



The State of the State: An Update on Minnesota's Labor Market

December 12, 2025

Cameron Macht

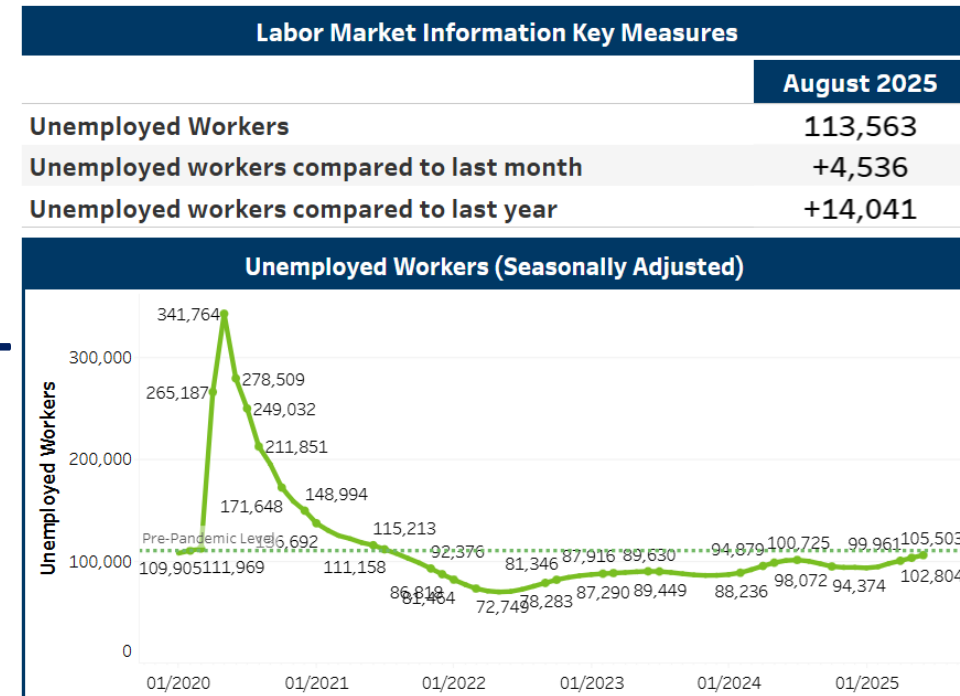
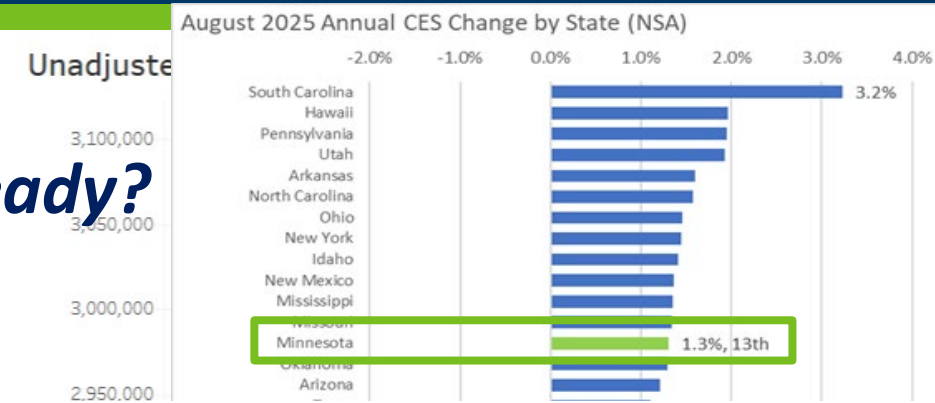
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<https://mn.gov/deed/data/regional-lmi/>

Perception Equals Reality...

- How is Minnesota's economy doing?
 - *Are we adding jobs, losing jobs or holding steady?*
 - We are growing! 3,069,324 jobs in Sept. 2025
 - Minnesota ranked 13th fastest in the U.S. O-T-Y in Aug. 2025
- How is Minnesota's labor force doing?
 - *Are we adding workers, losing workers, or holding steady?*
 - We had been gaining workers every month – up to 3,159,480 workers in Sept. 2025
 - Surpassed the pre-pandemic level last summer
 - 117,394 unemp. workers in Sept. 2025
 - Unemp. rate = 3.7% in Sept. 2025
 - Minnesota tied for 15th lowest in the U.S. in Aug. 2025



Data Seasonally Adjusted. For more information see (<https://apps.deed.state.mn.us/lmi/laus/detail.aspx?geoq=2701000000&adjust=1&graph=1>)

Where are the workers?

“NOBODY WANTS TO WORK ANY MORE!”

2022

According to a new survey released by TinyPulse, 1 in 5 executive leaders agree with this statement: “No one wants to work”. These same leaders cite a “lack of response to job

2014

What has happened to the work ethic in America? Nobody wants to work anymore. It has not always been that way. When I first started to work as a teenager, I saw people work hard.

2006

like nobody wants to work anymore and when they do

1999

“Nobody wants to work anymore,” Cecil said. “They all want to work in front of a computer and make lots of off this land last week. But they just fooled around. They didn’t want to work. Nobody wants to work anymore.”

1981

“Nobody wants to work anymore.”

1979

— disgusted businessman

1969

called “Nobody Wants to Work Anymore.” Talking about un-

1952

everybody was getting too darned lazy and nobody wants to work anymore. That’s the truth if I ever heard it.

1940

trouble is everybody is on relief or a pension — nobody wants to work anymore.”

1937

ams counties are complaining that “Nobody wants to work anymore.” There is work, it is reported, for 15

1922

it is because nobody wants to work any more unless they can

1916

he answered, “the reason for food scarcity is that nobody wants to work as hard as they used to. I asked a

1905

unreliable. None want to work for wages.

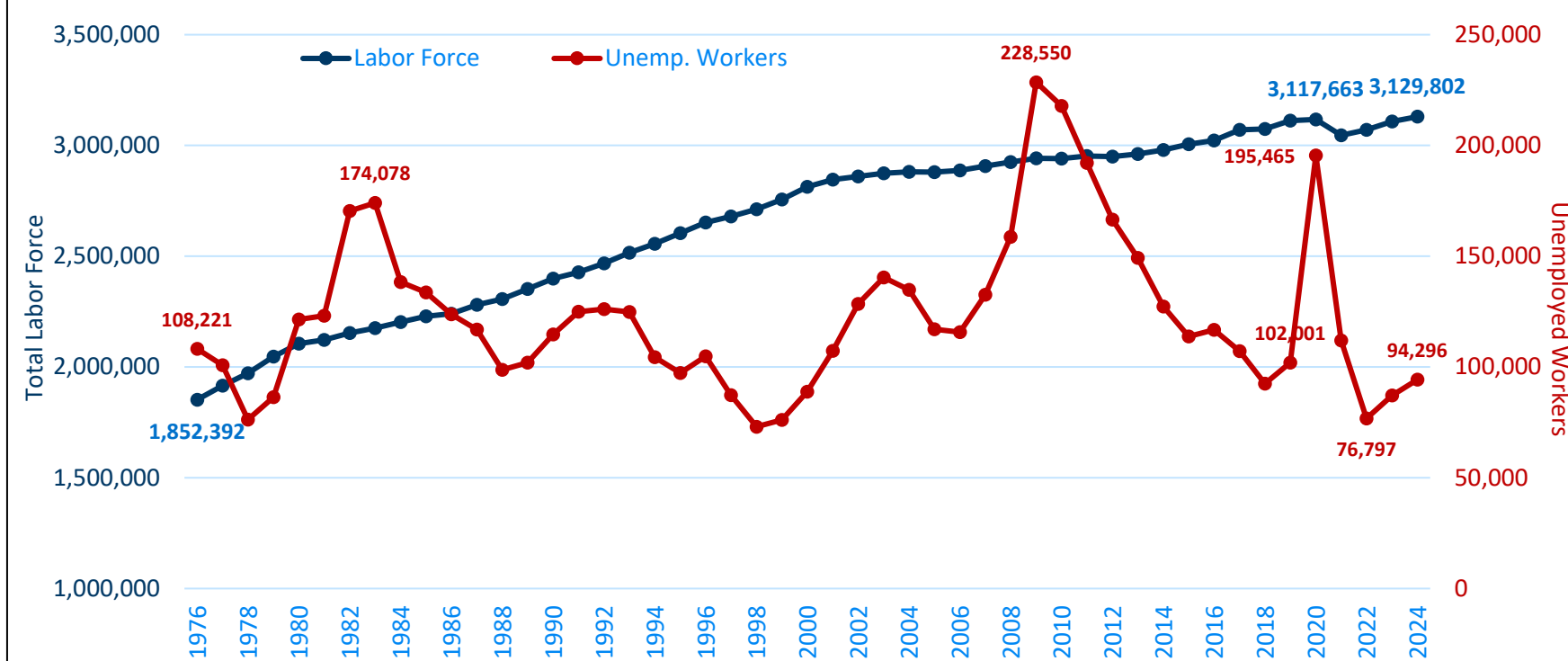
1894

next winter? It is becoming apparent that nobody wants to work these hard times.

