

# August 2022 Employment Analysis

## Seasonally Adjusted Jobs and Unemployment

- The unemployment rate ticked up one-tenth of a point to 1.9% in August 2022 as a result of an increase of 2,738 in the number of unemployed. The labor force participation rate ticked down two-tenths of a point to 68.2% and the employment-to-population ratio ticked down three-tenths to 66.9%.
- The unemployment rate ticked up for Hispanic workers to 3.6%, but down for Black workers to 6.6% and white workers to 2.3% in Minnesota in August over the month. (Numbers are based on 12-month moving average Demecon data from the Current Population Survey.)
- On a seasonally adjusted basis Minnesota lost 3,100 jobs in August, down 0.1% from July, following the addition of 17,100 jobs (revised) in July 2022. The private sector lost 5,900 jobs in August, down 0.2%, with Government adding 2,800 up 0.7%.
  - July 2022 employment was revised downward by 2,000 in total with 2,200 of those in the private sector.
- The U.S. gained 315,000 jobs in August, up 0.2% from July, with the private sector adding 308,000 jobs, up 0.2% on a seasonally adjusted basis.
- Growth has been lumpy and uneven coming out of the pandemic recession. Comparing Minnesota to the U.S. year-to-date, Minnesota employment has grown 2.1% since January 2022 while the U.S. has grown 2%.
- Here are noteworthy supersectors that gained or lost jobs on a seasonally adjusted basis in August:
  - Gains were in Professional & Business Services up 300 jobs or 0.1%, Education & Health Services up 1,900 or 0.3%, Other Services up 200 or 0.2% and Government up 2,800 jobs or 0.7%.
  - Losses were in Construction, down 1,900 or 1.4%, Manufacturing down 3,200 or 1%, Trade, Transportation & Utilities down 2,300 or 0.4%, Information down 500 or 1.1% and Leisure & Hospitality down 100 or 0%.
- Minnesota lost 417,600 jobs from February through April 2020 and has since gained 351,800 jobs as of August, or 84% of the jobs that were lost during the Pandemic Recession, on a seasonally

adjusted basis. The private sector has regained 337,200 jobs, or 87% of the jobs lost during that period. Overall, this means that we are still 2.2% 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 72,549 payroll jobs, up 2.5%, over the year. The private sector gained 67,085 jobs, up 2.7% over the year.
- Nine of 11 supersectors posted positive over the year (OTY) employment growth. Manufacturing, Trade, Transportation & Utilities, Information, Financial Activities, Professional & Business Services, Education & Health Services, Leisure & Hospitality, Other Services and Government all posted OTY growth. Of those:
  - Professional & Business Services grew 4.4% OTY (16,495 jobs). Professional, Scientific, and Technical Services led growth, up 6.4% (10,259 jobs), along with Administrative and Support & Waste Management Services, up 3.8% (4,913 jobs) with Employment Services (temp help) up 3.2% (1,803) jobs. Management of Companies gained 1,323 jobs OTY (1.5%).
  - Manufacturing posted 14,581 additional jobs, up 4.6% OTY. All published sectors showed growth; Durable Goods employment grew 5.4% (10,937 jobs) while Non-Durable Goods grew 3.2% (3,644 jobs). Manufacturing employment growth continued to be stronger than the nation, which was at 3.7% OTY in August.
  - Leisure & Hospitality continued to post the highest OTY growth of all the supersectors, up 6.5% with the addition of 16,643 jobs. Arts, Entertainment, & Recreation posted 10.7% growth (4,951 jobs). Accommodation and Food Services grew 5.5% (11,692 jobs). As this supersector recovers from the pandemic, we see slowing – though still very strong – OTY growth rates.
  - Mining & Logging lost 361 jobs, down 5.3% and Construction lost 1,568 jobs down 1.1% OTY in August.
- U.S. employment grew 3.8% OTY with the private sector up 4.4% in August. All supersectors showed gains OTY.

