

January 2024 Employment Analysis

(Embargoed until 10 am Thursday, March 7, 2024)

Over-the-Month Overview

- After annual revision, the unemployment rate remained at 2.7% in January 2024 from the prior month. The labor force decreased by 1,981 people over the month to 3,093,449 people. The number of employed decreased by 133 workers, and the number of unemployed decreased by 1,848 people. The labor force participation rate ticked down one-tenth of a percentage point to 67.9%.
- Minnesota gained 3,000 jobs in the last month on a seasonally adjusted basis, translating to 0.1% change. The private sector gained 4,200 jobs, up 0.2%. The U.S. total nonfarm employment increased by 353,000 jobs, or 0.2%. The U.S. private sector gained 317,000 jobs, also 0.2%.
- Five supersectors in Minnesota gained jobs on a seasonally adjusted basis since the prior month, including:
 - Education and Health Services gained 2,600 jobs, up 0.5%
 - Trade, Transportation and Utilities gained 1,100 jobs, up 0.2%
 - Leisure and Hospitality gained 800 jobs, up 0.3%
 - Professional & Business Services gained 600 jobs, up 0.2%
 - Information gained 100, up 0.2%
- One supersector saw no change over the month:
 - Other Services
- Five supersectors lost jobs over the month:
 - Government lost 1,200 jobs, down 0.3%
 - Manufacturing lost 500 jobs, down 0.2%
 - Financial Activities lost 300 jobs, down 0.2%
 - Mining and Logging lost 100 jobs, down 1.4%
 - Construction lost 100 jobs, down 0.1%
- Minnesota lost 414,500 jobs from February through April 2020 and has since recovered 424,600 jobs as of January 2024, 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 384,100 jobs from February through April 2020 and has regained 394,300 jobs as of January, or 100.4% recovered.
- Translating seasonally adjusted job change into a 3-month moving average series, Minnesota gained 4,500 jobs in September-November, up 0.2%; and gained 3,000 jobs in October-December, up 0.1%; and gained 2,800 jobs in November-January, up 0.1%. Nationally, the U.S.

saw 0.2% job growth September-November, 0.3% in October-December, and 0.4% in November-January.

Over-the-Year Job Growth

- Minnesota gained 29,045 payroll jobs, up 1.0%, over the year. The private sector gained 14,894 jobs, up 0.6% over the year.
- Six supersectors posted positive annual growth. Supersectors with notable big growth were:
 - Education and Health Services gained 23,649 jobs, up 4.3%. Growth was propelled by the Healthcare and Social Assistance sector, especially Nursing and Residential Care Facilities (6.2%) and Social Assistance (6.2%). The U.S. grew at a similar rate of 4.2%.
 - Government gained 14,151 jobs, up 3.4%, outpacing the U.S. growth rate of 2.7%. Growth was healthy in across all sectors.
 - Trade, Transportation, and Utilities gained 7,016 jobs, up 1.3% compared to 0.7% nationally. Retail Trade (2.4%) and Wholesale Trade (2.0%) grew while Transportation, Warehousing, and Utilities declined (2.1%).
 - Leisure and Hospitality gained 6,682 jobs, up 2.7%. All sectors grew except Arts, Entertainment, and Recreation (-1.2%). Nationally, this supersector grew at 3.0%.
- Five supersectors lost jobs over the year:
 - Professional & Business Services lost 14,468 jobs, down 3.8%, while the U.S. grew 1.0%. The biggest declines were in Employment Services (-14.8%) and Computer Systems Design and Related Services (-5.2%).
 - Financial Activities lost 4,624 jobs over the year, down 2.4%, while the U.S. rate grew 1.1%. Losses were consistent in every sector.
 - Manufacturing lost 4,261 jobs, down 1.3%, while the U.S. grew 0.3%. The biggest percentage losses were in Fabricated Metal Product Manufacturing (-2.9%) and Animal Slaughtering and Processing (-6.3%).
 - Information lost 2,336 jobs, down 5.2%. All subsectors saw decline. The U.S. also experienced decline in this supersector, down 1.1%.
 - Construction was adjusted downward and lost 1,773 jobs, down 1.5%. Losses were across all sectors except for Heavy and Civil Engineering Construction, which continued high growth at 19.8%.
- Overall U.S. employment grew 1.9% over the year with the private sector up 1.8%. All supersectors grew except Information.

