



March 2025

Iowa Jobs and Labor Force Update

January 2025

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Introduction

In March, the Bureau of Labor Statistics (BLS) implemented a revised benchmark for state-level employment and unemployment estimates. This update incorporates population controls and revised seasonal adjustment factors. As a result, all published state employment data have been revised, meaning the figures reported by CSI for December 2024 and prior months will not align with the updated data starting in this report.

This month, Iowa reported a net gain of 1,400 jobs. However, under the new benchmark, Iowa's employment level for December was revised downward by 13,400 jobs compared to pre-revised December. Similarly, national employment estimates were revised downward by over half a million. While both state and national employment did indeed increase from December to January, the revised estimates indicate that the absolute employment levels are lower than previously reported.

As was also reported in CSI's [December jobs report](#), recent employment growth has been largely driven by government jobs. In January, government jobs grew by 2,900, with state government accounting for 2,700. Without these government gains, Iowa would have lost 1,500 jobs on net in January. The revised benchmark also resulted in a slightly higher unemployment rate, now reported at 3.3%, compared to the previously estimated 3.2% in pre-revised December 2024. This adjustment places Iowa with the 13th lowest unemployment rate in the nation, one spot lower than the previous month. One revision does benefit the health of Iowa's labor market—the labor force participation rate (LFPR). The new benchmark revised LFPR upward from 66.3% in pre-revised December to 67% in January, making Iowa's participation rate 9th highest in the nation.

The revised data underscores an uncomfortable reality: Iowa's labor market is slightly weaker than previously thought. While labor force participation remains strong, the growing reliance on government job growth could signal further weakness in the private sector. Tracking private sector job loss persistence in future employment prints will be key in determining the strength of Iowa's labor market.

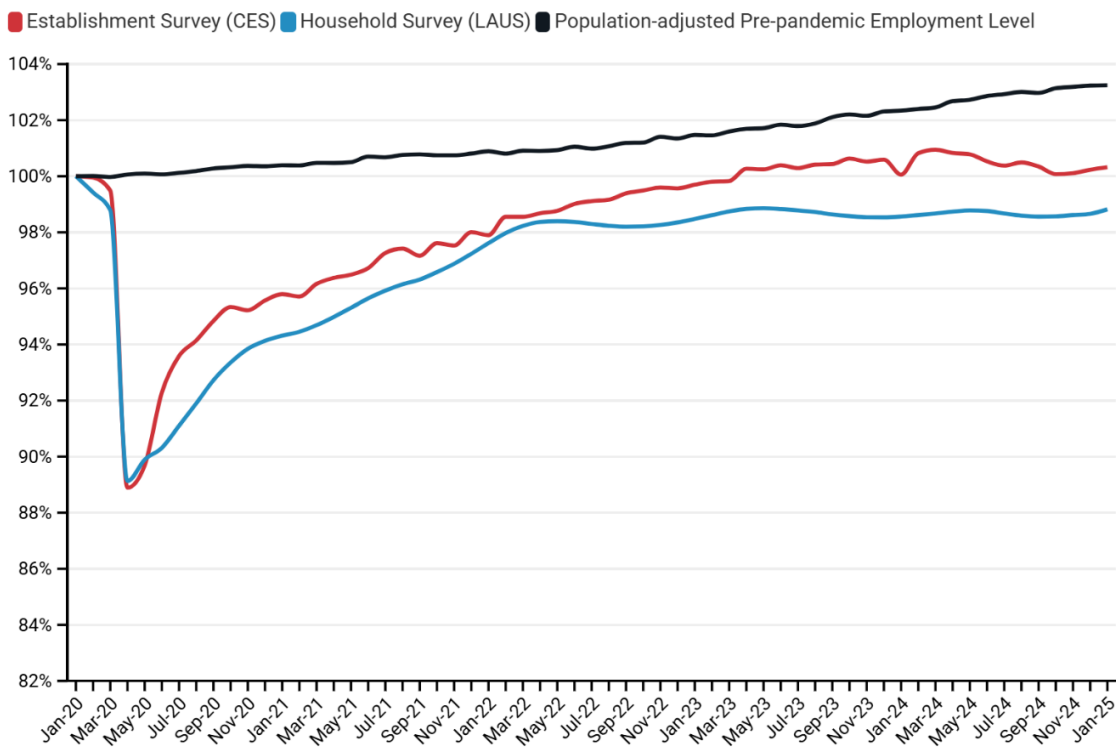
Key Findings—Iowa January 2025 Employment Data