Minnesota's Job Engine

- From 1976 to 2019, Minnesota added 1,259,281 workers
 - From 1,852,392 workers to 3,111,673 workers
 - But Minnesota had -6,220 fewer unemployed workers!!!
 - From 108,221 unemp. workers to 102,001 unemp. workers
- From 2019 to 2021, Minnesota lost -66,386 workers
- From 2021 to 2024, Minnesota added +84,515 workers
 - Back to just 94,296 unemployed workers
- Thru Sept. 2025, added +31,774 workers OTY
 - Avg. of 3,161,333 workers
- +31,325 unemp. OTY
 - Avg. of 116,309 unemp.

Figure 1. Minnesota's Labor Force Changes, 1976-2024



Labor Force Participation

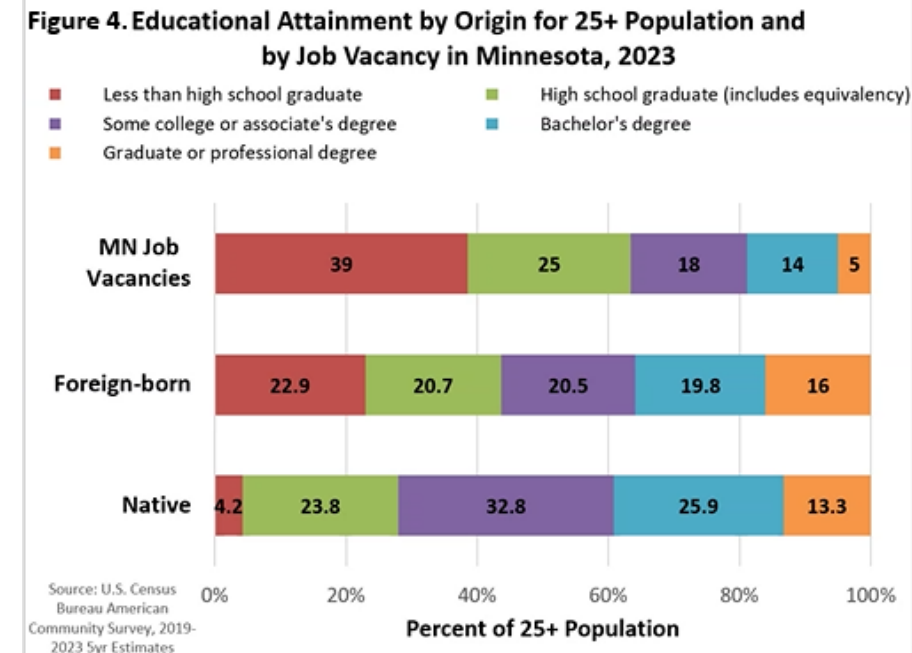
- **77.2% of the state's labor force is white**
(down from 88.5% in 2013)
 - The state's white labor force declined from 2013 to 2023 (due to aging population, self-reporting)
- Labor force participation rates were higher for every other race group except American Indians, and had been increasing since 2013
- **From 2013-2023:**
 - Black or African American labor force increased by +68,800 workers (+49.5%)
 - Asian labor force grew by +52,950 workers (+43.1%)
 - Labor Force of some other race grew +47,500 (+105.4%)
 - Two or more races grew by +140,165 workers (+277.5%)
 - Hispanic or Latino grew by +67,000 workers (+52.1%)

Minnesota Labor Force Characteristics, 2024	Labor Force	Participation Rate	Unemp. Rate	Percent of Total
Population 16 years and over	3,175,698	68.1%	3.7%	100.0%
16 to 19 years	169,573	54.1%	11.2%	5.3%
20 to 24 years	307,141	83.6%	5.9%	9.7%
25 to 29 years	324,576	89.7%	3.7%	10.2%
30 to 34 years	345,091	89.1%	3.4%	10.9%
35 to 44 years	713,221	89.5%	2.9%	22.5%
45 to 54 years	594,506	89.2%	2.6%	18.7%
55 to 59 years	264,203	81.0%	3.6%	8.3%
60 to 64 years	255,339	65.9%	2.4%	8.0%
65 to 74 years	172,532	27.9%	2.9%	5.4%
75 years and over	31,965	7.3%	2.7%	1.0%
	Labor Force	Participation Rate	Unemp. Rate	Percent of Total
White alone	2,450,192	66.8%	3.0%	77.2%
Black or African American alone	225,201	72.0%	8.2%	7.1%
American Indian and Alaska Native alone	26,312	62.2%	9.3%	0.8%
Asian alone	175,963	74.5%	3.4%	5.5%
Some other race alone	93,129	74.9%	6.4%	2.9%
Two or more races	205,596	74.2%	5.4%	6.5%
Hispanic or Latino origin (of any race)	209,021	75.6%	5.2%	6.6%

Source: 2024 American Community Survey

Labor Force Participation

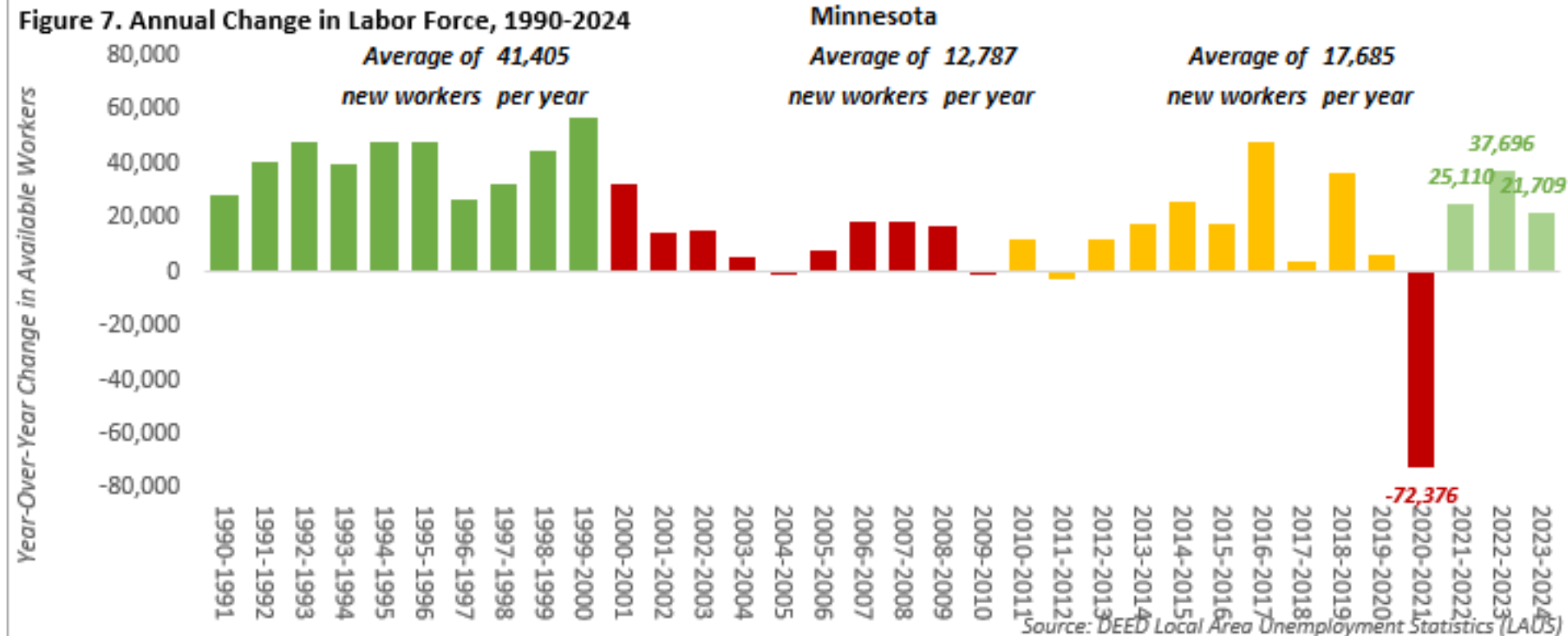
- Minnesota's foreign-born population has grown significantly over the past decade, reaching 523,500 residents in 2024 and comprising 9.0% of the state's population
 - 24.7% increase from 2013-2023, highlighting the state's growing population and the important role immigrants play in Minnesota's demographic makeup
 - Below the national share of 13.9%, but MN has seen more rapid growth in immigrant population
- <https://mn.gov/deed/newscenter/publications/trends/mar-2025/foreign-born.jsp>
- Minnesota has 344,000 Foreign-born workers – up +74,450 since 2013 (+27.6%)
 - 74.4% labor force participation rate (up from 70.4% in 2010)
 - 6.0% higher than the statewide labor force participation rate, which itself was the 6th highest among all states
 - Foreign-born workers bring valuable skills and experience that align with the state's diverse labor market needs
 - Their participation is becoming increasingly crucial in industries facing persistent labor shortages



