Message from the Labor Market Information Director

The COVID-19 pandemic put an end to the longest economic expansion our country has ever seen. It changed the way we spend our free time, conduct commerce, and disrupted travel plans. It also gave rise to new terms, including “essential businesses” and “front-line workers”. Non-essential businesses, particularly within retail trade and leisure and hospitality, were most affected, although no sector was spared. Through June of 2021, these workers are generally returning to the workforce, and opportunities for these job seekers are abundant and can be viewed on the IowaWorks.gov website.

While the Iowa Economy isn’t back to a pre-pandemic level yet, our economy has shown definite signs of recovery and most economic data produced by our Labor Market Information (LMI) Division show for now our economy is trending in the right direction, and this year’s Iowa Workforce and the Economy publication includes articles summarizing unemployment data, job movements, claims, that have been leading indicators of our economy’s welfare and provides a spotlight on projections over the next two years and the leisure and hospitality industry. There is also a summary on the nursing demand survey conducted by the LMI Division along with an article highlighting the current shortage in the construction industry and the opportunities that exist with Registered Apprenticeship Programs (RAPs).

Sincerely,

Ryan West
Deputy Director of Iowa Workforce Development and Labor Market Information Director
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Executive Summary

Economic Summary of the Pandemic in Iowa:

- Social-distancing measures led to a short two-month recession in 2020 (February through April) as defined by the National Bureau of Economic Research (NBER). This ended the longest expansion in U.S. history, stretching back to June, 2009.
- The U.S. unemployment rate peaked at 14.8 percent in April, 2020; Iowa’s unemployment rate peaked lower at 11.1 percent. These rates began dropping quickly and the unemployment rate finished the year at 6.7 percent in the U.S. and 3.7 percent in Iowa.
- Iowa’s labor force participation rate began to decline sharply beginning in May and hit a low in December of 2020 (65.3 percent). The U.S. labor force participation rate decline was felt much more rapidly and bottomed out in April of 2020 at 60.2 percent. Recovery in labor force participation has been evident in 2021 with the rate climbing back up to 66.6 percent in June of 2021.
- Pandemic related layoffs caused the number of unemployment insurance initial claims to reach a record 157,324 in April 2020. The previous record was 51,841 in December 2008. Manufacturing led all industries with 17.7 percent of all claims. Accommodations and food services represented 15.3 percent.
- Iowa’s establishments shed 171,800 jobs in April 2020. Accommodations and food services shed the most jobs (66,900) followed by retail trade (23,500). Unlike past recessions, lower-wage earners were disproportionately affected during the COVID-19 recession. Half of all jobs shed were either in retail trade or leisure and hospitality. The average wage of workers in this sector was slightly less than half of the statewide average.

Other Highlights:

- The leisure and hospitality super sector is arguably more indicative of a vibrant and healthy economy than any other sector or industry. Due to the COVID-19 pandemic, 2020 was a particularly challenging year for most segments of Iowa’s economy, and the leisure and hospitality supersector was hardest hit. In fact, because the service work performed in leisure and hospitality often requires face-to-face interaction between businesses and customers, the supersector fared much worse than more adaptable sectors of the economy.
- New short-term industry projections in Iowa suggest the state will recover most of the nonfarm jobs lost as a result of the Covid-19 pandemic by fourth quarter of 2021 and will start to grow in 2022. Iowa is forecast to recover 127,330 nonfarm jobs and increase from 1,595,825 to 1,723,155—an 8 percent increase in employment. The leisure and hospitality sector experienced the most decline of the virus induced-recession of 2020. This sector is expected to recover at a faster rate provided that vaccinations against the Coronavirus (COVID-19) progress accordingly.
- Occupational groups projected to meet or exceed the state’s 3.8 percent projected growth rate and their projected employment increases include Food Prep (17.2%, 35,345), Personal Care (12.9%, 9,555), Building Grounds/Maintenance (8.5%, 8,850), Protective Services (6.4%, 2,880), Arts/Entertainment (5.1%, 2,575), Community/Social (4.8%, 2,650) and Sales (3.8%, 12,080).
- Firms in Iowa’s building construction industry were struggling to fill hourly craft occupations prior to the COVID-19 pandemic. The pandemic exacerbated the existing worker shortage which continues to be felt in the post-pandemic recovery. Regardless of the business outlook for 2021 and beyond, building construction firms need additional labor to complete their upcoming projects. For Iowans who are entering or reentering the workforce, construction craft occupations offer introductory wages which are above the entry-level wage for all occupations and offer strong opportunities for career advancement. Many of these occupations are part of Registered Apprenticeship Programs (RAP).
Iowa’s Registered Apprenticeship Program is a valuable resource for employers and workers. Employers can fill their talent and skills gaps through participation in the program. Workers can jumpstart their careers by learning valuable skills and securing productive futures. At the same time, they can earn wages that support families and build retirements.

In this post-pandemic recovery, RAPs should be considered as a tool to not only fill badly needed positions, but to position Iowa’s employers for growth beyond the recovery.

Beginning in February 2020 through mid-September 2020 Iowa Workforce Development (IWD) in cooperation with the Iowa Board of Nursing (IBON) collected surveys from employers in the State of Iowa who employ nurses. The purpose of the survey was to gauge the demand for nurses in Iowa and to identify potential shortages and barriers in recruitment and retention. The results showed:

- Nearly three-fifths (58.5 percent) of respondents reported a shortage of qualified applicants for the needed nursing positions.
- The greatest reason cited as a workforce challenge was difficulty in finding qualified candidates with turnover/attrition cited as the second greatest workforce challenge.
- To meet workforce challenges, employers have increased overtime for staff, increased recruiting efforts, revised pay scales, provided flexible scheduling, and/or outsourced work/used contract services.
- The top difficulty in filling vacancies (as reported by 69.2 percent of survey respondents) was simply a general lack of applicants.
- Approximately one-third of all respondents reported it takes on average over 90 days to hire Licensed Practical Nurses (LPNs), Registered Nurses (RNs), and Advanced Registered Nurse Practitioner (ARNPs).
- With the exception of respondents located in urban zip codes, over 50 percent in every other category characterized the shortage as either “great” or “extreme.” Likewise, over 60 percent of respondents whose location employs 50-99 employees reported the shortage as “great” or “extreme.”
Overview of the Iowa Economy (2020)

Written by James Morris

This past year brought about unprecedented changes throughout the world that could not have been foreseen. The COVID-19 virus dominated the news and the economy and would eventually affect all corners of the globe. Self-imposed closures of businesses and restrictions on social gatherings slowed the spread of the COVID-19 virus and saved lives, but understandably, the economy stagnated. These measures resulted in a definitive end to an historic run of expansion within the U.S. that stretched back to June 2009 – a total of 128 months (NBER, National Bureau of Economic Research, 2020). Unlike recessions and expansions of the past, the onset of this recession was expected. Furthermore, the NBER ended this recession in just two months, officially making it the shortest recession on record.

Indicators Show Immediate, Sharp Impacts, Some Immediate Recovery

Perhaps the most discussed statistic related to the pandemic and the economy was the unemployment rate. This data was quickly referenced during the social-distancing efforts which began in March and April of 2020 and unsurprisingly increased by a margin not seen in the U.S. since the 1930s (see Figure 1).

![Iowa Unemployment Rate (%) by Month (Seasonally Adjusted)](image)

Figure 1. Source: Local Area Unemployment Statistics program, Bureau of Labor Statistics (BLS).

Growth in the unemployment rate was anticipated as non-essential businesses were closed. Most estimations foresaw an increase in the double-digits in April with businesses temporarily closing. Bold economists predicted that this level could rival that of the great depression peak—24.9 percent achieved in 1933. Fortunately, this was not the case as this spike was self-imposed with a foreseeable ending date corresponding to the containment of the virus. Unfortunately, this target date was continually revised as containment efforts were not 100 percent effective and vaccine distribution would be the deciding factor when firms would begin to reopen. This didn’t occur in large numbers until early 2021.