January 2024 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	29,045	1.0	1.9
Private	14,894	0.6	1.8
Mining & Logging	743	13.0	0.8
Construction	-1,773	-1.5	2.8
Manufacturing	-4,261	-1.3	0.3
Trade, Transport. & Utilities	7,016	1.3	0.7
Information	-2,336	-5.2	-1.1
Financial Activities	-4,624	-2.4	1.1
Prof. & Business Services	-14,468	-3.8	1.0
Ed. & Health Services	23,649	4.3	4.2
Leisure & Hospitality	6,682	2.7	3.0
Other Services	4,266	3.9	1.4
Government	14,151	3.4	2.7

Wage and Hour Data

- Average hourly wages for all private sector workers increased 56 cents to \$37.46 in January 2024 over the month. Over the year average hourly earnings increased \$1.78, up 5.0%.
 - Nationally private sector wages increased 42 cents over the month and rose 3.9% over the year.
 - The CPI inflation index for all urban consumers rose 3.1% over the year in January.
- At 32.9 hours per week, Minnesota’s January average work week shortened two-tenth of an hour over-the-month. Over-the-year it decreased by eight-tenth of an hour.
 - Nationally, the average work week decreased by six-tenth of an hour over the month to 33.7 hours. Over-the-year, it decreased by nine-tenth of an hour.

Unemployment Data

- The unemployment rate stayed at 2.7% in January on a seasonally adjusted basis. The number of employed decreased by 133 workers, and the number of unemployed decreased 1,848. The employment to population ratio ticked down one-tenth of a percentage point to 66.1%.
- The labor force decreased 1,981 people over the month, totaling 3,093,449 people in January. The labor force participation rate ticked down one-tenth of a percentage point to 67.9%. Minnesota’s labor force is 38,119 people smaller than in February 2020 when the participation rate was at 69.9%.

- Nationally, over the month, the unemployment rate stayed at 3.7% and the employment to population ratio ticked up one-tenth of a percentage point to 60.2%. The labor force participation rate stayed at 62.5%.

Industry Details

Mining and Logging: Employment in Mining and Logging was down 100 (1.4%) over the month (OTM) on a seasonally adjusted basis in January. It was the first monthly decline in the supersector since September of 2023. Excepting last month, the January total of 6,800 jobs had not been met or exceeded since December of 2017. On an annual basis, employment in Mining and Logging was up 13%, or 743 jobs. This was the highest proportional growth of any supersector in the state, and the highest in Mining and Logging since July of 2021. It's possible that much of the over the year growth is due to winter weather that was more favorable to the highly seasonal work being done in the supersector.

Construction: Construction employment was off by 100 (0.1%) OTM in January. The supersector has posted negative seasonally adjusted growth in six of the past seven months. Over the year, employment in Construction was off by 1,773 jobs, or 1.5%. This was a notable change from December, when the supersector posted annual growth of 1.6%. Heavy and Civil Engineering Construction posted strong growth on January, adding 2,214 jobs, or 19.8%. These gains were erased by losses in every other published component. Specialty Trade Contractors lost 3,112 jobs (4%) over the year, and Residential Building Construction was off by 7.7% (1,144 jobs).

