

NEWS RELEASE

For Statewide Distribution



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Contact: Cory Kelly (515) 330-5646

Iowa's Unemployment Rate Drops to 2.5 Percent

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate dropped to 2.5 percent in August. The state's jobless rate was 3.0 percent one year ago. The U.S. unemployment rate remained at 3.9 percent in August.

"Not since May of 2000 has Iowa seen an unemployment rate this low," said Beth Townsend, director of Iowa Workforce Development. "As the unemployment rate continues to drop, Iowans are coming together as never before to find ways to help more Iowans get upskilled as demonstrated by the more than 1,900 community and business leaders who are attending [Future Ready Iowa summits](#). The summits are scheduled across the state and will provide local leaders to develop local solutions to local workforce issues. The response to the summits has been overwhelming and we are working to insure that as many Iowans as possible will be able to attend. While several of the early summits are already at capacity with wait lists, there are still slots available in Centerville, Cedar Valley, Creston, Elkader, Fort Dodge, Des Moines, Ottumwa and Pella."

The number of unemployed Iowans decreased to 42,800 in August from 44,000 in July. The current estimate is 8,300 lower than the year ago level of 51,100.

The total number of working Iowans increased to 1,642,500 in August. This figure was 2,200 higher than July and 15,800 higher than one year ago.

Seasonally Adjusted Nonfarm Employment

Iowa establishments displayed strong hiring in construction and trade in August and gained 2,300 jobs. The monthly increase follows a slight loss in July and is the fifth increase in 2018 compared to three monthly drops. Goods producing industries continued to fuel much of the growth mostly due to hiring within construction. Service industries were lifted by hiring in government due to larger-than-expected seasonal increases at the state and local levels. The gain of 1,000 jobs in August puts government up 700 jobs compared to last year, whereas total nonfarm employment combined is up 21,100 jobs.

In August, wholesale and retail trade were responsible for a combined 1,700 jobs added, with wholesale outpacing retail by nearly a two-to-one margin. Wholesale trade has had gains in three of the last four months; alternatively, retail rebounded slightly following a large drop in July and has been generally trending down since last year. Construction again added jobs in August (+1,100) and has now added jobs in every month since January. This has been a stark turnaround compared to last year when jobs were added in only two months. Smaller gains this month included education and healthcare services and manufacturing. Losses this month were dominated by leisure and hospitality (-1,100). This super sector pared jobs in virtually all segments, although losses in accommodations and food services slightly outweighed losses in arts and entertainment. All other losses were small in nature and included finance and insurance, other services, and information services.

Annually, manufacturing continues to advance stretching back to last year. The sector's growth of 11,000 jobs is more than half of Iowa's combined total nonfarm employment gain. Construction continues to improve in 2018 following a flat year last year. This sector hovers 5,200 jobs higher than last August. Professional and business services and financial activities also continue to bolster payrolls and are up 2,500 and 2,200 jobs, respectively. Annual losses have been limited to just two sectors: other services (-2,600) and information (-200).

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	August 2018	July 2018	August 2017	Change from	
				July 2018	August 2017
Civilian labor force	1,685,200	1,684,200	1,677,700	1,000	7,500
Unemployment	42,800	44,000	51,100	-1,200	-8,300
Unemployment rate	2.5%	2.6%	3.0%	-0.1	-0.5
Employment	1,642,500	1,640,300	1,626,700	2,200	15,800
U.S. unemployment rate	3.9%	3.9%	4.4%	0.0	-0.5

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,593,300	1,591,000	1,572,200	2,300	21,100
Mining	2,400	2,400	2,300	0	100
Construction	80,000	78,900	74,800	1,100	5,200
Manufacturing	226,700	226,500	215,700	200	11,000
Trade, transportation and utilities	314,400	312,800	314,400	1,600	0
Information	21,800	22,000	22,000	-200	-200
Financial activities	111,500	111,900	109,300	-400	2,200
Professional and business services	141,800	141,700	139,300	100	2,500
Education and health services	233,000	232,600	231,600	400	1,400
Leisure and hospitality	143,500	144,600	142,700	-1,100	800
Other services	54,900	55,300	57,500	-400	-2,600
Government	263,300	262,300	262,600	1,000	700

Unemployment Insurance Claims for Iowa

	August 2018	July 2018	August 2017	% Change from	
				July 2018	August 2017
Initial claims	8,096	11,583	8,659	-30.1%	-6.5%
Continued claims					
Number of claimants	18,706	20,025	21,307	-6.6%	-12.2%
Weeks paid	65,493	58,680	76,942	11.6%	-14.9%
Amount paid	\$23,898,854	\$21,092,634	\$27,873,073	13.3%	-14.3%

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: [Click here](#) to access an audio cut of comments about Iowa's labor market situation. Local data for August will be posted to the IWD website on Tuesday, September 25, 2018. Statewide data for September 2018 will be released on Friday, October 19, 2018.