



Jobs and the State Budget Crisis: A Compilation of Facts on Iowa

Nationwide, job loss has slowed from the rapid pace of the past two years. However, unemployment remains high at 9.7%, affecting 15 million people. Prior to the recession, in late 2007, unemployment stood at 4.9%. Adding the underemployed brings the total affected to 26.4 million people, or 17.1%. Nationally the unemployment rate is higher for African American workers (16.5%), Latinos (12.6%) and youth (26%). (*Bureau of Labor Statistics, April 2010*)

Unemployment in Iowa, 2009 annual average

Total unemployment	Hispanic/Latino	White
6.3%	9.4%	5.9%

(*National Priorities Project database*)

Long-term joblessness

Metro areas account for 86% of all employment. According to the U.S. Conference of Mayors, it will take years for most metro regions to get back to pre-recession levels of unemployment. Half the metro regions in the nation will not recover until at least the end of 2012, with some taking up to 10-20 years.

Recovery time in key metro areas in Iowa:

Des Moines	2012 Quarter 2
Iowa City	2009 Quarter 4
Sioux City	2013 Quarter 1

(*US Conference of Mayors*)

State and local budget crises

High unemployment results in fewer tax dollars for states and cities, and fewer resources to help the unemployed and underemployed. Forty-eight of 50 states, including Iowa, are facing ongoing state budget crises. (*Center on Budget and Policy Priorities*)

This fiscal year (FY2010), Iowa had to address a \$533 million (9%) budget shortfall by cutting programs. Cuts included state education grants to school districts, furloughs and/or pay cuts for state employees, hiring freeze of state workers. (*Center on Budget and Policy Priorities*)

The American Recovery and Reinvestment Act has helped alleviate the budget crisis, awarding \$1,959 million to Iowa and preventing more severe cuts. (*Recovery.gov*)

The Council of Economic Advisors estimated that the Recovery Act will save or create 23,000 jobs in Iowa as of December 31, 2009.

National Priorities Project Tools and Reports

Out of Balance: First in the series of Data for Democracy webinars, Out of Balance provides a critical look at the link between federal funds and state and local budgets. It offers a solid and accessible critique of national spending priorities, with state-level figures for each state. <http://www.nationalpriorities.org/webinars>

President's Budget: NPP's analysis of the FY2011 federal budget spans FY2008 to projected FY2012. The publication offers state-level data for health, education and energy and cross budget category comparisons. http://www.nationalpriorities.org/Presidents_Budget_FY2011

Tax Day: Where Do Your Tax Dollars Go? shows the breakdown of your federal income tax dollars by spending categories corresponding to NPP's President's Budget release. <http://www.nationalpriorities.org/taxday2010>

NPP Database: Our one-of-a-kind database contains state and local level data on federal spending and correlated social indicators. Categories include: health, education, energy, housing, labor, poverty and military. The database allows users to follow localized federal spending trends over time, and the local impact. http://www.nationalpriorities.org/nppdatabase_tool