

November 2022 Employment Analysis

Seasonally Adjusted Jobs and Unemployment

- The unemployment rate ticked up two-tenth of a point to 2.3% in November 2022 as a result of an increase of 6,037 in the number of unemployed. The labor force participation rate remained steady at 67.9% with 1,896 people exiting the labor force.
- The unemployment rate ticked up for Hispanic workers to 3.9%, down for Black workers to 4.3% and remained unchanged for white workers at 2.1% in Minnesota in November over the month. (Numbers are based on 12-month moving average Demecon data from the Current Population Survey.)
- On a seasonally adjusted basis Minnesota gained 6,800 jobs in November, up 0.2% from October, following the addition of 17,100 jobs (revised) in October. The private sector gained 3,500 of the jobs in November, up 0.1%, while Government gained 3,300 jobs over the month.
 - October employment was revised downward by 300 jobs in total and 800 in the private sector.
- The U.S. gained 263,000 jobs in November, up 0.2% from Oct, with the private sector adding 221,000 jobs, up 0.2% on a seasonally adjusted basis.
- Growth has been uneven coming out of the pandemic recession. Comparing Minnesota to the U.S. year-to-date, Minnesota employment has grown 3.2% since January 2022 while the U.S. has grown 2.6%. Over the last three months, September to November, Minnesota has grown 0.8% while the U.S. has grown 0.3%.
- Here are noteworthy supersectors that gained or lost jobs on a seasonally adjusted basis in November:
 - Gains were in Government, up 3,300 jobs or 0.8%, Manufacturing, up 1,800 or 0.5%, Professional & Business Services, up 1,500 jobs or 0.4%, Education & Health Services up 1,400 or 0.3%, Trade, Transportation & Utilities, up 800 or 0.2%, Leisure & Hospitality up 700 or 0.3% and Mining & Logging up 100 or 1.6%.
 - Both Financial Activities and Information were flat over the month.
 - Construction lost 2,300 jobs, down 1.8% and Other Services lost 500 jobs down 0.5% over the month.

- Minnesota lost 417,600 jobs from February through April 2020 and has since gained 383,100 jobs as of November, or 92% of the jobs that were lost during the Pandemic Recession, on a seasonally adjusted basis. The private sector has regained 369,300 jobs, or 95% of the jobs lost during that period. Overall, this means that we are still 1.2% or 34,500 jobs below the total number of payroll jobs prior to the pandemic in MN while the U.S. has surpassed (as of June) the total number of jobs prior to the pandemic.

Over the Year Job Growth

- Minnesota gained 99,983 payroll jobs, up 3.5%, over the year. The private sector gained 89,891 jobs, up 3.6% over the year.
- All supersectors posted positive over the year (OTY) employment growth with the exception of Mining & Logging and Construction.
 - Leisure & Hospitality continued to post the highest OTY growth of all the supersectors, up 7.4% with the addition of 17,253 jobs. Arts, Entertainment & Recreation was up 24.4% OTY while Accommodations & Food Service was up 4.3%.
 - Professional & Business Services grew 6.1% OTY (22,917 jobs). Administrative and Support & Waste Management Services, led growth up 9.2% (12,006 jobs). Professional, Scientific, and Technical Services grew 5.7% (9,070 jobs). Management of Companies gained 1,841 jobs OTY up 2.1%.
 - Manufacturing posted 15,051 additional jobs, up 4.7% OTY. All published sectors showed growth over the year, though the Durable Goods sector drove the growth, adding 10,500 jobs, or 5.2%. Manufacturing employment growth continued to be stronger than the nation, which was at 3.3% OTY.
 - Education and Health Services grew 4% with the addition of 21,686 jobs OTY. Both Educational Services and Health Care & Social Assistance grew 4% over the year. Nursing & Residential Care Facilities grew 2%, well up from last month and the third month in a row to show over the year growth after losing jobs over the year since April 2020.
 - Mining & Logging lost 193 jobs, down 2.9% while Construction lost 596 jobs, down 0.5%. Losses in Construction were in both Heavy & Civil, down 3.3%, and Specialty Trade Contractors, down 0.2% over the year.
- U.S. employment grew 3.2% OTY with the private sector up 3.5% in November. All supersectors showed gains OTY.
- Minnesota's OTY job growth in November outperformed that of the nation in total payroll employment and private sector employment as well as in 6 supersectors: Manufacturing, Trade, Transportation & Utilities, Professional & Business Services, Education & Health Services, Leisure & Hospitality and Government.

