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Iowa's Unemployment Rate at 3.5 Percent in January

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate decreased to 3.5 percent from the revised December rate of 3.7 percent. The state's jobless rate was 2.8 percent one year ago. The U.S. unemployment rate fell to 6.3 percent in January.

"Since last April, 2020, Iowa has grown its workforce by 45,400. In January, Iowa added 8,200 workers, which is a positive sign as we look to get more Iowans back into the workforce," said Director Beth Townsend, Iowa Workforce Development. "As the weather continues to improve and our seasonal layoffs come to an end, we are hopeful our unemployment rate will continue to decline and our labor participation rate will improve."

The number of unemployed Iowans decreased to 57,400 in January from 59,900 in December. The current estimate is 132,800 lower than the COVID-19 revised peak in April of 190,200 and 8,100 higher than the year ago level of 49,300. The total number of working Iowans increased to 1,567,800 in January. This figure was 8,200 higher than December's number of 1,559,600 and 45,400 higher than April 2020.

Monthly labor force data have been revised for 1976-2020 as required by the U.S. Department of Labor, Bureau of Labor Statistics. Benchmarking is the process of re-estimating statistics as more complete data becomes available. Prior year's estimates for the Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) programs are benchmarked annually. In March, the revised data is incorporated with the January employment statistics.

Seasonally Adjusted Nonfarm Employment

Iowa establishments gained 3,000 jobs in January, leaving total nonfarm employment at 1,516,400 jobs. Private industries advanced slightly (+800). Much of the hiring was within goods-producing industries which gained 1,700 jobs since December. Government added 2,200 jobs due to a strong showing at the local level (+1,200).

Construction added the most jobs in January (+1,000). This is the second-consecutive monthly increase for the sector and the third in the last four months. This sector showed little growth last year; however, this industry showed signs of expansion in the fourth quarter. Manufacturing gained 700 jobs in January with much of the hiring being within nondurable goods factories. Manufacturing has trended up since May, adding 7,000 total jobs during that span. The majority of these gains have been in nondurable goods shops. Hiring in private education led to a gain of 700 jobs in education and health services. Smaller increases this month included leisure and hospitality (+400) and financial activities (+300). On the other hand, losses were greatest in the retail trade (-1,300). This sector showed an unusually large gain last month to accommodate the holiday shopping season. Information shed 500 jobs with losses in two of the last three months. Both other services and professional and business services shed 300 jobs since December.

Compared to April, Iowa establishments have now added back 103,900 jobs. Leisure and hospitality has added the most jobs (+39,800), although bulk hiring may not occur until the spring and summer months and after social-distancing measures have ended. Retail has added back 22,600 jobs with hiring being strongest in general merchandise and food and beverage stores. Health care and social assistance is up 9,700 jobs despite a small drop in January.

Unemployment Insurance Claims

The total number of initial claims decreased in January 2021 by 13,825 (35.5 percent) from December 2020 and have fallen 132,231 (-84.1 percent) versus the peak of 157,324 in April 2020. For continued claims, most statistics have been reduced to approximately 75 percent of the April 2020 levels. The number of claimants increased by 4.8 percent from last month and are down 136,539 over the prior nine months. The weeks paid increased to 156,961 in January, less than 25 percent of the 652,623 paid in April 2020, while the total amount paid to claimants increased to \$61.7 million, less than 30 percent of the \$213.5 million paid nine months ago.

Employment and Unemployment in Iowa, Seasonally Adjusted Data					
	January 2021	April 2020	January 2020	Change from April January	
				2020	2020
Civilian labor force	1,625,100	1,712,600	1,734,200	-87,500	-109,100
Unemployment	57,400	190,200	49,300	-132,800	8,100
Unemployment rate	3.5%	11.1%	2.8%	-7.6	0.7
Employment	1,567,800	1,522,400	1,684,900	45,400	-117,100
U.S. unemployment rate	6.3%	14.8%	3.5%	-8.5	2.8
Nonfarm Employment in Iowa, Seasonally Adjusted Data					
Total Nonfarm Employment	1,516,400	1,412,500	1,593,800	103,900	-77,400
Mining	2,400	2,200	2,400	200	0
Construction	78,900	74,600	80,600	4,300	-1,700
Manufacturing	218,900	212,900	224,300	6,000	-5,400
Trade, transportation and utilities	307,000	281,600	311,200	25,400	-4,200
Information	18,000	18,700	20,700	-700	-2,700
Financial activities	109,900	108,300	110,100	1,600	-200
Professional and business services	136,100	129,600	140,300	6,500	-4,200
Education and health services	221,300	207,600	236,600	13,700	-15,300
Leisure and hospitality	118,100	78,300	144,900	39,800	-26,800
Other services	54,900	48,500	58,700	6,400	-3,800
Government	250,900	250,200	264,000	700	-13,100

Unemployment Insurance Claims for Iowa					
	January 2021	April 2020	January 2020	% Change from April January	
				2020	2020
Initial claims	25,093	157,324	17,461	-84.1%	43.7%
Continued claims					
Number of claimants	46,120	182,659	45,207	-74.8%	2.0%
Weeks paid	156,961	652,623	154,466	-75.9%	1.6%
Amount paid	\$61,685,216	\$213,451,863	\$63,087,185	-71.1%	-2.2%

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MEDIA ALERT: Local data for January 2021 is available on the IWD website. Statewide data for February 2021 will be released on Friday, March 26, 2021.