Labor Force Trends

- The state's labor force growth has slowed down
 - From an average of more than 41,405 new workers per year (1990s)
 - To an average of 17,685 new workers per year (2010s)
 - Averaging just +3,035 new workers per years in the 2020s (*but pandemic is included*)

- *Northeast & Southwest have already switched to labor force declines (2010-on)*



Labor Force Projections

- Projected to slow down to about 9,500 new workers per year over the next decade (+3.0%)
 - Immigrants accounted for half of the state's labor force growth from 2013-2023
- Just over half of the state's labor force growth is projected to occur in the Twin Cities metro area (+2.8% ; +50,685)
 - Central = +5.9% (+24,131)
 - Southeast = +3.6% (+10,164)
 - Northwest = +3.5% (+10,235)
 - Southwest = +1.1% (+2,325)
 - Northeast = -1.4% (-2,216)

Table 15. Labor Force Projections, 2025-2035

Minnesota	2025 Labor Force Projection	2035 Labor Force Projection	2025-2035 Change	
			Numeric	Percent
16 to 19 years	159,211	152,913	-6,298	-4.0%
20 to 24 years	318,651	327,393	8,743	2.7%
25 to 44 years	1,352,489	1,391,793	39,303	2.9%
45 to 54 years	598,668	686,134	87,466	14.6%
55 to 64 years	510,809	470,754	-40,054	-7.8%
65 to 74 years	172,918	167,598	-5,320	-3.1%
75 years & over	30,435	41,236	10,801	35.5%
Total Labor Force	3,143,180	3,237,821	94,641	3.0%

Source: calculated from Minnesota State Demographic Center population projections and 2019-2023 American Community Survey 5-Year Estimates

Job Vacancy Survey

- How many job vacancies are there in Minnesota?
 - 160,000 job openings in Aug. 2025
 - Peaked at 253,000 in Mar. 2022
- *Job openings are declining, while unemployed workers are increasing*
- mn.gov/deed/data/data-tools/job-vacancy/
- 120,500 vacancies in 2024!
- 0.8 jobseekers per vacancy

Job Openings & Labor Turnover Survey (JOLTS)

U.S. Bureau of Labor Statistics (<https://www.bls.gov/jlt/>)

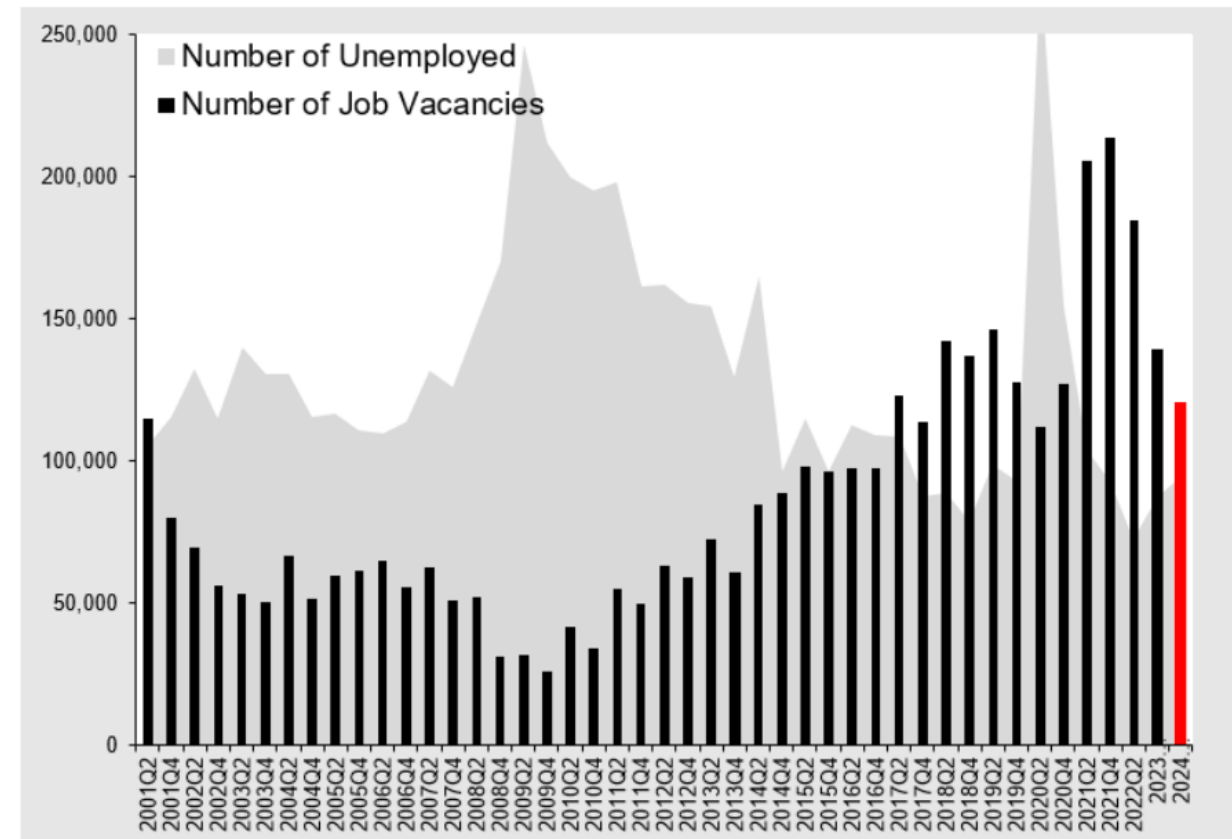


Select a Geography: (Multiple values) Select an Element: Job Openings Select Level or Rate: Level (in thousands) Select Adjustment: Seasonally Adjusted

