



July 2024

Iowa Jobs and Labor Force Update

June 2024

Introduction

After a downward revision of 1,600 jobs in the May data, Iowa added 300 jobs from May to June, ending a two-month decline. However, the state still saw net job losses over the last three months, and the most recent May revisions signal the state experienced stagnant job growth. In addition, as Iowa gained jobs, Iowans dropped out of the labor force at an even faster pace, removing them from the employment rolls altogether. The labor force participation rate falling from 66.8% in May to 66.5% in June. Regardless, Iowa's unemployment rate remained at 2.8%, improving from 8th to 7th lowest in the nation.

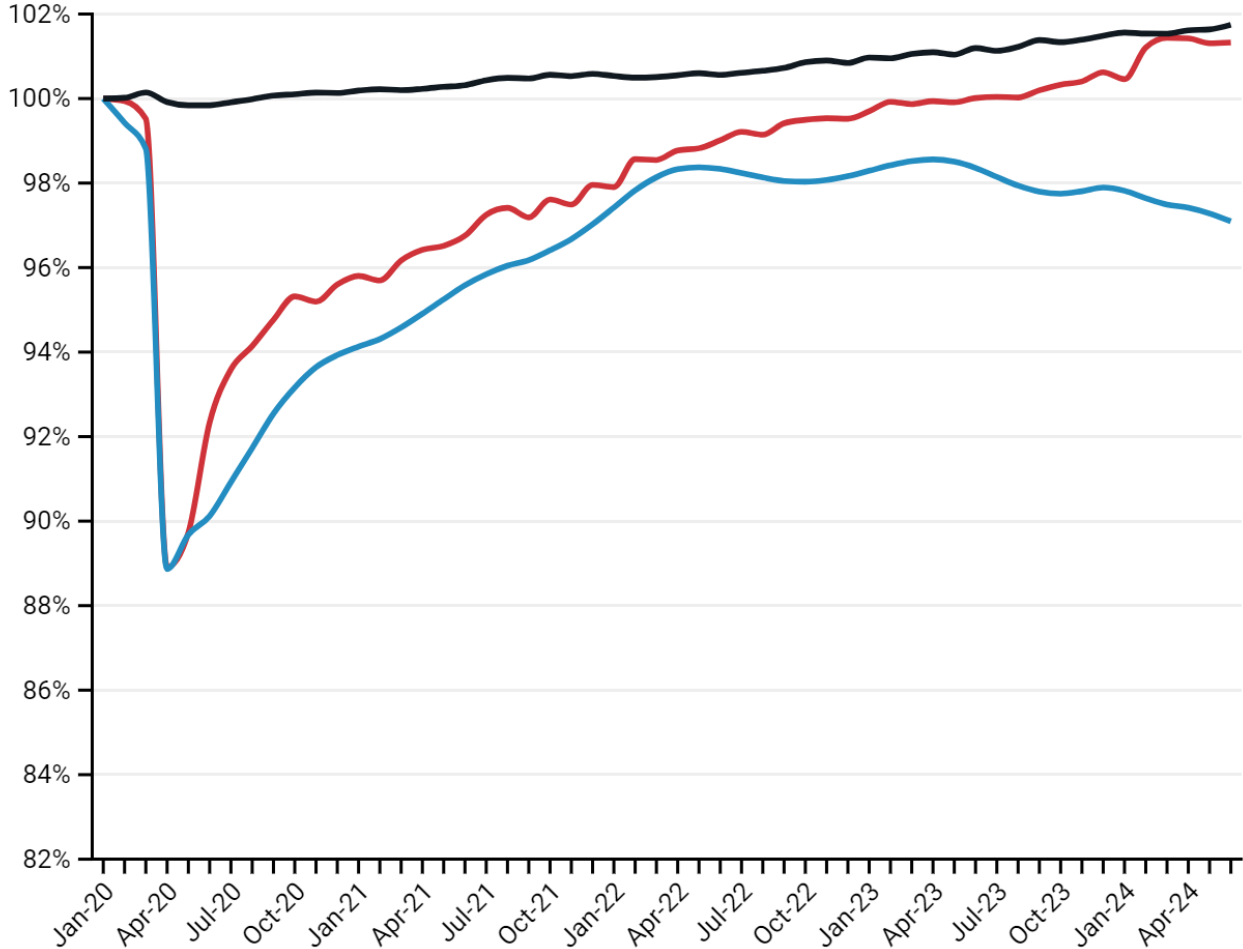
The divergence between the establishment survey and the household survey continues to grow. While the establishment survey saw a slight increase in jobs, the household survey declined dramatically in June. Indeed, it has shown a steady decline in jobs since April 2023. For more on possible reasons for this divergence, see the introduction to Common Sense Institute's report "[Iowa Jobs and Labor Force Update – March 2024 Update](#)."

