

October 2022 Employment Analysis

Seasonally Adjusted Jobs and Unemployment

- The unemployment rate ticked up one-tenth of a point to 2.1% in October 2022 as a result of an increase of 4,198 in the number of unemployed. The labor force participation rate ticked down one-tenth of a point to 68.0% as 4,719 people exited the labor market.
- The unemployment rate ticked up for Hispanic workers to 3.8% but down for Black workers to 5% and white workers to 2.1% in Minnesota in October over the month. (Numbers are based on 12-month moving average Demecon data from the Current Population Survey.)
- On a seasonally adjusted basis Minnesota gained 17,400 jobs in October, up 0.6% from September, following the addition of 3,100 jobs (revised) in September. The private sector gained all 17,400 of the jobs in October, up 0.7%, while Government was flat over the month.
 - September employment was revised downward by 1,100 jobs in total and 900 in the private sector.
- The U.S. gained 261,000 jobs in October, up 0.2% from September, with the private sector adding 233,000 jobs, up 0.2% on a seasonally adjusted basis.
- Growth has been uneven coming out of the pandemic recession. Comparing Minnesota to the U.S. year-to-date, Minnesota employment has grown 3% since January 2022 while the U.S. has grown 2.4%. Over the last three months, August to October, Minnesota has grown 0.7% while the U.S. has grown 0.4%.
- Here are noteworthy supersectors that gained or lost jobs on a seasonally adjusted basis in October:
 - Gains were in Leisure & Hospitality, up 8,800 jobs or 3.5%, Professional & Business Services, up 4,300 jobs or 1.1% and Manufacturing up 1,300 jobs or 0.4%. And finally, although overall Education & Health Services was only up 700 jobs or 0.1%, with Educational Services losing 1,100 jobs down 1.5%, the Health Care & Social Assistance portion of the supersector added 1,800 jobs, up 0.4%.
 - No supersector lost jobs over the month. However, Government was flat with Local Government down 200 jobs or 0.1% and Construction, Information and Mining & Logging were also all flat over the month.
- Minnesota lost 417,600 jobs from February through April 2020 and has since gained 376,600 jobs as of October, or 90% of the jobs that were lost during the Pandemic Recession, on a seasonally adjusted basis. The private sector has regained 366,600 jobs, or 95% of the jobs lost during that period. Overall, this means that we are still 1.4% (41,000 jobs) below the total number of payroll jobs prior to the pandemic in MN while the U.S. has surpassed (as of June) the total number of jobs prior to the pandemic.

Over the Year Job Growth

- Minnesota gained 102,931 payroll jobs, up 3.6%, over the year. The private sector gained 98,685 jobs, up 4.0% over the year.
- All supersectors posted positive over the year (OTY) employment growth with the exception of Mining & Logging.
 - Education and Health Services grew 4% with the addition of 21,456 jobs OTY. Educational Services grew 6.4% while Health Care and Social Assistance grew 3.6%. Nursing and residential care facilities grew 0.2%, up from last month, the second month in a row to show over the year growth after losing jobs over the year since April 2020.
 - Manufacturing posted 14,570 additional jobs, up 4.6% OTY. All published sectors showed growth, though the Durable Goods sector drove the growth, adding 11,882 jobs, or 5.9%. Manufacturing employment growth continued to be stronger than the nation, which was at 3.5% OTY.
 - Professional & Business Services grew 6% OTY (22,717 jobs). Administrative and Support & Waste Management Services, led growth up 9% (11,820 jobs) with Employment Services (temp help) up 7.2% (4,264) jobs. Professional, Scientific, and Technical Services grew 5.4% (8,618 jobs). Management of Companies gained 2,279 jobs OTY up 2.6%.
 - Leisure & Hospitality continued to post the highest OTY growth of all the supersectors, up 9.2% with the addition of 21,726 jobs. Arts, Entertainment & Recreation was up 24% OTY while Accommodations & Food Service was up 6.3%. October was unseasonably warm which may have helped to drive strength in this sector.
 - Mining & Logging lost 340 jobs, down 5%.
- U.S. employment grew 3.4% OTY with the private sector up 3.8% in October. All supersectors showed gains OTY.
- Minnesota's OTY job growth in October outperformed that of the nation in total payroll employment and private sector employment as well as in 5 supersectors: Manufacturing, Professional & Business Services, Education & Health Services, Leisure & Hospitality and Other Services.

