

# August 2025 Employment Analysis

(Embargoed until 9:30 am Thursday, September 18, 2025)

## Over-the-Month Job Change Overview

- Minnesota's unemployment rate increased one-tenth of a percentage point to 3.6% in August 2025. Nationally the unemployment rate ticked up one-tenth of a percentage point to 4.3% over the month.
- Minnesota's labor force increased by 1,094 people over the month to 3,156,875 people. The number of employed decreased by 3,442 workers, and the number of unemployed increased by 4,536 people. The labor force participation rate stayed at 68.1% over the month.
- Minnesota gained 5,900 jobs in the last month on a seasonally adjusted basis, a 0.2% increase. The private sector gained 8,300 jobs, or 0.3%. The U.S. total nonfarm employment increased by 22,000 jobs, or 0.0%. The U.S. private sector gained 38,000 jobs, also 0.0% growth.
- Six supersectors in Minnesota gained jobs on a seasonally adjusted basis since the prior month:
  - Education and Health Services gained 4,300 jobs, up 0.7%
  - Construction gained 1,900 jobs, up 1.3%
  - Professional & Business Services gained 1,700 jobs, up 0.5%
  - Financial Activities gained 1,100 jobs, up 0.6%
  - Leisure and Hospitality gained 1,000 jobs, up 0.4%
  - Other Services gained 100 jobs, up 0.1%
- Mining and Logging supersector did not change over the month.
- Four supersectors lost jobs over the month:
  - Government lost 2,400 jobs, down 0.5%
  - Manufacturing lost 900 jobs, down 0.3%
  - Trade, Transportation and Utilities lost 700 jobs, down 0.1%
  - Information lost 200 jobs, down 0.5%
- Calculating seasonally adjusted 2-month job change:
  - Minnesota lost 1,700 jobs in April-June, down 0.06%; the U.S. grew 0.00%.
  - Minnesota lost 8,500 jobs in May-July, down 0.28%; the U.S. grew 0.04%.
  - Minnesota gained 5,400 jobs in June-August, up 0.18%; the U.S. grew 0.06%.

## Over-the-Year Job Change Overview

- Minnesota gained 39,255 payroll jobs, up 1.3%, over the year. The private sector gained 37,692 jobs, up 1.4% over the year. Seven supersectors gained jobs, four lost jobs.

- U.S. employment grew 0.8% over the year with the private sector up 0.9%. Seven supersectors gained jobs, four lost jobs.
- Seven supersectors posted positive annual growth in Minnesota:
  - Education and Health Services led with 30,140 jobs gained, up 5.2% for Minnesota, while this supersector grew 3.2% across the U.S. In Minnesota, growth was propelled mostly by the Health Care & Social Assistance subsector (5.8%). The Educational Services subsector grew slightly (0.1%).
  - Construction gained 7,214 jobs, up 4.7%. All subsectors grew, led by Heavy and Civil Engineering Construction (12.5%), followed by Construction of Buildings (5.9%), and Specialty Trade Contractors (2.4%). The U.S. Construction supersector grew 0.6%.
  - Trade, Transportation, and Utilities gained 2,435 jobs, or 0.5%. The Transportation, Warehousing, and Utilities subsector led with 4.9% growth, the Retail Trade subsector saw more moderate growth (0.6%), and the Wholesale Trade subsector declined 3.5%. Nationally, this supersector also grew 0.5%.
  - Manufacturing gained 1,790 jobs in Minnesota, up 0.6%. Both Non-Durable Goods Manufacturing subsector and Durable Goods Manufacturing subsector grew, at 0.5% and 0.6% respectively. The U.S. Manufacturing supersector declined 0.7%.
  - Government gained 1,563 jobs, up 0.4%. Growth was strongest in the State Government subsector (2.3%). The Local Government subsector grew slightly at 0.2%, and the Federal Government was down 3.2%. Government supersector grew 0.5% across the U.S.
  - Leisure and Hospitality gained 1,216 jobs, up 0.4%. The Arts, Entertainment, and Recreation subsector grew 7.8% while the bigger subsector Accommodation and Food Services declined 1.3%. This supersector grew 1.3% across the U.S.
  - Professional & Business Services gained 651 jobs, up 0.2% in Minnesota. The subsector Professional, Scientific, and Technical Services grew 0.9% over the year, as did the subsector Management of Companies and Enterprises (0.8%), while the subsector Administrative and Support and Waste Management and Remediation Services declined 1.3%. In the U.S., this supersector declined 0.3%.
- Four supersectors lost jobs over the year in Minnesota:
  - Financial Activities lost 2,411 jobs over the year, down 1.3%. The Finance and Insurance subsector declined 1.4%. Real Estate and Rental Leasing subsector declined 0.7%. Nationally, this supersector grew 0.8%.
  - Other Services lost 1,770 jobs, down 1.5% in Minnesota. The Repair and Maintenance subsector grew 1.2% while Personal and Laundry Services subsector declined 2.1% and Religious, Grantmaking, Civic, Professional, and Similar Organizations subsector declined 2.2%. Nationally, this supersector grew 1.2%.
  - Information lost 1,461 jobs, down 3.3%. The Telecommunications subsector declined 3.3% and the Publishing subsector declined 0.2%. The U.S. Information supersector declined 0.2% over the year.
  - Mining and Logging lost 112 jobs, down 1.7% in Minnesota. This supersector declined 2.2% on the national level over-the-year.

