



March 2024

Iowa Jobs and Labor Force Update

January 2024

In November, Iowa’s total employment levels grew back above pre-pandemic levels for the second time; they remained above those levels in December and January. In November 2023, Iowa employment rose to 1.592 million, surpassing the February 2020 level of 1.589 million Iowans employed for the first time since the loss of 175,000 jobs between March and April 2020. In December, the number of jobs grew to 1.598 million before falling to 1.596 million in January. Though 2,000 fewer Iowans were employed in January than December, employment remains strong.

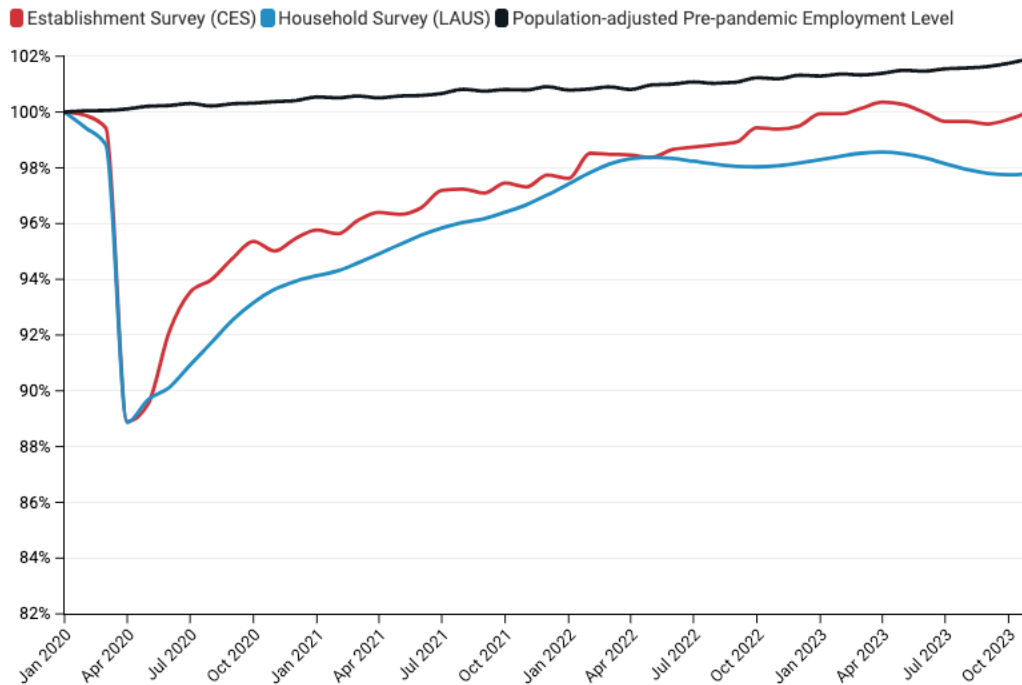
From January 2023 to January 2024, the Iowa economy gained 19,800 jobs across 7 sectors and a lost 7,100 jobs across 3 sectors. The “mining and lodging” sector saw no net change. The total net job growth of 12,700 jobs over the past 12 months reflects a general slowing of monthly job growth, following national trends, since the summer of 2020. The state’s economy gained 28,500 jobs over the 12 months prior to January 2023 and 33,400 jobs over the prior 12 months.

Iowa’s labor force participation and unemployment statistics have remained consistently better than the nation, though neither has recovered to pre-pandemic levels. In January, Iowa’s unemployment remained low at 3.0%, still below the United States rate of 3.7% for the same month. At 67.3%, the state’s labor force participation rate exceeds the national rate by 4.8 percentage points. In January 2020, Iowa had a workforce participation rate of 69.6% and an unemployment rate of just 2.7% compared with 63.3% and 3.6% for the United States.

