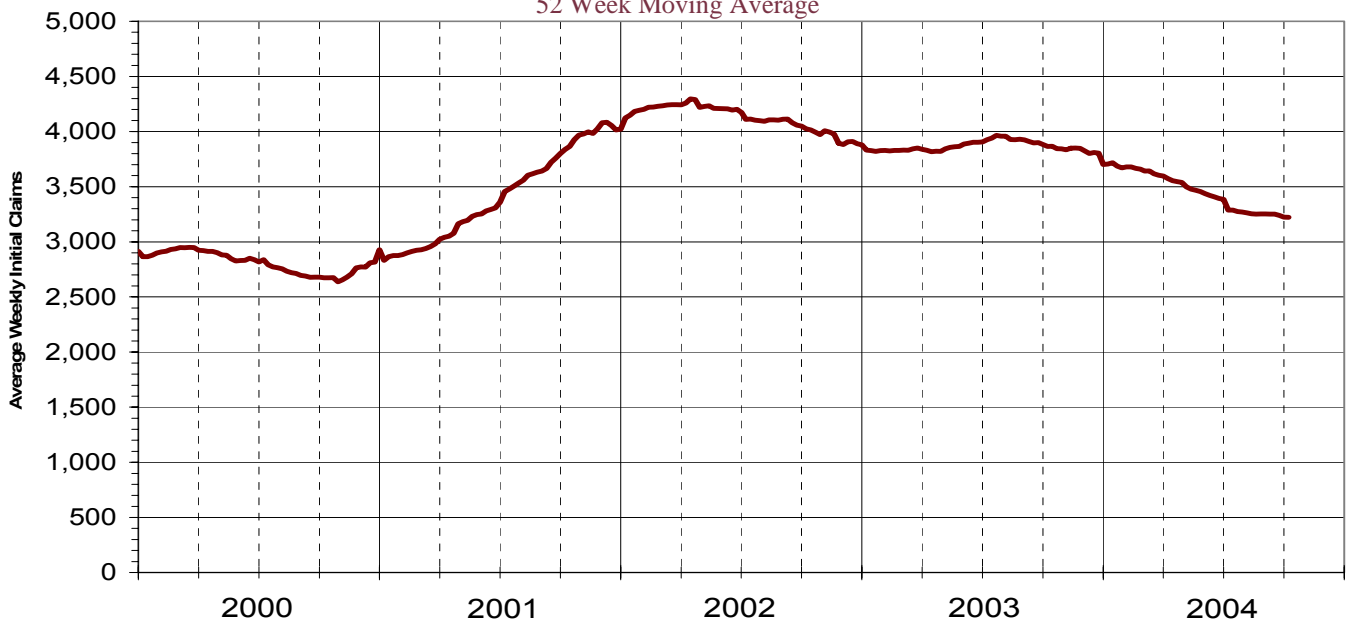
UNEMPLOYMENT INSURANCE

Unemployment Insurance Financial Activity

Regular Unemployment Insurance (UI)				
Item	Quarter Ending:		Twelve Months Ending:	
	Sept. 2004	Sept. 2003	Sept. 2004	Sept. 2003
Benefits Paid (\$)	58,905,626	75,037,087	330,562,401	378,425,795
Weeks Compensated	243,493	307,338	1,328,737	1,520,402
First Payments	17,133	21,190	95,344	111,857
Final Payments	5,988	7,307	29,580	32,325
Average Benefit per First Payment (\$)	-----	-----	3,467.05	3,383.12
Average Weekly Benefit (\$)	241.92	244.15	248.78	248.90
Average Duration	-----	-----	13.9	13.6
Exhaustion Rate	-----	-----	28.3%	29.1%
Temporary Emergency Unemployment Compensation (TEUC)				
Benefits Paid (\$)	21,296	19,098,187	26,297,138	71,100,621
Weeks Compensated	60	78,869	109,263	297,734
First Payments	0	6,865	8,363	30,800
Final Payments	3	5,163	8,916	19,707
Average Weekly Benefit (\$)	354.93	242.15	240.68	238.81
Unemployment Insurance Trust Fund Revenue				
Total UI Contributions (\$)	81,868,971	84,945,273	269,443,067	263,877,441
Interest Earned on Trust Fund (\$)	9,288,095	10,628,555	38,634,742	43,159,183
Contributions and Interest (\$)	91,157,066	95,573,828	308,077,809	307,036,624