Job Openings, Level (in thousands), Seasonally Adjusted

Geography

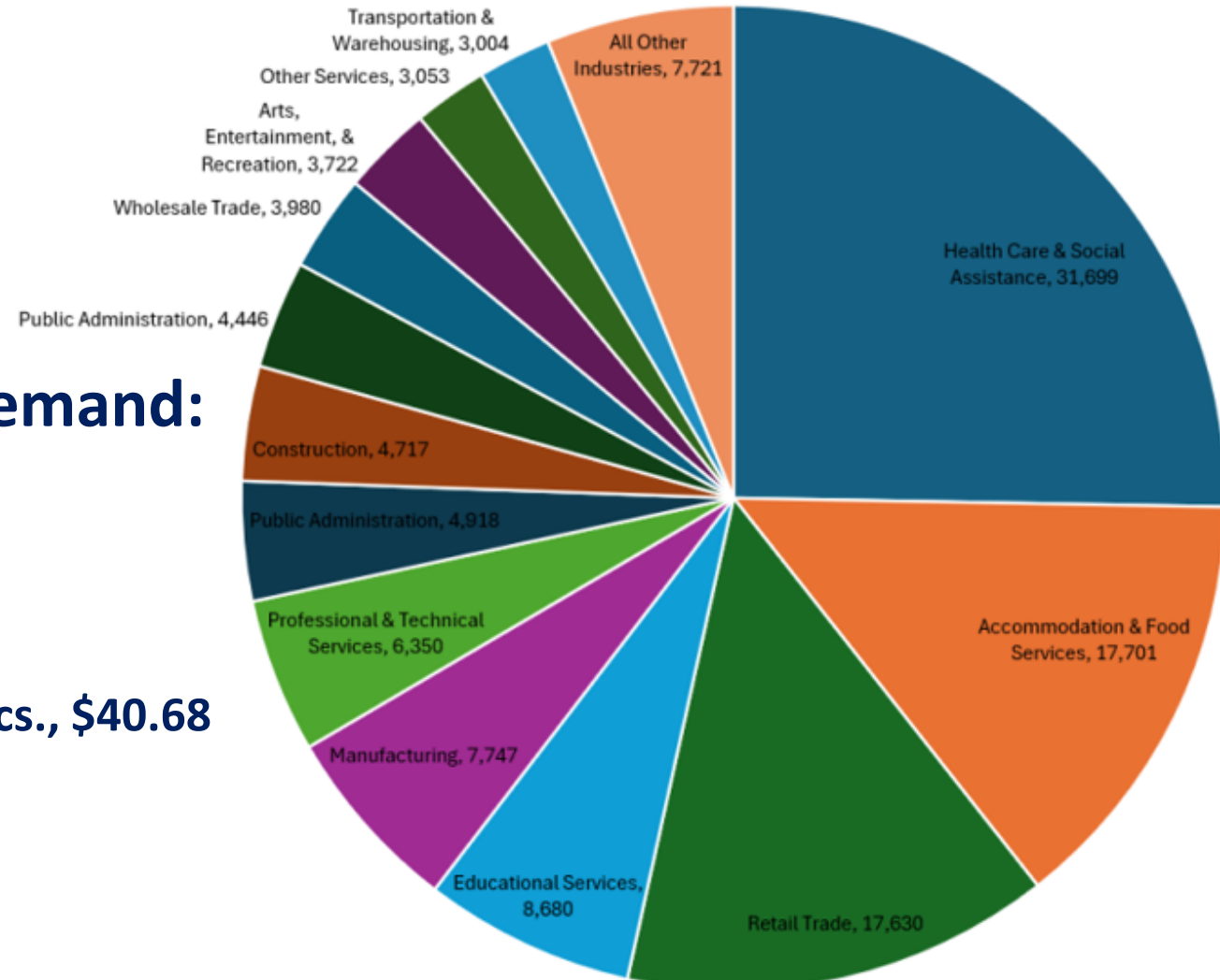
Figure 1: Number of Job Vacancies and Number of Unemployed, Minnesota, 2001 to 2024



Job Vacancy Survey

- Every region saw a decline in job vacancies
 - But the biggest declines were in Southeast and the Twin Cities
 - Central, Southwest, and Northeast all declined less than -5.0% over the year
- Still, Drive for 5 industries are in demand:
 - Health Care & Social Assistance = 31,700 vacs., \$23.07 wage offer
 - Educational Services = 8,680 vacs., \$22.38
 - Manufacturing = 7,750 vacs., \$24.97
 - Professional & Technical Services = 6,350 vacs., \$40.68
 - Construction = 4,700 vacs., \$28.61
 - *50% of total vacancies in the state*

Figure 2: Job Vacancies by Industry Sector, Minnesota, 2024



Employment Changes

- **13 of 20 industries added jobs over the past year**
 - 17 of 20 have added jobs since 2020
 - But half of the industries have not recovered full employment compared to Q1 2020
- **Health Care & Social Assistance is now up to 535,000 jobs! (18.2%)**
 - Up 21,000 jobs in 2024; and up 46,000 jobs from 2020-2024
- **Manufacturing fell to 320,000 jobs**
 - Lost -5,700 jobs in 2024; but up 11,000 jobs from 2020-2024
- **Retail Trade hung on with 285,000 jobs**
- **Leisure & Hospitality has 285,000 jobs**
 - Regained 70,000 jobs from 2020 to 2024; but down -5,000 jobs from Q1 2020-2025
- **Educational Services has 235,000 jobs**

Table 37. Industry Employment Statistics, 2024

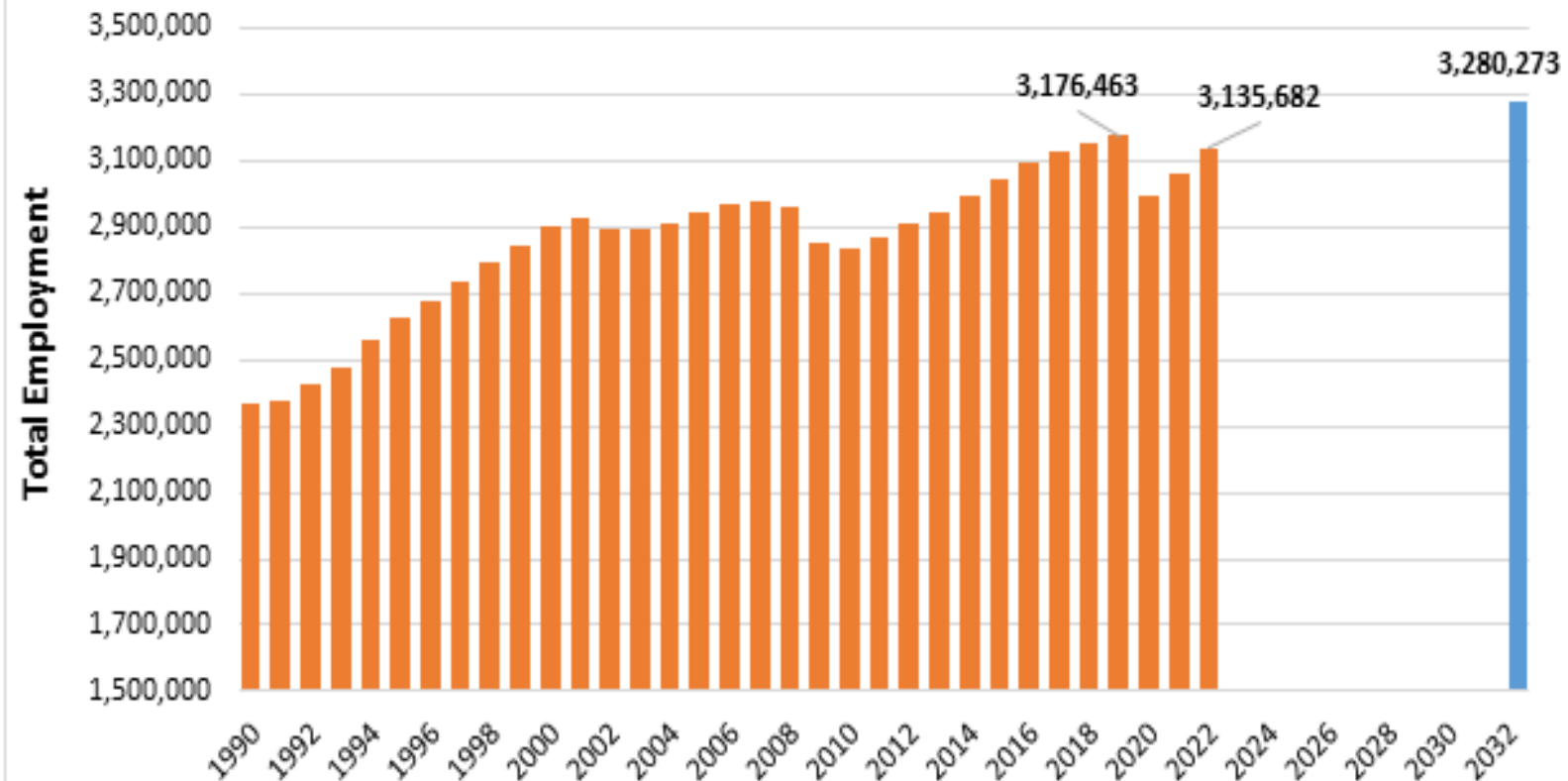
Minnesota	2024 Annual Data				2023-2024		2020-2024	
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	212,756	2,931,419	\$217,596,492	\$74,229	23,696	0.8%	223,598	8.3%
Agriculture, Forestry, Fish & Hunt	3,295	23,446	\$1,220,138	\$52,040	55	0.2%	589	2.6%
Mining	253	5,803	\$649,734	\$111,965	70	1.2%	329	6.0%
Construction	18,605	145,047	\$12,801,250	\$88,256	1,835	1.3%	13,930	10.6%
Manufacturing	8,573	320,253	\$26,671,060	\$83,281	-5,694	-1.7%	11,216	3.6%
Utilities	560	14,655	\$1,909,868	\$130,322	212	1.5%	1,308	9.8%
Wholesale Trade	15,855	134,030	\$14,256,524	\$106,368	402	0.3%	9,214	7.4%
Retail Trade	18,053	285,244	\$11,222,392	\$39,343	1,276	0.4%	8,625	3.1%
Transportation & Warehousing	6,338	116,545	\$8,030,614	\$68,906	1,674	1.5%	12,046	11.5%
Information	7,407	46,715	\$5,329,522	\$114,086	-1,663	-3.4%	-165	-0.4%
Finance & Insurance	11,300	138,236	\$18,824,755	\$136,178	-2,689	-1.9%	-8,948	-6.1%
Real Estate & Rental & Leasing	7,071	35,853	\$2,470,390	\$68,903	-29	-0.1%	1,914	5.6%
Professional & Technical Services	30,181	167,468	\$20,423,898	\$121,957	-1,158	-0.7%	12,462	8.0%
Management of Companies	2,537	86,680	\$12,598,881	\$145,349	-2,823	-3.2%	-302	-0.3%
Admin. Support & Waste Mgmt. Svcs.	10,433	123,346	\$6,927,305	\$56,162	-7,159	-5.5%	1,576	1.3%
Educational Services	5,392	234,549	\$14,559,634	\$62,075	4,119	1.8%	16,612	7.6%
Health Care & Social Assistance	25,901	532,896	\$35,703,542	\$66,999	21,184	4.1%	46,397	9.5%
Arts, Entertainment, & Recreation	3,997	54,524	\$2,497,136	\$45,799	2,438	4.7%	17,776	48.4%
Accommodation & Food Services	12,900	229,453	\$6,265,199	\$27,305	2,976	1.3%	51,751	29.1%
Other Services	20,724	91,777	\$4,369,368	\$47,609	1,176	1.3%	14,326	18.5%
Public Administration	3,383	144,893	\$10,865,283	\$74,988	7,494	5.5%	12,732	9.6%

