

## April 2021 Employment Analysis

### Overview

- The unemployment rate ticked down in April to 4.1% from 4.2% in March. The decrease resulted from people moving from unemployed to employed.
- Minnesota gained 11,300 jobs, up 0.4%, in April on a seasonally adjusted basis. The private sector gained 8,100 jobs, up 0.3%.
- Seasonally adjusted growth was revised down slightly in March from 0.8% or 21,600 jobs to 0.7% or 20,400 jobs.
- Eight supersectors gained jobs and three lost jobs in April on a seasonally adjusted basis.
  - Gains were largest in Professional & Business Services, up 4,800 jobs or 1.3%, Government, up 3,200 jobs or 0.8%, Leisure & Hospitality up 3,100 or 1.4%, Trade, Transportation & Utilities up 2,500 jobs or 0.5%, and Construction up 1,100 or 0.9% over the month.
  - Other Services added 800 jobs, up 0.8%, and Manufacturing and Mining & Logging each added 100 jobs over the month.
  - Losses were in Education & Health Services, down 3,000 jobs or 0.6%, Financial Activities down 1,200 jobs or 0.6% and Information down 200 jobs or 0.5%.
- The U.S. gained 266,000 jobs up 0.2% over the month in April, seasonally adjusted.
- Minnesota lost 416,300 jobs from February through April 2020 and has since gained 235,300 jobs, or 56.5% of the jobs lost on a seasonally adjusted basis. The private sector has regained 57.7% of jobs lost.
- With this release, we are now comparing over the year employment change to April 2020, the month of deepest jobs losses during the pandemic recession, which saw the loss of 396,315 jobs (down 13.4%) in total nonfarm and 368,082 jobs (down 14.6%) in the private sector over the year in Minnesota.
- In April 2021, Minnesota gained 230,463 payroll jobs, up 9.0%, over the year. April 2021 gains put Minnesota 165,852 jobs short of April 2019 employment. The private sector gained 218,040 jobs, up 10.1% over the year last month putting the private sector 150,042 jobs short of its April 2019 level.
- U.S. employment grew 10.9% over the year with the private sector up 13.3% in April.
- March estimates were revised down from -5.7% to -5.8% over-the-year (down 1,140 jobs).
- In both MN and the U.S. all but 2 supersectors are now showing over-the-year job gains. Both MN and the U.S. lost jobs in Logging & Mining. Minnesota also lost jobs in Information while the U.S. also lost jobs in Government.
- In Minnesota, over the year job gains were strongest in the three sectors hit the hardest during the pandemic, Leisure & Hospitality, up 69.8% or 85,732 jobs, Other Services, up 30.8% or 23,965 jobs and Trade, Transportation & Utilities, up 44,909 or 9.8%. Growth was also strong in Construction, up 8.3% or 9,073 jobs, Professional & Business Services, up 5.7% or 19,603 jobs and Education & Health Services, up 5.7% or 28,988. Government grew 3.1%, up 12,423 jobs and Manufacturing grew 2.6%, adding 7,739 jobs. Financial Activities was essentially flat, adding just 81 jobs over the year.

- Three supersectors in Minnesota showed strength over the year compared to the U.S.: Leisure & Hospitality, Other Services and Government. All 3 of these supersectors lost a greater share of jobs in April 2020 compared to the nation and therefore had more ground to make up over the year compared to the nation.
- Both component industries of Leisure & Hospitality showed strong growth over the year, with Arts, Entertainment & Recreation up 94.9% and Accommodations & Food Services up 65.7% driven by strong growth in Full-Service Restaurants, up 130.6% OTY.
- Other Services showed the strongest growth in Personal & Laundry Services, up 142.5% OTY, only 3,600 jobs short of its April 2019 level. Religious, Grantmaking and Civic Organizations rose 12.2% OTY and Repair & Maintenance was up 17.6% OTY.
- The OTY growth in Government was driven by Local Government, up 5.5% in MN. State Government lost jobs over the year, down 2.3% in MN while Federal Government saw no see OTY job losses either in MN or the U.S. during the pandemic period.