<b>August Over the Year (OTY) Employment Growth by Industry Sector Not Seasonally Adjusted</b>			
Industry Supersector	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	39,255	1.3	0.8
Private	37,692	1.4	0.9
Mining & Logging	-112	-1.7	-2.2
Construction	7,214	4.7	0.6
Manufacturing	1,790	0.6	-0.7
Trade, Transport. & Utilities	2,435	0.5	0.5
Information	-1,461	-3.3	-0.2
Financial Activities	-2,411	-1.3	0.8
Prof. & Business Services	651	0.2	-0.3
Ed. & Health Services	30,140	5.2	3.2
Leisure & Hospitality	1,216	0.4	1.3
Other Services	-1,770	-1.5	1.2
Government	1,563	0.4	0.5

## Wage and Hour Data

- Over the month, average hourly wages for all private sector workers decreased 30 cents to \$39.53 in August 2025. Over the year average hourly earnings increased \$1.74, up 4.6%.
  - For the U.S., private sector wages increased 6 cents over the month and grew 3.7% over the year.
  - The CPI inflation index for all urban consumers rose 2.9% over the year in August.
- At 33.0 hours per week, Minnesota's August average work week increased one-tenth of an hour over-the-month. Over-the-year it shortened by two-tenths of an hour.
  - Nationally, the average work week increased one-tenth of an hour to 34.3 hours over-the-month. Over-the-year, it saw no change.

## Unemployment Data

- Over the month, the unemployment rate increased one-tenth of a percentage point to 3.6% on a seasonally adjusted basis. The number of employed decreased by 3,442 workers, and the number of unemployed increased 4,536. The employment to population ratio ticked down two-tenth of a percentage point to 65.6% since the prior month.
- The labor force increased 1,094 people over the month, totaling 3,156,875 people in August. The labor force participation rate remained at 68.1%. Minnesota's labor force is now 33,006 people more than in February 2020 when the participation rate was at 70%.

- Nationally, the unemployment rate ticked up one-tenth of a percentage point to 4.3% over the month. The employment to population ratio stayed at 59.6%. The labor force participation rate increased one-tenth of a percentage point to 62.3%.

## Industry Details

**Mining and Logging:** Employment in Mining and Logging was flat in August, holding at a seasonally adjusted 6,400 jobs. It was the fourth consecutive month of employment staying at that level in the supersector. On an annual basis, employers in Mining and Logging lost 112 jobs, or 1.7%. This was better than the national annual loss of 2.2%, but was the lowest statewide annual growth in the supersector since September of 2024.

**Construction:** Construction employment was up by 1,900 (1.3%) over the month (OTM) in August. It was the third consecutive month of seasonally adjusted growth for the supersector, during which time it added 5,100 combined jobs. Over the year, Construction employers added 7,214 jobs, or 4.7%. All published component sectors added jobs on the year. Heavy and Civil Engineering led the growth, up 12.5% (2,948 jobs) while Construction of Buildings was up by 5.9% (1,970 jobs) and Specialty Trade Contractor employment was up 2.4% (2,296 jobs).

**Manufacturing:** Employment in Manufacturing was down by 900 jobs (0.3%) OTM in August. It was the third consecutive month of seasonally adjusted job losses for the supersector. Durable Goods Manufacturing lost 400 jobs (0.2%) and Non-Durable Goods Manufacturing lost 500 jobs (0.4%). On an annual basis, employment in Manufacturing was up by 1,790 (0.6%) in August. Durable Goods Manufacturing was up 1,187 jobs (0.6%) despite a loss of 620 jobs (1.4%) in Computer and Electronic Product Manufacturing. Non-Durable Goods Manufacturing was up 603 jobs (0.5%) due in large part to the addition of 1,089 jobs (2.2%) in Food Manufacturing.

**Trade, Transportation, and Utilities:** Trade, Transportation and Utilities employers lost 700 jobs (0.1%) OTM in August, after losing 100 jobs in July. The August losses were due to the drop of 1,600 (1.2%) in Wholesale Trade, as Retail Trade added 600 jobs (0.2%) and Transportation, Warehousing and Utilities added 300 jobs (0.2%). Over the year, employment in Trade, Transportation and Utilities was up by 2,435 jobs (0.5%), holding pace with national job growth in the supersector. Transportation, Warehousing and Utilities was up 5,555 jobs (4.9%) and Retail Trade was up 1,619 jobs (0.6%) while employment in Wholesale Trade was off by 4,739 jobs, or 3.5%.