Initial Claims For Unemployment Insurance

Regular State UI Program (Excludes Transitional Claims)
52 Week Moving Average



The insured unemployment rate (IUR) is similar to the more publicized total unemployment rate (TUR). The TUR includes all persons meeting the definition of unemployed. The IUR only includes persons claiming UI benefits. This chart uses a 13 week moving average of the IUR to smooth weekly variation.

QUARTERLY INDUSTRY REVIEW

Western Iowa

BIOwa Nutraceuticals derives nutrition supplement from flax seeds

Two southwest Iowa businesses—Omaha Standard, Inc. and Shelby County Cookers—plan to create over 100 jobs

Gateway Inc. stops making computers in the Sioux City area

Tec Industries breaks ground for a new fabrication plant in Orange City

Alton

A new business will soon be started in Alton. Alton Plastics will produce molding of agricultural and products like vehicular parts, livestock water tank valves and household goods. The company expects to hire ten employees, most of whom will be machine operators who will earn an average of \$11.82 an hour.

Cherokee

BIOwa Nutraceuticals expected to be extracting oil from flax seed in Cherokee by mid-July, according to Mark Shuett, owner, manager and founder of American Natural Soy Processors, one of the two partner companies that formed BIOwa Nutraceuticals.

The company's process derives a nutrition supplement from flax seeds and plans to provide 10 new jobs and eventually provide a market for an alternative crop to area farmers.

Council Bluffs

The Iowa Department of Economic Development has awarded a \$500,000 forgivable loan and a \$500,000 loan at 0% for five years to Omaha Standard, Inc. and the City of Council Bluffs for the retention of 182 jobs and the creation of an additional 108 jobs.

The Iowa Department of Economic Development has awarded \$530,000 to Shelby County Cookers. The company plans to invest \$10.7 million to make precooked, microwaveable bacon. The plan includes the creation of 200 jobs that will pay an average of \$11.60 per hour.

LeMars

The Iowa Department of Economic Development has awarded a \$75,000 forgivable loan and a \$75,000 loan at 0% for 5 years to BoDeans Baking Holding Company and the City of LeMars. The funds will be used for an expansion that will include the creation of an additional 25 jobs.

North Sioux City

Gateway Inc. announced it will stop making computers in the Sioux City area by August, laying off about 300 of the company's 2,000 employees in the area.

The company has manufactured computers in the Sioux City area since 1989 and at one time employed as many as 6,000 area residents, including 2,000 who made computers.

Orange City

Tec Industries recently held a ground-breaking ceremony celebrating its new Orange City fabrication plant. The plant is expected to bring 55 new jobs to Sioux County within the three years following completion of the facility.

QUARTERLY INDUSTRY REVIEW

Sheldon

According to a September 16 announcement by the Iowa Department of Economic Development, Prestige Foods of Iowa has been awarded a \$150,000 forgivable loan from the federally-funded Economic Development Set-Aside to establish prepared meats production in Sheldon, creating 105 jobs at an average wage of \$12.25 per hour. The operations will provide high quality cooked pork and beef products to major food wholesalers.

Spirit Lake

The Iowa Department of Economic Development has awarded \$102,000 in forgivable loans and tax credits to Pure Fishing (Berkley) of Spirit Lake, a fishing equipment company, for a \$6.2 million expansion that will create 101 jobs that pay an average of \$11.23 an hour making nylon fishing lines and biodegradable fishing lures.

