

May 2025 Employment Analysis

(Embargoed until 9:30 am Friday, June 20, 2025)

Over-the-Month Job Change Overview

- Minnesota's unemployment rate ticked up one-tenth of a percentage point to 3.3% in May 2025. Nationally the unemployment rate remained at 4.2% over the month.
- Minnesota's labor force increased by 2,326 people over the month to 3,155,523 people. The number of employed decreased by 522 workers, and the number of unemployed increased by 2,848 people. The labor force participation rate stayed at 68.2% over the month.
- Minnesota gained 6,600 jobs in the last month on a seasonally adjusted basis, 0.2% growth. The private sector gained 6,200 jobs, also 0.2%. The U.S. total nonfarm employment increased by 139,000 jobs, or 0.1%. The U.S. private sector gained 140,000 jobs, also 0.1% growth.
- Six supersectors in Minnesota gained jobs on a seasonally adjusted basis since the prior month:
 - Education and Health Services gained 3,800 jobs, up 0.6%
 - Trade, Transportation and Utilities gained 2,500 jobs, up 0.5%
 - Leisure and Hospitality gained 2,100 jobs, up 0.8%
 - Manufacturing gained 900 jobs, up 0.3%
 - Government gained 400 jobs, up 0.1%
 - Financial Activities gained 100 jobs, up 0.1%
- Five supersectors lost jobs over the month:
 - Construction lost 1,100 jobs, down 0.8%
 - Other Services lost 1,000 jobs, down 0.8%
 - Professional & Business Services lost 500 jobs, down 0.1%
 - Information lost 400 jobs, down 0.9%
 - Mining & Logging lost 200 jobs, down 3.0%
- Calculating seasonally adjusted 2-month job change:
 - Minnesota gained 13,100 jobs in January-March, up 0.4%; the U.S. grew 0.1%.
 - Minnesota gained 10,400 jobs in February-April, up 0.3%; the U.S. grew 0.2%.
 - Minnesota gained 4,700 jobs in March-May, up 0.2%; the U.S. grew 0.2%.

Over-the-Year Job Change Overview

- Minnesota gained 40,192 payroll jobs, up 1.3%, over the year. The private sector gained 32,356 jobs, up 1.2% over the year.

- Eight supersectors posted positive annual growth in Minnesota:
 - Education and Health Services led with 27,763 jobs gained, up 4.7% for Minnesota, while this supersector grew 3.5% across the U.S. In Minnesota, growth was propelled by both the Health Care & Social Assistance subsector (5.0%) and the Educational Services subsector (2.7%).
 - Government gained 7,836 jobs, up 1.8%. Growth was strongest in the State Government subsector (2.8%). The Local Government subsector grew 1.9%, and the Federal Government was down 1.8%. Government supersector grew 1.0% across the U.S.
 - Manufacturing gained 3,713 jobs in Minnesota, up 1.2%. Non-Durable Goods Manufacturing subsector led with 2.7% growth. Durable Goods Manufacturing subsector grew 0.3%. The U.S. Manufacturing supersector declined 0.7%.
 - Trade, Transportation, and Utilities gained 1,554 jobs, or 0.3%. The Transportation, Warehousing, and Utilities subsector grew 2.0%, the Retail Trade subsector grew 0.4%, and the Wholesale Trade subsector declined 1.5%. Nationally, this supersector grew 0.6%.
 - Other Services gained 835 jobs, up 0.7% in Minnesota. The Repair and Maintenance subsector led with 2.4% growth; Religious, Grantmaking, Civic, Professional, and Similar Organizations grew 0.8%; Personal and Laundry Services declined 0.9%. Nationally, this supersector grew 1.3%.
 - Professional & Business Services gained 661 jobs, up 0.2% in Minnesota. The subsector Professional, Scientific, and Technical Services grew 1.9% over the year while the subsector Management of Companies and Enterprises declined 0.8%, and the Administrative and Support and Waste Management and Remediation Services subsector declined 1.3%. In the U.S., this supersector declined 0.3%.
 - Construction gained 602 jobs, up 0.4%. Subsector growth ranged widely, led by Heavy and Civil Engineering Construction (7.7%), Construction of Buildings (4.1%), while Specialty Trade Contractors declined 2.7%. The U.S. Construction supersector grew 1.4%.
 - Leisure and Hospitality gained 487 jobs, up 0.2%. The Arts, Entertainment, and Recreation subsector grew 2.1% while the bigger subsector Accommodation and Food Services declined 0.3%. This supersector grew at the rate of 1.5% across the U.S.
- Three supersectors lost jobs over the year in Minnesota:
 - Financial Activities lost 2,316 jobs over the year, down 1.2%. The Finance and Insurance subsector declined 1.6% while Real Estate and Rental Leasing subsector grew 0.4%. Nationally, this supersector grew 1.1%.
 - Information lost 926 jobs, down 2.1%. The Telecommunications subsector declined 4.3% and the Publishing subsector grew 0.4%. The U.S. Information supersector declined 0.4%.
 - Mining and Logging lost 17 jobs, down 0.3% in Minnesota. This supersector did not change (0.0%) on the national level over-the-year.
- Overall U.S. employment grew 1.1% over the year with the private sector up 1.1% as well. Eight supersectors gained jobs, three lost jobs.

