



May 2024

Iowa Jobs and Labor Force Update

April 2024

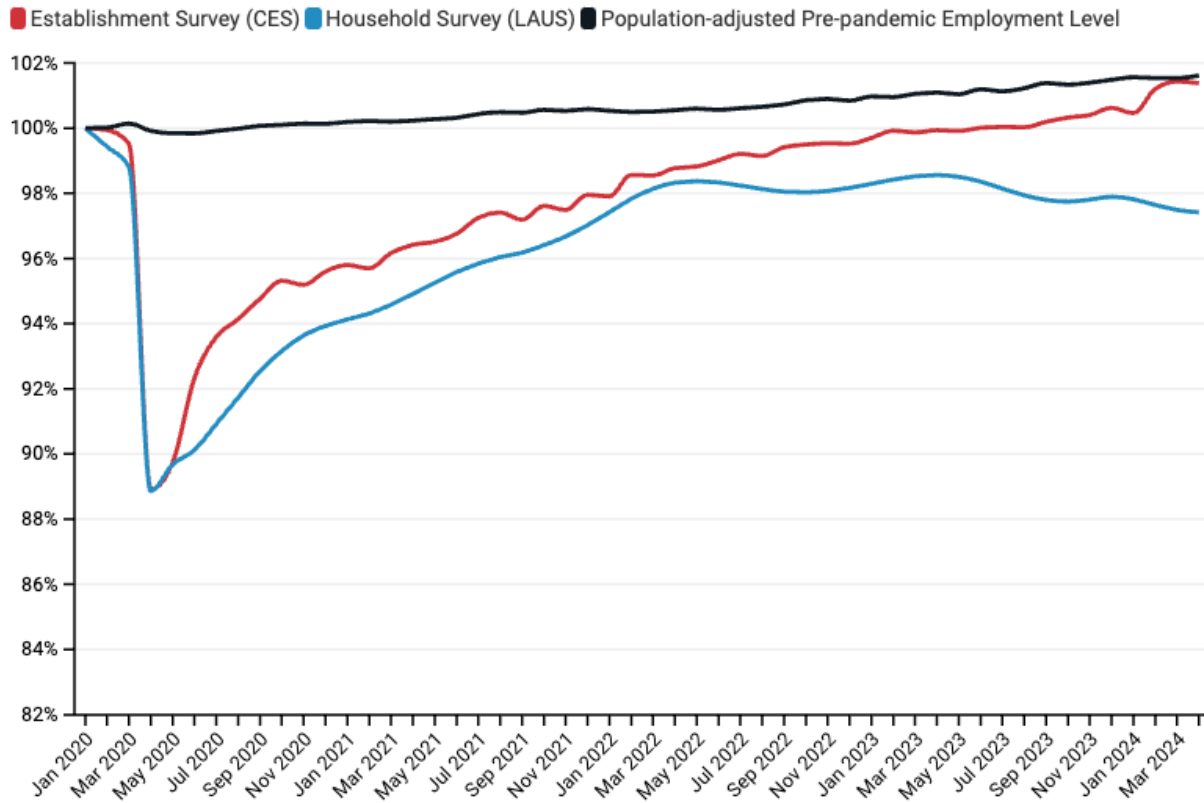
In April, employment in Iowa fell for the first time since May 2023 and by the greatest amount since March 2023. In addition, the Bureau of Labor Statistics made downward revisions to the March jobs numbers. However, as Iowa lost jobs, Iowans dropped out of the labor force at an even faster pace, removing them from the employment rolls altogether, with the labor force participation rate falling from 67% to 66.8% in April. Consequently, Iowa's unemployment rate fell from 2.9% to 2.8%, making it the 8th lowest in the nation.

There remains a strong divergence between the establishment survey and the household survey. However, rather than that divergence growing in April as it did in previous months, the establishment survey followed the trend of the household survey, showing a decline in jobs for the first time since May 2023. The household survey has shown a steady decline in jobs since April 2023. For more on possible reasons for this divergence, see the introduction to Common Sense Institute's report "[Iowa Jobs and Labor Force Update – March 2024 Update](#)."

Key Findings—Iowa April 2024 Employment Data

- Since the start of the year, from December '23 to April '24, the government sector added 1,700 jobs, and the private sector gained 10,300 jobs.
- Iowa's unemployment rate fell from 2.9% in March to 2.8% in April. That puts it 8th lowest in the nation, up from 11th lowest last month.
- Iowa's LFPR (labor force participation rate) fell from March to April by 0.2 percentage points to 66.8%. Still, its LFPR remains high relative to other states.
- In April 2024, Iowa had 21,900 more jobs on net than in January of 2020, prior to the pandemic, according to the establishment survey. Since January 2020, "professional and business services" has seen the largest increase in jobs in the state in nominal terms (10,800).
- According to the establishment survey, Iowa had 21,900 fewer jobs in April 2024 than in January 2020.
- According to the household survey, Iowa had 42,846 fewer people in the labor force and 43,661 fewer jobs in April 2024 than in January 2020.

