

May 2023 Employment Analysis

(Embargoed until 10 am Thursday, June 15, 2023)

Over-the-Month Overview

- The unemployment rate ticked up one-tenth of a percentage point to 2.9% in May 2023 from the month prior. The labor force size increased by 8,700 over the month to 3,096,367 people. The number of employed increased by 7,218 workers, and the number of unemployed increased by 1,482 people. The labor force participation rate ticked up one-tenth percentage point over-the-month to 68.2%.
- Minnesota gained 7,700 jobs in the last month on a seasonally adjusted basis, or 0.3%. The private sector gained 6,300 jobs, or 0.2%. The U.S. total nonfarm employment increased by 339,000 jobs, or 0.2%. The U.S. private sector gained 283,000 jobs, also 0.2%.
- Six supersectors in Minnesota gained jobs on a seasonally adjusted basis since last month, including:
 - Professional & Business Services gained 2,900 jobs, 0.7%. Growth was concentrated in Administrative & Support Services sector (4.3%), while Professional, Scientific, and Technical Services sector lost jobs (-1.7%).
 - Leisure and Hospitality gained 2,300 jobs, 0.8%. This growth was entirely in Accommodation and Food Services sector (2.5%).
 - Educational and Health Services gained 1,900 jobs, 0.3%
 - Government gained 1,400 jobs, 0.3%, with strongest growth in Local Government sector (1.3%).
 - Construction gained 1,000 jobs, 0.7%
 - Other Services gained 100 jobs, 0.1%
- Manufacturing did not change over-the-month, remaining at 326,000 jobs.
- Four supersectors lost jobs:
 - Trade, Transportation, and Utilities lost 1,100 jobs, down 0.2%, due to losses in Retail Trade (-0.4%) and Wholesale Trade (-0.5%), even though Transportation, Warehousing & Utilities sector experienced growth (0.5%)
 - Information lost 400 jobs, down 0.9%
 - Mining and Logging lost 200 jobs, down 3.0%
 - Financial Activities lost 200 jobs, down 0.1%, due to loss in Real Estate & Rental & Leasing sector (-0.6%)

- Minnesota lost 416,000 jobs from February through April 2020 and has since recovered 409,600 jobs as of May 2023, which brings Minnesota to 99.8% 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 390,100 jobs as of May, fully recovered.
- Translating seasonally adjusted job change into a 3-month moving average series, MN gained 12,000 jobs, up 0.4% in Mar-May; lost 2,600 jobs, down 0.09% in Feb-April; and gained 1,800 jobs, up 0.06% in Jan-Mar. Nationally, all three periods saw growth. The U.S. grew 0.4% in Mar-May, 0.3% in Feb-April, and 0.3% in Jan-Mar.

Over-the-Year Job Growth

- Minnesota gained 56,261 payroll jobs, up 1.9%, over the year. The private sector gained 46,249 jobs, up 1.8% over the year.
- Most supersectors posted positive annual growth, most notably:
 - Leisure & Hospitality continued posting the largest growth of all supersectors (up 19,072 jobs) and again outpaced the national rate (7.3% in MN, 5.4% in the US). All subsectors experienced growth, including Full-Service Restaurants.
 - Education & Health Services continued to be second largest over-the-year growth, up 17,442 jobs (3.2%), with all subsectors posting solid growth.
 - Government grew 10,012 jobs, or 2.4%. All subsectors posted positive growth except State Government Education.
 - Construction gained 1,570 jobs, or 1.1%. Strongest growth was in Heavy and Civil Engineering Construction (4.0%), despite a dip in Residential Building Construction (-2.6%)
- Two supersectors experienced negative over the year:
 - Mining & Logging lost 92 jobs, or 1.4%
 - Financial Activities lost 2,288 jobs, or 1.2%. Biggest decline was in Credit Intermediation and Related Activities (-4.2%)
- U.S. employment grew 2.6% over the year; private sector also grew 2.7%. All supersectors showed gains over the year at a stronger rate than Minnesota except Information, and Leisure & Hospitality.