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

Employment Projections

- DEED's most recent round of ten-year employment projections estimates the addition of nearly 145,000 new jobs between 2022 and 2032, a 4.6% growth rate
 - Created every 2 years, looking forward 10 years
 - Based on national trends, as well as local knowledge
- Regions
 - Central = +16,302 jobs (+5.2%)
 - Northeast = +5,157 jobs (+3.3%)
 - Northwest = +10,326 jobs (+3.9%)
 - Twin Cities = +94,877 jobs (+4.9%)
 - Southeast = +12,280 jobs (+4.5%)
 - Southwest = +5,664 jobs (+2.8%)

Figure 1. Minnesota Actual and Projected Total Employment, 1990-2032



Source: DEED Employment Outlook

Employment Projections by Industry

- <https://mn.gov/deed/data/data-tools/employment-outlook/>
- Professional & Technical Services and Arts, Entertainment & Recreation are projected to grow more than 10%
- Health Care & Social Assistance is projected to add 41,275 net new jobs
 - Manufacturing = +11,005 jobs (+3.4%)
 - Construction = +10,161 jobs (+7.6%)
 - Educational Services = +6,313 jobs (+2.7%)
 - Professional & Technical Svcs. = +16,854 jobs
 - Information = +2,775 jobs (+6.1%)
 - Management of Companies = +6,382 jobs (+7.3%)
 - Retail Trade is projected to cut over 3,000 jobs

Sector	Actual 2022 Employment	Projected 2032 Employment	Projected Percent Change	Projected Numeric Change
Professional, Scientific & Technical Services	166,480	183,334	+10.1%	+16,854
Arts, Entertainment & Recreation	52,793	58,123	+10.1%	+5,330
Health Care & Social Assistance	482,631	523,906	+8.6%	+41,275
Transportation & Warehousing	101,547	109,602	+7.9%	+8,055
Construction	133,130	143,291	+7.6%	+10,161
Wholesale Trade	131,627	141,239	+7.3%	+9,612
Management of Companies	87,198	93,580	+7.3%	+6,382
Information	45,517	48,292	+6.1%	+2,775
Accommodation & Food Services	211,568	222,473	+5.2%	+10,905
Total, All Industries	3,135,681	3,280,273	+4.6%	+144,592
Mining	5,648	5,891	+4.3%	+243
Finance & Insurance	156,293	162,063	+3.7%	+5,770
Other Services	112,983	116,906	+3.5%	+3,923
Agriculture, Forestry, Fishing & Hunting	24,620	25,450	+3.4%	+830
Manufacturing	323,919	334,924	+3.4%	+11,005
Real Estate & Rental & Leasing	35,160	36,276	+3.2%	+1,116
Administrative Support & Waste Mgmt. Svcs	133,432	137,662	+3.2%	+4,230
Educational Services	236,349	242,662	+2.7%	+6,313
Government	196,782	200,737	+2.0%	+3,955
Utilities	12,332	12,284	-0.4%	-48
Self-Employed & Unpaid Family Workers	204,312	203,332	-0.5%	-980
Retail Trade	281,360	278,246	-1.1%	-3,114

Source: DEED Employment Outlook

Labor Market Information office

- Each state produces employment and economic statistics in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics
- LMI includes employment statistics, unemployment rates, wages and salaries, job projections and more
- LMI is the foundation for informed, market-responsive planning
- <https://mn.gov/deed/data/data-tools/>



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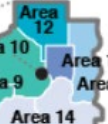
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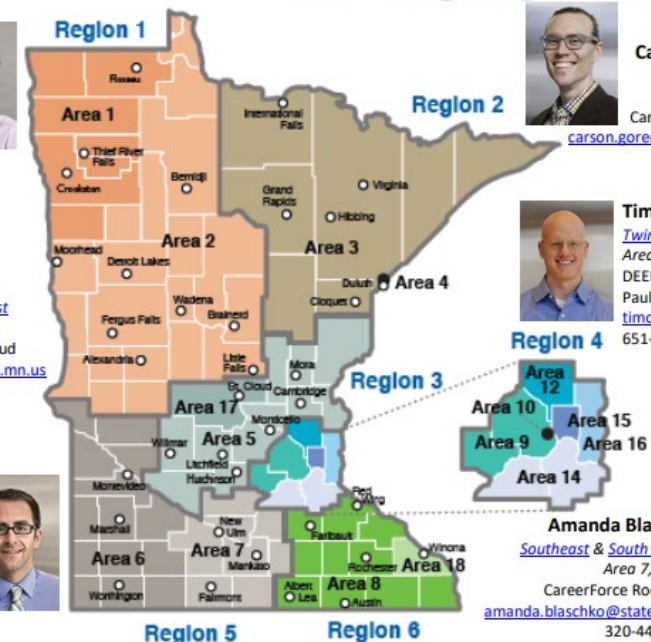
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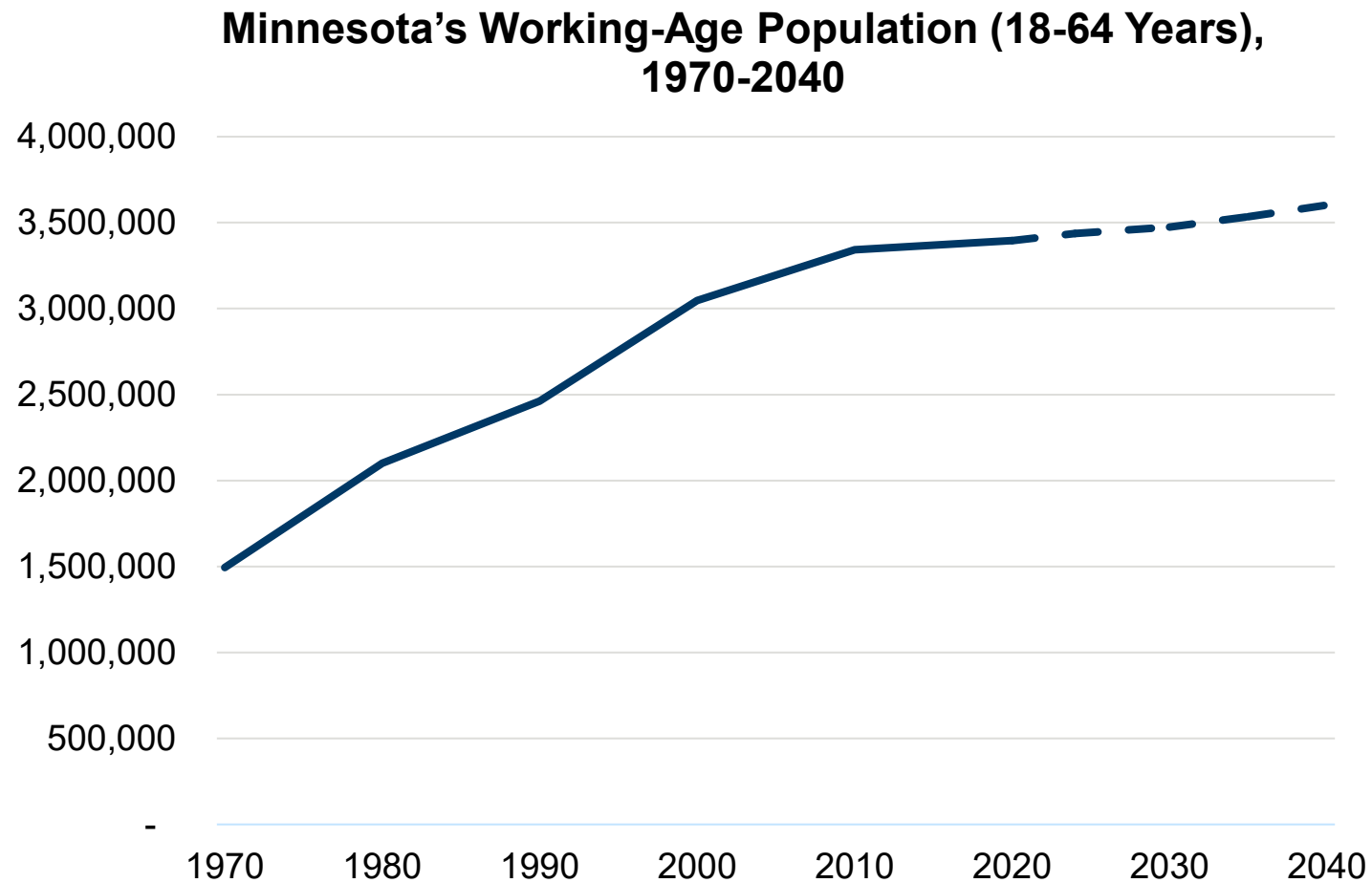




