

Minnesota Employment Review

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Post-Secondary Education and Employment in Southeast Minnesota

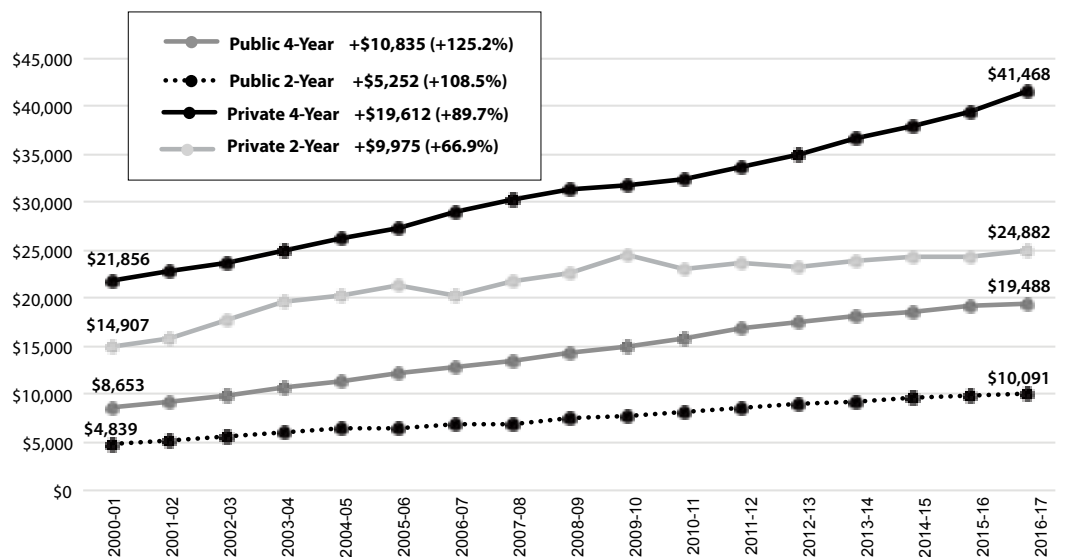
The Cost of Education is on the Rise

College can be an expensive choice, whether you choose to go to a public two-year institution or a private four-year university, and annual tuition in the United States has seen a fairly large increase over the years. One article posted on Yahoo! Finance states that the average cost of college is 31 times higher than it was in 1969¹. In more

recent years college tuition in the United States has seen massive gain. As shown in Figure 1, data from the National Center for Education Statistics show that since 2000, and depending on institution type (public vs. private/2-year vs. 4-year), tuition has risen anywhere from 66.9 percent for private two-year colleges to 125.2 percent for public four-year colleges.

While it is not always the case, many times the furthering of educational attainment beyond high school results in higher wages. This can also, however, increase the amount of student loan debt as many higher paying occupations require more years of education, e.g., architects, computer systems analysts, lawyers, and doctors. According to 2018 annual report of the

Figure 1. Tuition Expense Trends, 2000-2017



Source: National Center for Education Statistics

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- Economic Indicators
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Institute for College and Access and Success, Minnesota ranks among the highest states in average student loan debt for the class of 2017, resting at \$31,364². Furthermore, according to a

recent article in Forbes Magazine, the price tag on a college education has increased almost eight times faster than wages have increased³.

Post-Secondary Education and Choice of Employment

Thus for many individuals choice of a career path may be influenced by subsequent earning potential as students find themselves looking at occupations that pay more to help offset the amount of college debt they accrue. Southeast Minnesota is ripe with employment opportunities for jobs that require various levels of post-secondary education and are also characterized by high wages.

According to DEED's Occupations in Demand data, there are several occupations at all levels of post-secondary education that are both in demand and pay well. Higher post-secondary education, however, doesn't always equate to higher wages in the Southeast region. For example, radiation therapists with an Associate's Degree earn a median annual wage of \$81,015, which is

Table 1. Occupations in Demand by Post-Secondary Education Level

Post-Secondary Non-Degree Award	Associate's Degree	Bachelor's Degree	Masters or Doctoral Degree
Nursing Assistants (\$33,876)	Registered Nurse (\$74,920)	Elementary School Teachers (\$54,586)	Nurse Practitioners (\$122,072)
Machinists (\$45,646)	Surgical Technologist (\$59,000)	Secondary School Teachers (\$62,197)	Clinical, Counseling, and School Psychologists (\$81,446)
Licensed Practical Nurses (\$47,339)	Radiologic Technologist (\$73,642)	Systems Software Developers (\$95,225)	Physical Therapists (\$86,684)
EMTs and Paramedics (\$38,092)	Police and Sheriff Patrol Officers (\$62,819)	Industrial Engineers (\$80,829)	Nurse Anesthetists (\$199,092)
Industrial Machinery Mechanics (\$51,462)	Respiratory Therapists (\$68,716)	Middle School Teachers (\$56,991)	Child, Family and School Social Workers (\$61,811)
Hairdressers, Hairstylists and Cosmetologists (\$25,344)	Cardiovascular Technologists and Technicians (\$63,841)	Applications Software Developers (\$92,109)	Physician Assistants (\$119,114)
Auto Service Techs and Mechanics (\$39,411)	Industrial Engineering Technicians (\$44,015)	Computer and Information Systems Managers (\$110,267)	Pediatricians (\$207,182)
Medical Records and Health Info. Technicians (\$46,346)	Radiation Therapists (\$81,015)	Accountants and Auditors (\$61,932)	Family and General Practitioners (\$190,853)
HVAC Mechanics and Installers (\$49,614)	Dental Hygienists (\$71,650)	Human Resource Specialists (\$56,162)	Mental Health and Substance Abuse Social Workers (\$45,292)
Tool and Die Makers (\$54,037)	Paralegals and Legal Assistants (\$51,466)	Computer Systems Analysts (\$80,701)	Healthcare Social Workers (\$53,971)

Source: DEED Occupations in Demand

higher than the median annual wage for elementary school teachers with a Bachelor’s Degree and mental health and substance abuse counselors with a Master’s Degree (see Table 1).

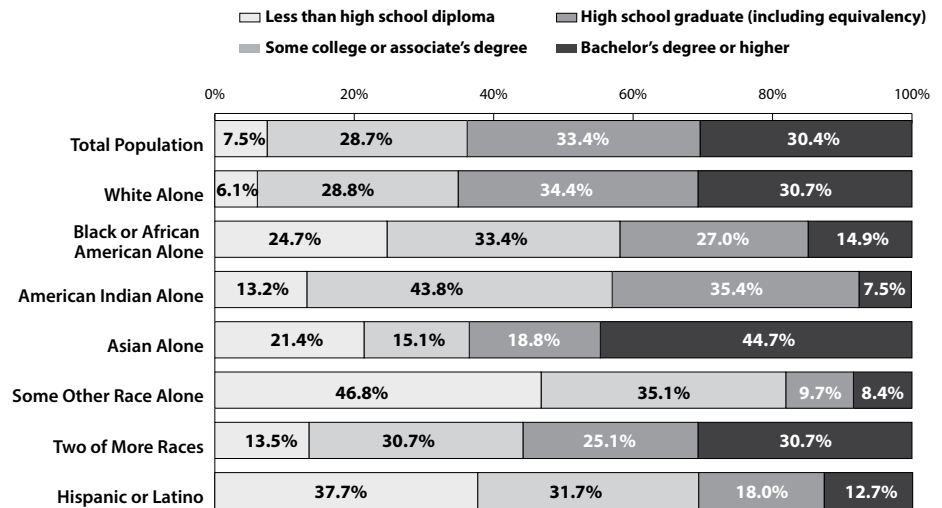
Disparities in Educational Attainment and Earnings

In the Southeast region disparities exist in educational attainment by race. As shown in Figure 2, multiple racial or ethnic groups have a higher percentage of individuals with a high school diploma or less. For example, among the American Indian population, over half (57 percent) have only a high school diploma or less, while the Black or African American population saw 58.1 percent with only a high school diploma or less. Additionally, almost 70 percent (69.4) of those identifying as Hispanic or Latino and over three-quarters (81.9 percent) of those of Some Other Race have this level of education.

Arguably there is a correlation between disparities in educational attainment and household incomes by race. An astounding 74.6 percent of Black or African American households have incomes of less than \$50,000 as do 53.4 percent of American Indian households. In addition, among Hispanic or Latino households, 56.3 percent earn less than \$50,000 while households of Some Other Race saw 57.3 percent having low incomes.

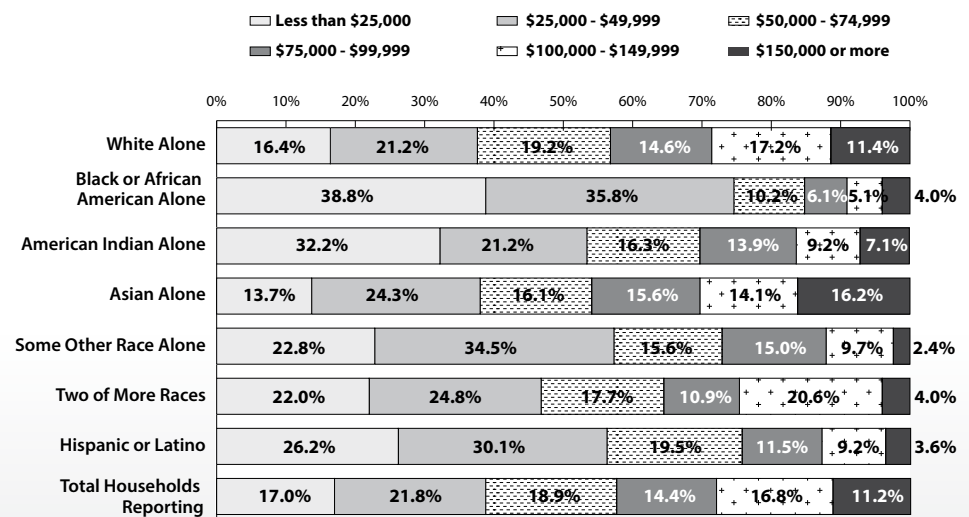
Research conducted by the American Psychological Association shows a link between low socioeconomic status (of which income is a part) and lower educational attainment⁴. More specifically, according to one article “Children from low-SES [socioeconomic status] families enter high school with average literacy skills five years behind those of high-income students” (Reardon, Valentino, Kalagrides, Shores, and Greenburg)⁵. Additionally, according

Figure 2. Educational Attainment for the Population Aged 25 Years and Over by Race or Origin, 2018



Source: 2014-2018 American Community Survey

Figure 3. Household Incomes by Race, 2018



Source: 2014-2018 American Community Survey

to the National Center of Education Statistics, among young people (ages 16 to 24), those from low-income families saw a higher high school dropout rate than those in high-income families⁶. It appears, though, that the relationship between low educational attainment and low household incomes could be a reciprocal one as those from lower SES families may have limited educational opportunities which subsequently

turns into fewer opportunities for high-paying jobs. The cycle keeps on rolling in this fashion.

Research also shows that social class, which is highly influenced by income, can be a key player in “career aspirations, trajectory, and achievement.”⁴ For example, Diemer and Blustein’s (2007) research shows that “racial, ethnic, and socioeconomic barriers generally hinder individuals’

vocational development”⁷. These limited career aspirations could lead to limited employment opportunities, especially among high-paying jobs that require education beyond high school.

As a result of the racial disparities in income, which could be correlated with education attainment and career opportunities/choices, the Southeast region is also seeing racial/ethnic discrepancies in poverty rates. The same groups discussed in the above narrative - Black or African American, American Indian, Hispanic and Latino, and those of Some Other Race - also see higher percentages below the poverty level. The highest percentage were seen among Black or African Americans, which group saw 41.8

percent below the poverty level, followed by 32.9 percent of American Indians. Both Some Other Race and Hispanic or Latino saw about 23 percent each below the poverty level (see Table 2).