November 2022 Over the Year (OTY) Employment Growth by Industry Sector Not Seasonally Adjusted			
	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	99,983	3.5	3.2
Private	89,891	3.6	3.5
Mining & Logging	-193	-2.9	9.2
Construction	-596	-0.5	3.2
Manufacturing	15,051	4.7	3.3
Trade, Transport. & Utilities	11,381	2.2	1.9
Information	1,036	2.4	5.6
Financial Activities	520	0.3	1.7
Prof. & Business Services	22,917	6.1	3.2
Ed. & Health Services	21,686	4.0	3.9
Leisure & Hospitality	17,253	7.4	7.2
Other Services	836	0.8	3.4
Government	10,092	2.5	1.4

Wage and Hour Data

- Average hourly wages for all private sector workers rose 3 cents to \$35.34 in November over the month. Over the year average hourly earnings rose \$1.90, up 5.7%. Over two years, average hourly earnings increased \$3.28 or 10.24%.
 - Nationally private sector wages fell 3 cents (0.1%) over the month to \$32.74. They rose 5.3% OTY and 10.1% over two years.
 - The CPI inflation index for all urban consumers rose 7.1% over the year and 14.4% over two years.
- At 33.6 hours per week, November's average work week was down 2% from October and down 1.8% from last year.
 - Nationally, the average work week was down 1.7% to 34.3 hours per week over the month and down 1.2% over the year.

Unemployment Data

- The unemployment rate ticked up two-tenth of a point to 2.3% in November with the addition of 6,037 unemployed people.

- There were 7,933 fewer employed people over the month in November resulting in a decrease of two-tenths of a point in the employment-to-population, now at 66.3%.
- The labor force declined by only 1,896, not enough to change the labor force participation rate. That rate stood at 67.9% in both October (revised) and November, down from its peak in 2022 of 68.5% in June.
- Nationally, the unemployment rate remained unchanged at 3.7% and the employment-to-population ratio ticked down one-tenth to 59.9% over the month. The size of the labor force shrank by 186,000 workers, enough to push the labor force participation rate down one-tenth to 62.1%.
- Over the last three months Minnesota’s labor force has declined 0.2% while the U.S. has declined 0.1%. Year to date, Minnesota’s labor force has grown 0.8% compared to 0.5% nationwide.
- *Note that the estimates presented below differ from the official statewide estimate because they are calculated from 12 months of data rather than a single month.*
- Based on 12-month moving averages, Minnesota’s **unemployment rates by race** are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	Black	Hispanic	White
November-2022	2.6%	4.3%	3.9%	2.1%
October-2022	2.6%	5.0%	3.8%	2.1%
November-2021	3.9%	5.3%	4.3%	3.7%
February-2020	3.1%	4.5%	5.0%	3.0%

- Based on 12-month moving averages, Minnesota’s **employment-to-population ratios by race** are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	Black	Hispanic	White
November-2022	66.6%	66.8%	72.2%	66.5%
October-2022	66.6%	65.6%	74.3%	66.7%
November-2021	64.9%	63%	74.5%	65.4%
February-2020	67.8%	68.2%	72.5%	67.8%

- Based on 12-month moving averages, Minnesota's **labor force participation rates by race** are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	Black	Hispanic	White
November-2022	68.3%	69.8%	75.2%	68.0%
October-2022	68.4%	69.1%	77.2%	68.1%
November-2021	67.6%	66.6%	77.8%	68.0%
February 2020	70.0%	71.3%	76.3%	69.9%

- November estimates show that the labor force participation rate for Black workers remains higher than for white workers in Minnesota although Hispanic labor force participation remains the highest of all three groups. Labor force participation rates are strongly impacted by age distribution.

Industry Details

Mining and Logging: Employment in Mining and Logging was up by 1.6% (100 jobs) on a seasonally adjusted basis over the month (OTM) in November. This was the largest proportional monthly growth of any supersector, though on a small number of real jobs. On an annual basis, Mining and Logging employers lost 193 jobs (2.9%). It was one of only two supersectors to post negative growth on the year.

