



For Release: 9:00 a.m.
Date: October 20, 2020

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Iowa's Unemployment Rate Falls to 4.7 Percent in September

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate fell to 4.7 percent in September. The state's jobless rate was 2.8 percent one year ago. The U.S. unemployment rate dropped to 7.9 percent in September.

"September is the fifth consecutive month we have seen a drop in unemployment since the beginning of the pandemic and peak unemployment in April," said Director Beth Townsend, Iowa Workforce Development. "We have over 64,000 job openings across the state. Additionally, we have awarded over \$10 million in grants focused on helping those whose jobs have been affected get back into the workplace by completing short term training or starting a registered apprenticeship program. Details are available at www.FutureReadyIowa.gov"

The number of unemployed Iowans declined to 76,600 in September. The current estimate is 111,400 lower than the Covid-19 peak in April of 188,000 and 27,900 higher than the year ago level of 48,700.

The total number of working Iowans increased to 1,536,200 in September. This figure was 11,600 higher than April and 166,300 lower than one year ago.

Seasonally Adjusted Nonfarm Employment

Total nonfarm employment advanced by 7,300 jobs in September, lifting the total number of jobs to 1,499,500. The gain this month is the fifth-consecutive since April and more than expected following a much smaller increase of 4,500 in August. Service industries took another step towards recovery this month with gains in leisure and hospitality along with retail. Goods producing industries showed little overall movement with sluggishness in construction offsetting hiring in manufacturing industries. Government added 2,400 jobs due to local government education ramping up as students return to in-person classes. This monthly increase leaves government down just 2.3 percent versus last year. Total nonfarm employment overall is down 5.4 percent compared to one year ago.

Leisure and hospitality gained the most jobs in September (+4,100) and was predominantly filled by eating and drinking establishments. The gain was an improvement over the much smaller increase of 1,400 in August. Manufacturing added jobs for the fifth-consecutive month (+2,100) with hiring nearly even between durable and non-durable goods factories. Trade and transportation advanced by 1,600 due mostly to hiring in retail trade (+1,000). The increase was a nice recovery following a loss of 1,100 in August. Job losses in September were led by construction which shed 2,500 jobs and has only increased once in the last eight months. The only other significant loss was within professional and business services (-500). The loss this month was fueled by layoffs in administrative support and waste management services.

Over the past five months, 104,000 jobs have been added back by Iowa businesses, equating to a gain of 7.5 percent in total nonfarm employment. Leisure and hospitality still has some ground to make up, but has added the most jobs during that span (+47,200 or 66.1 percent). Government has gained 16,100 jobs due mostly to schools returning to in-person classes. Retail trade has been able to adapt and recover, particularly within grocery and general merchandise establishments and has added 15,600 jobs over the past five months. While most sectors have added jobs since April, those sectors not faring as well are construction (-3,500) and transportation and warehousing (-1,000).

Unemployment Insurance Claims

The total number of initial claims trended down in September by 503 (-2.2 percent) versus August and have now fallen 134,410 (-85 percent) versus the peak of 157,300 five months ago. For continued claims, most statistics have been reduced to approximately 40 percent of the April levels. The number of claimants dropped by 23.1 percent from last month and are down 109,921 over the prior five months. The weeks paid dropped to 257,231 in September, less than half of the 652,623 paid in April, while the total amount paid to claimants fell to \$84.5 million, less than half of the \$213.5 million paid five months ago.

Employment and Unemployment in Iowa, Seasonally Adjusted Data					
	September 2020	April 2020	September 2019	Change from	
				April 2020	September 2019
Civilian labor force	1,612,800	1,712,600	1,751,200	-99,800	-138,400
Unemployment	76,600	188,000	48,700	-111,400	27,900
Unemployment rate	4.7%	11.0%	2.8%	-6.3	1.9
Employment	1,536,200	1,524,600	1,702,500	11,600	-166,300
U.S. unemployment rate	7.9%	14.7%	3.5%	-6.8	4.4
Nonfarm Employment in Iowa, Seasonally Adjusted Data					
Total Nonfarm Employment	1,499,500	1,395,500	1,584,900	104,000	-85,400
Mining	2,000	2,200	2,500	-200	-500
Construction	66,600	70,100	78,200	-3,500	-11,600
Manufacturing	220,300	212,300	225,600	8,000	-5,300
Trade, transportation and utilities	300,700	287,900	309,600	12,800	-8,900
Information	19,400	19,600	20,900	-200	-1,500
Financial activities	107,700	107,800	110,000	-100	-2,300
Professional and business services	130,300	123,800	138,700	6,500	-8,400
Education and health services	224,700	212,500	235,200	12,200	-10,500
Leisure and hospitality	118,600	71,400	144,300	47,200	-25,700
Other services	54,100	48,900	58,700	5,200	-4,600
Government	255,100	239,000	261,200	16,100	-6,100

Unemployment Insurance Claims for Iowa					
	September 2020	April 2020	September 2019	% Change from	
				April 2020	September 2019
Initial claims	22,890	157,324	7,611	-85.5%	200.7%
Continued claims					
Number of claimants	72,738	182,659	15,782	-60.2%	360.9%
Weeks paid	257,231	652,623	47,067	-60.6%	446.5%
Amount paid	\$84,483,435	\$213,451,863	\$18,725,251	-60.4%	351.2%

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: Statewide data for October 2020 will be released on Friday, November 20, 2020. Local data for October 2020 will be posted to the IWD website on Tuesday, November 24, 2020.