

## November 2021 Employment Analysis

### Overview

- The unemployment rate ticked down two-tenths of a point to 3.3% in November to its February 2020 level. The decline in November was primarily due to people moving from unemployment to employment although the size of the labor force shrank by 2,575 people. The labor force participation rate ticked down to 67.7%.
- Minnesota gained 8,600 jobs, up 0.3% in November on a seasonally adjusted basis. The private sector gained 10,200 jobs, up 0.4%.
  - October employment was revised upward by 1,500 jobs in the private sector, which was balanced by a downward revision of 1,500 jobs in Government, entirely in Local Government for net revision of zero.
  - Upward revisions in the private sector were largest in Leisure & Hospitality (+1,900), specifically Art, Entertainment & Recreation (+1,700) and Wholesale Trade (+1,000).
- The U.S. gained 210,000 jobs, up 0.1% in November, with the private sector adding 235,000 jobs, up 0.2%.
- Growth has been lumpy and uneven coming out of the pandemic recession. Translating seasonally adjusted job change into a 3-month moving average series, MN added 11,533, up 0.4% in July-Sept and 9,133, up 0.3% in Aug-Oct and 10,600 in Sept-Nov, up 0.4%. Nationally, this compares to 0.4% in July-Sept, 0.3% in Aug-Oct and 0.2% in Sept-Nov.
- Seven supersectors gained jobs and four lost jobs on a seasonally adjusted basis in November.
  - Gains were in Leisure & Hospitality, up 2,900 jobs, Professional & Business Services up 2,100 jobs, Educational & Health Service up 1,600, Construction and Manufacturing each up 1,500 jobs, Other Services up 1,200 jobs and Trade, Transportation & Utilities up 600 jobs.
  - Losses were in Government down 1,600 jobs, Information down 700 jobs, Financial Activities, down 400 jobs and Mining & Logging down 100 jobs.
- Minnesota lost 416,300 jobs from February through April 2020 and has since gained 304,400 jobs, or 73% of the jobs lost on a seasonally adjusted basis. The private sector has regained 77% of the jobs lost.

## Over the Year

- Minnesota gained 114,609 payroll jobs, up 4.1%, over the year. The private sector gained 115,950 jobs, up 4.9% over the year. These gains put total nonfarm employment 106,640 jobs short of November 2019 employment and 86,154 jobs short in the private sector.
- Information and Financial Activities continued to show over the year losses, down 1,265 (-3.1%) and 3,353 (-1.7%) respectively. Government also showed over the year losses, down 1,341 or 0.3%. This is the second month that Government shows losses after the downward October revision.
- Education & Health Services added only 1,498 jobs, up 0.3% over the year, the result of losses in Nursing and Residential Care Facilities (down 5,500 jobs over the year in November).
- U.S. employment grew 4.1% over the year with the private sector up 4.6% in November. All supersectors showed gains over the year.
- For the second time this year, Minnesota's private sector over the year job growth exceeded the nation (revisions brought June 2021 job growth in MN to 7.0% compared to 6.5% nationwide). The same four supersectors in Minnesota show strength over the year compared to the U.S. as was the case last month: Leisure & Hospitality, Construction, Professional & Business Services and Manufacturing.
- As happens every year, Leisure & Hospitality actually lost jobs on an unadjusted basis over the month in November, but fewer than is typical. This may be a period when the supersector can retain some of the talent that they would normally let go during the fall to make up for hiring difficulties during the summer. Over the year gains in MN continued to outpace those of the U.S. in all comparable industries.
- In Construction, over the year gains in Minnesota outpaced U.S. gains in all comparable industries. Employment in Construction the highest on record for a November since 2005.
- Professional & Business Services over the year growth in MN outpaced U.S. employment growth in all three component sectors: Professional, Scientific & Technical, Management of Companies and Administrative & Support Services. In Admin & Support, Temp help grew by 14.1% over the year in MN compared to 10.9% nationwide.
- Manufacturing employers added 15,106 jobs (4.9%) in MN over the year, it was the largest proportional OTY growth for the supersector in its publication history (1991). Strength in Manufacturing in Minnesota compared to the nation continued in both Durable and Nondurable Goods components in November. Strength in Durable Goods was in Wood Products and Transportation Equipment, while strength in Nondurable Goods continued to be in Food Manufacturing among comparable industries.

November 2021 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	+114,609	+4.1%	+4.1%
Private	+115,950	+4.9%	+4.6%
Mining & Logging	+21	+0.3%	+8.2%
Construction	+10,440	+8.5%	+2.6%
Manufacturing	+15,106	+4.9%	+3.0%
Trade, Transport. & Utilities	+11,489	+2.2%	+3.0%
Information	-1,265	-3.1%	+5.2%
Financial Activities	-3,353	-1.7%	+1.7%
Prof. & Business Services	+24,201	+6.8%	+5.5%
Ed. & Health Services	+1,498	+0.3%	+2.1%
Leisure & Hospitality	+52,424	+27.2%	+14.3%
Other Services	+5,389	+5.3%	+5.6%
Government	-1,341	-0.3%	+1.4%

### Wage and Hour Data

- Average hourly earnings for all private sector workers rose 42 cents to \$33.79 in November over the month. Over the year average hourly earnings rose \$1.73, up 5.4% and since November 2019 they are up 9.5%.
  - Nationally private sector wages rose 4.1% over the year and 9.6% over two years.
  - The CPI inflation index for all urban consumers rose 6.8% over the year in November and 8.1% over 2 years.
- At 34.2 hours per week, November's average work week was down three-tenths of an hour from Oct and four-tenths over the year. Over the year this was a 1.2% decline but over 2 years, hours increased 1.8%.
  - Nationally, hours rose 0.3% over the month but declined four-tenths of an hour over the year. Over the year, this was a 1.1% decline and a 1.5% increase over 2 years.

