

NEWS RELEASE

For Statewide Distribution



For Release: 9:00 a.m.
Date: March 13, 2017

Contact: Cory Kelly (515) 330-5646

Iowa's Unemployment Rate Drops to 3.3 Percent in January

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate dropped to 3.3 percent in January. The state's jobless rate was 3.8 percent one year ago. The U.S. unemployment rate increased to 4.8 percent in January.

"Following a volatile year's end to 2016, the Iowa economy began 2017 on a much stronger note," said Beth Townsend, Director of Iowa Workforce Development. "Iowa's unemployment rate dropped even further to 3.3 percent in January and Iowa employers added 9,900 jobs. Hiring was particularly strong in professional and business services as well as the leisure and hospitality industries."

The number of unemployed Iowans decreased to 56,600 in January from 59,000 in December. The current estimate is 7,900 lower than the year ago level of 64,500. The total number of working Iowans increased to 1,637,600 in January. This figure was 3,000 higher than December and 100 lower than one year ago.

Monthly labor force data have been revised for 2012-2016 as required by the U.S. Department of Labor, Bureau of Labor Statistics. Benchmarking is the process of re-estimating statistics as more complete data becomes available. Prior year's estimates for the Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) programs are benchmarked annually. In March, the revised data is incorporated with the January employment statistics.

Seasonally Adjusted Nonfarm Employment

In January, total nonfarm employment advanced by 9,900 jobs in Iowa. The monthly gain was historically large and provided some relief following a weak end to 2016 that saw 600 jobs pared over the final five months. Following the yearly benchmark process, Iowa had nonfarm employment lowered approximately 0.7 percent; however, the January increase helped alleviate most of the downward revision. All of the growth this month was due to hiring in the private sector; government was down 200 jobs in January but remains up 1,300 jobs since last January.

Professional and business services added the most jobs in January (+3,000) and had advances in the two largest sectors this month: professional, scientific, and technical services (+1,500) and administrative support and waste management (+1,600). This month's increase marks the third consecutive gain for the sector. Leisure and hospitality also had a large gain this month (+2,800) due in part to unusually warm weather. Restaurants, lodging, and recreational activities all showed signs of hiring this month. Retail added 900 jobs and helped fuel a gain of 1,200 in trade and transportation. Compared to last year, Iowa's retail sector has gained 1,600 jobs and has fared better than expected through the holiday shopping season. Virtually all other private sectors added jobs this month including manufacturing (+1,100), education and healthcare services (+1,100), and financial activities (+600). The lone sector to shed jobs in January was construction, down a slight 100 jobs.

Annually, Iowa has advanced 13,400 jobs (+0.9 percent). The professional and business services sector has been expanding recently and is up 4,200 to lead all other sectors. Leisure and hospitality has benefitted from growth in three of the last four months and is up 3,200 jobs versus last January. Most of the gains stem from hiring in lodging and restaurants while entertainment and recreational activities are little changed. Finance is up 3,000 jobs annually and has gained jobs in five consecutive months. This sector has steadily trended up over the past few years. The only private sectors to pare employment versus last year were manufacturing (-3,500), due primarily to cutbacks in durable goods factories, and information services (-1,300).

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	January 2017	December 2016	January 2016	Change from	
				December 2016	January 2016
Civilian labor force	1,694,200	1,693,600	1,702,200	600	-8,000
Unemployment	56,600	59,000	64,500	-2,400	-7,900
Unemployment rate	3.3%	3.5%	3.8%	-0.2	-0.5
Employment	1,637,600	1,634,600	1,637,700	3,000	-100
U.S. unemployment rate	4.8%	4.7%	4.9%	0.1	-0.1

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,581,700	1,571,800	1,568,300	9,900	13,400
Mining	2,500	2,300	2,200	200	300
Construction	81,000	81,100	79,900	-100	1,100
Manufacturing	212,000	210,900	215,500	1,100	-3,500
Trade, transportation and utilities	318,200	317,000	315,400	1,200	2,800
Information	21,900	21,700	23,200	200	-1,300
Financial activities	110,600	110,000	107,600	600	3,000
Professional and business services	142,200	139,200	138,000	3,000	4,200
Education and health services	229,300	228,200	228,000	1,100	1,300
Leisure and hospitality	145,500	142,700	142,300	2,800	3,200
Other services	60,200	60,200	59,200	0	1,000
Government	258,300	258,500	257,000	-200	1,300

Unemployment Insurance Claims for Iowa

	January 2017	December 2016	January 2016	% Change from	
				December 2016	January 2016
Initial claims	15,756	29,296	17,704	-46.2%	-11.0%
Continued claims					
Number of claimants	47,551	33,472	50,342	42.1%	-5.5%
Weeks paid	150,958	106,093	152,612	42.3%	-1.1%
Amount paid	\$57,748,242	\$39,746,565	\$55,749,721	45.3%	3.6%

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

###

An Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request for individuals with disabilities.
www.iowaworkforcedevelopment.gov • www.iowajobs.org

MEDIA ALERT: An audio cut of comments about Iowa's labor market situation is available by calling (515) 281-6057. Statewide data for February 2017 will be released on Friday, March 24, 2017. Local data for February will be posted to the IWD website on Tuesday, March 28, 2017.