Employment Levels in Iowa since January 2020



- 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, nominal employment has exceeded pre-pandemic levels since June 2023.
- Based on the establishment survey, employment nearly recovered to population-adjusted pre-pandemic levels in March before falling again in April both in absolute nominal terms and relative to population-adjusted pre-pandemic levels.
- Based on the household survey, employment came closest to recovering to population-adjusted pre-pandemic levels last April and has steadily fallen relative to that baseline since then.

Revisions

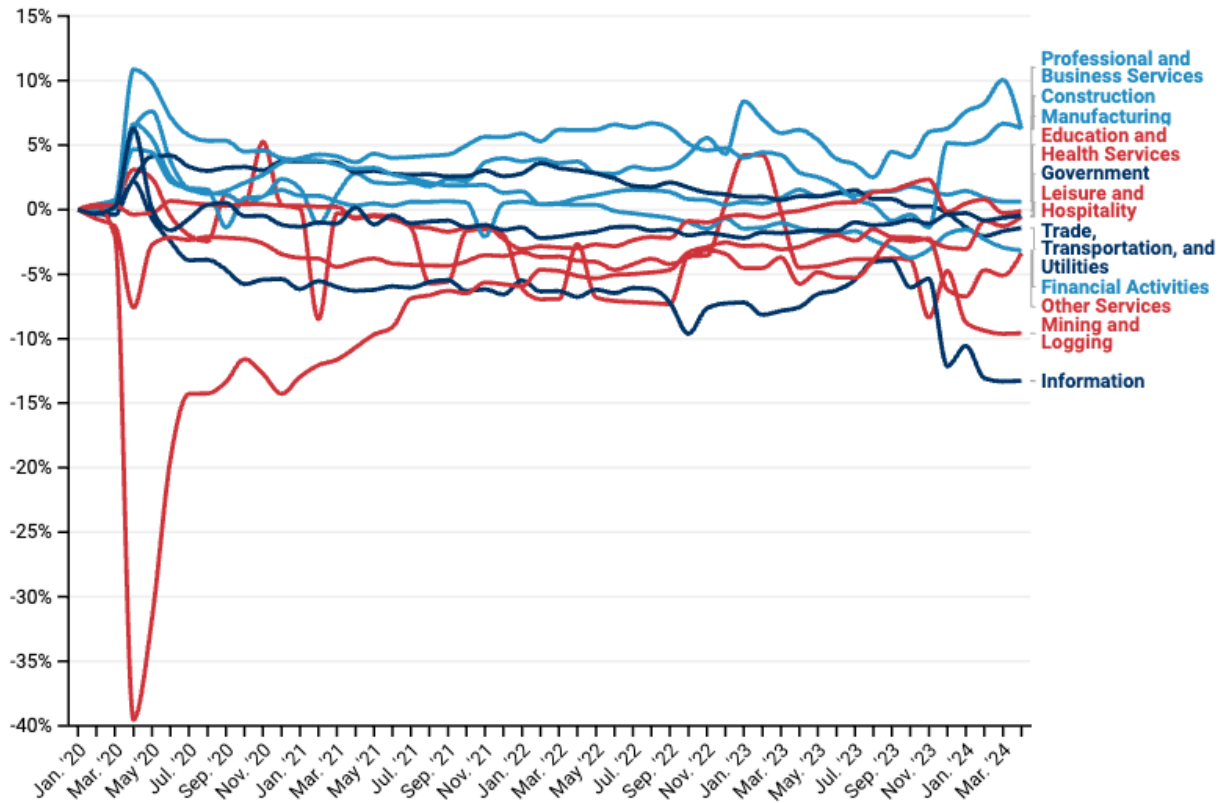
- In April, the BLS revised March 2024 seasonally-adjusted total nonfarm employment downward by 25,200 jobs nationally—a 0.02% decline.
- In April, the BLS revised March 2024 seasonally-adjusted total nonfarm employment downward by 800 jobs nationally—a 0.05% decline.

- Relative to the preliminary CES March data published last month, U.S. employment increased by 220,700 jobs. Relative to the revised numbers, employment increased by 245,900 jobs.
- Relative to the preliminary CES March data published last month, Iowa employment fell by 1,700 jobs in April. Relative to the revised numbers, employment fell by just 900 jobs.
- Based on preliminary March data in the establishment survey, the state saw an increase of 4,400 jobs from February to March. With the revised numbers, employment increased by just 3,600 jobs last month.