Key Findings—Iowa November 2023 Employment Data

- **Over the past 12 months, private employment grew by 7,700 jobs (.8%) while government employment grew by 5,000 jobs (1.9%). Local government accounted for 3,700 of new government jobs, federal accounted for 800, and state government just 500.**
- **From January to December, the government sector created jobs and the private sector lost jobs. While certain sectors saw job growth, the private-sector economy experienced a net loss of 2,300. The state government created 300 jobs.**
- **Iowa’s unemployment rate fell from 3.1% to 3% in December and remained at 3% in January, giving it the 12th lowest unemployment rate in the nation.**
- **Iowa’s LFPR (labor force participation rate) fell by 0.2% from December to January to 67.3%. Still, it’s LFPR remains the 8th highest in the nation.**
- **In January 2024, Iowa had 7,900 more jobs on net than in January of 2020. The “professional and business services” sector created the most jobs (7,600) followed by “construction” with 6,000 jobs and manufacturing with 4,100 jobs. Services sectors lost the most jobs with a loss of 2,900 jobs in “leisure and hospitality” and 3,900 jobs in “other services.”**

Employment Levels in Iowa since January 2020



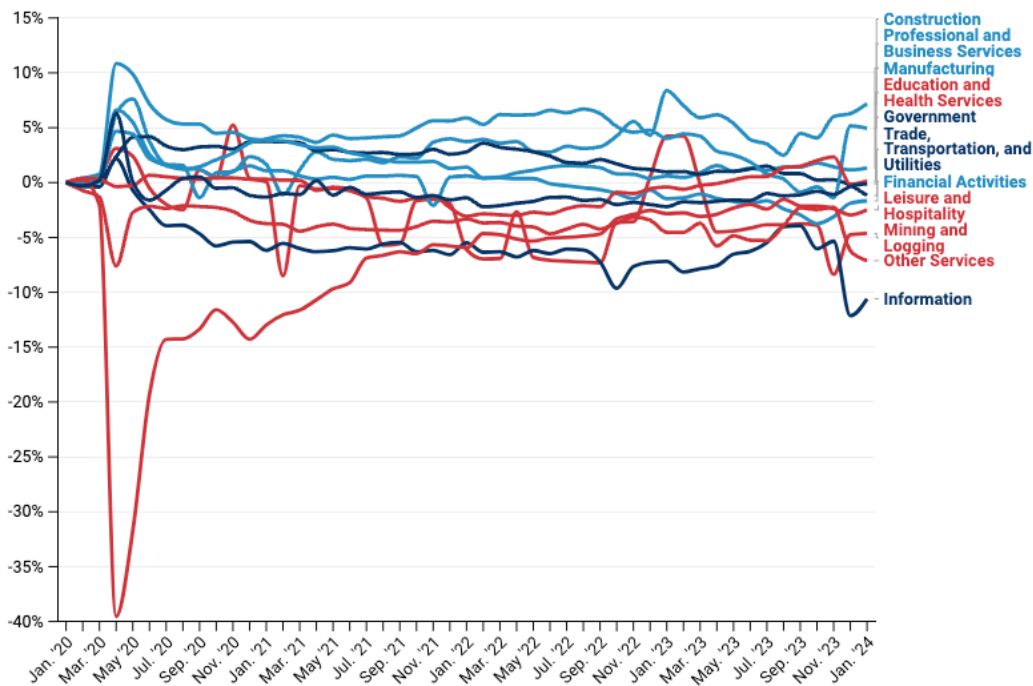
- According to both the employment figures from the BLS survey of establishments (CES) and the number of people employed from the BLS survey of households (LAUS), **Iowa has yet to recover to a pre-pandemic employment-to-population ratio**. This means that while total employment has recovered to pre-pandemic levels, it remains down relative to the size of the population.

A Deeper Dive into Iowa Industries (BLS CES Survey)

- The state saw a net 2,000 decline in jobs from December to January, though only 3 of the 11 major sectors experienced a net job loss: “trade, transportation, and utilities,” “professional and business services,” and “other services.”
 - The decline in jobs from December to January was led by a loss of 3,200 jobs in “trade, transportation, and utilities.”
 - Because “trade, transportation, and utilities” is Iowa’s largest of the 11 major BLS sectors—making up nearly 20% of total employment—a small percentage change can account for a relatively large number of jobs in the state. A 1.03% loss of jobs in the sector equated to 3,200 jobs, whereas an equal percent loss of jobs in the “professional, scientific, and technical services” subsector of the same period only cost the state 600 jobs.
 - “Professional and business services” lost a net total of 500 jobs and “other services” lost 600 jobs.