Manufacturing: Employment in Manufacturing was off by 500 (0.2%) OTM in January. Non-Durable Goods Manufacturing was down 400 (0.3%) and their counterparts in Durable Goods Manufacturing lost 100 jobs (0.0%). On an annual basis, Manufacturing employers lost 4,261 jobs (1.3%). Both major component sectors lost jobs, with Durable Goods Manufacturing down 2,100 (1%) and Non-Durable Goods Manufacturing down 2,161 jobs (1.9%). Fabricated Metal Product Manufacturing was down 2.9%, or 1,336 jobs Animal Slaughtering and Processing was down 6.3%, or 1,136 jobs.

Trade, Transportation, and Utilities: Trade, Transportation and Utilities employers added 1,100 jobs (0.2%) OTM in January. Wholesale Trade was down by 100 (0.1%), but the losses were covered by growth in the other two component sectors. Retail Trade and Transportation, Warehousing and Utilities each added 600 jobs, up 0.2% and 0.5%, respectively. The supersector has not posted negative seasonally adjusted monthly growth since July of 2023. Over the year, Trade, Transportation and Utilities employment was up 7,016, or 1.3%. Wholesale Trade was up 2% (2,603 jobs) and Retail Trade was up 2.4% (6,851 jobs) while Transportation, Warehousing and Utilities employment was off by 2.1% (2,438 jobs), with those declines coming entirely in Transportation and Warehousing (down 2,839, or 2.8%).

Information: Information employers added 100 jobs (0.2%) OTM in January. It was the first month of seasonally adjusted growth for the supersector since September for the long-declining industry group. Over the year, employment in Information was down 2,336 jobs, or 5.2%. Publishing Industries lost 1,137 jobs (5.8%) and Telecommunications was off by 446, or 4.8%.

Financial Activities: Financial Activities employment was off by 300 (0.2%) OTM in January. Finance and Insurance lost 200 jobs (0.1%) and Real Estate and Rental and Leasing lost 100 jobs (0.3%). Over the year, Financial Activities employment was down by 4,624 (2.4%). It was the seventh consecutive month of OTY job losses for the supersector. Finance and Insurance lost 4,515 jobs (2.9%), while Real Estate and Rental and Leasing lost 109 jobs (0.3%), with the Real Estate component off by 834, or 2.9%.

Professional and Business Services: Employment in Professional and Business Services was up in January on a seasonally adjusted basis, adding 600 jobs (0.2%). Administrative and Support and Waste Management and Remediation Services added 2,100 jobs (1.7%), while Management of Companies lost 1,400 (1.6%) and Professional, Scientific and Technical Services lost 100 (0.3%). Over the year, Professional and Business Services employment was off by 14,468 jobs, or 3.8%. It was the largest real job loss of any supersector in the state. The decline was driven by Administrative and Support Services, which lost 11,047 jobs (8.7%) due in large part to the loss of 8,669 jobs, or 14.8%, in Employment Services.

Education and Health Services: Education and Health Services employers added 2,600 jobs (0.5%) OTM in January. The growth came entirely in Health Care and Social Assistance, which added 2,800 jobs (0.6%), while their counterparts in Educational Services lost 200 jobs (0.3%). Over the year, the supersector added 23,649 jobs, or 4.3%. It was the largest real and proportional growth of any supersector in the state. The growth was driven by Health Care and Social Assistance, which was up 23,361, or 4.9%. Nursing and Residential Care Facilities added 6,277 jobs, or 6.2%. Educational Services added 288 jobs (0.4%) despite the loss of 404 jobs (1.5%) in Private Elementary and Secondary Schools.

Leisure and Hospitality: Employment in Leisure and Hospitality was up by 800 (0.3%) OTM in January. Accommodation and Food Services added 1,000 jobs (0.4%), while Arts, Entertainment and Recreation lost 200 jobs (0.4%). Over the year, the supersector added 6,682 jobs (2.7%). Arts, Entertainment and Recreation posted annual losses, down 504 jobs (1.2%). Accommodation and Food Services employment was up 7,186 jobs (3.5%). Accommodation was up 6.3% (1,460 jobs). And Food Services and Drinking Places employment was up 3.1% (5,726 jobs).

