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Iowa's Unemployment Rate Remains at 2.8 Percent in February

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate remained at 2.8 percent in February. The state's jobless rate was 2.7 percent one year ago. The U.S. unemployment rate decreased slightly to 3.5 percent in February.

"Because of the way the Bureau of Labor Statistics collects data, we do not expect the COVID-19 numbers to have an impact on our unemployment rate until April. The April unemployment rate will be released in mid-May. The Bureau of Labor Statistics may change this but it is where we are now. Therefore, the February and March rates are not indicative of where we are now as a result of the recent outbreak. We continue to encourage employers to utilize as many employees as possible and use alternative methods to allow them to work during this challenging time," said Director Beth Townsend, Iowa Workforce Development.

The number of unemployed Iowans decreased to 49,300 in February from 49,700 in January. The current estimate is 3,000 higher than the year ago level of 46,300.

The total number of working Iowans decreased to 1,703,500 in February. This figure was 1,500 less than January and 28,600 higher than one year ago.

Seasonally Adjusted Nonfarm Employment

Iowa businesses again reduced payrolls in February, losing 1,200 jobs versus last month. This February contraction is not related to the recent Corona virus, but simply a symptom of reduced activity within goods-producing sectors. Overall, construction and manufacturing combined to shed 1,200 jobs. Service industries were unchanged with private sector losses being exactly matched by slim government increases. Although there is evidence of the state's economy tightening, government has been hiring more staff recently and is now up 2,600 jobs versus last year's level; private industry trails by 4,000 jobs.

Construction shed the most jobs in February following some gains over the prior two months. Even with this monthly loss, this sector has gained 1,000 jobs over the past twelve months. Much of this gain has been evident in the Des Moines metro which is up almost 2,000 jobs annually. Trade, transportation, and utilities trended down this month fueled primarily by a loss in transportation and warehousing (-1,000). Although this sector hasn't performed well recently, this industry should see improvement as the year progresses and consumers become more dependent on delivered goods. Professional and business services continued to pare jobs in February (-400). This super sector has steadily reduced payrolls the past two years with most of the losses stemming from administrative support and waste management. Alternatively, financial sectors hired in February (+500) following a gain of 900 jobs last month. Education and health care also added jobs (+400). Gains were evenly split between both sectors.

Compared to last February, Iowa has shed 1,400 jobs. Those sectors which have trended down the most are trade, transportation, and utilities (-2,900); professional and business services (-2,900); and manufacturing (-2,200) which is showing signs of scale-down within durable goods. Non-durable goods factories have been helped by job gains in food manufacturing. Those sectors performing well over the past twelve months are leisure and hospitality (+3,000) and other services (+2,100).

Employment and Unemployment in Iowa, Seasonally Adjusted Data

	February 2020	January 2020	February 2019	Change from	
				January 2020	February 2019
Civilian labor force	1,752,800	1,754,700	1,721,200	-1,900	31,600
Unemployment	49,300	49,700	46,300	-400	3,000
Unemployment rate	2.8%	2.8%	2.7%	0.0	0.1
Employment	1,703,500	1,705,000	1,674,900	-1,500	28,600
U.S. unemployment rate	3.5%	3.6%	3.8%	-0.1	-0.3

Nonfarm Employment in Iowa, Seasonally Adjusted Data

Total Nonfarm Employment	1,583,800	1,585,000	1,585,200	-1,200	-1,400
Mining	2,400	2,400	2,500	0	-100
Construction	78,200	79,200	77,200	-1,000	1,000
Manufacturing	223,700	223,900	225,900	-200	-2,200
Trade, transportation and utilities	308,200	309,000	311,100	-800	-2,900
Information	20,700	20,800	21,800	-100	-1,100
Financial activities	110,200	109,700	109,600	500	600
Professional and business services	137,100	137,500	140,000	-400	-2,900
Education and health services	234,900	234,500	236,400	400	-1,500
Leisure and hospitality	146,600	146,500	143,600	100	3,000
Other services	59,500	59,600	57,400	-100	2,100
Government	262,300	261,900	259,700	400	2,600

Unemployment Insurance Claims for Iowa

	February 2020	January 2020	February 2019	% Change from	
				January 2020	February 2019
Initial claims	9,747	17,461	9,665	-44.2%	0.8%
Continued claims					
Number of claimants	35,887	45,288	38,000	-20.8%	-5.6%
Weeks paid	123,936	155,697	129,440	-20.4%	-4.3%
Amount paid	\$51,706,748	\$63,334,313	\$52,403,981	-18.4%	-1.3%

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MEDIA ALERT: Local data for February 2020 will be posted to the IWD website on Tuesday, March 31, 2020. Statewide data for March 2020 will be released on Friday, April 17, 2020.