Understandably, unemployment claims skyrocketed as individuals were released from their positions. The corresponding rise in both unemployment insurance claims and weeks paid easily dwarfing that of the Great Recession (see Figure 2).

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*For official start and end dates used in the publication refer to the National Bureau of Economic Research (NBER) website (https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions)*
Losses in total nonfarm employment were equally dramatic, even eclipsing the rapid declines witnessed during the Great Recession in 2007. The decline from February to April equated to 11.2 percent of all payroll jobs lost in the state. (Figure 3 below)
Impacts of the COVID-19 Virus on the Economy Felt Disproportionately

Every recession is different in terms of the sectors affected and the corresponding workers who will feel those effects. During the past two recessions, jobs lost were led by primarily by the manufacturing sector, specifically within durable goods factories. When annual jobs lost peaked during the prior recession, 55.8 percent of all jobs shed were within manufacturing. During the 2001 recession, this value was 70.9 percent; however, for the COVID-19 recession, only 6.3 percent of the total jobs lost in April of 2020 were in manufacturing (see Figure 4 below). Further, the wages within manufacturing were markedly higher than those of most other sectors, $1,157 per week, or 23.6 percent above the statewide average of $936.

During 2020, sector losses related to COVID-19 disproportionately affected lower-wage industries. Those most affected:

- **Leisure and hospitality:** unquestionably the most affected among all groups as social-distancing measures were implemented. Leisure and hospitality pared 66,900 jobs by April, accounting for 37.5 percent of all jobs lost and almost half of all payroll jobs in this sector (46.1 percent).

  The average weekly wage of these workers was $336—35.9 percent of the statewide average weekly wage of $936. This was unsurprising as bars and restaurants were among the first businesses to have restrictions implemented. Additionally, entertainment and recreational industries trended down as many parts of the country asked residents to avoid non-essential trips.

- **Retail trade:** the second-most affected industry with 13.2 percent of the total jobs lost (23,500 positions).

  Non-essential businesses were either temporarily shuttered or forced to switch to an on-line only shopping model. These workers also represent a lower-wage industry with an average weekly wage of $537 per week—57.4 percent of the statewide average.

Combined, leisure and hospitality and retail trade represented slightly over half of all jobs shed as the quarantine measures began (90,400 jobs or 50.7 percent) and had an average weekly wage of $446 per week, just 47.6 percent of the statewide average weekly wage.

- **Health care and social assistance:** shed 18,700 jobs (10.5 percent) of jobs shed as non-essential services were temporarily halted and social assistance efforts were reduced to either remote-only services or postponed until pandemic conditions improved.

- **Government and private education:** losses went hand-in-hand as the majority of government declines were related to public education as schools were limited to on-line only classes for most areas. The combined loss of government and private education was 24,200 jobs or 13.6 percent. Private education was especially impacted, as 27.6 percent of all their sector payroll employment was pruned.

- **The remaining sectors combined for just 18.9 percent of jobs pared when social-distancing measures began in April of 2020. These industries included outdoor activities, such as construction or utilities, or those that generally do not deal heavily with large groups and may be performed remotely, such as real estate, finance, and administrative support and waste management.** Given that many of these firms are technical in nature the average weekly wages of these firms were much higher at $1,184 per week or 26.5 percent higher than the statewide average.

**Demographically, the quarantine affected groups differently as well.**

Unlike past recessions, the COVID-19 recession disproportionately affected women over men.

During the Great Recession the unemployment rate peaked at 10.0 percent in October 2009. This rate was 2.4 percentage points higher for men, whose rate stood at 11.1 at that time. This was generally the case as well during the 2001 recession and the lingering months that followed.

During the COVID-19 recession, the unemployment rate spiked to 14.8 percent in April 2020. The rate increased to 16.1 percent for women, 2.5 percentage points higher than that of men who peaked at 13.6 percent.
Measuring the Recovery and the Return to Normal

Since the COVID-19 recession was expected, many hypothesized that the shape of Iowa’s employment statistics, and that of the U.S., would take the form of a V-shape. However, it was unanticipated how lingering the effects would last. Still, through mid-2021, most sectors have shown improved conditions.

Iowa’s unemployment rate peaked at 11.1 percent in June 2020, only to trend down to 3.7 percent to end the year. Through June of 2021, this rate stands at 4.0 percent. The labor force participation rate stood at 69.7 percent in February 2020 before dropping to 65.3 percent in December. This value has since risen back to 66.6 percent in June 2021. This is substantially higher than the U.S. rate of 61.6 percent, which generally trails the Iowa rate.

One key to recovery to pre-pandemic levels may be convincing apprehensive individuals to rejoin the labor force. Following more than a year of social distancing, many workers have decided to retire (if eligible), pursue other careers, or simply stay home and not work if economic conditions are favorable. Recent upward pressure on wages might influence those decisions. In the short-term, wages have increased and many firms are offering more benefits to restock payrolls.

Unemployment insurance claims data has decreased to a level comparable to 2019 and 2018 through June 2021. This is particularly true with initial claims, which stood at 9,600 for June 2021. This figure was 8,800 in 2019 and 9,300 in 2018. For 2020, initial claims were an incredible 39,200 for the month of June.

Total nonfarm employment through June of 2021 has recovered 110,200 jobs following the trough of April 2020, which saw 178,400 jobs pared in two months. Regardless, Iowa firms are still missing 68,200 jobs from their payrolls compared to pre-COVID levels achieved in February of 2020. Generally, those industries most affected by social-distancing measures are also the industries that are trailing pre-COVID levels and include accommodations and food services (-15,400), health care and social assistance (-12,400), government (-7,700), and education services (-5,800). Conversely, some industries are generally faring well since COVID affected our economy, and job levels in those industries are not far from February 2020 values. These industries include finance and insurance (+500), natural resources and mining (-100), and administrative support and waste management (-1,200). Retail trade shed the second-most jobs in April 2020 but rebounded substantially and now rests just 2,900 jobs down from pre-COVID levels. This is impressive given this industry is structurally changing as consumers shift buying preferences from brick-and-mortar establishments to online shopping. The pandemic forced many firms to adjust quickly to delivery and curb-side pickup options which may help save many retailers in the long run.

Given that higher-wage earners were less affected by social-distancing measures and generally less likely to be let go from their jobs, overall wages paid in 2020 still increased compared to the prior year based on unemployment insurance data. This increase, 2.0 percent, is low compared to the prior five-year average of 3.4 percent, but still represents earnings given to workers that would generally get multiplied within the economy.

Additionally, consumer confidence about the economy has generally improved and returned to a level not seen since the start of COVID. (Liu & DiBlasi, 2021) This renewed optimism is shared not only in the short-term, but also in the long-term, as firms adjust to changing economic conditions and wages adjust. (Leonhardt, 2021). Supporting this positive outlook is data which shows demand for big-ticket sale items has been strong, particularly within car sales. New vehicle registrations in Iowa through May totaled 59,931. This is the highest level since 2015.
Furthermore, Iowa continues to have a housing shortage with home sales continuing to break records in 2021 for days listed on the market and sale price (Gavin, 2021). This has been a boon for several sectors in Iowa, particularly durable goods manufacturing, which has shown steady improvement through the first half of 2021, as well as the financial sector, which is basically level with the pre-COVID mark.

Bibliography


Total Nonfarm Employment Year at a Glance

Written by Dennis Schwartz

Iowa’s employment level suffered a significant negative impact as a result of the COVID-19 pandemic, losing 10.8 percent of total nonfarm employment (seasonally adjusted) in April. Nearly 59 percent of the lost jobs had been recovered by year’s end, however the 2020 annual average employment is 80,700 below the 2019 average. This drop in employment far exceeds the drops that occurred in 2009 and 2010, the last years that annual job losses were recorded.

