

# April 2022 Employment Analysis

## Overview

- The unemployment rate ticked down three-tenths of a point to 2.2% in April 2022 from 2.5% in March 2022, its lowest level in the history of this data series, which began in 1976. The decline over-the-month was entirely due to people moving from unemployment to employment. The labor force participation rate rose from 68.1% to 68.3%.
- Minnesota gained 11,900 jobs, up 0.4% in the last month on a seasonally adjusted basis following the addition of 13,200 jobs in March 2022. The private sector gained 10,600 jobs, up 0.4%. This continues a gaining streak for the seventh month.
  - March 2022 employment was revised slightly upward. March saw growth of 13,200 jobs in total nonfarm (revised from 11,500) and 12,200 in the private sector (revised from 11,000).
  - Revisions were largest in Professional & Business Services, up 2,000 jobs more than originally estimated; and Trade, Transportation, and Utilities, which was down 700 jobs.
- The U.S. gained 428,000 jobs, up 0.3% from March to April 2022, with the private sector adding 406,000 jobs, also up 0.3% on a seasonally adjusted basis.
- Growth has been lumpy and uneven coming out of the pandemic recession. Over the last few months, it has stabilized a bit. Translating seasonally adjusted job change into a 3-month moving average series, MN added 6,800 jobs, up 0.2% in Dec21-Feb22, 10,300 jobs, up 0.4% in Jan-Mar22, and 12,700 jobs, up 0.4% in Feb-Apr22. Nationally, all three periods have shown a 0.4% increase.
- Here are noteworthy supersectors that gained or lost jobs on a seasonally adjusted basis in April:
  - Gains were in Manufacturing (up 1,800), Financial Activities (up 4,700), Professional and Business Services (up 3,900), Leisure and Hospitality (up 2,700), and Government (up 1,300).
  - Losses were in Mining & Logging (down 200 jobs), Construction (down 1,000 jobs), and Trade, Transportation & Utilities (down 1,700 jobs).
- Minnesota lost 417,600 jobs from February through April 2020 and has since gained 329,500 jobs as of April 2022, or 79% of the jobs lost on a seasonally adjusted basis. The private sector has regained 322,700 jobs, or 83% of the jobs lost.

## Over the Year

- Minnesota gained 61,139 payroll jobs, up 2.2%, over the year. The private sector gained 61,008 jobs, up 2.5% over the year. Overall, Minnesota's over-the-year growth in April is a bit weaker than OTY growth of previous months so far in 2022.
- Exceptions to this are supersectors that posted strong OTY growth, especially Manufacturing, Financial Activities, and Professional & Business Services.
  - Manufacturing posted 15,862 additional jobs (5.2%) OTY. All sectors were up; Non-Durable Goods employment was up 6.4% (6,993 jobs) while their counterparts in Durable Goods were up 4.5% (8,869 jobs).
  - Financial Activities was up 1.2%, or 2,274 jobs. The growth was entirely in Real Estate and Rental and Leasing, which added 2,444 jobs (7.3%). Finance and Insurance employers lost 170 jobs, or -0.1%.
  - Information (up 3.0% with 1,273 jobs) and Professional & Business Services (up 2.9% with 10,737 jobs) continue to show consistent strong OTY growth.
  - Leisure & Hospitality continues to post the highest OTY growth of all the supersectors, up 27,585 jobs (12.9%). Arts, Entertainment, & Recreation posted 7,848 more jobs OTY (22.8%). Other high-growth sectors are Accommodation (up 4,124 jobs, 22.7%) and Full-Service Restaurants (up 11,119 jobs, 16%). As this supersector recovers from the pandemic, we see slowing – though still very strong – growth rates.
- Two supersectors posted negative annual growth, Construction down 4,988 jobs (4.0%) and Mining & Logging, down 85 jobs (1.3%).
  - Construction saw negative OTY growth in most sectors, including Residential Building Construction (down 1,035 jobs, -7.2%) and Specialty Trade Contractors (down 4,974 jobs, -6.3%). Heavy and Civil Engineering Construction posted positive growth of 6.8% (up 1,140 jobs).
  - Mining & Logging saw an OTY decline of 85 jobs (1.3%).
- U.S. employment grew 4.6% over the year with the private sector up 5.0% in April. For the most part, OTY growth for the US has stayed about the same as last month's report. All supersectors showed gains over the year with the exception of Mining & Logging, which was down 4,000 jobs (0.7%).
- Overall, Minnesota's OTY growth is slower compared to the U.S. Three supersectors in Minnesota show strength over the year compared to the U.S.: Leisure & Hospitality, Other Services, and Manufacturing.

