

June 2023 Employment Analysis

Over-the-Month Overview

- The unemployment rate remained at 2.9% in June 2023 compared to the month prior. The labor force increased by 9,017 over the month to 3,105,324 people, the fourth month in a row of positive growth. The number of employed increased by 7,544 workers, and the number of unemployed increased by 1,473 people. The labor force participation rate ticked up two-tenth percentage point over-the-month to 68.4%.
- Minnesota lost 4,300 jobs in the last month on a seasonally adjusted basis, or 0.1%. The private sector lost 6,500 jobs, or 0.3%. The U.S. total nonfarm employment increased by 209,000 jobs, or 0.1%. The U.S. private sector gained 149,000 jobs, also 0.1%.
- Seven supersectors in Minnesota gained jobs on a seasonally adjusted basis since last month, including:
 - Government gained 2,200 jobs, 0.5%, with strongest growth in Local Government sector (1.8%).
 - Trade, Transportation, and Utilities gained 1,200 jobs, up 0.2%, with the strongest gain in Retail Trade (1,300 jobs, 0.5%).
 - Financial Activities gained 800 jobs, 0.4%.
 - Other Services gained 700 jobs, 0.7%.
 - Construction gained 600 jobs, 0.4%.
 - Information gained 200 jobs, 0.4%.
 - Educational and Health Services gained 100 jobs, neutral change of 0%
- Mining and Logging did not change over-the-month, remaining at 6,500 jobs.
- Three supersectors lost jobs:
 - Leisure and Hospitality lost 5,300 jobs, down 1.9%. After a long streak of strong growth, this supersector is beginning to find its equilibrium point. The largest loss was in Accommodation and Food Services sector (down 4,100 jobs, 1.8%).
 - Professional & Business Services lost 2,500 jobs, down 0.6%. The sharpest decline was in Administrative & Support Services sector (down 2,000 jobs, 1.5%).
 - Manufacturing lost 2,300 jobs, down 0.7%, spread evenly between Durable Goods and Nondurable Goods Manufacturing.
- Minnesota lost 416,000 jobs from February through April 2020 and has since recovered 404,500 jobs as of June 2023, which brings Minnesota to 99.6% of the number of jobs prior to the Pandemic Recession on a seasonally adjusted basis. The private sector lost 385,900 jobs from February through April 2020 and has regained 382,700 jobs as of June, 99.9%.
- Translating seasonally adjusted job change into a 3-month moving average series, MN gained 2,600 jobs, up 0.1% in Apr-Jun; gained 11,200 jobs, up 0.4% in Mar-May; lost 2,600 jobs, down 0.1% in Feb-April. Nationally, all three periods saw growth. The U.S. grew 0.3% in Apr-Jun; 0.3% in Mar-May, and 0.3% in Feb-April.

Over-the-Year Job Growth

- Minnesota gained 70,808 payroll jobs, up 2.4%, over the year. The private sector gained 58,020 jobs, up 2.3% over the year.
- Most supersectors posted positive annual growth. Notable big growth that outpaced the national rate are:
 - Education & Health Services led with the largest over-the-year growth, up 24,090 jobs (4.5%), with all subsectors posting solid growth.
 - Leisure & Hospitality continued posting big growth, up 14,212 jobs (5.2%). All subsectors experienced growth.
 - Government grew 12,788 jobs, or 3.1%. All subsectors posted positive growth except State Government Education (-1.1%).
 - Trade, Transportation, and Utilities gained 8,143 jobs, or 1.5%. All subsectors grew except Wholesale Trade (-1.3%).
 - Construction gained 4,209 jobs, or 2.9%. Strongest growth was in Heavy and Civil Engineering Construction (10.5%), despite a dip in Residential Building Construction (-1.5%).
 - Information gained 1,426 (3.2%).
- One supersector lost jobs over-the-year – Financial Activities – down 687 jobs, or 0.4%, due to decline in Credit Intermediation and Related Activities (-3.1%), and despite positive growth in Real Estate and Rental and Leasing (1.1%).
- U.S. employment grew 2.4% over the year; private sector also grew 2.4%. All supersectors showed gains over the year.