Employment demonstrates a downward trend in 2020. The events of the first 4 months set the overall direction for the year, but that trend is reversed through the last eight months of the year, with gains in all but one month through that period. There were no sectors with employment gains from the previous year, although some sectors fared better than others. Most notably, financial activities is down just 700 jobs (-0.6 percent) while leisure and hospitality, the industry hit hardest by the COVID-19 social restrictions, lost 26,400 jobs (-18.3 percent).

When compared to surrounding states, Iowa’s rate of employment contraction fell in the middle of the pack at -5.1 percent. All bordering states experienced employment losses with Illinois taking the biggest hit, losing 7.1 percent of its total nonfarm employment. South Dakota fared best with a 3.4 percent loss of employment. In 2019 Iowa’s growth rate placed last among surrounding states with a 0.2 percent gain. None of the surrounding states achieved more than 0.7 percent growth in 2019. (Figure 1)

Since 2010, Iowa’s annual rate of employment growth has lagged behind that of the nation, until this year. The nation’s -5.7 percent rate of contraction exceeded Iowa’s -5.1 percent. (Figure 2)

The last time Iowa’s growth rate was better than the nation’s rate was during the Great Recession of 2009, when the U.S. growth rate was a tenth of a percent worse than that of Iowa.
Nonfarm Employment Industry Movement

As previously stated, there were no super-sectors with a gain in nonfarm employment from 2019 to 2020. Industries with the most significant annual employment losses include: leisure and hospitality (-26,400), education and health services (-13,800), and trade, transportation and Utilities (-9,500).

The effects of the COVID-19 pandemic slashed 44.6 percent of all jobs (63,100) in leisure and hospitality from March to April. The industry regained 62.4 percent of those jobs by year’s end. The bulk of the gain occurred within three months of the April decline. At the other end of the spectrum, financial activities fared best, from 2019 to 2020, trimming just 700 jobs (-0.6 percent), with 68.4 percent of the jobs lost from March to April being reclaimed by the end of the year. Construction followed closely with 1,300 fewer jobs (-1.7 percent) from 2019 to 2020, with 66.0 percent of the jobs lost from March to April being reclaimed through December.

Manufacturing was a mixed bag in regards to how the pandemic affected employment. Overall, the sector did not reach its low until May, with a result of 11,500 jobs lost. Durable goods manufacturing reached its trough in July after shedding 8,600 jobs and has since recovered only 22.1 percent of the loss. Non-durable goods manufacturing hit its lowest employment level in April and, with the best performance of any sub-sector, has since gained slightly more than 134 percent of the number of jobs lost from March to April.

There are only two other sub-sectors that gained more jobs by the end of the year than were lost as a result of the COVID-19 pandemic. Retail trade ended the year with 103.9 percent of the jobs reclaimed and finance and insurance added 114.3 percent of the jobs lost, which equates to 100 additional jobs in the sub-sector.

Information continues to be the only sector demonstrating a continuous downward trend. With the exception of 2017 to 2018 when employment change was muted, the sector has lost employment each year since 2010. (Figure 3)

Other Economic Indicators

Corn prices offered no relief for the agriculture industry through the year based on Iowa State University Extension and Outreach data (annual averages). The price Iowa farmers received for corn averaged $3.48 per bushel in 2020, down $0.23 from 2019. That’s just $0.18 above the ten-year low of $3.30 per bushel seen in 2017 and $3.19 (or 47.8 percent) below the 2012 ten-year high of $6.67 per bushel. The price of soybeans rebounded slightly after achieving a ten-year low in 2019. The 2020 average price per bushel was $8.98, a $0.62 (7.4 percent) increase from the previous year. It is noteworthy that the year ended with a rise in the December 2020 average price to $10.90 per bushel.

According to the Iowa Association of Realtors, home sales in Iowa increased 9.4 percent from 2019 to 2020. The number of closed sales moved from 37,084 in 2019 to 40,563 in 2020. The average sale price of single family detached homes, $209,595, represents an increase of 6.6 percent from 2019.

According to 2020 data from the U.S. Census Bureau Building Permits Survey, the total number of new privately owned housing units authorized in Iowa, including single and multiple unit structures, increased 6.3 percent (753 units). This marks the second consecutive year of gains in permits issued (all structures). The total value of permits issued increased 8.0 percent.
Bibliography


State and Local Labor Force Trends

Written by Kris Henze

Iowa Unemployment Rates Compared to the Rest of the Nation

After experiencing growth in 2018 and 2019, Iowa’s labor force took a hit in April 2020 when the Coronavirus was discovered in the state. The statewide annual average unemployment rate increased to 5.3 percent in 2020 from 2.8 percent in 2019. The U.S. rate for 2020 increased to 8.1 percent from 3.7 percent for the prior year. Based on the state rankings for 2020, Nebraska had the lowest jobless rate among the states at 4.2 percent. Iowa ranked fifth and Nevada had the highest unemployment rate at 12.8 percent. The labor force participation rate in December 2019 was 70.2 percent. This number dropped to 65.3 percent at the end of 2020.

The number of unemployed persons in the state averaged 87,700 in 2020, up from the prior year’s 48,000. Men accounted for 52.9 percent of the unemployed compared to 47.1 percent for women. Minorities and youth continued to experience the highest rates of unemployment: all youth, 16 to 19 years (10.2 percent), Black or African American (10.4 percent) and Hispanic (10.9 percent). Workers with less education continued to experience a higher unemployment rate than better educated members of the labor force: those with less than a high school diploma (6.7 percent), high school graduates with no college (6.5 percent), some college or associate’s degree (4.9 percent) and Bachelor’s degree and higher (2.8 percent).

Employment among the 20 to 24 year olds was most affected during 2020. This age group is more likely to be employed in fields that were affected by the shutdowns, such as bars, restaurants, schools and child care centers.
Unemployment Rates in Metropolitan Statistical Areas (MSAs)

All of the state’s metropolitan statistical areas (MSAs) experienced an increase in their unemployment rates in 2020. County unemployment rates increased in all 99 counties. The Ames MSA was the lowest of the nine major labor market areas at 3.6 percent. The Davenport-Moline-Rock Island MSA had the highest jobless rate at 7.9 percent. Jobless rates for all 99 counties ranged from a low of 2.5 percent in Lyon County to a high of 7.5 percent in Des Moines County.

Figure 3. Metropolitan Statistical Area (MSA) Labor Force Summary 2020 Annual Averages

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Source: Labor Market Information Division, Iowa Workforce Development.

*Metropolitan Statistical Area includes counties in a neighboring state.
Figure 4. 2020 Annual Average Unemployment Rates by County

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2. Labor Market Information Division, Iowa Workforce Development. [https://www.iowalmi.gov/](https://www.iowalmi.gov/)

2020 Economic Impact on Unemployment Insurance Initial Claims and Benefits

Written by Teresa Wageman

Pandemic related layoffs caused the number of unemployment insurance initial claims to reach a record, 157,324 in April 2020. The previous record was 51,841 in December 2008. The Unemployment Insurance (UI) claims data are used in current economic analysis of unemployment trends in the nation, and in each state. Initial claims measure emerging unemployment and continued weeks claimed measure the number of persons claiming unemployment benefits each week. An initial claims occurs when a person applies for unemployment benefits at the beginning of a new spell of total or partial unemployment.

This article reports on initial claims for calendar year 2020. In 2020 pandemic related initial claims in Iowa began the week of March 15. Related closures changed the industry distribution of UI initial claims when compared to the fairly typical year, 2019 where manufacturing accounted for 31 percent of initial claims in 2019 followed by construction with 24 percent.