October 2022 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	+102,931	+3.6%	+3.4%
Private	+98,685	+4.0%	+3.8%
Mining & Logging	-340	-5.0%	+9.4%
Construction	+2,916	+2.1%	+3.3%
Manufacturing	+14,570	+4.6%	+3.5%
Trade, Transport. & Utilities	+11,134	+2.2%	+2.7%
Information	+342	+0.8%	+5.4%
Financial Activities	+351	+0.2%	+1.7%
Prof. & Business Services	+22,717	+6.0%	+3.8%
Ed. & Health Services	+21,456	+4.0%	+3.8%
Leisure & Hospitality	+21,726	+9.2%	+7.4%
Other Services	+3,813	+3.6%	+3.2%
Government	+4,246	+1.0%	+1.1%

Wage and Hour Data

- Average hourly wages for all private sector workers rose 39 cents to \$35.38 in October over the month. Over the year average hourly earnings rose \$2.03, up 6.1%. Over two years, average hourly earnings increased \$3.94 or 8.4%.
 - Nationally private sector wages rose 35 cents (1.1%) over the month to \$32.75, up 5.4% OTY and up 11.2% over two years.
 - The CPI inflation index for all urban consumers rose 7.7% over the year and 14.5% over two years.
- At 34.3 hours per week, October's average work week was up 0.9% from September and down 0.6% from last year.
 - Nationally, the average work week was up 1.2% to 34.9 hours per week over the month and up 0.6% over the year.

Unemployment Data

- The unemployment rate ticked up one-tenth of a point 2.1% in October with the addition of 4,198 unemployed people.
- There were 8,917 fewer employed people over the month in October resulting in a decrease of two-tenths of a point in the employment-to-population, now at 66.5%.
- The labor force declined by 4,719 with the labor force participation rate down one-tenths of a point to 68.0%.

- Nationally, the unemployment rate ticked up two-tenths of a point to 3.7% and the employment-to-population ratio ticked down one-tenth to 60.0% over the month. The size of the labor force shrank by 22,000 workers, with the labor force participation rate down one-tenth to 62.2%.
- Over the last three months Minnesota’s labor force has declined 0.3% while the U.S. has remained steady. Year to date, Minnesota’s labor force has grown 0.9% compared to 0.6% nationwide.
- Based on 12-month moving averages, Minnesota’s **unemployment rates by race** are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	Black	Hispanic	White
October-2022	2.6%	5.0%	3.8%	2.1%
September-2022	2.7%	5.9%	3.7%	2.2%
October-2021	4%	4.9%	4.9%	3.9%
February-2020	3.1%	4.5%	5.0%	3.0%

- Note that the estimates presented below differ from the official statewide estimate because they are calculated from 12 months of data rather than a single month.*
- Based on 12-month moving averages, Minnesota’s **employment-to-population ratios by race** are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	Black	Hispanic	White
October-2022	66.6%	65.6%	74.3%	66.7%
September-2022	66.6%	63.6%	76.2%	66.9%
October-2021	65%	63.6%	73.1%	65.4%
February-2020	67.8%	68.2%	72.5%	67.8%

- Based on 12-month moving averages, Minnesota’s **labor force participation rates by race** are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	Black	Hispanic	White
October-2022	68.4%	69.1%	77.2%	68.1%
September-2022	68.4%	67.7%	79.1%	68.4%
October-2021	67.7%	66.9%	76.8%	68.1%
February 2020	70.0%	71.3%	76.3%	69.9%

- October estimates show that the labor force participation rate for Black workers is once again higher than for white workers in Minnesota although Hispanic labor force participation remains the highest of all three groups. Labor force participation rates are strongly impacted by age distributions.

Industry Details

Mining and Logging: Employment in Mining and Logging was flat over the month (OTM) on a seasonally adjusted basis in October as the supersector held at 6,300 jobs, which is down from the 2022 high of 6,800 jobs, in March. Over the year, the supersector lost 340 jobs (5%). It was the only published supersector to post negative annual growth.

Construction: Construction employment was flat in October remaining at 132,300 jobs after increasing by 1,100 jobs in September. On an annual basis, Construction employers added 2,916 jobs (2.1%), with growth in all three published component sectors. Building Construction added 763 jobs (2.6%), Heavy and Civil Engineering added 1,204 jobs (5.2%) and Specialty Trade Contractors added 949 (1.1%). Annual growth was up from 1% in September, after having been in negative growth in July and August.

Manufacturing: Employment in Manufacturing was up 1,300 (0.4%) on a seasonally adjusted basis in October. Durable Goods Manufacturing was up 800 (0.4%) and Non-Durable Goods was up 500 (0.4%). On the year, Manufacturing employers added 14,570 jobs (4.6%), the third-largest proportional growth of any supersector in the state (trailing only Leisure and Hospitality and Professional and Business Services). Durable Goods Manufacturing was up 11,882 (5.9%) while their counterparts in Non-Durable Goods added 2,688 jobs (2.3%).