As a result of these discrepancies, many residents of Southeast Minnesota may find themselves in an unfortunate cycle. Students’ income/socioeconomic status could hinder their ability/aspirations to obtain post-secondary education, which in turn could lead to employment in lower-paying jobs, which loops back to lower earnings and socioeconomic status.

by Mark Schultz

Figure 4. Income, Educational Attainment, and Employment Outcomes Cycle

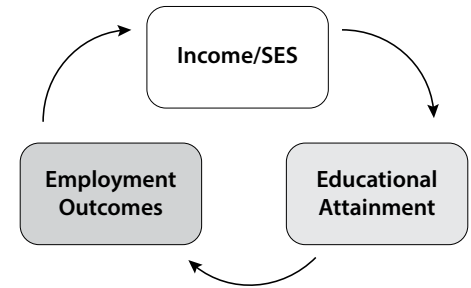


Table 2. Poverty Status in the Past 12 Months by Race or Origin, 2018 (total population for whom poverty status is determined)

Race/Ethnicity	Total Population	Income Below the Poverty Level	Poverty Rate (% below poverty level)	Income At or Above the Poverty Level	Minnesota Poverty Rate
White Alone	438,608	37,320	8.5%	401,288	7.9%
Black or African American Alone	15,763	6,592	41.8%	9,171	31.9%
American Indian Alone	1,496	492	32.9%	1,004	31.5%
Asian Alone	14,118	1,546	11.0%	12,572	15.4%
Some Other Race Alone	7,178	1,697	23.6%	5,481	23.4%
Two or More Races	9,056	1,654	18.3%	7,402	18.3%
Hispanic or Latino	26,705	5,966	22.3%	20,739	20.9%
Total Population	486,219	49,301	10.1%	436,918	10.5%

Source: 2014-2018 American Community Survey, 5-Year Estimates

¹DePietro, Andrew. (April 9, 2019). Average cost of College Has Jumped an Incredible 3,009% in 50 Years. Retrieved from <https://finance.yahoo.com/news/average-cost-college-jumped-incredible-122000732.html>

²The Institute for College Access and Success. (2018). Student Debt and the Class of 2017. Retrieved from https://ticas.org/wp-content/uploads/legacy-files/pub_files/classof2017.pdf.

³Maldonado, Camilo. (July 24, 2018). Price of College Increasing Almost 8 Times Faster Than Wages. Retrieved from www.forbes.com/sites/camilomaldonado/2018/07/24/price-of-college-increasing-almost-8-times-faster-than-wages/#44a95fb066c1

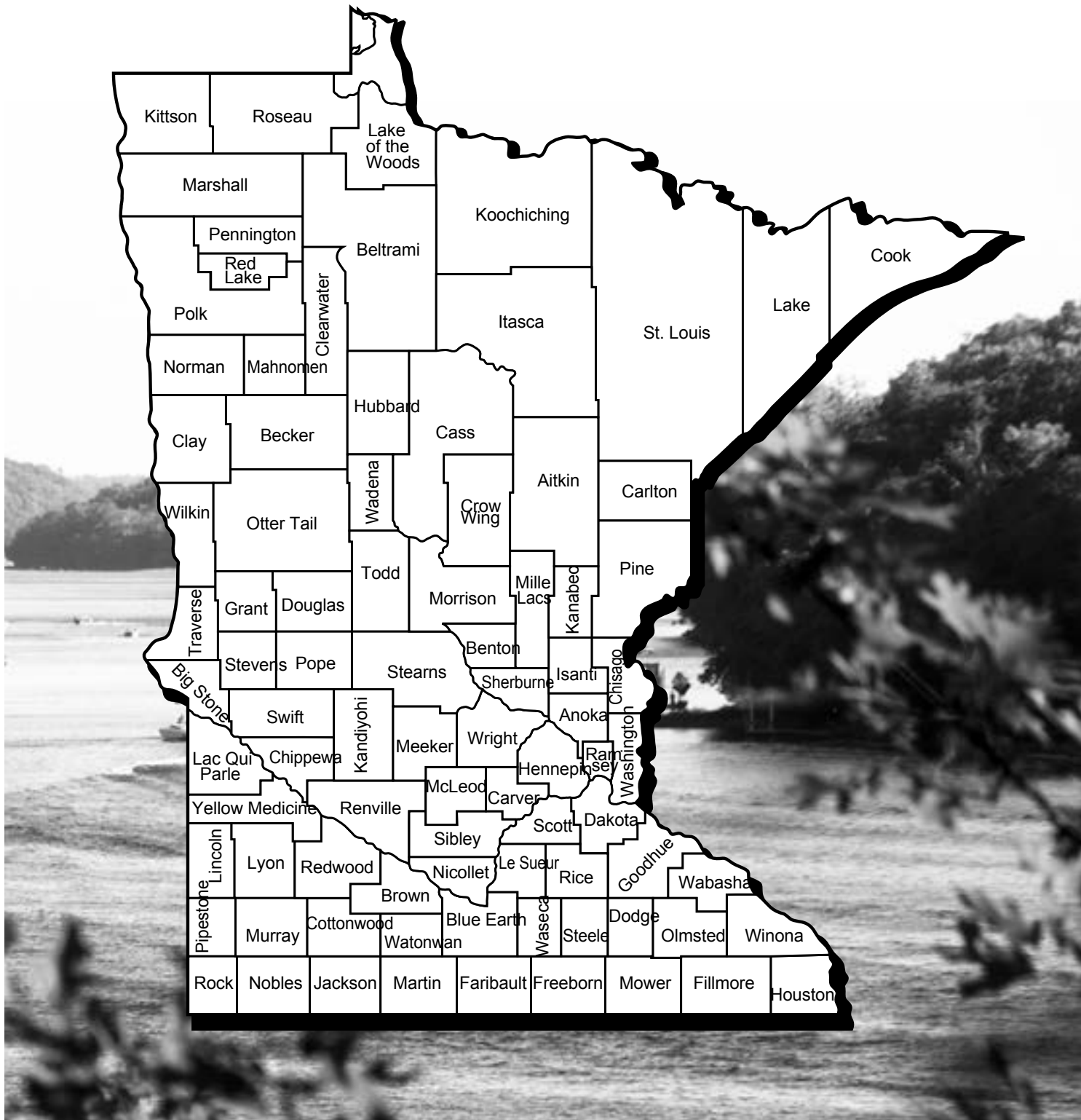
⁴American Psychological Association. Education and Socioeconomic Status. Retrieved from www.apa.org/pi/ses/resources/publications/education

⁵Reardon, S.F., Valentino, R.A., Kalogrides, D., Shores, K.A., and Greenberg, E.H. (2013). Patterns and Trends in Racial Academic Achievement Gaps Among States, 1999-2011. Retrieved from <https://cepa.stanford.edu/content/patterns-and-trends-racial-academic-achievement-gaps-among-states-1999-2011>

⁶National Center for Education Statistics. (2008). Percentage of high school dropouts among persons 16 through 24 years old (status dropout rate), by income level, and percentage distribution of status dropouts, by labor force status and educational attainment: 1970 through 2007. Retrieved from http://nces.ed.gov/programs/digest/d08/tables/dt08_110.asp

⁷Diemer, M. A., & Blustein, D. L. (2007). Vocational hope and vocational identity: Urban adolescents’ career development. *Journal of Career Assessment*, 15, 98-118.

Minnesota Counties



Industrial Analysis

Overview

Minnesota employers added 8,400 jobs in January on a seasonally adjusted basis. The growth followed losses of 3,200 and 2,200 jobs in November and December, respectively. Goods producers added 2,900 jobs (0.6 percent), and service providers added 5,500 (0.2 percent). All of the growth came in the private sector (up 8,500 jobs or 0.3 percent). Annually the state added 1,844 jobs (0.1 percent), returning to positive over-the-year growth after briefly dipping into red in December. January's growth was split between goods producers (up 812 or 0.2 percent) and service providers (up 1,032, 0 percent). December's decline, which was revised down from slight positive growth in the preliminary estimates, was the first month of over-the-year job losses in Minnesota since July of 2010.

Mining and Logging

Mining and Logging employment was up by 100 (1.6 percent) in January. The supersector has either gained or lost 100 jobs, or stayed flat, in every month since April of 2018 when employers lost 200 jobs. On the year Mining and Logging employers lost 69 jobs (1.1 percent), which was actually a nice improvement over December's loss of 271 (4.3 percent).

Construction

Employers in the Construction supersector added 300 jobs (0.2 percent) in January on a seasonally adjusted basis. The slight increase comes after a loss of 4,700 jobs in November and a period of flat

growth in December. Over-the-year employment in the supersector was up by 3,348 (3.1 percent), maintaining the strong annual growth that was present through most of 2019. Specialty Trade Contractors drove the growth, adding 3,958 jobs (5.6 percent), with Construction of Buildings up by 299 (1.1 percent) and Heavy and Civil Engineering Construction down by 909 (9.2 percent).

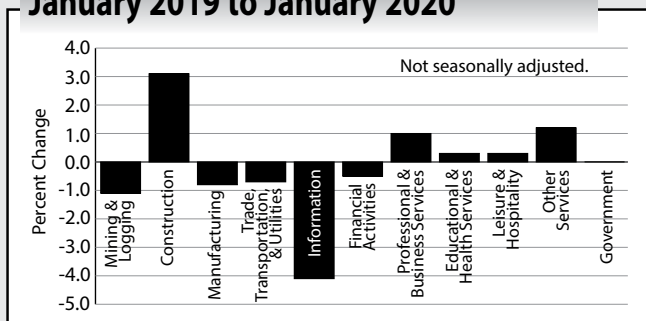
Manufacturing

Employment in Manufacturing was up by 2,500 (0.8 percent) in January, with Durable Goods manufacturers adding 1,500 jobs (0.7 percent) and Non-Durable Goods manufacturers contributing 1,000 (0.9 percent). Over the year, however, employment in Manufacturing was down by 2,467 (0.8 percent). The decline was caused by continued over-the-year losses among Durable Goods manufacturers (down 3,856 or 1.9 percent), where annual employment has been down since November. Their counterpart in Non-Durable Goods manufacturing added 1,389 jobs (1.2 percent) on the year, mitigating some of the losses.

Trade, Transportation, and Utilities

Trade, Transportation, and Utilities employment was up by 400 (0.1 percent) in January on a seasonally-adjusted basis. Wholesale Trade added 600 jobs (0.5 percent), and Transportation, Warehousing, and Utilities added 200 (0.2 percent). Retail Trade employers lost 400 jobs (0.1 percent). On the year the supersector lost 3,800 jobs (0.7 percent). All three component sectors contributed to the declines as Retail Trade lost 3,099 jobs (1.1 percent), Wholesale Trade was down 612 (0.5 percent), and Transportation, Warehousing, and Utilities was down 89 (0.1 percent).

MN Employment Growth January 2019 to January 2020



Source: Department of Employment and Economic Development, Current Employment Statistics, 2020.

Information

Employers in the Information supersector lost 300 jobs (0.7 percent) in January. The supersector lost 1,910 jobs on the year, which was the largest proportional over-the-year job loss in the state. Information employment, which includes publishing and telecommunications businesses, has been steadily declining for decades.

*Over-the-year data are not seasonally adjusted because of small changes in seasonal adjustment factors from year to year. Also, there is no seasonality in over-the-year changes.

Industrial Analysis

Financial Activities

Financial Activities employment was down by 300 (0.2 percent) in January. The loss came entirely from Real Estate and Rental and Leasing (down 0.9 percent) as employment in Finance and Insurance was flat. Over the year the supersector lost 870 jobs (0.5 percent) with declines in Finance and Insurance (off 256 or 0.2 percent) and Real Estate and Rental and Leasing (down 614 or 1.8 percent).

Professional and Business Services

Professional and Business Services employment was up by 7,400 jobs (1.9 percent) in January. It was the largest real and proportional monthly job growth of any supersector in the state. Professional, Scientific, and Technical Services employment was up 4,500 (2.9 percent), and Administrative and Support and Waste Management and Remediation Services was up 2,900 (2.2 percent) while employment in Management of Companies was flat. Annually the supersector added 3,620 jobs (1 percent). Professional, Scientific, and Technical Services added 2,082 jobs (1.3 percent), Administrative and Support and Waste Management and Remediation Services added 1,311 (1 percent), and Management of Companies added 227 (0.3 percent).

Educational and Health Services

Employment in Educational and Health Services was mostly flat in January (up 100 or 0.0 percent), camouflaging the more dramatic movement in its component sectors. Health Care and Social Assistance employment was off by 1,200 (0.2 percent), but that loss was erased by the addition of 1,300 jobs (1.8 percent) in Educational Services. Over the year the supersector added 1,532 jobs (0.3 percent). Educational Services added 3,774 jobs (5.4 percent), but the effects of that growth were muted by the loss of 2,242 jobs (0.5 percent) in Health Care and Social Assistance. Nursing and Residential Care Facilities employment continued its over-the-year decline, off by 2.3 percent (2,470) after being off by 0.6 and 1.4 percent in November and December, respectively.

