

August 2023 Employment Analysis

Over-the-Month Overview

- The unemployment rate ticked up one-tenth of a point to 3.1% in August 2023. The labor force increased by 3,225 over the month to 3,112,745 people, the sixth month in a row of positive growth. The number of employed decreased by 190 workers, and the number of unemployed increased by 3,415 people. The labor force participation rate held steady over-the-month at 68.5%.
- Minnesota gained 4,400 jobs in the last month on a seasonally adjusted basis, up 0.1%. The private sector gained 4,800 jobs, up 0.2%. The U.S. total nonfarm employment increased by 187,000 jobs, or 0.1%. The U.S. private sector gained 179,000 jobs, also 0.1%.
- Five supersectors in Minnesota gained jobs on a seasonally adjusted basis since last month, including:
 - Construction gained 1,700 jobs, up 1.2%
 - Manufacturing gained 400 jobs, up 0.1%
 - Education and Health Services gained 1,700 jobs, up 0.3%
 - Leisure and Hospitality gained 2,600 jobs, up 1.0% and
 - Other Services gained 600 jobs, up 0.6%
- Five supersectors lost jobs:
 - Trade, Transportation and Utilities lost 500 jobs, down 0.1%;
 - Information lost 200 jobs, down 0.4%;
 - Financial Activities lost 500 jobs, down 0.3%;
 - Professional & Business Services lost 1,000 jobs down 0.3%;
 - Government lost 400 jobs, down 0.1%.
- Mining and Logging was flat over the month.
- Minnesota lost 416,000 jobs from February through April 2020 and has since recovered 408,900 jobs as of August 2023, which brings Minnesota to 99.8% 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 388,600 jobs as of August, topping the number of jobs in February 2020 by 2,700.
- Translating seasonally adjusted job change into a 3-month moving average series, MN gained 2,600 jobs, up 0.1% in April-June and lost 3,300 jobs, down 0.1% in May-July and gained 5,400 jobs, up 0.2% in June-August. Nationally, all three periods saw growth. The U.S. grew 0.3% in April-June, 0.2% in May-July and 0.1% in June-August.

Over-the-Year Job Growth

- Minnesota gained 46,114 payroll jobs, up 1.6%, over the year. The private sector gained 36,821 jobs, up 1.4% over the year.
- All but three supersectors posted positive annual growth. Sectors where Minnesota growth outpaced U.S. growth include:
 - Construction gained 5,905 jobs, up 4.0% compared to 2.6% nationally. The strongest growth was in Heavy and Civil Engineering Construction (11%).
 - Government added 9,293 jobs, up 2.4% compared to 1.8% nationally. Both State Government Education (-1.1%) and Local Government Education (-0.1%) posted declines but all other sectors posted gains.
 - Trade, Transportation, and Utilities gained 7,610 jobs, up 1.4% compared to 0.3% nationally. All subsectors grew except Wholesale Trade (-1.5%).
 - Information added 54 jobs, up 0.1% compared to a drop of 1.9% nationally.
 - Leisure & Hospitality is now tied with the nation, up 4.2% with the addition of 11,693. 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 2,174 jobs down 0.7%. Job losses were widespread with Durable Goods down 0.2% and Nondurable Goods down 1.5%.
 - Financial Activities lost 3,945 jobs over the year, down 2%. Losses were widespread in both subsectors with Credit Intermediation & Related Activities down 4.4%, Securities, Commodities Contracts and Other Investment Related Activities down 0.4%, Insurance Carriers & Related Activity down 1.1% and Real Estate, Rental and Leasing down 0.9%.
 - Professional and Business Services lost 3,265 jobs, down 0.8%. Management of Companies and Enterprises lost 1,585 jobs, down 1.8%, and Administrative and Support and Waste Management and Remediation Services lost 1,812 jobs, down 1.3%.
- U.S. employment grew 2.0% over the year with the private sector also up 2.0%. Information was the only supersector that lost jobs over the year, down 1.9%.