Key Findings—Iowa June 2024 Employment Data

- **Employment in June experienced conflicting results. According to the household survey, Iowa had 3,169 fewer jobs, while the establishment survey reported 300 more jobs.**
- **In June 2024, Iowa had 21,100 more jobs on net than in January of 2020, prior to the pandemic, according to the establishment survey.**
- **Despite jobs recovering to pre-pandemic levels nominally, Iowa jobs still have not recovered to population-adjusted pre-pandemic levels.**
- **Iowa's unemployment rate remained unchanged at 2.8% in June. That puts it 7th lowest in the nation, up from 8th lowest last month.**
- **Iowa's LFPR (labor force participation rate) fell from May to June by 0.3 percentage points to 66.5%. It has experienced a constant decline over the past year.**
- **Since the start of the year, from December '23 to June '24, the government sector added 1,000 jobs, and the private sector gained 10,200 jobs.**
- **Since January 2020, "professional and business services" has seen the largest increase in jobs in the state in nominal terms (9,900), 400 more than last month.**

Employment Levels in Iowa since January 2020

■ Establishment Survey (CES)
 ■ Household Survey (LAUS)
 ■ Population-adjusted Pre-pandemic Employment Level



- 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.**
- Based on the establishment survey, nominal employment has exceeded pre-pandemic levels since June 2023.
- Based on the establishment survey, employment has slightly improved since May, increasing by 0.2% in June. It has yet to recover to the population-adjusted pre-pandemic levels.
- Based on the household survey, employment continues to decline, falling by 0.19% in June. This decline has widened the divergence between the establishment and household survey.

