



January 2025

Iowa Jobs and Labor Force Update

December 2024

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Introduction

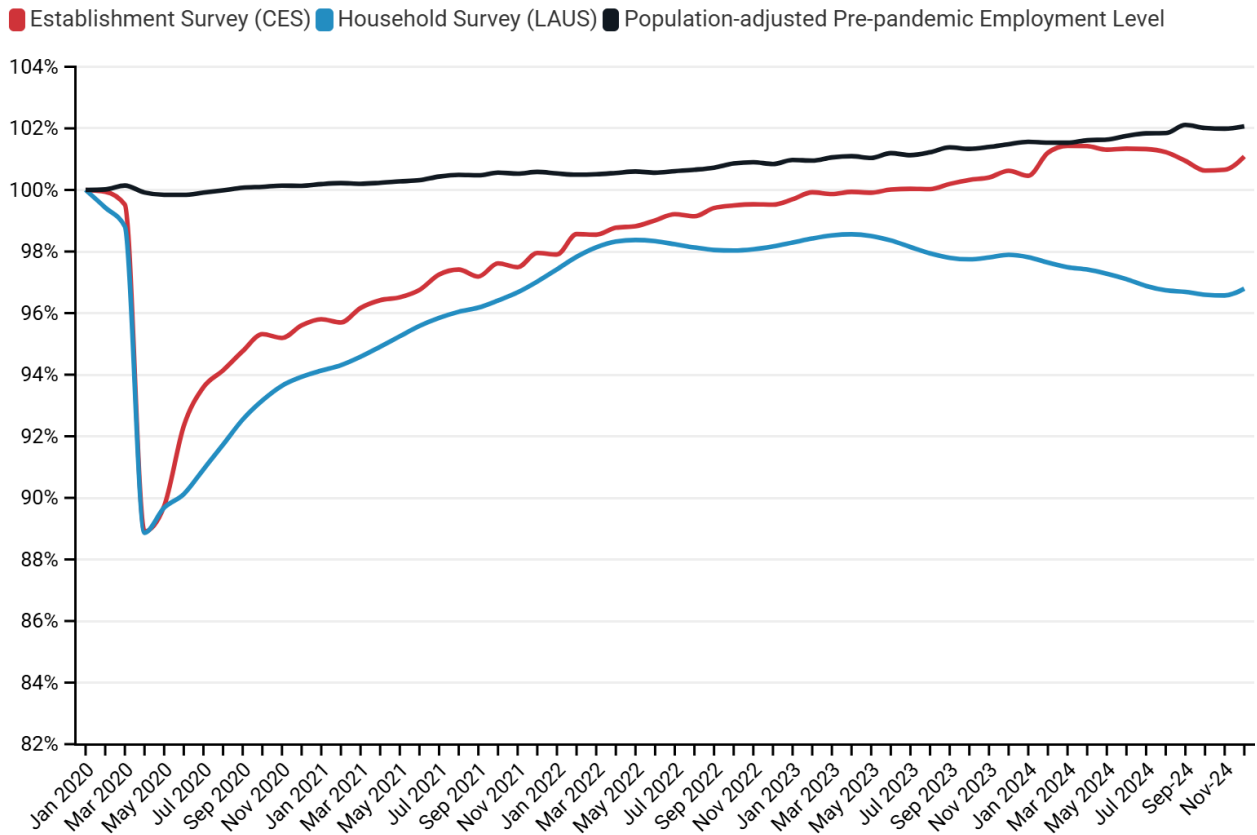
The December Bureau of Labor Statistics (BLS) employment and unemployment data release showed improvement at the end of the weakest jobs growth year since 2020. As of the November print, Iowa had only gained 500 jobs on net in 2024; the December print increased the total to 7,400 for the year. Of those, the private sector produced only 800 on net. Last year marks the fourth consecutive year of job growth decline, raising concerns for the 2025 state employment outlook. Despite strong employment growth in December, Iowa's unemployment rate rose from 3.1% to 3.2%, the 12th lowest in the United States. Its labor force participation rate grew 0.1% as well to 66.4%, marking two months of growth.

The combination of a year-long decline in manufacturing jobs and growth in government and education and health services sectors suggests the state may be transitioning away from manufacturing towards a more service-oriented economy. This may bode well for long-term wage growth and retaining residents, but this can cause economic disruptions in the short term.

