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Contact: Molly Elder (515) 725-4116
molly.elder@iwd.iowa.gov

Iowa's Unemployment Rate Falls to 8.0 Percent in June

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate decreased to 8.0 percent in June. The state's jobless rate was 2.7 percent one year ago. The U.S. unemployment rate dropped to 11.1 percent in June.

"The decline in the unemployment rate by 2 percentage points in June is welcome news after several months of historically high rates of unemployment. Moving out of double-digit unemployment is a tremendously positive good sign for our economic recovery as businesses reopen and Iowans return to work," said Director Beth Townsend, Iowa Workforce Development. "Iowa employers are hiring and we have over 50,000 job postings at www.iowaWORKS.gov. Additionally, employers can stay up-to-date on how to facilitate a safe work environment by following the latest guidance from the Centers for Disease Control and Prevention and the Occupational Health and Safety Administration, which can be found on our website: www.iowaworkforcedevelopment.gov/COVID-19."

The number of unemployed Iowans declined to 131,200 in June from 173,000 in May. The current estimate is 84,000 higher than the year ago level of 47,200.

The total number of working Iowans dropped to 1,508,300 in June. This figure was 12,900 less than May and 179,800 lower than one year ago.

Seasonally Adjusted Nonfarm Employment

Total nonfarm employment surged ahead by 50,200 jobs in June, helping erase some of layoffs caused by efforts to contain the spread of the coronavirus (COVID-19). While this gain is tremendous, the state still has much ground to make up to return to pre-quarantine levels. Furthermore, not all segments of the economy are truly open and operating as usual. Most segments of the state's economy advanced in June. Private industries were fueled by services and added 43,500 jobs and government gained 6,700 jobs at the state level. Overall, Iowa trails last June's mark by 117,700 jobs (-7.4 percent). Almost a third of these annual losses are within the leisure and hospitality sector (30.8 percent).

Accommodations and food services took a step towards normalcy in June with 18,800 jobs increased versus May. Over the past two months, this sector has recovered almost half of the jobs pared due to social distancing efforts. Overall, leisure and hospitality industries gained 23,000 jobs in June when recreational activities are added. Education and health care rose by 8,900 jobs mostly due to hiring within private education. Health care and social assistance expanded payrolls this month (+3,300), but has been hampered by the halting of non-essential medical procedures and social programs, leading to a loss of 11,700 jobs since February. One of the biggest bright spots thus far has been retail trade, which advanced by 6,700 jobs in June alone. This sector has been fueled by strong demand within food and beverage stores along with general merchandise establishments, both of which have added jobs versus last year and have helped offset structural losses in most other segments of retail trade. Manufacturing gained 3,000 jobs in June due to hiring in non-durable goods factories. Conversely, losses this month were led by construction (-2,200) which saw very little new activity in June and has trended down since February. Financial activities pared jobs for the third consecutive month and was down 600 in June.

Compared to last June, leisure and hospitality has shed 36,200 jobs (-25.1 percent). This loss should fade some as firms begin reopening as the year progresses. This sector suspended approximately half of all jobs in April and about half of the laid off workers have returned to work. Education and health care trails by 14,300 and professional and business services is down by 12,400 jobs.

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	June 2020	May 2020	June 2019	Change from May 2020	June 2019
Civilian labor force	1,639,400	1,694,100	1,735,300	-54,700	-95,900
Unemployment	131,200	173,000	47,200	-41,800	84,000
Unemployment rate	8.0%	10.2%	2.7%	-2.2	5.3
Employment	1,508,300	1,521,200	1,688,100	-12,900	-179,800
U.S. unemployment rate	11.1%	13.3%	3.7%	-2.2	7.4

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,464,800	1,414,600	1,582,500	50,200	-117,700
Mining	2,100	2,200	2,400	-100	-300
Construction	69,100	71,300	78,100	-2,200	-9,000
Manufacturing	218,200	215,200	226,700	3,000	-8,500
Trade, transportation and utilities	300,300	293,700	309,400	6,600	-9,100
Information	19,700	19,700	21,300	0	-1,600
Financial activities	107,000	107,600	110,000	-600	-3,000
Professional and business services	127,100	124,900	139,500	2,200	-12,400
Education and health services	220,600	211,700	234,900	8,900	-14,300
Leisure and hospitality	107,800	84,800	144,000	23,000	-36,200
Other services	52,700	50,000	58,300	2,700	-5,600
Government	240,200	233,500	257,900	6,700	-17,700

Unemployment Insurance Claims for Iowa

	June 2020	May 2020	June 2019	% Change from May 2020	June 2019
Initial claims	39,218	53,242	8,759	-26.3%	347.7%
Continued claims					
Number of claimants	169,828	204,355	17,647	-16.9%	862.4%
Weeks paid	618,410	713,174	54,285	-13.3%	1039.2%
Amount paid	\$177,710,929	\$220,645,934	\$20,421,079	-19.5%	770.2%

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 June 2020 will be posted to the IWD website on Tuesday, July 21, 2020. Statewide data for July 2020 will be released on Friday, August 21, 2020.