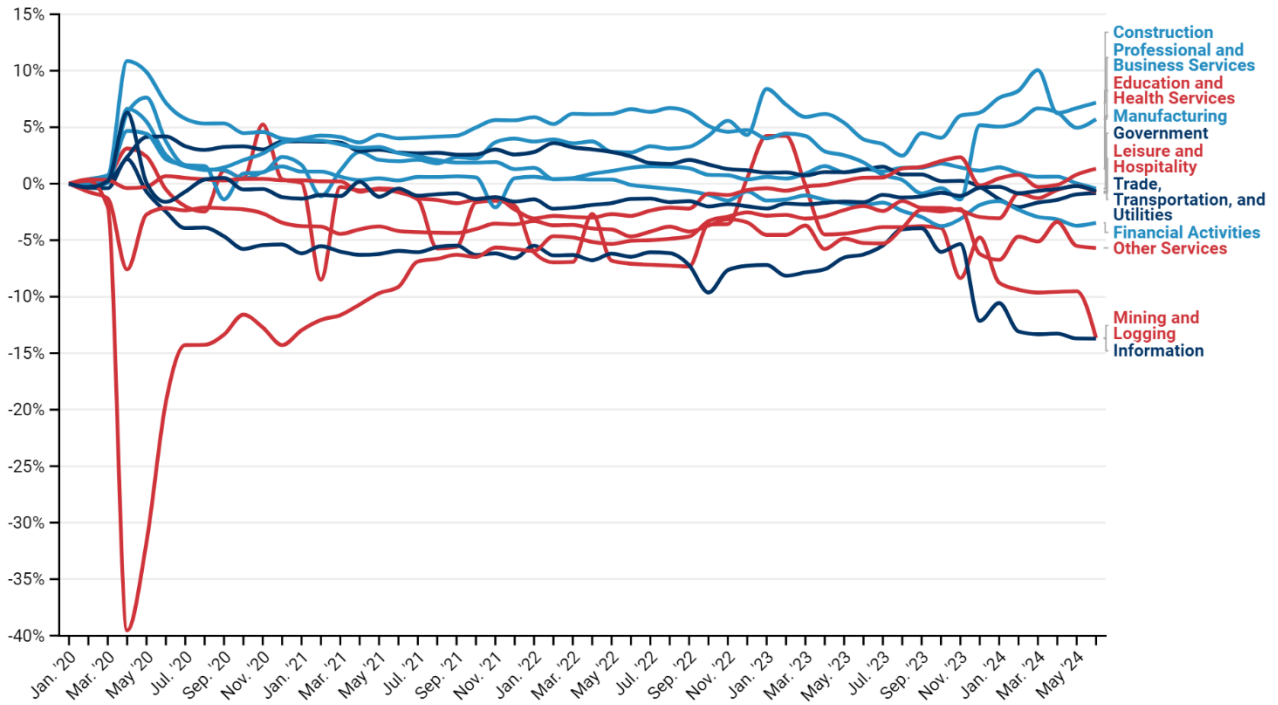
Revisions

- In June, the BLS revised May 2024 seasonally-adjusted total nonfarm employment downward by 295,100 jobs nationally—a 1.9% decrease.
- In June, the BLS revised May 2024 seasonally-adjusted total nonfarm employment downward by 1,600 jobs—a 0.1% decrease.
- In June, the BLS revised its May household survey employment numbers down by 135 jobs—a 0.01% decrease.
- According to the preliminary CES May data published last month, Iowa employment fell by 200 jobs. According to the revised numbers, employment instead fell by just 1,800 jobs.

A Deeper Dive into Iowa Industries (BLS CES Survey)

- **Based on the establishment survey, the net increase of 300 jobs in June was driven by net job gains in just five of 11 major sectors.**
 - “Construction” gained 400 jobs for a 0.47% increase.
 - “Trade, Transportation, and Utilities” gained 400 jobs for a 0.12% increase.
 - “Financial activities” gained 300 jobs for a 0.28% increase.
 - **“Professional and Business Services” gained 1100 jobs for a 0.74% increase.**
 - **“Education and Health Services” gained 1300 jobs for a 0.54% increase.**
- The top performing industries for employment in Iowa relative to their pre-pandemic baselines have generally been business and professional services and construction—two of the five industries with job increases in April.
- **Professional services and construction have both exceeded pre-pandemic share of employment levels, by 0.50% and 0.36% respectively.**
- With 149,000 jobs in the state, the professional and business services industry employs far more Iowans than construction’s 85,900 jobs. Together, they added 1,500 jobs.
- Five major sectors saw a net decline in jobs from May to June.
 - “Mining and Logging” lost 100 jobs for a 4.5% decline.
 - **“Manufacturing” and “Government” both lost 1000 jobs for a 0.44% decline, respectively.**
 - “Leisure and Hospitality” lost 800 jobs for a 0.54% decline.
- “Mining and logging” and “information” continue to lag all other sectors in their recovery to pre-pandemic employment levels. These are both relatively small industries for Iowa, providing just 2,100 jobs and 18,100 jobs, respectively.
- “Trade, transportation, and utilities” and “Construction,” two of Iowa’s largest major sectors, have grown by 1,500 and 6,800 jobs, respectively, since the pandemic.

Changing Industry Shares of Total Iowa Employment since January 2020



Iowa Labor Force Update

Iowa's LFPR declined by 0.3 percentage points from May to June.

- In June, Iowa's LFPR fell to 66.5%, which is 3.1% below January 2020's LFPR of 69.6%.
- Nonetheless, the unemployment rate has remained stagnant at 2.8%, down from a recent peak of 3.1% that held from August through November 2023.
- The unemployment rate remaining unchanged with a falling labor force participation rate suggests some unemployed individuals have quit looking for work and dropped out of the workforce, causing the percentage of the workforce that remains unemployed to fall.

Labor Force Participation Rate in Iowa Since 2000

■ Labor Force Participation Rate
 ■ Pre-Pandemic Peak



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.