- **In January, Iowa gained 1,400 jobs. Only 4 of 11 major sectors contributed to this growth.**
 - Government jobs contributed to 2,900 additional jobs. Without them, the state would have lost 1,500 jobs on the net.
 - Construction saw the largest monthly decline, losing 800 jobs.
- **New BLS employment methodology indicates a smaller labor force in Iowa.**
 - State Revisions: The state reported 13,400 fewer jobs in December 2024 compared to pre-revised December 2024.
 - Industry Revisions: Leisure and hospitality had the largest downward revision, losing 5,000 jobs. Professional and business services had the largest upward revision, gaining 1,500 jobs.
- **Iowa has the 13th lowest unemployment rate in the nation, down one spot from where it was under the 2024 benchmark .**
 - Unemployment: Iowa’s unemployment was 3.3% in January, up 0.1% from pre-revised December 2024.
- **Iowa ranks 9th highest in labor force participation, up one spot from last month.**
 - LFPR: Iowa’s LFPR was 67.0% in January, up 0.6% from pre-revised December 2024.

Establishment vs. Household Survey

- 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.**
- According to the Bureau of Labor Statistics’ new benchmark, the gap between the population-adjusted pre-pandemic employment level and the establishment survey has widened.
 - In December, the gap was roughly 1 percentage point. In January, the gap is 3 points with the new benchmark.
- Based on the **establishment survey**, employment grew by 1,400 or 0.09%.
- Based on the **household survey**, employment grew in January by 2,705 jobs or 0.16%.