Leisure and Hospitality

Leisure and Hospitality employment was off by 1,500 (0.5 percent) in January, down 1,400 (0.6 percent) in Accommodation and Food Services, and 100 (0.2

percent) in Arts, Entertainment, and Recreation. It was the largest real and proportional decline of any supersector in the state and the first month of declines for the supersector since September. On the year the Leisure and Hospitality employers added 876 jobs (0.3 percent), with growth in Arts, Entertainment, and Recreation (up 2,226 or 5.3 percent) outpacing losses in Accommodation and Food Services (down 1,350 or 0.6 percent).

Other Services

Employment in the Other Services supersector was down by 200 (0.2 percent) in January. Over the year employment in Other Services was up by 1,398 (1.2 percent) with Repair and Maintenance adding 1,094 jobs (5 percent) and Personal and Laundry Services adding 745 (2.7 percent). Religious, Grantmaking, Civic, Professional, and Similar Organizations lost 441 (0.7 percent).

Government

Government employment was mostly flat in January as employers shed 100 jobs (0.0 percent). The losses came entirely in Local Government, off by 400 or 0.1 percent. Employment was also flat on the year, as the public sector added 186 jobs (0 percent). Growth in Federal employment (up 815 or 2.6 percent) just outpaced small declines at the State and Local levels.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	Jan 2020	Dec 2019	Nov 2019
Total Nonagricultural	2,984.6	2,976.2	2,978.4
Goods-Producing	456.7	453.8	455.5
Mining and Logging	6.5	6.4	6.5
Construction	126.9	126.6	126.6
Manufacturing	323.3	320.8	322.4
Service-Providing	2,527.9	2,522.4	2,522.9
Trade, Transportation, and Utilities	531.5	531.1	528.6
Information	45.1	45.4	46.2
Financial Activities	191.4	191.7	191.6
Professional and Business Services	388.3	380.9	382.5
Educational and Health Services	552.6	552.5	553.9
Leisure and Hospitality	278.2	279.7	279.6
Other Services	114.4	114.6	114.1
Government	426.4	426.5	426.4

Source: Department of Employment and Economic Development
Current Employment Statistics, 2020.

Regional Analysis

Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area (MSA)

The Minneapolis-St. Paul-Bloomington MSA lost 31,975 jobs (1.6 percent) in January, slightly more than the statewide decline of 1.5 percent. Job losses of this magnitude, and even larger losses, are common for the month as post-holiday employment slumps tend to drive the change. Mining, Logging, and Construction employment was off by 4,654 (5.8 percent). Trade, Transportation, and Utilities lost 11,919 jobs (3.3 percent) as Retail Trade employment was off by 7856 (4 percent), and Transportation, Warehousing, and Utilities was off by 3,674 (4.6 percent). Every supersector in the area lost jobs on the month. Over the year the metro area added 1,569 jobs (0.1 percent), which matched the state's 0.1 percent annual growth. While small, the increase also pulled the MSA out of its brief dip into the red, as employment was down by 0.1 percent in December. Employment was up in eight of 10 published supersectors, with the largest numerical increase coming in Professional and Business Services (up 2,160 or 0.7 percent) and the largest proportional growth in Mining, Logging, and Construction (up 1.8 percent or 1,380 jobs). The largest counterweight to the MSA's employment growth came in Trade, Transportation, and Utilities, which lost 4,741 jobs or 1.3 percent, the largest real and proportional decline in the area. Retail Trade spurred the losses in the supersector, as they shed 3,415 jobs or 1.8 percent.

Duluth-Superior MSA

The Duluth-Superior MSA lost 2,506 jobs (1.8 percent) in January. While growth in every MSA in the state was negative on the month, the Duluth area outpaced the state's 1.5 percent decline, and had the largest job loss of any MSA primarily in Minnesota.

The shared MSA primarily in Fargo was off by 2.4 percent. The area saw negative growth in every published supersector save Professional and Business Services (up 184 or 2.4 percent). The largest declines came in Trade, Transportation, and Utilities (down 959 or 3.8 percent, with losses in every component sector) and Mining, Logging, and Construction (down 611 or 7.2 percent). Over the year the Duluth area lost 924 jobs (0.7 percent). This was the largest proportional decline of any MSA in Minnesota and tied with Rochester. Mining, Logging, and Construction employment was down by 736 (8.5 percent). Government employers shed 817 jobs (3.1 percent), with most of that loss coming at the Local Government level (off by 727 or 4.1 percent). The largest proportional increase came in Other Services, where employment was up by 3.3 percent (206 jobs).

Rochester MSA

The Rochester MSA lost 1,933 jobs (1.6 percent) in January. Mining, Logging, and Construction employment was down 371 (7.3 percent). Educational and Health Services employment was down by 1,001 (1.9 percent), and Government employment was down by 288 (2.1 percent). The only supersector in the area to add jobs over the month was Manufacturing, up by 177 or 1.6 percent. Over the year the Rochester MSA lost 847 jobs (0.7 percent), the worst proportional over-the-year job loss for an MSA in Minnesota and tied with Duluth-Superior. It marked the first time that the area dipped into negative annual job growth since March of 2014. Professional and Business Services lost 357 jobs (6.1 percent), and Educational and Health Services lost 854 (1.7 percent). Mining, Logging, and Construction employment was up by 442 or 10.3 percent, the largest proportional gain in any supersector by a large margin.

St. Cloud MSA

The St. Cloud MSA lost 1,270 jobs (1.1 percent) in January. Mining, Logging, and Construction employment was off by 384 (5.8 percent), the largest real and proportional decline of any supersector in the MSA. Trade, Transportation, and Utilities lost 365 jobs (1.6 percent) with all three component sectors shedding employment. Government employers added 178 jobs (1.2 percent), with growth split between the State and Federal levels. On the year the area added 566 jobs (0.5 percent). Mining, Logging, and Construction added 493 jobs (8.6 percent), the largest real and proportional increase over that period.

Mankato-North Mankato MSA

The Mankato-North Mankato MSA lost 563 jobs (0.9 percent) in January. This was actually the strongest performance of any MSA in the state. Private sector employers lost 699 jobs (1.4 percent), but public sector employers added 136 (1.4 percent). The Mankato area also had the strongest over-the-year growth in the state, adding 1,204 jobs or 2.1 percent. Private sector employers added 1,204 jobs (2.5 percent), and public sector employment was completely flat.

Fargo-Moorhead MSA

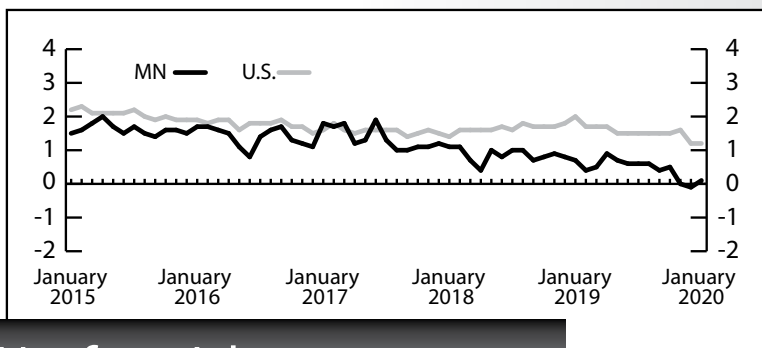
The Fargo-Moorhead MSA lost 3,452 jobs (2.4 percent) in January. Mining, Logging, and Construction was down 790 (9 percent), and Government employment was down 1,026 (5 percent). Over the year the MSA added 1,628 jobs (1.2 percent). Professional and Business Services employment was up by 1,074 (7.9 percent), the largest real and proportional growth of any MSA in the area. Mining, Logging, and Construction was up by 582 (7.8 percent) on the year.

Grand Forks-East Grand Forks MSA

Employment in the Grand Forks-East Grand Forks MSA was off by 805 (1.4 percent) in January. Mining, Logging, and Construction was off by 7.6 percent (197 jobs). The only published supersector to gain jobs was Manufacturing (up by 14 or 0.3 percent). Over the year the MSA added 42 jobs (0.1 percent). Manufacturing drove the growth, adding 321 jobs (7.2 percent) on the year. Government employers added 169 jobs (1.2 percent). Trade, Transportation, and Utilities employment was off by 193 (1.8 percent).

by Nick Dobbins

Source: Department of Employment and Economic Development, Current Employment Statistics, 2020; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2020.



Total Nonfarm Jobs U.S. and MN over-the-year percent change

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

Note: State, regional and local estimates from past months (for all tables pages 11-13) may be revised from figures previously published.

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
			Jan 2019	Dec 2019	Jan 2019	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jan 2020	Dec 2019				Dec 2019	Jan 2019	Dec 2019	Jan 2019	Dec 2019	Jan 2019
TOTAL NONFARM WAGE AND SALARY	2,927.4	2,972.9	2,925.5	-1.5%	0.1%	-	-	-	-	-	-
GOODS-PRODUCING	435.2	444.4	434.4	-2.1	0.2	-	-	-	-	-	-
Mining, Logging, and Construction	116.6	125.5	113.3	-7.1	2.9	-	-	-	-	-	-
Mining and Logging	6.0	6.1	6.1	-1.3	-1.1	-	-	-	-	-	-
Construction	110.5	119.3	107.2	-7.4	3.1	-	-	-	-	-	-
Specialty Trade Contractors	74.6	78.9	70.6	-5.4	5.6	\$1,257.42	\$1,179.32	38.0	36.5	\$33.09	\$32.31
Manufacturing	318.7	318.9	321.2	-0.1	-0.8	926.24	900.25	39.6	40.1	23.39	22.45
Durable Goods	202.3	203.0	206.1	-0.3	-1.9	951.21	918.83	39.0	39.3	24.39	23.38
Wood Product Manufacturing	11.5	11.9	11.6	-3.2	-0.8	-	-	-	-	-	-
Fabricated Metal Production	44.6	44.9	44.6	-0.6	0.1	-	-	-	-	-	-
Machinery Manufacturing	33.3	33.4	34.0	-0.3	-2.3	-	-	-	-	-	-
Computer and Electronic Product	45.5	45.5	45.4	0.0	0.3	-	-	-	-	-	-
Navigational, Measuring, Electromedical and Control	27.0	26.9	26.7	0.1	0.9	-	-	-	-	-	-
Transportation Equipment	11.6	11.5	11.2	0.3	2.8	-	-	-	-	-	-
Medical Equipment and Supplies Manufacturing	18.0	17.9	17.0	0.4	5.6	-	-	-	-	-	-
Nondurable Goods	116.4	116.0	115.0	0.4	1.2	881.28	868.99	40.5	41.4	21.76	20.99
Food Manufacturing	46.3	46.5	45.6	-0.5	1.4	-	-	-	-	-	-
SERVICE-PROVIDING	2,492.1	2,528.5	2,491.1	-1.4	0.0	-	-	-	-	-	-
Trade, Transportation, and Utilities	527.3	542.6	531.1	-2.8	-0.7	-	-	-	-	-	-
Wholesale Trade	126.6	127.3	127.2	-0.5	-0.5	1,082.62	1,109.05	38.5	39.3	28.12	28.22
Retail Trade	291.4	301.9	294.5	-3.5	-1.1	428.68	419.72	25.7	26.2	16.68	16.02
Motor Vehicle and Parts	36.4	36.6	35.9	-0.6	1.2	-	-	-	-	-	-
Building Material and Garden Equipment	24.7	25.6	24.8	-3.8	-0.6	-	-	-	-	-	-
Food and Beverage Stores	54.7	55.4	55.9	-1.3	-2.2	-	-	-	-	-	-
Gasoline Stations	26.2	26.6	25.7	-1.5	1.9	-	-	-	-	-	-
General Merchandise Stores	58.6	62.9	61.2	-6.8	-4.3	362.60	352.42	24.5	26.3	14.80	13.40
Transportation, Warehouse, Utilities	109.3	113.5	109.4	-3.7	-0.1	-	-	-	-	-	-
Transportation and Warehousing	97.4	101.4	97.5	-4.0	-0.1	837.25	738.49	34.9	31.9	23.99	23.15
Information	45.0	46.0	46.9	-2.3	-4.1	-	-	-	-	-	-
Publishing Industries	19.1	19.3	19.2	-1.1	-0.7	-	-	-	-	-	-
Telecommunications	11.0	11.1	11.7	-1.1	-6.3	-	-	-	-	-	-
Financial Activities	190.0	191.2	190.8	-0.6	-0.5	-	-	-	-	-	-
Finance and Insurance	156.3	156.7	156.6	-0.2	-0.2	1,157.29	1,169.50	36.6	37.4	31.62	31.27
Credit Intermediation	67.1	67.0	67.3	0.2	-0.3	777.03	802.96	35.4	36.3	21.95	22.12
Securities, Commodity Contracts, and Other	19.5	19.6	19.6	-0.4	-0.4	-	-	-	-	-	-
Insurance Carriers and Related	69.7	70.1	69.7	-0.6	0.0	-	-	-	-	-	-
Real Estate and Rental and Leasing	33.6	34.5	34.3	-2.4	-1.8	-	-	-	-	-	-
Professional and Business Services	378.8	381.4	375.2	-0.7	1.0	-	-	-	-	-	-
Professional, Scientific, and Technical Services	160.6	157.1	158.6	2.2	1.3	-	-	-	-	-	-
Legal Services	18.1	17.8	17.8	1.6	2.0	-	-	-	-	-	-
Accounting, Tax Preparation	16.1	15.1	16.5	7.1	-1.8	-	-	-	-	-	-
Computer Systems Design	37.1	35.8	36.6	3.7	1.6	-	-	-	-	-	-
Management of Companies and Enterprises	88.3	89.1	88.0	-1.0	0.3	-	-	-	-	-	-
Administrative and Support Services	129.9	135.2	128.6	-3.9	1.0	-	-	-	-	-	-
Educational and Health Services	548.7	553.0	547.2	-0.8	0.3	-	-	-	-	-	-
Educational Services	73.1	73.5	69.4	-0.6	5.4	-	-	-	-	-	-
Health Care and Social Assistance	475.6	479.4	477.8	-0.8	-0.5	-	-	-	-	-	-
Ambulatory Health Care	156.3	157.8	156.7	-1.0	-0.3	1,158.60	1,153.07	32.6	33.5	35.54	34.42
Offices of Physicians	75.4	75.8	75.5	-0.5	0.0	-	-	-	-	-	-
Hospitals	116.3	116.5	115.1	-0.3	1.0	-	-	-	-	-	-
Nursing and Residential Care Facilities	105.4	106.1	107.9	-0.6	-2.3	543.69	502.90	28.6	27.8	19.01	18.09
Social Assistance	97.6	99.0	98.1	-1.4	-0.5	-	-	-	-	-	-
Leisure and Hospitality	261.4	266.5	260.5	-1.9	0.3	-	-	-	-	-	-
Arts, Entertainment, and Recreation	44.4	44.3	42.2	0.3	5.3	-	-	-	-	-	-
Accommodation and Food Services	217.0	222.2	218.3	-2.3	-0.6	-	-	-	-	-	-
Food Services and Drinking Places	190.9	195.5	192.0	-2.4	-0.5	285.57	277.77	19.4	19.7	14.72	14.10
Other Services	113.4	115.0	112.0	-1.4	1.2	-	-	-	-	-	-
Religious, Grantmaking, Civic, Professional Organizations	61.8	62.5	62.3	-1.1	-0.7	-	-	-	-	-	-
Government	427.6	432.9	427.4	-1.2	0.0	-	-	-	-	-	-
Federal Government	32.4	32.4	31.6	0.1	2.6	-	-	-	-	-	-
State Government	100.7	100.3	100.9	0.4	-0.3	-	-	-	-	-	-
State Government Education	60.8	58.9	60.5	3.2	0.5	-	-	-	-	-	-
Local Government	294.5	300.2	294.9	-1.9	-0.1	-	-	-	-	-	-
Local Government Education	148.2	150.1	148.6	-1.3	-0.3	-	-	-	-	-	-