Other Services: Other Services employment was flat in January, holding at 115,500 jobs. Growth has been relatively flat in the supersector for the past three months, with zero added jobs in December and 100 added jobs in November. Over the year, Other Services employers added 4,266 jobs (3.9%). Personal and Laundry Services added 1,705 jobs (6.5%), Religious, Grantmaking, Civic and Professional Organizations added 2,125 jobs (3.5%), and Repair and Maintenance added 436 jobs (1.9%).

Government: Government employers lost 1,200 jobs (0.3%) OTM in January. The declines came entirely at the Local Government level, which was off by 1,300, or 0.4%. State employers added 100 jobs (0.1%) and Federal employment was flat. Over the year, Government employers added 14,151 jobs, or 3.4%, with positive growth in all published component series. Local Government was up 9,887 jobs (3.5%), State Government was up 3,093 (3.1%) and Federal Government was up 1,171 (3.7%).

Over-the-Year Job Growth by MSAs

January data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	6,010	0.3
Duluth-Superior MN-WI MSA	602	0.5
Rochester MSA	3,890	3.2
St. Cloud MSA	1,206	1.1
Mankato MSA	104	0.2
Fargo-Moorhead ND-MN MSA (November)	800	0.5
Grand Forks-East Grand Forks ND-MN MSA (November)	1,400	2.6
La Crosse-Onalaska WI-MN (November)	1,300	1.6

Labor Market Information Office
MN Department of Employment and Economic Development
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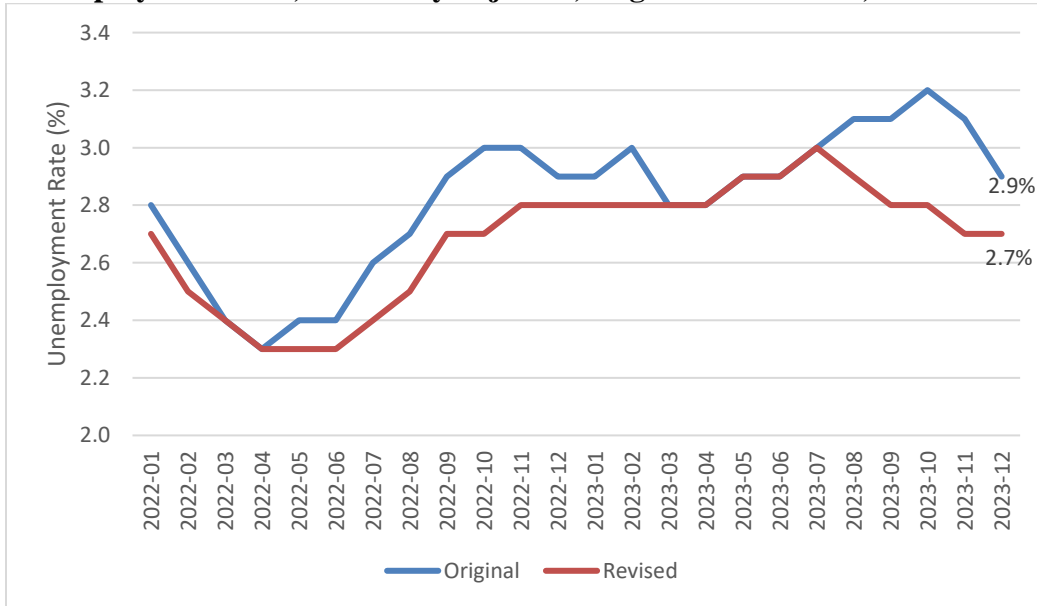
January 2024 Benchmark Analysis

(Embargoed until 10 am Thursday March 7th, 2024,)

Annual Revision

- As is the annual practice, the release of January’s employment and unemployment report is accompanied by revisions to previous releases of these data. These revisions occur as new population controls, new seasonal adjustment factors, and more comprehensive employment counts become available. Generally, unemployment (household survey) data are revised for the previous five years while employment (payroll survey) data are revised back 21 months (April 2022).
- Revisions show a lower unemployment rate and a lower labor force participation rate (in the last half of 2023) than originally published. This means the labor market is slightly tight than we had thought.
- Revisions show that the state’s unemployment rate started 2023 at 2.8% in January and ended the year at 2.7% in December. It reached a high of 3.0% in July and started falling after that rather than continuing to tick up.
- In comparison the original series started the year at 2.9% and ended at 2.9% in December, but reached a peak of 3.2% in October before declining in the last two months of the year.