April 2022 Over the Year (OTY) Employment Growth by Industry Sector Not Seasonally Adjusted			
	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	+61,139	+2.2%	+4.6%
Private	+61,008	+2.5%	+5.0%
Mining & Logging	-85	-1.3%	-0.7%
Construction	-4,988	-4.0%	+2.6%
Manufacturing	+15,862	+5.2%	+3.7%
Trade, Transport. & Utilities	+4,817	+1.0%	+5.7%
Information	+1,273	+3.0%	+9.3%
Financial Activities	+2,274	+1.2%	+1.5%
Prof. & Business Services	+10,737	+2.9%	+6.8%
Ed. & Health Services	-65	0.0%	+3.1%
Leisure & Hospitality	+27,585	+12.9%	+9.3%
Other Services	+3,598	+3.5%	+1.5%
Government	+131	+0.0%	+2.3%

## Wage and Hour Data

- Average hourly wages for all private sector workers decreased 51 cents to \$33.13 in April 2022 over the month. Over the year average hourly earnings rose 70 cents, up 2.2%. Over two years, average hourly earnings increased 79 cents, or 2.4%.
  - Nationally private sector wages increased 24 cents (0.8%) over the month to \$31.96, up 5.8% over the year and up 6.1% over two years.
  - The CPI inflation index for all urban consumers rose 8.3% over the year in April 2022 and 12.8% over 2 years.
- At 33.8 hours per week, April’s average work week was two-tenths of an hour shorter than last month and down eight-tenths over the year (from 34.6 hours per week). Over the year this was a 2.3% decline, and over 2 years hours increased 0.3%.
  - Nationally, hours stayed the same over the month at 34.4 hours per week, decreased four-tenth of an hour over the year (1.1%), and increased three-tenths of an hour (0.9%) over two years.

## Unemployment Data

- The unemployment rate again ticked down 0.3 of a percentage point to 2.2% in April 2022 from 2.5% last month, continuing a downward streak since May 2020. This is the lowest unemployment rate in the history of the data series, which began in 1976.
- In the last month, the number of employed rose by 16,481 to 3,012,488, and the number of unemployed fell by 8,104 to 67,631. The employment to population ratio ticked up to 66.8%, the highest it's been since March 2020 when it was 67.8%.
- The labor force grew by 8,377 people over the month, with labor force participation growing to 68.3% (from 68.1% last month). The labor force is 84,656 workers smaller than in February 2020 when the participation rate was at 70.8%.
- Nationally, the unemployment rate stayed the same at 3.6% and the employment to population ratio decreased one-tenth point to 60.0% over the month. The size of the labor force decreased by 363,000, with the labor force participation rate ticking down 0.2% to 62.2%.
- Based on 12-month moving average **unemployment rates by race** in April 2022 are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	White	Black	Hispanic
April-2022	3.3%	2.8%	6.7%	4.5%
March-2022	3.5%	3%	7.1%	5.1%
April-2021	5.8%	5.6%	8.9%	7.7%
<i>Over the month change</i>	<i>-0.2%</i>	<i>-0.2%</i>	<i>-0.4%</i>	<i>-0.6%</i>
<i>Annual change</i>	<i>-2.5%</i>	<i>-2.8%</i>	<i>-2.2%</i>	<i>-3.2%</i>

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

- The table below adds together the unemployment rate and change in the labor force participation rate. This represents the total share of Minnesotans in April 2022 who are either actively seeking work or who would have been expected to be working or looking for work if it wasn't for the impact of the pandemic. These **alternative unemployment rates** are calculated from 12-month moving average CPS Demecon data.

