



November 2025

# Iowa Jobs and Labor Force Update

## September 2025

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## Introduction

Iowa's labor market strengthened in September, adding 3,700 jobs across six of the state's 11 major sectors—an acceleration from August's modest uptick. Government accounted for the largest share of September's gains (+1,700), driven almost entirely by local government. Construction (+1,300), trade, transportation, and utilities (+800), manufacturing (+600), financial activities (+300), and professional and business services (+100) also expanded. These increases were partially offset by losses in education and health services (-800), leisure and hospitality (-200), and information (-100).

Momentum also improved relative to last month's report. From December 2024 to September 2025, Iowa has added 5,500 total nonfarm jobs—up sharply from the 1,800 reported through August. Private-sector growth follows a similar pattern, rising to 4,100 jobs year-to-date compared to 1,500 previously. Even with September's stronger gains, 2025 remains the second-weakest post-pandemic year for job growth, but the recent pickup marks a clear improvement over the first half of the year.

Other labor market indicators show a mixed but slightly improved picture. Iowa's unemployment rate dipped to 3.7% in September, climbing to 17th lowest nationally from 22nd in August. The labor force participation rate held steady at 67.5%, putting Iowa at 7th highest nationally but still below the state's pre-pandemic level of 69.5% in January 2020.

September's results provide a strong signal of labor-market improvement in 2025, with broader sector participation and meaningful upward momentum to cumulative job growth.

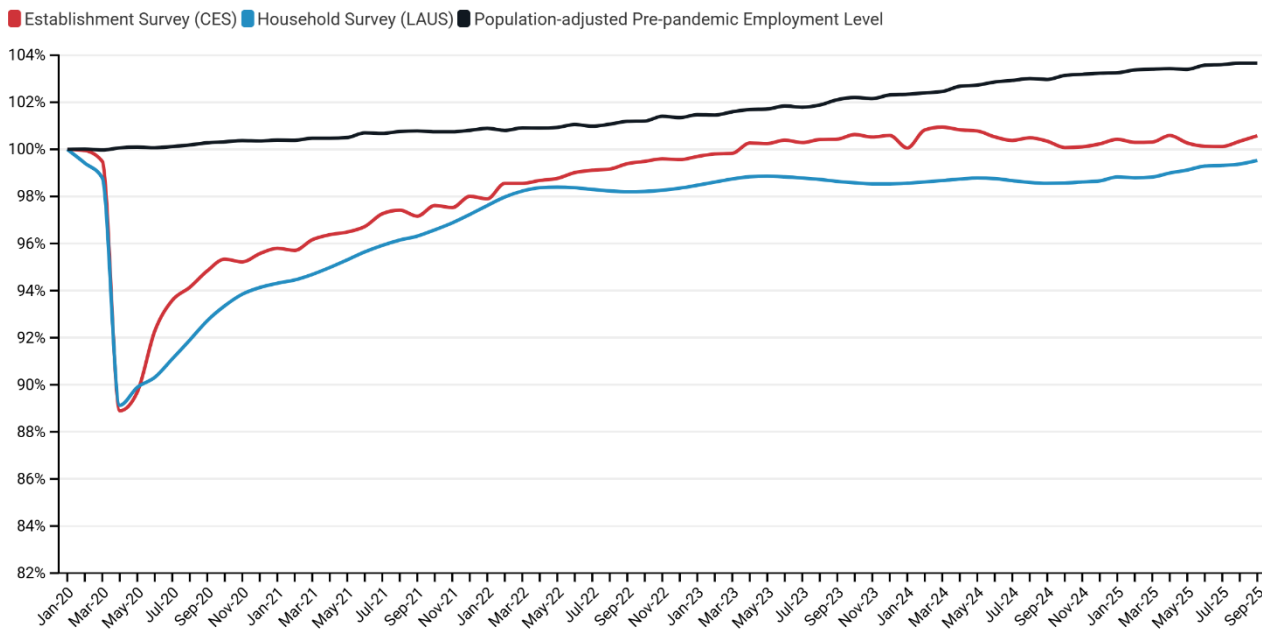
## Key Findings—Iowa September 2025 Employment Data