June 2023 Over the Year (OTY) Employment Growth by Industry Sector, Not Seasonally Adjusted			
	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	70,808	2.4	2.4
Private	58,020	2.3	2.4
Mining & Logging	231	3.6	5.5
Construction	4,209	2.9	2.5
Manufacturing	1,457	0.4	1.2
Trade, Transport. & Utilities	8,143	1.5	0.7
Information	1,426	3.2	0.1
Financial Activities	-687	-0.4	1.1
Prof. & Business Services	2,940	0.8	2.1
Ed. & Health Services	24,090	4.5	4.2
Leisure & Hospitality	14,212	5.2	4.7
Other Services	1,999	1.8	3.2
Government	12,788	3.1	2.8

Wage and Hour Data

- Average hourly wages for all private sector workers decreased 91 cents to \$34.29 in June 2023 over the month. Over the year average hourly earnings increased 17 cents, up 0.5%, and since June 2020 they are up 9.9%.
 - Nationally private sector wages decreased 28 cents over the month and increased 4.4% over the year and 14.4% over three years.
 - The CPI inflation index for all urban consumers rose 3.0% over the year in June and 18.4% over 3 years.
- At 33.9 hours per week, Minnesota's June 2023 average work week increased by one-tenth of an hour over-the-month and decreased by one-tenth of an hour over the year.
 - Nationally, the average work week increased two-tenth of an hour over the month to 34.4 hours and decreased two-tenth of an hour over the year.

Unemployment Data

- The unemployment rate remained at 2.9% in June 2023 since last month. The number of employed increased 7,544, and the number of unemployed increased 1,473. The employment to population ratio ticked up one-tenth of a percentage point to 66.4%.
- The labor force grew by 9,017 people over the month, total 3,105,324 people in June. The labor force participation rate ticked up two-tenth of a percentage point to 68.4%. Minnesota's growing labor force is still 23,279 people smaller than in February 2020 when the participation rate was at 69.9%.
 - Nationally, over the month, the unemployment rate ticked down one-tenth of a percentage point to 3.6% and the employment to population ratio remained at 60.3%. The size of the labor force grew 133,000 people. Labor force participation rate remained at 62.6%.

Industry Details

Mining and Logging: Employment in Mining and Logging was flat over the month (OTM) in June, holding at a seasonally-adjusted 6,500 jobs. Save for a small uptick in April, employment in the supersector has been at the same level for every month of 2023. On an annual basis, Mining and Logging employment was up 231, or 3.6%. This was an improvement from May, when over the year (OTY) employment growth was at -0.6%.

Construction: Construction employers added 600 jobs (0.4%) OTM in June. The supersector has posted growth in every month of 2023 except for March. Overall, seasonally adjusted employment was up 4,400 so far in 2023. Over the year, Construction employers added 4,209 jobs (2.9%). Heavy and Civil Engineering construction drove the growth, with the component sector adding 2,302 jobs, or 10.5%. Specialty Trade Contractors added 2,158 jobs (2.3%), while Construction of Buildings was down by 251 (0.8%).

Manufacturing: Employment in Manufacturing was down by 2,300 (0.7%) OTM in June. Durable Goods employers lost 1,200 jobs (0.6%) and Non-Durable Goods employers lost 1,100 (1%). Over the year, the supersector added 1,457 jobs, or 0.4%. The growth came entirely among Durable Goods manufacturers, which added 2,201 jobs (1.1%), with Fabricated Metal Product Manufacturing adding 1,332 jobs (3%). Non-Durable Goods manufacturers lost 744 jobs (0.6%), with component Animal Slaughtering and Processing driving the declines, off by 787 jobs, or 4.4%.

Trade, Transportation, and Utilities: Trade, Transportation and Utilities employment was up by 1,200 (0.2%) OTM in June. Retail Trade added 1,300 jobs (0.5%) and Transportation, Warehousing and Utilities added 400 (0.3%), while Wholesale Trade was off by 500 (0.4%). On an annual basis, the supersector added 8,143 jobs (1.5%), outpacing the national growth of 0.8%. Wholesale Trade employment was down, shedding 1,663 jobs (1.3%), but that loss was countered by the addition of 5,121 jobs (1.8%) in Retail Trade, and 4,685 jobs (4.2%) in Transportation, Warehousing and Utilities.

