

January 2026 Employment Analysis

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Over-the-Month Job Change Overview

- Minnesota's unemployment rate increased two-tenths of a percentage point to 4.4% in January 2026. Nationally the unemployment rate ticked down one-tenth of a percentage point to 4.3% over the month.
- Minnesota's labor force decreased by 4,562 people over the month to 3,177,704 people. The number of employed decreased by 9,381 workers, and the number of unemployed increased by 4,819 people. The labor force participation rate ticked down one-tenth of a percentage point to 68.2% over the month.
- Minnesota's job growth was flat over-the-month, gaining 100 jobs on a seasonally adjusted basis, translating to 0.0%. The private sector lost 900 jobs (0.0%) while the Government sector gained 1,000 jobs. The U.S. total nonfarm employment increased by 130,000 jobs, or 0.1%. The U.S. private sector gained 172,000 jobs, also 0.1%.
- Four supersectors in Minnesota gained jobs on a seasonally adjusted basis since the prior month:
 - Educational and Health Services gained 5,000 jobs, up 0.8%
 - Construction gained 3,700 jobs, up 2.6%
 - Other Services gained 1,100 jobs, up 0.9%
 - Government gained 1,000 jobs, up 0.2%
 - Mining and Logging gained 100 jobs, up 1.5%
- The Mining and Logging sector did not gain or lose jobs over the month.
- Six supersectors lost jobs over the month:
 - Leisure and Hospitality lost 4,000 jobs, down 1.5%
 - Trade, Transportation and Utilities lost 2,500 jobs, down 0.5%
 - Financial Activities lost 1,800 jobs, down 1.0%
 - Manufacturing lost 900 jobs, down 0.3%
 - Professional & Business Services lost 900 jobs, down 0.2%
 - Information lost 600 jobs, down 1.5%
- Calculating seasonally adjusted 2-month job change:
 - Minnesota gained 6,100 jobs in September-November, up 0.20%; the U.S. declined 0.72%.
 - Minnesota gained 5,400 jobs in October-December, up 0.18%; the U.S. grew 0.06%.
 - Minnesota gained 800 jobs in November-January, up 0.03%; the U.S. grew 0.11%.

Over-the-Year (OTY) Employment Growth by Industry Sector January 2026, Not Seasonally Adjusted

Industry Supersector	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	13,147	0.4	0.2
Private	10,060	0.4	0.4
Mining & Logging	53	0.9	-3.3
Construction	7,792	6.5	0.8
Manufacturing	-911	-0.3	-0.7
Trade, Transport. & Utilities	-2,277	-0.4	-0.5
Information	-2,512	-6.0	-2.4
Financial Activities	-3,651	-1.9	-0.5
Prof. & Business Services	-4,386	-1.2	-0.2
Ed. & Health Services	18,941	3.2	2.9
Leisure & Hospitality	-6,216	-2.4	0.7
Other Services	3,227	2.8	0.9
Government	3,087	0.7	-1.0

- Minnesota gained 13,147 payroll jobs, up 0.4%, over the year. The private sector gained 10,060 jobs, up 0.4% over the year. Five supersectors gained jobs, six lost jobs.
- U.S. employment grew 0.2% over the year with the private sector up 0.4%. Four supersectors gained jobs, seven lost jobs.
- Five supersectors posted positive annual growth in Minnesota:
 - Education and Health Services led with 18,941 jobs gained, up 3.2% for Minnesota. Growth was propelled by both the Health Care & Social Assistance subsector (3.4%) and the Educational Services subsector (1.2%). Education and Health Services supersector grew 2.9% across the U.S.
 - Construction gained 7,792 jobs, up 6.5% over the year. Growth was incredibly robust in the subsector Heavy and Civil Engineering Construction at 33.0%. The subsector Construction of Buildings declined 2.6% and the subsector Specialty Trade Contractors grew 6.0%. The U.S. Construction supersector grew 0.8%.
 - Other Services gained 3,227 jobs, up 2.8% in Minnesota. Growth was spread across all subsectors. Nationally, this supersector grew 0.9%.
 - The Government supersector gained 3,087 jobs, or 0.7%. The Federal Government subsector declined 6.1%. The State Government subsector and the Local Government subsector each grew 1.3%. Across the U.S., the Government supersector declined 1.0%.
 - Mining and Logging gained 53 jobs, up 0.9% in Minnesota. This supersector declined 3.3% on the national level over-the-year.