August 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	46,114	1.6	2.0
Private	36,821	1.4	2.0
Mining & Logging	237	3.7	5.0
Construction	5,905	4.0	2.6

Manufacturing	-2,174	-0.7	0.7
Trade, Transport. & Utilities	7,610	1.4	0.3
Information	54	0.1	-1.9
Financial Activities	-3,945	-2.0	1.0
Professional & Business Services	-3,265	-0.8	1.3
Education & Health Services	19,463	3.6	4.2
Leisure & Hospitality	11,693	4.2	4.2
Other Services	1,243	1.1	2.6
Government	9,293	2.4	1.8

Wage and Hour Data

- Average hourly wages for all private sector workers decreased 54 cents to \$35.55 in August 2023 over the month. Over the year average hourly earnings increased \$1.02, up 3.0%, and since August 2020 they are up 12.2%.
 - Nationally private sector wages decreased 23 cents over the month and rose 4.2% over the year and 13.9% over three years.
 - The CPI inflation index for all urban consumers rose 3.7% over the year in August and 18.1% over 3 years.
- At 34 hours per week, Minnesota’s August 2023 average work week was unchanged over-the-month. Over-the-year it increased by one-tenth of an hour.
 - Nationally, the average work week decreased by three-tenth of an hour over the month to 34.4 hours and decreased one-tenth of an hour over the year.

Unemployment Data

- The unemployment rate ticked up one-tenth of a point to 3.1% in August on a seasonally adjusted basis. The number of employed remained about level, with a 190-person decline, and the number of unemployed increased 3,415. The employment to population ratio remained level at 66.4%.
- The labor force grew by 3,225 people over the month, totaling 3,112,745 people in August. The labor force participation rate remained steady at 68.5%. Minnesota’s growing labor force is still 15,858 people smaller than in February 2020 when the participation rate was at 69.9%.
- Nationally, over the month, the unemployment rate rose three-tenth of a percentage point to 3.8% and the employment to population ratio remained steady at 60.4%. The labor force participation rate ticked up two-tenths of a point to 62.8%.

Industry Details

Mining and Logging: Employment in Mining and Logging was flat in August on a seasonally adjusted basis, holding at 6,400 jobs. The supersector has been within 100 jobs of that mark for every month of 2023 save one (April, when it briefly jumped to 6,700). Over the year, employment in Mining and Logging was up by 3.7% (237 jobs). This was the highest annual growth the supersector had posted since February of 2022.

Construction: Construction employment was up by 1,700 (1.2%) over the month (OTM) in August. The supersector has posted seasonally adjusted gains in five consecutive months, adding a total of 6,100 jobs since March. On an annual basis, employers in Construction added 5,905 jobs (4%). Heavy and Civil Engineering Construction employment was up 11% (2,479 jobs). Specialty Trade Contractors added 3,126 jobs (3.3%), while Construction of Buildings was up 300 (0.9%).

Manufacturing: Employment in Manufacturing was up by 400 (0.1%) over the month. Durable Goods manufacturers contributed all of the jobs to that growth, up 0.2%, while their counterparts in Non-Durable Goods Manufacturing added no jobs. August's growth marked the first time since February that the supersector posted seasonally adjusted monthly gains. Over the year, Manufacturing employers lost 2,174 jobs (0.7%). It was one of only three supersectors in Minnesota to post negative annual job growth. Non-Durable Goods Manufacturing was off by 1,746 jobs (1.5%) due in large part to the loss of 1,483 jobs (8.3%) in component Animal Slaughtering and Processing.

Trade, Transportation, and Utilities: Trade, Transportation and Utilities employers lost 500 jobs (0.1%) OTM on a seasonally adjusted basis in August. Retail Trade lost 800 jobs (0.3%) and Wholesale Trade lost 500 (0.1%), while Transportation, Warehousing and Utilities added 700 jobs (0.6%). On an annual basis, employment in Trade, Transportation and Utilities was up 7,610 jobs, or 1.4%. Wholesale Trade lost 2,021 jobs (1.5%) with declines among both Durable and Non-Durable Goods Merchant Wholesalers. Retail trade added 3,096 (1.1%), while Transportation, Warehousing and Utilities added 6,535 jobs (5.9%).