Demographic Update on Minnesota's Workforce

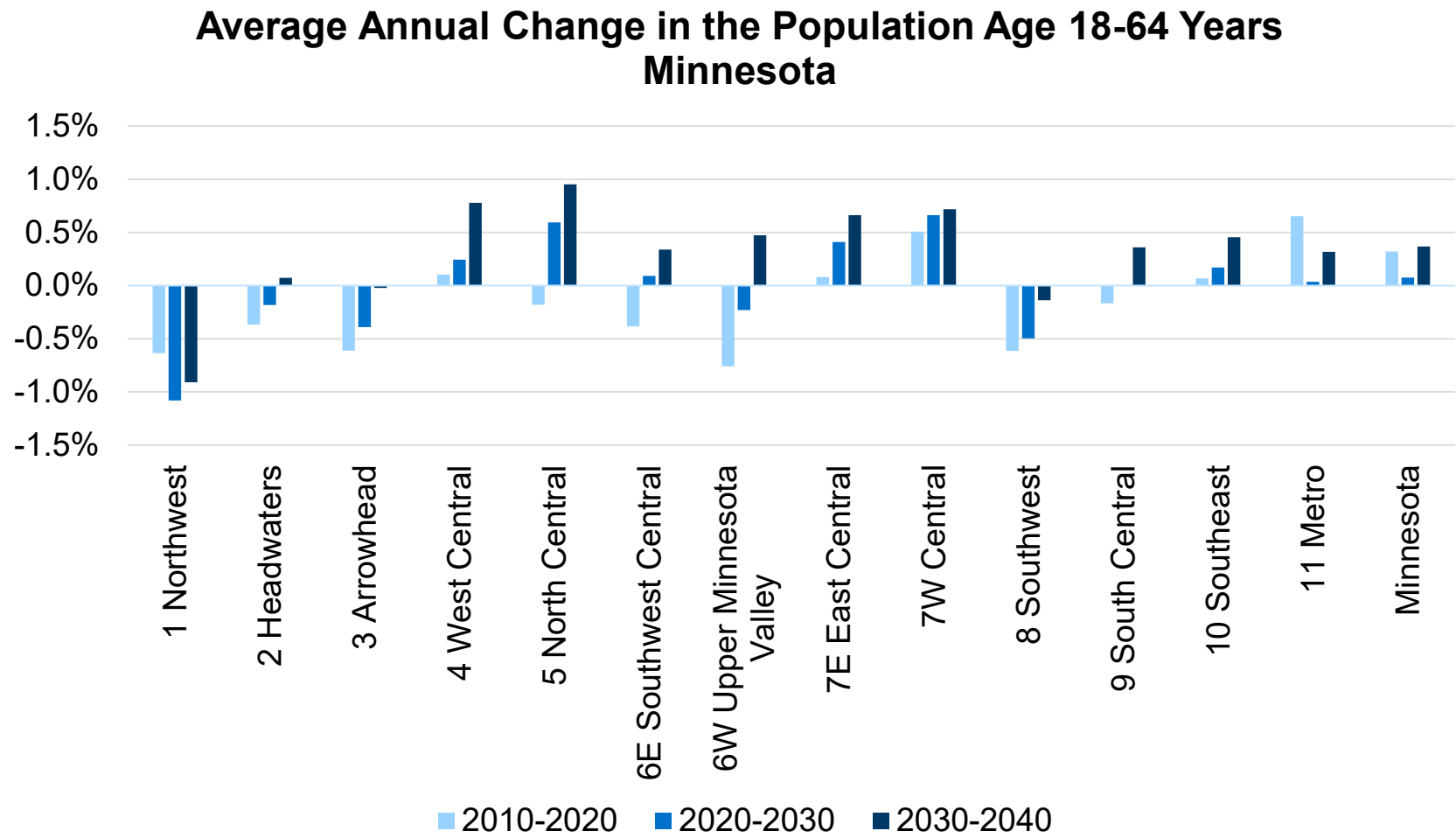
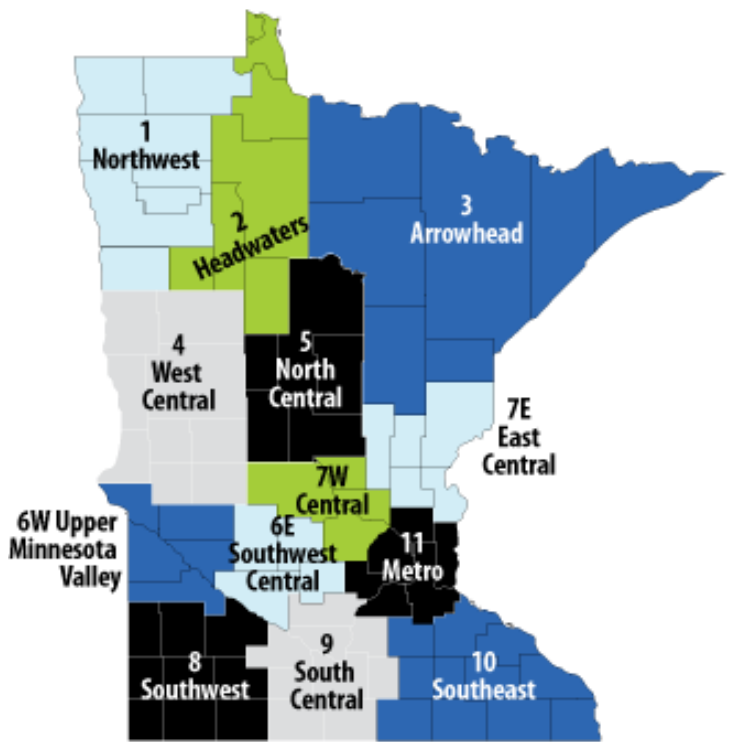
Susan Brower | Minnesota State Demographer
December 12, 2025

Minimal growth is projected for the working-age population.