May Over the Year (OTY) Employment Growth by Industry Sector Not Seasonally Adjusted			
Industry Supersector	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	40,192	1.3	1.1
Private	32,356	1.2	1.1
Mining & Logging	-17	-0.3	0.0
Construction	602	0.4	1.4
Manufacturing	3,713	1.2	-0.7
Trade, Transport. & Utilities	1,554	0.3	0.6
Information	-926	-2.1	-0.4
Financial Activities	-2,316	-1.2	1.1
Prof. & Business Services	661	0.2	-0.3
Ed. & Health Services	27,763	4.7	3.5
Leisure & Hospitality	487	0.2	1.5
Other Services	835	0.7	1.3
Government	7,836	1.8	1.0

Wage and Hour Data

- Average hourly wages for all private sector workers increased 20 cents to \$39.26 in May 2025 over the month. Over the year average hourly earnings increased \$2.16, up 5.8%.
 - For the U.S., private sector wages decreased one cent over the month and grew 3.9% over the year.
 - The CPI inflation index for all urban consumers rose 2.4% over the year in May.
- At 32.8 hours per week, Minnesota's May average work week decreased one-tenth of an hour over-the-month. Over-the-year it shortened by half an hour.
 - Nationally, the average work week decreased one-tenth of an hour to 34.1 hours. Over-the-year, it also decreased one-tenth of an hour.

Unemployment Data

- Over the month, the unemployment rate ticked up one-tenth of a percentage point to 3.3% on a seasonally adjusted basis. The number of employed decreased by 522 workers, and the number of unemployed increased 2,848. The employment to population ratio stayed at 66.0% since the prior month.
- The labor force increased 2,326 people over the month, totaling 3,155,523 people in May. The labor force participation rate stayed at 68.2%. Minnesota's labor force is now 31,654 people more than in February 2020 when the participation rate was at 70%.

- Nationally, the unemployment rate stayed at 4.2% for the third month in a row. The employment to population ratio ticked down three-tenths of a percentage point to 59.7%. The labor force participation rate decreased two-tenths of a percentage point to 62.4%.

Industry Details

Mining and Logging: Employment in Mining and Logging was down by 200, or 3%, over the month (OTM) in May, on a seasonally adjusted basis. This was the largest proportional decline of any supersector in the state. On an annual basis, Mining and Logging employers lost 17 jobs, or 0.3%. It was one of just three supersectors in Minnesota to post negative annual growth. This was a reversal from April, when Mining and Logging employment posted 2.5% annual growth.

Construction: Construction employers lost 1,100 jobs, or 0.8%, OTM in May. It was the second consecutive month of seasonally adjusted losses for the supersector, which brings total employment to the same level it was at the end of 2024. Over the year, employment in Construction was up by 602, or 0.4%, the same level it was at in April. Heavy and Civil Engineering was up 1,689 (7.7%) and Building Construction was up by 1,308 (4.1%), while Specialty Trade Contractors shed 2,395 jobs, or 2.7%.

Manufacturing: Employment in Manufacturing was up by 900 (0.3%) OTM in May, the fifth consecutive month of seasonally adjusted growth for the supersector. The growth came entirely from Durable Goods Manufacturing, which was up by 1,000 (0.5%), while the Non-Durable Goods component lost 100 jobs (0.1%). On an annual basis, Manufacturing employment was up by 3,713 jobs, or 1.2%, outpacing the national loss of 0.7%. Durable Goods employers added 703 jobs (0.3%), while Non-Durable Goods employers added 3,010 jobs (2.7%) due in large part to the addition of 2,417 jobs (5.2%) in Food Manufacturing.

