

NEWS RELEASE

For Statewide Distribution



Iowa Workforce Development

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Iowa's Unemployment Rate Remains at 3.2 Percent in September

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate remained at 3.2 percent in September for the fifth consecutive month, up from a jobless rate of 3.1 percent one year ago. The U.S. unemployment rate increased to 4.2 percent in September.

The total number of unemployed Iowans increased to 55,700 in September from 54,700 in August.

The total number of working Iowans decreased to 1,665,500 in September. This figure is 4,100 lower than August and 19,800 lower than one year ago. The labor force participation rate fell to 66.9 percent in September, down from 67.0 percent in August and 67.8 percent one year ago, due to a mix of retirements and workers returning to education.

"September's report saw employment in healthcare and construction grow to the highest employment levels ever recorded," said Beth Townsend, Executive Director of Iowa Workforce Development. "Accommodations and food services also added 1,400 jobs in September. For individuals looking for their next job or their next great career opportunity, more than 60,000 jobs remain open on IowaWorks.gov, and employers are hiring. This is the perfect time to take advantage of opportunities in Iowa."

Seasonally Adjusted Nonfarm Employment

Iowa establishments added 1,800 jobs in September, lifting total nonfarm employment to 1,587,400. This is the second consecutive increase, following a gain of 2,200 jobs in August. Local K-12 schools increased staffing levels by a larger than expected amount to begin the school year, leading to an increase of 1,400 jobs in government. Private industry increased in September (+400). These gains were within the service industries. Goods-producing firms were largely unchanged compared to August, as small gains in construction (+200) were overmatched by minor losses in non-durable goods manufacturing (-400). Private service industries have shown little movement compared to last year (-300). Goods-producing industries have been fueled by hiring in construction and are up 2,600 jobs annually.

Accommodation and food services added 1,400 jobs to lead all private sectors. Restaurants, bars, and food service contracting firms (such as those who provide food for schools) were responsible for most of this increase. Professional and business services gained 500 jobs, the first gain since May. The increase was due to 600 jobs added in administrative support and waste management industries, which added jobs for the first time since January. Smaller gains include finance and insurance, up 500 jobs compared to August. Conversely, September losses were highest in retail trade (-600). This decrease was partially fueled by losses within food and beverage retailers (grocery stores). Arts, entertainment, and recreational industries shed 500 jobs in September and is down 800 jobs over the last three months. Manufacturing posted the only other loss of note, shedding 400 jobs due to reductions at food-producing firms.

Over the past 12 months, firms in Iowa have gained 4,000 jobs. Health care and social assistance industries have gained 5,500 jobs annually to lead all industries. Construction has added 3,300 over the past 12 months. This sector has generally trended up since December. Finance and insurance, which is being raised by hiring in insurance and related industries, has gained 1,800 jobs. Alternatively, losses have been highest in transportation and warehousing (-3,600). This sector has pared jobs in the last five consecutive months, shedding 1,900 jobs. Arts, entertainment, and recreation industries have lost 2,300 jobs and are down in three straight months. Professional and business services have pared 2,000 jobs. Half of this loss stemmed from professional, scientific, and technical services.

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	September 2026	August 2026	September 2025	Change from August 2026	September 2025
Civilian labor force	1,721,200	1,724,300	1,740,000	-3,100	-18,800
Unemployment	55,700	54,700	54,700	1,000	1,000
Unemployment rate	3.2%	3.2%	3.1%	0.0	0.1
Employment	1,665,500	1,669,600	1,685,300	-4,100	-19,800
Labor Force Participation Rate	66.9%	67.0%	67.8%	-0.1	-0.9
U.S. unemployment rate	4.2%	4.1%	4.4%	0.1	-0.2

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,587,400	1,585,600	1,583,400	1,800	4,000
Mining	2,200	2,200	2,200	0	0
Construction	87,900	87,700	84,600	200	3,300
Manufacturing	213,400	213,800	214,100	-400	-700
Trade, transportation and utilities	303,700	304,300	309,100	-600	-5,400
Information	17,200	17,400	17,400	-200	-200
Financial activities	105,800	105,500	104,400	300	1,400
Professional and business services	140,500	140,000	142,500	500	-2,000
Education (private)	43,000	43,200	43,300	-200	-300
Health care and social assistance	205,800	205,600	200,300	200	5,500
Leisure and hospitality	143,300	142,400	142,400	900	900
Other services	54,700	55,000	54,900	-300	-200
Government*	269,900	268,500	268,200	1,400	1,700

* includes publicly owned education and health services

Data Above Subject to Change

Unemployment Insurance Claims for Iowa

	September 2026	August 2026	September 2025	% Change from August 2026	September 2025
Initial claims	5,508	5,414	6,015	1.7%	-8.4%
Continued claims					
Benefit recipients	9,479	10,994	10,298	-13.8%	-8.0%
Weeks paid	25,603	33,893	32,205	-24.5%	-20.5%
Amount paid	\$14,097,257	\$17,677,869	\$17,138,471	-20.3%	-17.7%

Media Alert: Local data for September 2026 will be posted to the website on Tuesday, October 20, 2026. Statewide data for October 2026 will be released on November 19, 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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Auxiliary aids and services are available upon request for individuals with disabilities.

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