- Six supersectors lost jobs over the year in Minnesota:
 - Leisure and Hospitality lost 6,216 jobs, down 2.4%. The Arts, Entertainment, and Recreation subsector declined 6.4%. The Accommodation and Food Services subsector declined 1.6%. At the national level, Leisure and Hospitality supersector grew 0.7%.
 - Professional & Business Services lost 4,386 jobs, down 1.2% in Minnesota. The subsector Management of Companies and Enterprises grew 1.2%, but the subsector Professional, Scientific, and Technical Services declined 1.2% and the subsector Administrative and Support and Waste Management and Remediation Services declined 3.0%. In the U.S., this supersector declined 0.2%.
 - Financial Activities lost 3,651 jobs over the year, down 1.9%. The Finance and Insurance subsector declined 2.5%. The smaller subsector Real Estate and Rental Leasing grew 0.5%. Nationally, this supersector declined 0.5%.
 - Information lost 2,512 jobs, down 6.0%. The U.S. Information supersector declined 2.4% over the year.
 - Trade, Transportation, and Utilities lost 2,277 jobs, or 0.4%. The Transportation, Warehousing, and Utilities subsector declined 2.9%. The Retail Trade subsector grew 1.2%. The Wholesale Trade subsector declined 1.7%. Nationally, this supersector declined 0.5%.
 - Manufacturing lost 911 jobs in Minnesota, down 0.3%. The decline was driven by Non-Durable Goods Manufacturing subsector, which dropped 1.9%. The Durable Goods Manufacturing subsector grew 0.6%. The U.S. Manufacturing supersector declined 0.7%.

Wage and Hour Data

- Over the month, average hourly wages for all private sector workers increased 22 cents to \$39.51 in January 2026. Over the year average hourly earnings increased \$1.02, up 2.7%.
 - For the U.S., private sector wages increased 40 cents over the month and grew 3.8% over the year.
 - The CPI inflation index for all urban consumers rose 2.4% over the year in January.
- At 32.1 hours per week, Minnesota's January average work week decreased three-tenths of an hour over-the-month. Over-the-year it shortened by four-tenths of an hour.
 - Nationally, the average work week decreased three-tenths of an hour to 33.4 hours over-the-month. Over-the-year, it increased by three-tenths of an hour.

Unemployment Data

- Over the month, the unemployment rate increased two-tenths of a percentage point to 4.4% on a seasonally adjusted basis. The number of employed decreased by 9,381 workers, and the number of unemployed increased 4,819. The employment to population ratio ticked down two-tenths of a percentage point to 65.2% since the prior month.
- The labor force decreased 4,562 people over the month, totaling 3,177,704 people in January. The labor force participation rate ticked down one-tenth of a percentage point to 68.2%. Minnesota's labor force is now 53,835 people more than in February 2020 when the participation rate was at 70%.

- Nationally, the unemployment rate ticked down one-tenth of a percentage point to 4.3% over the month. The employment to population ratio ticked down three-tenths of a percentage point to 59.4%. The labor force participation rate dropped three-tenths of a percentage point to 62.1%.

Industry Details

Mining and Logging: Employment was flat over the month (OTM) in January, on a seasonally adjusted basis, holding at 6,300 jobs for the third consecutive month. December 2025 was revised down from 6,700 to 6,300 jobs with the annual benchmark. Over the year, employment in Mining and Logging was up by 53 jobs, or 0.9%. This was better than the national annual loss of 3.2%. It was the first annual growth for the supersector since May of 2025.

Construction: Employers added 3,700 jobs (2.6%) on a seasonally adjusted basis in January. The growth followed a loss of 6,000 jobs in December. On an annual basis, employers in Construction added 7,792 jobs, or 6.5%. This was the highest proportional growth of any supersector in Minnesota, and was better than the 0.4% national growth. Heavy and Civil Engineering Construction was up 3,889 jobs, or 33%, and Specialty Trade Contractors added 4,679 jobs, or 6%. The only component sector to lose jobs was Construction of Building, which was off by 776 jobs, or 2.6%.

Manufacturing: Employment was down by 900 (0.3%) OTM in January, on a seasonally adjusted basis. It was the first negative monthly growth since September of 2025. Both component sectors lost jobs in January, with Durable Goods down 500 (0.2%) and Non-Durable Goods down 400 (0.4%). On an annual basis, Manufacturing employers lost 911 jobs, or 0.3%. Declines were driven by Non-Durable Goods manufacturers, which shed 2,100 jobs (1.9%) despite the addition of 276 jobs (0.6%) in Food Manufacturing. Durable Goods Manufacturing was up 1,189 jobs (0.6%) with growth in every published component sector save Machinery Manufacturing (down 255, or 0.7%). Nationally, Manufacturing employment was down by 1.3% on the year.

Trade, Transportation, and Utilities: Employment was down by 2,500 (0.5%) OTM in January. The supersector had not lost jobs since July of 2025. Retail Trade lost 1,500 jobs (0.5%) and Transportation, Warehousing and Utilities lost 1,200 jobs (1%), while Wholesale Trade employment was up by 200 jobs (0.2%). Over the year, employers in Trade, Transportation and Utilities lost 2,277 jobs, or 0.4%. This was better than the national rate of -1.6%. Wholesale Trade lost 2,214 jobs (1.7%) and Transportation, Warehousing and Utilities lost 3,403 jobs (2.9%), while Retail Trade added 3,340 jobs, or 1.2%.