Trade, Transportation, and Utilities: Trade, Transportation and Utilities employment was up by 2,500, or 0.5%, OTM in May. Wholesale Trade employment was down by 1,300 (1%) but those losses were more than offset by gains in the other two component sectors. Retail Trade was up 1,200 jobs (0.4%) and Transportation, Warehousing and Utilities added 2,600 jobs (2.2%). Over the year, employment in Trade, Transportation and Utilities was up by 1,554 jobs, or 0.3%, after briefly dipping into negative growth in April. As was the case on a monthly basis, annual Wholesale Trade growth was off by 2,029 jobs (1.5%) but the positive growth in the other two component sectors kept the supersector in the black. Transportation, Warehousing and Utilities added 2,300 jobs (2%), and Retail Trade added 1,283 jobs (0.4%)

Information: Employment in Information was down by 400 (0.9%) OTM in May. It was the third consecutive month of seasonally adjusted losses for the supersector, which has shed 700 jobs since the end of 2024. On an annual basis, Information employers lost 926 jobs, or 2.1%. This was the largest proportional job loss of any supersector in Minnesota. Telecommunications employment was off by 370 (4.3%) while Publishing Industries employment was up 78 (0.4%).

Financial Activities: Financial Activities employment was up by 100 (0.1%) OTM in May. It was the first positive seasonally adjusted monthly growth for the supersector since January. Real Estate and Rental and Leasing employment was up by 200 (0.6%) while Finance and Insurance

employment was down by 100 (0.1%). Over the year, employment in Financial Activities was down by 2,316, or 1.2%, which was an improvement over April's 1.7% annual decrease. Finance and Insurance employers shed 2,457 jobs, or 1.6%, while Real Estate and Rental and Leasing employers added 141 jobs, or 0.4%.

Professional and Business Services: Employment in Professional and Business Services was off by 500 (0.1%) OTM in May, the second consecutive month of job losses in the supersector.

Professional, Scientific and Technical Services was down 500 (0.3%) and Management of Companies and Enterprises was down 400 (0.5%), while Administrative and Support and Waste Management and Remediation Services added 400 jobs (0.3%). On an annual basis, the supersector added 661 jobs, or 0.2%. The growth came from the Professional, Scientific and Technical Services component sector, which added 3,077 jobs, or 1.9%. Management of Companies lost 722 jobs (0.8%) and Administrative and Support and Waste Management and Remediation Services lost 1,694 jobs, or 1.3%, with a loss of 5,073 jobs (10.1%) in Employment Services.

Education and Health Services: Education and Health Services employment was up by 3,800, or 0.6%, OTM in May. The supersector has added 11,500 jobs since the end of 2024. Health Care and Social Assistance drove the monthly growth, adding 3,600 jobs or 0.7%, while Educational Services added 200 jobs (0.3%). Annually, employers in Education and Health Services added 27,763 jobs, or 4.7%. It was the largest real and proportional growth of any supersector in the state. Health Care and Social Assistance added 25,742 jobs, or 5%, while Educational Services employment was up by 2,021, or 2.7%.

Leisure and Hospitality: Employment in Leisure and Hospitality was up by 2,100, or 0.8%, OTM in May. It was the largest proportional monthly growth in the state, and the third consecutive month of seasonally adjusted growth for the supersector. Arts, Entertainment and Recreation was up by 1,200 jobs (2.4%) while Accommodation and Food Services was up by 900 (0.4%). Over the year, employers in the supersector added 487 jobs, or 0.2%. The growth came entirely from the Arts, Entertainment and Recreation component, which added 1,131 jobs, or 2.1%. Accommodation and Food Services employers lost 644 jobs, or 0.3%, with employment in Restaurants and Other Eating Places off by 2,460, or 1.4%.

Other Services: Other Services employers lost 1,000 jobs, or 0.8%, OTM in May. It was the second consecutive month of declines for the supersector, though employment remained up by 600 from where it ended 2024. Over the year, Other Services employers added 835 jobs, or 0.7%. Repair and Maintenance was up 594 jobs (2.4%) and Religious, Grantmaking, Civic and Professional Organizations added 493 jobs (0.8%) while Personal and Laundry Services employers shed 242 jobs (0.9%).

Government: Employment in Government was up by 400, or 0.1% OTM in May. State and Local level employers each added 400 jobs (up 0.4% and 0.1%, respectively) while Federal employers lost 400 jobs (1.2%). Over the year, Government employers added 7,836 jobs, or 1.8%, outpacing the national level growth of 1%. Local Government employment was up by 5,537, or 1.8%, and State Government was up by 2,918, or 2.8%. Federal Government employment was down by 619, or 1.8%.

Over-the-Year Job Change by MSAs

May data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	15,874	0.8
Duluth-Superior MN-WI MSA	118	0.1
Rochester MSA	5,754	4.5
St. Cloud MSA	341	0.3
Mankato MSA	224	0.4
Fargo-Moorhead ND-MN MSA (April)	-1,200	-0.8
Grand Forks-East Grand Forks ND- MN MSA (April)	1,200	2.2
La Crosse-Onalaska WI-MN (April)	1,100	1.3

Labor Market Information Office

MN Department of Employment and Economic Development

June 20, 2025