Month/Year	Total	White	Black	Hispanic
Apr-22	4.8%	4.2%	7.3%	0.6%
Mar-22	5.1%	4.4%	8.2%	1.7%
Apr-21	7.1%	6.3%	14.5%	5.9%

## Industry Details

**Mining and Logging:** Mining and Logging employers lost 200 jobs (2.9%) over the month (OTM) in April, on a seasonally adjusted basis. It was the first monthly job loss in the supersector since September 2021. On an annual basis, Mining and Logging employers lost 85 jobs (1.3%). While it was one of only three supersectors to shed jobs on the year, employment in Mining and Logging is also highly contingent on weather, and it is possible that inclement conditions in April hindered employment growth.

**Construction:** Construction employers lost 1,000 jobs (0.8%) OTM in April, following two months of slight growth. The supersector lost 4,988 jobs (4%) over the year, after posting flat or positive growth in every month since February of 2021. Given the highly seasonal nature of work in the supersector, it is likely that cold and wet weather across the state in April slowed what is usually a time or rapidly increasing employment in Construction.

**Manufacturing:** Employment in Manufacturing was up 1,800 jobs (0.6%) OTM in April. Both component sectors posted positive growth, with Durable Goods adding 700 jobs (0.3%) and Non-Durable Goods adding 1,100 (0.9%). It was the seventh consecutive month of seasonally adjusted growth for the supersector. Over the year, Manufacturing employers added 15,862 jobs, or 5.2%. It was the second-highest proportional growth of any supersector in the state, trailing only Leisure and Hospitality. Non-Durable Goods employment was up 6.4% (6,993 jobs) while their counterparts in Durable Goods were up 4.5% (8,869 jobs).

**Trade, Transportation, and Utilities:** Trade, Transportation, and Utilities employers lost 1,700 jobs (0.3%) in April, with losses in all three component sectors. It was the first negative monthly growth in the supersector since October 2021. The largest real and proportional declines came in Transportation, Warehousing, and Utilities, which shed 700 jobs, or 0.6%. Over the year, employment in the supersector was up by 1% (4,817 jobs). Wholesale Trade lost 2,093 jobs (1.7%) but those losses were overcome by the addition of 2,019 jobs (0.7%) in Retail Trade, and 4,891 jobs (4.8%) in Transportation, Warehousing, and Utilities.

**Information:** Employment in Information was flat in April, holding at 43,400 seasonally-adjusted jobs. Over the year, Information employers added 1,273 jobs, or 3%. While the long-term trend in Information is still for negative growth, the supersector has added jobs on an annual basis every month since November.

**Financial Activities:** Financial Activities employers added 4,700 jobs (2.5%) OTM in April. It was the highest proportional growth of any supersector in the state for the month. Finance and Insurance added 3,700 jobs (2.4%) while Real Estate and Rental and Leasing added 1,000 (2.8%). On an annual basis, employment in Financial Activities was up 1.2%, or 2,274 jobs. The growth was entirely in Real Estate and Rental and Leasing, which added 2,444 jobs (7.3%), with most of that in the Rental and Leasing components. Finance and Insurance employers lost 170 jobs, or 0.1%.

**Professional and Business Services:** Employment in Professional and Business Services was up by 3,900 (1%) in April. Professional, Scientific and Technical Services employment was up 1.4% (2,200 jobs) while Administrative and Support and Waste Management and Remediation Services was up 1.7% (also 2,200 jobs). Management of Companies and Enterprises lost 500 jobs (0.6%). Over the year, the supersector added 10,737 jobs (2.9%). Professional, Scientific and Technical Services added 7,408 jobs (4.7%). Administrative and Support and Waste Management and Remediation Services added 3,537 jobs (2.8%) with component Employment Services adding 1,703 of those jobs (up 3.1%). Management of Companies was down 0.2% (208 jobs) on the year.

**Education and Health Services:** Education and Health Services employment was mostly flat in April, adding 200 jobs (0.0%). Educational Services lost 900 jobs (1.3%) while Health Care and Social Assistance added 1,100 jobs (0.2%). Over the year, Education and Health Services employment was also mostly flat, losing 65 jobs, or 0.0%. Educational Services added 2,518 jobs (3.5%), but Health Care and Social Assistance was off by 2,583 (0.5%) due in large part to the loss of 5,204 jobs (5%) in Nursing and Residential Care Facilities, where finding workers has been a highly publicized issue in recent months.