Key Findings—Iowa December 2024 Employment Data

- **The private sector only gained 800 jobs on net in 2024.**
- **Pending December revisions, Iowa gained a total of 7,400 jobs in 2024, the least since 2020. That is down from 17,500 in 2023, 24,900 in 2022, and 37,400 in 2021.**
 - Local government and employment the education and health services sector led jobs growth in 2024, gaining 4,800 and 6,100 jobs, respectively.
 - The manufacturing and professional and business services sectors contributed the most to job losses in 2024, with each reducing the final count by 7,700 and 3,700 jobs, respectively.
- **The December employment numbers and November revisions reversed a trend of declining employment growth going back to April 2024, as seen in figure 2.**
 - JOBS: The state gained 4,000 jobs in December.
 - Revisions: Employment figures for November were revised upward by 2,900 jobs, from a gain of 400 to a gain of 3,300.
- **Despite weak private sector jobs growth, the state still boasts the 12th lowest unemployment rate in the nation, though down two spots from last month. It also ranks 10th highest in labor force participation, unchanged from last month.**
 - Unemployment: Iowa's unemployment grew 0.1% to 3.2% in December.
 - LFPR: Iowa's LFPR grew by 0.1% to 66.4% in December.

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.**
- Based on the **establishment survey** and revised November numbers, employment grew by 4,000 or 0.25%.
- Based on the **household survey**, employment grew in December by 3,781 jobs or 0.23%.

Revisions

- In December, the BLS revised November 2024 seasonally-adjusted total nonfarm employment downward 23,200 jobs nationally—a 0.01% decline.
- In December, the BLS revised November 2024 seasonally-adjusted total nonfarm employment in Iowa upward by 2,900 jobs—a 0.18% increase.
- In December, the BLS revised November 2024 seasonally adjusted total nonfarm employment for the following major sectors:
 - Education and health services upward by 1,000 jobs.
 - Government upward by 800 jobs.
 - Professional and business services upward by 700 jobs.
 - Construction upward by 600 jobs.
 - Financial activities upward by 300 jobs.
 - Leisure and hospitality upward by 200 jobs.
 - Trade, transportation, and utilities upward by 100 jobs.
 - Manufacturing downward by 700 jobs.
 - Other services downward by 100 jobs.

A Deeper Dive into Iowa Industries (BLS CES Survey)

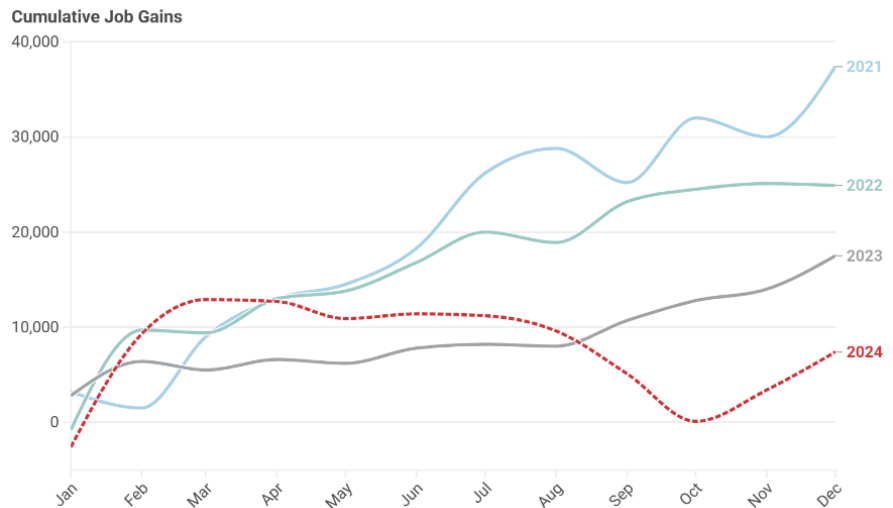
- **Based on the establishment survey, the net growth of 4,000 jobs in December was driven by net job gains in 10 of 11 major sectors.**

- Government gained 1,700 jobs (+0.63%).
- Construction gained 800 jobs (+0.95%).
- Education and health services (+0.25%) and trade, transportation and utilities (+0.19%) both gained 600 jobs.
- Professional and business services gained 400 jobs (+0.28%).
- Financial activities gained 300 jobs (+0.28%).
- Leisure and hospitality gained 200 jobs (+0.14%).
- Mining and logging (+4.76%) and information (+0.55%) both gained 100 jobs.
- Other services remained unchanged.

