



September 2025

# Iowa Jobs and Labor Force Update

August 2025

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## Introduction

Iowa's labor market showed modest improvement in August, adding 3,600 jobs across five of the state's 11 major sectors. Professional and business services (+1,800) and trade, transportation, and utilities (+900) drove most of the growth. The state saw smaller gains in government (+700), other services (+200), and financial activities (+100). These increases were partially offset by declines in construction (-700), education and health services (-200), and smaller losses in manufacturing (-100) and information (-100).

From December 2024 to August 2025, the state has added 1,800 total nonfarm jobs and 1,500 private-sector jobs—marking the first positive month of the cumulative job growth since April 2025. Yet despite August's rebound, Iowa's broader job growth remains sluggish; 2025 continues to be the second-weakest year for job growth in the post-pandemic period. Meanwhile, July's preliminary results were revised downward by 500 jobs.

Other labor market indicators also point to limited momentum. Iowa's unemployment rate edged up to 3.8% in August, ranking 22nd lowest nationally—down two spots from the prior month. Meanwhile, the state's labor force participation rate ticked up to 67.5%, one of the highest in the nation at 7th overall but still below its pre-pandemic peak of 69.5% seen in January 2020.

August's job gains offered some relief after earlier losses, but with growth concentrated in only a few industries and weakness lingering elsewhere, Iowa's labor market has yet to show broad strength.

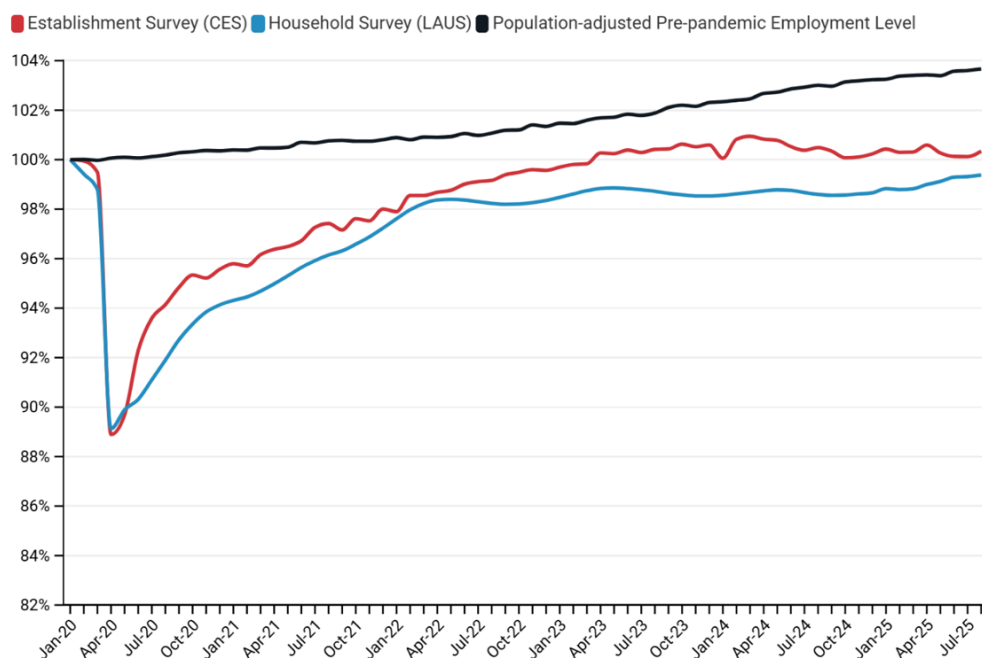
## Key Findings—Iowa August 2025 Employment Data

- **In August, Iowa gained 3,600 jobs. Five of 11 major sectors contributed to this gain.**
  - Professional and business services (+1,800) and Trade, transportation, and utilities (+900) contributed most to this gain.
  - Construction saw the largest monthly decline, losing 700 jobs.
- Revisions indicate July performed worse than initially reported.
  - State Revisions: The state reported 500 fewer jobs in July 2025 compared to pre-revised July 2025 data. After the revisions, Iowa lost 200 jobs in July rather than gaining 300.
  - Industry Revisions: Education and health services contributed most to the downward revision with 800 lost jobs.
- Iowa has the 22nd lowest unemployment rate in the nation, down two spots from July.
  - Unemployment: Iowa's unemployment rate was 3.8% in August, up 0.1% from July.
- Iowa labor force participation rate ranks 7th in the nation, up one spot from July.
  - LFPR: Iowa's LFPR was 67.5% in August, up 0.1% from July.
- From December '24 to August '25, the private sector has gained 1,500 jobs.
  - Total nonfarm employment has gained 1,800 jobs over this same period.
- From January '21 to August '25, Iowa's private sector grew 3.93%.
  - The national private sector grew 12.22% over this same period.

