



January 2026

# Iowa Jobs and Labor Force Update

## December 2025

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## Introduction

Iowa's labor market showed mixed conditions at year-end. After a strong November—when the state added 4,600 jobs across seven of 11 major sectors—December payroll employment declined by 3,300 jobs. This decline was driven primarily by losses in trade, transportation, and utilities (-2,700) and manufacturing (-1,300). Government employment partially offset these declines, posting the largest monthly gain (+1,100). Revisions to prior data also lowered November's reported performance by 1,000 jobs.

December's employment decline brought the late-year rebound to a halt. While November data showed a temporary pickup—with both total nonfarm and private-sector employment up roughly 7,000 jobs year-to-date at that point—December erased much of that progress, leaving just 2,700 net nonfarm jobs and 1,100 private-sector jobs added over the full year. This sharp deceleration could indicate that November's gains did not mark a sustained trend of improvement. As a result, 2025 stands as the second-weakest year for post-pandemic job growth.

Other labor market indicators remain comparatively strong. Iowa's unemployment rate held at 3.5% in December, ranking 12th lowest nationally. The state's labor force participation rate edged up to 67.7%, placing the state 6th nationwide, but still below the pre-pandemic level of 69.5% in January 2020.

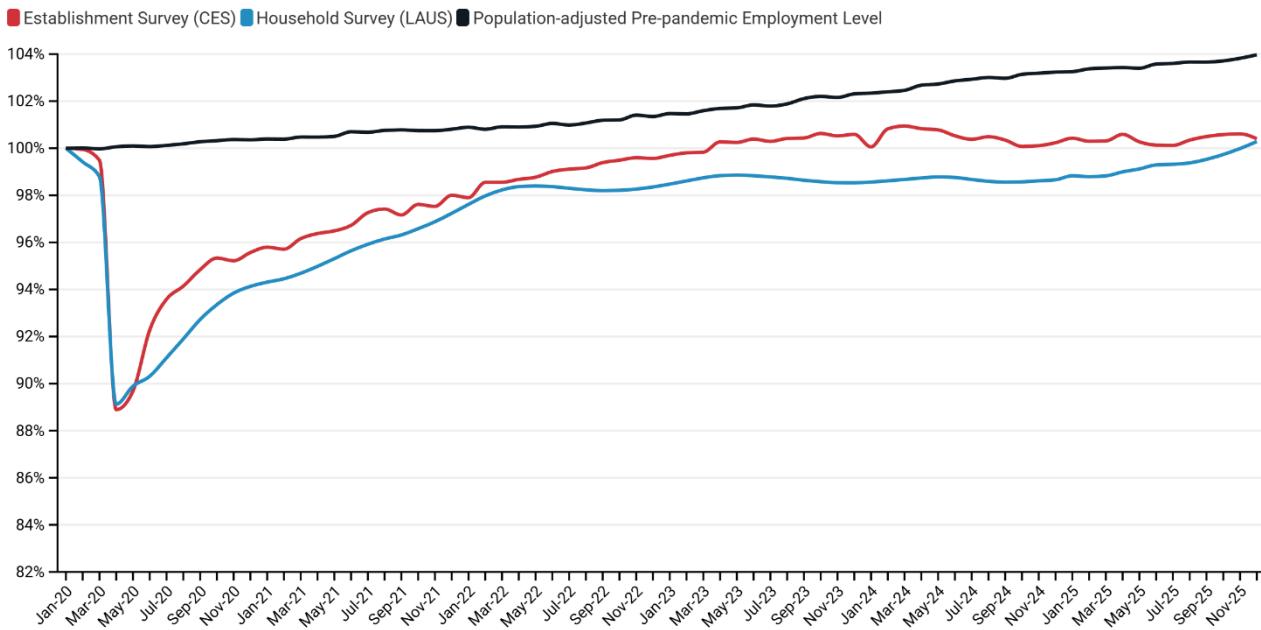
## Key Findings—Iowa December 2025 Employment Data

- **In December, Iowa lost 3,300 jobs. Six of 11 major sectors contributed to this loss.**
  - Trade, transportation, and utilities contributed most to this loss with 2,700 jobs.
  - Government saw the largest monthly increase, gaining 1,100 jobs.
- Revisions indicate November performed lower than expected by 1,000 total nonfarm jobs.
  - Industry Revisions: Trade, transportation, and utilities and manufacturing both saw the largest downward revision with 600 gained jobs lost. Government saw the largest upward revision, increasing by 500 jobs.
- Iowa has the 12th lowest unemployment rate in the nation, unchanged from November.
  - Unemployment: Iowa's unemployment rate was 3.5% in December, unchanged from November.
- Iowa labor force participation rate ranks 6th in the nation, unchanged from November.
  - LFPR: Iowa's LFPR was 67.7% in December, 0.1% higher than November.
- In 2025, the private sector gained 1,100 jobs.
  - Total nonfarm employment gained 2,700 jobs in 2025.
- From January '21 to December '25, Iowa's private sector jobs increased by 4.1%.
  - The national private sector grew 12.4% 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 fell by 3,300 or -0.21%.
- Based on the **household survey**, employment grew by 5,015 jobs or 0.30%.