April 2021 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	+230,463	+9.0%	+10.9%
Private	+218,040	+10.1%	+13.3%
Logging & Mining	-118	-1.9%	-0.7%
Construction	+9,073	+8.3%	+14.3%
Manufacturing	+7,739	+2.6%	+7.7%
Trade, Transport. & Utilities	+44,909	+9.8%	+10.4%
Information	-1,932	-4.6%	+2.2%
Financial Activities	+81	0.0%	+2.5%
Prof. & Business Services	+19,603	+5.7%	+8.7%
Ed. & Health Services	+28,988	+5.7%	+7.7%
Leisure & Hospitality	+85,732	+69.8%	+61.9%
Other Services	+23,965	+30.8%	+23.4%
Government	+12,423	+3.1%	-1.0%

#### Wage and Hour Data

- Average hourly earnings for all private sector workers rose 48 cents to \$32.45 in April over the month. Over the year average hourly earnings rose 11 cents, up 0.3%.
- At 34.6 hours per week, April's average work week was two-tenths of an hour longer than in March but nine-tenths of an hour, or 2.7%, longer than a year ago.

#### Unemployment Data

- The unemployment rate ticked down in April to 4.1% from 4.2% (revised) in March.

- The number of unemployed dropped by 3,072, to 122,934, and the number of employed increased by 3,147 to 2,899,594. The labor force expanded by just 75 people to 3,022,528. This is 9,552 above its April 2020 level but 95,852 below its March 2020 level.
- Despite the stability in the number of people in the labor force, the labor force participation rate decreased slightly from 67.8% to 67.7%, the lowest on record since the start of the pandemic. This resulted from a slight increase in the population against which the size of the labor force is measured to generate the LFPR.
- The employment to population ratio ticked back up to 65.0%. In February 2020 it was 67.8%.
- Nationally, the unemployment rate rose slightly to 6.1% with labor force participation up two-tenth point to 61.7% and the employment to population ratio up one-tenths to 57.9%. The size of the U.S. labor force increased by 430,000 people entirely as more people became employed and more people began to actively seek work.

Based on **12-month moving average** unemployment rates by race in March are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	Black	Hispanic	White
Apr-21	5.8%	8.9%	7.7%	5.6%
Mar-21	6.2%	9.0%	7.7%	5.9%
Apr-20	3.5%	4.3%	4.4%	3.5%

- *Note that these estimates differ from the official statewide estimate because they are calculated from 12 months of data rather than a single month.*

## [Details](#)

**Mining and Logging:** Employment in Mining and Logging was up 1.6%, or 100 jobs, in April, on a seasonally adjusted basis. Employment settled at 6,300 total jobs, matching its highest level since March of 2020. Over the year (OTY), employment in the supersector was down 118 jobs, or 1.9%. It was one of only two supersectors to post negative OTY growth exactly one year out from the worst effects of the COVID virus on the labor market. However, the immediate effects of the pandemic were less severe in Mining and Logging in April 2020 than they were for most of the market, with the larger employment declines coming in May of 2020.

**Construction:** Construction employment was up 1,100, or 0.9%, in April after posting 7.3% over-the-month (OTM) growth in March. Over the year, the supersector added 9,073 jobs, or 8.3%. It was also the only supersector in the state where April 2021 employment exceeded pre-COVID employment from March 2020. However, since weather can play a large role in spring employment growth in Construction, it's likely too soon to say the supersector has fully recovered.

**Manufacturing:** Employment in Manufacturing was mostly flat in April as the supersector added 100 jobs, or 0.0%. Durable Goods Manufacturing was up by 800 (0.4%) but that growth was tempered by the loss of 700 jobs (0.6%) in Non-Durable Goods Manufacturing with Food Manufacturing appearing to drive this loss. On an annual basis, Minnesota manufacturers added 7,739 jobs, or 2.6%. Non-Durable Goods drove most of the growth, adding 5,519 jobs (5.3%), while their counterparts in Durable Goods Manufacturing added 2,220 jobs (1.1%).

**Trade, Transportation, and Utilities:** Trade, Transportation, and Utilities employment was up by 0.5%, or 2,500 jobs, in April. The growth came entirely in Retail Trade, which was up 2,600 jobs or 0.9%. Wholesale Trade lost 100 jobs (0.1%) and Transportation, Warehousing, and Utilities employment was flat. On an annual basis, the supersector added 44,909 jobs (9.8%), slightly outpacing the state's overall growth of 9%. Retail Trade was the primary driver of the growth, adding 41,782 jobs (17.7%) OTY. Wholesale Trade added 2,419 jobs (2%) and Transportation, Warehousing and Utilities employment was up 708 (0.7%).

**Information:** Information employment was down 200, or 0.5%, OTM in April. Over the year, the supersector lost 1,932 jobs, or 4.6%. It was one of only two supersectors to lose jobs on the year, and unlike Mining and Logging, is unlikely to see improvement on that number in May as it showed immediate employment declines when COVID first hit in April 2020. The negative OTY growth in this supersector is more likely due to struggles that long predate the recent pandemic.