Note: Not all industry subgroups are shown for every major industry category.

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2020.

Employer Survey of Twin Cities Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

Note: State, regional and local estimates from past months (for all tables pages 11-13) may be revised from figures previously published.

Industry	Jobs*			Percent Change		Production Workers Hours and Earnings					
	(Thousands)			From**		Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jan 2020	Dec 2019	Jan 2019	Dec 2019	Jan 2019	Dec 2019	Jan 2019	Dec 2019	Jan 2019	Dec 2019	Jan 2019
TOTAL NONFARM WAGE AND SALARY	2,001.3	2,033.3	1,999.7	-1.6%	0.1%	-	-	-	-	-	-
GOODS-PRODUCING	275.3	280.3	273.8	-1.8	0.5	-	-	-	-	-	-
Mining, Logging, and Construction	76.2	80.9	74.8	-5.8	1.8	-	-	-	-	-	-
Construction of Buildings	19.3	20.1	18.5	-3.8	4.4	-	-	-	-	-	-
Specialty Trade Contractors	52.8	55.8	50.3	-5.4	4.9	\$1,325.02	\$1,178.22	37.6	34.9	\$35.24	\$33.76
Manufacturing	199.1	199.4	199.0	-0.2	0.0	981.60	907.86	40.9	40.1	24.00	22.64
Durable Goods	135.8	136.1	136.9	-0.2	-0.8	1,004.79	945.26	38.9	39.7	25.83	23.81
Fabricated Metal Production	30.7	30.9	30.8	-0.5	-0.1	-	-	-	-	-	-
Machinery Manufacturing	19.4	19.6	20.3	-0.6	-4.3	-	-	-	-	-	-
Computer and Electronic Product	37.1	37.0	36.7	0.1	0.9	-	-	-	-	-	-
Navigational, Measuring, Electromedical and Control	25.3	25.3	25.0	0.2	1.4	-	-	-	-	-	-
Medical Equipment and Supplies Manufacturing	16.8	16.7	16.0	0.4	4.7	-	-	-	-	-	-
Nondurable Goods	63.2	63.3	62.1	-0.1	1.8	933.30	831.50	45.0	40.9	20.74	20.33
Food Manufacturing	14.5	14.7	14.3	-0.9	2.0	-	-	-	-	-	-
Printing and Related	13.7	13.7	13.7	0.0	-0.5	-	-	-	-	-	-
SERVICE-PROVIDING	1,726.1	1,753.0	1,725.9	-1.5	0.0	-	-	-	-	-	-
Trade, Transportation, and Utilities	353.8	365.7	358.5	-3.3	-1.3	-	-	-	-	-	-
Wholesale Trade	91.2	91.6	92.2	-0.4	-1.0	1,194.82	1,128.10	39.2	38.9	30.48	29.00
Merchant Wholesalers - Durable Goods	54.8	55.2	55.7	-0.7	-1.7	-	-	-	-	-	-
Merchant Wholesalers - Nondurable Goods	29.2	29.5	29.8	-1.0	-2.0	-	-	-	-	-	-
Retail Trade	186.2	194.1	189.6	-4.0	-1.8	449.44	437.74	26.5	27.6	16.96	15.86
Food and Beverage Stores	34.2	35.0	35.6	-2.1	-3.7	-	-	-	-	-	-
General Merchandise Stores	38.6	41.7	39.6	-7.6	-2.6	347.72	338.33	23.4	25.4	14.86	13.32
Transportation, Warehouse, Utilities	76.3	80.0	76.7	-4.6	-0.5	-	-	-	-	-	-
Utilities	7.3	7.4	7.3	-1.3	-0.4	-	-	-	-	-	-
Transportation and Warehousing	69.0	72.6	69.4	-4.9	-0.5	960.01	844.84	39.2	36.4	24.49	23.21
Information	35.3	35.5	35.5	-0.7	-0.8	-	-	-	-	-	-
Publishing Industries	15.9	16.0	15.7	-0.8	1.1	-	-	-	-	-	-
Telecommunications	7.3	7.4	7.6	-0.8	-4.2	-	-	-	-	-	-
Financial Activities	157.2	157.8	156.5	-0.4	0.4	-	-	-	-	-	-
Finance and Insurance	130.0	129.9	128.7	0.1	1.0	1,298.15	1,256.24	37.4	38.3	34.71	32.80
Credit Intermediation	52.0	51.8	51.5	0.4	1.0	-	-	-	-	-	-
Securities, Commodity Contracts, and Other	17.5	17.5	17.6	0.0	-0.7	-	-	-	-	-	-
Insurance Carriers and Related	60.6	60.7	59.6	-0.2	1.6	-	-	-	-	-	-
Real Estate and Rental and Leasing	27.1	27.9	27.8	-2.6	-2.3	-	-	-	-	-	-
Professional and Business Services	325.5	328.9	323.3	-1.0	0.7	-	-	-	-	-	-
Professional, Scientific, and Technical Services	141.4	139.8	138.9	1.1	1.8	-	-	-	-	-	-
Legal Services	15.0	15.2	15.2	-1.5	-1.4	-	-	-	-	-	-
Architectural, Engineering, and Related	20.5	20.6	19.3	-0.4	6.3	-	-	-	-	-	-
Computer Systems Design	33.2	33.0	33.6	0.6	-1.2	-	-	-	-	-	-
Management of Companies and Enterprises	79.3	80.7	79.9	-1.6	-0.7	-	-	-	-	-	-
Administrative and Support Services	104.7	108.5	104.5	-3.4	0.2	-	-	-	-	-	-
Employment Services	50.0	54.3	51.5	-7.9	-2.9	-	-	-	-	-	-
Educational and Health Services	341.7	345.6	340.6	-1.1	0.3	-	-	-	-	-	-
Educational Services	48.7	49.9	46.4	-2.5	4.9	-	-	-	-	-	-
Health Care and Social Assistance	293.1	295.7	294.2	-0.9	-0.4	-	-	-	-	-	-
Ambulatory Health Care	94.4	95.0	94.6	-0.7	-0.3	-	-	-	-	-	-
Hospitals	69.0	69.3	67.9	-0.5	1.5	-	-	-	-	-	-
Nursing and Residential Care Facilities	56.4	57.6	59.5	-2.2	-5.3	-	-	-	-	-	-
Social Assistance	73.4	73.7	72.2	-0.5	1.7	-	-	-	-	-	-
Leisure and Hospitality	183.5	184.9	182.8	-0.8	0.4	-	-	-	-	-	-
Arts, Entertainment, and Recreation	34.9	33.9	33.8	3.2	3.2	-	-	-	-	-	-
Accommodation and Food Services	148.6	151.1	149.0	-1.7	-0.3	329.68	321.64	20.8	21.5	15.85	14.96
Food Services and Drinking Places	133.8	136.0	134.4	-1.6	-0.4	318.89	315.44	20.6	21.4	15.48	14.74
Other Services	77.7	80.1	77.3	-3.0	0.5	-	-	-	-	-	-
Repair and Maintenance	15.0	15.5	14.4	-3.0	4.3	-	-	-	-	-	-
Religious, Grantmaking, Civic, Professional Organizations	40.7	41.8	41.0	-2.8	-0.9	-	-	-	-	-	-
Government	251.5	254.5	251.4	-1.2	0.0	-	-	-	-	-	-
Federal Government	21.3	21.5	21.1	-0.5	1.0	-	-	-	-	-	-
State Government	65.5	66.5	66.2	-1.6	-1.1	-	-	-	-	-	-
State Government Education	38.5	38.5	39.0	0.1	-1.2	-	-	-	-	-	-
Local Government	164.7	166.5	164.1	-1.1	0.4	-	-	-	-	-	-
Local Government Education	92.7	94.1	92.0	-1.5	0.7	-	-	-	-	-	-

Note: Not all industry subgroups are shown for every major industry category.
 * Totals may not add because of rounding.
 ** Percent change based on unrounded numbers.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2020.

