

January 2025 Benchmark Analysis

(Embargoed until 10 am Thursday March 13th, 2025)

Annual Revision

As is the annual practice, the release of January's employment and unemployment report is accompanied by revisions to previous releases of these data. Generally, unemployment (household survey) data are revised for the previous five years while employment (payroll survey) data are revised back 21 months (April 2023). These revisions are calculated using more newly available inputs: new population controls, new seasonal adjustment factors, and more comprehensive employment counts. In short, the revision process is a BLS-state collaborative process that replaces monthly employer data collected by the BLS and the U.S. Census Bureau with Unemployment Insurance census data submitted by each state, the latter more comprehensive and therefore more reliable.

Unemployment

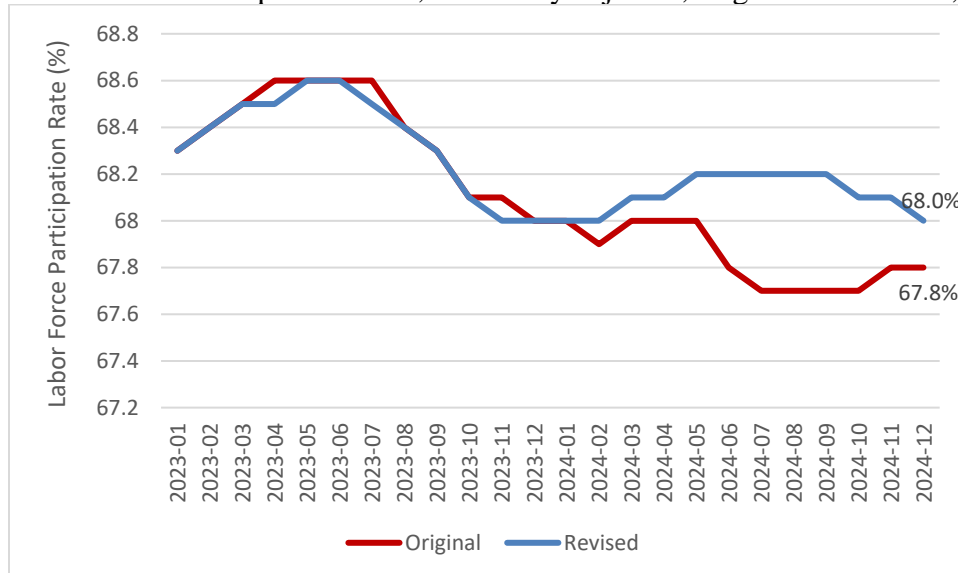
- Revisions show a lower unemployment rate in the last five months of 2024 and a higher labor force participation rate throughout 2024 than originally published.
- Revisions show that the state's unemployment rate started 2024 at 2.8% in January and ended the year at 3.0% in December. It reached a high of 3.2% in June through August and then fell slightly.
 - In comparison the original series started the year at 2.7% and ended at 3.3% in December, peaking at 3.5% in November.

Unemployment Rate, seasonally adjusted, original and revised, 2023 to 2024



- The number of people in the labor force was revised upward throughout 2023 through 2024. The result for December 2024 was a total of 3,138,560, or 33,245 more people in the labor force than originally estimated.
- The number of people employed was revised upward from throughout 2023 and 2024. The result for December 2024 was a total of 3,045,062 or 42,568 more people employed after revisions than originally estimated.
- The number of unemployed was revised downward for the last five months of 2024. The result for December 2024 was a total of 93,498 or 9,323 fewer unemployed than originally estimated.
- Revisions increased the labor force participation rate during the last 11 months of 2024 resulting in a revised rate of 68.0% in December, two-tenths of a percentage point higher than the originally published 67.8%.

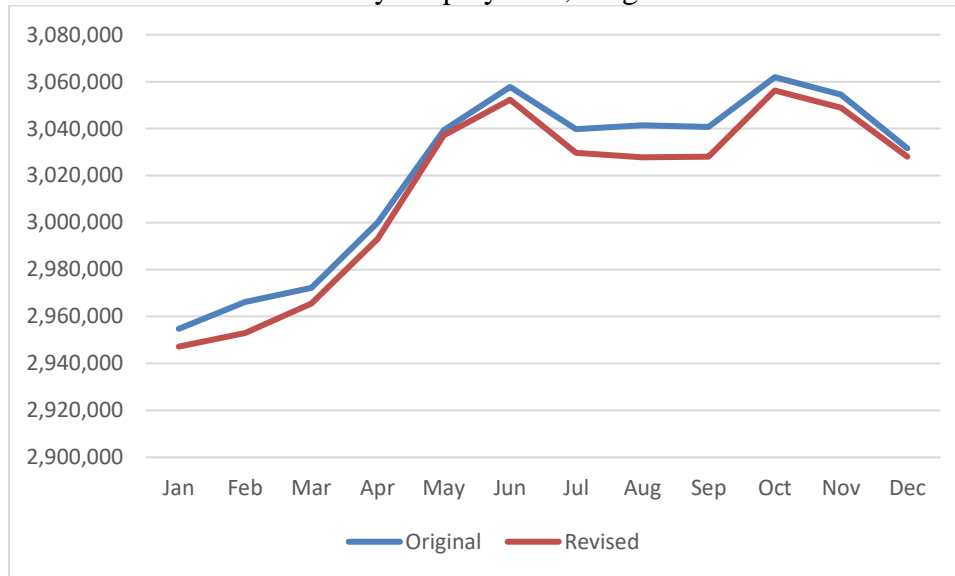
Labor Force Participation Rates, seasonally adjusted, original and revised, 2023 to 2024



- The employment to population ratio was revised upward for the last seven months of the year because of the upward revision in the number employed. This resulted in a revised December employment to population ratio of 66.0%, four-tenths of a point higher than originally published.