The industry mix during the March 15, 2020 through May 30, 2020 report period showed health care and education accounted for a combined 18 percent of initial claims. Leisure and hospitality also accounted for 18 percent of initial claims during this time. By year end 2020 manufacturing accounted for 17.7 percent of all claims for the year followed by accommodation and food services, (15.3%) and health care and social services (11.0%). Construction represented 10.2 percent of all initial claims for 2020 and retail trade industry followed at 9.2 percent. Industry Not Available includes contract and self employed individuals. All Other Industries includes those that represent less than 2.8 percent of all initial claims individually, such as educational services, transportation and warehousing and agriculture, forestry, fishing and hunting.
Several federally funded compensation programs were installed under the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020 during the pandemic in 2020 including the Pandemic Unemployment Assistance (PUA). This program provided temporary income to eligible individuals who became unemployed as a result of the novel COVID-19 pandemic and were either self-employed, do not have sufficient work history to be eligible for a claim, or had exhausted other forms of unemployment insurance benefits.

The Pandemic Emergency Unemployment Compensation (PEUC) was another program developed under the CARES Act of 2020 that provided additional weeks of compensation for claimants who exhausted benefits under regular unemployment compensation or other programs.

The Federal Pandemic Unemployment Compensation (FPUC) provided an additional $600 per week to individuals who collected certain UI benefits, including regular unemployment benefits and ended in July of 2020. This program was reinstated in January of 2021 to provide an additional $300 per week.

The Lost Wages Assistance (LWA) program, funded by FEMA, was utilized to provide $300 in additional compensation in Iowa for up to six weeks, starting with weeks of unemployment that ended on or after August 1, 2020. Claimants were required to provide self-certification that they were unemployed or partially unemployed due to disruptions caused by the coronavirus and are eligible for at least $100 per week of underlying benefits.

The Extended Unemployment Benefits (EB) program was a federal–state extended unemployment compensation program that provided extended compensation to eligible individuals who exhausted regular compensation and the extra 13 weeks of insured compensation provided by the PEUC program during specified periods of unemployment. It was triggered in Iowa when the unemployment rate for the state was equal to or exceeded 5.0 percent. Iowa triggered “on” to EB in April of 2020 and triggered “off” in October of 2020.

### Unemployment Payment Amounts

<table>
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</table>

![Graph showing unemployment payment amounts](Image)
Weekly initial claims peaked at 64,194 for the week ending May 4, 2020 and declined by December 2020 to 7,141 for the week ending December 26, 2020. Initial claims increased 570,453 in 2020 from 154,324 in 2019. The 2020 figure was a record high. The previous high was 401,554 in 2009.

To receive payments after filing an initial claim, a claimant must confirm eligibility every week using the claims reporting system. This process generates a continued week claimed.

Continued weeks claimed peaked at 189,643 for the week ending May 9, 2020 and declined to 38,023 for the week ending December 26, 2020. Continued Claims increased to 3,859,061 in 2020 from 963,111 in 2019. The previous high was 2,571,688 in 2009. Continued claims are a better indicator of the number of eligible claimants who remain unemployed each week. They gradually declined in 2020 from the peak of the pandemic as businesses reopened.

*Data used in this report represents regular benefits only.

*All data from Iowa Workforce Development, Labor Market Information Division, Unemployment Insurance Statistics program.
Supersector Spotlight: Leisure and Hospitality
Examining the Effects of the Covid 19 Pandemic on Iowa’s Leisure Industry

Written by Daniel Edwards

Consisting of the arts, entertainment, and recreation and accommodation and food services sectors, the leisure and hospitality supersector is arguably more indicative of a vibrant and healthy economy than any other sector or industry. When unemployment is low and wage hikes keep up with or exceed rising expenses, consumers often increase their spending on leisure activities, such as trips to amusement parks, concerts, movies, restaurants, vacations, and more. Meanwhile, establishments typically raise wages in an effort to attract employees. Conversely, in poorer economic environments, consumers generally reduce leisure spending in an effort to get by, and wages stagnate as employers seek to cut back on their own costs.

Due to the COVID-19 pandemic, 2020 was a particularly challenging year for most segments of Iowa’s economy, and the leisure and hospitality supersector was no exception. In fact, because the service work performed in leisure and hospitality often requires face-to-face interaction between businesses and customers, the supersector fared much worse than more adaptable sectors of the economy. As many white-collar office employees transitioned to a remote work environment, many employed in the leisure and hospitality supersector found themselves out of work—some businesses closed due to government mandates, and those that were fortunate to remain open experienced a reduction in the revenue required to sustain a full staff. The following chart illustrates the considerable loss of employment in leisure and hospitality in the early months of 2020.
In the span of one month, employment in the leisure and hospitality supersector was slashed by 42.5 percent, from 137,740 positions to 79,186. Employment improved significantly by summer, which is the busy season for leisure and hospitality. However, average third quarter employment in 2020 still trailed that of 2019 by 23.4 percent in arts, entertainment, and recreation and 17.0 percent in accommodation and food services. The following chart demonstrates this wide gulf between average employment in 2019 and 2020, as well as the gradual increase in employment and wages in the decade prior to 2020 for the leisure and hospitality supersector.

Despite the substantial job losses in 2020, wages in the arts, entertainment, and recreation and accommodation and food services sectors continued to improve, as they have for most of the previous decade. However, some of the improvement from 2019 to 2020 may be due to lower-paid or part-time employees being laid off, causing the average annual wage to increase more than it otherwise would. Still, it is a welcome sight that average wages did not buckle under pressure on employers to reign in their spending. Looking toward 2021, a potential shortage of available workers could incentivize employers to raise wages further.
As seen in the chart on the previous page, **food services and drinking places** was easily the largest subsector in 2020 by employment in the leisure and hospitality supersector. Establishments within this subsector include bars, restaurants, caterers, and food trucks. Employment within the subsector decreased by 15,240 from 2019 to 2020, a 14.9 percent decline. While this was the largest numeric change among subsectors within leisure and hospitality, it was the smallest by percentage. The chart below summarizes the changes in employment and wages experienced within food services and drinking places, as well as the four other subsectors in leisure and hospitality.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing arts and spectator sports</td>
<td>2,253</td>
<td>4,043</td>
<td>-44.3%</td>
<td>$31,982</td>
<td>$24,916</td>
<td>28.4%</td>
</tr>
<tr>
<td>Museums, historical sites, zoos, and parks</td>
<td>995</td>
<td>1,210</td>
<td>-17.8%</td>
<td>$34,019</td>
<td>$29,681</td>
<td>14.6%</td>
</tr>
<tr>
<td>Amusements, gambling, and recreation</td>
<td>13,744</td>
<td>17,059</td>
<td>-19.4%</td>
<td>$18,461</td>
<td>$17,018</td>
<td>8.5%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>15,834</td>
<td>21,371</td>
<td>-25.9%</td>
<td>$26,612</td>
<td>$25,057</td>
<td>6.2%</td>
</tr>
<tr>
<td>Food services and drinking places</td>
<td>87,135</td>
<td>102,375</td>
<td>-14.9%</td>
<td>$16,157</td>
<td>$15,533</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Subsectors that fared particularly poorly in 2020 were **performing arts and spectator sports** and **accommodation**, which respectively averaged 44.3 and 25.9 percent fewer employees than in the previous year. This makes intuitive sense, as many establishments in the performing arts and spectator sports subsector cancelled their 2020 seasons; likewise, the accommodation subsector endured a reduction in both leisure and work-oriented travel. The average annual wage increased significantly for the **performing arts and spectator sports** and **museums, historical sites, zoos, and parks** subsectors, rising by 28.4 and 14.6 percent, respectively. As mentioned previously, some of the large increase in average wages may be attributable to layoffs of lower-wage or part-time employees, leaving a greater proportion of remaining employees in high-wage or management positions.

