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Contact: Molly Elder (515) 725-4116
molly.elder@iwd.iowa.gov

Iowa's unemployment rate declines to 6.0 percent in August

Unemployment rate trends since April

DES MOINES, IOWA – Iowa's seasonally adjusted unemployment rate declined to 6.0 percent in August. The state's jobless rate was 2.8 percent one year ago. The U.S. unemployment rate fell to 8.4 percent in August.

"Thankfully, Iowa's unemployment rate has continued to decline since our peak month in April, 2020, when we saw initial claims of 157,324. The sustained decline shows the resilience of Iowa's economy as we navigate the impact of the pandemic," said Director Beth Townsend, Iowa Workforce Development. "There are over 60,000 jobs posted at <https://www.iowaworks.gov> and employers are desperately trying to find a skilled workforce. We encourage job seekers to make an appointment at one of our IowaWORKS offices or use our new mobile application to connect with employers."

The number of unemployed Iowans declined last month. In August, there were 96,500—down from 110,300 in July. The current estimate is 91,500 lower than the Covid-19 peak in April of 188,000. The total number of working Iowans increased to 1,520,200 in August. This figure was 4,000 higher than July's 1,516,200 and 4,400 lower than April 2020. Iowa's unemployment rate rose to 11.0 percent in April and is now at 6.0 percent. The July rate was slightly higher at 6.8 percent.

The August civilian labor force stands at 1,616,800—9,700 lower than the month of July and 95,800 below April's level of 1,712,600.

Seasonally Adjusted Nonfarm Employment

In August, Iowa establishments gained 5,300 jobs. This monthly increase lifts the state to 1,493,000 jobs. Although this is the fourth-consecutive monthly improvement since April, this increase is substantially lower than the average number of jobs added over the previous three months (+30,700 jobs) and the result of slowed hiring in private service industries. This could be a symptom of colder weather setting in and businesses believing that demand will not return to pre-coronavirus levels as quickly as hoped. Combined, private sectors advanced just 3,600 jobs versus July. Government increased by 1,700 jobs with most of the increase fueled by temporary census workers.

Manufacturing gained 1,600 jobs in August with hiring in both durable and nondurable goods sectors. This is the fourth consecutive increase for Iowa's factories, although nondurable goods shops are currently faring better than their durable goods counterparts. Nondurable goods factories are up 500 jobs compared to March; durable goods shops have simply found some stability with little movement since April. Leisure and hospitality also added jobs this month (+1,500) and were again propelled by eating and drinking establishments. This monthly increase is far fewer than the prior three-month average and may be a sign that bars and restaurants don't expect to see much in the way of increased traffic within the next few months. Other services added 1,000 jobs in August and financial activities increased by 300 jobs. The increase in financial activities was the second in a row following a bleak second quarter which saw 3,600 jobs pared. Conversely, retail trade trimmed some staff from payrolls and led to a drop of 400 in trade and transportation. Health care and social assistance shed 900 jobs following gains in the prior three months. Professional and business services trended down slightly (-200) as a decline in professional and business services overmatched a sizable gain in administrative support and waste management services.

Since April, Iowa businesses have added 97,500 jobs. Among private sectors, accommodations and food services have added the most jobs (+36,200). This gain was understandable as bars and restaurants reopened and prepared for in-person dining. Retail trade has advanced by 14,900 jobs as non-essential businesses were allowed to reopen. Non-durable goods factories have fared well since April (+6,200) with hiring in food manufacturing fueling the gains. Government has risen by 12,300 jobs with state government education fueling most of the growth.

Unemployment Insurance Claims

The total number of initial claims trended down in August by 13,500 (-36.7 percent) versus July and have now fallen 133,900 (-85.1 percent) versus the peak of 157,300 four months ago. For continued claims, most statistics have been reduced to approximately half of the April levels. The number of claimants dropped by 36.2 percent from last month and are down 88,100 over the prior four months. The weeks paid dropped to 312,400 in August, less than half of the 655,300 paid in April, while the total amount paid to claimants fell to \$94.5 million, less than half of the \$214.0 million paid four months ago.

Employment and Unemployment in Iowa, Seasonally Adjusted Data					
	August 2020	July 2020	August 2019	Change from	
				July 2020	August 2019
Civilian labor force	1,616,800	1,626,500	1,746,300	-9,700	-129,500
Unemployment	96,500	110,300	48,100	13,800	48,400
Unemployment rate	6.0%	6.8%	2.8%	-0.8	3.2
Employment	1,520,200	1,516,200	1,698,300	4,000	-178,100
U.S. unemployment rate	8.4%	10.2%	3.7%	-1.8	4.7
Nonfarm Employment in Iowa, Seasonally Adjusted Data					
Total Nonfarm Employment	1,493,000	1,487,700	1,585,100	5,300	-92,100
Mining	2,100	2,100	2,400	0	-300
Construction	69,200	69,100	78,500	100	-9,300
Manufacturing	218,900	217,300	226,100	1,600	-7,200
Trade, transportation and utilities	299,300	299,700	309,700	-400	-10,400
Information	19,500	19,700	21,100	-200	-1,600
Financial activities	107,900	107,600	110,300	300	-2,400
Professional and business services	131,200	131,400	139,100	-200	-7,900
Education and health services	225,100	225,200	234,800	-100	-9,700
Leisure and hospitality	114,600	113,100	144,700	1,500	-30,100
Other services	52,700	53,700	54,700	-1,000	-2,000
Government	251,300	249,600	259,800	1,700	-8,500

Unemployment Insurance Claims for Iowa

	August 2020	July 2020	August 2019	% Change from	
				July 2020	August 2019
Initial claims	23,393	36,935	9,104	-36.7%	157.0%
Continued claims					
Number of claimants	94,745	148,469	18,863	-36.2%	402.3%
Weeks paid	312,383	556,751	57,894	-43.9%	439.6%
Amount paid	\$96,476,744	\$162,975,191	\$21,914,293	-40.8%	340.2%

Visit www.iowalmi.gov for more information about current and historical data, labor force data, nonfarm employment, hours and earnings, and jobless benefits by county.

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MEDIA ALERT: Local data for August 2020 will be posted to the IWD website on Tuesday, September 22, 2020. Statewide data for September 2020 will be released on Tuesday, October 20, 2020.