Construction: Construction employers in Minnesota lost 2,300 jobs (1.8%) OTM in November, one of only two supersectors to lose jobs this month. Over the year, Construction employers lost 566 jobs (0.5%) and it was one of only two supersectors to lose jobs on the year. The annual decline is likely somewhat weather-aided, as 2021 had stronger November employment than usual, and this November saw unseasonably strong storms, including snowfall, across much of the state during the survey period.

Manufacturing: Manufacturing employment was up by 1,800 (0.5%) OTM in November. Durable Goods Manufacturing added 1,100 jobs (0.5%) and Non-Durable Goods Manufacturing added 700 (0.6%). On an annual basis, Manufacturing added 15,051 jobs (4.7%), which was among the high performing supersectors, trailing only Leisure and Hospitality and Professional and Business Services. Durable Goods manufacturers added 10,500 jobs (5.2%) with growth in all published components. Non-Durable Goods manufacturers added 4,551 jobs (4%), with Food Manufacturers adding 1,785 jobs (3.9%).

Trade, Transportation, and Utilities: Employment in Trade, Transportation and Utilities was up 800 (0.2%) OTM in November. Retail Trade drove the growth, adding 1,000 seasonally adjusted jobs (up 0.4%). Wholesale Trade added 100 jobs (0.1%) and Transportation, Warehousing and Utilities lost 300 jobs (0.3%). Over the year, the supersector added 11,381 jobs (2.2%), with growth in all three component sectors. Wholesale Trade added 2,855 jobs (2.3%), Retail Trade added 6,539 (2.3%) and Transportation, Warehousing and Utilities added 1,987 (1.8%).

Information: Information employment was flat in November, holding at 43,400. Over the year, the supersector added 1,036 jobs (2.4%). However, both published components (Telecommunications and non-internet Publishing Industries) posted negative annual growth.

Financial Activities: Employment in Financial Activities was flat in November, holding at 190,900 jobs. Finance and Insurance lost 200 jobs (0.1%) while Real Estate and Rental and Leasing added 200 jobs (0.6%). Over the year, the supersector added 520 jobs (0.3%). Real Estate and Rental and Leasing added 1,190 jobs (3.4%), but gains were held down by the decline of 670 (0.4%) in Finance and Insurance.

Professional and Business Services: Professional and Business Services employers added 1,500 jobs (0.4%) OTM in November. Most of that growth came from Professional, Scientific and Technical Services, which added 1,100 jobs (0.7%). Administrative and Support and Waste management added 400 jobs (0.3%) and Management of Companies employment was flat. Over the year, Professional and Business Services employers added 22,917 jobs, or 6.1%. This was the largest proportional growth of any supersector save Leisure and Hospitality. Administrative and Support and Waste Management added 12,006 jobs (9.2%), with Employment Services up 3,459, or 5.9%.

Education and Health Services: Employment in Education and Health Services was up 1,400 (0.3%) OTM in November. Health Care and Social Assistance drove the growth, adding 1,800 jobs (0.4%). Educational Services employers lost 400 jobs (0.6%). On an annual basis, Education and Health Services employers added 21,686 jobs (4%). Both major components grew by 4%, with Educational Services up 2,934 jobs and Health Care and Social Assistance up 18,752 jobs. Nursing and Residential Care Facilities employment was up 2% (1,960 jobs) on the year after being up 0.2% in October, a sign that the tight labor market in that industry group may be loosening some.

Leisure and Hospitality: Leisure and Hospitality employers added 700 jobs (0.3%) OTM in November. Arts, Entertainment and Recreation added 1,500 jobs (3.1%) while Accommodation and Food Services lost 800 (0.4%). Over the year, employment in Leisure and Hospitality was up 17,253 jobs, or 7.4%, once again the largest proportional growth of any supersector in the state. Arts, Entertainment and Recreation was up 8,794 (24.4%) while Accommodation and Food Services added 8,459 jobs (4.3%).