Short-term industry projections created by Iowa Workforce Development’s Labor Market Information Division, Industry Projections program, expect employment in Iowa’s leisure and hospitality supersector to grow to 149,930 by the second quarter of 2022. The chart below compares these projections at the supersector and subsector level with the actual employment totals reported in the second quarter of 2019.
According to the projections, only one of the five subsectors is predicted to completely recover its losses from the pandemic by the second quarter of 2022, while the other four subsectors are forecasted to fall short. As a whole, leisure and hospitality is projected to grow by 0.1 percent over the three-year period. Employment in food services and drinking places is expected to expand by 0.8 percent during the time frame. In numeric terms, this is an increase of 834 positions within the subsector.

These projections are simultaneously reflective of a.) pent-up demand in consumers who have spent less time and money on leisure activities since the pandemic began in March 2020 and b.) the length of time it will take for the economy to recover from the effects of the pandemic. The chart below visualizes the gulf in nationwide employment in leisure and hospitality, despite strong gains in recent months.\(^3\)\(^4\)\(^5\)

### Nationwide Employment in Leisure and Hospitality, 2011–21\(^6\)

![Chart](chart.png)

**Bibliography**


2. Industry Projections, Iowa’s Long-Term and Short-Term Industry Projections (Forecasts), Labor Market Information Division, Iowa Workforce Development [https://www.iowalmi.gov/industry-projections](https://www.iowalmi.gov/industry-projections)


In aggregate, Iowa is expected to recover most of the nonfarm jobs lost as a result of the COVID-19 pandemic by fourth quarter of 2021 and will start to grow in 2022. Iowa is projected to recover 127,330 nonfarm jobs; a change from 1,595,825 to 1,723,155, an 8 percent increase in employment. The leisure and hospitality sector experienced the most decline on the virus induced-recession of 2020, they are expected to recover at a faster rate provided that vaccinations against the Coronavirus (COVID-19) progress accordingly.

The U.S. economy entered into recession in February 2020, according to the National Bureau of Economic Research (NBER). In March 2020, the World Health Organization (WHO) declared COVID-19 a pandemic, forcing government officials to take measures that mitigates the spread of the virus: required lockdowns; imposed restrictions on economic activity.

Imposed restrictions on economic activity impacted industry sectors such as food services and drinking places, accommodations, administrative and support services, amusement, gambling, and recreation industries. Indeed, a Bureau of Labor Statistics survey (Business Response Survey to the Coronavirus Pandemic) published in December 2020, found that art, entertainment, and recreation; educational services; and accommodation and food services; experienced a greater percentage of government mandated closure (Figure 1).

**Figure 1: Percentage of industry impacted by government mandated closure due to pandemic**

As a result of the pandemic, the Iowa unemployment rate spiked to 11.1 percent in April 2020 and the national unemployment rate spiked to 14.8 percent in the same time period. Since May of 2020, the economy has reopened with a strong rebound in employment. As of January 2021, Iowa’s seasonally adjusted unemployment rate is down to 3.5 percent, while the national unemployment rate is down to 6.3 percent. As of January 2021, the Iowa unemployment rate has dropped by 7.5 points since the peak in April 2020, while the national unemployment rate has dropped by 8.5 points in the same time period. Labor market conditions will continue to improve as the economic activity increases and virus mitigations are adopted widely.

We project that leisure and hospitality will rebound strongly later in the year, provided that vaccines are more widely distributed and restrictions on people’s movement is eased. Accommodation and food services is projected to add 42,880 jobs (Figure 2), from 83,075 to 125,955, a 52 percent increase. Meanwhile, organic growth will stem from couriers and messengers, warehousing and storage as the acceleration of the e-commerce related industry continues. We project a return to pre-virus employment levels for the majority of industries by fourth Quarter of 2021 and real growth in 2022 for Iowa.

For complete sector by sector industry projections visit https://www.iowalmi.gov/industry-projections

Figure 2: Projected Employment Change by Industry

Source: Iowa Workforce Development, Labor Market Information Division, Industry Employment Forecasts
Employment Level

The number of people employed in Iowa was at 1.68 million in January 2020. In comparison, as of January 2021, that number is down to 1.56 million; 117,000 fewer. Nationwide, employment is still down 8.6 million, from 158.6 million to 150 million for the same time period. As of January 2021, the labor force participation rate is down to 65.5 percent from 70 percent for Iowa, it’s down to 61.4 from 63.4 nationally. The decline in the labor force participation rate is much larger than the unemployment numbers; which suggests that some workers dropped out of the labor force.

It is expected that some of the labor force declines are attributed to demographic change, i.e. baby boomers leaving the labor force for retirement. But the majority of the declines in the labor force is attributed to the pandemic; the pandemic has disrupted labor supply as much as it has accelerated the online activities. Some of the reasons for the drops in the labor force include: perceived health risks from working, increased demand in caregiving at home given schools operate remotely. These are prime examples of labor supply shock rather than lack of jobs per se. And this underscores why the employment outlook depends on progression on the vaccinations adoption.

We expect employment to improve as vaccination expands and workers choose to re-enter in the labor market and for the labor force participation rate to continuously increase as more people enter the labor market. Still, because of acceleration of the online shopping, some of the retail trade-related jobs will not be back. Some of the labor force population may need to upskill to gain new marketable skills, which may require policy accommodation.

Conclusion

As of January 2021, the Iowa economy has recovered 96,000 jobs, but is still 117,000 jobs lower than it was in January 2020. The pandemic-induced recession will take time to recover toward the pre-pandemic level. We expect employment to increase as vaccination is adopted widely and people choose to re-enter the labor market. Some jobs in the service industry will not be back, this means that some workers may need to shift to different industries that require different skill sets. Policy accommodations may be needed to help workers transition into a new industry because a strong labor force is essential for strong economic growth.

Bibliography


Labor Force and Occupational Analysis Bureau, Iowa Workforce Development. [https://www.iowalmi.gov/industry-projections](https://www.iowalmi.gov/industry-projections)

Iowa’s 2020-2022 Occupational Outlook

Written by Brent Paulson

Occupational Group Projections Amidst the COVID-19 Pandemic

Economic activity in Iowa and nationwide was severely disrupted in a negative way beginning March of 2020 resulting with heavy reductions in the labor force and closings of many small businesses due to the onset of COVID-19. The 2020-2022 state of Iowa occupational projections, derived from the depths of the ensuing recession, reflect the decline and also the long march back towards pre pandemic employment levels.

Approximately ten percent of the 2020 occupational estimate base was lost from the previous year due to pandemic pressures. These pressures included much initial shock and subsequent public isolation because of the virus’ relatively high infection rate. Public health officials advised the wearing of masks, the six-foot boundary rule in relation to others (social distancing), frequent washing of hands/face (and anything else the virus may have contacted), and other guidelines to combat the virus. Further, in many cases, businesses and government entities mandated lockdowns to stem the spread.

Consumers responded accordingly with a significant proportion adhering to self-imposed and public issued safety measures. Such safety precautions, coupled with general fear, adversely affected the business community however. As Figure 1 shows, the occupational groups hardest hit from 2019 to 2020 included much of the service and production sectors with Office/Administration, Maintenance, Production, Sales, Education, and Healthcare Practitioners all experiencing ten percent declines. Food Prep and Personal Care suffered even more drastically with twenty and thirty percent drops in employment levels, respectively. In all, fifteen of twenty-two occupational groups declined in year-to-year estimates.

