

# January 2025 Employment Analysis

(Embargoed until 9:30 am Thursday, March 13, 2025)

## Over-the-Month Overview

- With revised data, Minnesota's unemployment rate remained at 3.0% in January 2025 for the fourth month in a row. Nationally, over the month, the unemployment rate ticked down one-tenth of a percentage point to 4.0%.
- Minnesota's labor force increased by 4,851 people over the month to 3,143,411 people. The number of employed increased by 5,451 workers, and the number of unemployed decreased by 600 people. The labor force participation rate ticked up one-tenth of a percentage point to 68.1% over the month.
- Minnesota gained 9,600 jobs in the last month on a seasonally adjusted basis, or 0.3% growth. The private sector gained 9,700 jobs, or 0.4% change. The U.S. total nonfarm employment increased by 125,000 jobs, or 0.0%. The U.S. private sector gained 81,000 jobs, also 0.0% growth.
- Eight 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%
  - Professional & Business Services gained 1,900 jobs, up 0.5%
  - Construction gained 1,200 jobs, up 0.9%
  - Leisure and Hospitality gained 800 jobs, up 0.3%
  - Trade, Transportation and Utilities gained 700 jobs, up 0.1%
  - Information gained 500 jobs, up 1.2%
  - Other Services gained 500 jobs, up 0.4%
  - Financial Activities gained 100 jobs, up 0.1%
- Mining & Logging did not change over the month
- Two supersectors lost jobs over the month:
  - Manufacturing lost 300 jobs, down 0.1%
  - Government lost 100 jobs, meaning 0.0%
- Calculating seasonally adjusted 2-month job change, Minnesota gained 11,800 jobs in September-November, up 0.4%; gained 8,900 jobs in October-December, up 0.3%; and gained 14,300 jobs in November-January, up 0.5%. Nationally, the U.S. grew 0.2% in September-November, 0.4% in October-December, and 0.3% in November-January.

## Over-the-Year Job Growth

- Minnesota gained 46,785 payroll jobs, up 1.6%, over the year. The private sector gained 34,610 jobs, up 1.4% over the year.

- Seven supersectors posted positive annual growth in Minnesota:
  - Education and Health Services led with 28,315 jobs gained, up 4.9% for Minnesota, while this supersector grew 3.8% across the U.S. In Minnesota, growth was strong in both Educational Services (3.5%) and Health Care & Social Assistance (5.2%).
  - Government gained 12,175 jobs, up 2.9%. Growth was healthy across all subsectors: Federal Government (1.0%), State Government (3.9%), and Local Government (2.7%). Government supersector grew 2% across the U.S.
  - Construction gained 3,934 jobs, up 3.3%. Subsector growth ranged widely, led by Heavy and Civil Engineering Construction (35.3%), Construction of Buildings (3.6%), while Specialty Trade Contractors declined 1.3%. The U.S. Construction supersector grew 2.3%.
  - Leisure and Hospitality gained 3,930 jobs, up 1.5%. Growth was stronger in Arts, Entertainment, and Recreation subsector (3.6%) and weaker in the bigger subsector Accommodation and Food Services (1.1%). This supersector grew at the rate of 1.8% across the U.S.
  - Other Services gained 3,011 jobs, up 2.7% in Minnesota. All subsectors saw growth. Nationally, this supersector grew 1.7%.
  - Trade, Transportation, and Utilities gained 2,342 jobs, up 0.4%. All subsectors grew. This supersector grew 1.0% nationally.
  - Mining and Logging gained 293 jobs, up 4.9% in Minnesota. This supersector declined 0.3% on the national level over-the-year.
- Four supersectors lost jobs over the year in Minnesota:
  - Manufacturing lost 2,647 jobs in Minnesota, down 0.8%. Decline was in Durable Goods Manufacturing subsector (-2.5%) while Non-Durable Goods Manufacturing subsector grew 2.3%. The U.S. Manufacturing supersector declined 0.8%.
  - Professional & Business Services lost 2,188 jobs, down 0.6% in Minnesota. The largest percentage decline was in Administrative and Support and Waste Management and Remediation Services subsector (-3.9%), followed by Management of Companies and Enterprises subsector (-0.4%). The subsector Professional, Scientific, and Technical Services grew 1.7% over the year. In the U.S., this supersector declined 0.4%.
  - Financial Activities lost 2,182 jobs over the year, down 1.2%. The Finance and Insurance subsector declined 1.7% while Real Estate and Rental Leasing subsector grew 1.3%. Nationally, this supersector grew 0.6%.
  - Information lost 198 jobs, down 0.5%, driven by decline in Telecommunications subsector (-4.0%). The U.S. Information supersector declined 0.4%.
- Overall U.S. employment grew 1.4% over the year with the private sector up 1.3%. All supersectors grew except four: Mining & Logging, Manufacturing, Information, and Professional & Business Services.