| August 2022 Over the Year (OTY) Employment Growth by Industry Sector<br>Not Seasonally Adjusted |                   |                        |                        |
|---|-------------------|------------------------|------------------------|
|   | MN OTY Job Change | MN OTY Growth Rate (%) | US OTY Growth Rate (%) |
| Total   | +72,549           | +2.5%                  | +3.8%                  |
| Private   | +67,085           | +2.7%                  | +4.4%                  |
| Mining & Logging  | -361              | -5.3%                  | +11.7%                 |
| Construction  | -1,568            | -1.1%                  | +4.0%                  |
| Manufacturing   | +14,581           | +4.6%                  | +3.7%                  |
| Trade, Transportation & Utilities   | +2,515            | +0.5%                  | +3.6%                  |
| Information   | +582              | +1.4%                  | +5.9%                  |
| Financial Activities  | +494              | +0.3%                  | +2.2%                  |
| Professional & Business Services  | +16,495           | +4.4%                  | +5.0%                  |
| Education & Health Services   | +14,671           | +2.7%                  | +3.3%                  |
| Leisure & Hospitality   | +16,643           | +6.5%                  | +8.4%                  |
| Other Services  | +3,033            | +2.8%                  | +3.6%                  |
| Government  | +5,464            | +1.4%                  | +0.5%                  |

## Wage and Hour Data

- Average hourly wages for all private sector workers rose 24 cents to \$34.62 in Aug over the month. Over the year average hourly earnings rose \$1.90, up 5.8%. Over two years, average hourly earnings increased \$2.93 or 9.2%.
  - Nationally private sector wages rose 4 cents (0.1%) over the month to \$32.14, up 4.4% OTY and up 8.9% over two years.
  - The CPI inflation index for all urban consumers is not yet out for August. In July, it rose 8.5% OTY and 14.2% over two years.
- At 34.0 hours per week, August’s average work week was unchanged from last month and down 3.4% from last year.
  - Nationally, the average work week was unchanged at 34.5 hours per week over the month. Over the year it decreased 1.7%.

## Unemployment Data

- The unemployment rate ticked up one-tenth of a point 1.9% in August 2022 with the addition of 2,738 unemployed people.

- There were 8,670 fewer employed people over the month in August resulting in a decrease of three-tenths of a point in the employment-to-population, now at 66.9%.
- The labor force declined by 5,932 with the labor force participation rate down two-tenths of a point to 68.2%.
- Nationally, the unemployment rate ticked up two-tenth of a point to 3.7% and the employment-to-population ratio rose one-tenth of a point to 60.1% over the month. The size of the labor force grew by 344,000 workers, with the labor force participation rate up three-tenth to 62.4%.
- Year to date, Minnesota’s labor force has grown 1.2% compared to 0.6% nationwide.
- 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 | White | Black | Hispanic |
|---------------|-------|-------|-------|----------|
| August-2022   | 2.8%  | 2.3%  | 6.6%  | 3.6%     |
| July-2022     | 2.9%  | 2.4%  | 7.3%  | 3.2%     |
| August-2021   | 4.4%  | 4.4%  | 3.6%  | 5.5%     |
| February-2020 | 3.1%  | 3.0%  | 4.5%  | 5.0%     |

- In August the employment-to-population ration for Black workers dropped to 62.5% and remained level for both Hispanic workers, at 77.5% and white workers, at 67.0% over the month. Compared to February 2020, are lower for white and Black workers but higher for Hispanic workers in Minnesota.
- 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 | White | Black | Hispanic |
|---------------|-------|-------|-------|----------|
| August-2022   | 66.6% | 67.0% | 62.5% | 77.5%    |
| July-2022     | 66.5% | 67.0% | 63.2% | 77.5%    |
| August-2021   | 65.0% | 65.3% | 64.1% | 72.9%    |
| February-2020 | 67.8% | 67.8% | 68.2% | 72.5%    |

- In August, the labor force participation rate ticked up to 80.4% for Hispanic workers, down to 66.8% for Black workers and remained level at 68.6% for white workers in Minnesota. While the

LFPR continued to rise for all groups of workers over the year, since February 2020, it remains down for both white and Black workers in Minnesota.