- Seven sectors saw a net increase in jobs from December to January: “construction” (600), “manufacturing” (100), “information” (300), “financial activities” (100), “education and health services” (400), “leisure and hospitality” (500), and “government” (300).
 - The “construction” sector created the most jobs (600) followed by “leisure and hospitality” (500).
 - Since January 2020, “construction” has seen the largest increase in jobs in the state (7.71%).
 - Despite showing the largest nominal loss month-over-month, “professional and business services” has seen the largest nominal growth in jobs since January 2020.
- Since the pandemic, the composition of Iowa’s job market has changed slightly. Since January 2020, “construction” has increased its share of statewide jobs by over 7%, while “information” and “other services” have declined by over 10% and over 7%, respectively.

Changing Industry Shares of Total Iowa Employment since January 2020



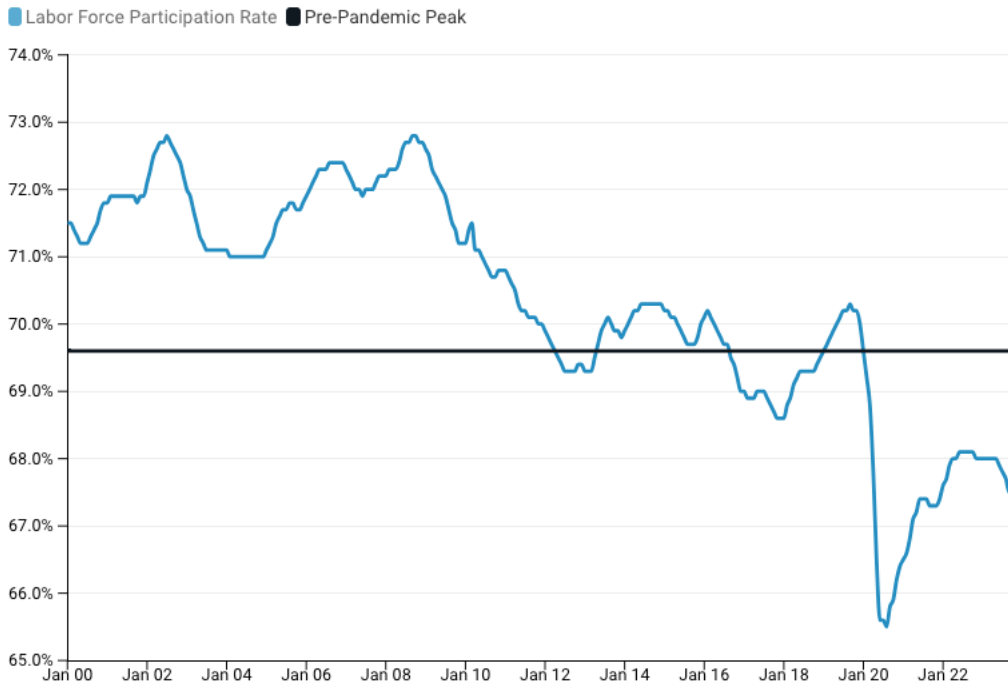
Iowa Labor Force Update

Iowa’s LFPR (labor force participation rate) declined by 0.2% from December to January. It nonetheless has the 8th highest LFPR in the nation.

- The LFPR fell to 67.3%, which is 3.3% below January 2020’s LFPR of 69.6%.

- The unemployment rate remained at 3%, down from a recent peak of 3.1% that held from August through November 2023.

Labor Force Participation Rate in Iowa Since 2000



Data Sources

The data in this report are compiled from monthly and annual data released by the U.S. Bureau of Labor Statistics (BLS), including data from the Current Employment Statistics (CES) survey and the Local Area Unemployment Statistics (LAUS) Survey. Some data are sourced directly from BLS and others are retrieved from FRED.