Statewide

Iowa Department of Corrections officials said that they are cutting 32 positions across the state. The layoffs are being made to save money spent on nine prisons in the system that house about 8,600 inmates with a budget for about 8,000, said Fred Scaletta, a department of corrections spokesman.

All 99 clerk of courts offices in the state will close for ten days over the next year under a cost-saving measure announced July 19. The move means more than 1,500 court workers will be on unpaid leave for those days, resulting in wages from 1 - 2 percent for the year.

News of the closings, which will amount to one day a month starting in August, had court administrators scrambling to reschedule hearings already planned for those days. The move is part of a plan to trim \$5 million from the Judicial Branch's \$118 million operating budget.

Central Iowa

Altoona

Three new stores will open this fall at the corner of 34th Ave. SW and 8th St. SW in Altoona. Staples Office Superstore is scheduled to open in September, Target in October and Lowe's Home Center is slated to open its doors in November.

Britt

ConAgra Foods recently announced that the company will be closing their Britt plant and consolidating production with the facilities in Mason City. The Britt plant, with a workforce of 110 employees, manufactures canned hams, deli hams and luncheon meats.

Des Moines

Citigroup Inc. began eliminating the jobs of 390 of the 800 Des Moines employees the company took over July 1 as part of its purchase of the Principal Financial Group's residential mortgage business.

Pure Fishing of Spirit Lake will add about 100 new jobs

Prestige Foods of Sheldon uses economic development loan to expand its prepared meat plant

The Iowa Department of Corrections cuts 32 positions across the state

ConAgra Foods to close Britt plant

Citigroup Inc. eliminates 390 former employees of Principal Residential Mortgage

QUARTERLY INDUSTRY REVIEW

**Protocol Driven
Healthcare to create
48 jobs in Iowa**

**Maytag announces
layoffs at Newton
plant due to lower
demand for certain
products**

**Cedar Falls
Industrial Park
grows to
accommodate new
business**

**Access Direct
Telemarketing
announces layoffs in
two eastern Iowa
cities**

**D.C. Taylor Co. of
Cedar Rapids plans
to expand**

The world's largest financial services company closed July 1 on the \$1.26 billion deal for Principal Residential Mortgage. Soon after taking control of the business, officials of CitiMortgage Inc., Citigroup's mortgage subsidiary, started handing out the layoff notices to former Principal workers at offices at 699 Walnut St. and 6200 Park Ave. The dismissals are expected to continue in stages through December.

The Iowa Department of Economic Development has awarded a \$120,000 forgivable loan and a \$200,000 loan at 0% for five years to the City of Des Moines and Protocol Driven Healthcare. The award will help fund the company's relocation from New Jersey and the creation of 48 jobs in Iowa.

Newton

The same week that Maytag planned to close a plant in Illinois, the company announced it will lay off up to 170 workers at its washer and dryer plant in Newton. Maytag spokeswoman Lynne Dragomier said the layoffs are due to a lower demand for certain products made at the Newton plant. She said the exact number of layoffs hasn't been determined. The layoffs could take effect the week of October 1. Dragomier said the layoffs come as the company adjusts its production schedule.

The job cuts are the first since a contract agreement reached with United Auto Workers Local 997 in July ended a 27-day strike.

In Galesburg, Ill., the Maytag plant there will roll out its last refrigerator and close its doors this week. About 900 workers will also lose their jobs.

West Des Moines

Citicorp Credit Services Inc. is closing the former Sears Credit Card Center at 7100 Westown Parkway in West Des Moines next year, leaving 450 people out of work. Citigroup had already laid off 105 employees at the center in April.

Eastern Iowa

Cedar Falls

The Cedar Falls City Council voted July 28 to apply for a state grant to help with road construction in a recently purchased and annexed section of the Cedar Falls Industrial Park.

