

NEWS RELEASE

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Iowa Workforce Development

Contact: Jesse Dougherty (515) 725-5487

communications@iwd.iowa.gov

Iowa Ends 2025 with Higher Labor Force Participation, 32,400 More Workers Unemployment Rate in December Holds Steady at 3.5 Percent

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate was 3.5 percent in December, level with November and up slightly from 3.3 percent one year ago. The labor force participation rate increased to 67.7 percent in December, as Iowa gained 4,600 workers in comparison to the previous month. The participation rate was up from 67.6 percent in November and 66.9 percent one year ago. Meanwhile, the U.S. unemployment rate decreased to 4.4 percent.

The total number of unemployed Iowans decreased to 61,400 in December from 61,800 in November.

The total number of working Iowans rose to 1,688,700 in December. This figure is 5,000 higher than November and 27,300 higher than one year ago.

“December’s report shows that Iowa ended 2025 with 32,400 more workers than we had at the end of 2024,” said Beth Townsend, Executive Director of Iowa Workforce Development. “And the numbers show that 27,300 additional Iowans were able to successfully find jobs in 2025, which is consistent with the increases we’ve seen over the past two months in the labor force participation rate. With almost 50,000 open jobs on IowaWORKS.gov, there are still employers looking for their next great hire, and we can help you connect.”

Seasonally Adjusted Nonfarm Employment

In December, Iowa businesses shed 3,300 jobs, lowering total nonfarm employment to 1,595,500. Private industry was responsible for this decline as losses were evident in both goods-producing industries (-1,500) and private services (-2,900). Hiring at the local government level drove a 1,100 increase in jobs in the government sector, which is now up 1,600 for the year. State government is little changed over the last 12 months, while federal government is down due to budget cutbacks (-1,000).

Retail trade led all sectors in losses in December (-1,500). This sector had shown signs of hiring in the third quarter, but this momentum waned in the fourth quarter with 1,900 jobs shed since September. Wholesale trade continued to trend down in December (-1,000). Non-durable goods sales are responsible for most of these losses. Accommodations and food services shed jobs for the second consecutive month (-1,800). Full-service restaurants fueled most of the monthly decline. Manufacturing shed a combined 1,300 jobs. Non-durable goods factories were down 800 jobs, and durable goods shops were down 500 jobs. On the other hand, job gains were smaller and led by finance and insurance (+300). This sector is down 500 jobs versus last December. Other gains included education and health services and other services, each gaining 200 jobs.

Annually, the state is up 2,700 jobs over the past 12 months. Construction has added the most jobs during that span (+7,100). This sector has generally trended up over the past 12 months. Education and health care gained 5,900 jobs. Health care and social assistance alone has gained 3,900 jobs. Conversely, leisure and hospitality (-3,800) has pared the most jobs since last December with losses concentrated in accommodations and food service industries. Professional and business services are down 3,400 jobs, and trade, transportation, and utilities have shed 2,300.

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	December 2025	November 2025	Change from		
			December 2024	November 2025	December 2024
Civilian labor force	1,750,100	1,745,500	1,717,700	4,600	32,400
Unemployment	61,400	61,800	56,300	-400	5,100
Unemployment rate	3.5%	3.5%	3.3%	0.0	0.2
Employment	1,688,700	1,683,700	1,661,400	5,000	27,300
Labor Force Participation Rate	67.7%	67.6%	66.9%	0.1	0.8
U.S. unemployment rate	4.4%	4.5%	4.1%	-0.1	0.3

Nonfarm Employment in Iowa, Seasonally Adjusted Data					
Total Nonfarm Employment	1,595,500	1,598,800	1,592,800	-3,300	2,700
Mining	2,000	2,100	2,300	-100	-300
Construction	89,900	90,000	82,800	-100	7,100
Manufacturing	215,700	217,000	217,800	-1,300	-2,100
Trade, transportation and utilities	308,700	311,400	311,000	-2,700	-2,300
Information	17,900	18,000	17,900	-100	0
Financial activities	104,400	104,100	105,600	300	-1,200
Professional and business services	141,600	141,500	145,000	100	-3,400
Education and health services (private)	247,900	247,700	242,000	200	5,900
Leisure and hospitality	138,900	139,800	142,700	-900	-3,800
Other services	57,200	57,000	56,000	200	1,200
Government*	271,300	270,200	269,700	1,100	1,600

* includes publicly owned education and health services

Unemployment Insurance Claims for Iowa

	December 2025	November 2025	% Change from		
			December 2024	November 2025	December 2024
Initial claims	23,026	9,148	25,306	151.7%	-9.0%
Continued claims					
Benefit recipients	20,535	9,669	22,330	112.4%	-8.0%
Weeks paid	63,143	26,002	58,404	142.8%	8.1%
Amount paid	\$33,679,491	\$13,804,346	\$30,816,566	144.0%	9.3%

MEDIA ALERT: Local data for December 2025 will be posted to the IWD website on Thursday, January 27, 2026.

Visit 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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