

October 2023 Employment Analysis

Over-the-Month Overview

- The unemployment rate ticked up one-tenth of a percent to 3.2% in October 2023 from the prior month. The labor force dipped by 84 people over the month to 3,114,343 people. The number of employed decreased by 2,303 workers, and the number of unemployed increased by 2,219 people. The labor force participation rate held steady for the fourth month at 68.5%.
- Minnesota gained 7,000 jobs in the last month on a seasonally adjusted basis, up 0.2%. The private sector gained 5,600 jobs, up 0.2%. The U.S. total nonfarm employment increased by 150,000 jobs, or 0.1%. The U.S. private sector gained 99,000 jobs, also 0.1%.
- Most supersectors in Minnesota gained jobs on a seasonally adjusted basis since last month, including:
 - Education and Health Services led with 3,200 jobs, up 0.6%
 - Professional & Business Services gained 1,900 jobs, up 0.5%
 - Leisure and Hospitality gained 1,600 jobs, up 0.6%
 - Government gained 1,400 jobs, up 0.3%
 - Construction gained 1,200 jobs, up 0.9%
 - Trade, Transportation and Utilities gained 900 jobs, up 0.2%
 - Other Services gained 200 jobs, down 0.2%
 - Mining and Logging gained 100 jobs, up 1.6%
- Three supersectors lost jobs:
 - Manufacturing lost 1,700 jobs, down 0.5%
 - Financial Activities lost 1,600 jobs, down 0.9%
 - Information lost 200 jobs, down 0.4%
- Minnesota lost 416,000 jobs from February through April 2020 and has since recovered 424,200 jobs as of October 2023, which brings Minnesota to 100.3% 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 398,100 jobs as of October, or 100.5% recovered.
- Translating seasonally adjusted job change into a 3-month moving average series, Minnesota gained 5,200 jobs, up 0.2% in June-August; gained 11,700 jobs in July-September, up 0.4%; and gained 14,500 jobs in August-October, up 0.5%. Nationally, each of the three periods saw consistent growth rate of 0.3%.

Over-the-Year Job Growth

- Minnesota gained 42,266 payroll jobs, up 1.4%, over the year. The private sector gained 30,263 jobs, up 1.2% over the year.

- All but four supersectors posted positive annual growth. Notable growth continued in the following:
 - Construction continued its growth streak and gained 6,850 jobs, up 4.8% compared to 2.7% nationally. The strongest growth continued to be in Heavy and Civil Engineering Construction (8.1%), Building Equipment Contractors (5.6%), and Specialty Trade Contractors (5.3%).
 - Trade, Transportation, and Utilities gained 11,212 jobs, up 2.1% compared to 0.4% nationally. All subsectors grew except Wholesale Trade (-0.3%).
 - Education & Health Services gained 25,247 jobs, up 4.5%, compared to the national rate of 4.2%. This is driven by growth in Health Care and Social Assistance sector (5.3%) despite a slight decrease in Educational Services (-0.4%).
- Four supersectors lost jobs over the year:
 - Professional & Business Services lost 8,346 jobs, down 2.1%, while the US grew 1.1%. All sectors declined over the year except Accounting, Tax Preparation, Bookkeeping, and Payroll Services (3.7%), Architectural, Engineering, and Related Services (2.0%), and Services to Buildings and Dwellings (0.7%).
 - Financial Activities lost 7,407 jobs over the year, down 3.8%, while the U.S. rate grew 0.7%. Losses were consistent in every sector.
 - Manufacturing lost 4,270 jobs down 1.3%. Declines were biggest in Nondurable Goods, especially Animal Slaughtering and Processing (-7.7%). The U.S. saw zero change in this supersector over the year.
 - Information lost 1,326 jobs, down 2.9%, a similar rate as the U.S (-2.8%).
- U.S. employment grew 1.9% over the year with the private sector up 1.8%. Information was the only supersector that lost jobs over the year, down 2.8%.