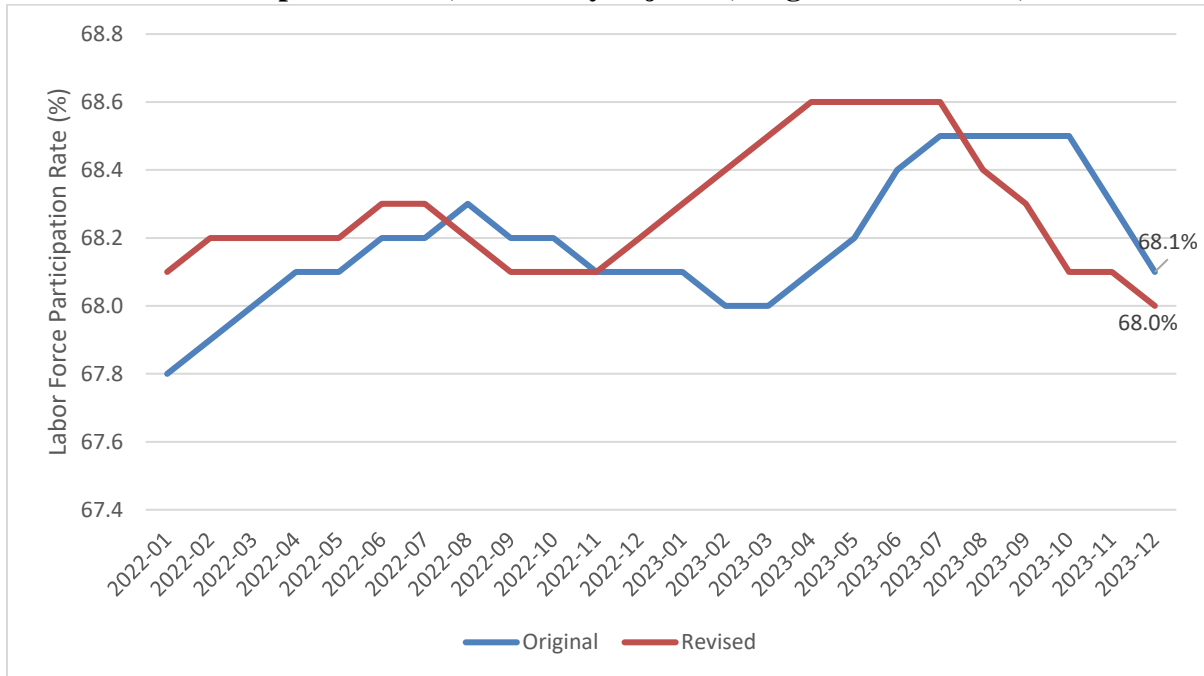
Unemployment Rate, seasonally adjusted, original and revised, 2022 to 2023



- The number of people in the labor force was revised slightly downward from August through December 2023. The result for December 2023 was a total of 3,095,430, or 4,754 fewer people in the labor force than originally estimated.

- The number of people employed was revised slightly down from September through November 2023 but then revised slightly upward in December ending the year at 3,010,656 or 1,808 more people employed after revisions than originally published.
- The number of unemployed was revised downward during the last half of the year, ending the year 6,562 lower than originally published at 84,774.
- Revisions decreased the labor force participation rate from August through December 2023 resulting in a benchmarked rate of 68.0% in December, one-tenths of a percentage point lower than the originally published 68.1%.