Source: IPUMS.org and Minnesota State Demographic Center Projections, 2023

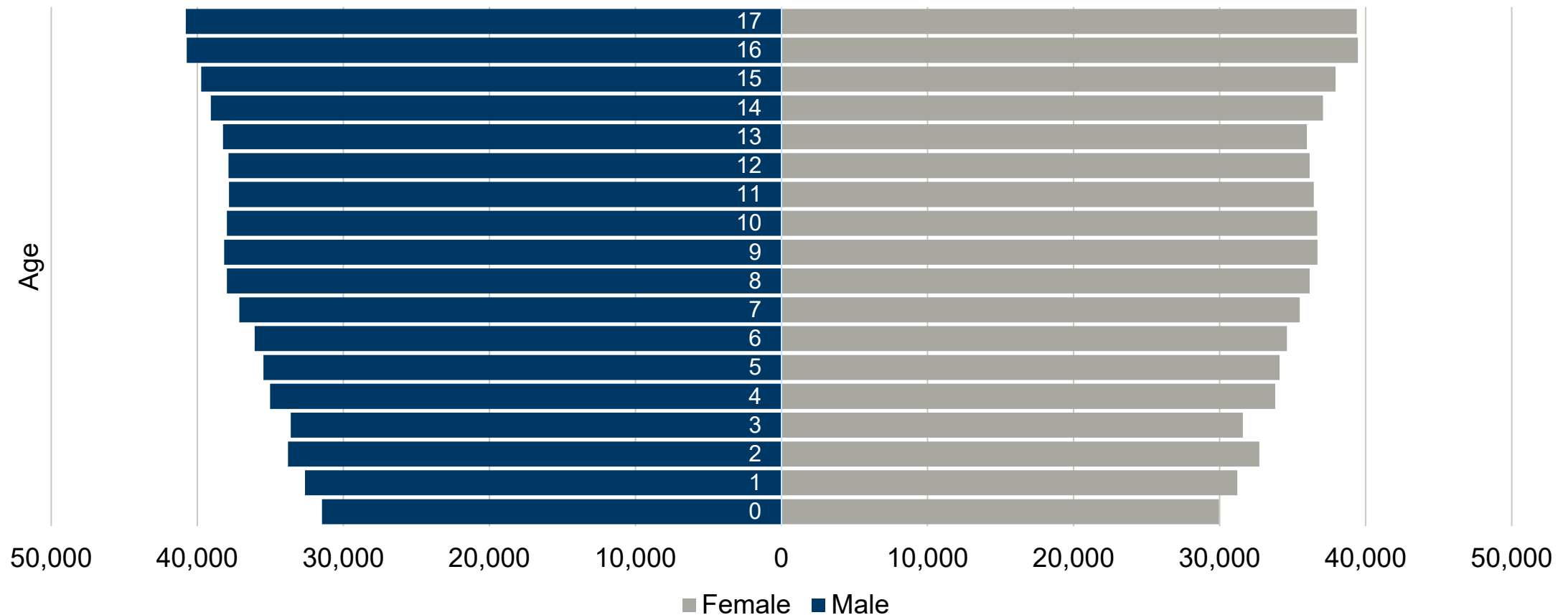
Northern and southwestern regions of the state have experienced a declining pool of workers.



Source: IPUMS.org and Minnesota State Demographic Center Projections, 2023

Births have been declining statewide, creating successively smaller cohorts of future workers.

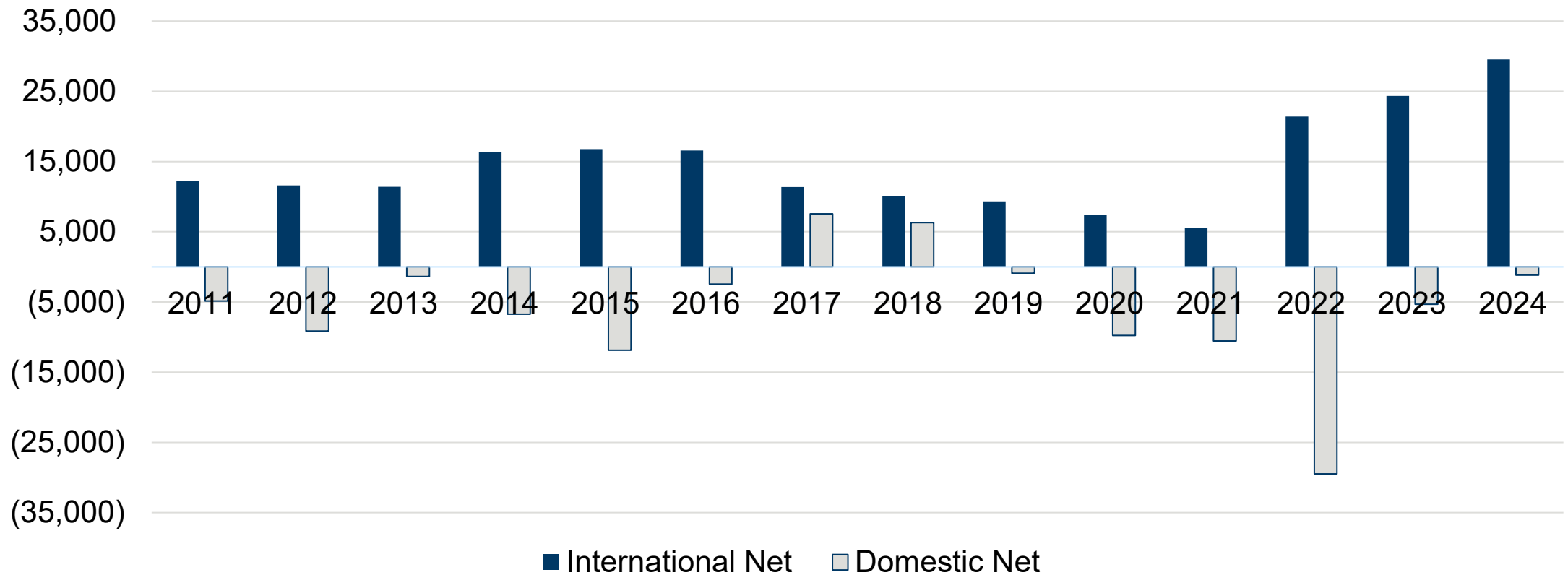
Minnesota Children by Single Year of Age and Sex, 2024



Source: 2024 U.S. Census Bureau Population Estimates Program

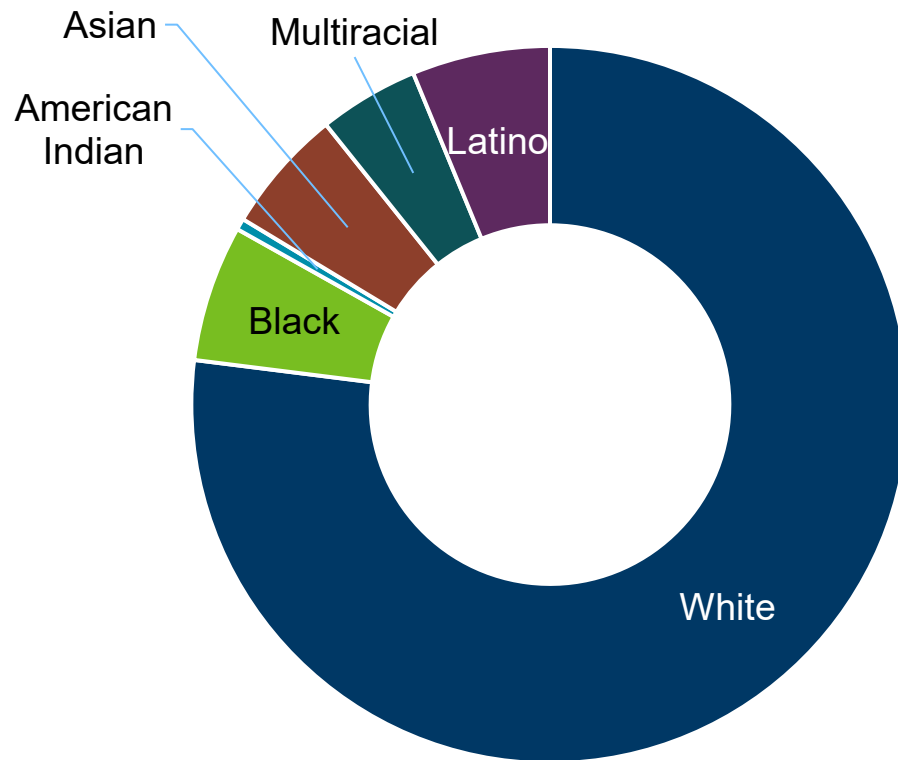
International immigration that buoyed Minnesota's labor force growth after the pandemic will slow in 2025.

