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

Iowa's Unemployment Rate Increases Slightly to 4.0 Percent in June, More Iowans Enter the Labor Force

DES MOINES, IOWA – Iowa's unemployment rate rose slightly to 4.0 percent in June 2021 from 3.9 percent in May 2021. The state's jobless rate was 7.1 percent one year ago. The total number of working Iowans increased to 1,587,800 in June of 2021, which is 59,300 higher than June 2020 and 3,800 more than May of 2021. In addition to 3,800 newly employed Iowans, the number of unemployed Iowans looking for work rose by 2,400, resulting in Iowa's labor force participation rate increasing from 66.4% in May to 66.6%.

"Despite an increase in the unemployment rate, the overall trends are positive including the regular increase in the number of Iowans working and looking for work," said Director Beth Townsend, Iowa Workforce Development. "Additionally, the total number of Iowans who are working increased by 3,800 in June. It is a good sign to see more Iowans enter the labor force after leaving federal unemployment programs mid-June. With over 70,000 open jobs, we need everyone we can get to rejoin the workforce to continue our economic recovery."

Seasonally Adjusted Nonfarm Employment

Iowa establishments added 3,900 jobs in June, raising total nonfarm employment to 1,522,700. Larger-than-expected gains in seasonal industries fueled job growth this month. Private sectors gained 1,300 jobs due to hiring in leisure and hospitality and trade and transportation. Government added 2,600 jobs due primarily to hiring in local governments and related summer projects. Overall, government is now up 16,000 jobs compared to last year.

Within private sectors, leisure and hospitality added the most jobs in June (+1,100). The largest gains were within the accommodations and food services sector (+700). Aside from sluggishness around the holidays, this sector has added jobs consistently since April of last year. Manufacturing continued to trend up in June (+600). Jobs were added in both durable and non-durable goods factories. Non-durable goods shops have been fueled by food manufacturing which comprise more than half of this sector and have grown beyond pre-recession levels. Durable goods manufacturing has been showing signs of expansion in 2021 with 2,700 jobs added to begin the year. Trade and transportation gained 600 jobs this month thanks to hiring in both retail and wholesale trade. This supersector has been slow to add jobs recently and this is the first substantial gain since December of last year. Administrative support and waste management continued to expand payrolls (+600) and financial activities added jobs for the first time since March (+400). Alternatively, health care and social assistance was the only sector to experience a significant loss this month (-1,600). This sector has been slow to recover to pre-pandemic levels as firms have adjusted to working with increased social-distancing measures.

Since last June, Iowa total nonfarm employment has gained 62,600 jobs. Leisure and hospitality continues to rebuild following quarantine efforts and is now up 18,600 jobs. Manufacturing has gained 8,600 jobs and trade and transportation increased by 7,300 jobs thanks to hiring in retail (+6,500).

Unemployment Insurance Claims

The total number of initial claims decreased in June 2021 by 4,734 (-33.0 percent) from May 2021 and have fallen 29,623 (-75.5 percent) from June 2020. The number of recipients decreased by 1.0 percent from last month and are down 147,572 over the prior year. The weeks paid increased to 82,559 in June, approximately 13.7 percent of the 600,440 paid in June 2020, while the total amount paid to claimants increased to \$30.7 million from \$28.3 million the previous month and approximately 17.5 percent of the \$175 million paid twelve months ago.

Employment and Unemployment in Iowa, Seasonally Adjusted Data					
	June 2021	May 2021	June 2020	Change from	
				May 2021	June 2020
Civilian labor force	1,654,100	1,648,000	1,645,500	6,100	8,600
Unemployment	66,400	64,000	117,000	2,400	-50,600
Unemployment rate	4.0%	3.9%	7.1%	0.1	-3.1
Employment	1,587,800	1,584,000	1,528,500	3,800	59,300
U.S. unemployment rate	5.9%	5.8%	11.1%	0.1	-5.2
Nonfarm Employment in Iowa, Seasonally Adjusted Data					
Total Nonfarm Employment	1,522,700	1,518,800	1,460,100	3,900	62,600
Mining	2,200	2,300	2,200	-100	0
Construction	75,600	75,400	75,500	200	100
Manufacturing	220,700	220,100	212,100	600	8,600
Trade, transportation and utilities	302,800	302,200	295,500	600	7,300
Information	17,700	17,900	18,600	-200	-900
Financial activities	110,000	109,600	108,500	400	1,500
Professional and business services	135,900	135,600	130,600	300	5,300
Education and health services	219,100	220,600	216,400	-1,500	2,700
Leisure and hospitality	126,400	125,300	107,800	1,100	18,600
Other services	56,600	56,700	53,200	-100	3,400
Government	255,700	253,100	239,700	2,600	16,000

Unemployment Insurance Claims for Iowa					
	June 2021	May 2021	June 2020	% Change from	
				May 2021	June 2020
Initial claims	9,595	14,329	39,218	-33.0%	-75.5%
Continued claims					
Benefit recipients	22,066	22,286	169,638	-1.0%	-87.0%
Weeks paid	82,559	75,625	600,440	9.2%	-86.3%
Amount paid	\$30,673,186	\$28,312,773	\$175,299,329	8.3%	-82.5%

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 2021 will be posted to the IWD website on Tuesday, July 20, 2021.
Statewide data for July 2021 will be released on Friday, August 20, 2021.