



March 2024

# Iowa Jobs and Labor Force Update

February 2024

The February Bureau of Labor Statistics jobs report showed continued strength in employment in Iowa. 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. In February, however, employment reached a record highpoint for the state of 1.607 million jobs.

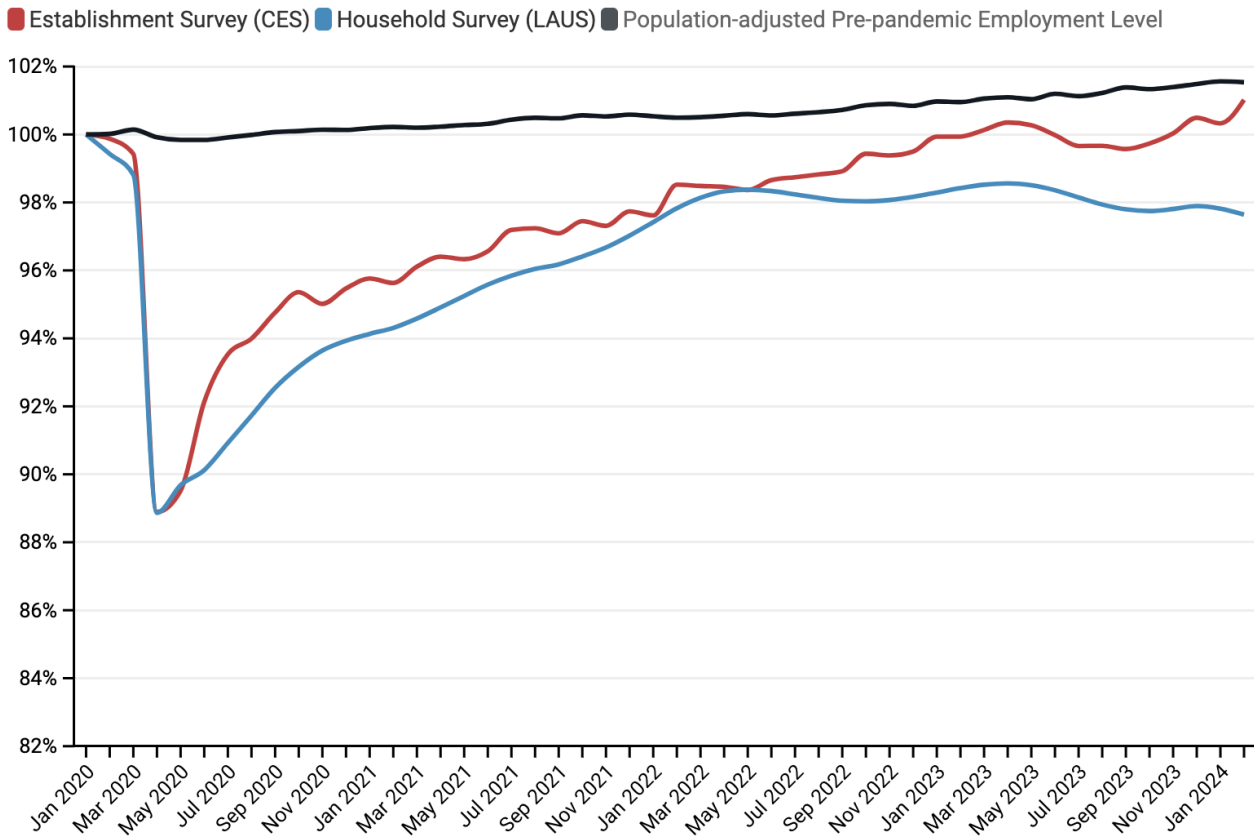
From February 2023 to February 2024, the Iowa economy gained 26,800 jobs across 7 sectors and lost 7,300 jobs across 3 sectors for a net job growth of 19,500 jobs over the past 12 months. One sector saw no net change. The state's economy gained 21,600 jobs over the 12 months prior to February 2023.

Iowa's labor force participation and unemployment statistics have remained consistently better than the nation, though neither has recovered to pre-pandemic levels. In February, Iowa's unemployment rate dropped to 2.9%, the lowest level since June 2023. Meanwhile, the United States unemployment rate increased from 3.7% to 3.9%. The state's labor force participation rate fell slightly from 67.3% to 67.2%, well above the national rate of 62.5%. In January 2020, prior to the pandemic, 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 February 2023 Employment Data

- **Over the past 12 months, private employment grew by 15,400 jobs (1.2%) while government employment grew by 4,100 jobs (1.6%). Local government accounted for 3,200 of new government jobs, federal accounted for 700, and state government just 200.**
- **Since the start of the year, from December '23 to February '24, the government sector added 100 jobs, and the private sector gained 8,300 jobs.**
- **Iowa's unemployment rate fell from 3.0% to 2.9% in February, ranking 11th lowest in the nation.**
- **Iowa's LFPR (labor force participation rate) fell from January to February by 0.1 percentage points to 67.2%. Still, it's LFPR remains high relative to other states.**
- **In February 2024, Iowa had 18,300 more jobs on net than in January of 2020, prior to the pandemic. Since January 2020, "professional and business services" has seen the largest increase in jobs in the state in nominal terms (9,300).**