## Establishment vs. Household Survey

- 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**, employment grew by 3,600 or 0.23%.
- Based on the **household survey**, employment grew by 1,027 jobs or 0.06%.

### Employment Levels in Iowa since January 2020



## Revisions

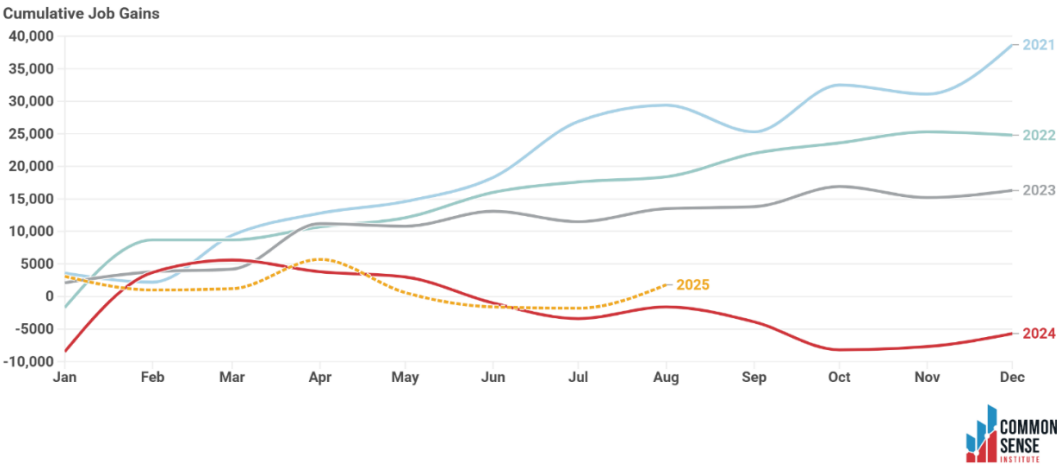
- **United States** – In September, the BLS revised July 2025 seasonally adjusted total nonfarm employment nationally downward by 34,200 (-0.02%).
- **Iowa** – In September, the BLS revised July 2025 seasonally adjusted total nonfarm employment in Iowa downward by 500 (0.03%), from +300 to -200 jobs.
- **Iowa by Sector** – In September, the BLS revised July 2025 seasonally adjusted total nonfarm employment for the following major sectors:
  - Education and health services downward by 800 jobs (-0.32%).
  - Construction downward by 400 jobs (-0.45%).
  - Manufacturing (-0.09%) and professional and business services (-0.14%) both downward by 200 jobs.
  - Information downward by 100 jobs (-0.56%).
  - Leisure and hospitality upward by 100 jobs (0.07%).
  - Other services upward by 200 jobs (0.35%).
  - Trade, transportation, and utilities upward by 900 jobs (0.29%).

## Iowa's Post-Pandemic Growth

- From December 2024 to August 2025, Iowa has added 1,800 nonfarm jobs to its economy. Though an improvement from last month's print—where cumulative job growth was reported at -1,800—this year continues to rank as the second worst post-pandemic year for job growth.
- **The private sector is up 1,500 jobs since December 2024.**

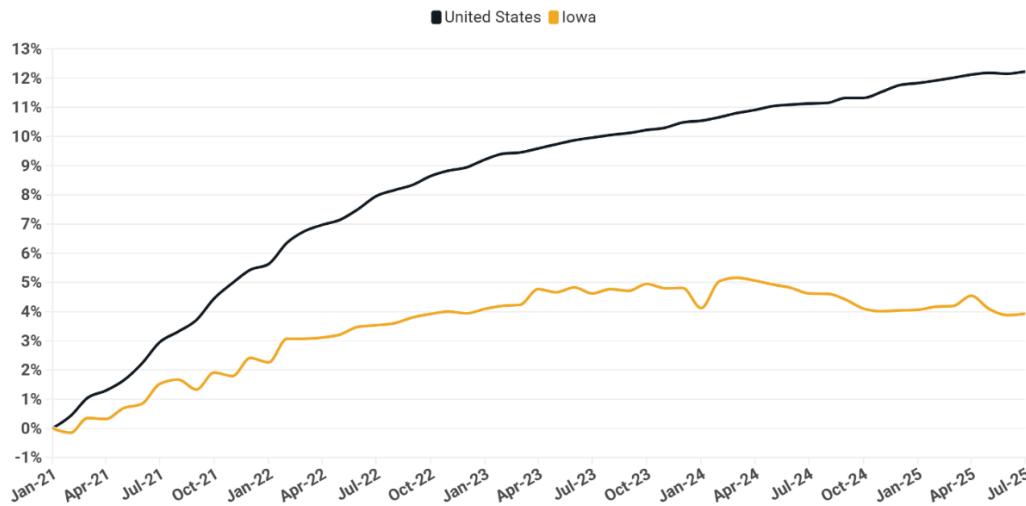
### Cumulative Jobs Added by Year - Iowa

Iowa cumulative employment growth in 2025 is slightly outperforming August 2024. From December 2024 to August 2025, employment has grown by only 1,800 jobs, versus -1,600 this time last year.