Employment Levels in Iowa since January 2020



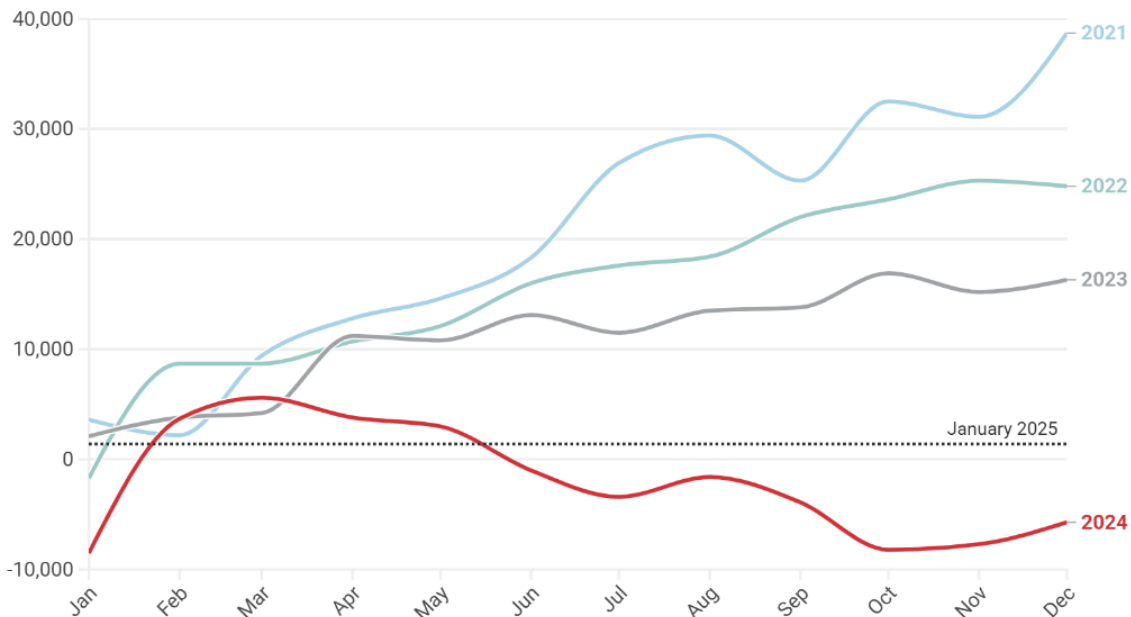
Revisions

- **United States** – In January, the BLS revised December 2024 seasonally adjusted total nonfarm employment nationally downward 517,500 thanks to its new benchmark.
- **Iowa** – In January, the BLS revised December 2024 seasonally adjusted total nonfarm employment in Iowa downward 13,400 thanks to its new benchmark.
- **Iowa by Sector** – In January, the new benchmark revised December 2024 seasonally adjusted total nonfarm employment for the following major sectors:
 - Professional and business services upward by 1,500 jobs.
 - Trade, transportation, and utilities upward by 400 jobs.
 - Mining and logging upward by 100 jobs.
 - Information and other services both downward by 400 jobs.
 - Education and health services downward by 700 jobs.
 - Financial activities downward by 1,500 jobs.
 - Construction downward by 2,100 jobs.
 - Government downward by 2,600 jobs.
 - This consisted of a loss of 4,500 jobs in local government, and gain of 2,000 jobs in state government.
 - Manufacturing downward by 2,700 jobs.
 - Leisure and hospitality downward by 5,000 jobs.

Cumulative Jobs Added by Year - Iowa

Iowa's employment growth began strong in 2025 relative to 2024. Through the one month so far, the state has added 1,400 new jobs.

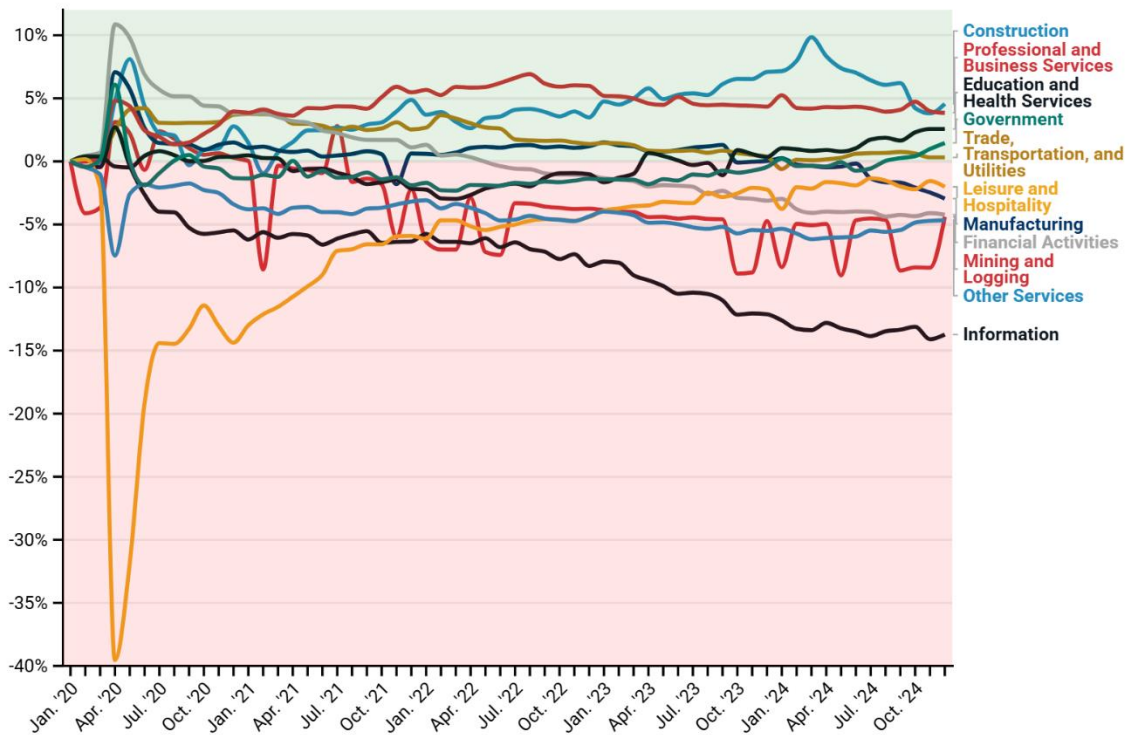
Cumulative Job Gains



A Deeper Dive into Iowa Industries (BLS CES Survey)

