

NEWS RELEASE

For Statewide Distribution



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Iowa's Job Market Tightens as Unemployment Rate Drops to 2.8 Percent in December

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate decreased to 2.8 percent for December. The state's jobless rate was 3.5 percent one year ago. The U.S. unemployment rate remained at 4.1 percent in December for the third straight month.

"Iowa businesses finished 2017 strong, bolstering payrolls by 7,100 jobs in December. Iowa factories have added 11,700 jobs in 2017," said Beth Townsend, Iowa Workforce Development Director. "With an unemployment rate at 2.8%, Iowa must address the shortage in skilled workers. It will take all hands on deck to sustain this economic growth including support from our partners in K-12, community colleges, universities, business and industry, economic developers and non-profits - all of whom participated in writing the Future Ready Iowa strategic plan. The plan will put Iowa in a position to create and sustain the skilled workforce we need now and in the future."

The number of unemployed Iowans decreased to 47,000 in December. The current estimate is 12,000 lower than the year ago level of 59,000.

The total number of working Iowans increased to 1,637,800 in December. This figure was 200 higher than November and 3,200 higher than one year ago.

Seasonally Adjusted Nonfarm Employment

In December, Iowa establishments added 7,100 jobs and lifted the total number of jobs to 1,600,100. This month's increase marks the eighth monthly increase in 2017 versus just four months of losses. Growth was fueled by several sectors of the economy, particularly manufacturing, healthcare, and transportation. Additionally, the December gain follows another sizable increase in November. In total, private sectors advanced by 5,800 jobs this month. On the other hand, government added 1,300 jobs this month due to gains in local government and now stands 1,000 jobs higher than last year.

Manufacturing added the most jobs in December (+3,300) with the largest gains being in durable goods factories (+2,400). Non-durable goods factories added 900 jobs due in part to hiring in food production. This gain marks the fourth-consecutive for manufacturing to end the year. Healthcare and social assistance added 1,600 jobs to fuel all of the growth in the education and healthcare super sector. Healthcare and social assistance also had a sizable gain in November (+1,200). Trade and transportation fared well due to larger-than-expected gains in transportation and warehousing this month and was up 1,400 jobs. Much of this spike was due to a surge in parcel delivery related to holiday shopping. Like years past, retail was somewhat sluggish to end the year and was down 300 jobs in December. This trend in decreasing retail employment may be partially attributable to a shift toward online shopping and decreased reliance on brick-and-mortar stores during the holidays. Smaller sector gains this month included leisure and hospitality (+1,000) and financial activities (+700). Private sector losses were limited to construction (-1,300), professional and business services (-500), and other services (-400).

Annually, the state of Iowa has gained 28,300 jobs. Manufacturing leads the way in jobs added with 11,700 over the last twelve months. Growth for this sector began in May with 12,400 jobs being added over the past eight months. Education and healthcare has gained 6,900 jobs annually, followed by leisure and hospitality, up 6,600 jobs. Sector losses have been strongest in construction (-7,500) in the wake of a booming 2016. Smaller losses occurred in other services (-1,600) and information (-700).

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	December 2017	November 2017	December 2016	Change from	
				November 2017	December 2016
Civilian labor force	1,684,800	1,686,700	1,693,600	-1,900	-8,800
Unemployment	47,000	49,100	59,000	-2,100	-12,000
Unemployment rate	2.8%	2.9%	3.5%	-0.1	-0.7
Employment	1,637,800	1,637,600	1,634,600	200	3,200
U.S. unemployment rate	4.1%	4.1%	4.7%	0.0	-0.6

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,600,100	1,593,000	1,571,800	7,100	28,300
Mining	2,600	2,600	2,300	0	300
Construction	73,600	74,900	81,100	-1,300	-7,500
Manufacturing	222,600	219,300	210,900	3,300	11,700
Trade, transportation and utilities	320,700	319,300	317,000	1,400	3,700
Information	21,000	20,900	21,700	100	-700
Financial activities	114,600	113,900	110,000	700	4,600
Professional and business services	142,500	143,000	139,200	-500	3,300
Education and health services	235,100	233,600	228,200	1,500	6,900
Leisure and hospitality	149,300	148,300	142,700	1,000	6,600
Other services	58,600	59,000	60,200	-400	-1,600
Government	259,500	258,200	258,500	1,300	1,000

Unemployment Insurance Claims for Iowa

	December 2017	November 2017	December 2016	% Change from	
				November 2017	December 2016
Initial claims	26,587	14,395	29,296	84.7%	-9.2%
Continued claims					
Number of claimants	27,146	19,625	33,472	38.3%	-18.9%
Weeks paid	83,932	66,245	106,093	26.7%	-20.9%
Amount paid	\$31,996,661	\$24,462,032	\$39,746,565	30.8%	-19.5%

Visit www.iowalmi.gov for more information about current and historical data, labor force data, nonfarm employment, hours and earnings, and jobless benefits by county.

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MEDIA ALERT: An audio cut of comments about Iowa's labor market situation is available by calling (515) 281-6057. Statewide and local data for January 2018 will be released on Monday, March 12, 2018.