Figure 1: Occupational Group Estimate Change from 2019 to 2020

<table>
<thead>
<tr>
<th>Occupational Title</th>
<th>2019 Estimated</th>
<th>2020 Estimated</th>
<th>Change (#)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, All Occupations</td>
<td>1,810,940</td>
<td>1,699,340</td>
<td>-111,600</td>
<td>-6.16</td>
</tr>
<tr>
<td>Management</td>
<td>171,740</td>
<td>167,765</td>
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<td>-2.31</td>
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<tr>
<td>Business &amp; Financial</td>
<td>73,865</td>
<td>74,565</td>
<td>700</td>
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<tr>
<td>Computer &amp; Mathematical</td>
<td>36,620</td>
<td>39,720</td>
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<td>8.47</td>
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<td>Architecture &amp; Engineering</td>
<td>21,310</td>
<td>21,805</td>
<td>495</td>
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</tr>
<tr>
<td>Life, Physical, &amp; Social Science</td>
<td>13,270</td>
<td>13,245</td>
<td>-25</td>
<td>-0.19</td>
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<td>Community &amp; Social Service</td>
<td>27,860</td>
<td>27,435</td>
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<td>-1.53</td>
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<tr>
<td>Legal</td>
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<td>8,995</td>
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<tr>
<td>Education, Training, &amp; Library</td>
<td>129,535</td>
<td>118,730</td>
<td>-10,805</td>
<td>-8.34</td>
</tr>
<tr>
<td>Arts &amp; Entertainment</td>
<td>26,285</td>
<td>25,455</td>
<td>-830</td>
<td>-3.16</td>
</tr>
<tr>
<td>Healthcare Practitioners</td>
<td>94,395</td>
<td>88,880</td>
<td>-5,515</td>
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</tr>
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<td>Healthcare Support</td>
<td>47,150</td>
<td>52,055</td>
<td>4,905</td>
<td>10.40</td>
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<tr>
<td>Protective Service</td>
<td>22,745</td>
<td>22,340</td>
<td>-405</td>
<td>-1.78</td>
</tr>
<tr>
<td>Food Preparation &amp; Serving Related</td>
<td>137,290</td>
<td>103,035</td>
<td>-34,255</td>
<td>-24.95</td>
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<tr>
<td>Building &amp; Grounds Maintenance</td>
<td>59,280</td>
<td>51,915</td>
<td>-7,365</td>
<td>-12.42</td>
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<tr>
<td>Personal Care &amp; Service</td>
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<td>37,165</td>
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<td>Sales &amp; Related</td>
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<td>73,015</td>
<td>660</td>
<td>0.91</td>
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<tr>
<td>Production</td>
<td>163,020</td>
<td>147,760</td>
<td>-15,260</td>
<td>-9.36</td>
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<tr>
<td>Transportation &amp; Material Moving</td>
<td>140,820</td>
<td>158,975</td>
<td>18,155</td>
<td>12.89</td>
</tr>
</tbody>
</table>

Source: Iowa Workforce Development, Labor Market Information Division, Occupational Employment Forecasts
Many factors are at play during a pandemic recovery not the least of which are vaccination rates. To fully reinvigorate the economy many public health officials and economists contend that achieving herd immunity in the general populace is critical. Doing so would lessen societal qualms of contracting COVID in public spaces and create greater opportunity to relieve consumers’ pent up demand for goods and services. Basically, as vaccination rates rise, the unemployment rate should fall but because human nature is often unpredictable the realization of herd immunity is conjecture at this point and economic certainty remains a challenge facing state and federal economists.

In consideration of factors influencing the economy, from a 2020 base estimate of nearly 1.7 million jobs, Iowa’s total occupational employment is projected to grow at a relatively brisk pace of 3.8 percent between 2020 and 2022 resulting in 130,120 new jobs. Growth is expected to be broad across all occupational groups but not equal, with many of the hardest hit groups set to rebound more robustly. As depicted in Figure 2, occupational groups meeting or exceeding the state’s 3.8 percent projected growth rate and their projected employment increases include Food Prep (17.2%, 35,345), Personal Care (12.9%, 9,555), Building Grounds/Maintenance (8.5%, 8,850), Protective Services (6.4%, 2,880), Arts/Entertainment (5.1%, 2,575), Community/Social (4.8%, 2,650) and Sales (3.8%, 12,080).

**Figure 2: 2020-2022 Occupational Group Projections by Number and Percent**

<table>
<thead>
<tr>
<th>Occupational Group</th>
<th>2020 Estimate</th>
<th>2020-2022 Projected Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>158,975</td>
<td>167,765/5,550 (3.5%)</td>
</tr>
<tr>
<td>Business &amp; Financial</td>
<td>147,760</td>
<td>157,580/12,080 (8.0%)</td>
</tr>
<tr>
<td>Computer &amp; Mathematical</td>
<td>73,015</td>
<td>88,880/5,120 (7.0%)</td>
</tr>
<tr>
<td>Architecture &amp; Engineering</td>
<td>39,720</td>
<td>52,055/3,605 (9.5%)</td>
</tr>
<tr>
<td>Life, Physical, &amp; Social Science</td>
<td>21,805</td>
<td>22,340/2,880 (13.0%)</td>
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<tr>
<td>Community &amp; Social Services</td>
<td>9,150</td>
<td>10,335/1,185 (12.9%)</td>
</tr>
<tr>
<td>Legal</td>
<td>8,995</td>
<td>9,555/570 (6.3%)</td>
</tr>
<tr>
<td>Education, Training, &amp; Library</td>
<td>25,455</td>
<td>26,055/600 (2.3%)</td>
</tr>
<tr>
<td>Arts/Entertain/Media</td>
<td>8,850</td>
<td>9,555/705 (8.0%)</td>
</tr>
<tr>
<td>Healthcare Practitioners</td>
<td>52,055</td>
<td>56,915/4,860 (9.3%)</td>
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<td>Healthcare Support</td>
<td>22,340</td>
<td>24,015/665 (7.5%)</td>
</tr>
<tr>
<td>Protective Service</td>
<td>8,850</td>
<td>9,555/705 (8.0%)</td>
</tr>
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<td>Food Prep &amp; Serving-Related</td>
<td>51,915</td>
<td>56,915/5,000 (9.9%)</td>
</tr>
<tr>
<td>Bldg &amp; Grounds Cleaning/ Maint</td>
<td>52,055</td>
<td>56,915/4,860 (9.3%)</td>
</tr>
<tr>
<td>Personal Care &amp; Service</td>
<td>37,165</td>
<td>40,315/3,155 (8.7%)</td>
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<td>Sales &amp; Related</td>
<td>10,335</td>
<td>12,080/17,550 (3.6%)</td>
</tr>
<tr>
<td>Office &amp; Admin Support</td>
<td>19,555</td>
<td>20,915/10,325 (5.2%)</td>
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<td>Farming, Fishing, &amp; Forestry</td>
<td>8,020</td>
<td>8,850/830 (10.3%)</td>
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<td>Construction &amp; Extraction</td>
<td>73,015</td>
<td>80,200/7,185 (9.8%)</td>
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<td>Installation, Maint, &amp; Repair</td>
<td>20,915</td>
<td>22,650/7,740 (3.6%)</td>
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<tr>
<td>Production</td>
<td>10,335</td>
<td>12,080/17,550 (3.6%)</td>
</tr>
<tr>
<td>Trans &amp; Material Moving</td>
<td>158,975</td>
<td>158,975/9,150 (5.7%)</td>
</tr>
</tbody>
</table>

Source: Iowa Workforce Development, Labor Market Information Division, Occupational Employment Forecasts.

