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Iowa's Unemployment Rate Increases to 3.0 Percent in September

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate ticked up to 3.0 percent in September, up from 2.9 percent last month but down from 3.1 percent a year ago. Meanwhile, Iowa's labor force participation rate decreased slightly from 68.7 percent to 68.6 percent in September as college students left the workforce to return to school.

The U.S. unemployment rate remained at 3.8 percent in September, and the national labor force participation rate remained at 62.8 percent.

The number of unemployed Iowans increased to 52,800 in September from 50,200 in August. The total number of working Iowans decreased to 1,688,200 last month. This figure is 4,200 lower than August but 22,000 higher than one year ago.

"National economic uncertainty continues to impact sectors like leisure and hospitality and professional and business services, but other industries are continuing to hire," said Beth Townsend, Executive Director of Iowa Workforce Development. "If the warning signs turn out to be right, IWD will be well-positioned to match skilled workers with the employers who need them to grow. Through our Reemployment Case Management program, we have the right resources in the right place to help displaced workers find new careers as soon as possible."

Seasonally Adjusted Nonfarm Employment

Iowa establishments shed 500 jobs in September, lowering total nonfarm employment to 1,585,200. Businesses in the state have been uneasy about hiring since April, and nonfarm employment has trended down, with job losses in four of the last five months. Jobs were gained in September mostly within goods production; however, gains were more than offset by private sector losses in leisure and hospitality along with professional and business services. Government also shed jobs in September at the local level (-200), yet remains up 2,600 compared to last year.

Among private industries, construction added 1,800 in September to lead all sectors. This gain was more than expected given that jobs had been pared in the prior four months. The monthly increase may be the result of construction firms rushing to wrap up projects before the colder weather arrives in the coming months. Jobs also were added in other services in September (+800). The largest movements were in religious, grantmaking, civic, and professional organizations. All other gains were smaller in nature – including manufacturing and information services, both of which added 200 jobs. Conversely, layoffs in arts, entertainment, and recreation fueled a drop of 1,100 in leisure and hospitality. Accommodations and food services increased slightly relative to August (+200). Professional and business services also shed jobs in September (-1,000). Administrative support and waste management industries pared 900 and was responsible for most of the loss. Financial activities posted the only other major loss this month (-800). Both credit intermediation and real estate rental and leasing shed 400 jobs.

Annually, Iowa has gained 11,400 jobs over the past 12 months. The largest increases have been in education and health care industries (+10,000). Most of the jobs gained were in health care and social assistance (+7,100). Despite the loss this month, leisure and hospitality is up 4,500 since last September thanks mostly to eating and drinking establishments bolstering payrolls. On the other hand, annual job losses were heaviest in professional and business services (-8,200). Losses for this sector have been driven by declines in employment services for individuals and business services for firms.

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	September 2023	August 2023	September 2022	Change from	
				August 2023	September 2022
Civilian labor force	1,741,000	1,742,600	1,718,900	-1,600	22,100
Unemployment	52,800	50,200	52,600	2,600	200
Unemployment rate	3.0%	2.9%	3.1%	0.1	-0.1
Employment	1,688,200	1,692,400	1,666,200	-4,200	22,000
Labor Force Participation Rate	68.6%	68.7%	68.1%	-0.1	0.5
U.S. unemployment rate	3.8%	3.8%	3.7%	0.0	0.1

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,585,200	1,585,700	1,573,800	-500	11,400
Mining	2,300	2,300	2,200	0	100
Construction	82,800	81,000	81,000	1,800	1,800
Manufacturing	227,100	226,900	225,100	200	2,000
Trade, transportation and utilities	310,800	311,100	312,700	-300	-1,900
Information	20,000	19,800	19,000	200	1,000
Financial activities	106,200	107,000	108,100	-800	-1,900
Professional and business services	138,500	139,500	146,700	-1,000	-8,200
Education and health services	238,100	238,200	228,100	-100	10,000
Leisure and hospitality	141,500	142,600	137,000	-1,100	4,500
Other services	57,100	56,300	55,700	800	1,400
Government	260,800	261,000	258,200	-200	2,600

Unemployment Insurance Claims for Iowa

	September 2023	August 2023	September 2022	% Change from	
				August 2023	September 2022
Initial claims	7,344	8,476	5,547	-13.4%	32.4%
Continued claims					
Benefit recipients	9,089	11,317	7,088	-19.7%	28.2%
Weeks paid	24,531	34,296	20,792	-28.5%	18.0%
Amount paid	\$12,091,915	\$15,950,144	\$9,615,944	-24.2%	25.7%

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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Auxiliary aids and services are available upon request for individuals with disabilities.

www.workforce.iowa.gov • www.iowaworks.gov

MEDIA ALERT: Local data for September 2023 will be posted to the IWD website on Tuesday, October 24, 2023. Statewide data for October 2023 will be released on Thursday, November 16, 2023.