Other Services: Employment in Other Services was down 500 (0.5%) OTM in November. It was the third consecutive month of negative growth for the supersector. On the year, Other Services employers added 836 jobs (0.8%). Religious, Grantmaking, Civic, and Professional Organizations drove the increase, adding 1,332 jobs (2.2%). Repair and Maintenance employment was off by 578 (2.6%) on the year.

Government: Government employers added 3,300 jobs (0.8%) OTM in November. Most of the growth came at the Local level, where employers added 3,100 jobs, or 1.1%. Federal and State employers added 100 jobs each, up 0.3% and 0.1%, respectively. Over the year, Government employers added 10,092 jobs (2.5%). Local Government drove the annual growth as well, up 10,095 (3.6%), with most of that coming in the non-education component, which was up 8,584 jobs (6.3%). State employers added 397 jobs (0.4%) and Federal employers lost 400 (1.2%).

Regional Details

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (%, NSA)
Minneapolis-St. Paul MN-WI MSA	78,620	4.0
Duluth-Superior MN-WI MSA	3,141	2.4
Rochester MSA	4,135	3.4
St. Cloud MSA	2,517	2.3
Mankato MSA	1,501	2.7
Fargo-Moorhead ND-MN MSA (Oct)	1,400	1.0
Grand Forks-East Grand Forks ND-MN MSA (Oct)	400	0.8
La Crosse-Onalaska WI-MN (Oct)	700	0.9

Outlook

- Minnesota has now seen job growth for 14 straight months. The U.S. growth streak is even longer at 23 months.
- The number of unemployed in Minnesota started ticking up in August and has shown a larger increase in each month since, with November's increase at 6,037. This is likely in part a correction to the very low numbers of unemployed that the sample was estimating throughout the summer. The November number of unemployed remains historically low for this series. The number of unemployed reached a low of 71,402 in April 1998, which is the lowest on record outside of 2022, dating back to 1976.
- The number of U.I. requests during the 49th week of 2022 remains lower than it was during the 49th week of 2019, (47,917 in 2022 compared to 49,818 in 2019). However, the seasonal increase in layoffs has slightly outpaced its level in 2019 prior to the Pandemic Recession during the last few weeks. Over the last four weeks, there were 14,892 additional requests (through December 10th) compared to 11,897 additional requests during the same week in 2019. Slightly higher-than-normal seasonal layoffs may be part of the reason that Minnesota's unemployment rate has been ticking up.
- The number of involuntary parttime workers ticked down again to 24,600 in November, another all-time low for this series. These low numbers indicate that workers don't need to settle for parttime jobs when they prefer full time jobs and is another sign of the very tight labor market.

- Teen (16-19) labor force participation, which showed strength coming out of the Pandemic Recession, has been ticking down, now at 51.7% (12-month moving avg) in November. Teen unemployment is starting to tick up, now at 7.3%, indicating that teens are not seeing the strong demand from employers that they saw coming out of the recession
- Despite plentiful job opportunities, we continue to struggle to add labor force with five months of losses, now down 20,980 people since its peak this year in June. But to put that in perspective, year-to-date Minnesota's labor force is still growing faster than the U.S., up 0.8% compared to 0.5% nationwide.
- Private sector wage growth was revised down to 5.9% in October and stood at 5.7% in November. November wage growth remains below inflation, with the CPI down from October to 7.1% in November.
- While not all sectors have published hourly earnings in Minnesota, of those that do, the following show the strongest over the year increases among sectors.
 - Nursing & Residential Care up 10.2% over the year and 17.1% over 2 years. Current hourly earnings for production workers are \$22.44. Probably in part thanks to increasing wages, Nursing and Residential Care facilities showed a third month of positive OTY job growth.
 - Professional & Business Services up 10.0% over the year and 15.1% over two years. Hourly earnings for all workers are now \$41.63.
 - Construction up 8.4% over the year and 13.3% over two years. Hourly earnings for all workers are now \$39.54.
 - Retail Trade wage growth had slowed earlier in the year but have ticked up every month since May on an over the year basis, now at 8.4% over the year and 9.2% over two years. Retailers are likely struggling to hire this holiday season, which may be helping to push up wages. Retail Trade wages for production workers are now \$19.06 per hour.

**Labor Market Information Office
MN Department of Employment and Economic Development
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