A Deeper Dive into Iowa Industries (BLS CES Survey)

- Based on the establishment survey, the net decline of 900 jobs in April, was driven by net job losses in just four of 11 major sectors.
 - “Construction” lost 3,100 net jobs for a 3.56% decline.
 - “Professional and business services” lost 600 jobs for a 0.4% decline.
 - “Financial activities” lost 300 jobs for a 0.28% decline.
 - “Manufacturing” lost 100 jobs for a 0.04% decline.
- The top performing industries for employment in Iowa relative to their pre-pandemic baselines have generally been business and professional services and construction—two of the four industries with job declines in April.
 - Construction saw by far the sharpest month-over-month decline in employment, shedding 3,100 jobs in April. This is seen clearly in figure 3 below. The decline in construction jobs could be an early indicator of a cooldown in the real estate market.
 - With 149,900 jobs in the state, the professional and business services industry employs far more Iowans than construction’s 85,200 jobs. Between January 2022 and March 2024, however, job growth relative to pre-pandemic levels remained stronger. That changed in April with the sharp decline in construction jobs. Business and Professional services now boasts the greatest increase in employment relative to pre-pandemic levels, lagging only slightly behind construction.
- Five major sectors saw a net increase in jobs from March to April.
 - “Leisure and hospitality” and “other services” each gained 1,000 jobs for a 0.69% and 1.77% increase, respectively.
 - “Trade, transportation, and utilities” gained 600 jobs for a 0.2% increase.
 - “Education and health services” and “government” each gained 300 jobs for a 0.13% and 0.11% increase, respectively.
- “Mining and logging” and “information” continue to lag all other sectors in their recovery to pre-pandemic employment levels. These are both relatively small industries for Iowa, providing just 2,200 jobs and 18,200 jobs, respectively.
- “Trade, transportation, and utilities,” Iowa’s largest major sector, still has not received to pre-pandemic levels of employment.

Changing Industry Shares of Total Iowa Employment since January 2020

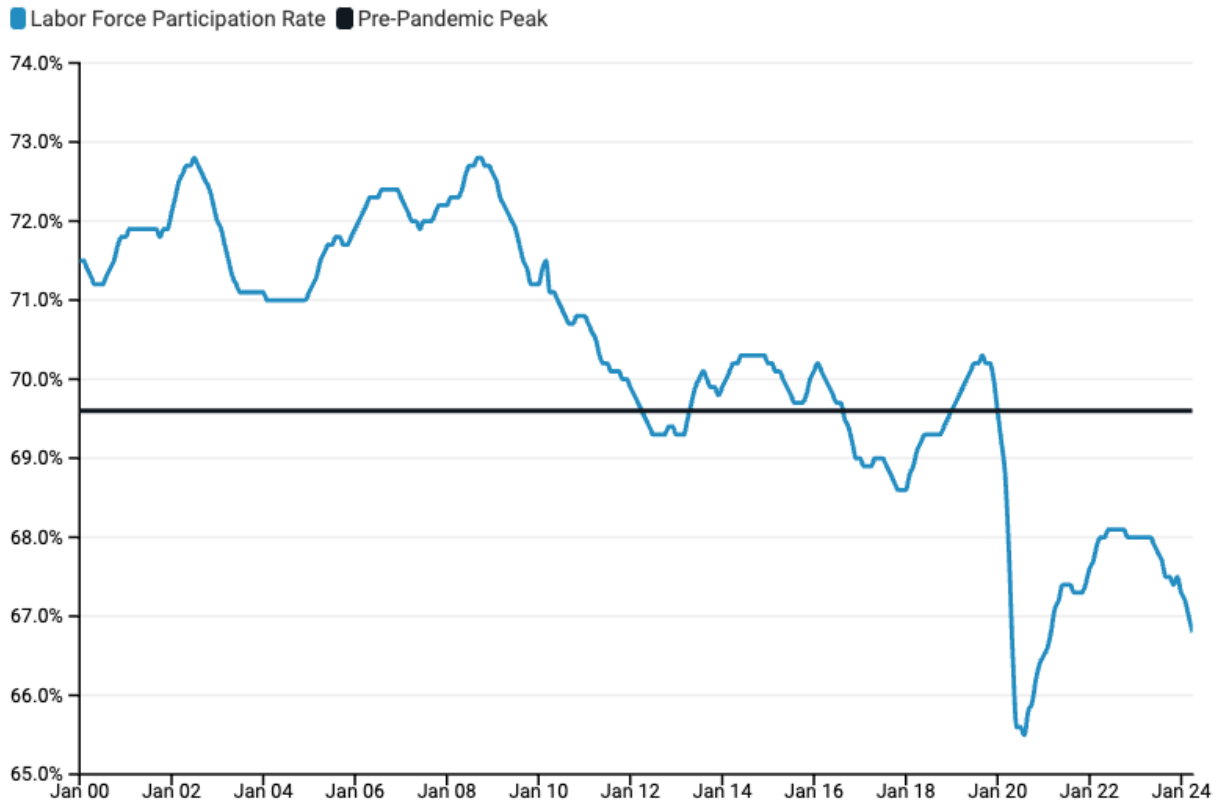


Iowa Labor Force Update

Iowa's LFPR declined by 0.2 percentage points from March to April.

- The LFPR fell to 66.8%, which is 4% below January 2020's LFPR of 69.6%.
- Nonetheless, the unemployment rate dropped to 2.8%, down from 2.9% in March and a recent peak of 3.1% that held from August through November 2023.
- The unemployment rate falling with the labor force participation rate suggests some unemployed individuals have quit looking for work and dropped out of the workforce, causing the percentage of the workforce that remains unemployed to fall.

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.