

February 2024 Employment Analysis

(Embargoed until 10 am Thursday, March 21, 2024)

Over-the-Month Overview

- The unemployment rate remained at 2.7% in February 2024 from the prior month. The labor force increased by 1,140 people over the month to 3,094,713 people. The number of employed decreased by 170 workers, and the number of unemployed increased by 1,310 people. The labor force participation rate was 67.9%.
- Minnesota gained 100 jobs in the last month on a seasonally adjusted basis, translating to 0% change. The private sector lost 1,600 jobs, down 0.1%. The U.S. total nonfarm employment increased by 275,000 jobs, or 0.2%. The U.S. private sector gained 223,000 jobs, also 0.2%.
- Six supersectors in Minnesota gained jobs on a seasonally adjusted basis since the prior month, including:
 - Government gained 1,700 jobs, up 0.4%
 - Professional & Business Services gained 1,200 jobs, up 0.3%
 - Manufacturing gained 800 jobs, up 0.2%
 - Other Services gained 600 jobs, up 0.5%
 - Information gained 200, up 0.5%
 - Education and Health Services gained 200 jobs, 0% change
- Five supersectors lost jobs over the month:
 - Construction lost 3,000 jobs, down 2.3%
 - Trade, Transportation and Utilities lost 600 jobs, down 0.1%
 - Financial Activities lost 500 jobs, down 0.3%
 - Leisure and Hospitality lost 400 jobs, down 0.1%
 - Mining and Logging lost 100 jobs, down 1.4%
- Minnesota lost 414,500 jobs from February through April 2020 and has since recovered 429,600 jobs as of February 2024, which brings Minnesota to 100.5% of the number of jobs prior to the Pandemic Recession on a seasonally adjusted basis. The private sector lost 384,100 jobs from February through April 2020 and has regained 392,200 jobs as of February, or 100.3% recovered.
- Translating seasonally adjusted job change into a 3-month moving average series, Minnesota gained 11,500 jobs in October-December, up 0.4%; and gained 200 jobs in November-January, up 0.1%; and lost 500 jobs in December-February, down 0.2%. Nationally, the U.S. saw 0.3% job growth for each 3-month period.

Over-the-Year Job Growth

- Minnesota gained 37,565 payroll jobs, up 1.3%, over the year. The private sector gained 15,274 jobs, up 0.6% over the year.

- Six supersectors posted positive annual growth:
 - Government gained 22,291 jobs, up 5.3%, outpacing the U.S. growth rate of 2.8%. Growth was healthy across all sectors, especially Local Government (6.4%).
 - Education and Health Services gained 19,841 jobs, up 3.5%. Growth was propelled by the Healthcare and Social Assistance sector (4.5%) despite declines in the Educational Services sector (-2.5%). The U.S. grew at a faster rate of 4.2%.
 - Trade, Transportation, and Utilities gained 6,901 jobs, up 1.3% compared to 0.2% nationally. Retail Trade (1.8%) and Wholesale Trade (2.3%) grew while Transportation, Warehousing, and Utilities declined (-1.0%).
 - Leisure and Hospitality gained 6,437 jobs, up 2.6%. All sectors grew except Arts, Entertainment, and Recreation (-2.4%). Nationally, this supersector grew 2.8%.
 - Other Services gained 4,229 jobs, up 3.8%, outpacing the national rate of 1.7%. All sectors posted growth.
 - Mining and Logging gained 809 jobs, up 14.1% compared to 1.1% nationally.

- Five supersectors lost jobs over the year:
 - Professional & Business Services lost 11,643 jobs, down 3.0%, while the U.S. grew 0.7%. Most sectors saw decline, the biggest percentage decline was in Employment Services (-13.5%).
 - Financial Activities lost 4,494 jobs over the year, down 2.4%, while the U.S. rate grew 0.9%. Losses were consistent in every sector.
 - Manufacturing lost 2,365 jobs, down 0.7%, while the U.S. grew 0.2%. Both Durable Goods and Non-Durable Goods Manufacturing sectors experienced loss.
 - Information lost 2,230 jobs, down 4.9%. All subsectors saw decline. The U.S. also experienced decline in this supersector, down 1.1%.
 - Construction lost 2,211 jobs, down 1.9%. Losses were across all sectors except for Heavy and Civil Engineering Construction, which continued high growth at 17.8%. The U.S. Construction supersector grew 2.8%.

- Overall U.S. employment grew 1.8% over the year with the private sector up 1.6%. All supersectors grew except Information.

