Employment Sees Partial Rebound Following Historical Covid-19 Losses

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.

Nationally, the U.S. gained 4.8 million jobs in June due to large gains in leisure and hospitality (2.1 million jobs) and retail trade (740,000 jobs).
IOWA NONFARM EMPLOYMENT

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Production workers in Iowa’s goods producing sectors earned $973.22 in June, down $14.92 versus last year due mostly to a decline in hours worked in both manufacturing and construction. Both sectors pared off most of their overtime hours in June. Construction workers earned $1,057.47 this month, down $55.73 versus last June. Manufacturing production workers averaged $840.01 per week, $14.33 less than one year ago.

Retail workers earned $435.74 per week, up $15.81 versus last year thanks to an increase in average hourly earnings. Finance workers averaged $1,082.21 per week, up $82.47 thanks to an increase in hourly earnings of $2.43.

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http://www.iowalmi.gov/
Employment in the Ames metropolitan statistical area (MSA) continued to rebound from the Covid-19 pandemic in June, rising by 900 positions (1.9 percent). Over-the-month employment decreases significantly in June as university activity slows. The increase in employment between May and June was nearly entirely attributable to the private service-providing industries, which added 800 positions (3.4 percent).

Also posting a gain was the goods-producing industry, which added 100 jobs month-to-month (1.4 percent). All three sectors of government (local, state, and federal) were unchanged.

Despite the monthly gains in employment, nearly all sectors remained in the red annually. Nominally, the largest declines were in local government (-600 jobs, or -11.3 percent), the private servicing-providing industries (-500 jobs, or -2.6 percent), and the goods-producing industries (-400 jobs, or -5.3 percent). In sum, the MSA shed 1,500 positions in the past year. This year-over-year decline in employment is significantly less than in previous months. As mentioned previously, employment in the Ames MSA naturally ebbs in summer. While this may cause June’s over-the-month job gains to appear rosier than they otherwise would have, it also may indicate June’s modest year-over-year job decline to be more reflective of the economic situation than April or May’s massive annual losses.

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Employment in the Cedar Rapids metropolitan statistical area continued to rebound in June following the Covid-19 related employment reductions. However, the 2.03% rate of expansion was significantly lower than the 4.07% of the previous month. Slightly more than half of the jobs lost from March to April have been recovered. Total nonfarm employment stands at 135,700 which still lags the March employment value by 7,600.

Wholesale trade, information and federal government were all unchanged from May. Local government, the only industry with a jobs reduction from May, is down 10.56% (1,500 jobs). A 6% gain in manufacturing jobs was fueled mainly by non-durable goods manufacturing and resulted in the manufacturing sector being the only sector with an employment increase from one year ago. Retail trade added 1,100 jobs (8.66%) and is responsible for all but 100 of the jobs gained in trade, transportation and warehousing.

Over the year, area employment is down by 11,500. Leisure and hospitality still lags the previous year by 5,000 jobs with 80% of those jobs in accommodation and food services. Government remains 9.15% below one year ago, due entirely to employment losses in local government. Employment in professional and business services remains 8.55% (1,300 jobs) below one year ago although 400 jobs were recovered in June.

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Firms in the Des Moines area added 11,100 jobs in June. This month’s increase is substantial and follows a minor seasonal gain last month. Leisure and hospitality added the most jobs (+8,100) as businesses started to reopen as social distancing measures started to relax. Full-service restaurants alone added 3,200 jobs in June. Despite the monthly increase, leisure and hospitality still has ground to make up with over one in four positions being erased versus one year ago. Other services added 800 jobs this month with robust hiring in salons, barber shops, and other personal care services. Professional and business services advanced by 700 due primarily to hiring in employment services. Smaller gains included health care and social assistance (+600) and non-durable goods manufacturing (+500). The only loss this month was a seasonal decline in government (-300) which also trails annually by 3,300 jobs.

Annually, Des Moines trails last year’s mark by 29,700 jobs (-7.9 percent). Leisure and hospitality understandably trails the most (-10,600 or -27.0 percent). Trade and transportation trails by 3,700 due to lagging retail sector (-2,500). Education and health care is down 3,600 jobs and professional and business services down 3,300 jobs. Financial activities have been a bright spot in the metro area with 700 jobs added compared to last April.
The Dubuque Metro area added 2,200 jobs in June, lifting total nonfarm employment to 55,600 jobs. This is the second consecutive large increase in the wake of the large decline in April due to social distancing measures. Overall, 4,900 jobs have been gained over the last two months. Private services added 1,900 jobs thanks in part to 500 jobs added in trade, transportation, and utilities. Goods-producing industries increased by 300 jobs.