**Domestic and International Net Migration
Minnesota, 2011-2024**



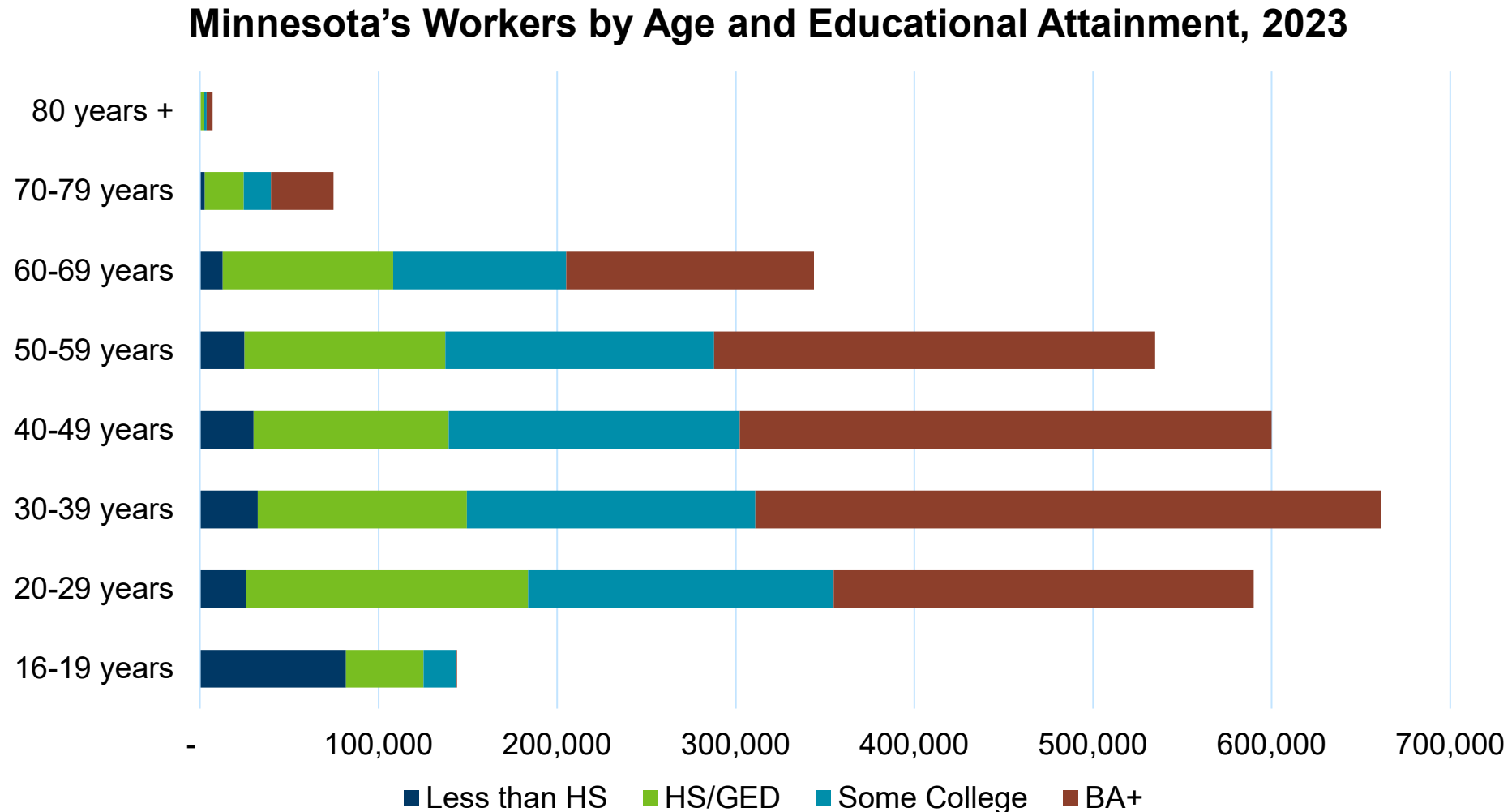
Of the 3.2 million Minnesotans in the labor force:

Labor Force Participants in 2023



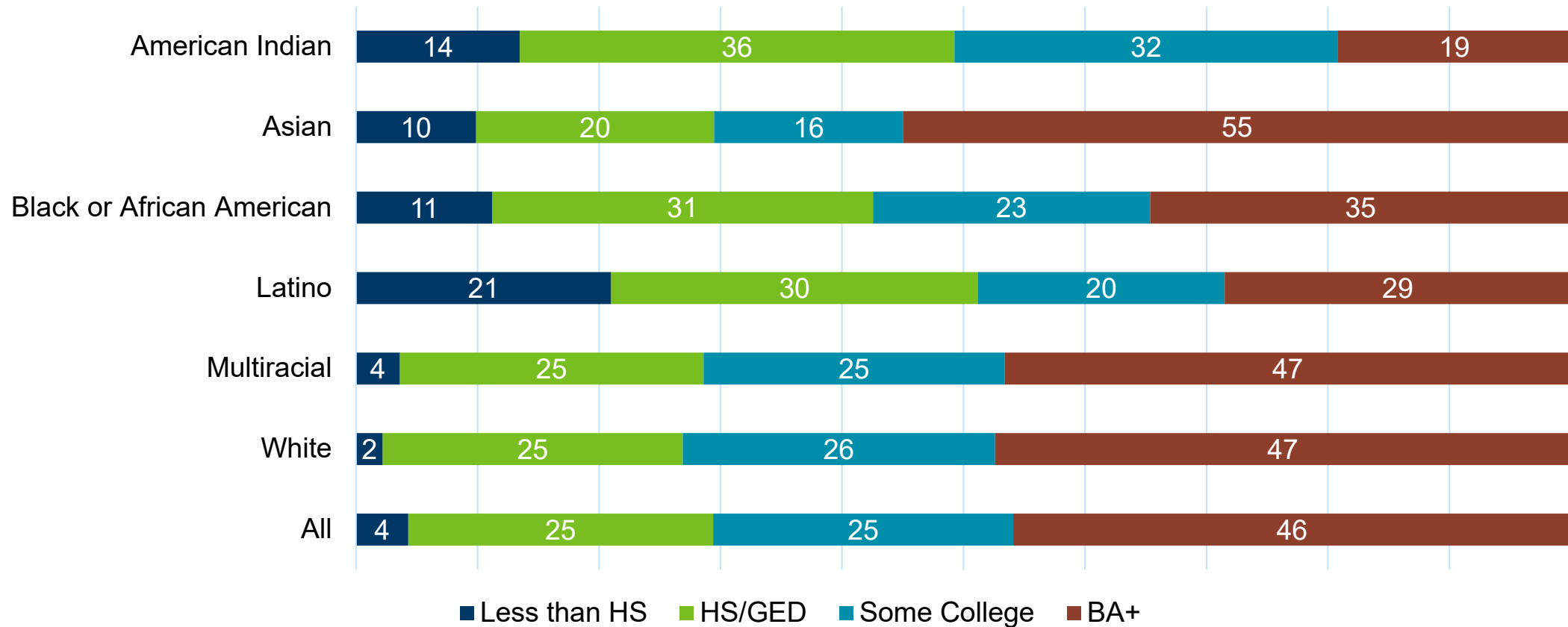
- 725,000 are Black, Indigenous, and People of Color (23%).
- 1.5 million are women (48%).
- 339,000 were born in a country outside of the U.S. (11%).
- 1 million are parents (32%).

Slow growth means we need to prioritize training for those who are already working.



Slow growth means that we need all workers to contribute to their full potential.

Educational Attainment of Minnesota's Labor Force (Age 25+) by Race



Source: IPUMS.org 2023

Slow growth means we must plan to fill critical jobs.

Consider, for example, the occupations/sectors that were deemed essential during the COVID-19 pandemic:

- Energy.
- Childcare.
- Water and wastewater.
- Agriculture and food production.
- Critical retail (e.g., grocery stores, hardware stores, mechanics).
- Critical trades (construction workers, electricians, plumbers, etc.).
- Transportation.
- Nonprofits and social service organizations.

Key Takeaways

- Population and workforce growth will be slow into the foreseeable future.
- International migration is the most realistic mechanism for future growth. An increase in the birth rate is unlikely, and domestic migration tends to flow out of Minnesota.
- Supporting educational opportunities for working adults aligns with a slow growth, high-competition context.
- Supporting jobs in essential industries (like healthcare) will be important, especially given the competition from employers for workers.

What questions do you have?

Email: demography.helpline@state.mn.us

Website: mn.gov/demography