**Occupational Openings: Exits, Transfers, and New Growth Jobs**

Annual job openings and separations can appear as new growth jobs (projected number of new jobs due to growth), exits (projected number of workers leaving an occupation and exiting the labor force), or transfers (projected number of workers leaving an occupation and transferring to a different occupation). For the 2020-2022 occupational projections, as Figure 3 displays, much variability exits amongst occupational groups. Education and Management occupational groups, for example, faced higher exit numbers (than transfers and new growth jobs) due to much uncertainty in the classroom and office. As a result, downsizing became the rule and not the exception for many organizations.
Mobility was also a common theme among occupational groups as job transfers outnumbered both exits and new growth jobs in Transportation, Production, Installation & Repair, Construction, Farming, Office/Administrative Support, Sales, Healthcare Support, Arts/Entertainment, Community/Social Service, Life/Physical/Social Science, Architecture & Engineering, Computer & Mathematical, and Business & Financial Operations. Not surprisingly, high rates of new growth jobs can be found from hard hit occupational groups confronting a massive exodus of jobs (with women disproportionately suffering the majority of cuts due to their high representation in part-time occupations\(^2\)), namely Personal Care, Building/Grounds Maintenance, Food Prep, Protective Service, and Healthcare Practitioner where they outpace both exits and transfers. These variances amongst occupational groups are due primarily to organizational response to pandemic pressures.

**Figure 3: 2020-2022 Exits, Transfers, and New Growth Jobs by Occupational Group**

![Exits, Transfers, and New Growth Jobs by Occupational Group](image)

*Source: Iowa Workforce Development, Labor Market Information Division, Occupational Employment Forecasts.*

**Education**

Typically, occupational growth is accompanied with increased levels of education. The pandemic, however, has altered this outlook. For the 2020-2022 short term projection, an occupational group average of 3.8 percent is expected with the No Education, High School, Some College, and Postsecondary Non-degree educational groups leading the way. In fact, as Figure 4 portrays, these educational groups are averaging well over four percent growth. Similarly, Figure 5 illustrates employment growth by number with educational groups No Education, High School, Bachelors, and Postsecondary Non-degree rising above the rest.

Both Figures indicate an overlapping of educational group growth (by percentage and by number) which is rather uncommon but pandemic pressures placed on various industries and occupational groups have created such an alignment. Expected economic growth across all industries will ultimately set a course of normalcy amongst occupational groups and their growth patterns. The timeline, however, is dependent on the rate of economic growth which is, in essence, the general public’s willingness to fully engage.
Figure 4: 2020-2022 Annual Occupational Growth Rates by Education Level

Source: Iowa Workforce Development, Labor Market Information Division, Occupational Employment Forecasts.

Figure 5: 2020-2022 Annual Occupational Growth in Employment Numbers by Education Level

Source: Iowa Workforce Development, Labor Market Information Division, Occupational Employment Forecasts.

Bibliography


Registered Apprenticeships in Building Construction, Trade Occupations, and Post-Pandemic Opportunities

Written by Scott Thompson

Firms in Iowa’s building construction industry were struggling to fill hourly craft occupations prior to the COVID-19 pandemic. The pandemic evolved from a public health crisis into an economic crisis and exacerbated the existing worker shortage, and this shortage continues to be felt in the post-pandemic recovery.

Despite the pessimistic business outlook for 2021, building construction firms need additional labor to complete their upcoming projects. For Iowans who are entering or reentering the workforce, construction craft occupations offer introductory wages which are above the entry-level wage for all occupations, and opportunities for career advancement. Many of these occupations are part of Registered Apprenticeship Programs (RAP).

For employers, apprenticeship programs provide a sustainable resource to develop a skilled workforce. Through apprenticeships, employers can improve workplace productivity and grow their business. Because workers are appropriately trained, employers may also reduce liability costs and increase worker retention. Apprenticeships provide excellent opportunities for first-time workers, displaced workers, and military members returning to the workforce to “earn as they learn” with limited educational costs and to hit the ground running in a new career.

Building Construction Occupations

This article will review six construction occupations included in the RAP in Iowa. Apprenticeships are not limited to these occupations, but the professions are some of the most commonly found in the building construction subsectors and offer opportunities for journeyman status and professional growth. The occupations include:

- Carpenters (Standard Occupational Classification [SOC] code 47-2031)
- Construction Laborers (47-2061)
- Operating Engineers (47-2073)
- Electricians (47-2111)
- Plumbers (47-2152)
- Iron Workers (47-2221)

Building Construction Industry

The business construction subsector is comprised of establishments engaged in the preparation of sites for new construction and establishments engaged in subdividing land for construction projects. The work performed in these establishments may include new construction, on-site assembly of prefabricated materials, reconstruction, remodeling, and building repair and maintenance. Firms within this subsector are assigned a North American Industrial Classification System (NAICS) code. The building construction industry subsector is broken into two industry groups:

- Residential Building Construction NAICS 2361
  - 236115 New single-family general contractors
  - 236116 New multifamily general contractors
  - 236117 New housing for-sale builders
  - 236118 Residential Remodelers

1 2020 Iowa Wage Report
2 North American Industry Classification System
The pandemic exacerbated an existing workforce shortage in Iowa’s building construction subsector. In 2019, 78 percent of the state’s construction firms experienced difficulty in filling some or all of their hourly craft positions. In 2020, the building construction subsector suffered serious setbacks due to construction postponements and cancellations. Now, in 2021, 74 percent of Iowa’s building construction firms are finding it difficult to fill some or all of their open positions. Unfortunately, Iowa firms face a more significant challenge in hiring talent than firms in bordering states.

In response to the workforce shortage, employers in bordering states are increasing base pay rates, improving employee benefits, increasing the employer share of benefit contributions, and offering incentives and bonuses to employees. Iowa firms have been particularly aggressive with respect to improving benefits, increasing employer benefit contributions, and offering incentives and bonuses.

| Table 1: 2021 State-Level Outlook for Iowa, Iowa Border States, and Nationally |
|-----------------------------|-----------------|-----------------|-----------|-----------|-----------|-----------|-----------|
| Firms projecting an increase in headcount. | Iowa | US | IL | MN | MO | NE | SD | WI |
| Firms having difficulty hiring hourly craft positions. | 45% | 35% | 26% | 24% | 42% | 38% |
| Firms increasing base pay rates by larger amounts in 2020 than in 2019. | 74% | 54% | 24% | 41% | 60% | 41% |
| Firms who increased their portion of benefit contributions or improved employee benefits in 2020. | 26% | 18% | 11% | 10% | 28% | 3% |
| Firms providing incentives and bonuses in 2020. | 23% | 12% | 13% | 7% | 14% | 16% |
| Firms whose 2021 volume of business matches or exceeds levels at the same time in 2020. | 32% | 25% | 26% | 17% | 30% | 9% |
| | 52% | 33% | 26% | 21% | 47% | 31% |

Source: Associated General Contractors 2021 Iowa Hiring and Business Outlook

As Iowa emerges from the economic disruptions fueled by the pandemic, 52 percent of Iowa’s building construction firms are experiencing an increase in the volume of their business, compared to the same time one year ago. However, continued concerns over COVID-19, child care availability, supply chain demands, and materials costs could dampen expectations.

Short-Term Employment Forecast for Selected Occupations

The 2020-2022 short-term forecast for growth in construction occupations is projected at 1.9 percent. However, as the economy improves, it would be reasonable to believe growth in these occupations would exceed the forecast.

Of the six occupations reviewed, demand for Construction Laborers, Operating Engineers, and Electricians outpaces the forecasted growth for all construction occupations. Longevity pays off for Operating Engineers and Electricians, with average wages that are higher than the average wage for all occupations in the state.

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3Associated General Contractors 2019 Workforce Development Survey
4Associated General Contractors 2021 Iowa Hiring and Business Outlook
### Short-term Forecast (2020-2022) of Selected Occupations in the Building Construction Subsectors

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Forecast Growth for Select Trades</th>
<th>Forecast Growth for All Occupations</th>
<th>Forecast Growth for All Construction Occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpenters (47-2031)</td>
<td>1.6%</td>
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<tr>
<td>Construction Laborers (47-2061)</td>
<td>2.2%</td>
<td></td>
<td></td>
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<tr>
<td>Operating Engineers (47-2073)</td>
<td>2.2%</td>
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<tr>
<td>Electricians (47-2111)</td>
<td>2.4%</td>
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<td></td>
</tr>
<tr>
<td>Plumbers (47-2152)</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron &amp; Steel Wkrs (47-2221)</td>
<td>1.7%</td>
<td></td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Registered Apprenticeship Programs

The Registered Apprenticeship Program (RAP) is a nationwide, employer-driven, “earn while you learn” model which has been embraced by both the United States Department of Labor and Iowa Workforce Development. Iowa’s RAP is administered by the Iowa Economic Development Authority (IEDA). The program provides training grants to almost 800 registered apprenticeship programs training close to 8,000 apprentices in over 1,000 occupations.

