

September 2023 Employment Analysis

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Over-the-Month Overview

- The unemployment rate remained the same as last month at 3.1% in September 2023. The labor force increased by 1,516 over the month to 3,114,343 people, the seventh month in a row of positive growth. The number of employed increased by 708 workers, and the number of unemployed increased by 808 people. The labor force participation rate held steady for the third month at 68.5%.
- Minnesota gained 8,000 jobs in the last month on a seasonally adjusted basis, up 0.3%. The private sector gained 6,200 jobs, up 0.2%. The U.S. total nonfarm employment increased by 336,000 jobs, or 0.2%. The U.S. private sector gained 263,000 jobs, also 0.2%.
- Most supersectors in Minnesota gained jobs on a seasonally adjusted basis since last month, including:
 - Education and Health Services led with 6,000 jobs, up 1.1%
 - Leisure and Hospitality gained 2,400 jobs, up 0.9%
 - Trade, Transportation and Utilities gained 1,900 jobs, up 0.4%
 - Government gained 1,800 jobs, up 0.4%
 - Manufacturing gained 600 jobs, up 0.2%
 - Construction gained 200 jobs, up 0.1%
 - Information gained 200 jobs, up 0.4%
- Four supersectors lost jobs:
 - Professional & Business Services lost 3,600 jobs, down 0.9%
 - Other Services lost 800 jobs, down 0.7%
 - Financial Activities lost 600 jobs, down 0.3%
 - Mining and Logging lost 100 jobs, down 1.6%
- Minnesota lost 416,000 jobs from February through April 2020 and has since recovered 417,700 jobs as of September 2023, which brings Minnesota to 100.1% of the number of jobs prior to the Pandemic Recession on a seasonally adjusted basis. The private sector lost 385,900 jobs from February through April 2020 and has regained 393,100 jobs as of September, or 100.2% recovered.
- Translating seasonally adjusted job change into a 3-month moving average series, MN lost 3,300 jobs, down 0.1% in May-July; gained 5,200 jobs, up 0.2% in June-August; and gained 12,200 jobs in July-September, up 0.4%. Nationally, all three periods saw growth. The U.S. grew 0.2% in May-July, 0.3% in June-August, and 0.4% in July-September.

Over-the-Year Job Growth

- Minnesota gained 49,809 payroll jobs, up 1.7%, over the year. The private sector gained 38,146 jobs, up 1.5% over the year.
- All but three supersectors posted positive annual growth. Notable big growth that outpaced the national rate are:
 - Construction gained 7,322 jobs, up 5.1% compared to 2.7% nationally. The strongest growth were in Heavy and Civil Engineering Construction (8.3%), Building Equipment Contractors (7.3%), and Specialty Trade Contractors (5.8%).
 - Trade, Transportation, and Utilities gained 11,767 jobs, up 2.3% compared to 0.5% nationally. All subsectors grew except Wholesale Trade (-1.3%). The biggest growth were in Transportation, Warehousing, and Utilities (6.4%) and Retail Trade (2.2%).
 - Information added 239 jobs, up 0.5% compared to a drop of 2.4% nationally.
- Leisure & Hospitality is equal with the nation, up 4.1% with the addition of 10,949. In Minnesota, this sector saw more rapid growth than the U.S. coming out of the recession but has since slowed to a more normal pace of growth.
- Three sectors lost jobs over the year.
 - Manufacturing lost 1,721 jobs down 0.5%. Job losses were biggest in Nondurable Goods, especially Animal Slaughtering and Processing (-7.7%) and Food Manufacturing (-2.7%).
 - Financial Activities lost 4,110 jobs over the year, down 2.1%. Losses were across the board with Finance and Insurance down 2.3%, and Real Estate, Rental and Leasing down 1.6%.
 - Professional & Business Services lost 9,512 jobs, down 2.4%, while the US grew 1.2%. The biggest lost was in Employment Services (-7.2%).
- U.S. employment grew 2.1% over the year with the private sector up 1.9%. Information was the only supersector that lost jobs over the year, down 2.4%.

