

**February 2020 Employment Analysis**  
**(Embargoed until 10 am Thursday, March 26, 2020)**

**February Employment Release**

**Overview**

- Seasonally adjusted employment dropped by 4,500 jobs in February while the private sector lost 4,900 jobs during the month and the government sector gained 400.
- Over the year, Minnesota added 2,315 payroll jobs while the Private sector lost 1,618 and the government sector gained 3,933 jobs.
- February’s seasonally adjusted unemployment rate dropped one-tenth of a percentage point to 3.1%. The labor force participation rate dropped one-tenth of a point to 70.2% while the employment-to-population ratio held steady at 68.1%. The national unemployment rate also dropped one-tenth of a percentage point to 3.5%.
- Seven of the eleven major industry sectors gained jobs during February, three lost jobs and one held steady. Gainers were led by Other Services, up 2,000, Leisure & Hospitality, up 800 and Manufacturing, up 600 jobs over the month. The largest losses were in Professional & Business Services, down 3,600, Trade, Transportation and Utilities, down 3,000 and Education & Health Services, down 2,100 jobs.
- Seven supersectors are showing over the year job losses: Logging & Mining, Manufacturing, Trade, Transportation & Utilities, Information, Financial Activities, Professional & Business Services, and Education & Health Services.
- Despite slow overall annual growth, Minnesota outpaced the nation in three sectors, Logging & Mining, Construction and Other Services.

Over The Year (OTY) Employment Growth By Industry Sector (Not Seasonally Adjusted)			
	OTY Job Change	OTY Growth Rate (%)	US OTY Growth Rate
Total	2,315	0.1	1.2
Private	-1,618	-0.1	1.3
Logging & Mining	-27	-0.4	-5.8
Construction	3,159	3.0	2.9
Manufacturing	-2,688	-0.8	0.2
Trade, Transport. & Utilities	-2,572	-0.5	0.0
Information	-1,389	-3.0	2.8
Financial Activities	-585	-0.3	2.6
Prof. & Business Services	-1,455	-0.4	1.2

Ed. & Health Services	-3,219	-0.6	2.4
Leisure & Hospitality	3,168	1.2	1.6
Other Services	3,990	3.6	0.8
Government	3,933	0.9	1.1

- Average hourly earnings for all private sector workers rose in January by 34 cents to \$31.50. Over the year growth in average hourly earnings rose to 5.2% from 4.8% one year ago.
- The average work week rose by 0.6 hours to 33.9 hours per week, up 1.8% from one year ago.
- Employment services (temp help) employment continued to drop over the year, down 6.2 percent.

### Details

**Construction:** Construction employment was up by 200 (0.2 percent) in February, on a seasonally adjusted basis. It was the supersectors first over-the-month (OTM) job growth since October. Over the year, Construction employers added 3,159 jobs (3 percent). Most of the growth came from Specialty Trade Contractors, which added 3,617 (5.2 percent). Employment in Construction of Buildings was up by 79 (0.3 percent) while Heavy and Civil Engineering employment was down by 537 (5.4 percent).

**Manufacturing:** Employment in Manufacturing was up by 600 (0.2 percent) in February. Both component sectors were up by 0.2 percent, as Durable Goods added 400 jobs and Non-Durable Goods added 200. Annually, the supersector lost 2,688 jobs (0.8 percent). It was the worst proportional OTY job growth of any supersector. Durable Goods manufacturers drove the decline, shedding 3,729 jobs (1.8 percent) while their counterparts in Non-Durable Goods manufacturing added 1,041 jobs (0.9 percent).

**Trade, Transportation, and Utilities:** Trade, Transportation, and Utilities employment was off by 3,000 (0.6 percent) in February. Retail Trade drove the declines, off by 2,300 (0.8 percent) and Wholesale Trade lost 800 (0.6 percent), while Transportation, Warehousing, and Utilities added 100 jobs (0.1 percent). Over the year, the supersector lost 2,572 jobs (0.5 percent). Wholesale Trade was down 1,222 (1 percent), Retail Trade was down 1,533 (0.5 percent) and Transportation, Warehousing and Utilities added 183 jobs (0.2 percent).