**Information:** Employment in Information was down by 200 (0.5%) OTM in August on a seasonally adjusted basis, after losing 100 jobs in July. In total the supersector has lost 900 jobs since the end of 2024. Over the year, Information employers shed 1,461 jobs (3.3%) on a not-seasonally adjusted basis. Telecommunications employment was down 279 (3.3%) and Publishing was down 35 (0.2%).

**Financial Activities:** Financial Activities employment was up by 1,100 (0.6%) OTM on seasonally adjusted basis. Finance and Insurance added 800 jobs (0.5%) and Real Estate and Rental and Leasing added 300 jobs (0.8%). Over the year, Financial Activities employers lost 2,411 jobs, or 1.3%, while the supersector grew 0.8% nationally. Finance and Insurance was down by 2,153 (1.4%) while their counterparts in Real Estate and Rental and Leasing lost 258 jobs (0.7%).

**Professional and Business Services:** Employment in Professional and Business Services was up by 1,700 (0.5%) OTM in August. The growth came primarily from Administrative and Support Services, which was up 1,900 jobs, or 1.6%. Management of Companies and Enterprises added 400 jobs (0.5%) and Professional, Scientific and Technical Services lost 600 jobs (0.4%). On an annual basis, the supersector added 651 jobs, or 0.2%, while national employment was off by 0.3%. Professional, Scientific and Technical Services added 1,581 jobs (0.9%), Management of Companies added 653 jobs (0.8%) and Administrative and Support and Waste Management and Remediation Services lost 1,583 jobs, or 1.3%, due primarily to the decline of component Employment Services (down 2,872 jobs, or 6.2%).

**Education and Health Services:** Employment in Education and Health Services was up by 4,300 jobs, or 0.7%, OTM in August, after growing by the same amount in July. The growth came primarily from Health Care and Social Assistance, which was up by 4,200 jobs, or 0.8%. Educational Services added 100 jobs, or 0.1%. Annually, the supersector added 30,140 jobs, or 5.2%. It was the highest proportional growth of any supersector in the state, and better than the national rate of 3.2%. Health Care and Social Assistance drove the growth, adding 30,047 jobs (5.8%) while Private Educational Services added 93 jobs (0.1%).

**Leisure and Hospitality:** Seasonally adjusted Leisure and Hospitality was up 1,000 jobs (0.4%) OTM in August. The growth came entirely from the smaller Arts, Entertainment and Recreation sector, which added 1,500 jobs, or 2.9%. The Accommodation and Food Services sector lost 500 jobs, or 0.2%. Over the year, Leisure and Hospitality employers added 1,216 jobs, or 0.4%. Arts, Entertainment and Recreation added 4,370 jobs (7.8%) while Accommodation and Food Services lost 3,154 jobs, or 1.3%. The Accommodation component added 240 jobs (0.8%) but those gains were more than countered by the loss of 3,394 jobs (1.6%) in Food Services and Drinking Places.

**Other Services:** Employment in Other Services was up by 100 (0.1%) OTM in August, after losing 1,000 jobs in July. On an annual basis, employers in Other Services lost 1,770 jobs, or 1.2%. Religious, Grantmaking, Civic and Professional Organizations lost 1,478 jobs (2.2%) and Personal and Laundry Services lost 586 jobs (2.1%). Employment in Repair and Maintenance was up by 294 jobs, or 1.2%.

**Government:** Government employers lost 2,400 jobs (0.5%) OTM in August. This was the largest proportional decline of any supersector in the state. No level of Government added jobs. Local Government was down 2,200 (0.7%), Federal was down 200 (0.6%) and State employment growth was flat. Over the year, Government employers added 1,563 jobs, or 0.4%. State Government was up 2,213 jobs (2.3%) and Local Government was up 426 jobs (0.2%) with the Local Government Education component losing 4,948 jobs (4.2%) and the Non-Education component added 5,374 jobs (3.4%). Federal Government employers lost 1,076 jobs, or 3.2%.

## Over-the-Year Job Change by MSAs

August data released by DEED, not seasonally adjusted

<b>Metropolitan Statistical Area</b>	<b>OTY Employment Change (#, NSA)</b>	<b>OTY Employment Change (% , NSA)</b>
Minneapolis-St. Paul MN-WI MSA	15,633	0.8
Duluth-Superior MN-WI MSA	516	0.4
Rochester MSA	7,568	5.9
St. Cloud MSA	-645	-0.6
Mankato MSA	2,354	4.2
Fargo-Moorhead ND-MN MSA (July)	200	0.1
Grand Forks-East Grand Forks ND- MN MSA (July)	1,300	2.4
La Crosse-Onalaska WI-MN (July)	1,600	1.9

**Labor Market Information Office**

**MN Department of Employment and Economic Development**

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