### Unemployment Data

- The unemployment rate again ticked down two-tenth of a point to 3.3% in November.
- The number of employed rose by 3,556 people to 2,929,383 workers, and the number of unemployed fell by 6,131 to 100,247. The employment to population ratio ticked up to 65.5%, the highest it's been since March 2020 when it was 67.7%.

- The labor force shrank by 2,575 people, with labor force participation ticking down to 67.7%. The labor force is 87,451 workers smaller than in February 2020 when the participation rate was at 70.2%.
- Nationally, the unemployment rate fell four-tenths of a percentage point to 4.2% and the employment to population ratio rose four-tenth point to 59.2%. The size of the labor force increased by 594,000, pushing the labor force participation rate up two-tenths to 61.8% in November.
- Based on 12-month moving average **unemployment rates by race** in November are as follows (*source: CPS Demecon, 12-month moving averages*):

Month/Year	Total	White	Black	Hispanic
November-2021	3.9%	3.7%	5.3%	4.3%
October-2021	4.0%	3.9%	4.9%	4.9%
November-2020	5.8%	5.5%	9.2%	7.9%

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

- The table below adds together the unemployment rate and change in the labor force participation rate. This represents the total share of Minnesotans in Oct 2021 (and Sept 2021 and Oct 2020) who are either actively seeking work or who would have been expected to be working or looking for work if it wasn't for the impact of the pandemic.

Month/Year	Total	Black	Hispanic	White
November-2021	6.3%	10.0%	2.8%	5.6%
October-2021	6.3%	9.3%	4.4%	5.7%
November-2020	6.6%	15.3%	8.2%	5.8%

*These **alternative unemployment rates** are calculated from 12-month moving average CPS Demecon data.*

## Details

**Mining and Logging:** Employment in Mining and Logging was down by 100 (1.6%) over the month (OTM) in November. Seasonally adjusted employment in the supersector has stayed in the 6,200-to-6,400 job range since July 2020. Over the year (OTY), the supersector added 21 jobs, or 0.3%, after being up by 4.4% OTY in October.

**Construction:** Construction employment was up by 1,500 (1.2%) in November, after having declined by 500 jobs in October. The total employment level of 131,700 was the highest for the supersector since 2006. Over the year, employers in Construction added 10,440 jobs, or 8.5%. It was the second highest proportional growth of any supersector in the state (trailing only Leisure and Hospitality). Building construction was up 10% (2,754 jobs), Heavy and Civil Engineering was up 11.2% (1,929 jobs) and Specialty Trade Contractors employment was up 7.4% (5,757 jobs).

**Manufacturing:** Manufacturing employment was up by 1,500 (0.5%) OTM in November. The growth came entirely from Durable Goods Manufacturing, where employment was up 2,100 (1%). Employment in Non-Durable Goods Manufacturing was down 600 (0.5%) on the month. Over the year, Manufacturing employers added 15,106 jobs (4.9%). This was the largest proportional OTY growth for the supersector in its publication history (1991). Durable Goods Manufacturing added 10,881 jobs (5.6%), and Non-Durable Goods Manufacturing added 4,225 (3.8%).

**Trade, Transportation, and Utilities:** Trade, Transportation, and Utilities employment was up by 600 (0.1%) OTM in November. The growth was due entirely to Transportation, Warehousing, and Utilities, which added 1,900 jobs (1.8%). The other two component sectors lost jobs, with Wholesale Trade off 700 (0.6%) and Retail Trade off 600 (0.2%). On an annual basis, the supersector added 11,489 jobs (2.2%). All three major component sectors added jobs, with Wholesale Trade up 0.5% (578 jobs), Retail Trade up 1.7% (4,898 jobs) and Transportation, Warehousing, and Utilities was up 5.7% (6,013 jobs).

**Information:** Information employers lost 700 jobs, or 1.7%, on a seasonally adjusted basis in November. It was the largest proportional decline of any supersector in the state. Over the year, Information employers lost 1,265 jobs, or 3.1%. It was the largest proportional annual decline of any supersector in the state, with both published component sectors shedding jobs.

**Financial Activities:** Employment in Financial Activities was down 400 (0.2%) OTM in November. Real Estate and Rental and Leasing added 200 jobs (0.6%), while Finance and Insurance employment was off by 600 (0.4%). Over the year, the supersector lost 3,353 jobs (1.7%). The declines came entirely in Finance and Insurance, which shed 3,749 jobs (2.3%), with Credit Intermediation and Related Activities losing 4,544 jobs, or 6.7%. Real Estate and Rental and Leasing employment was up 396, or 1.2%.