- Since January 2021, Iowa's private employment has grown 3.93%—up from last month's 3.88%. July's print marked the state's slowest growth rate since September 2022.
- Over the same period, U.S. private employment has grown 12.22%—up from 12.15% last month. Unlike Iowa, the nation has not experienced as sharp a slowdown in private job growth.

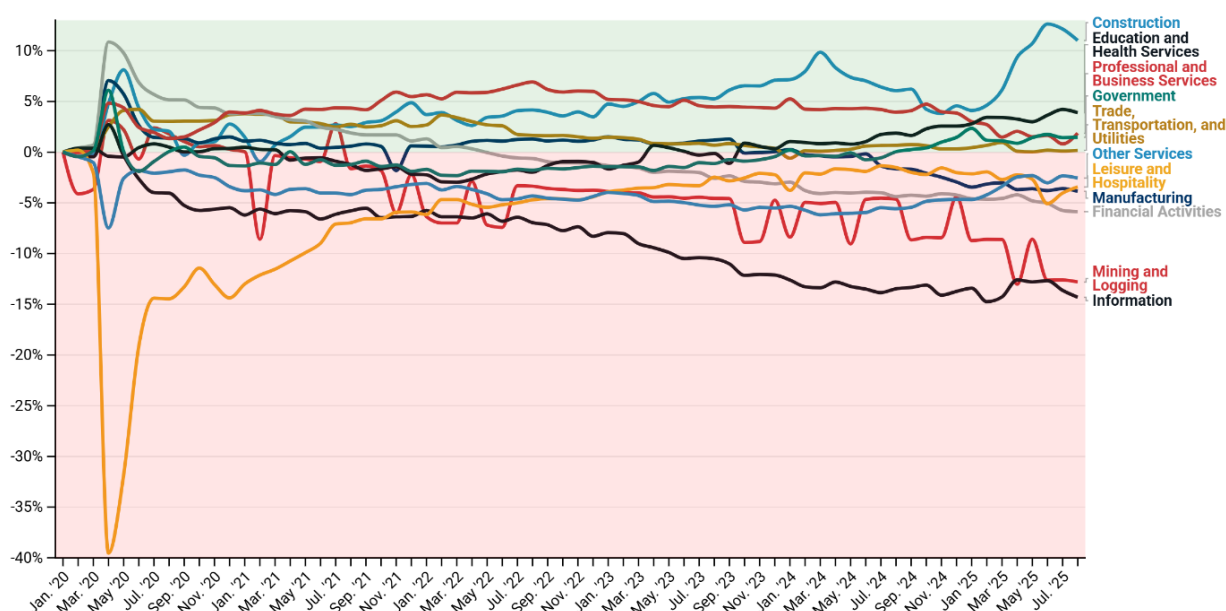
### Cumulative Private Employment Growth since January 2021, U.S. and Iowa



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

- Based on the establishment survey, the net increase of 3,600 jobs in August was driven by net job gains in 5 of 11 major sectors.
  - Professional and business services gained 1,800 jobs (1.28%).
  - Trade, transportation, and utilities gained 900 jobs (0.29%).
  - Government gained 700 jobs (0.26%).
  - Other services upward by 200 jobs (0.35%)
    - Federal government contributed a loss of 100 jobs (0.56%).
    - State government contributed a gain of 500 jobs (0.69%).
    - Local government contributed a gain of 300 jobs (0.17%).
  - Financial activities gained 100 jobs (0.10%)
- Four sectors saw a net loss in jobs from July to August.
  - Construction lost 700 jobs (-0.79%).
  - Education and health services lost 200 jobs (-0.08%).
  - Manufacturing (-0.05%) and information (-0.56%) both lost 100 jobs.

Changing Industry Shares of Total Iowa Employment since January 2020



## Iowa Labor Force Update

- In August, Iowa's LFPR grew 0.1% from 67.4% to 67.5%, 2.0% below the pre-pandemic LFPR of 69.5% in January 2020.
  - Iowa ranked 7th highest in labor force participation among 50 states, up one spot from month.
- Iowa's unemployment rate in August grew 0.1% from 3.7% to 3.8%.
  - Iowa ranked 22nd lowest in unemployment rate among all 50 states, down two spot from last month.

### 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.