May 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	56,261	1.9	2.6
Private	46,249	1.8	2.7
Mining & Logging	-92	-1.4	7.2
Construction	1,570	1.1	2.4
Manufacturing	1,405	0.4	1.4
Trade, Transport. & Utilities	3,024	0.6	1.0
Information	990	2.2	0.3
Financial Activities	-2,288	-1.2	0.9
Prof. & Business Services	4,119	1.1	2.4
Ed. & Health Services	17,442	3.2	4.5
Leisure & Hospitality	19,072	7.3	5.4
Other Services	1,007	0.9	3.0
Government	10,012	2.4	2.5

Wage and Hour Data

- Average hourly wages for all private sector workers decreased 89 cents to \$34.99 in May 2023 over the month. Over the year average hourly earnings increased 68 cents, up 2.0%, and since May 2020 they are up 9.9%.
 - Nationally private sector wages decreased 29 cents over the month and increased 3.6% over the year and 12.6% over three years.
 - The CPI inflation index for all urban consumers rose 4.0% over the year in May and 18.6% over 3 years.
- At 33.8 hours per week, Minnesota's May 2023 average work week shortened three-tenth of an hour over-the-month and four-tenth of an hour over the year.
 - Nationally, the average work week shortened four-tenth of an hour over the month to 34.2 hours and decreased six-tenth of an hour over the year.

Unemployment Data

- The unemployment rate ticked up one-tenth of a percent to 2.9% in May 2023 since last month. The number of employed increased 7,218, and the number of unemployed increased 1,482. The employment to population ratio ticked up two-tenths of a percentage point to 66.3%.
- The labor force grew by 8,700 people over the month, total 3,096,367 people in May. The labor force participation rate ticked up one-tenth of a percentage point to 68.2%. Minnesota's growing labor force is still 32,236 people smaller than in February 2020 when the participation rate was at 69.9%.
- Nationally, over the month, the unemployment rate ticked up three-tenths of a percentage point to 3.7% and the employment to population ratio ticked down one-tenth of a percent to 60.3%. The size of the labor force grew 130,000 people. Labor force participation rate remained at 62.6%.

Industry Details

Mining and Logging: Employment in Mining and Logging was off by 200 (3%) over the month (OTM) on a seasonally adjusted basis in May. The decline came on the heels of the addition of 200 jobs in April. Total employment is at 6,500, the same level it was in January of 2023. Over the year, Mining and Logging employers lost 92 jobs (1.4%). It was one of only two supersectors to lose jobs on the year, with Financial Activities.

Construction: Construction employers added 1,000 jobs (0.7%) OTM in May. It was the second highest proportional monthly growth of any supersector in the state. The supersector added 1,900 jobs over the previous two months, after losing 1,300 jobs in March. On an annual basis, Construction employers added 1,570 jobs (1.1%), which was up from 0.5% OTY growth in April. Specialty Trade Contractors added 1,231 jobs (1.4%) and Heavy and Civil Engineering added 782 (4%), while Building Construction was down by 443 (1.5%).

Manufacturing: Employment in Manufacturing was flat in May, holding at 326,000. The supersector has not added jobs over the month since February. So far in 2023, Manufacturing employers have lost 800 jobs. Over the year, employment in Manufacturing was up 1,405, or 0.4%. Durable Goods Manufacturing employment was up 1,903 (0.9%) with particular strength in Fabricated Metal Product Manufacturing (up 821, or 1.8%) and Transportation Equipment Manufacturing (up 501, 4.3%). Non-Durable Goods employers lost 498 jobs, or 0.4%, despite its only published component, Food Manufacturing, adding 182 jobs (0.4%).

Trade, Transportation, and Utilities: Trade, Transportation and Utilities employers lost 1,100 jobs (0.2%) OTM in May. Wholesale Trade lost 700 jobs (0.5%) and Retail Trade lost 1,000 jobs

(0.4%). Transportation, Warehousing and Utilities added 600 jobs (0.5%). On the year, Transportation, Warehousing and Utilities added 3,024 jobs (0.6%), up slightly from April's 0.5% OTY increase. Retail Trade was up 1,307 (0.5%) and Transportation, Warehousing and Utilities added 2,985 (2.6%), while Wholesale Trade employers shed 1,268 jobs, or 1%.