Employer Survey

Industry

TOTAL NONFARM WAGE AND SALARY

GOODS-PRODUCING
Mining, Logging, and Construction
Manufacturing

SERVICE-PROVIDING
Trade, Transportation, and Utilities
Wholesale Trade
Retail Trade
Transportation, Warehouse, Utilities
Information
Financial Activities
Professional and Business Services
Educational and Health Services
Leisure and Hospitality
Other Services
Government

Duluth-Superior MSA

Jobs	% Chg. From				
	Jan 2020	Dec 2019	Jan 2019	Dec 2019	Jan 2019
133,702	136,208	134,626	-1.8%	-0.7%	
16,039	16,757	16,673	-4.3	-3.8	
7,887	8,498	8,623	-7.2	-8.5	
8,152	8,259	8,050	-1.3	1.3	
117,663	119,451	117,953	-1.5	-0.2	
24,403	25,362	24,133	-3.8	1.1	
3,053	3,082	3,106	-0.9	-1.7	
14,921	15,476	14,524	-3.6	2.7	
6,429	6,804	6,503	-5.5	-1.1	
1,245	1,250	1,286	-0.4	-3.2	
5,363	5,463	5,590	-1.8	-4.1	
7,684	7,500	7,467	2.5	2.9	
33,115	33,378	32,903	-0.8	0.6	
13,712	13,885	13,822	-1.2	-0.8	
6,473	6,490	6,267	-0.3	3.3	
25,668	26,123	26,485	-1.7	-3.1	

Rochester MSA

Jobs	% Chg. From				
	Jan 2020	Dec 2019	Jan 2019	Dec 2019	Jan 2019
121,366	123,299	122,213	-1.6%	-0.7%	
15,734	15,928	15,173	-1.2	3.7	
4,726	5,097	4,284	-7.3	10.3	
11,008	10,831	10,889	1.6	1.1	
105,632	107,371	107,040	-1.6	-1.3	
17,416	17,684	17,870	-1.5	-2.5	
2,871	2,894	2,821	-0.8	1.8	
11,822	11,968	12,273	-1.2	-3.7	
2,723	2,822	2,776	-3.5	-1.9	
1,397	1,426	1,569	-2.0	-11.0	
2,715	2,742	2,755	-1.0	-1.5	
5,538	5,576	5,895	-0.7	-6.1	
50,434	51,435	51,288	-1.9	-1.7	
11,057	11,113	11,079	-0.5	-0.2	
3,877	3,909	3,768	-0.8	2.9	
13,198	13,486	12,816	-2.1	3.0	

Employer Survey

Industry

TOTAL NONFARM WAGE AND SALARY

GOODS-PRODUCING
Mining, Logging, and Construction
Manufacturing

SERVICE-PROVIDING
Trade, Transportation, and Utilities
Wholesale Trade
Retail Trade
Transportation, Warehouse, Utilities
Information
Financial Activities
Professional and Business Services
Educational and Health Services
Leisure and Hospitality
Other Services
Government

St. Cloud MSA

Jobs	% Chg. From				
	Jan 2020	Dec 2019	Jan 2019	Dec 2019	Jan 2019
109,393	110,663	108,827	-1.1%	0.5%	
21,624	22,139	21,211	-2.3	1.9	
6,202	6,586	5,709	-5.8	8.6	
15,422	15,553	15,502	-0.8	-0.5	
87,769	88,524	87,616	-0.9	0.2	
22,889	23,254	22,494	-1.6	1.8	
4,941	5,042	4,900	-2.0	0.8	
13,783	14,010	13,522	-1.6	1.9	
4,165	4,202	4,072	-0.9	2.3	
1,389	1,420	1,424	-2.2	-2.5	
5,380	5,366	5,269	0.3	2.1	
10,057	10,131	10,163	-0.7	-1.0	
20,679	20,955	20,945	-1.3	-1.3	
7,800	7,996	8,030	-2.5	-2.9	
4,065	4,070	3,955	-0.1	2.8	
15,510	15,332	15,336	1.2	1.1	

Mankato MSA

Jobs	% Chg. From				
	Jan 2020	Dec 2019	Jan 2019	Dec 2019	Jan 2019
59,084	59,647	57,880	-0.9%	2.1%	
10,392	10,847	10,019	-4.2	3.7	
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48,692	48,800	47,861	-0.2	1.7	
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9,699	9,563	9,699	1.4	0.0	

Employer Survey

Industry

TOTAL NONFARM WAGE AND SALARY

GOODS-PRODUCING
Mining, Logging, and Construction
Manufacturing

SERVICE-PROVIDING
Trade, Transportation, and Utilities
Wholesale Trade
Retail Trade
Transportation, Warehouse, Utilities
Information
Financial Activities
Professional and Business Services
Educational and Health Services
Leisure and Hospitality
Other Services
Government

Fargo-Moorhead MSA

Jobs	% Chg. From				
	Jan 2020	Dec 2019	Jan 2019	Dec 2019	Jan 2019
143,102	146,554	141,474	-2.4%	1.2%	
17,949	18,976	17,590	-5.4	2.0	
8,005	8,795	7,423	-9.0	7.8	
9,944	10,181	10,167	-2.3	-2.2	
125,153	127,578	123,884	-1.9	1.0	
29,788	30,570	30,174	-2.6	-1.3	
9,031	9,141	8,876	-1.2	1.8	
14,870	15,374	15,433	-3.3	-3.7	
5,887	6,055	5,865	-2.8	0.4	
3,103	3,161	3,063	-1.8	1.3	
11,456	11,561	11,328	-0.9	1.1	
14,663	14,575	13,589	0.6	7.9	
27,842	28,052	27,565	-0.8	1.0	
14,021	14,293	14,121	-1.9	-0.7	
4,915	4,975	4,876	-1.2	0.8	
19,365	20,391	19,168	-5.0	1.0	

Grand Forks-East Grand Forks MSA

Jobs	% Chg. From				
	Jan 2020	Dec 2019	Jan 2019	Dec 2019	Jan 2019
55,066	55,871	55,024	-1.4%	0.1%	
7,153	7,336	6,859	-2.5	4.3	
2,384	2,581	2,411	-7.6	-1.1	
4,769	4,755	4,448	0.3	7.2	
47,913	48,535	48,165	-1.3	-0.5	
10,741	10,968	10,934	-2.1	-1.8	
1,772	1,800	1,783	-1.6	-0.6	
6,774	6,911	6,926	-2.0	-2.2	
2,195	2,257	2,225	-2.8	-1.4	
488	493	530	-1.0	-7.9	
1,929	1,968	1,950	-2.0	-1.1	
3,162	3,199	3,122	-1.2	1.3	
9,673	9,821	9,698	-1.5	-0.3	
5,877	5,929	6,042	-0.9	-2.7	
1,946	1,971	1,961	-1.3	-0.8	
14,097	14,186	13,928	-0.6	1.2	

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2020.

Minnesota Economic Indicators

Highlights

The Minnesota Index, U.S. Index, and Minnesota Leading Index are generated by the Philadelphia Federal Reserve Bank. At the beginning of each year the indices are delayed by two months as revised component numbers are used to recalibrate the indices. Updated coincident indices are scheduled for release on April 2 (<https://www.philadelphiafed.org/research-and-data/regional-economy/indexes/coincident>) while leading indexes will be released April 4 (<https://www.philadelphiafed.org/research-and-data/regional-economy/indexes/leading>).

Minnesota's adjusted **Wage and Salary Employment** got off to a good start in January, increasing 8,400. January's gain was the largest monthly jump since May 2018. Revised employment numbers report that the state added 3,900 jobs between December 2018 and 2019. That is the lowest annual increase since 2009 when job growth was negative. The December 2019 job number will be revised again in March 2021, so the falloff in job growth may not be as steep as currently reported.

All of January's job growth was in the private sector with employment rising by 8,500 while public sector employment dropped by 100. Most of the job growth occurred in the Professional and Business Services and the Trade, Transportation, and Utilities sectors. Six supersectors added positions, and five cut positions. Most of the jobs lost were in Leisure and Hospitality.

Minnesota's unadjusted over-the-year job growth in January was 0.1 percent which is an improvement over the negative 0.1 percent in December. Last

year's annual average job growth rate was revised up from 0.3 percent to 0.5 which is the lowest rate since 2010. Annual average job growth in 2018 was also revised up to 0.9 percent from 0.7 percent. The 0.5 percent annual average increase in 2019 translates into 14,300 jobs on an annual average basis. Annual average job growth in 2018 was 25,000 and 38,700 in 2017.

Online Help-Wanted Ads declined sharply in January to 117,500. Minnesota's decline was 12.5 percent compare to a 6.1 percent increase nationwide. Minnesota's share of U.S. online postings nosedived to 2.1 percent in January after having averaged 2.7 over the last four years. This is a sign that labor demand in the state may be weakening relative to other areas across the country. The 2.1 percent share of help-wanted ads is just above Minnesota's 1.9 percent of U.S. wage and salary employment in January.

The newly released state-level JOLTS (Job Openings and Labor Turnover Survey, www.bls.gov/jlt/jlt_statedata.htm), shows a similar trend. Minnesota's job openings from JOLTS peaked in October 2018 and have fallen 20 percent through September 2019. Minnesota's job openings from JOLTS averaged 2.2 percent of U.S. openings between 2015 and 2019 and was 1.9 percent as of September 2019.

Minnesota's **Purchasing Managers' Index (PMI)** recorded its largest jump since June 2017, climbing to 57.9 and indicating that the Minnesota's manufacturing firms may be gaining momentum. The Mid-America Business Index also rose to 57.2, but the national PMI dipped to 47.8.

Minnesota's PMI averaged 52.1 over 2019 compared to 58.6 in 2018. Manufacturing employment in the state was up 0.6 percent in 2019 on an annual average basis which was down from the 1.1

INA

Source: The Federal Reserve Bank of Philadelphia, 2020

Minnesota Index

percent increase in 2018. Minnesota's manufacturing employment as of 2019 was down 5.2 percent from 2007 while U.S. manufacturing was 7.5 percent lower in 2019 than in 2007. Minnesota's share of nationwide manufacturing climbed slightly between 2010 and 2016 but has slipped slightly over the last three years. Despite the uptick in January, Minnesota's manufacturing activity is likely to remain restrained during the first half of 2020.

After spiking in October, adjusted average weekly **Manufacturing Hours** have tumbled three months in a row. Factory hours tailed off in January to 40.1, the lowest reading since July 2016. Average weekly **Manufacturing Earnings**, adjusted for inflation and seasonality, have also slipped over the last three months, dipping to \$936.55. That was up 1.2 percent in real terms from last January.

The adjusted **Residential Building Permits** level declined sharply in January to 2,402, but the decline was from a 14-year high recorded in December. Home-building permits have averaged roughly 2,100 over the last 50 years so January's level was above average. Home-building permits were up on an unadjusted basis 2.2 percent from a year ago, indicating that residential building will continue to be solid at least for the first few months of 2020.

Adjusted **Initial Claims for Unemployment Benefits (UB)** dropped sharply in January after a gradual advanced over the previous four months. January's 15,659 was the lowest monthly count since August 2018.

by Dave Senf

United States Index

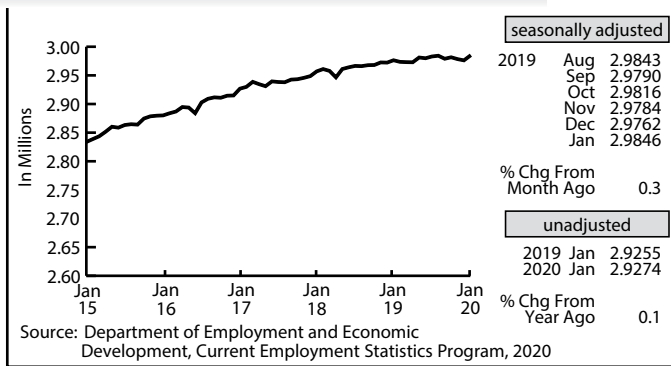
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Source: The Federal Reserve Bank of Philadelphia, 2020

Note: All data except for Minnesota's PMI have been seasonally adjusted. See the feature article in the Minnesota Employment Review, May 2010, for more information on the Minnesota Index.

