



June 2024

# Iowa Jobs and Labor Force Update

May 2024

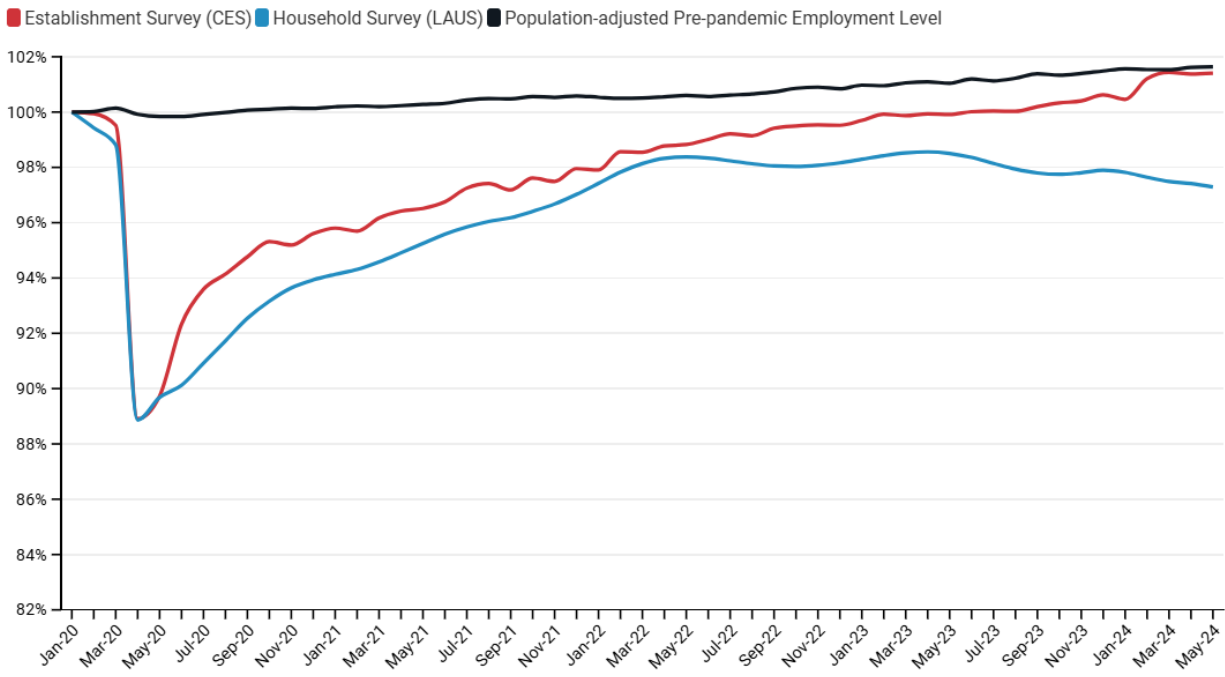
Having never recovered to population-adjusted pre-pandemic levels, employment in Iowa has continued to fall since March, according to both the household (LAUS) and establishment (CES) BSL surveys. However, the Bureau of Labor Statistics made upward revisions to the April jobs numbers, with industries changing by a rate of as much as 0.55%. As Iowa lost jobs, the unemployment rate remained at 2.8%, even as the labor force participation rate fell from 66.8% in April to 66.7% in May.

There remains a strong divergence between the establishment survey and the household survey. In May, the divergence grew from April as the household survey recorded a larger drop-off in jobs than the establishment survey. For more on possible reasons for this divergence, see the introduction to Common Sense Institute’s report “[Iowa Jobs and Labor Force Update – March 2024 Update](#).”

## Key Findings—Iowa April 2024 Employment Data

- **Having never recovered to population-adjusted pre-pandemic levels, employment in Iowa fell in May for the second month in a row.**
- **From December ‘23 to May ‘24, the government sector added 2,500 jobs, and the private sector gained 10,000 jobs on net.**
- **Iowa’s unemployment rate has remained at 2.8% since March, maintaining the state’s position as 8th lowest in the nation.**
- **Iowa’s LFPR (labor force participation rate) fell by 0.1 percentage points from March to April to 66.8%. Still, its LFPR remains high relative to other states.**
- **In May 2024, Iowa had 22,400 more jobs on net than in January of 2020, prior to the pandemic, according to the establishment survey. Since January 2020, “professional and business services” has seen the largest increase in jobs in the state in nominal terms (9,500).**
- **Since May of last year, Iowa has gained 23,800 jobs.**
- **According to the household survey, Iowa had 45,842 fewer people in the labor force in May 2024 than in January 2020.**

## Employment Levels in Iowa since January 2020



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- According to both the employment figures from the BLS survey of establishments (CES) and the number of people employed from the BLS survey of households (LAUS), **Iowa has yet to recover to a pre-pandemic employment-to-population ratio.**
- Based on the establishment survey, nominal employment has exceeded pre-pandemic levels since June 2023.
- Based on the establishment survey, after falling in April employment nearly recovered to population-adjusted pre-pandemic levels in May both in absolute nominal terms and relative to population-adjusted pre-pandemic levels.
- Based on the household survey, employment came closest to recovering to population-adjusted pre-pandemic levels last April and has steadily fallen relative to that baseline since then.