Employment

Total 2024 Nonfarm Monthly Employment, Original and Revised



- Overall, the revisions put December 2024 total nonfarm employment 3,640 jobs, or -0.1%, below the original series for Minnesota.
- In comparison the benchmark decreased U.S. total nonfarm employment by 535,000 jobs or -0.3% in December 2024.
- The job census data (QCEW) in Minnesota shows a slightly weaker second half of 2024 than originally estimated based on the Current Employment Statistics. Months past September are estimated based on third quarter because, when benchmarking is being done, September is the last month of actual data we have from the QCEW. This means that fourth quarter will be benchmarked for the first time in early 2025. It is currently a re-estimate based on third quarter 2024 data.
 - Total Nonfarm 2024 annual average rate of job growth was revised from 1.2% to 1.0%.
 - Total Private Sector 2024 annual average rate of growth remained at 0.6%.
 - Total Nonfarm 2023 annual average rate of growth remained at 1.8%.
- Based on revisions, 2024 now shows an average annual gain of 29,313 total nonfarm jobs rather than the 36,872 originally estimated.
 - The private sector remained nearly the same, gaining 16,147 jobs in 2024 rather than the 16,017 originally estimated.
 - 2023 shows a gain of 52,739 jobs rather than the 52,941 previously published.

- Looking at industry sectors in 2024, eight sectors saw improvement after benchmark revisions: Construction, Manufacturing, Trade, Transportation & Utilities, Information, Financial Activities, Professional & Business Services, Leisure & Hospitality and Other Services.
- Three sectors saw less growth in terms of annual average employment change after benchmarking. These were Mining & Logging, Education & Health Services and Government.
- The largest changes in the numbers of jobs by supersector were in:
 - Lower after revision:
 - Education & Health Services gained 21,725 jobs over the year on an annual average basis after revisions, 11,063 less than originally estimated.
 - Government gained 7,689 fewer jobs after revisions than originally published.
 - Higher after revision:
 - Professional & Business Services gained 3,043 more jobs over the year after revisions than originally published.
 - Construction gained 2,426 more jobs over the year after revisions than originally published.
 - Financial Activities gained 2,353 more jobs over the year after revisions than originally published.

Annual Average Employment Growth By Industry Sector					
2023 to 2024, Not Seasonally Adjusted, Over the Year (OTY)					
	Annual Avg Job Change Original	Annual Avg Growth Rate Original	Annual Avg Job Change Revised	Annual Avg Growth Rate Revised	Revision to Annual Avg OTY Job Change
Total Non-Farm	36,872	1.2	29,313	1.0	-7,559
Private	16,017	0.6	16,147	0.6	130
Mining & Logging	127	2.0	37	0.6	-90
Construction	-897	-0.7	1,529	1.1	2,426
Manufacturing	-4,842	-1.5	-4,329	-1.3	513
Trade, Transport. & Utilities	2,148	0.4	3,086	0.6	938
Information	-2,221	-5.0	-1,199	-2.7	1,022
Financial Activities	-4,009	-2.1	-1,656	-0.9	2,353
Prof. & Business Services	-14,538	-3.8	-11,495	-3.0	3,043
Education & Health Services	32,788	5.8	21,725	3.8	-11,063
Leisure & Hospitality	5,006	1.9	5,256	2.0	250
Other Services	2,454	2.2	3,194	2.8	740
Government	20,855	5.0	13,166	3.2	-7,689

- Three MSAs saw upward revisions: Minneapolis-St. Paul, Duluth-Superior and St. Cloud. Two MSAs, Rochester and Mankato, saw downward revisions.
- Proportionally, benchmark revisions were largest for Rochester MSA where annual average job change was revised downward from 4.7% to 2.1% with 3,271 fewer jobs after benchmarking. Despite the revisions, Rochester ended up with the highest annual average growth rate among Minnesota's MSAs in 2024 at 2.1%.

Annual Average Employment Growth By MSA					
2023 to 2024, Not Seasonally Adjusted, Over the Year (OTY)					
Metropolitan Statistical Area	Annual Avg Job Change (Original)	Annual Avg Growth Rate (Original)	Annual Avg Job Change (Revised)	Annual Avg Growth Rate (Revised)	Revision to Annual Avg OTY Job Change
Minneapolis-St. Paul MN-WI MSA	4,553	0.2	15,215	0.8	10,662
Duluth-Superior MN-WI MSA	-664	-0.5	913	0.7	1,577
Rochester MSA	5,869	4.7	2,598	2.1	-3,271
St. Cloud MSA	1,192	1.1	1,431	1.3	239
Mankato MSA	1,168	2.0	351	0.6	-817