- One sectors saw a net loss in jobs from November to December.

Cumulative Jobs Added by Year - Iowa

Iowa's employment growth ends at relatively low compared to the prior three years. Through 12 months of 2024, the state has only added 7400 new jobs.

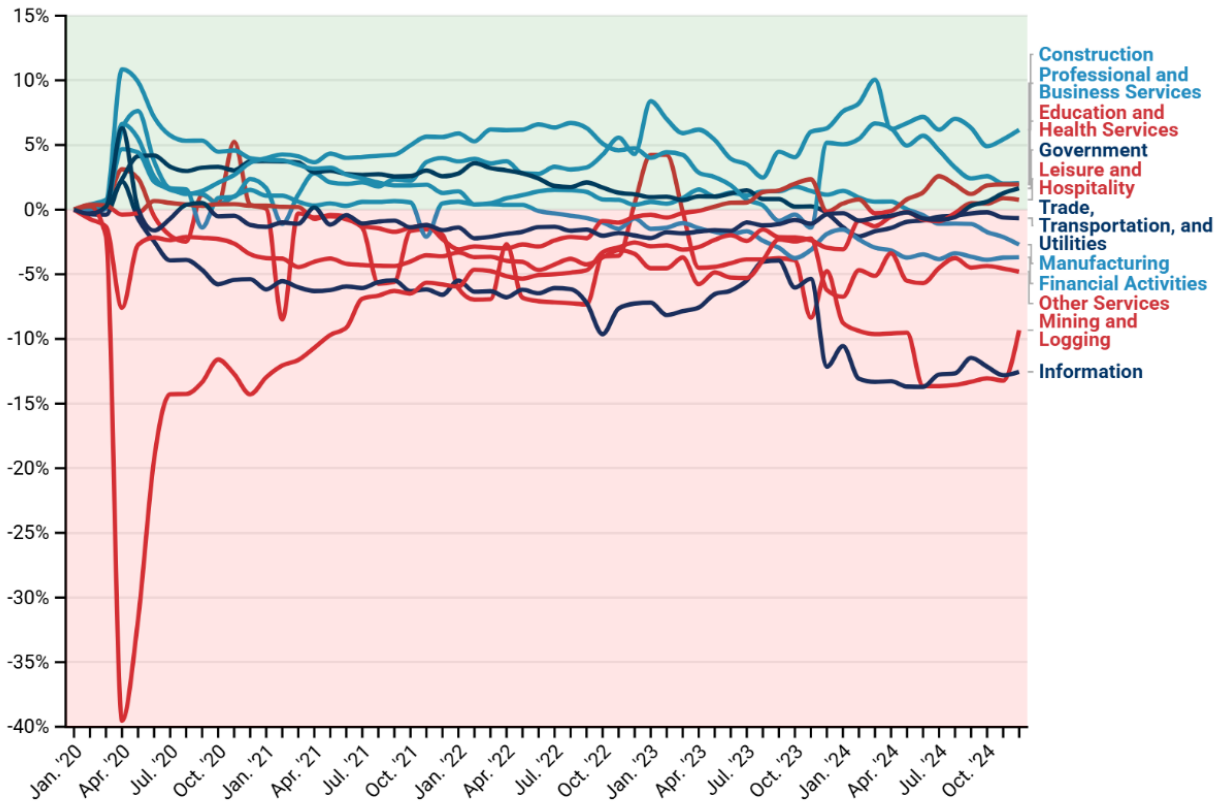


- Manufacturing lost 800 jobs (-0.36%).
- **Since the start of the year, from December '23 to December '24, the private sector gained 7,400 jobs.** Last month, CSI reported a YTD gain of 500.
 - Most of the net 6,900 jobs is due to the spike in 4,000 government jobs over the last two months.
- Over the last twelve months,
 - Government gained the most jobs—6,600.
 - Manufacturing lost the most jobs—7,700.

Iowa Labor Force Update

- In December, Iowa’s LFPR grew 0.1% to 66.4%, 3.2% below the pre-pandemic LFPR of 69.6% in January 2020. **This marks a two-month growth trend.**
- The unemployment rate grew 0.1% to 3.2%. **This marks the fourth straight month with a rising unemployment rate.**
- Iowa ranked 12th lowest in unemployment rate among all 50 states, two spots lower than last month.

Changing Industry Shares of Total Iowa Employment since January 2020



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.