Information: Employment was down by 600 (1.5%) OTM in January, on a seasonally adjusted basis. It was the third consecutive month of declines for the supersector. Over the year, employment in Information was down by 2,512 jobs, or 6%. This was the lowest proportional growth of any supersector in Minnesota, and trailed the national rate of -3.6%.

Financial Activities: Employment was down by 1,800 (1%) OTM in January. Both component sectors lost jobs on the month, with Finance and Insurance losing 1,600 jobs (1.1%) and Real Estate and Rental and Leasing losing 200 jobs (0.6%). The monthly decline was the supersector's largest since January of 2022. On an annual basis, Financial Activities employers lost 3,651 jobs (1.9%),

which was worse than the national decline of 0.6%. Finance and Insurance employers lost 3,830 jobs (2.5%) and Real Estate and Rental and Leasing added 179 jobs, or 0.5%.

Professional and Business Services: Employers lost 900 jobs (0.2%) OTM in January, the fourth consecutive month of seasonally adjusted losses for the supersector. Administrative and Support and Waste Management and Remediation Services lost 2,200 jobs (1.8%) and Professional, Scientific and Technical Services lost 500 jobs (0.3%), while Management of Companies and Enterprises added 1,800 jobs (2.1%). Over the year, the supersector lost 4,386 jobs (1.2%), which was a sharper decline than at the national level (down 0.6%). Administrative and Support and Waste Management and Remediation Services lost 3,446 jobs (3%) due in large part to the loss of 3,500 jobs (7.8%) in component Employment Services. Management of Companies and Enterprises added 1,016 jobs (1.2%).

Education and Health Services: Employment was up by 5,000 (0.8%) OTM in January. It was the largest real job growth of any supersector in the state. Health Care and Social Assistance drove the growth, adding 4,600 jobs (0.8%), while Educational Services added 400 jobs (0.5%). Over the year, the supersector added 1,941 jobs, or 3.2%, slightly outpacing the national growth of 3%, and an improvement over December's 2.7% growth. Health Care and Social Assistance added 18,074 jobs (3.4%) and Educational Services added 867 jobs (1.2%).

Leisure and Hospitality: Employment was down by 4,000 (1.5%) OTM in January. It was the lowest proportional growth of any supersector in the state. Employment in both component sectors was down by 1.5%, with Arts, Entertainment and Recreation losing 700 jobs, and Accommodation and Food Services losing 3,300 jobs. On an annual basis, the supersector shed 6,216 jobs (2.4%), while employment in the supersector was up by 0.1% nationally. Arts, Entertainment and Recreation employment in Minnesota was down by 2,826 jobs (6.4%) while Accommodation and Food Services was down by 3,390 jobs (1.6%), with that decline coming entirely from the Food Services and Drinking Places side of the sector (down 4,089 jobs, or 2.1%).

Other Services: Employment was up by 1,100 (0.9%) OTM in January. The last monthly job loss in the supersector came in August of 2025. Over the year, Other Services employers added 3,227 jobs (2.8%), which was an improvement over December's 1.9% annual growth. National employment in the supersector was up by 0.3%. All three component sectors added jobs in Minnesota. Repair and Maintenance was up by 734 jobs (3.1%), Personal and Laundry Services was up 644 jobs (2.4%) and Religious, Grantmaking, Civic, Professional and Similar Organizations was up 1,849 jobs (2.9%).

Government: Employers added 1,000 jobs (0.2%) OTM in January, on a seasonally adjusted basis. Growth was driven by Local Government, which added 1,500 jobs (0.5%). State Government employers lost 200 jobs (0.2%) and Federal Government employers lost 300 jobs (0.9%). Over the year, Government employers added 3,087 jobs, or 0.7%, while nationally the supersector was down by 1.2%. Local Government in Minnesota added 3,757 jobs (1.3%) and State Government added 1,354 jobs (1.3%), while Federal Government employment was down by 2,024 jobs (6.1%).

Over-the-Year Job Change by MSAs

January 2026 data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	-1,974	-0.1
Duluth-Superior MN-WI MSA	-496	-0.4
Rochester MSA	1,025	0.8
St. Cloud MSA	50	0.3
Mankato MSA	-168	-0.3
Fargo-Moorhead ND-MN MSA (Dec)	-500	-0.3
Grand Forks-East Grand Forks ND-MN MSA (Dec)	0	0
La Crosse-Onalaska WI-MN (Dec)	800	0.9

**Labor Market Information Office
MN Department of Employment and Economic Development
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*Correction: a previously released version of this report contained inaccurate U.S. over-the-year growth rate on page 2. Correction was made on April 29, 2026.