- **In September, Iowa gained 3,700 jobs. Six of 11 major sectors contributed to this gain.**
  - Government contributed most to this gain with 1,700 jobs. Nearly all these new jobs were at the local level.
  - Education and health services saw the largest monthly decline, losing 800 jobs.
- Revisions indicate August performed as expected, with no major changes to total nonfarm jobs.
  - Industry Revisions: Trade, transportation, and utilities was most revised upward at 700 gained jobs, while government was most revised downward at 600 lost jobs.
- Iowa has the 17th lowest unemployment rate in the nation, up five spots from August.
  - Unemployment: Iowa's unemployment rate was 3.7% in September, down 0.1% from August.
- Iowa labor force participation rate ranks 7th in the nation, unchanged from August.
  - LFPR: Iowa's LFPR was 67.5% in September.
- From December '24 to September '25, the private sector has gained 4,100 jobs.
  - Total nonfarm employment has gained 5,500 jobs over this same period.
- From January '21 to September '25, Iowa's private sector jobs increased by 4.4%.
  - The national private sector grew 12.3% 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 3,700 or 0.23%.
- Based on the **household survey**, employment grew by 2,558 jobs or 0.15%.

### Employment Levels in Iowa since January 2020



## Revisions

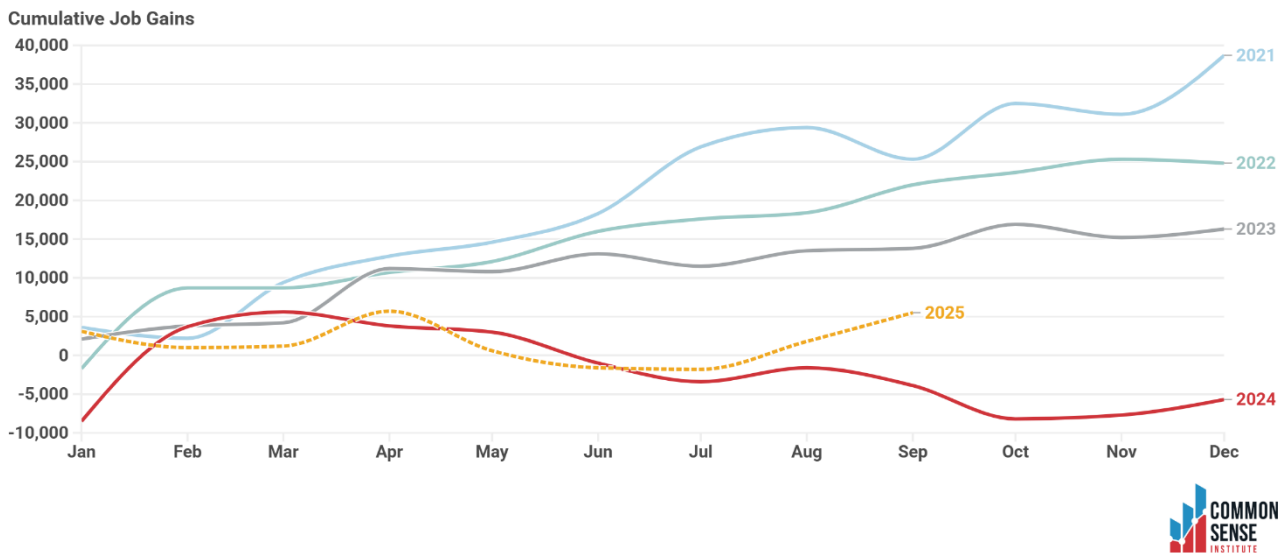
- **United States** – In November, the BLS revised August 2025 seasonally adjusted total nonfarm employment nationally downward by 15,100 (-0.01%).
- **Iowa** – In November, the BLS revised August 2025 seasonally adjusted total nonfarm employment in Iowa to show no aggregate change.
- **Iowa by Sector** – In November, the BLS revised August 2025 seasonally adjusted nonfarm employment for the following major sectors:
  - Trade, transportation, and utilities upward by 700 jobs (0.23%).
  - Construction upward by 400 jobs (0.45%).
  - Manufacturing upward by 200 jobs (0.09%).
  - Information upward by 100 jobs (0.56%).
  - Other services downward by 100 jobs (-0.17%).
  - Professional and business services (-0.14%) and leisure and hospitality (-0.14%) both downward by 200 jobs.
  - Government downward by 600 jobs (-0.22%). Of this, state government was revised downward by 1,000 jobs (-1.37%), whereas local government upward by 400 jobs (0.22%).