**Leisure and Hospitality:** Employment in Leisure and Hospitality was up 2,700 (1.1%) in April, with Arts, Entertainment and Recreation up 2,300 jobs (5.2%) and Accommodation and Food Services up 400 (0.2%). The supersector has posted monthly growth consistently since September of 2021, and in fifteen of the past sixteen months as it works its way back from pandemic-related losses. Over the year, Leisure and Hospitality employers added 27,585 jobs, or 12.9%. While that is lower than March's 18% OTY growth, it remains the largest real and proportional growth of any supersector in the state.

**Other Services:** Other Services employment was up by 200 (0.2%) in April, after two consecutive months of seasonally adjusted losses. Over the year, the supersector added 3,598 jobs, or 3.5%. Religious, Grantmaking, Civic, Professional and Similar Organizations drove that growth, adding 3,152 jobs, or 5.5%. Repair and Maintenance employment was off by 217 jobs (1%) on the year.

**Government:** Government employment was up 1,300 (0.3%) OTM in April. The growth came entirely at the Local Government level (up 0.5%) as both State and Federal employment was flat on the month. Over the year, Government employers added 131 jobs (0.0%). Local Government was up 1,599 (0.6%), while Federal employers lost 695 jobs (2.1%) and State employers lost 773 (0.8%).

<b>Metropolitan Statistical Area</b>	<b>OTY Employment Change (#, NSA)</b>	<b>OTY Employment Change (% , NSA)</b>
Minneapolis-St. Paul MN-WI MSA	+56,052	+2.9%
Duluth-Superior MN-WI MSA	+3,082	+2.4%
Rochester MSA	+2,740	+2.3%
St. Cloud MSA	+2,306	+2.2%
Mankato MSA	+1,274	+2.3%
<i>Fargo-Moorhead ND-MN MSA (March)</i>	<i>+1,900</i>	<i>+1.3%</i>
<i>Grand Forks-East Grand Forks ND- MN MSA (March)</i>	<i>+1,500</i>	<i>+2.9%</i>
<i>La Crosse-Onalaska WI-MN (March)</i>	<i>+1,600</i>	<i>+2.1%</i>

## Outlook

- Labor force participation rate has grown or held steady since March 2021 (67.0%) to April 2022 (68.3%). While this is a good sign of economic recovery since the pandemic, the last time labor force participation rate was this low was in 1978. Historically low labor force participation rate combined with historically low unemployment rate (2.2%) signals a very tight labor market.
- Employment numbers have grown month-to-month since February 2021, with employment-to-population ratio steadily increasing from 64.5% to 66.8%. Unemployment numbers and the unemployment rate have steadily gone down month-to-month since May 2020. The economy is clearly recovering from the pandemic.
- Year-to-year job growth has been positive since April 2021. April 2022 year-to-year job growth rate is 2.2%, continuing a 13-month growth streak.
- The number of long term unemployed – workers unemployed for 27 weeks or more - dropped for the eighth straight month in April 2022, to 27,600. This is still high by historical standards – the number was 11,100 in February 2020 prior to the pandemic. The share of long-term unemployment out of all types of unemployment has grown to 27.5% in April 2022, up from 19% a year ago. This is a growing portion of workers who have been looking for work but have difficulty finding employment.

- In Minnesota, the average hourly wage increase for all private sector workers, 2.2% over the year, was less than the 8.3% annual inflation in April 2022.
  - Over two years the comparison was 2.4% for private sector wage growth in MN compared to 12.8% inflation.
  - Nationally private sector wages rose 5.8% over the year and 6.1% over two years.
- High demand, low wage jobs are seeing greater average wage increases for the most part.
  - The average wage for production workers in Nursing & Residential Care Facilities, at \$21.10 in April 2022, rose 11.0% over the year and 8.7% over two years.
  - The average wage for production workers in Food Services and Drinking Places, at \$17.18 in April 2022, rose 11.7% over the year and 19.9% over two years.
  - The average hourly wage for production workers in Retail Trade, at \$18.84 in April 2022, grew 2.8% over the year and 16.8% over 2 years.

**Labor Market Information Office**

**MN Department of Employment and Economic Development**

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