Information: Employment in Information was off by 200 (0.4%) OTM in August. It was one of five supersectors to post seasonally adjusted monthly job losses, and has lost jobs in three of the past four months. Over the year, Information employers added 54 jobs, or 0.1%. The gains come despite the fact that both published component sectors (Publishing and Telecommunications) posted annual job losses.

Financial Activities: Employment in Financial Activities was off by 500 (0.3%) OTM in August. Finance and Insurance employers lost 600 jobs (0.4%), while Real Estate and Rental and Leasing added 100 (0.3%). The supersector has not added jobs on a seasonally adjusted basis since December of 2022. On an annual basis, Financial Activities employers lost 3,945 jobs (2%), the largest proportional decline of any supersector in Minnesota. Finance and Insurance was off by 3,618 (2.3%), with losses in all published component sectors, while Real Estate and Rental and Leasing lost 327 jobs (0.9%).

Professional and Business Services: Professional and Business Services employment was down by 1,000 (0.3%) OTM in August. Both Management of Companies and Administrative and Support and Waste Management Services lost 600 jobs (off by 0.7% and 0.5%, respectively), while Professional, Scientific and Technical Services added 200 jobs. Over the year, Professional and Business Services employers lost 3,265 jobs (0.8%). The annual growth dynamic was similar to the monthly growth, as Professional, Scientific and Technical Services posted modest growth (up 132, or 0.1%), but was buried under larger losses in Management of Companies (down 1,585, or 1.8%) and Administrative and Support and Waste Management Services (down 1,812, or 1.3%). The Employment Services component lost 1,231 jobs, or 2.1%.

Education and Health Services: Employment in Education and Health Services was up by 1,700, or 0.3%, OTM in August. The supersector has not posted seasonally adjusted monthly declines since June of 2022. Educational Services lost 300 jobs (0.4%), but that loss was countered by the addition of 2,000 jobs (0.4%) in Health Care and Social Assistance. On an annual basis, Education and Health Services employers added 19,463 jobs (3.6%). Educational Services was up 2,286 (3.8%). Health Care and Social Assistance added 17,177 jobs (3.5%) with growth in all published component sectors. Ambulatory Health Care Services was up 8,091 jobs, or 5.1%.

Leisure and Hospitality: Leisure and Hospitality added 2,600 jobs (1%) OTM in August. Both major components added 1,300 jobs, with Arts, Entertainment and Recreation up 2.7% and Accommodation and Food Services up 0.6%. The growth came on the heels of two consecutive months of seasonally adjusted job losses. Over the year, the supersector added 11,693 jobs (4.2%). It remained the largest proportional growth of any supersector in the state, which it has maintained since the beginning of the pandemic recovery. Arts, Entertainment and Recreation was up 3,350 (6.3%) while Accommodation and Food Services was up 8,343 (3.7%).

Other Services: Employment in Other Services was up 600 (0.6%). It has added jobs in every month of 2023 save for March, when it lost 700 jobs. Over the year, Other Services added 1,243 jobs (1.1%). Repair and Maintenance lost 397 jobs (1.7%). Personal and Laundry Services was up 983 (3.7%), while Religious, Grantmaking, Civic and Professional Organizations added 657 jobs (1.1%).

Government: Government employers lost 400 jobs (0.1%) OTM in August. The declines came entirely at the Local Government level, which was off by 700 (0.2%). Federal employers added 300 jobs (0.9%) while State Government employment growth was flat. Over the year, Government employers added 9,293 jobs (2.4%) with growth at all three levels. Federal Government was up 1,267 (4%), State Government was up 646 (0.7%) and Local Government was up 7,380 (2.8%), with all of that growth coming in the non-education component (up 7,456, or 5%).

Over-the-Year Job Growth by MSAs

August data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	35,260	1.8
Duluth-Superior MN-WI MSA	3,634	2.8
Rochester MSA	3,883	3.1
St. Cloud MSA	1,049	1
Mankato MSA	3,184	5.8
Fargo-Moorhead ND-MN MSA (July)	300	0.2
Grand Forks-East Grand Forks ND-MN MSA (July)	800	1.5
La Crosse-Onalaska WI-MN (July)	1,500	1.9

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