### Employment Levels in Iowa since January 2020



### Revisions

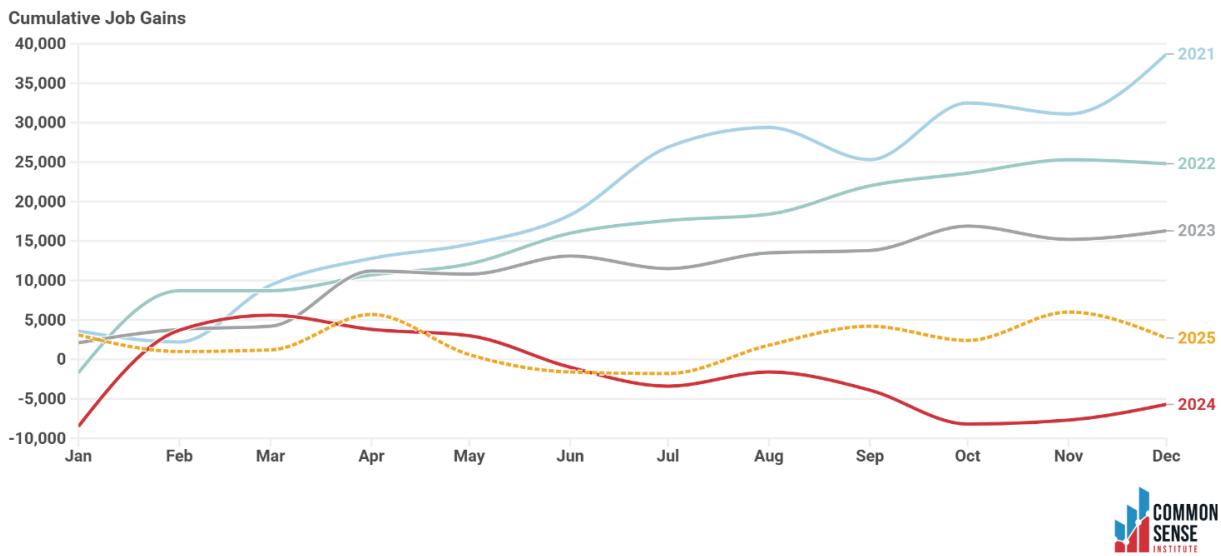
- United States** – In January, the BLS revised November 2025 seasonally adjusted total nonfarm employment nationally downward by 10,400 (-0.01%).
- Iowa** – In January, the BLS revised November 2025 seasonally adjusted total nonfarm employment downward by 1,000 (-0.06%).
- Iowa by Sector** – In January, the BLS revised November 2025 seasonally adjusted nonfarm employment for the following major sectors:
  - Manufacturing (-0.28%) and trade, transportation, and utilities (-0.19%) both downward by 600 jobs
  - Construction (-0.22%) and leisure and hospitality (-0.14%) both downward by 200 jobs
  - Information (-0.55%) and professional and business services (-0.07%) both downward by 100 jobs.
  - Financial services upward by 100 jobs (0.10%).
  - Education and health services upward by 200 jobs (0.08%).
  - Government upward by 500 jobs (0.19%).

## Iowa's Post-Pandemic Growth

- From December 2024 to December 2025, Iowa added 2,700 nonfarm jobs to its economy. 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 1,100 jobs since December 2024.**

### Cumulative Jobs Added by Year - Iowa

From December 2024 to December 2025, employment has grown by 2,700 jobs, versus -5,700 this time last year.