## Iowa's Post-Pandemic Growth

- From December 2024 to September 2025, Iowa has added 5,500 nonfarm jobs to its economy. This is a substantial improvement from last month's print—where cumulative year-to-date job growth was reported at 1,800. Despite strong growth in recent months, this year continues to rank as the second worst post-pandemic year for job growth.
- The private sector is up 4,100 jobs since December 2024.

### Cumulative Jobs Added by Year - Iowa

Iowa cumulative employment growth in 2025 has recently diverged from 2024 results. From December 2024 to September 2025, employment has grown by 5,500 jobs, versus -3,900 this time last year.



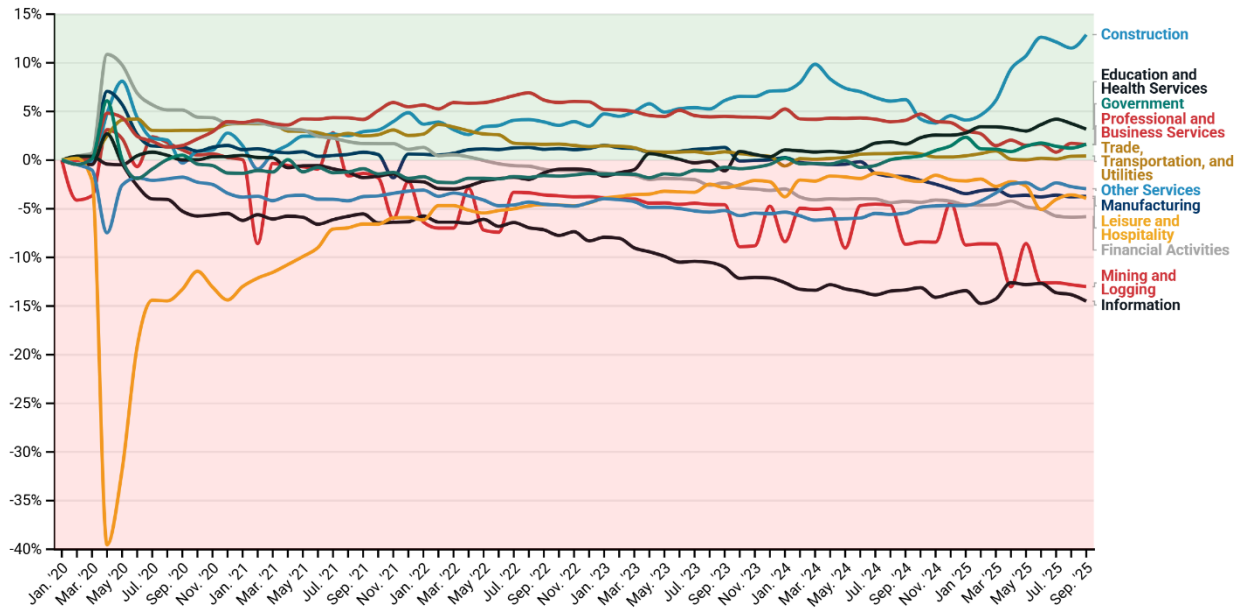
- Since January 2021, Iowa's private employment has grown 4.4%—up from last month's 4.2%.
- Over the same period, U.S. private employment has grown 12.3%—up from 12.2% last month. Unlike Iowa, the nation has not experienced as sharp a slowdown in private job growth.