Opportunities for employers

Because the RAP is an employer-driven model, customized training strategies can be developed to meet the particular needs of each employer. With this flexibility, employers can integrate the RAP into their existing training and human resource development strategies.

The length of an apprenticeship program depends on the occupation and can last from one to five years. Through apprenticeship, employers benefit from the improved productivity rates of more highly skilled employees, and incur lower employee turnover costs. Over 90 percent of apprentices completing an apprenticeship remain employed by the firm nine months after the conclusion of the apprenticeship.

Opportunities for workers

An apprentice employee can expect 2,000 hours of on-the-job training from an assigned mentor. Additionally, participants receive at least 144 hours of relevant instruction in the classroom each year of their apprenticeship. Generally, employers cover the costs associated with the required education. This means apprentices have no student loans to repay.

When apprentices complete the program, they receive an industry-issued, nationally-recognized credential certifying their skills. Apprentices benefit by learning the skills needed by their employers, making them valuable assets in their companies. Additionally, employees may earn entry-level wages 69.5 percent higher than the introductory wage for all occupations. Over their careers, workers in these occupations may experience a higher-than-average wage trajectory and position themselves for opportunities for career advancement.

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5 Future Ready Iowa
6 Iowa’s Registered Apprenticeship Development Fund
Apprentices participating in Iowa’s RAP can choose from three options:\(^\text{11}\)

1. Through a Time-Based Program, apprentices complete a required number of hours of on-the-job training and related classroom instruction.

2. In a Competency Based Program, apprentices work at their own pace. They demonstrate their competency in skills and knowledge through the completion of proficiency tests. In this program, apprentices are not required to complete a specific number of hours.

3. The Hybrid-Based Approach is a blended approach using both time based and competency based programs. Through this approach, apprentices complete a required number of hours and demonstrate competency in their skills and knowledge.

Summary

Iowa’sRegistered Apprenticeship Program is a valuable resource for employers and workers. Employers can fill their talent and skills gaps through participation in the program. Workers can jumpstart their careers by learning valuable skills and securing productive futures. At the same time, they can earn wages that support families and build retirements.

In this post-pandemic recovery, RAPs should be considered as a tool to not only fill badly needed positions, but to position Iowa’s employers for growth beyond the recovery.

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7 Earn and Learn Iowa
8 Percentage based on introductory wages of all occupations and for Iron & Steel Workers
9 Job Seeker Fact Sheet
10 Iowa Economic Development Authority
Bibliography

1. 2020 Iowa Wage Report, Labor Market Information Division, Iowa Workforce Development


5. Strengthen My Workforce, Future Ready Iowa https://www.futurereadyiowa.gov/employers


8. Percentage Based on Introductory Wages of all Occupations and for Iron & Steel Workers, 2020 Iowa Wage Report, Labor Market Information Division, Iowa Workforce Development


11 Job Seeker Fact Sheet
Nursing Demand Survey

Written by Katie Lippold

Beginning in February 2020 through mid-September 2020 Iowa Workforce Development (IWD) in cooperation with the Iowa Board of Nursing (IBON) collected surveys from employers in the State of Iowa who employ nurses. The purpose of the survey was to gauge the demand for nurses in Iowa and to identify potential shortages and barriers in recruitment and retention. The survey was created by IWD and approved by the IBON. It was published online and survey takers were directed to a website to complete and submit the survey. The locations were chosen by industry classification.

Three industry classifications were chosen as the targets for receiving a survey request letter. Those classifications were determined to be the largest employers of nurses and included: hospitals, long-term care facilities, and ambulatory care facilities. All locations in the State of Iowa which were within one of these three identified industry classifications and had five or more employees were sent an invitation to participate in the 2020 Iowa Nursing Demand Survey.

- 2,547 locations were sent a letter, 184 were returned due to bad addresses; for a total of 2,363 contacts made
- 793 employer locations were represented in the survey results
- The response rate of the survey was estimated at 33.6 percent

Demographics of Respondents

- **Employer Type:** The largest percentage (47.6 percent) of survey respondents were classified as long-term care facilities. These include: assisted living facilities for the elderly; continuing care retirement communities; skilled nursing care facilities; residential intellectual and development disability facilities; and residential mental health and substance abuse facilities.
- **Employer Location:** Nearly 61 percent of survey respondents were located in rural areas. These were classified as any location within a non-metro ZIP Code.
- **Employer Size:** A slight majority (30.4 percent) of survey respondents were locations with 100+ employees.

Survey Results Highlights

- Nearly three-fifths (58.5 percent) of respondents reported a shortage of qualified applicants for the needed nursing positions. Nearly 80 percent of long-term care facilities agreed there is a nursing shortage; while among small employers (1-19 employees), only 40.9 percent agreed there is a shortage.
- The greatest reason cited as a workforce challenge was difficulty in finding qualified candidates with turnover/attrition cited as the second greatest workforce challenge.
- To meet workforce challenges, employers have increased overtime for staff, increased recruiting efforts, revised pay scales, provided flexible scheduling, and/or outsourced work/used contract services.

Survey respondents were asked: Is there a shortage of qualified job applicants for nursing positions? Nearly three-fifths (58.5%) of respondents stated, “yes.” Those that found there was a current shortage were asked to define the degree. The breakout of the their responses is below.
The top difficulty in filling vacancies (as reported by 69.2 percent of survey respondents) was simply a general lack of applicants.

Top barriers to recruiting were: competitive wages and benefits, the location of the job opening, and available opportunities for advancement. Additional reasons included: candidates who are unwilling to work evenings and/or weekends and candidates who lack experience in specialized areas.

Retirements were also a top concern among employers. Many experienced an increase in the last 12 months and survey respondents reported that a total of over 550 nurses were eligible to retire in the next year.

When asked about the ease of recruiting and hiring over 80 percent of respondents considered it somewhat to very difficult to hire Licensed Practical Nurses (LPNs) and RNs Registered Nurses (RNs); for Advanced Registered Nurse Practitioners (ARNPs), 43 percent of respondents said it was difficult to hire.

Approximately one-third of all respondents reported it takes on average over 90 days to hire LPNs, RNs, and ARNPs.

With the exception of respondents located in urban zip codes, over 50 percent in every other category characterized the shortage as either “great” or “extreme.” Likewise, over 60 percent of respondents whose location employs 50-99 employees reported the shortage as “great” or “extreme.”

Bibliography

1. Laborshed, Labor Market Information Division, Iowa Workforce Development
## Contact Information

<table>
<thead>
<tr>
<th>Article</th>
<th>Author</th>
<th>Contact Information</th>
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<tbody>
<tr>
<td>Overview of the Iowa Economy (2020)</td>
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<td>Executive Summary</td>
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<td>Total Nonfarm Employment Year at a Glance</td>
<td>Dennis Schwartz</td>
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<td>State and Local Labor Force Trends</td>
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<td>2020 Economic Impact on Unemployment Insurance Initial Claims and Benefits</td>
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<td>Supersector Spotlight: Leisure and Hospitality</td>
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<td>Iowa Short-Term Industry Projections Overview, 2020-2022</td>
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<td>Iowa’s 2020-2022 Occupational Outlook</td>
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