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Iowa's Unemployment Rate Increases Slightly from 2.5 to 2.6 Percent in August, while U.S. Rate Jumped to 3.7

DES MOINES, IOWA – Iowa's unemployment rate increased slightly in August by a tenth-of-a-percent, despite strong hiring that brought the state to within 5,500 jobs of its March 2020 pre-pandemic employment level. The U.S. unemployment rate rose to 3.7 percent from 3.5 percent in July.

The increase to 2.6 percent from 2.5 percent unemployment in July was accompanied by 1,300 Iowans leaving the workforce. The largest single reason for leaving the labor force, according to participants in a survey of households, was a desire to attend school.

Meanwhile, a separate survey of employers found that Iowa businesses added 3,800 jobs in August, led by major gains in retail trade and leisure and hospitality. August marked the fifth consecutive monthly increase in jobs. Compared to a year ago, the state now has 55,000 more employed residents; 27,200 fewer unemployed and a labor force that is 27,800 workers stronger than in August 2021. Initial unemployment claims also remain near historic lows.

"We are pleased that August's survey showed the continued positive trend of employers adding nearly 4,000 workers to Iowa's workforce," said Beth Townsend, Director of Iowa Workforce Development. "Iowa companies are still hiring, and the demand for workers still exists. We're committed to bridging that gap through IWD's new Business Engagement Team--dedicated to helping Iowa employers access the workforce-building tools necessary to aid in their recruitment and hiring efforts."

Seasonally Adjusted Nonfarm Employment

Iowa's unemployment rate is determined based on a survey asking individual Iowans about their job status. A separate survey of employers found that Iowa firms added 3,800 jobs to their payrolls in August, lifting total nonfarm employment to 1,578,200. This month's increase is the fifth consecutive since March, and the state has gained 15,800 jobs over the last five months. Private service industries were responsible for most of the growth in August (gaining 4,300), although goods producing industries added 600 jobs. Government lost jobs this month (-1,100) yet remains up 5,700 above last year's level. August hiring also leaves total nonfarm employment just 5,500 jobs below the March 2020 pre-pandemic level.

Retail trade added 1,700 jobs in August to lead all sectors. This was welcomed news given that retail establishments had pared jobs in each of the prior five months. Leisure and hospitality industries added 1,500 following little movement in July. Most of the hiring was in arts, entertainment, and recreation industries (+900) and related to performing arts and spectator sports. Accommodations and food services was once again fueled by hiring in eating and drinking establishments (+600). The only other major gain this month occurred in manufacturing (+700). This sector has now added jobs in every month in 2022 and has added 7,000 jobs over the past seven months. Animal slaughtering and processing helped fuel most of the job gains this month. Job losses were slight in August and led by private education (-400) and transportation and warehousing (-200).

Annually, total nonfarm employment has now advanced by 38,400 jobs. Leisure and hospitality continued to hire and return to pre-pandemic conditions and has added 12,000 jobs over the past twelve months. Manufacturing is up 8,100 jobs with hiring being stronger in nondurable goods factories (+5,500). Trade, transportation, and utilities is up 6,800 and partially fueled by retail trade which has gained 3,900 jobs.

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	August 2022	July 2022	August 2021	Change from	
				July 2022	August 2021
Civilian labor force	1,709,200	1,710,500	1,681,400	-1,300	27,800
Unemployment	44,700	43,300	71,900	1,400	-27,200
Unemployment rate	2.6%	2.5%	4.3%	0.1	-1.7
Employment	1,664,500	1,667,100	1,609,500	-2,600	55,000
Labor Force Participation Rate	67.7%	67.8%	67.0%	-0.1	0.7
U.S. unemployment rate	3.7%	3.5%	5.2%	0.2	-1.5

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,578,200	1,574,400	1,539,300	3,800	38,900
Mining	2,300	2,300	2,200	0	100
Construction	79,000	79,100	77,900	-100	1,100
Manufacturing	226,800	226,100	218,700	700	8,100
Trade, transportation and utilities	314,600	313,000	307,800	1,600	6,800
Information	18,900	18,700	19,100	200	-200
Financial activities	109,600	109,500	109,100	100	500
Professional and business services	141,200	140,800	139,800	400	1,400
Education and health services	226,800	226,700	225,300	100	1,500
Leisure and hospitality	143,000	141,500	131,000	1,500	12,000
Other services	56,500	56,100	54,600	400	1,900
Government	259,500	260,600	253,800	-1,100	5,700

Unemployment Insurance Claims for Iowa

	August 2022	July 2022	August 2021	% Change from	
				July 2022	August 2021
Initial claims	5,529	6,589	7,754	-16.1%	-28.7%
Continued claims					
Benefit recipients	9,591	9,035	15,229	6.2%	-37.0%
Weeks paid	30,930	27,641	53,530	11.9%	-42.2%
Amount paid	\$13,314,211	\$11,713,985	\$20,269,114	13.7%	-34.3%

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: Local data for August 2022 will be posted to the IWD website on Tuesday, September 20, 2022. Statewide data for September 2022 will be released on Thursday, October 20, 2022, at 9 a.m.