**Professional and Business Services:** Professional and Business Services employment was up 2,100 (0.6%) OTM in November, with growth in all three component sectors. Professional, Scientific, and Technical Services added 1,400 jobs (0.95%), while Management of Companies added 600 jobs (0.7%) and Administrative and Support Services added 100 (0.1%). It was the ninth consecutive month of seasonally adjusted growth for the supersector. On an annual basis, Professional and Business Services added 24,201 jobs, or 6.8%. It was the third-largest proportional growth of any supersector, trailing Leisure and Hospitality and Construction. All three component sectors added jobs, with the largest proportional growth coming in Administrative and Support Services, where employment was up 9.4% (11,261 jobs) due in large part to growth of 14.1% (6,984 jobs) in Employment Services.

**Education and Health Services:** Education and Health Services employment was up by 1,600 (0.3%) OTM in November. Educational Services added 1,200 jobs (1.7%) and Health Care and Social Assistance added 400 jobs (0.1%). It was the third consecutive month of seasonally adjusted growth for the supersector. Over the year, Education and Health Services employment was up by 1,498 (0.3%). Educational Services added 3,824 jobs, or 5.2%. However, Health Care and Social Assistance employment was down by 2,326 jobs, or 0.5%, due primarily do the loss of 5,517 jobs (5.3%) in Nursing and Residential Care facilities.

**Leisure and Hospitality:** Leisure and Hospitality employment was up by 2,900 (1.2%) in November, with Arts, Entertainment and Recreation adding 2,100 jobs (4.8%) and Accommodation and Food Services adding 800 (0.4%). Over the year, Leisure and Hospitality employers added 52,424 jobs, or 27.2%. It was the largest real and proportional annual growth of any supersector in the state, as employers continue to build back from the massive employment losses suffered due to the COVID pandemic.

**Other Services:** Employment in Other Services was up by 1,200 (1.1%) in November. On an annual basis, Other Services employers added 5,389 jobs, or 5.3%. Repair and Maintenance drove the growth, up 10.4%, or 2,109 jobs, while Religious, Grantmaking, Civic and Professional Organization employment was up 7.1% (3,856 jobs). Personal and Laundry Services lost 576 jobs (2.2%).

**Government:** Government employers lost 1,600 jobs (0.4%) in November. Local Government employers lost 1,800 jobs (0.6%) and Federal Government employers lost 100 jobs (0.3%) while State employers added 300 jobs (0.3%). Over the year, Government employment was down 1,341 jobs, or 0.3%. It was one of just three supersectors to lose jobs on an annual basis. The declines came at both the State (down 2,283, or 2.3%) and Federal (down 310, or 1%) levels. Local Government employment was up 1,252, or 0.4%, with Local Government Education up 1,669, or 1.2%.

**Regional:** Over the year growth rates rose in all MSAs except Duluth-Superior. This was a result of a strong November 2021 compared to a weak November 2020. Over the year job growth is now strongest in Minneapolis-St. Paul and Rochester MSAs and weakest in Duluth-Superior, which fell to 2.5%.

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	+68,883	+3.7%
Duluth-Superior MN-WI MSA	+3,189	+2.5%
Rochester MSA	+4,415	+3.7%
St. Cloud MSA	+2,975	+2.8%
Mankato MSA	+1,554	+2.8%

## Outlook

- Minnesota’s labor market continued healthy job growth in November, at close to the same pace as last month.
- In this tight labor market, employers are better utilizing their workforces. Involuntary part time (also known as part time for economic reasons) fell again in November by 800 people on a 12-month moving average basis. At 35,400 it remains less than 5,000 above the lowest level on record dating back to 2001.
- The number of long term unemployed – workers unemployed for 27 weeks or more - dropped for the third straight month in November, to 36,600. This is still high by historical standards – the number was 11,100 in February 2020 prior to the pandemic.

- The average hourly wage increase for all private sector workers, at 5.4% over the year, dropped below inflation at 6.8% (a 39 year high) in November.
  - Over two years the comparison was 9.5% for private sector wages in MN compared to 8.1% inflation.
  - Nationally private sector wages rose 4.1% over the year and 9.6% over two years.
- High demand, low wage jobs are seeing greater average wage increases.
  - The avg wage for production workers in Food Service and Drinking Places, at \$16.99, rose 15.7% over the year and 17.2% over two years.
  - The average wage for production workers in Nursing & Residential Care Facilities, at \$20.64 in November, rose 7.7% over the year and 9.7% over two years. This is way up from the first 9 months of 2021 during which the highest annual increase was 2.9% in August.
  - The average wage for production workers in Retail Trade had been showing strong increases earlier in the year but has since slowed. At \$17.62, the avg wage was up only 1% over the year and 6.4% over 2 years. This may be the result of bringing on new, part-time, temporary staff for the holiday season.

**Labor Market Information Office**

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