**Financial Activities:** Employment in Financial Activities was down 1,200 (0.6%) OTM in April as both component sectors lost jobs. Over the year, the supersector added just 81 jobs (0%). The relatively small growth is not entirely surprising, as employment in Financial Activities was less impacted by the onset of COVID one year ago than many other industry groups, reaching a low OTY change of -1.5% in June of 2020.

**Professional and Business Services:** Professional and Business Services employment was up 4,800 (1.3%) OTM in April. Administrative and Support and Waste Management and Remediation Services added 3,300 jobs (2.7%) and Professional, Scientific, and Technical Services added 1,700 (1.1%) while Management of Companies and Enterprises lost 200 jobs (0.2%). Over the year, the supersector added 19,603 jobs (5.7%). Administrative and Support and Waste Management and Remediation Services added 14,779 jobs (13.9%) buoyed by 8,683 jobs (20.6%) in Employment Services. Professional, Scientific, and Technical Services added 4,220 jobs (2.8%) and Management of Companies and Enterprises added 604 jobs (0.7%).

**Education and Health Services:** Employment in Education and Health Services was down 3,000 (0.6%) in April, with 0.6% declines in both component sectors as Health Care and Social Assistance lost 2,600 jobs and Educational Services lost 400. Over the year, the supersector added 28,988 jobs (5.7%). Educational Services employment was up 11.1% (7,416 jobs) while Health Care and Social Assistance added 4.9% (21,572 jobs).

**Leisure and Hospitality:** Leisure and Hospitality employment was up by 1.4% (3,100 jobs) in April. It was the largest proportional increase of any supersector in the state on the month, which is likely due at least in part to the fact that employment in this supersector was hit hardest by the COVID fallout, and as such has the most ground to make up in recovery. Over the year, the supersector added 85,731 jobs, or 69.8%, also the largest in the state. Employment in the supersector is still over 50,000 less than it was in pre-COVID early-2020, suggesting there is still a lot of ground left to recover.

**Other Services:** Other Services employment was up by 800 (0.8%) in April, after adding 500 jobs in March. On the year, the supersector added 23,965 jobs, or 30.8%. Like Leisure and Hospitality, it dramatically outpaced overall employment growth since April 2020 due in large part to the fact that it lost so many jobs as part of the reaction to the COVID crisis. Likewise, it also has more room to grow before it reaches pre-COVID levels, as employment is still more than 10,000 lower than it was in March of 2020.

**Government:** Employment in Government was up 3,200 (0.8%) in April. All the growth came from Local Government employers, who added 3,400 jobs (1.2%). Both State and Federal level employers lost 100 jobs (0.1% and 0.3%, respectively). Over the year, Government employers added 12,423 jobs, or 3.1%. State Government lost 2,337 jobs (2.3%), while Local employers added 14,682 jobs (5.5%) and Federal employers added 78 jobs (0.3%).

All **regions** now show job growth over the year. Duluth, Mankato and the Minneapolis-St. Paul MSAs all saw the strongest growth over the year having also seen the sharpest job losses in April 2020. Compared to April 2019 employment, MSP MSA is 129,619 jobs short, Duluth MSA is 8,673 jobs short, Mankato MSA is 3,609 jobs short, Rochester MSA is 2,880 jobs short and St. Cloud MSA is 6,089 jobs short.

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	+151,350	+8.7%
Duluth-Superior MN-WI MSA	+11,782	+10.0%
Rochester MSA	+8,236	+7.4%
St. Cloud MSA	+7,610	+7.8%
Mankato MSA	+4,557	+9.0%

### Outlook

- Although growth continues to slow, April saw more broad-based job gains.
- Labor force participation fell once again, but only because of an increase in the population. In fact, just over 3,000 people moved from unemployed to employed in April with no further loss in the size of the labor force.
- Construction continued to add jobs and is now the only supersector that has recovered to its April 2019 level (933 jobs over).
- At this point the lack of growth in the labor force is likely holding Minnesota back from more rapid job growth. Many employers in industries across the spectrum are recalling workers and trying to hire. Those matches take time to sort out and even more time in a tight labor market. Moreover, in April fewer than half of Minnesotan’s 16 and over were fully vaccinated (with the fully vaccinated group skewing older) and early learning programs and schools continued to close classrooms due to COVID-19 exposure, likely slowing workers’ reentry into the job market.
- As the weather warms in Minnesota, vaccinations continue to roll out and federal stimulus dollars flow into the state, employment should continue to rebound.

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