- 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 | White | Black | Hispanic |
|---------------|-------|-------|-------|----------|
| August-2022   | 68.5% | 68.6% | 66.8% | 80.4%    |
| July-2022     | 68.5% | 68.6% | 68.1% | 80.0%    |
| August-2021   | 68%   | 68.4% | 66.5% | 77.1%    |
| February-2020 | 70.0% | 69.9% | 71.3% | 76.3%    |

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

## Industry Details

**Mining and Logging:** Employment in Mining and Logging was flat over the month (OTM) in August, holding at a seasonally adjusted 6,200 jobs. Over the year (OTY), employment in Mining and Logging was down by 361, or 5.3%. This was the largest proportional decline in the state, and one of only two supersectors (along with Construction) to post negative annual growth.

**Construction:** Construction employment was down 1,900 (1.4%) OTM in August, on a seasonally adjusted basis. The highly seasonal supersector hadn’t posted negative monthly growth since April. Over the year, Construction employers lost 1,568 jobs (1.1%), making it one of only two supersectors (along with Mining and Logging) to post negative annual growth. All three major published component sectors shed jobs, with Specialty Trade Contractors losing 1,130 jobs (1.2%).

**Manufacturing:** Employment in Manufacturing was down 3,200 (1%) on a seasonally adjusted basis in August. It was the largest real monthly job loss of any supersector in the state. Non-Durable Goods Manufacturing drove the losses, dropping 2,800 jobs, or 2.4%. On an annual basis, Manufacturing employers added 14,581 jobs (4.6%). It was the second-largest proportional growth of any supersector in the state (trailing only Leisure and Hospitality). Durable Goods manufacturers added 10,937 jobs (5.4%), while their counterparts in Non-Durable Goods added 3,644 jobs (3.2%).

**Trade, Transportation, and Utilities:** Trade, Transportation, and Utilities employers shed 2,300 jobs (0.4%) OTM in August. Retail Trade lost 2,900 jobs (1%) and Transportation, Warehousing, and Utilities lost 800 jobs (0.8%), while employment in Wholesale Trade was up by 1,400, or 1.1%. On an annual basis, the supersector added 2,515 jobs (0.5%). Retail Trade added 1,808 jobs (0.6%) and

Transportation, Warehousing and Utilities added 724 (0.7%) while Wholesale Trade employment was mostly flat, shedding 17 jobs (0.0%).

**Information:** Employment in the Information supersector was down by 500 (1.1%) on a seasonally adjusted basis in August. Over the year, Information employers added 582 jobs, or 1.4%. The long-declining supersector has posted annual growth consistently since December of 2021.

**Financial Activities:** Monthly employment in Financial Activities was down 300 (0.2%) with declines in both Finance and Insurance (off 200, or 0.1%) and Real Estate and Rental and Leasing (off 100, or 0.3%). On an annual basis, Financial Activities employment was up by 494 (0.3%). Losses in Finance and Insurance (down 804, or 0.5%) were more than offset by growth in Real Estate and Rental and Leasing (up 1,298, or 3.7%).

**Professional and Business Services:** Professional and Business Services employment was up 300 (0.1%) OTM in August. Professional, Scientific, and Technical Services added 700 jobs (0.4%) while Management of Companies and Enterprises lost 400 (0.5%). Employment in Administrative and Support and Waste Management was flat. Over the year, the supersector added 16,495 jobs (4.4%), the second-largest real job growth of any in the state (trailing only Leisure and Hospitality). All three component sectors posted positive growth, with Professional, Scientific, and Technical Services up 10,259 (6.4%), Management of Companies and Enterprises up 1,323 (1.5%) and Administrative and Support and Waste Management up 4,913 (3.8%). Employment Services added 1,803 jobs (3.2%).

**Education and Health Services:** Education and Health Services employment was up by 1,900 (0.3%) OTM in August. Educational Services added 1,100 jobs (1.6%) while their counterparts in Health Care and Social Assistance added 800 (0.2%). Over the year, the supersector added 14,641 jobs (2.7%). Educational Services had the larger proportional growth, up by 12.2% (7,049 jobs) while Health Care and Social Assistance added more jobs (up 7,622, or 1.6%).