<b>January 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	46,785	1.6	1.4
Private	34,610	1.4	1.3
Mining & Logging	293	4.9	-0.3
Construction	3,934	3.3	2.3
Manufacturing	-2,647	-0.8	-0.8
Trade, Transport. & Utilities	2,342	0.4	1.0
Information	-198	-0.5	-0.4
Financial Activities	-2,182	-1.2	0.6
Prof. & Business Services	-2,188	-0.6	-0.4
Education & Health Services	28,315	4.9	3.8
Leisure & Hospitality	3,930	1.5	1.8
Other Services	3,011	2.7	1.7
Government	12,175	2.9	2.0

## Wage and Hour Data

- Average hourly wages for all private sector workers decreased 15 cents to \$38.49 in January 2025 over the month. Over the year average hourly earnings increased \$1.29, up 3.5%.
  - For the U.S., private sector wages increased 18 cents over the month and grew 3.9% over the year.
  - The CPI inflation index for all urban consumers rose 3.0% over the year in January.
- At 32.5 hours per week, Minnesota's January average work week decreased four-tenths of an hour over-the-month. Over-the-year it decreased three-tenths of an hour.
  - Nationally, the average work week decreased nearly an hour to 33.7 hours. Over-the-year, it decreased one-tenth of an hour.

## Unemployment Data

- Over the month, the unemployment rate remained at 3.0% for the fourth month in a row on a seasonally adjusted basis. The number of employed increased by 5,451 workers, and the number of unemployed decreased 600. The employment to population ratio increased one-tenth of a percentage point to 66.1% since the prior month.
- The labor force increased 4,851 people over the month, totaling 3,143,411 people in January. The labor force participation rate ticked up one-tenth of a percentage point to 68.1%. Minnesota's labor force was 19,542 people fewer than in February 2020 when the participation rate was at 70%.

- Nationally, over the month, the unemployment rate ticked down one-tenth of a percentage point to 4.0% and the employment to population ratio ticked up one-tenth of a percentage point to 60.1%. The labor force participation increased slightly to 62.6%.

## Industry Details

**Mining and Logging:** Employment in Mining and Logging was flat over the month (OTM) on a seasonally adjusted basis in January. The supersector has had positive growth or stability in every month since June of 2024. Over the year, the supersector added 293 jobs (4.9%) in January. This was higher than the nation, which was down 0.3% OTY.

**Construction:** Construction employment was up 1,200 (0.9%) OTM in January, on a seasonally adjusted basis. The growth came on the heels of a loss of 100 jobs in December. On an annual basis, the Construction supersector added 3,934 jobs, or 3.3%, outpacing the national growth of 2.3%. Heavy and Civil Engineering Construction drove the growth, up 3,904 jobs, or 35.3% on the year. Building Construction added 1,063 jobs (3.6%) while Specialty Trade Contractors lost 1,033 jobs, or 1.3%.

**Manufacturing:** Employment in Manufacturing was down by 300 (0.1%) OTM in January. Durable Goods Manufacturing was down 400 (0.2%) while Non-Durable Goods Manufacturing added 100 jobs (0.1%). Over the year, Manufacturing employers lost 2,647 jobs, or 0.8%, which was the same as the national OTY loss. The annual decline came among Durable Goods Manufacturers, which lost 5,273 jobs (2.5%) with declines in every published component sector save Wood Products Manufacturing (up 161, or 1.2%). Non-Durable Goods Manufacturing was up 2,626 jobs, or 2.3%. Food Manufacturing was up 2,520 jobs, or 5.5%.

**Trade, Transportation, and Utilities:** Trade, Transportation and Utilities employers added 700 jobs (0.1%) OTM in January. Retail Trade added 400 jobs (0.1%) and Transportation, Warehousing and Utilities added 300 jobs (0.3%) while employment in Wholesale Trade was flat at 134,000 jobs. On an annual basis, employers in the supersector added 2,342 jobs, or 0.4%, slightly less than the national growth of 1%. All three published component sectors added jobs on the year. Wholesale Trade was up 933 (0.7%), Retail Trade was up 599 (0.2%) and Transportation, Warehousing and Utilities 810 jobs (0.7%).

