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Iowa's Unemployment Rate Drops to 2.7 Percent in May Labor Force Participation Grows

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate dropped for the fifth consecutive month to 2.7 percent in May – down from 3.0 percent in April and from 4.5 percent one year ago. Job growth was mirrored in the Labor Force Participation Rate, which grew to 67.6 percent in May, up from 67.4 percent last month and 67.1 percent a year ago. The U.S. May unemployment rate remained at 3.6 percent.

The total number of working Iowans increased to 1,657,200 in May – a figure that is 10,400 higher than April and 52,300 higher than one year ago.

The number of unemployed Iowans decreased to 46,800 in May from 50,900 in April.

"The May report is outstanding and welcome news!" said Beth Townsend, Director of Iowa Workforce Development. "Every month that passes brings us closer to Iowa's pre-pandemic employment level. But our real goal is higher. We want to continue to accelerate the recovery and get as many of Iowa's 85,000 open jobs filled as quickly as we can."

Seasonally Adjusted Nonfarm Employment

Iowa's total nonfarm employment is up 34,900 for the year despite shedding 500 jobs between April and May, with total employment now standing at 1,565,000 jobs. Goods-producing sectors declined by 1,100 with job gains in manufacturing being overmatched by specialty trade losses in the construction sector. Private service industries were unchanged versus last month. Government advanced by 600 jobs due mostly to growth within education. This sector now is up 4,400 jobs versus last year, with most of the growth being in local government.

Financial activities added the most jobs in May (+1,300). Most of the increase stemmed from insurance carriers and related activities. This is the first increase for financial activities since January. Manufacturing added 1,000 jobs due to hiring in nondurable goods shops. This is now the sixth consecutive gain for manufacturing stretching back to November 2021. Other services gained jobs in May (+600) and has now added jobs in three straight months. Leisure and hospitality increased slightly (+100) as arts and entertainment hiring overmatched declines in accommodations and food services.

Job losses in May were highest in construction (-2,100 jobs), the first loss for this sector after six straight months of job growth. Many of these losses were due to specialty trade construction projects paring jobs, possibly reflecting apprehension about launching new projects amid higher costs. Trade and transportation shed 900 jobs with much of the decrease stemming from retail trade (-800). Other sectors losing jobs in May included education and health care (-500) and professional and business services (-400).

Annually, leisure and hospitality has added the most jobs (+12,300). Most of these jobs have come from hiring in accommodations and food services (+9,300). Manufacturing establishments continued to grow their payrolls this month and are 8,100 jobs higher than last year's mark. Retail trade has shown recent signs of cutbacks yet remains up 3,500 jobs. Annual job losses are sparse and limited to health care and social assistance (-1,600) and administration and support services (-1,400).

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	May 2022	April 2022	May 2021	Change from	
				April 2022	May 2021
Civilian labor force	1,703,900	1,697,700	1,679,900	6,200	24,000
Unemployment	46,800	50,900	75,000	-4,100	-28,200
Unemployment rate	2.7%	3.0%	4.5%	-0.3	-1.8
Employment	1,657,200	1,646,800	1,604,900	10,400	52,300
Labor Force Participation Rate	67.6%	67.4%	67.1%	0.2	0.5
U.S. unemployment rate	3.6%	3.6%	5.8%	0.0	-2.2

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,565,000	1,565,500	1,530,100	-500	34,900
Mining	2,300	2,300	2,300	0	0
Construction	78,900	81,000	77,400	-2,100	1,500
Manufacturing	225,400	224,400	217,300	1,000	8,100
Trade, transportation and utilities	312,800	313,700	307,000	-900	5,800
Information	19,400	19,600	18,800	-200	600
Financial activities	109,300	108,000	109,300	1,300	0
Professional and business services	140,300	140,700	139,700	-400	600
Education and health services	224,700	225,200	224,800	-500	-100
Leisure and hospitality	138,100	138,000	125,800	100	12,300
Other services	56,000	55,400	54,300	600	1,700
Government	257,800	257,200	253,400	600	4,400

Unemployment Insurance Claims for Iowa

	May 2022	April 2022	May 2021	% Change from	
				April 2022	May 2021
Initial claims	5,566	5,290	14,329	5.2%	-61.2%
Continued claims					
Benefit recipients	9,398	15,863	22,286	-40.8%	-57.8%
Weeks paid	24,244	42,720	75,625	-43.2%	-67.9%
Amount paid	\$11,155,734	\$19,837,409	\$28,312,773	-43.8%	-60.6%

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.

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MEDIA ALERT: Local data for May 2022 will be posted to the IWD website on Tuesday, June 21, 2022. Statewide data for June 2022 will be released on Thursday, July 21, 2022, at 9 a.m.