**Leisure and Hospitality:** Leisure and Hospitality employers lost 100 jobs (0.0%) OTM in August, with declines in Arts, Entertainment and Recreation (down 1,500, or 3.4%) just outpacing growth in Accommodation and Food Services (up 1,400, or 0.7%). Over the year, Leisure and Hospitality added 16,643 jobs, or 6.5%. It remained the largest real and proportional growth of any supersector in the state. However, both measures have been moving back towards the pack lately, and it is possible that the supersector will cede its top spot at some point in the coming months.

**Other Services:** Employment in Other Services was up by 200 (0.2%) OTM in August after losing 500 jobs (0.5%) in July. Over the year, the supersector added 3,033 jobs (2.8%). Religious, Grantmaking, Civic, Professional and Similar Organizations drove the growth, adding 2,899 jobs or 4.8%. Personal and Laundry Services added 234 jobs (0.9%) while Repair and Maintenance lost 100 jobs (0.5%).

**Government:** Government employment in August was up by 2,800 (0.7%). The growth came entirely at the local level, as employment there was up 1% (2,800 jobs). Seasonally adjusted employment at both the state and federal levels was flat. Over the year, Government employers added 5,464 jobs (1.4%). State and federal level employers both lost jobs (down 0.4% and 1.9%, respectively) while local level employment was up by 2.5% (6,430 jobs).

## Regional Details

| Metropolitan Statistical Area                 | OTY Employment Change (#, NSA) | OTY Employment Change (% , NSA) |
|---|--------------------------------|---------------------------------|
| Minneapolis-St. Paul MN-WI MSA                | +56,107                        | +2.9%                           |
| Duluth-Superior MN-WI MSA                     | +3,942                         | +3.1%                           |
| Rochester MSA                                 | +2,767                         | +2.2%                           |
| St. Cloud MSA                                 | +2,772                         | +2.6%                           |
| Mankato MSA                                   | +3,365                         | +6.3%                           |
| Fargo-Moorhead ND-MN MSA (July)               | +4,100                         | +2.9%                           |
| Grand Forks-East Grand Forks ND-MN MSA (July) | +1,400                         | +2.8%                           |
| La Crosse-Onalaska WI-MN (July)               | -700                           | -0.9%                           |

## Outlook

- Minnesota’s labor market took a breather in August, with both employment and labor force down after strong growth in July. August tends to be a month with a high level of seasonal fluctuations, particularly in education, recreation and construction industries, as seasonal industries shift gears going into the autumn months.
- The uptick in the number of unemployed workers, while not looked for, could signal slightly improved labor availability coming into the autumn months.
- The number of involuntary part-time workers ticked up to 30,500 in August from its all-time low in July. These low numbers indicate that workers don’t need to settle for part-time jobs when they prefer full-time jobs, and is another sign of the very tight labor market.
- Despite plentiful job opportunities, we continue to struggle to add labor force with losses in July and August, down 10,021 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, up 1.2%, than the U.S., which is up 0.6% from January.

- Wages grew even faster in August than in July although we don't have the August inflation number to compare them to yet (due out next week). While not all sectors have published hourly earnings in Minnesota, of those that do, the following show the strongest over the year increases.
  - Nursing & Residential Care up 14.7% over the year and 18% over 2 years. Current hourly earnings for production workers are \$21.75.
  - Food Service & Drinking Places up 6.8% over the year and 18.9% over 2 years. Hourly earnings for production workers are now \$17.52.
  - Construction up 8.9% over the year and 15.2% over two years. Hourly earnings for all workers are now \$39.20.
  - Professional & Business Services up 9.8% over the year and 14% over two years. Hourly earnings for all workers are now \$41.20.
  - Non-durable Goods Manufacturing up 6.7% over the year and 13.1% over two years. Hourly earnings for production workers are now \$25.03.

**Labor Market Information Office  
MN Department of Employment and Economic Development  
September 14, 2022**