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

- Based on the establishment survey, the net increase of 3,700 jobs in September was driven by net job gains in 6 of 11 major sectors.
  - Government gained 1,700 jobs (0.63%).
    - Federal government contributed a gain of 100 jobs (0.56%).
    - State government contributed a loss of 100 jobs (-0.14%).
    - Local government contributed a gain of 1,700 jobs (0.95%).
  - Construction gained 1,300 jobs (1.47%).
  - Trade, transportation, and utilities gained 800 jobs (0.26%).
  - Manufacturing gained 600 jobs (0.28%).

- Financial activities gained 300 jobs (0.29%).
- Professional and business services gained 100 jobs (0.07%).
- Three sectors saw a net loss in jobs from August to September.
  - Education and health services lost 800 jobs (-0.33%).
    - Educational services gained 700 jobs (1.63%).
    - Health care and social assistance lost 1,500 jobs (-0.74%).
  - Leisure and hospitality lost 200 jobs (-0.14%).
  - Information lost 100 jobs (-0.56%).

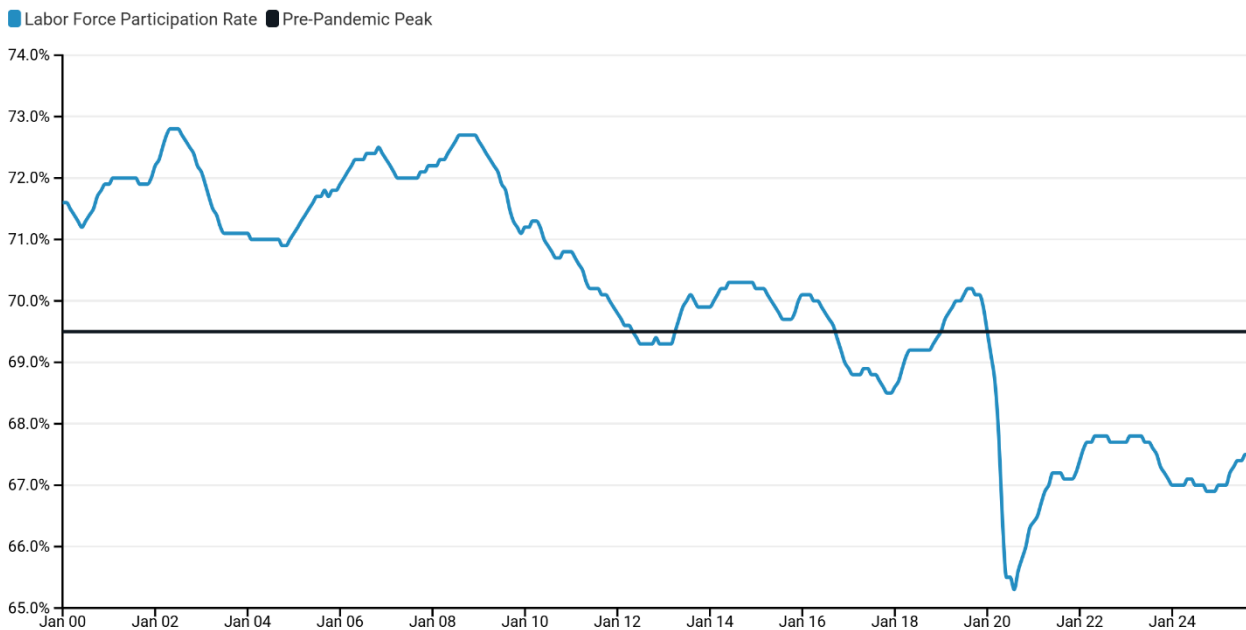
Changing Industry Shares of Total Iowa Employment since January 2020



## Iowa Labor Force Update

- In September, Iowa's LFPR was unchanged at 67.5%, 2 percentage points below the pre-pandemic LFPR of 69.5% in January 2020.
  - Iowa ranked 7th highest in labor force participation among 50 states, unchanged from the previous month.
- Iowa's unemployment rate in September fell 0.1% from 3.8% to 3.7%.
  - Iowa ranked 17th lowest in unemployment rate among all 50 states, up five spots from August's rank of 22nd lowest.

### 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.