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.

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.

###

An Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request for individuals with disabilities.
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.