Compared to last June, the Dubuque metro remains down 5,100 jobs (-8.4 percent). Private services remain down 4,600 jobs (-10.7 percent) and goods-producing industries are 400 below last year’s level. Government has shed 100 jobs over the past twelve months.
Employment in the Iowa City metropolitan statistical area (MSA) rose by 4,700 positions (5.1 percent) between May and June as the area rebounds from the Covid-19 pandemic. Month-to-month employment in the Iowa City MSA generally declines in June as university activity ebbs. The increase in employment between May and June occurred almost entirely within the private service-providing industry, which added 4,500 positions (9.9 percent). Within that industry, the largest gains were in leisure & hospitality (3,000 jobs, or 47.6 percent) and accommodation and food services (2,400 jobs, or 40 percent). The goods-producing industry and local government each added 100 positions; federal and state government were unchanged.

The MSA shed 3,600 positions in the past year, despite the monthly gain in employment. Nominally, the most precipitous declines were in local government (-1,000 jobs, or -13.2 percent), accommodation and food services (-1,000 jobs, or -10.6 percent), leisure and hospitality (-900 jobs, or -8.8 percent), and professional and business services (-600 jobs, or -9.7 percent). It is important to note that the annual decline in employment is significantly less than that of previous months. As mentioned previously, employment in the Iowa City MSA typically trails during the summer months, meaning the point of comparison was seasonally lower for June than either April or May.
Employment in the Sioux City MSA is up 1,600 jobs from May, with retail trade displaying the greatest rebound from last month, adding 500 jobs. Leisure and hospitality added 300 jobs, regaining a small fraction of the 3,700 jobs dropped from March to April. The small gain reflects the reluctance of eating and drinking establishments to re-open following the Covid-19 virus restrictions as well as their customers’ reluctance to patronize these establishments while social distancing guidelines are still in effect. Employment in the area remains 3,000 jobs below the March level. Every sector except government (-200) and professional and business services (unchanged) added jobs over the month.

Overall, area employment is down 4,900 jobs from one year ago with jobs in leisure and hospitality (-3,300) representing 67.3% of that total. Local government remains down 1,700 jobs from one year ago and will likely see little gain until the new school year begins given many municipalities have opted, through an abundance of caution, to avoid large gatherings by cancelling many organized activities and not opening popular summer venues such as swimming pools that would normally require additional employees. Manufacturing employment is just 200 below one year ago. The manufacturing sector fared quite well through the Covid-19 pandemic when compared to other sectors, trimming just 3.89% of employment from March to April.

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The Waterloo/Cedar Falls metropolitan statistical area added 1,700 jobs in June bringing total nonfarm employment to 85,500. The value falls 3,100 jobs short of the 88,600 realized in March, prior to the Covid-19 curtailment efforts and 4,900 below the June 2019 level. Leisure and hospitality added the greatest number of jobs in June (+1,500), bringing sector employment to within 1,000 jobs of the pre Covid-19 level. Manufacturing added 400 jobs with non-durable goods manufacturing representing 75% of that gain. The sector’s employment level now exceeds that of March 2020 (pre Covid-19 restrictions). Retail trade also added 400 jobs, however the trade, transportation and warehousing sector as a whole gained just 200 jobs. Government is down 500 jobs with a gain of 200 in local government partially offsetting a loss of 700 in state government.

Over the year, the area remains 4,900 jobs short of the June 2019 mark. Leisure and hospitality represents 34.7% (1,700 jobs). Government is responsible for another 24.5% (1,200) of the lost jobs. There are 700 fewer jobs in both professional and business services and educational and health services. The manufacturing sector employment remains 600 jobs below one year ago with 800 jobs being trimmed from durable goods manufacturing and a gain of 200 jobs in non-durable goods manufacturing.

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The Current Employment Statistics (CES) program produces detailed industry estimates of nonfarm employment, hours, and earnings of workers on payrolls. CES National Estimates produces data for the nation, and CES State and Metro Area produces estimates for all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and about 450 metropolitan areas and divisions.

Each month, CES surveys approximately 145,000 businesses and government agencies, representing approximately 697,000 individual worksites.