Information: Employment in Information was down by 400 (0.9%) in May, following three consecutive months of flat or positive growth. Over the year, Information employers added 990 jobs, or 2.2%. This was the lowest proportional OTY growth for the supersector since September of 2021.

Financial Activities: Financial Activities employers lost 200 jobs (0.1%) in May. The loss came entirely in Real Estate and Rental and Leasing (down 200, or 0.6%), while employment in Finance and Insurance was flat. On an annual basis, employment in Financial Activities was down 2,288, or 1.2%, with negative growth in both major component sectors. It was one of only two supersectors to lose jobs on the year (along with Mining and Logging).

Professional and Business Services: Employment in Professional and Business Services was up by 2,900 (0.7%) OTM in May. The increase came after two consecutive months of seasonally adjusted declines, during which the supersector lost 3,700 jobs. May's monthly growth was driven by Administrative and Support and Waste Management and Remediation Services, which added 4,300 jobs (3.3%). Management of Companies was up 300 (0.3%), while Professional, Scientific and Technical Services lost 1,700 jobs (1%). Over the year, Professional and Business Services employment was up 4,119, or 1.1%. All three components added jobs on the year, led by Administrative and Support Services, which was up 2,126 jobs or 1.6%. Employment Services was up 540 (0.9%), after posting negative annual growth for the previous three months.

Education and Health Services: Education and Health Services added 1,900 jobs (0.3%) OTM in May. The supersector has not posted negative monthly growth since June of 2022. Component sector Educational Services was up 1,000 (1.4%), and Health Care and Social Assistance was up 900 (0.2%). Over the year, the supersector added 17,442 jobs (3.2%). Educational Services employment was up 2,609 (3.7%). Health Care and Social Assistance was up 14,883 (3.1%). Every published component of the supersector added jobs on the year.

Leisure and Hospitality: Employment in Leisure and Hospitality was up 2,300 (0.8%) OTM in May, posting positive growth for the fourth consecutive month. Accommodation and Food Services was up 2,500 (1.1%), while Arts, Entertainment and Recreation was down by 200 (0.4%). Over the year, Leisure and Hospitality employers added 19,072 jobs, or 7.3%. It was the largest real and proportional growth of any supersector in the state, as employers continue to recover from the effects of the COVID pandemic. Arts, Entertainment and Recreation was up 5,931 (12.6%) and Accommodation and Food Services added 13,141 (6.2%).

Other Services: Other Services employment was up by 100 (0.1%) OTM in May. So far in 2023, the supersector has added 1,700 jobs on a monthly basis. Over the year, Other Services employment

was up 1,007 (0.9%). Religious, Grantmaking, Civic and Professional Organizations drove the growth, adding 1,194 jobs, or 2.1%. Personal and Laundry Services was up 83 (0.3%), while Repair and Maintenance was down by 270 (1.2%).

Government: Government employment was up by 1,400 (0.3%) OTM in May. The growth was driven by Local Government employment, which was up 1,300 (0.5%), possibly due to heavy seasonal effects in education near the end of the school year. Federal employers added 100 jobs (0.3%), and State Government employment was flat. On an annual basis, Government employment was up 10,012 (2.4%). All three levels of government added jobs. Federal was up 890 (2.8%), State employers added 527 jobs (0.5%) and Local employers added 8,595 (3%).

Over-the-Year Job Growth by MSAs

May data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	39,907	2.0
Duluth-Superior MN-WI MSA	547	0.4
Rochester MSA	2,791	2.3
St. Cloud MSA	1,636	1.5
Mankato MSA	2,747	4.9

April data released by other states, not seasonally adjusted

Note that May 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 (April)	2,300	1.6
Grand Forks-East Grand Forks ND-MN MSA (April)	1,300	2.5
La Crosse-Onalaska WI-MN (April)	1,800	2.3

**Labor Market Information Office
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