### Revisions

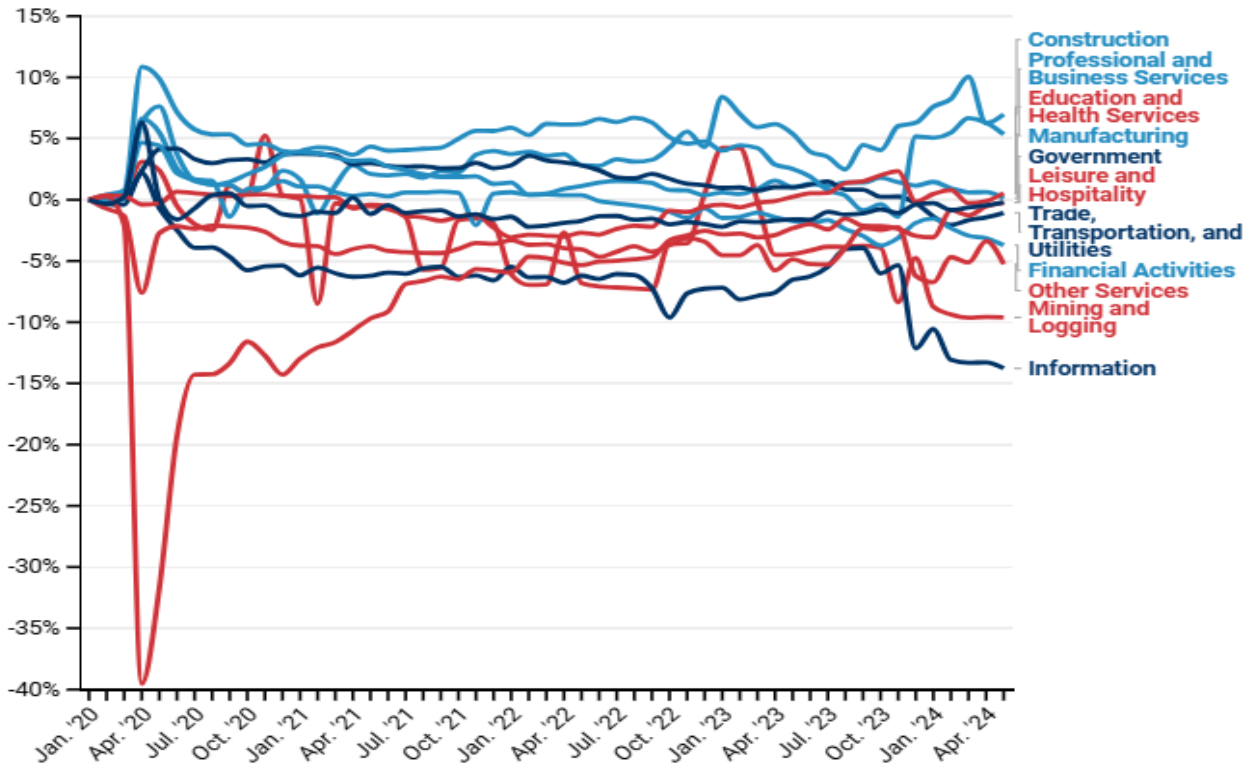
- In May, the BLS revised April 2024 seasonally-adjusted total nonfarm employment upward by 8,500 jobs nationally—a 0.01% increase.
- In May, the BLS revised April 2024 seasonally-adjusted total nonfarm employment downward by 700 jobs nationally—a 0.04% increase.
- Relative to the preliminary CES April data published last month, U.S. employment increased by 328,900 jobs. Relative to the revised numbers, employment increased by 320,400 jobs.
- Relative to the preliminary CES April data published last month, Iowa employment rose by 500 jobs in May. Relative to the revised numbers, employment fell by 200 jobs.

- Based on preliminary April data in the establishment survey, the state saw a decrease of 900 jobs from March to April. With the revised numbers, employment decreased by just 200 jobs last month.

## A Deeper Dive into Iowa Industries (BLS CES Survey)

- Based on the establishment survey, the net decline of 1500 jobs in May, was driven by net job losses in eight of 11 major sectors.
  - “Manufacturing” lost 400 net jobs for a 0.18% decline.
  - “Trade, transportation, and utilities” lost 500 net jobs for a 0.16% decline.
  - “Professional and business services” lost 900 net jobs for a 0.6% decline.
  - “Financial activities” lost 300 net jobs for a 0.28% decline.
  - “Education and health services” gained 1,400 net jobs for a 0.59% increase.
  - “Leisure and hospitality” gained 500 net jobs for a 0.34% increase.
  - “Government” gained 700 jobs for a 0.26% increase.
  - “Other services” lost 700 jobs for a 123% decline.
- Business and professional services has generally been one of the top performing industries for employment in Iowa relative to their pre-pandemic baselines, but it saw one of the sharpest declines of all industries in May.
  - Despite the decline in May, business and professional services has created more jobs than any other industry since the January 2020 and boasted the second-highest rate of increase during that time, only behind construction. The industry has added 9,500 jobs since pre-pandemic levels, a 1.63% increase.
- Four major sectors saw a net increase in jobs from April to May.
  - “Construction” gained 100 jobs for a 0.12% increase.
  - “Education and health services” gained 1,400 jobs for a 0.59% increase.
  - “Leisure and hospitality” gained 500 jobs for a 0.34% increase.
  - “Government” gained 700 jobs for a 0.26% increase.
- “Mining and logging” and “information” continue to lag all other sectors in their recovery to pre-pandemic employment levels. These are both relatively small industries for Iowa, providing just 2,200 jobs and 18,100 jobs, respectively.
- “Trade, transportation, and utilities,” Iowa’s largest major sector, has recovered to pre-pandemic levels for the first time.

