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Iowa's Unemployment Rate at 3.6 Percent in February

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate remained at 3.6 percent from the revised January rate of 3.6 percent. The state's jobless rate was 2.9 percent one year ago. The U.S. unemployment rate fell slightly to 6.2 percent in February.

"February was an unusually cold month for an extended period of time and thankfully, our unemployment rate remained very close to the January rate," said Director Beth Townsend, Iowa Workforce Development. "We anticipate with the improvement in the weather and wider distribution of the vaccine, we will see a larger decrease in the unemployment rates this Spring. There are over 65,000 jobs available on www.iowaWORKS.gov and our offices are open to help individuals find their next career."

The total number of working Iowans increased to 1,570,300 in February. This figure was 3,200 higher than January's number of 1,567,100 and 47,900 higher than April 2020. The number of unemployed Iowans increased to 58,300 in February from 58,000 in January. The current estimate is 131,900 lower than the COVID-19 peak in April of 190,200 and 8,400 higher than the year ago level of 49,900. The labor force participation rate for February at 65.6 percent was essentially the same as January.

Seasonally Adjusted Nonfarm Employment

In February, Iowa establishments trimmed 4,700 jobs from their payrolls. This monthly loss breaks the streak of job gains over the last two months and leaves the total number of jobs at 1,510,500. This month's drop was largely the result of private sector losses and was partially influenced by the unusually cold weather as winter storms hampered economic activity in much of the U.S. in February. This was especially true within goods producing industries which pared 3,200 jobs total. Government showed little overall movement in February and still trails last year's mark by 5.4 percent due mostly to private education entities running at reduced staffing levels.

Construction was responsible for the most jobs lost in February (-5,500). Severe weather was responsible for some of the job loss with forbiddingly cold temperatures and snow setting in during the reference week. Prior to this month's decline, construction had added jobs in three of the previous four months. Professional and business services shed 1,700 jobs, the second consecutive decline for this sector and largely due to reductions in temporary help and landscaping services. Wholesale trade lost 400 jobs leading to a loss of 600 total in the trade, transportation, and utilities super sector. This sector is down 3,200 jobs annually due to weakness in the wholesale markets. Smaller losses included a drop of 500 in health care and social assistance. This decline follows a loss of 800 in January. Alternatively, job gains were strongest this month within manufacturing firms (+2,200). This sector has now added 4,600 jobs stretching back to November. Job gains have been equally strong in both durable and nondurable goods factories. Leisure and hospitality unexpectedly added jobs in February (+1,200) with hiring being unusually high in accommodations and food services. This is somewhat expected as the vaccine rollout continues and facilities return to pre-pandemic levels.

Since the April quarantine, Iowa establishments have recovered 98,000 jobs. While the state still trails behind the pre-social distancing measures, most sectors have shown improvement. Leisure and hospitality continues to rebuild staffing levels with 35,100 jobs gained (+51.2 percent). Retail trade is second in terms of jobs added (+22,800). This sector enjoyed a strong surge in holiday hiring. Health care and social assistance is up 8,700 jobs and manufacturing is up 7,700 thanks mostly to hiring in nondurable goods.

Unemployment Insurance Claims

The total number of initial claims decreased in February 2021 by 3,400 (13.5 percent) from January 2021 and have fallen 135,631 (-86.2 percent) versus the peak of 157,324 in April 2020. For continued claims, most statistics have been reduced to approximately 75 percent of the April 2020 levels. The number of claimants decreased by 3.4 percent from last month and are down 138,099 over the prior ten months. The weeks paid increased to 162,019 in February, less than 25 percent of the 652,623 paid in April 2020, while the total amount paid to claimants increased to \$65.3 million, approximately 30 percent of the \$213.5 million paid ten months ago.

Employment and Unemployment in Iowa, Seasonally Adjusted Data					
	February 2021	April 2020	February 2020	Change from	
				April 2020	February 2020
Civilian labor force	1,628,600	1,712,600	1,727,900	-84,000	-99,300
Unemployment	58,300	190,200	49,900	-131,900	8,400
Unemployment rate	3.6%	11.1%	2.9%	-7.5	0.7
Employment	1,570,300	1,522,400	1,678,100	47,900	-107,800
U.S. unemployment rate	6.2%	14.8%	3.5%	-8.6	2.7
Nonfarm Employment in Iowa, Seasonally Adjusted Data					
Total Nonfarm Employment	1,510,500	1,412,500	1,590,900	98,000	-80,400
Mining	2,500	2,200	2,300	300	200
Construction	73,800	74,600	79,600	-800	-5,800
Manufacturing	220,600	212,900	224,200	7,700	-3,600
Trade, transportation and utilities	306,600	281,600	309,800	25,000	-3,200
Information	18,000	18,700	20,500	-700	-2,500
Financial activities	110,100	108,300	110,300	1,800	-200
Professional and business services	134,300	129,600	140,000	4,700	-5,700
Education and health services	220,500	207,600	237,300	12,900	-16,800
Leisure and hospitality	119,900	78,300	145,200	41,600	-25,300
Other services	55,100	48,500	58,300	6,600	-3,200
Government	249,100	250,200	263,400	-1,100	-14,300

Unemployment Insurance Claims for Iowa					
	February 2021	April 2020	February 2020	% Change from	
				April 2020	February 2020
Initial claims	21,693	157,324	9,747	-86.2%	122.6%
Continued claims					
Number of claimants	44,560	182,659	35,887	-75.6%	24.2%
Weeks paid	162,019	652,623	123,117	-75.2%	31.6%
Amount paid	\$65,275,485	\$213,451,863	\$51,507,094	-69.4%	26.7%

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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MEDIA ALERT: Local data for February 2021 will be posted to the IWD website on Tuesday, March 30, 2021. Statewide data for March 2021 will be released on Friday, April 16, 2021.