## Employment Levels in Iowa since January 2020



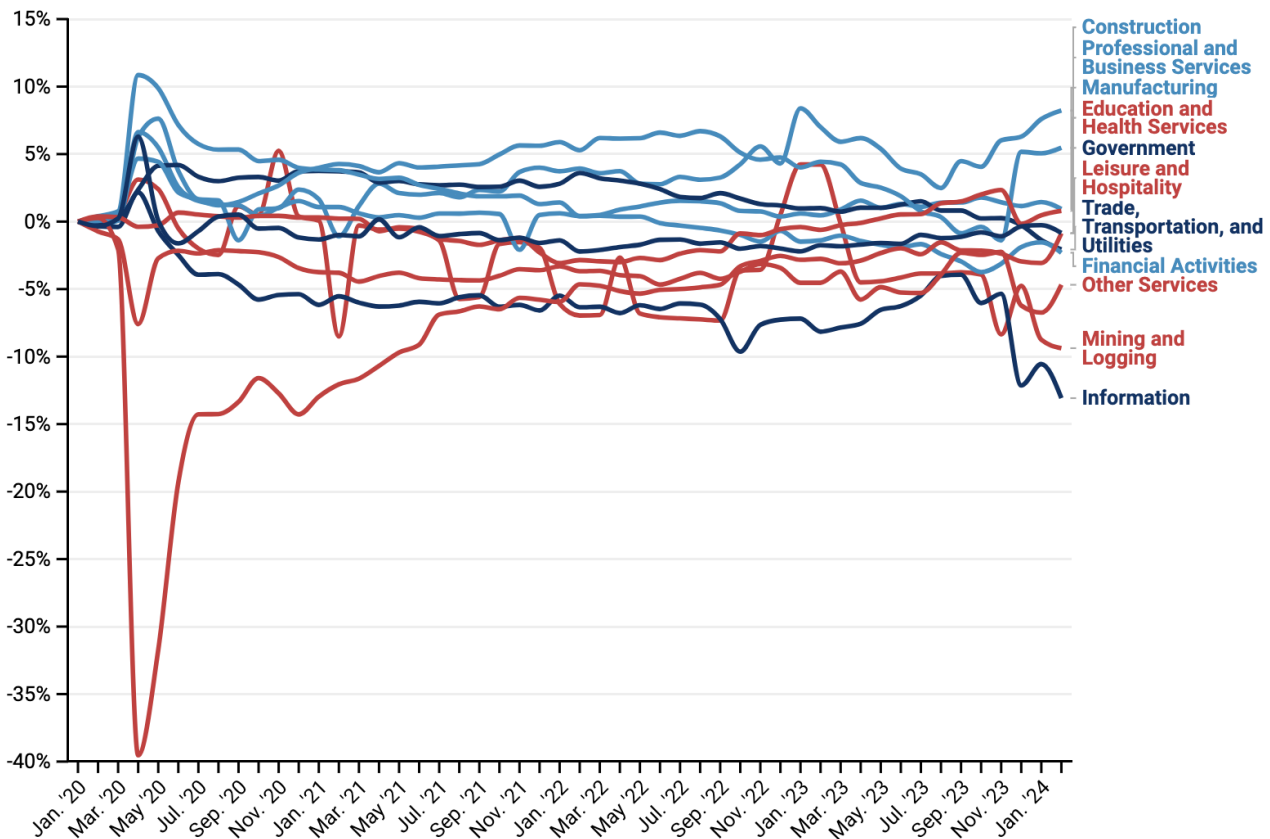
- According to both the employment figures from the BLS survey of establishments (CES) and the number of people employed from the BLS survey of households (LAUS), **Iowa has yet to recover to a pre-pandemic employment-to-population ratio.** This means that while total employment has recovered to pre-pandemic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

### A Deeper Dive into Iowa Industries (BLS CES Survey)

- The state saw an increase of 11,000 jobs from January to February, with only three of 11 major sectors experiencing a net job loss: “trade, transportation, and utilities,” “financial activities,” and “information.”
  - Of the major sectors, “leisure and hospitality” experienced the largest nominal (4,200) and percent (2.97%) increase in jobs month-over-month. This may be in part attributable to the rise in tourism-related consumer spending due to the so-called “Clark Effect.” (See Common Sense Institute’s latest report on “[Clarkonomics](#)” for more.)
  - “Information” saw the largest month-over-month jobs loss (400 jobs).
  - “Mining and lodging” saw no net change.