Minnesota Economic Indicators

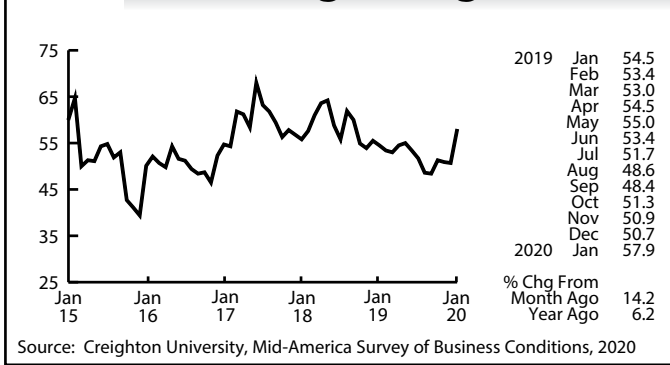
Wage and Salary Employment



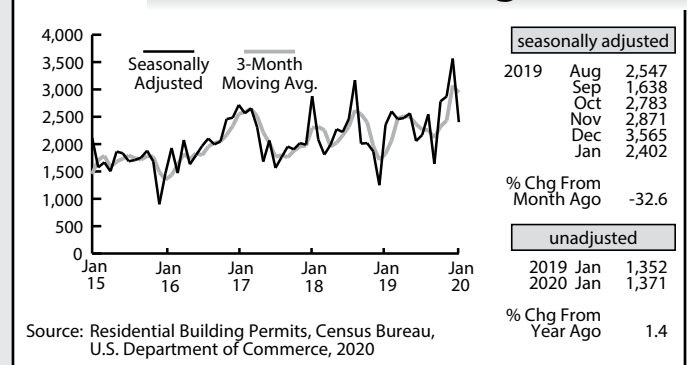
Minnesota Leading Index



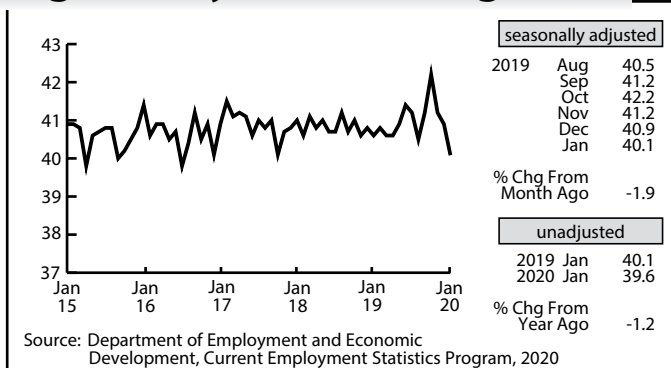
Purchasing Managers' Index



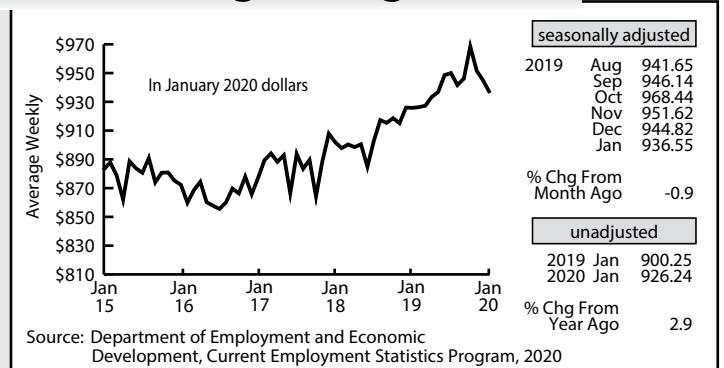
Residential Building Permits



Average Weekly Manufacturing Hours



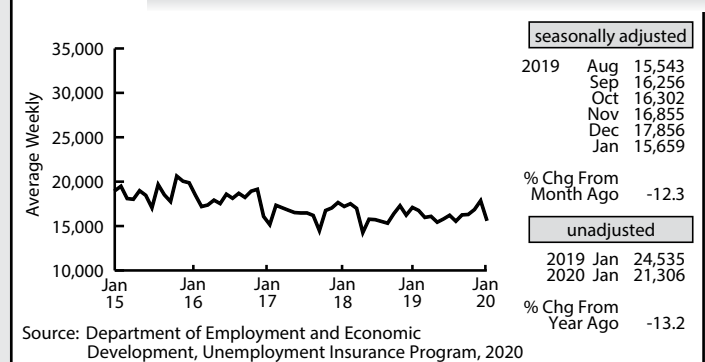
Manufacturing Earnings



Online Help-Wanted Advertising



Initial UB Claimants



Review

Minnesota Employment

DEED

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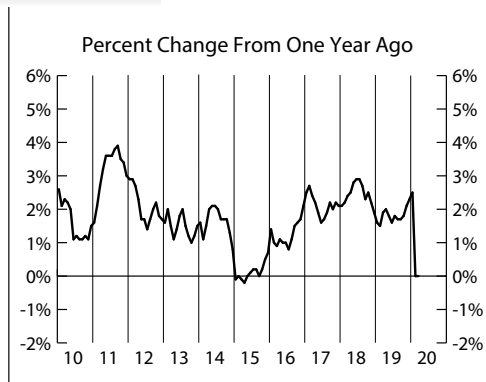
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U.S. Consumer Price Index for All Urban Consumers (CPI-U)

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1 percent in January on a seasonally adjusted basis, after rising 0.2 percent in December the U.S. Bureau of Labor Statistics reported today. The index for shelter accounted for the largest part of the increase, with the indices for food and for medical care services also rising. These increases more than offset a decrease in the gasoline index, which fell 1.6 percent.



The all items index increased 2.5 percent for the 12 months ending January, the largest 12-month increase since the period ending October 2018. The index for all items less food and energy rose 2.3 percent, the same 12-month increase as reported in the previous three months. The food index rose 1.8 percent, while the energy index increased 6.2 percent. www.bls.gov/cpi/

For more information
on the U.S. CPI
or the semi-annual
Minneapolis-St. Paul CPI, call:
651.259.7384
or toll free 1.888.234.1114.

Did You Notice?

In this month's Economic Indicators Dave Senf has included some JOLTS data to replace some of the data that the Philadelphia Federal Reserve Bank is recalibrating. At least three of you may find this quite interesting. There will probably be one more month of it but maybe two.

The employment and unemployment data in this publication were produced in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.
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INSIGHTS INTO INDICATORS

Each issue of **Minnesota Employment Review** devotes two pages to updating 10 Minnesota economic indicators with a short summary of the monthly change for each indicator. The indicators are key stats that can be used to gauge the current economic climate and the prospects for future activity. The indicators are calculated monthly and are a mix of three indicator types: lagging, coincident, and leading.

Lagging indicators are sort of like looking into a rearview mirror while driving, providing information on where the economy has been. Coincident indicators provide valuable information clarifying the current state of the economy. Leading indicators change in advance of the rest of the economy, suggesting where the economy may be going before it goes there. Leading indicators are like your auto lights at night, highlighting what is up ahead. Indicators are all about identifying patterns in economic activity and catching shifts in the patterns.

Some of the indicators serve as proxies for economic forces that aren't directly measured. Online help-wanted ads is one such proxy, serving as a measure of demand for workers. Initial claims for unemployment benefits is another proxy, indirectly measuring the layoff rate of workers.

Most of the indicators are based on surveys and in some cases subject to revisions as more complete information is reported. Some revisions occur the next month after the initial release and tend to be small. Other revisions are made nearly a year after the indicators were originally published. Some of these revisions can be major, resulting in a significant rewrite of how the economy has been performing or where it is headed.

The picture of the economy presented by some indicators in real-time (when released) may not be an accurate picture given the revisions. Keep that in mind when reviewing the indicator graphs presented here.

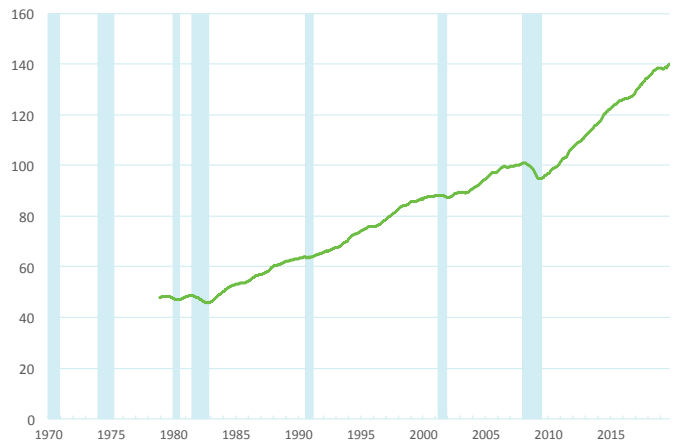
Half of the indicators have monthly data that go back to 1970 while the newest indicator, online help-wanted ads, has only been compiled and reported since 2005. All but four of the indicators are seasonally adjusted.

A short summary of each indicator is presented below to address the most common indicator-related questions that the Labor Market Information help-line (651-259-7384, 1-888-234-1114 or deed.lmi@state.mn.us) receives. Also presented are graphs for each indicator with recession periods highlighted.

Recession periods are highlighted in order to evaluate which if any of the indicators have a track record at correctly signaling turning points in the economy.¹ A link to download a complete set of the indicators is now included in the Minnesota Economic Indicator section.

The **Minnesota Index** is one of 50 state-level coincident indices produced by the Philadelphia Federal Reserve Bank.² The state indices combine four state-level indicators (nonfarm payroll employment, average weekly manufacturing hours, the unemployment rate, and wage and inflation-adjusted wage

Minnesota Index



¹The indicator charts are updated monthly and available electronically at <https://public.tableau.com/profile/magda.olson#!/vizhome/MinnesotaEconomicIndicators/Dashboard2?publish=yes>

²www.philadelphiafed.org/research-and-data/regional-economy/indexes/coincident

and salary payments) into a single statistic. Since each state's index is set to the trend of its gross domestic product (GDP), changes in the index are a proxy for GDP changes. This indicator is revised annually, and the revisions can be significant as three of the components (payroll employment, the unemployment rate, and wage and salary payments) are revised annually and those revisions can be significant.

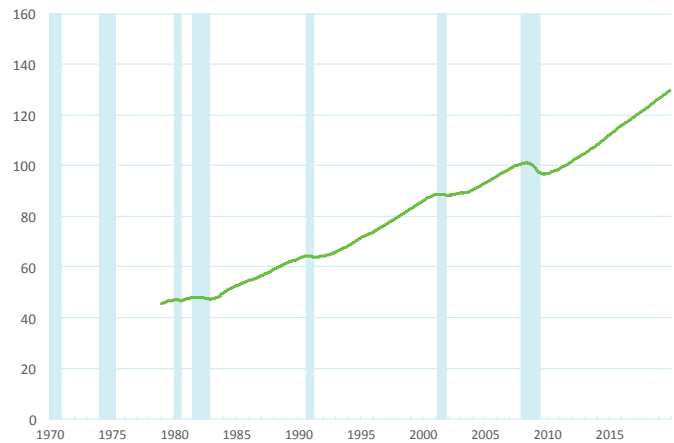
The **U.S. Index** uses the same four components as state level coincident indices. It is subject to smaller revisions since the surveys that generate payroll employment and the unemployment rate are designed to produce more reliable national estimates than state level estimates. Comparing the percentage changes in the U.S. index and state indices is a handy way to gauge how state economies are doing relative to the nation.

Minnesota's seasonally adjusted **Nonfarm Wage and Salary Employment** is one of the components included in the Minnesota Index. It is collected via the Current Employment Statistics (CES) survey and does not include self-employment or farm employment. This indicator is benchmarked to Quarterly Census of Employment and Wage (QCEW) data in March of the following year. QCEW numbers are based on unemployment insurance records.

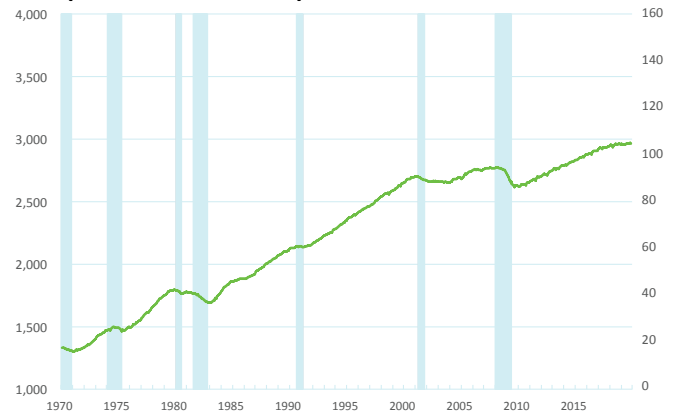
Most years benchmarking results in only minor revisions, but there are years when larger revisions occur. Last year benchmarking scaled back initial estimates of 2018 job growth from 1.1 to 0.7 percent. Benchmarking this year is expected to boost the current estimate of 2019 job growth of 0.3 to 0.5 percent. As a result, the Minnesota Index will show a slightly higher growth for 2019 than is currently being reported.

Minnesota Leading Index, as the name implies, is one of the leading indicators updated monthly. It is also produced by the Philadelphia Federal Reserve Bank.³ The index is designed to predict the six-month growth rate of the Minnesota Index which, as discussed above, is a proxy for GDP growth. The leading index includes the Minnesota Index as well as four other indicators including two other indicators covered in the Minnesota Economic Indicators section: Minnesota home-building permits (1 to 4 units) and initial unemployment insurance claims. The leading index tends to undergo major revisions regularly so its predictive power in real-time is tentative.