Cedar Rapids

Cedar Rapids-based Access Direct Telemarketing announced it would eliminate 240 jobs on August 1 because of the loss of a major contract with AT&T Corp. Mark Nelson, Access Direct's executive vice president, said 120 jobs will be eliminated at its corporate headquarters. The rest will be lost as the company closes its Cedar Falls call center.

D.C. Taylor Co. of Cedar Rapids, an industrial roofing contractor, plans to add 40 to 60 jobs during the next two years, the company announced September 3. The current work force is about 400. The additions were prompted by Taylor's new roof retention service that is designed to assure

QUARTERLY INDUSTRY REVIEW

maximum service life from existing roofs through a process that includes cleaning, inspecting and repairing existing roofs.

J. Rettenmaier & Sohne, a German food company, announced July 28 it will build a \$23 million manufacturing plant in Cedar Rapids. It plans to make fiber from oat hulls purchased from Quaker Oats, a Cedar Rapids oatmeal and cereal maker.

The company plans to tap the U.S. craze for low-carbohydrate foods. Oat fiber helps reduce the carbs in foods such as bread, pasta and pastries, said Michael Hempe, a J. Rettenmaier engineer. The plan depends upon state and local financial assistance totaling about \$4.5 million, primarily in tax incentives.

Cresco

Alum-Line Inc. of Cresco has announced plans to expand its production facilities with one of the company's largest building programs ever. Construction of a new 7,400 square-foot facility was expected to begin late this summer with completion expected this fall.

Alum-Line currently employs over 70 people and with the new expansion, up to 15 new jobs will be available over the next three years.

The Donaldson Company, Inc. plant in Cresco is expanding with the incorporation of specialized filtration technology into the local operation, producing 36 additional jobs at the local plant.

Donaldson Company officials announced it would add a second production line at its Cresco manufacturing facility to produce its ground-breaking PowerCore® Filtration Technology. The filters are used in the automotive, truck and off-road applications.

Dubuque

Flexsteel Industries, Inc. cut nearly 50 jobs within a week at its Dubuque plant - a plant brimming with a high level of worker stress and uncertainty, according to one union official. On August 9, the furniture maker laid off 27 employees in its Dubuque upholstery division. Another 19 employees found out on August 11 that they will also lose their jobs.

Kohl's Department Stores announced the first week of August that it will hire 150 people to staff its Asbury Plaza store, expected to open in October.

Decorah

The Iowa Department of Economic Development has awarded \$75,000 to Cutting Edge Enterprise, a Decorah startup that will provide services such as tool sharpening to manufacturers. The \$700,000 project will create 20 jobs paying an average of \$14 an hour.

Eddyville

Ajinomoto Heartland has announced that it will invest \$23 million in its Eddyville plant to increase production of threonine, an amino acid used in

German food company, J. Rettenmaier & Sohne, to build manufacturing plant in Cedar Rapids

Alum-Line Inc. expands Cresco facility

Donaldson Company adds second production line at Cresco plant

Dubuque furniture manufacturer trims workforce by nearly 50 jobs

Kohl's opens new store in Dubuque

Ajinomoto Heartland to expand Eddyville plant

QUARTERLY INDUSTRY REVIEW

General Mills to close Iowa City plant in 2005

New Hampton Metal Fabrication to double its capacity and add 25 jobs

R3 Solutions Group breaks ground for new business in North Liberty

Cargobody, a manufacturer and distributor of truck bodies, creates 150 jobs in Rock Rapids

Unverferth Manufacturing expands operation in Shell Rock

livestock feed. The expansion will create 10 to 15 new jobs. Construction on the \$23 million project will begin this fall and is expected to be completed by February 2006.

Iowa City

General Mills will close its Iowa City plant in the spring or summer of 2005, company officials announced July 13. The food conglomerate said production at the plant, which makes snacks for retail and food service customers, will be consolidated with another location to reduce costs. The closing will leave approximately 90 employees idle.

