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Iowa's Unemployment Rate at 2.9 Percent in January

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate remained at 2.9 percent in January after an upward revision to the December 2017 rate. The state's jobless rate was 3.4 percent one year ago. The U.S. unemployment rate was unchanged at 4.1 percent in January.

"With the unemployment rate remaining steady through the winter months, Iowa has weathered the cold with minimal seasonal layoffs," said Beth Townsend, Iowa Workforce Development Director. "With our sustained low unemployment, this is an ideal time for people who may have challenges to finding a job explore their options. Iowans can receive resume assistance and job hunting guidance at no cost by visiting their local IowaWORKS Center."

The number of unemployed Iowans decreased to 48,300 in January from 49,300 in December. The current estimate is 9,100 lower than the year ago level of 57,400. The total number of working Iowans decreased to 1,625,300 in January. This figure was 300 lower than December and 800 lower than one year ago.

The Local Area Unemployment Statistics (LAUS) program is implementing new seasonal adjustment procedures in 2018. The trend filter used to remove the non-seasonal volatility introduced by real-time benchmarking is being replaced with a new filter (<https://www.bls.gov/lau>). The new filter places less weight on the current month's estimates, therefore decreasing the month-to-month volatility in the seasonally adjusted estimates. Seasonally adjusted monthly labor force data have been revised for 1976-2017 as required by the U.S. Department of Labor, Bureau of Labor Statistics.

Seasonally Adjusted Nonfarm Employment

Iowa businesses started the year by gaining 900 jobs in January, lifting total nonfarm employment up to 1,583,500 jobs. Although the increase was small, the monthly gain is the fifth consecutive stretching back to September. Private sectors saw little overall movement this month, while government gained more than seasonally expected in education and posted a gain of 1,300 jobs overall in January. Growth was mostly centered in state and local government. Despite the monthly increase, government is little changed versus last January; total nonfarm employment overall is up 13,800 jobs versus last January.

Durable goods factories added the most jobs this month (+1,200). Much of the monthly gain was due to hiring in fabricated metal product shops. Both durable and nondurable goods factories have steadily trended up since last summer and have been largely responsible for Iowa's nonfarm employment growth. Other services also advanced in January (+800). The monthly gain halted losses in each of the previous two months. Other industry gains this month included education, construction, accommodations and food services, and finance and insurance. On the other hand, retail trade lost more jobs than seasonally expected in January (-1,400). This sector has not fared well recently as consumers slowly shift away from brick-and-mortar establishments and are instead turning to online retail shopping. Transportation, utilities, and warehousing also shed jobs in January (-600), but this loss follows large gains in November and December.

Compared to last year, Iowa expanded on its yearly growth in January and has been fueled by hiring in durable and nondurable goods manufacturing. Combined, these two industries have gained 11,000 jobs since last year. Accommodations and food services have also shown strong signs of growth with 3,600 jobs added since last year. Other sectors showing signs of advancing include healthcare, finance and insurance, and transportation and warehousing. The only sectors showing substantial losses are construction (-4,600) and retail trade (-3,400).

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	January 2018	December 2017	January 2017	Change from	
				December 2017	January 2017
Civilian labor force	1,673,600	1,674,900	1,683,400	-1,300	-9,800
Unemployment	48,300	49,300	57,400	-1,000	-9,100
Unemployment rate	2.9%	2.9%	3.4%	0.0	-0.5
Employment	1,625,300	1,625,600	1,626,100	-300	-800
U.S. unemployment rate	4.1%	4.1%	4.8%	0.0	-0.7

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,583,500	1,582,600	1,569,700	900	13,800
Mining	2,300	2,400	2,400	-100	-100
Construction	73,900	73,500	78,500	400	-4,600
Manufacturing	224,300	223,000	213,300	1,300	11,000
Trade, transportation and utilities	313,600	315,500	315,500	-1,900	-1,900
Information	21,500	22,000	22,100	-500	-600
Financial activities	111,400	111,300	108,400	100	3,000
Professional and business services	140,100	140,700	137,600	-600	2,500
Education and health services	232,400	232,200	230,600	200	1,800
Leisure and hospitality	146,300	146,400	143,200	-100	3,100
Other services	57,200	56,400	57,700	800	-500
Government	260,500	259,200	260,400	1,300	100

Unemployment Insurance Claims for Iowa

	January 2018	December 2017	January 2017	% Change from	
				December 2017	January 2017
Initial claims	17,367	26,587	15,756	-34.7%	10.2%
Continued claims					
Number of claimants	43,994	27,146	47,551	62.1%	-7.5%
Weeks paid	159,338	83,932	150,958	89.8%	5.6%
Amount paid	\$62,827,089	\$31,996,661	\$57,748,242	96.4%	8.8%

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: An audio cut of comments about Iowa's labor market situation is available by calling (515) 281-6057. Statewide data for February 2018 will be released on Friday, March 23, 2018. Local data for February will be posted to the IWD website on Tuesday, March 27, 2018.