## Changing Industry Shares of Total Iowa Employment since January 2020

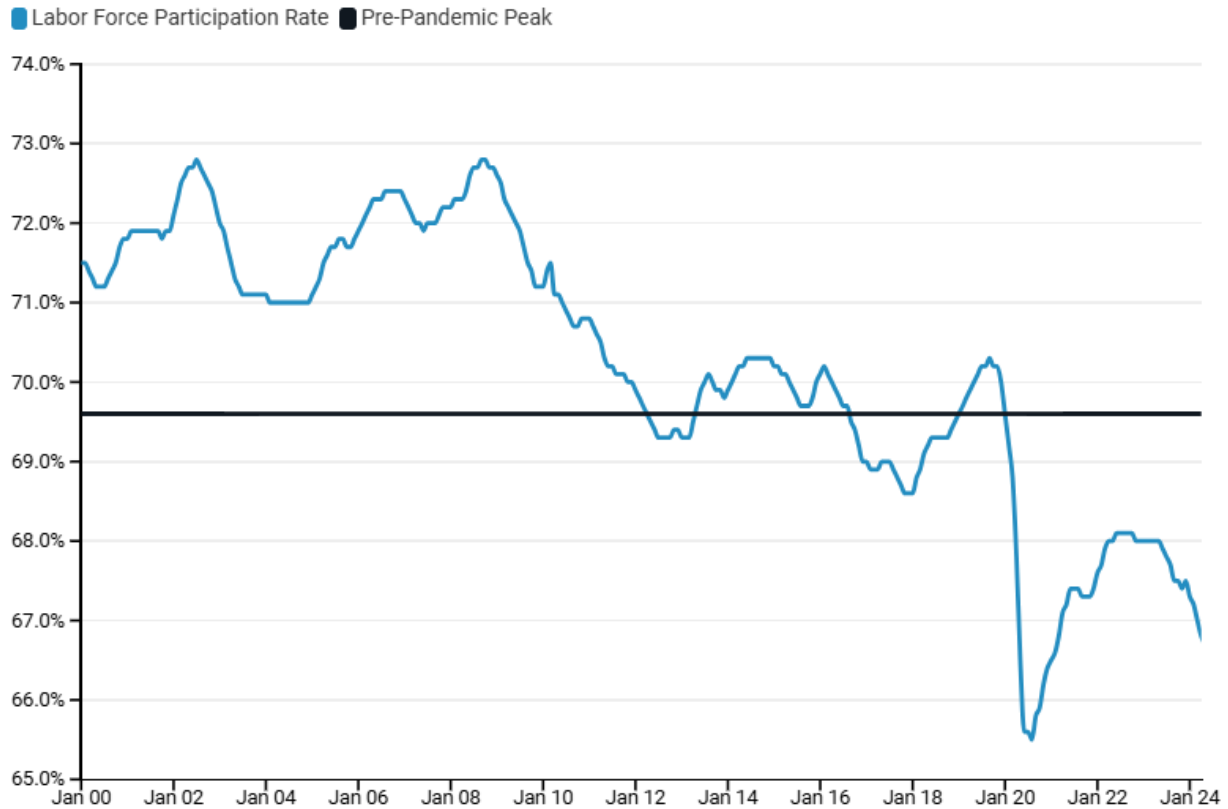


### Iowa Labor Force Update

Iowa's LFPR declined by 0.1 percentage points from April to May.

- The LFPR fell to 66.7%, which is 4.1% below January 2020's LFPR of 69.6%.
- Nonetheless, the unemployment rate stayed the same at 2.8% from April to May, down from a recent peak of 3.1% that held from August through November 2023.
- The unemployment rate staying the same as the labor force participation rate falls suggests some unemployed individuals have quit looking for work and dropped out of the workforce, causing the percentage of the workforce that remains unemployed to stay the same even as the participation rate falls.

## Labor Force Participation Rate in Iowa Since 2000



### Data Sources

The data in this report are compiled from monthly and annual data released by the U.S. Bureau of Labor Statistics (BLS), including data from the Current Employment Statistics (CES) survey and the Local Area Unemployment Statistics (LAUS) Survey. Some data are sourced directly from BLS and others are retrieved from FRED.