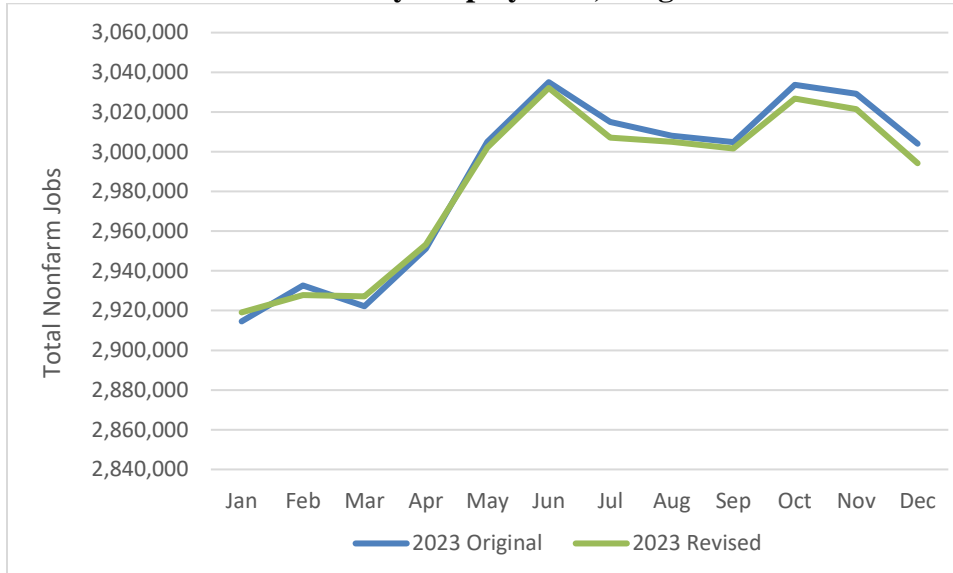
Labor Force Participation Rates, seasonally adjusted, original and revised, 2022 to 2023



- The employment to population ratio was revised upward for most of the year because of the upward revision in the number employed, resulting in a revised December employment to population ratio of 66.2%, one-tenths of a percentage point higher than originally published.
- Employment revisions are based primarily on newly available administrative records (QCEW) that provide universal counts of payroll jobs. New seasonal adjustment factors are also estimated based on revised data. New seasonally adjusted estimates are provided for series with historical revisions of their unadjusted estimates back to the earliest year affected by the historical correction. Series without historical corrections are adjusted back to 2019.
- Overall, the revisions put December 2023 total nonfarm employment 9,900 jobs, or 0.3 percent, below the original series in Minnesota.

- In comparison the benchmark increased U.S. total nonfarm employment by 33,000 jobs or 0.1% in December 2023.

Total 2023 Nonfarm Monthly Employment, Original and Revised



- The job census data (QCEW) in Minnesota shows a slightly weaker second half of 2023 than originally estimated based on the Current Employment Statistics. Months past September are estimated based on third quarter because, when benchmarking is being done, September is the last month of actual data we have from the QCEW. This means that fourth quarter will be benchmarked for the first time in early 2025. It is currently a re-estimate based on third quarter 2023 data.
 - Total Nonfarm 2023 annual average rate of job growth remained at 1.8%.
 - Total Private Sector 2023 annual average rate of growth remained at 1.7%.
 - Total Nonfarm 2022 annual rate of growth: revised slightly downward, from 2.8% to 2.7%.
- Based on revisions, 2023 now shows an average annual gain of 52,941 total nonfarm jobs rather than the 54,252 originally estimated.
 - The private sector gained 42,312 jobs in 2023 rather than the 44,008 originally estimated.
 - 2022 shows a gain of 77,169 jobs rather than the 79,006 previously published. That reduces the growth rate from the originally published 2.8% to 2.7% (revised).
- Looking at industry sectors in 2023, four sectors saw improvement (Manufacturing, Financial Activities, Other Service and Government) while seven sectors saw less growth or more decline (Mining & Logging, Construction, Trade, Transportation & Utilities, Information, Private Ed & Health Services, Education & Health Services and Leisure & Hospitality) in terms of annual average employment change after benchmarking.