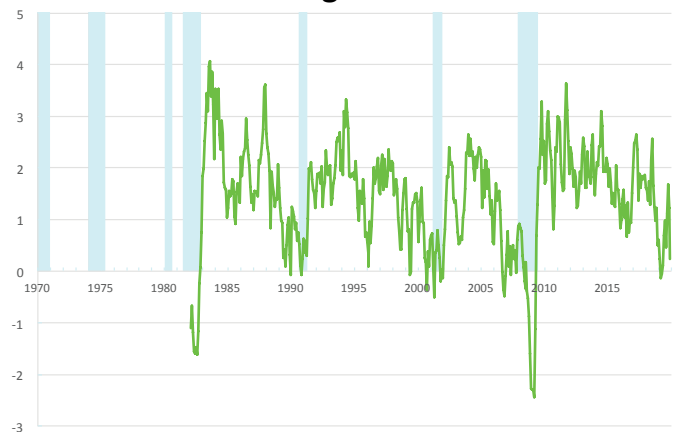
U.S. Index



Nonfarm Wage and Salary Employment (Thousands of Jobs)

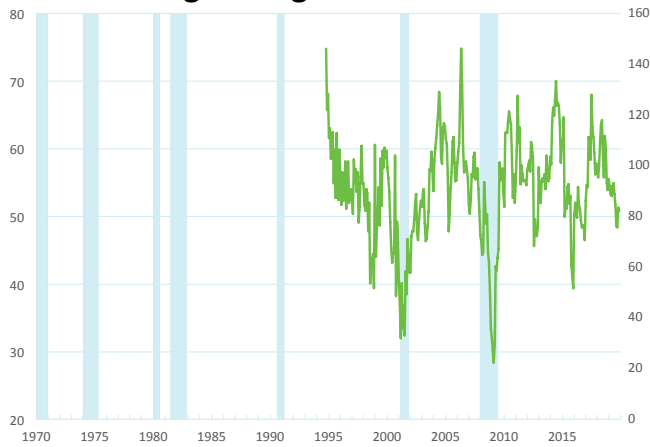


Minnesota Leading Index



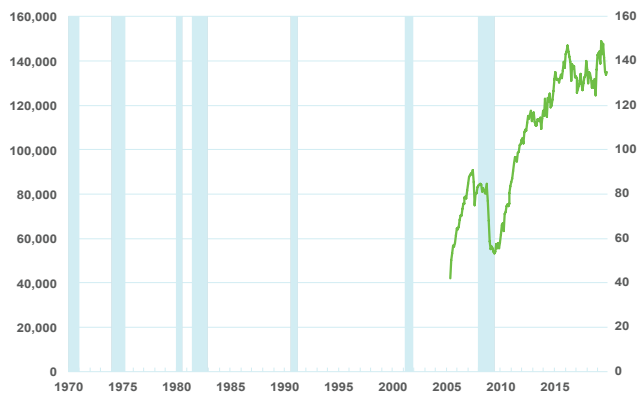
³More detail on this indicator can be found at www.philadelphiafed.org/research-and-data/regional-economy/indexes/leading/

Purchasing Managers' Index



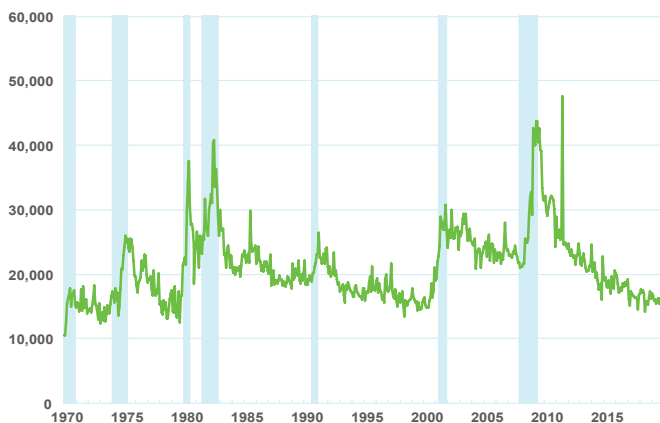
The **Purchasing Managers' Index** is borrowed from Creighton University analysts who each month survey purchasing managers across a nine-state region from Minnesota to Arkansas. PMI indices are generated for each state as well as a Mid-American Business Conditions Index encompassing all nine states.⁴ A PMI index above 50 suggests expanding manufacturing activity over the next three to six months while a reading below 50 points towards contraction in manufacturing output. This index is not subject to revisions.

Online Help-Wanted Advertising



Online Help-Wanted Ads have been compiled and published for every state by the Conference Board since 2005. Online help-wanted postings are used as an indirect measure of job vacancies or unmet labor demand. Other factors, especially the cost of listing online job ads, are unrelated to overall labor demand and have altered help-wanted levels over the last 14 years. The drop in Minnesota's online help-wanted ads between 2016 and 2018 is thought to be related to higher job ad listing costs at one major job board.

Initial Claims for Unemployment Benefits



Initial Claims for Unemployment Benefits (UI) is a well-known leading indicator of labor market conditions and thought to be a good proxy for job layoff rates. There are two issues that should be consider when looking at initial claims. One is that the labor force today is much larger than two or three decades ago. The same level of initial claims three decades ago represented a much larger share of workers than today. The other issue is that rules for UI eligibility have been changed over the years which altered the relationship between layoff rates and initial claims.



⁴More Information can be found at www.creighton.edu/economicoutlook/midamericaneconomy/

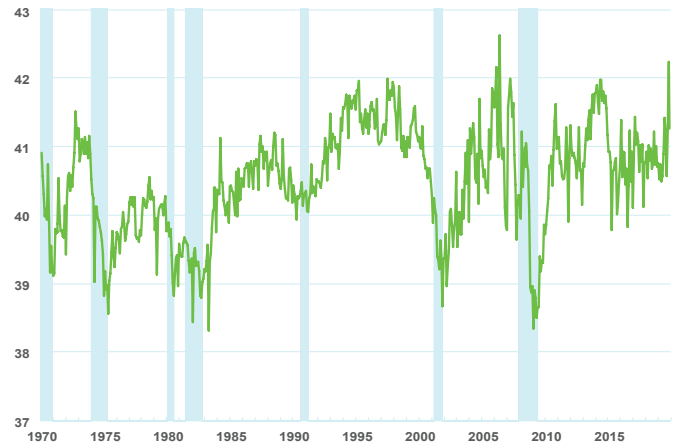
Average Weekly Manufacturing Hours is another indicator that is derived from the CES survey and is seasonally adjusted. Minor revisions occur to this indicator one month after initial release. This indicator is also seen as a measure of labor demand with increasing or decreasing hours indicating that manufacturing production is expanding or slowing down. Firms typically adjust their workers' hours before hiring or laying off workers. A shifting mix of manufacturing industries over time may alter the sensitivity of manufacturing hours to business cycles.

Average Weekly Manufacturing Earnings also come from the CES survey and, like manufacturing hours, undergoes small revisions the month following initial release. In addition to being seasonally adjusted, manufacturing earnings are adjusted to account for inflation using the Personal Consumption Expenditures (PCE) index produced by the Bureau of Economic Analysis. Earnings are for production workers only. Earnings are also often used to gauge labor demand. The recent runup in average weekly manufacturing earnings is strong evidence that firms are having a hard time filling their job vacancies and have started to increase wage rates. Manufacturing earnings usually climb as hours worked increase but may in extremely tight job markets increase even while manufacturing activity is tailing off.

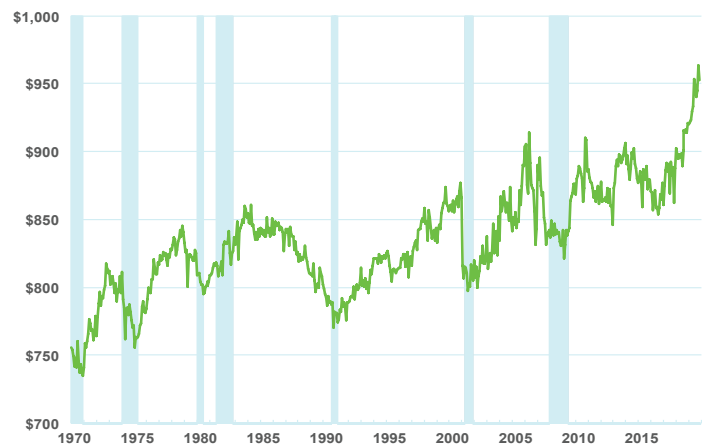
Residential Building Permits are collected by the Census, are not revised, and are seasonally adjusted. Home-building permits, like four of the other Minnesota Economic Indicators, are included at the national level in the Conference Board's Composite Index of Leading Economic Indicators. Home-building activity has in the past been one of the first economic sectors to expand or contract when economic conditions improve or weaken. This has not held true over the last decade as the home-building rebound over the last decade or so has been very slow and uneven. The underlying trend for building permits is probably best determined by using a three-month average as month-to-month variation can swing wildly when normal weather patterns are disrupted.

by Dave Senf

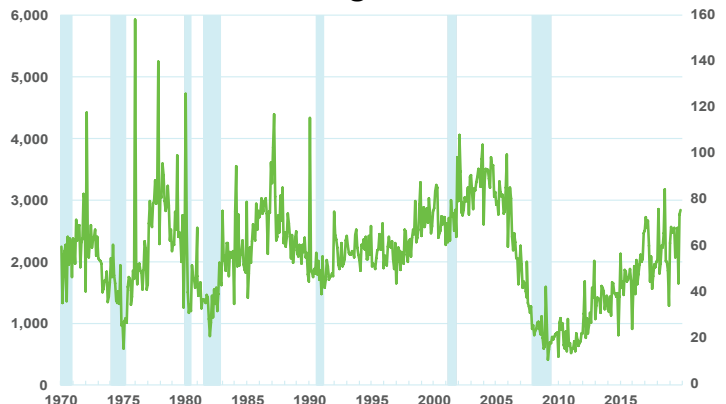
Average Weekly Manufacturing Hours



Average Weekly Manufacturing Earnings



Residential Building Permits



Minnesota Industry Snapshot

NAICS 453

Miscellaneous Store Retailers

With just under 300,000 jobs, Retail Trade is Minnesota’s third largest-employing industry sector. One of every 10 jobs in the state falls in Retail Trade. With 12 in-depth subsectors, however, this broad industry rewards closer looks at any subsector that hooks you. We chose Miscellaneous Store Retailers.

With “miscellaneous” in its title, you can bet on Miscellaneous Store Retailers being a catch-all for retail industries that don’t quite fit in with the other 11 subsectors. According to the North American Industrial Classification System (NAICS), this sector includes stores with unique characteristics: florists, art dealers, pet and pet supplies stores, tobacco stores, used book stores, thrift shops, and, among other things, hot tub stores. While certainly unique and varied, Miscellaneous Store Retailers is a relatively small subsector of Retail Trade. As of the third quarter, 2019, there were 2,032 Miscellaneous Store Retailer establishments in the State of Minnesota supplying just under 14,000 jobs. As such, this subsector accounted for under 5 percent of Retail Trade’s total employment in the state (see Table 1).

Table 1. Miscellaneous Store Retailer Employment in Minnesota, Q3 2019

Industry	Number of Firms	Number of Jobs	Share	Q3 2014 – Q3 2019 Job Change	Average Annual Wage
Total, All Industries	180,007	2,914,501	100.0%	+166,300 (+6.1%)	\$57,564
Retail Trade	13,300	292,234	10.0%	+1,242 (+0.4%)	\$31,148
Miscellaneous Store Retailers	2,032	13,965	4.8%	-2,942 (-17.4%)	\$26,364
Other Miscellaneous Store Retailers	1,105	6,219	44.5%	-840 (-11.9%)	\$29,900
Office Supplies, Stationary, and Gift Stores	392	3,749	26.8%	-1,642 (-30.5%)	\$28,600
Used Merchandise Stores	287	2,849	20.4%	-478 (-14.4%)	\$20,280
Florists	248	1,147	8.2%	+18 (+1.6%)	\$15,288

Source: DEED Quarterly Census of Employment and Wages (QCEW)

Trends

Recent and historical employment trends point to weakness for Miscellaneous Store Retailers in Minnesota. Over the past 15 years, between the third quarters of 2004 and 2019, this subsector lost over 6,200 jobs, contracting by 30.8 percent. For reference, total Retail Trade employment in the state contracted by 3.4 percent between the third quarters of 2004 and 2019 (see Figure 1). Total employment in the state expanded by 11.5 percent during that period of time.