New Hampton

New Hampton Metal Fabrication, a steel mold manufacturer, announced plans the first week of July for a \$2.6 million expansion that will double its capacity and add 25 jobs.

The company makes steel forms for pouring concrete. It sells the molds to pipe and concrete companies which use them in building storm sewers and highway bridges and for other infrastructure projects.

North Liberty

A new company that expects to create 140 jobs in North Liberty in the next two years was scheduled to break ground on a \$3 million building the week of August 23.

R3 Solutions Group, formed about four months ago, offers a wireless product that monitors equipment anywhere in the world.

Hiring will continue until the new building is completed in January or February. Workers will be hired at \$10 to \$12 an hour, and between \$50,000 and \$75,000 for salaried programmers and some high-end software, network and architect jobs.

Rock Rapids

According to a September 16 announcement by the Iowa Department of Economic Development, Rock Rapids has been awarded a \$200,000 forgivable loan from the federally-funded Economic Development Set-Aside for Cargobody to establish manufacturing and distribution of truck bodies, creating 150 jobs at an average wage of \$12.48 per hour. The firm envisions employment expanding to 280 people within three years as the market expands for fiberglass modules that slide into the beds of pickup trucks.

Shell Rock

Unverferth Manufacturing began digging the week of July 12 and will construct a 15,000-square-foot addition. The 22 jobs created as a result of the expansion will bring the company's total employment to 230. By July 15, seventeen of the 22 employees had already been hired and began training. The addition is due for completion November 1.

QUARTERLY INDUSTRY REVIEW

Tama

The Iowa Quality Beef plant in Tama shut down August 20, laying off 540 employees. Wythe Willey, a cattleman and Cedar Rapids lawyer who is chairman of the board of the Iowa Quality Beef Supply Cooperative, blamed the decision on bad market and financial conditions in the cattle industry because of bovine spongiform encephalopathy, also known as mad cow disease.

Waterloo

A manufacturing plant scheduled to be built in Waterloo could provide 200 jobs within a couple of years, officials said.

R&B Enterprises, a start-up company, will build modular homes. The 95,000-square-foot plant and showroom will be located on 21 acres at the southwest corner of Martin Luther King Jr. Drive and Bishop Avenue. The city offered R&B the land for \$1 along with five years of tax abatement in exchange for R&B's agreement to build and maintain a plant with a \$7 million value for 10 years. The plant will initially employ 35 to 55 people and is expected to begin operating next spring.

A national wholesale distributor of plumbing supplies is building a \$21 million distribution center in the northeast part of Waterloo, according to city officials.

Ferguson Enterprises was scheduled to begin construction in May, pending the approval of a state incentive program.

An estimated 180 people will be hired with a projected payroll of \$3.8 million. It will take approximately 10 months to complete the 608,000-square-foot center.

The city is rushing to get roads and utilities in place to allow a company to relocate in a new section of the industrial park. City officials have not revealed the name of the company, but say plans call for a \$7.5 million, 200,000-square-foot building. It will be a distribution center and could employ 120 people.

Contact Information

Iowa Workforce Development
1000 East Grand Avenue
Des Moines, IA 50319
Phone: (515) 281-8182; Fax: (515) 281-8203
Email: Ann.Wagner@iwd.state.ia.us
www.iowaworkforce.org

For additional labor market information, visit www.iowaworkforce.org/lmi

Equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

TTY 515-281-4748; 1-800-831-1399

**Iowa Quality Beef in
Tama closes in
August**

**R&B Enterprises
plans to build modular
homes in Waterloo**

**Waterloo to add
Ferguson Enterprises,
a wholesale
distributor of
plumbing supplies**

Source:

Unverified public
announcements,
newspapers, and periodicals
[data from third quarter]



IOWA WORKFORCE DEVELOPMENT
1000 East Grand Avenue
Des Moines, Iowa 50319-0209

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