**Education and Health Services:** Education and Health Services employment was down by 2,100 (0.4 percent) in February, with all of those losses coming from Educational Services (down 2.9 percent). Health Care and Social Assistance employment was flat. On the year, Education and Health Services lost 3,219 jobs (0.6 percent), the largest loss of real jobs for any supersector. Health Care and Social Assistance employment was off by 2,625 (0.6 percent), and Educational Services was off by 594 (0.8 percent).

**Professional and Business Services:** Professional and Business Services employment was off by 3,600 (0.9 percent) in February, the worst real and proportional OTM employment change of any supersector in the state. The decline was likely a correction to January's impressive seasonally-adjusted growth, as the supersector added 6,500 jobs (1.7 percent) last month. Over the year, Professional and Business Services employers lost 1,455 jobs (0.4 percent). The decline came

entirely in Administrative and Support and Waste Management and Remediation Service (off 2,060, or 1.6 percent) as the other component sectors added jobs. Employment Services lost 3,669 jobs (6.2 percent).

**Leisure and Hospitality:** Employment in Leisure and Hospitality was up by 800 (0.3 percent) in February, with Accommodation and Food Services adding 600 jobs (0.3 percent) and Arts, Entertainment, and Recreation adding 200 (0.4 percent). Annually, the supersector added 3,168 jobs (1.2 percent), with both component sectors showing strong positive growth. Accommodation and Food Services employment was up by 1,724 (0.8 percent) and Arts, Entertainment, and Recreation added 1,444 jobs (3.4 percent).

**Other Services:** Employers in the Other Services supersector added 2,000 jobs (1.7 percent) in February. It was the highest real and proportional OTM job growth in the state, and the supersector's fourth consecutive month of seasonally adjusted growth. Other Services also had the strongest annual growth, adding 3,990 jobs, or 3.6 percent. Every component sector added jobs. Repair and Maintenance was up by 1,588 (7.3 percent), Personal and Laundry Services was up 1,592 (5.7 percent) and employment in Religious, Grantmaking, Civic, Professional, and Similar Organizations was up 810 (1.3 percent).

**Government:** Government employment was up by 400 (0.1 percent) in February, with minor job growth at the Federal, State, and Local levels. Over the year, Government employers added 3,933 jobs (0.9 percent). State employers added 1,372 jobs (1.3 percent), Local added 2,171 (0.7 percent) and Federal added 390 (1.2 percent).

Employment in the Minneapolis-St. Paul-Bloomington MSA was mostly flat, down by 900 jobs (0.0 percent) on the year in February. The Duluth-Superior MSA also had negative OTY job growth, off by 1,289, or 0.9 percent. The MSA has remained consistently in the red for over a year. The other three Minnesota-based MSAs added jobs over the previous twelve months, with the largest real and proportional job growth once again coming in Mankato-North Mankato, which added 1,220 jobs, or 2.1 percent. Rochester employment growth moved back into positive territory after January's dip into negative OTY growth.

<b>Metropolitan Statistical Area</b>	<b>OTY Employment Change (#, NSA)</b>	<b>OTY Employment Change (% , NSA)</b>
Minneapolis-St. Paul MN-WI MSA	-900	0.0
Duluth-Superior MN-WI MSA	-1,289	-0.9
Rochester MSA	228	0.2
St. Cloud MSA	192	0.2
Mankato MSA	1,220	2.1

## Outlook

Obviously, these data reflect the state of the economy only through mid-February. Data for March will reflect payrolls that include the 12<sup>th</sup> of the month. In some cases that may include the week of March 16<sup>th</sup> but in most cases it will not. Likewise, the reference week for the unemployment rate is

the week containing the 12<sup>th</sup> of the month. Those data will be released on April 16<sup>th</sup>. Data for April will be available on May 21<sup>st</sup> (2020 release schedule can be accessed [here](#)).

**Labor Market Information Office**

**MN Department of Employment and Economic Development**

**March 23<sup>th</sup>, 2020**