February 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	37,565	1.3	1.8
Private	15,274	0.6	1.6
Mining & Logging	809	14.1	1.1
Construction	-2,211	-1.9	2.8
Manufacturing	-2,365	-0.7	0.2
Trade, Transportation & Utilities	6,901	1.3	0.2
Information	-2,230	-4.9	-1.1
Financial Activities	-4,494	-2.4	0.9
Prof. & Business Services	-11,643	-3.0	0.7
Education & Health Services	19,841	3.5	4.2

Leisure & Hospitality	6,437	2.6	2.8
Other Services	4,229	3.8	1.7
Government	22,291	5.3	2.8

Wage and Hour Data

- Average hourly wages for all private sector workers decreased 33 cents to \$36.87 in February 2024 over the month. Over the year average hourly earnings increased \$1.56, up 4.4%.
 - Nationally private sector wages decreased 7 cents over the month and rose 4.2% over the year.
 - The CPI inflation index for all urban consumers rose 3.2% over the year in February.
- At 33 hours per week, Minnesota’s February average work week increased two-tenths of an hour over-the-month. Over-the-year it decreased by three-tenths of an hour.
 - Nationally, the average work week increased by three-tenths of an hour over the month to 34.1 hours. Over-the-year, it decreased by two-tenths of an hour.

Unemployment Data

- The unemployment rate stayed at 2.7% in February on a seasonally adjusted basis. The number of employed decreased by 170 workers, and the number of unemployed increased 1,310. The employment to population ratio stayed at 66.1% compared to the prior month.
- The labor force increased 1,140 people over the month, totaling 3,094,713 people in February. The labor force participation rate ticked down one-tenth of a percentage point to 67.9%. Minnesota’s labor force was 36,855 people fewer than in February 2020 when the participation rate was at 70%.
- Nationally, over the month, the unemployment rate ticked up two-tenths of a percentage point to 3.9% and the employment to population ratio ticked down one-tenth of a percentage point to 60.1%. The labor force participation rate stayed at 62.5%.

Industry Details

Mining and Logging: Employment in Mining and Logging was down by 100 (1.4%) over the month (OTM) in February, on a seasonally adjusted basis. This negated the gain of 100 from January, bringing employment back to the level it was at for the end of 2023, 6,800 jobs. Over the year, Mining and Logging employers added 809 jobs, or 14.1%. It was the largest proportional annual gain of any supersector in the state. The growth notably outpaced national movement in the supersector of 1.1%. OTY growth in Mining and Logging has been above 10% for three consecutive months dating back to December 2023.

Construction: Construction employment in Minnesota was off by 3,000, or 2.3%, OTM in February. This was the largest real and proportional movement, in either direction, for any supersector in the state. It was also a notable improvement from January, when employment in Construction was off by 5.4% OTM.

Over the year, employment in Construction was off by 2,221, or 1.9%. Every published component sector lost jobs except for Heavy and Civil Engineering, which was up 17.8%, or 2,027 jobs. Residential Building Construction saw the steepest proportional decline of any published component, off by 9.1%, or 1,357 jobs.

Manufacturing: Manufacturing employers added 800 jobs, or 0.2%, OTM in February. Both published components added jobs, with Non-Durable Goods Manufacturing up 700 (0.6%) and Durable Goods Manufacturing up 100 (0.0%). The supersector has added jobs in both months of 2024, up a total of 3,000 on the year so far.

On an annual basis, Manufacturing employers lost 2,365 jobs, or 0.7%. Both major component sectors lost jobs. Durable Goods was off by 1,450 (0.7%), and Non-Durable Goods was off 915 (0.8%). Notable declines in smaller component series included Fabricated Metal Product Manufacturing, which was down 1,080 jobs, or 2.4%, and Animal Slaughtering and Processing, which was off 884, or 4.9%.

Trade, Transportation, and Utilities: Trade, Transportation and Utilities employers lost 600 jobs (0.1%) on a seasonally adjusted basis in February. The declines came entirely in Retail Trade, which lost 1,800 jobs (0.6%), and has lost jobs in both months of 2024 after ending 2023 with five consecutive months of growth totaling 8,300 jobs. Growth was 600 in both Wholesale Trade and Transportation, Warehousing and Utilities, up 0.4% and 0.5%, respectively.

Over the year, employment in the supersector was up 6,901 jobs, or 1.3%. Both trade components added jobs, with Wholesale up 3,062 (2.3%) and Retail up 4,970 (1.8%). Transportation, Warehousing and Utilities lost 1,131 jobs, or 1%. This was an improvement over January's 1.5% annual job loss.