September 2023 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	49,809	1.7	2.1
Private	38,146	1.5	1.9
Mining & Logging	143	2.2	4.8
Construction	7,322	5.1	2.7

Manufacturing	-1,721	-0.5	0.7
Trade, Transport. & Utilities	11,767	2.3	0.5
Information	239	0.5	-2.4
Financial Activities	-4,110	-2.1	0.9
Prof. & Business Services	-9,512	-2.4	1.2
Ed. & Health Services	22,941	4.2	4.1
Leisure & Hospitality	10,949	4.1	4.1
Other Services	128	1.1	2.3
Government	11,663	2.9	2.8

Wage and Hour Data

- Average hourly wages for all private sector workers increased 51 cents to \$36.14 in September 2023 over the month. Over the year average hourly earnings increased \$1.15, up 3.3%, and since August 2020 they are up 13.6%.
 - Nationally private sector wages increased 20 cents over the month and rose 4.1% over the year and 14.8% over three years.
 - The CPI inflation index for all urban consumers rose 3.7% over the year in September and 18.3% over 3 years.
- At 33.5 hours per week, Minnesota's September 2023 average work week shortened three-tenth of an hour over-the-month. Over-the-year it decreased by four-tenth of an hour.
 - Nationally, the average work week decreased by one-tenth of an hour over the month to 34.3 hours and decreased two-tenth of an hour over the year.

Unemployment Data

- The unemployment rate held at 3.1% in September on a seasonally adjusted basis. The number of employed grew by 708 workers, and the number of unemployed increased 808. The employment to population ratio ticked down one-tenth of a percentage point to 66.3%.
- The labor force grew by 1,516 people over the month, totaling 3,114,343 people in September. The labor force participation rate remained steady at 68.5% for the third month in a row. Minnesota's growing labor force is 14,260 people smaller than in February 2020 when the participation rate was at 69.9%.
- Nationally, over the month, the unemployment rate stayed at 3.8% and the employment to population ratio also remained steady at 60.4%. The labor force participation rate held at 62.8%.

Industry Details

Mining and Logging: Employment in Mining and Logging was off by 100 jobs (1.6%) over the month (OTM) in September, on an unadjusted basis. It was the first time employment in the supersector dropped below 6,400 since November of 2022. Over the year, employment in Mining and Logging was up by 143, or 2.2%. This was down from annual growth of 3.6% in August.

Construction: Construction employers in Minnesota added 200 jobs (0.1%) OTM in September. It was the sixth consecutive month of positive seasonally adjusted growth in the supersector. On an annual basis, employment in Construction was up by 5.1%, or 7,322 jobs. It was the largest proportional annual growth of any supersector in the state, and the first time that Leisure and Hospitality did not hold that distinction since the early days of the COVID recovery. Growth was driven by Specialty Trade Contractors (up 5,284 jobs, or 5.8%) and Heavy and Civil Engineering (up 1,871 jobs, or 8.3%). Every published industry component added jobs on the year.

Manufacturing: Employment in Manufacturing was up by 600 (0.2%) OTM in September. The growth came entirely in Non-Durable Goods Manufacturing (up 600 jobs, or 0.2%) as employment in Durable Goods Manufacturing was flat, holding at 207,700. Over the year, Manufacturing employers lost 1,721 jobs, or 0.5%. It was one of only three supersectors to lose jobs on the year. Both major components posted negative growth, with Non-Durable Goods off by 1,306 jobs (1.1%) due in large part to the loss of 1,305 jobs (2.7%) in Food Manufacturing.

Trade, Transportation, and Utilities: Trade, Transportation and Utilities employment was up by 1,900 (0.4%) OTM in September. Retail Trade added 1,600 jobs (0.6%), Wholesale Trade added 300 jobs (0.2%) and Transportation, Warehousing and Utilities employment was flat. On an annual basis, the supersector added 11,767 jobs, or 2.3%, outpacing the national growth of 0.5%. The loss of 1,666 jobs (1.3%) in Wholesale Trade was offset by the addition of 6,129 jobs (2.2%) in Retail Trade, and 7,304 jobs (6.4%) in Transportation, Warehousing and Utilities.

