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Iowa's Labor Force Participation Rate Returns to Pre-Pandemic Level Unemployment Rate Unchanged in July

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate held steady at 2.7 percent in July but remains down from 2.8 percent one year ago. The state's labor force added 2,700 new workers in July, increasing Iowa's labor force participation rate to 68.8 percent. That is up from 68.2 percent a year ago and equals the participation rate in March 2020.

Meanwhile, the U.S. unemployment rate decreased to 3.5 percent in July from 3.6 percent the month before.

The total number of working Iowans increased to 1,694,300 last month. The July figure is 1,300 higher than June and 22,900 higher than one year ago. The number of unemployed Iowans increased to 47,700 in July from 46,300 in June.

"Iowa's labor force participation increased for the fifth straight month, although we do see signs that some businesses are being cautious with hiring amid prolonged national economic uncertainty," said Beth Townsend, Executive Director of Iowa Workforce Development. "Over 65,000 job opportunities still exist in our state, and Iowa Workforce Development stands ready to help connect Iowans to these great opportunities. We can also help employers who are looking for workers by connecting them with valuable tools and resources that will help them develop their talent pipelines."

Seasonally Adjusted Nonfarm Employment

Iowa's businesses are up 14,400 jobs relative to last year. In July, Iowa businesses shed 5,300 jobs, lowering total nonfarm employment to 1,585,400. Following a June downward revision, this loss is now the third consecutive monthly drop in payroll with monthly losses being evident in both service and goods producing industries. Professional and business services has pared jobs for four consecutive months and, along with leisure and hospitality, led all other sectors in jobs shed this month. Private industry employers are responsible for most of the increase (+11,700), although government entities advanced by 300 this month and now rest up 2,700 jobs over the past twelve months.

Accommodations and food services shed the most jobs in July (-2,000). Much of the loss was due to restaurants reigning in employment this month. The loss follows a smaller decline of 700 jobs in June. Arts and entertainment also shed jobs in July (-300), snapping a string of gains over the prior three months. Administrative support and waste management pared 1,200 jobs in July and fueled a decline of 2,000 jobs for professional and business services. Professional, scientific, and technical services shed 700 jobs this month and has shed 2,800 since March. Trade, transportation, and utilities lost 900 jobs and is now down 1,400 jobs over the past three months. Both transportation and warehousing along with retail have been a drag on employment recently. Conversely, job gains were small in magnitude in July and included education and health care (+400) and information (+200).

Compared to last year, total nonfarm employment has gained 14,400 jobs. Of those gains, education and health care has gained 10,100 jobs with a slight majority stemming from health care and social assistance. Leisure and hospitality industries are up 3,900 jobs and has been lifted by arts and entertainment (+2,500). Smaller increases occurred in manufacturing (+1,700) and construction (+1,300). Job losses have been heaviest in professional and business services (-6,400) with administrative support and waste management fueling much of the decline.

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	July 2023	June 2023	July 2022	Change from June 2023	July 2022
Civilian labor force	1,742,000	1,739,300	1,719,000	2,700	23,000
Unemployment	47,700	46,300	47,500	1,400	200
Unemployment rate	2.7%	2.7%	2.8%	0.0	-0.1
Employment	1,694,300	1,693,000	1,671,400	1,300	22,900
Labor Force Participation Rate	68.8%	68.7%	68.2%	0.1	0.6
U.S. unemployment rate	3.5%	3.6%	3.5%	-0.1	0.0

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,585,400	1,590,700	1,571,000	-5,300	14,400
Mining	2,300	2,300	2,200	0	100
Construction	82,200	82,400	80,900	-200	1,300
Manufacturing	226,800	227,400	225,100	-600	1,700
Trade, transportation and utilities	312,500	313,400	311,300	-900	1,200
Information	19,600	19,400	19,200	200	400
Financial activities	108,000	107,900	108,300	100	-300
Professional and business services	140,100	142,100	146,500	-2,000	-6,400
Education and health services	237,400	237,000	227,300	400	10,100
Leisure and hospitality	140,200	142,400	136,300	-2,200	3,900
Other services	55,300	55,700	55,600	-400	-300
Government	261,000	260,700	258,300	300	2,700

Unemployment Insurance Claims for Iowa

	July 2023	June 2023	July 2022	% Change from June 2023	July 2022
Initial claims	9,173	8,250	6,589	11.2%	39.2%
Continued claims					
Benefit recipients	11,138	10,101	9,035	10.3%	23.3%
Weeks paid	31,094	31,490	27,641	-1.3%	12.5%
Amount paid	\$13,949,999	\$14,062,226	\$11,713,985	-0.8%	19.1%

Visit www.iowalmi.gov for more information about current and historical data, labor force data, nonfarm employment, hours and earnings, and jobless benefits by county.

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MEDIA ALERT: Local data for July 2023 will be posted to the IWD website on Tuesday, August 22, 2023. Statewide data for August 2023 will be released on Friday, September 15, 2023.