Information: Employment in Information was up by 200 (0.5%) OTM in February. It was the first month of seasonally adjusted growth for the supersector since November, as Information employers lost a combined 2,000 jobs in December and January. Over the year, Information employers lost 2,230 jobs, or 4.9%. Publishing was off by 978 (5%) and Telecommunications employers lost 335 jobs, or 3.7%.

Financial Activities: Financial Activities employers lost 500 jobs (0.3%) OTM in February after adding 1,600 jobs in January. Finance and Insurance was down by 500 (0.3%) in February, while Real Estate and Rental and Leasing added 100 jobs (0.3%). On an annual basis, employment in Financial Activities was down 4,494, or 2.4%. Most of the losses came in Finance and Insurance, which was down by 4,462, or 2.9% as component Credit Intermediation and Related Activities of by 3,046 (5.1%). Real Estate and Rental and Leasing lost 32 jobs (0.1%), with the Real Estate component down 910, or 3.2%.

Professional and Business Services: Employment in Professional and Business Services was up 1,200 (0.3%) OTM in February. It was the first positive monthly growth for the supersector since June of 2023. Management of Companies added 700 jobs (0.8%) and Administrative and Support and Waste Management and Remediation Services added 800 jobs (0.6%), while Professional, Scientific and Technical Services lost 300 jobs (0.2%). Over the year, the supersector lost 11,643 jobs, or 3%. This was the largest real job loss of any supersector in the state. All three component sectors lost jobs, with the steepest decline coming in Administrative and Support and Waste

Management, which was off 7%, or 8,877 jobs. Employment Services was off by 13.5% (7,863 jobs), which was an improvement over January’s 14.5% annual loss.

Education and Health Services: Education and Health Services employment was mostly flat on the month, adding 200 jobs (0.0%) OTM in February. Both component sectors added 100 jobs, with Educational Services up 0.1% and Health Care and Social Assistance at 0.0% growth. On an annual basis, employment in the supersector was up 19,841, or 3.5%. The growth came entirely in Health Care and Social Assistance, which added 21,772 jobs, or 4.5%, with growth in every published component sector. Nursing and Residential Care Facilities employment was up 6,878, or 6.8%. Educational Services employment was down by 1,931, or 2.5%, over the year in February.

Leisure and Hospitality: Employment in Leisure and Hospitality was off by 400 (0.1%) OTM in February. Both component sectors lost jobs, with Arts, Entertainment and Recreation off by 100 (0.2%) and Accommodation and Food Services down 300 (0.1%). It was the second consecutive month of seasonally adjusted declines for the supersector. Over the year, Leisure and Hospitality employers added 6,437 jobs, or 2.6%. Accommodation and Food Services added 7,417 jobs (3.5%) with growth in every published component. Accommodation was up 6.6% (1,536 jobs), while Food Services and Drinking Places were up 3.2% (5,881 jobs). Arts, Entertainment and Recreation lost 980 jobs (2.4%), the third consecutive month of annual declines for the sector.

Other Services: Other Services employers added 600 jobs (0.5%) OTM in February, after adding 6,900 jobs (6.4%) in January. Over the year, the supersector added 4,299 jobs, or 3.8%, outpacing the national annual growth of 1.7%. All published components added jobs, with Personal and Laundry Services up 1,267 (4.8%), Repair and Maintenance up 666 jobs (2.9%) and Religious, Grantmaking, Civic and Professional Organizations added 2,296 jobs (3.7%). Annual growth in Other Services has not dipped below 3% since April of 2022.

Government: Employment in Government was up 1,700 (0.4%) OTM in February. All three levels of government added jobs, with Local up 1,000 (0.3%), State up 500 (0.5%) and Federal up 200 (0.6%). Over the year, Government employers added 22,291 jobs, or 5.3%. This was the largest real job growth of any supersector in the state, and outpaced national growth in Government employment, which was at 2.8%. While all three levels of government added jobs, the growth was primarily driven by Local Government employers, which added 18,117 jobs (6.4%), with Local Government Education up 9,625 (6.6%) and Non-Education up 8,492 (6.1%).

Over-the-Year Job Growth by MSAs

February data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	20,392	1.1
Duluth-Superior MN-WI MSA	-485	-0.4
Rochester MSA	4,341	3.6
St. Cloud MSA	1,153	1.1
Mankato MSA	115	0.2

Fargo-Moorhead ND-MN MSA (January)	2,500	1.7
Grand Forks-East Grand Forks ND- MN MSA (January)	500	1.7
La Crosse-Onalaska WI-MN (January)	2,600	3.4

**Labor Market Information Office
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