- Seven sectors saw a net increase in jobs from January to February: “construction” (1,100), “manufacturing” (400), “professional and business services” (1,600), “education and health services” (2,400), “leisure and hospitality” (4,200), “other services” (1,600), and “government” (300).
  - The “leisure and hospitality” sector created the most jobs (2,400) followed by “health and education services” (1,600).
  - Since January 2020, “professional and business services” has seen the largest increase in jobs in the state in nominal terms (9,300).
  - “Information,” the sector with the largest month-over-month drop in employment, has also seen the largest percent decrease in jobs (-12.08%) since January 2020.
- Since the pandemic, the composition of Iowa’s job market has changed slightly. Since January 2020, “construction” and “government” have increased their share of statewide jobs the largest amount.
  - “Information” and “mining and lodging” have decreased their share of total employment by the largest amount.

### Changing Industry Shares of Total Iowa Employment since January 2020

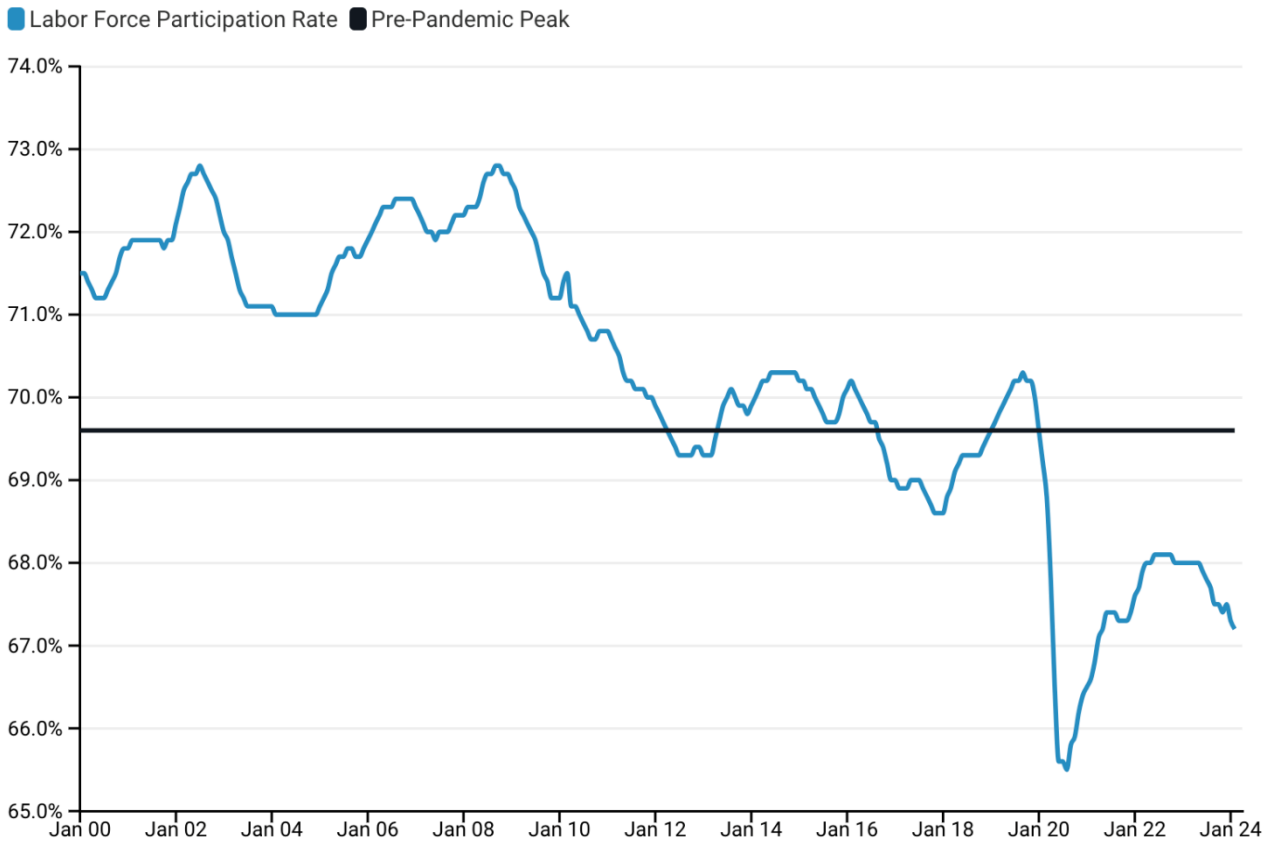


## Iowa Labor Force Update

Iowa’s LFPR declined by 0.1 percentage points from January to February.

- The LFPR fell to 67.2%, which is 3.4% below January 2020’s LFPR of 69.6%.
- Nonetheless, the unemployment rate dropped to 2.9%, 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.