Information: Employment in Information was up by 200 (0.4%) OTM in June. It was the first seasonally adjusted monthly growth in the supersector since March. Over the year, Information employers added 1,426 jobs (3.2%), well above the national rate of 0.1%. The growth came primarily outside of the published component sectors (Publishing and Telecommunications), which added a combined 104 jobs.

Financial Activities: The Financial Activities supersector added 800 jobs (0.4%) OTM in June. Finance and Insurance employment was up 600 (0.4%) and Real Estate and Rental and Leasing was up 200 (0.6%). Over the year, the supersector lost 687 jobs (0.4%). It was the only supersector in Minnesota to post negative annual growth in June. Finance and Insurance employers lost 1,093 jobs (0.7%), while Real Estate and Rental and Leasing employment was up by 406 (1.1%).

Professional and Business Services: Professional and Business Services employment was down by 2,500 (0.6%) OTM in June. Administrative and Support and Waste Management and Remediation Services drove the declines, shedding 2,000 jobs (1.5%) OTM. Professional, Scientific and Technical Services was down 700 (0.4%), while Management of Companies employment was up by 200 (0.2%). Over the year, the supersector added 2,940 jobs (0.8%), with growth in all three published component sectors. Administrative and Support and Waste Management and Remediation Services had the largest growth, adding 1,681 jobs, or 1.3%. Employment Services was up 219 (0.4%).

Education and Health Services: Employment in Education and Health Services was up by 100 (0.0%) OTM in June. Health Care and Social Assistance added 600 jobs (0.1%), while Educational Services lost 500 jobs (0.7%). Over the year, the supersector added 24,090 jobs (4.5%), the second-largest proportional growth of any supersector in the state (trailing only Leisure and Hospitality). Educational Services added 5,673 jobs (9.1%) and Health Care and Social Assistance added 18,417 (3.9%). Nursing and Residential Care Facilities, which had been struggling to add workers in 2022, added 5,401 jobs (5.4%) over the year as they continued to build up staff levels.

Leisure and Hospitality: Employment in Leisure and Hospitality was down by 5,300 (1.9%) OTM in June. It was the worst monthly growth of any supersector in the state. Arts, Entertainment and Recreation was down 1,200 (2.4%) and Accommodation and Food Services was down 4,100 (1.8%).

Over the year, Leisure and Hospitality employers added 14,212 jobs, or 5.2%. While it remained the highest proportional annual growth of any supersector, it was down from 7.1% in May as growth in the supersector continued to level off in its long recovery from the fallout of the recent pandemic.

Other Services: Other Services employers added 700 jobs (0.7%) OTM in June. This was the highest proportional growth rate of any supersector in the state. It was the third consecutive month of seasonally adjusted growth from the supersector. Over the year, employment in Other Services was up by 1,999 jobs, or 1.8%. All three component sectors added jobs on the year. Repair and Maintenance had the highest proportional growth, up 2.6%, or 576 jobs.

Government: Government employers added 2,200 jobs (0.5%) OTM in June. There was growth at all three levels of government, but Local Government employers added the most jobs, up 1,800, or 0.6%. Over the year, Government employers added 12,788 jobs, or 3.8%. Local Government employers added 11,406 jobs (4%), with non-education employers adding 8,346 of those jobs. Federal employers added 1,196 jobs (3.8%) and State employers added 186 (0.2%).

Over-the-Year Job Growth by MSAs

June data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	45,105	2.3
Duluth-Superior MN-WI MSA	3,263	2.5
Rochester MSA	3,652	3.0
St. Cloud MSA	2,407	2.3
Mankato MSA	3,576	6.5

May data released by other states, not seasonally adjusted

Note that June data for some Minnesota communities that border another state will be updated by the appropriate government agency in the relevant neighboring state. DEED can only share publicly available information at the time of this publication these MSAs.

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Fargo-Moorhead ND-MN MSA (May)	1,800	1.2
Grand Forks-East Grand Forks ND-MN MSA (May)	1,100	2.1
La Crosse-Onalaska WI-MN (May)	1,500	1.9

**Labor Market Information Office
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