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Iowa's Unemployment Rate Drops to 3.6 Percent in October

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate dropped to 3.6 percent in October. The state's jobless rate was 2.8 percent one year ago. The U.S. unemployment rate fell to 6.9 percent in October.

"We have to balance fighting the COVID-19 pandemic with a targeted approach that protects lives while also keeping our economy open and our kids safely in the classroom," said Gov. Reynolds. "This good economic news is a reflection of Iowans' resiliency, our ability to innovate, and work together to protect each other."

"The drop in the unemployment rate in October is a ray of sunshine and demonstrates that Iowa continues to recover economically from the effects of the pandemic," said Director Beth Townsend, Iowa Workforce Development. "As we enter the traditional time of higher unemployment due to seasonal layoffs, it's important to note that employers are still looking for employees and there are over 72,000 openings posted on iowaworks.gov."

The number of unemployed Iowans declined to 58,500 in October – down from 78,700 in September. The current estimate is 129,500 lower than the Covid-19 peak in April of 188,000 and only 9,200 higher than the year ago level of 49,300. The total number of working Iowans increased to 1,574,300 in October. This figure is 15,200 higher than September's number of 1,559,100 and 49,700 higher than April 2020. Iowa's peak unemployment rate during the pandemic was 11.0 percent in April and now has fallen by 7.4 percentage points.

Seasonally Adjusted Nonfarm Employment

In October, Iowa total nonfarm employment grew by 10,600 jobs. This month's increase was nearly identical to the large gain last month, although growth in October was heavily fueled by growth in the goods-producing sector. Monthly job gains have averaged 8,400 over the last three months and 19,600 since the April low. Private firms in total gained 11,800 jobs in October while government shed 1,200 jobs.

Construction added the most jobs in October (+4,700). This increase was unexpected and the first gain since May. Retail trade rose by 1,600 with much of the hiring stemming from general merchandise stores. Transportation, warehousing, and utilities also added jobs in October (+900), allowing the trade and transportation super sector to add 3,000 jobs versus September. Administrative support and waste management posted a large gain versus last month (+2,400) and has averaged monthly gains of 1,200 jobs since April. Nondurable goods manufacturing rose in October (+1,600) with strong hiring in food manufacturing. This sector has grown every month since April. Private sector job losses were sparse and included accommodations and food services (-1,300). This is the first monthly job loss for this sector in the last six months. Durable goods factories pared 800 jobs in the wake of a September increase of 1,200 jobs.

Since April, Iowa firms have added 117,300 jobs back to payrolls. While leisure and hospitality did not make up ground this month, this sector is up 47,100 jobs during that span with gains being largest in accommodations and food services (+38,500). Trade and transportation has been bolstered by unexpected hiring in the retail sector and has gained 16,600 jobs. Education and healthcare has made up ground in both sectors with 13,000 jobs added back. Manufacturing has benefitted from a surging nondurable goods sector and is up 9,400 jobs over the last seven months.

Unemployment Insurance Claims

The total number of initial claims trended down in October by 3,254 (-14.2 percent) versus September and have now fallen 137,688 (-87.5 percent) versus the peak of 157,324 five months ago. For continued claims, most statistics have been reduced to approximately 77 percent of the April levels. The number of claimants dropped by 37.2 percent from last month and are down 137,001 over the prior five months. The weeks paid dropped to 142,549 in October, less than half of the 652,623 paid in April, while the total amount paid to claimants fell to \$48 million, less than half of the \$213.5 million paid five months ago.

Employment and Unemployment in Iowa, Seasonally Adjusted Data					
	October 2020	April 2020	October 2019	Change from	
				April 2020	October 2019
Civilian labor force	1,632,900	1,712,600	1,754,400	-79,700	-121,500
Unemployment	58,500	188,000	49,300	-129,500	9,200
Unemployment rate	3.6%	11.0%	2.8%	-7.4	0.8
Employment	1,574,300	1,524,600	1,705,100	49,700	-130,800
U.S. unemployment rate	6.9%	14.7%	3.6%	-7.8	3.3
Nonfarm Employment in Iowa, Seasonally Adjusted Data					
Total Nonfarm Employment	1,512,800	1,395,500	1,587,900	117,300	-75,100
Mining	2,200	2,200	2,400	0	-200
Construction	71,400	70,100	78,100	1,300	-6,700
Manufacturing	221,700	212,300	226,600	9,400	-4,900
Trade, transportation and utilities	304,500	287,900	309,800	16,600	-5,300
Information	19,200	19,600	21,000	-400	-1,800
Financial activities	109,400	107,800	109,700	1,600	-300
Professional and business services	132,300	123,800	139,300	8,500	-7,000
Education and health services	225,500	212,500	234,900	13,000	-9,400
Leisure and hospitality	118,500	71,400	146,200	47,100	-27,700
Other services	54,200	48,900	54,700	5,300	-500
Government	253,900	239,000	260,800	14,900	-6,900

Unemployment Insurance Claims for Iowa					
	October 2020	April 2020	October 2019	% Change from	
				April 2020	October 2019
Initial claims	19,636	157,324	11,805	-87.5%	66.3%
Continued claims					
Number of claimants	45,658	182,659	17,329	-75.0%	163.5%
Weeks paid	142,549	652,623	57,518	-78.2%	147.8%
Amount paid	\$47,949,695	\$213,451,863	\$23,305,233	-77.5%	105.7%

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 October will be posted to the IWD website on Tuesday, November 24, 2020. Statewide data for November 2020 will be released on Friday, December 18, 2020.