October 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	+42,266	+1.4	+1.9
Private	+30,263	+1.2	+1.8
Mining & Logging	+216	+3.4	+4.7
Construction	+6,850	+4.8	+2.7
Manufacturing	-4,270	-1.3	0.0
Trade, Transportation & Utilities	+11,212	+2.1	+0.4
Information	-1,326	-2.9	-2.8
Financial Activities	-7,407	-3.8	+0.7
Professional & Business Services	-8,346	-2.1	+1.1
Education & Health Services	+25,247	+4.5	+4.2
Leisure & Hospitality	+7,371	+2.8	+3.5
Other Services	+716	+0.7	+2.1
Government	+12,003	+2.9	+2.8

Wage and Hour Data

- Average hourly wages for all private sector workers increased 30 cents to \$36.51 in October 2023 over the month. Over the year average hourly earnings increased \$1.17, up 3.3%, and since October 2020 they are up 16.1%.
 - Nationally private sector wages increased 29 cents over the month and rose 4.0% over the year and 15.9% over three years.
 - The CPI inflation index for all urban consumers rose 3.2% over the year in October and 18.2% over 3 years.
- At 33.7 hours per week, Minnesota's October 2023 average work week shortened one-tenth of an hour over-the-month. Over-the-year it decreased by six-tenth of an hour.
 - Nationally, the average work week increased by three-tenth of an hour over the month to 34.7 hours and decreased two-tenth of an hour over the year.

Unemployment Data

- The unemployment rate increased one-tenth of a percentage point to 3.2% in October on a seasonally adjusted basis. The number of employed decreased by 2,303 workers, and the number of unemployed increased 2,219. The employment to population ratio remained steady at 66.3%.
- The labor force decreased a bit by 84 people over the month, totaling 3,114,343 people in October. The labor force participation rate remained steady at 68.5% for the fourth month in a row. Minnesota's growing labor force is 14,260 people smaller than in February 2020 when the participation rate was at 69.9%.
- Nationally, over the month, the unemployment rate ticked up one-tenth of a percentage point to 3.9% and the employment to population ratio also decreased two-tenth of a percentage point to 60.2%. The labor force participation rate decreased one-tenth of a percentage point to 62.7%.

Industry Details

Mining and Logging: Employment in Mining and Logging was up by 100 (1.6%) over the month (OTM) on a seasonally adjusted basis. It was the first positive monthly growth in the supersector since April. On an annual basis, Mining and Logging employment was up by 216 jobs, or 3.4%. This was an improvement over September's 2.3% over the year (OTY) increase in the supersector.

Construction: Construction employers added 1,200 jobs (0.9%) OTM in October. The supersector has posted positive growth in 8 of 10 months so far in 2023. Over the year, Construction employment was up 6,850, or 4.8%. This was the highest proportional growth of any supersector in the state. Specialty Trade Contractors added 4,804 jobs, or 5.3%, and Heavy and Civil Engineering added 1,825 jobs, or 8.1%. Every published component sector had positive annual growth in October.

Manufacturing: Employment in Manufacturing was off by 1,700 (0.5%) OTM in October. It was one of only three supersectors to lose jobs over the month. Durable Goods manufacturers lost 700 jobs (0.3%), while their counterparts in Non-Durable Goods lost 1,000 (0.9%). Manufacturers have lost jobs in 6 of 10 months in 2023 so far. Over the year, Manufacturing employment was down by 4,270 (1.3%). It was one of only four published supersectors to post negative annual growth in October. Both major components lost jobs on the year. Durable Goods was down by 2,204 (1%) while Non-Durable Goods was down by 2,066 (1.7%). Employment in Animal Slaughtering and Processing, a component of Non-Durable Goods, was off by 7.7% (1,384 jobs).

Trade, Transportation, and Utilities: Monthly employment in Trade, Transportation and Utilities was up by 900 (0.2%) in October. Both Trade components added jobs, with Wholesale Trade up 900 (0.7%) and Retail Trade up 1,400 (0.5%). Transportation, Warehousing and Utilities lost 1,400 jobs (1.2%), limiting overall growth for the supersector. Trade, Transportation and Utilities employment was up by 11,212 (2.1%) OTY in October. Wholesale Trade lost 407 jobs (0.3%), while Retail Trade was up 6,693 (2.4%), with Motor Vehicle and Parts Dealers showing particular strength, up 5.5%, or 1,885 jobs. Transportation, Warehousing and Utilities employment was up 4,926 (4.2%).