- **Based on the establishment survey, the net growth of 1,400 jobs in January was driven by net job gains in only 4 of 11 major sectors.**
 - Government gained 2,900 jobs (+3.72%).
 - Education and health services gained 700 jobs (+0.29%).
 - Leisure and hospitality gained 200 jobs (+0.14%).
 - Other services gained 100 jobs (+0.18%).
- Seven sectors saw a net loss in jobs from December to January.
 - Construction lost 800 jobs (-0.97%).
 - Professional and business services lost 600 jobs (-0.41%).
 - Manufacturing (-0.14%) and trade, transportation, and utilities (-0.10%) both lost 300 jobs.
 - Mining and logging (-8.70%) and financial activities (-0.19%) both lost 200 jobs.
 - Information lost 100 jobs (-0.56%)
- **So far, from December '24 to January '25, the private sector gained 1,400 jobs.** This is higher than January 2021 and 2024, but lower than January 2022 and 2023.
 - Most of the net 1,400 jobs are due to the sharp 2,900 rise in government jobs in the last month.
 - **Without state government jobs, the private sector would have lost 1,500 jobs in January.**
- The information industry has underperformed the most since January 2020, losing 13.72% of its share of total Iowa employment.
 - Construction has gained the most in industry share, growing by 4.56%.

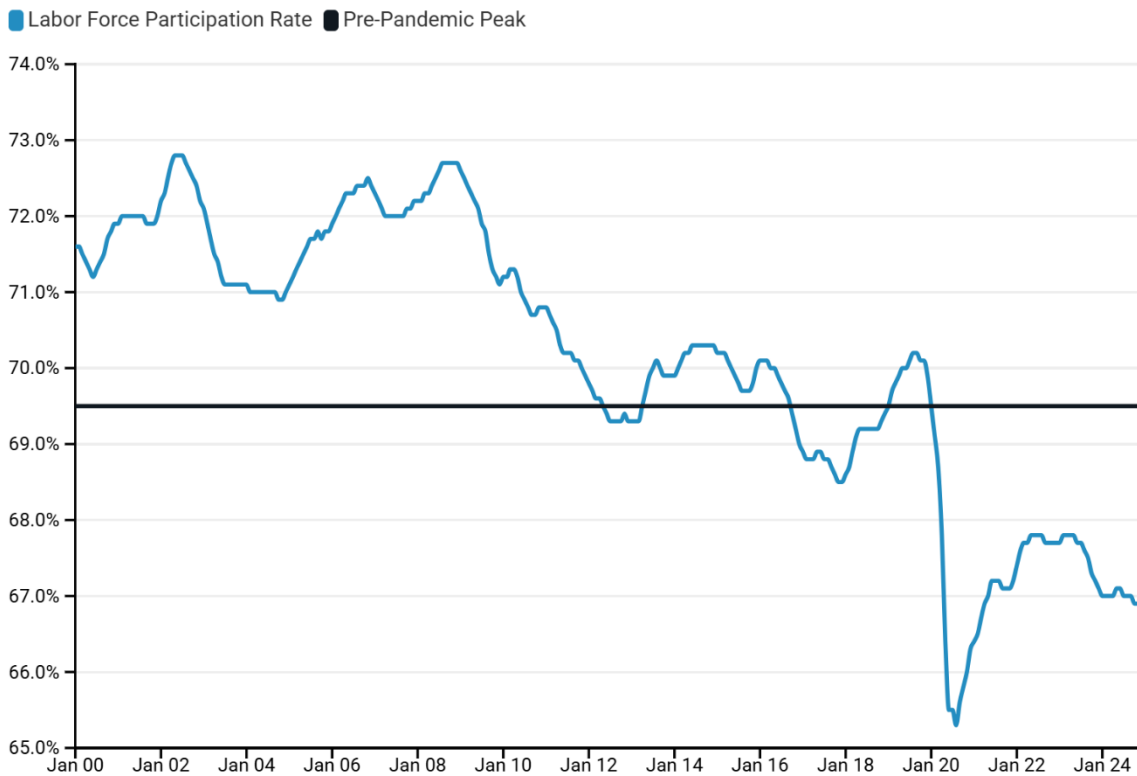
Changing Industry Shares of Total Iowa Employment since January 2020



Iowa Labor Force Update

- In January, Iowa’s LFPR grew 0.1% to 67.0%, 2.5% below the pre-pandemic LFPR of 69.5% in January 2020.
 - In December, before the new benchmark, Iowa reported a 66.4% LFPR, 3.2% below the pre-pandemic LFPR.
- According to the new benchmark, Iowa’s unemployment rate in January was 3.3%. This is 0.1% higher than the data reported in pre-revised December 2024. The new benchmark indicates that the state’s unemployment rate has remained at 3.3% since September 2024.
- Iowa ranked 13th lowest in unemployment rate among all 50 states, one spot higher than last month.

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.