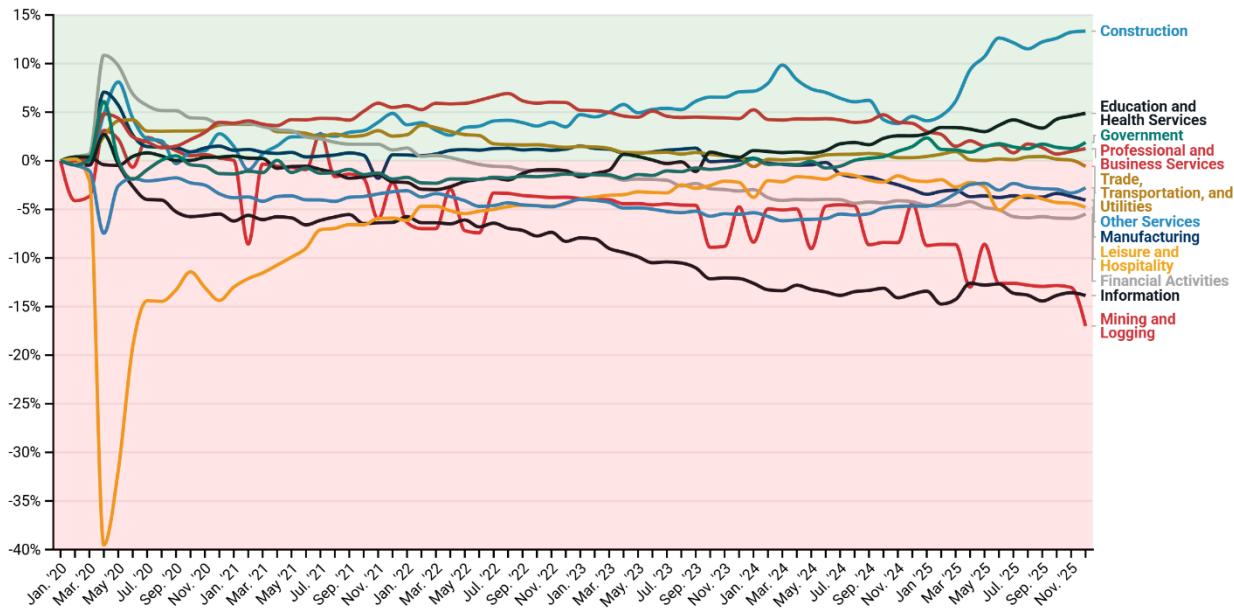


- Since January 2021, Iowa's private employment has grown 4.1%—down from last month's 4.5%.
- Over the same period, U.S. private employment has grown 12.4%—up from 12.1% last month.

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

- Based on the establishment survey, the net decrease of 3,300 jobs in December was driven by net job losses in 6 of 11 major sectors.**
  - Trade, transportation, and utilities lost 2,700 jobs (-0.87%).
  - Manufacturing lost 1,300 jobs (-0.60%).
  - Leisure and hospitality lost 900 jobs (-0.64%).
  - Mining and logging (-4.76%), construction (-0.11%), and information (-0.56%) each lost 100 jobs.
- Five sectors saw a net gain in jobs from November to December.
  - Government gained 1,100 jobs (0.41%).
  - Financial services gained 300 jobs (0.29%).
  - Education and health services (0.08%) and other services (0.35%) both gained 200 jobs.
  - Professional and business services gained 100 jobs (0.07%).

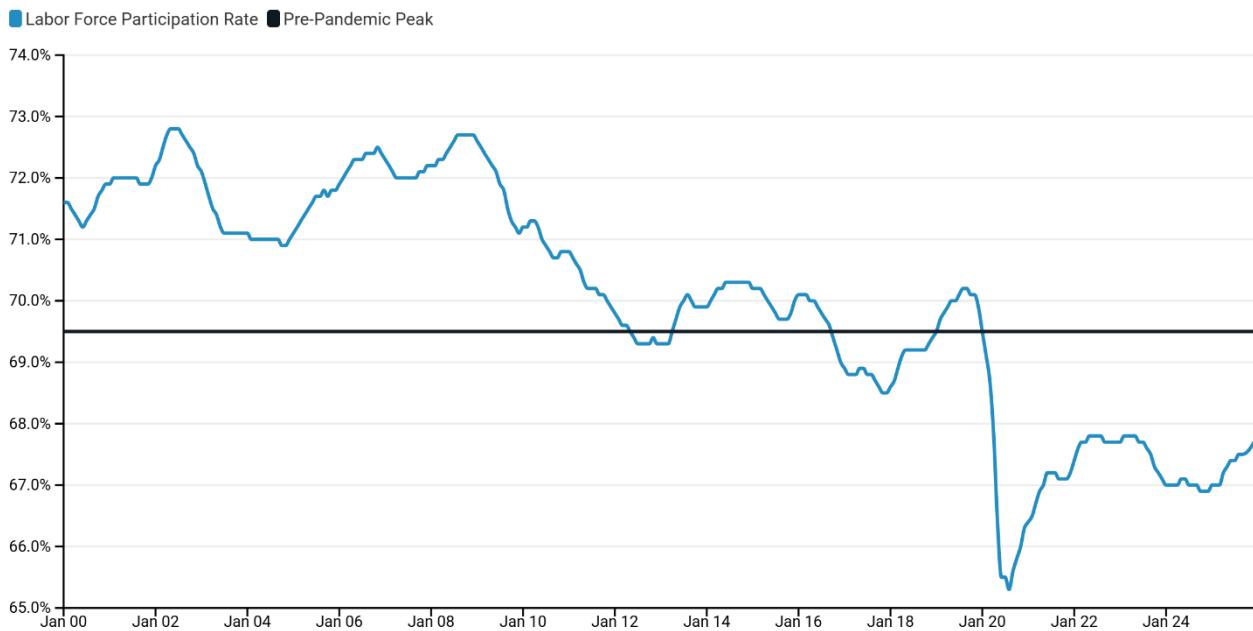
### Changing Industry Shares of Total Iowa Employment since January 2020



### Iowa Labor Force Update

- In December, Iowa's LFPR grew from 67.6% to 67.7%, 1.8 percentage points below the pre-pandemic LFPR of 69.5% in January 2020.
  - Iowa ranked 6th highest in labor force participation among 50 states, unchanged from the previous month.
- Iowa's unemployment rate in December held steady at 3.5%.
  - Iowa ranked 12th lowest in unemployment rate among all 50 states, unchanged 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.