The Great Recession also took place over the span of those 15 years, and Retail Trade employment and Miscellaneous Store Retailers employment contracted by 7.2 percent and 11.1 percent, respectively. More recently, between the third quarters of 2014 and 2019, employment in Miscellaneous Store Retailers has continued to experience some weakness. Office Supplies, Stationary, and Gift Stores has been hit especially hard, losing over 1,600 jobs during these past five years of available employment data. Miscellaneous Stores Retailers, as a whole, lost over 2,900 jobs during this period of time (see Table 1).

Figure 1. Miscellaneous Stores Retailers Employment Trends in Minnesota, Q3 2004 - Q3 2019



Minnesota Industry Snapshot

NAICS 512

Motion Picture and Sound Recording Industries

The major industry sector *Information* is a varied and often misunderstood sector. Essentially this sector comprises establishments engaged in producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications, and processing data.

Motion Picture and Sound Recording Industries is one of six subsectors in the *Information* industry. More specifically, establishments in Motion Picture and Sound Recording Industries are involved in the production and distribution of, you guessed it, motion pictures and sound recordings. These processes are typically complex, involving establishments that are tasked with contracting with performers, creating the film or sound content, and providing technical post-production services. Specific in-depth industries in this sector include Motion Picture and Video Production, Motion Picture and Video Distribution, Motion Picture Theaters (except Drive-Ins), Drive-In Motion Picture Theaters, Teleproduction and Other Postproduction Services, Music Publishers, Sound Recording Studios, and Record Production and Distribution. More than 90 percent of Minnesota’s employment in Motion Picture and Sound Recording Industries is in Motion Picture and Video Industries (mainly movie theaters) with less than 10 percent in Sound Recording Industries.

In the State of Minnesota there were 362 Motion Picture and Sound Recording Industries establishments supplying just over 4,000 jobs during the third quarter of 2019. As such, this industry is relatively small, accounting for about 8 percent of the state’s total Information employment which itself only accounts for about 2 percent of the state’s total employment (see Table 1).

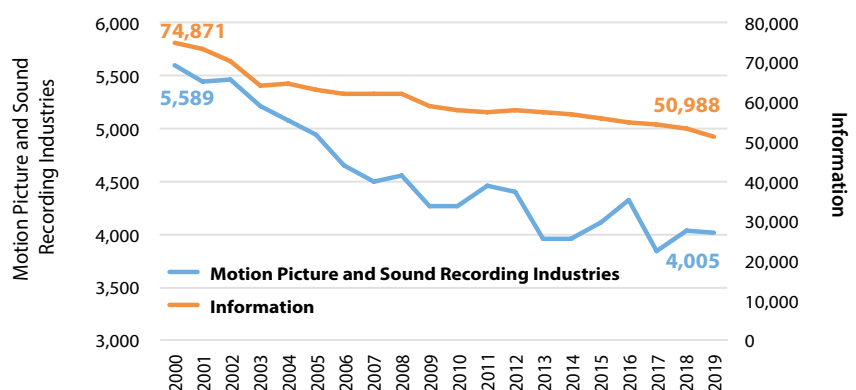
Table 1. Motion Picture and Sound Recording Industries Employment in Minnesota, Q3 2019

Industry	Number of Firms	Number of Jobs	Share of Total Jobs	Q3 2014 – Q3 2019 Job Change	Average Annual Wage
Total, All Industries	180,007	2,914,501	100.0%	166,300 (6.1%)	\$57,564
Information	4,261	50,988	1.7%	-5,781 (-10.2%)	\$76,128
Publishing Industries (except Internet)	1,160	19,664	38.6%	-1,199 (-5.7%)	\$82,784
Telecommunications	742	11,405	22.4%	-2,263 (-16.6%)	\$78,312
Internet Service Providers, Web Search Portals, and Data Processing Services	631	6,297	12.3%	-1,474 (-19.0%)	\$104,260
Other Information Services	1,148	5,692	11.2%	739 (14.9%)	\$64,220
Motion Picture and Sound Recording Industries	362	4,005	7.9%	57 (1.4%)	\$24,388
Broadcasting (except Internet)	218	3,924	7.7%	-1,640 (-29.5%)	\$61,464

Source: DEED Quarterly Census of Employment and Wages (QCEW)

Information and those subsectors within it have witnessed steady employment losses in recent history (see Table 1). While Motion Picture and Sound Recording Industries is up 57 jobs (1.4 percent) over the past five years, it has also witnessed steady employment declines. Since 2000 this industry has shed nearly 1,600 jobs in Minnesota, contracting by 28.3 percent (see Figure 1). One reason for these losses may be the introduction and proliferation of video streaming services and its effect on movie theater employment.

Figure 1. Motion Picture and Sound Recording Industries Employment Trends in Minnesota, Q3 2000 - Q3 2019



Minnesota Industry Snapshot

NAICS 441

Motor Vehicle and Parts Dealers

If you're looking to purchase a new or used car, there's an excellent chance that you will visit a Motor Vehicle and Parts Dealers establishment. According to the North American Industry Classification System (NAICS), such establishments retail motor vehicle and parts from fixed point-of-sale locations, typically a showroom or an open lot where the vehicles are on display. This industry also includes establishments that retail recreational and all-terrain vehicles, motorcycles, boats, tires, and automotive parts.

Establishments in Motor Vehicle and Parts Dealers generally have a mix of sales and support staff familiar with the requirements for registering and financing a vehicle as well as automotive mechanics and parts experts to provide repair and maintenance services for the vehicles. Retail Salespersons and Automotive Service Technicians and Mechanics alone account for over one-third (33.5 percent) of the employment in Motor Vehicle and Parts Dealers. Other occupations common to this industry include Parts Salespersons, Light Truck or Delivery Services Drivers, Cleaners of Vehicles and Equipment, First-Line Supervisors of Retail Salespersons, and Tire Repairers and Changers.

Minnesota had 2,202 Motor Vehicle and Parts Dealers establishments during the third quarter, 2019, supplying nearly 37,000 jobs. While the Seven-County Metro Area accounted for just over half of these jobs, it actually had the smallest concentration of such jobs. The highest concentration of Motor Vehicle and Parts Dealers jobs are found in Central Minnesota, Northwest Minnesota, and Northeast Minnesota.

Table 1. Motor Vehicle and Parts Dealers Employment in Minnesota, Q3 2019

Area	Number of Firms	Number of Jobs	Share of MN Motor Vehicle and Parts Dealers Jobs	Q3 2009 - Q3 2019 Job Change	Average Annual Wage
Minnesota	2,202	36,985	100.0%	7,636 (26.0%)	\$49,660
Metro Area	830	19,063	51.5%	3,981 (26.4%)	\$55,276
Central MN	387	5,718	15.5%	1,568 (37.8%)	\$45,032
Northwest MN	333	3,914	10.6%	657 (20.2%)	\$42,536
Southeast MN	244	3,347	9.0%	454 (15.7%)	\$45,084
Southwest MN	157	2,595	7.0%	524 (25.3%)	\$40,976
Northeast MN	224	2,302	6.2%	486 (26.8%)	\$42,484

Source: DEED Quarterly Census of Employment and Wages (QCEW)

Trends

Employment in Motor Vehicle and Parts Dealers has experienced significant whiplash since the turn of the century. Statewide, this industry lost 6,232 jobs between the third quarters of 2001 and 2009, contracting by 17.5 percent. For reference, total employment in the labor market contracted by 1.9 percent during this period of time. Between the third quarters of 2009 and 2019, however, this industry regained 7,636 jobs (see Figure 1). This overall growth rate of 26.0 percent was just about twice the growth rate for the total of all industries (13.7 percent). Every planning region of Minnesota experienced this employment whiplash for Motor Vehicle and Parts Dealers, although growth has been especially robust in Central Minnesota over the past decade (see Table 1).

Figure 1. Motor Vehicle and Parts Dealers Trends in Minnesota Q3 2000 - Q3 2019



by Tim O'Neill

Something to Think About Construction

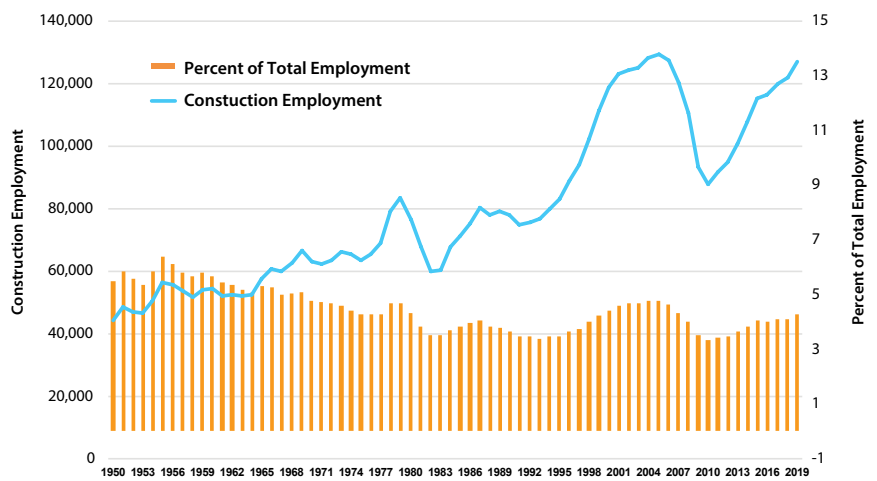
Minnesota's construction industry reached its fourth highest annual average total in 2019, employing an average 127,100 during the year, falling slightly short of the home-building boom years of 2005 – 2007. The industry's rebound in Minnesota was initially ahead of the U.S. rebound but has slowed relative to the rest of the nation over the last few year. Construction employment in the state last year was 1.8 percent lower than the 2005 peak. Nationally, employment was 2.6 percent lower than the 2006 peak.

Ten states reached record-high construction employment in 2019 including Nebraska and South Dakota. Rapid population growth explains record construction employment in Colorado, Oregon, Texas, Utah, and Washington. The factors behind record level construction employment in New York, Oklahoma, and West Virginia are less obvious. Twenty-one states had construction employment last year that was more than 10 percent lower than their peak construction year. Construction jobs in Nevada and Arizona were 30 and 27 percent below their 2006 peak year level.

Construction employment in Minnesota accounted for 4.3 percent of nonfarm wage and salary employment last year which is slightly below the 70-year average of 4.5 percent. The long-term trend shows construction employment dipping as a percent of employment in Minnesota during the 1950s through the 1970s but since then rising slightly during expansions and declining slightly during recessions (see Figure 1).

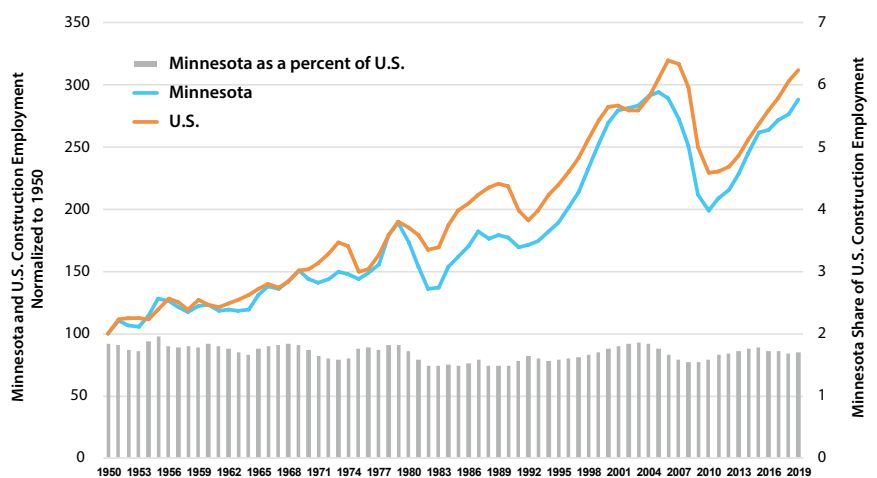
by Dave Senf

Figure 1. Minnesota Construction Workforce, 1950-2019



Source: Current Employment Statistics (CES)

Figure 2. Minnesota and U.S. Construction Workforce, 1950-2019



Source: Current Employment Statistics (CES)