Information: Employment in Information was up by 200 (0.4%) OTM in September, after two consecutive months of seasonally adjusted monthly losses in the supersector. Over the year, Information employers added 239 jobs (0.5%), despite the fact that both published component industries (Publishing and Telecommunications) lost jobs on the year. Employment in the supersector seems to have stabilized some in recent years, following several years of regular contraction after reaching a high of 71,500 jobs in 2001.

Financial Activities: Employment in Financial Activities was off by 600 (0.3%) OTM in September. Both component sectors lost 300 jobs, with Finance and Insurance down by 0.2% and Real Estate and Rental and Leasing down 0.9%. Over the year, employment in the supersector was down by 4,110, or 2.1%, one of only three supersectors to lose jobs annually. Finance and Insurance employment was off by 4,110 (2.1%) and Real Estate and Rental and Leasing was off by 573 (1.6%).

Professional and Business Services: Professional and Business Services employment was down by 3,600, or 0.9% over the month. It was the largest real job loss of any supersector in the state. All three component sectors lost jobs. Professional, Scientific and Technical Services lost 1,600 jobs (1%). Management of Companies lost 700 jobs (0.8%) and Administrative and Support and Waste Management and Remediation Services lost 1,300 jobs (1%). Over the year, the supersector lost 9,512 jobs, or 2.4%. It was the largest real and proportional job loss for any supersector in the state. Administrative and Support and Waste Management and Remediation Services lost 4,725 jobs (3.4%) due in large part to the loss of 4,564 jobs (7.2%) in its Employment Services component sector.

Education and Health Services: Employment in Education and Health Services was up by 6,000 (1.1%) OTM in September. Educational Services added 1,500 jobs (2.2%) and Health Care and Social Assistance added 4,500 jobs (0.9%). The supersector has not posted a month of negative seasonally adjusted growth since June of 2022. On an annual basis, Education and Health Services employers added 22,941 jobs, or 4.2%, the second-highest proportional growth of any supersector in the state. Annual growth came entirely from Health Care and Social Assistance (up 23,403 jobs, or 4.9%) as the Educational Services sector lost 462 jobs (0.6%) on the year.

Leisure and Hospitality: Leisure and Hospitality employment was up by 2,400 (0.9%) OTM in September. Arts, Entertainment and Recreation added 2,000 jobs (4%) while the larger Accommodation and Food Services sector added 400 jobs (0.2%). Over the year, Leisure and Hospitality employers added 10,949 jobs, or 4.1%. It was the first month since early 2021 that the supersector did not post the largest proportional annual growth in the state, perhaps signaling that post-pandemic recovery growth has leveled off in the supersector. Arts, Entertainment and Recreation employers added 5,829 jobs (12.3%) and Accommodation and Food Services employers added 5,120 jobs (2.4%).

Other Services: Employment in Other Services was off by 800 (0.7%) OTM in September. It was the first monthly decline in the supersector since March. On an annual basis, the supersector added 128 jobs, or 0.1%. The loss of 1,410 jobs (6.2%) in Repair and Maintenance was offset by gains of 756 jobs (2.9%) and 782 jobs (1.3%) in Personal and Laundry Services and Religious, Grantmaking, Civic and Professional Organizations, respectively.

Government: Government employers added 1,800 jobs (0.4%) OTM in September. The growth came primarily at the Local Government level, which added 1,700 jobs (0.6%). Federal employers added 100 jobs (0.3%) and State Government employment growth was flat. Over the year, employment in Government was up 11,663, or 2.9%, slightly outpacing the national growth of 2.8%. All three levels of government added jobs, with Federal up 1,290 (4.1%), State up 798 (0.8%) and Local up 9,575 jobs (3.5%).

Over-the-Year Job Growth by MSAs

September data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	32,927	1.7
Duluth-Superior MN-WI MSA	982	0.7
Rochester MSA	4,167	3.4
St. Cloud MSA	181	0.2
Mankato MSA	3,568	6.2
Fargo-Moorhead ND-MN MSA (August)	1,100	0.7
Grand Forks-East Grand Forks ND-MN MSA (August)	1,900	3.7
La Crosse-Onalaska WI-MN (August)	1,200	1.5

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