**Information:** Information employment was up by 500 (1.2%) OTM in January. It was the first month of positive growth for the supersector since October 2024. Over the year, Information employment was down by 198, or 0.5%, which was slightly worse than the national decline of 0.4%. Telecommunications employers lost 344 jobs, or 4%, while employment in Publishing Industries was mostly flat (down 7 jobs, 0.0%).

**Financial Activities:** Employment in Financial Activities was up by 100 (0.1%) on a seasonally adjusted basis in January. Real Estate and Rental and Leasing employment was up 100 (0.3%) while Finance and Insurance employment was flat. On an annual basis, the supersector lost 2,182 jobs, or 1.2%. The decline came primarily from Finance and Insurance, which shed 2,644 jobs or 1.7%. Real Estate and Rental and Leasing added 462 jobs, or 1.3%.

**Professional and Business Services:** Professional and Business Services employers added 1,900 jobs (0.5%) OTM in January after losing 200 jobs in December. All three published component sectors added jobs. Professional, Scientific and Technical Services added 500 jobs (0.3%), Management of Companies and Enterprises added 700 jobs (0.8%) and Administrative and Support and Waste Management and Remediation Services added 700 jobs (0.6%). Over the year, Professional and Business Services lost 2,188 jobs, or 0.6%. Administrative and Support and Waste Management and Remediation Services lost 4,573 jobs (3.9%) and Management of Companies lost 378 jobs (0.4%) while Professional, Scientific and Technical Services added 2,763 jobs, or 1.7%.

**Education and Health Services:** Employment in Education and Health Services was up 4,300 (0.7%) OTM in January. Educational Services added 1,100 jobs (1.5%) and Health Care and Social Assistance added 3,200 jobs (0.5%). The supersector has added jobs on a seasonally adjusted basis for 31 consecutive months. Over the year Education and Health Services employers added 28,315 jobs or 4.9%, while national employment in the supersector was up 3.8%. The annual growth came primarily in the Health Care and Social Assistance sector, which added 25,817 jobs, or 5.2%. The Educational Services component added 2,498 jobs, or 3.5%.

**Leisure and Hospitality:** The Leisure and Hospitality supersector added 800 jobs (0.3%) OTM in January on a seasonally adjusted basis. Accommodation and Food Services added 700 jobs (0.3%) while Arts, Entertainment and Recreation added 100 jobs (0.2%). Over the year, the supersector added 3,930 jobs (1.5%), slightly less than the national growth of 1.8%. Arts, Entertainment and Recreation added 1,520 jobs (3.6%) while Accommodation and Food Services added 2,410 jobs (1.1%)

**Other Services:** Employment in Other Services was up by 500 (0.4%) OTM in January, after losing 1,100 jobs in December. On an annual basis, Other Services employers added 3,011 jobs (2.7%), outpacing the national growth of 1.7%. All three published component sectors added jobs, with Repair and Maintenance up 482 jobs (2%), Personal and Laundry Services up 218 jobs (0.8%) and Religious, Grantmaking, Civic and Professional Organizations added 2,311 jobs (3.7%).

**Government:** Government employment was mostly flat over the month, losing 100 jobs or 0.0%. Federal employers lost 100 jobs (0.3%), Local employers lost 500 jobs (0.2%) and State employers added 500 jobs (0.5%). Over the year, Government employers added 12,175 jobs, or 2.9%. All three levels of Government added jobs. Federal employment was up 332 (1%), State employment was up 4,042 (3.9%) and Local employers added 7,801 jobs (2.7%). Most of the growth at both the State and Local levels came among non-education employers.

## Over-the-Year Job Growth by MSAs

January 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	17,599	0.9
Duluth-Superior MN-WI MSA	1,125	0.9
Rochester MSA	6,130	5
St. Cloud MSA	1,200	1.1
Mankato MSA	180	0.3
Fargo-Moorhead ND-MN MSA (December pre-benchmark)	2,900	1.9
Grand Forks-East Grand Forks ND-MN MSA (December pre-benchmark)	800	1.4
La Crosse-Onalaska WI-MN (December pre-benchmark)	300	0.4

**Labor Market Information Office**

**MN Department of Employment and Economic Development**

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