- The largest changes in the numbers of jobs by supersector were in:
 - Lower after revision:
 - Construction gained 2,757 fewer jobs after revision than originally published with all published sectors coming in lower than originally published;
 - Leisure & Hospitality gained 2,561 fewer jobs after revisions than originally published. Growth was weaker in Arts, Entertainment and Recreation ending the year 20% lower after revision than originally published;
 - Trade, Transportation & Utilities gained 2,430 fewer jobs after revisions than originally published as a result of Transportation and Warehousing ending the year 6.5% lower after revisions than originally published.
 - Higher after revision:
 - Other Services gained 4,430 more jobs over the year after revisions than originally published. All publishable industries came in higher than originally published with the greatest divergence in Repair & Maintenance followed by Religious & Grantmaking Orgs;
 - Manufacturing gained 2,126 more jobs over the year after revisions than originally published. Durable Goods was primarily responsible for the divergence, coming in 1.07% higher in December than originally published compared to only 0.26% in NonDurable Goods. In Durable Goods, Medical Equipment and Supplied, Miscellaneous, Measuring & Electromedical Instrument, Computer & Electronic Product, and Transportation Equipment Manufacturing all came in over 3% higher in December 2023 after benchmarking than originally published.

Annual Average Employment Growth By Industry Sector					
2022 to 2023, Not Seasonally Adjusted, Over the Year (OTY)					
	Annual Avg Job Change Original	Annual Avg Growth Rate Original	Annual Avg Job Change Revised	Annual Avg Growth Rate Revised	Revision to Annual Avg OTY Job Change
Total Non-Farm	54,252	1.8	52,941	1.8	-1,311
Private	44,008	1.7	42,312	1.7	-1,696
Logging & Mining	118	1.8	102	1.6	-16
Construction	4,619	3.5	1,862	1.4	-2,757
Manufacturing	262	0.1	2,388	0.7	2,126
Trade, Transportation & Utilities	8,923	1.7	6,493	1.2	-2,430
Information	282	0.6	-876	-1.9	-1,158
Financial Activities	-3,342	-1.7	-1,360	-0.7	1,982
Professional & Business Services	-1,539	-0.4	-1,910	-0.5	-371
Education & Health Services	19,324	3.5	18,385	3.4	-939
Leisure & Hospitality	14,214	5.5	11,653	4.6	-2,561
Other Services	1,146	1.1	5,576	5.2	4,430
Government	10,243	2.5	10,629	2.6	386

- All MSAs, with the exception of St. Cloud, saw downward revisions.
- Proportionally, benchmark revisions were largest for Mankato MSA where annual average job change was revised downward from 5.2% to 2.4% with 1,607 fewer jobs after benchmarking, and Rochester where annual average job change was revised downward from 3.2% to 1.8% with 1,670 fewer jobs.

Annual Average Employment Growth By MSA					
2022 to 2023, Not Seasonally Adjusted, Over the Year (OTY)					
Metropolitan Statistical Area	Annual Avg Job Change (Original)	Annual Avg Growth Rate (Original)	Annual Avg Job Change (Revised)	Annual Avg Growth Rate (Revised)	Revision to Annual Avg OTY Job Change
Minneapolis-St. Paul MN-WI MSA	33,736	1.7	31,405	1.6	-2,331
Duluth-Superior MN-WI MSA	1,851	1.4	1,294	1.0	-557
Rochester MSA	3,925	3.2	2,255	1.8	-1,670
St. Cloud MSA	1,599	1.5	1,819	1.7	220
Mankato MSA	2,933	5.2	1,326	2.4	-1,607