Information: Information employment was off by 0.4% (200 jobs) OTM in October. The supersector has not added jobs since June, and has lost 1,500 seasonally-adjusted jobs so far in 2023. On an annual basis, employment in Information was down by 1,326 (2.9%) in October, notably worse than September's 0.4% positive annual growth. Telecommunications lost 408 jobs in October (4.4%) and Publishing lost 375 (1.9%).

Financial Activities: Employment in Financial Activities was down by 1,600 (0.9%) OTM in October. The supersector has not added jobs over the course of any single month in 2023. Finance and Insurance lost 1,100 jobs (0.7%) in October, and Real Estate and Rental and Leasing lost 500 (1.4%). On an annual basis, Financial Activities employment was off by 7,407 jobs (3.8%), with declines in every published component sector. This was the largest proportional decline of any supersector in the state. Finance and Insurance employment was off by 5,937 jobs (3.8%) and Real Estate and Rental and Leasing was down by 1,470 (4.1%).

Professional and Business Services: Employment in Professional and Business Services was up by 1,900 (0.5%) OTM in October. The growth was driven primarily by Professional, Scientific and Technical Services, which added 1,700 jobs (1%). Management of Companies added 200 jobs (0.2%), while Administrative and Support and Waste Management Services employment was flat. Over the year, Professional and Business Services lost 8,346 jobs (2.1%), with losses in all three published component sectors. The steepest declines came in Administrative and Support and Waste Management, which was off by 4.3% (6,166 jobs) due in part to the loss of 5,908 jobs (8.8%) in the Employment Services component.

Education and Health Services: Education and Health Services employment was up by 3,200 (0.6%) OTM in October. The supersector has not lost jobs in any month of 2023. The October growth came entirely in Health Care and Social Assistance, which added 3,500 jobs (0.7%), as Educational Services employment was off by 300 (0.4%). On an annual basis, Education and Health

Services employment was up by 25,247 (4.5%). As was the case over the month, Health Care and Social Assistance was the sole driver of growth, adding 25,548 jobs (5.3%), with particularly noteworthy growth coming in Nursing and Residential Care Facilities, which was up 6.3% (6,324 jobs). Educational Services employment was down by 301 jobs, or 0.4%.

Leisure and Hospitality: Leisure and Hospitality employment was up by 1,600 (0.6%) OTM in October. It was the third consecutive month of seasonally adjusted growth for the supersector. Arts, Entertainment and Recreation added 400 jobs (0.8%), and Accommodation and Food Services added 1,200 (0.5%). Employment in Leisure and Hospitality was up by 7,371 jobs (2.8%) on an annual basis in October. Arts, Entertainment and Recreation added 3,758 jobs (7.8%), and Accommodation and Food Services added 3,613 (1.7%).

Other Services: Other Services employment was up 200 (0.2%) OTM in October, after losing 1,100 jobs in September. The supersector has added 2,500 seasonally-adjusted jobs in 2023. On an annual basis, Other Services employers added 716 jobs (0.7%). The growth came primarily in Religious, Grantmaking, Civic & Professional Organizations, which added 701 jobs, or 1.2%. Repair & Maintenance was up 62 (0.3%), while Personal & Laundry Services lost 47 jobs (0.2%).

Government: Government employment was up by 1,400 (0.3%) OTM in October. Every level of government posted positive monthly growth, led by Local Government, which was up 1,100, or 0.4%. Over the year, Government employers added 12,003 jobs (2.9%). Local Government employment was up 9,660 (3.4%) and State Government added 1,111, with all of that coming in the Educational Services component (up 1,360, or 3.3%). Non-Education state employment was down by 249, or 0.4%. Federal employers added 1,232 jobs, or 3.9%, in October.

Over-the-Year Job Growth by MSAs

October data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	+26,350	+1.3
Duluth-Superior MN-WI MSA	+819	+0.6
Rochester MSA	+4,365	+3.5
St. Cloud MSA	+359	+0.3
Mankato MSA	+3,800	+6.5
Fargo-Moorhead ND-MN MSA (September)	+400	+0.3
Grand Forks-East Grand Forks ND-MN MSA (September)	+1,000	+1.9
La Crosse-Onalaska WI-MN (September)	+1,000	+1.3