Trade, Transportation, and Utilities: The Trade, Transportation, and Utilities supersector added 1,400 jobs (0.3%) OTM in October. The growth was primarily in Transportation, Warehousing, and Utilities, which added 1,500 jobs (1.4%). Wholesale Trade added 300 jobs (0.2%) while Retail Trade lost 400 (0.1%). On an annual basis, the supersector added 11,134 jobs (2.2%). The largest growth was in Transportation, Warehousing, and Utilities, which was up 4.5% (4,789 jobs). Wholesale Trade was up 2.1% (2,581 jobs) and Retail Trade was up 1.3% (3,764 jobs).

Information: Information employment was flat in October, holding steady at a seasonally adjusted 43,300 jobs, which is up 100 jobs from the beginning on the year. On an annual basis, Information employers added 342 jobs (0.8%). However, both published component sectors posted negative growth, with Publishing Industries (except Internet) losing 438 jobs or 2.5% and Telecommunications losing 153 jobs or 1.6%.

Financial Activities: Employment in Financial Activities was up 800 (0.4%) in October. All of that growth came in Finance and Insurance (up 0.5%) as employment in Real Estate and Rental and Leasing was flat. Over the year, Financial Activities employment was up 351 (0.2%). Real Estate and Rental and Leasing added 1,250 jobs (3.6%) but that growth was countered by a loss of 899 jobs (0.6%) in Finance and Insurance employment.

Professional and Business Services: Professional and Business Services employment was up 4,300 (1.1%) OTM in October. There was growth in all three component sectors, but it was led by Administrative Support and Waste Management and Remediation Services, which added 3,800 jobs, or 2.8%. On an annual basis, the supersector added 22,717 jobs, or 6%. This was the second-highest proportional growth of any supersector in the state, trailing only Leisure and Hospitality. While all

three component sectors posted positive growth, Administrative Support and Waste Management and Remediation Services added 11,820 jobs, or 9%. Component Employment Services, which is watched as a possible leading indicator of the labor market, added 4,264 jobs, or 7.2%.

Education and Health Services: Employment in Education and Health Services was up 700 (0.1%) OTM in October. Health Care and Social Assistance added 1,800 jobs (0.4%), while Educational Services lost 1,100 jobs (1.5%). Over the year, the supersector added 21,456 jobs, or 4%. Educational Services added 4,534 jobs (6.4%) and Health Care and Social Assistance added 16,922 (3.6%). Employment in Nursing and Residential Care Facilities was up by 218, or 0.2%. Employers in this sector have experienced significant difficulties hiring recently, and this is the first time the sector has posted annual job growth since early 2020.

Leisure and Hospitality: Leisure and Hospitality employers added 8,800 jobs (3.5%) on a seasonally adjusted basis in October. Arts, Entertainment, and Recreation added 4,300 jobs (9.9%) and Accommodation and Food Services added 4,500 (2.2%). Over the year, the supersector added 21,726 jobs or 9.2%. This was the highest proportional growth of any supersector in the state. Employment in the highly seasonal Arts, Entertainment, and Recreation sector was up 24%, or 9,203 jobs, while Accommodation and Food Services, which makes up the much larger portion of the supersector, was up 6.3% (12,523 jobs).

Other Services: Employment in Other Services was up by 100 (0.1%) OTM in October after losing 700 jobs (0.6%) in September. On the year, Other Services employers added 3,813 jobs, or 3.6%. Religious, Grantmaking, Civic, Professional and Similar Organizations drove the growth, adding 2,926 jobs or 5%. Personal and Laundry Services added 823 jobs (3.3%) and Repair and Maintenance added 64 jobs (0.3%).

Government: Government employment was flat in October, holding at 407,000 jobs. State employers added 200 jobs (0.2%), Local employers lost 200 (0.1%) and Federal level employment was flat. Over the year, the supersector added 4,246 jobs (1%). Local employers added 4,674 jobs (1.7%) with growth in both education and non-education component sectors. State employers added 202 jobs (0.2%) while Federal employers lost 630 jobs (2%) due in large part to a loss of 472 jobs (4%) in the U.S. Postal Service.

Regional Details

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	+81,734	+4.2%
Duluth-Superior MN-WI MSA	+3,285	+2.5%
Rochester MSA	+4,444	+3.6%
St. Cloud MSA	+2,572	+2.4%
Mankato MSA	+639	+1.1%
Fargo-Moorhead ND-MN MSA (Sept)	+1,700	+1.2%
Grand Forks-East Grand Forks ND-MN MSA (Sept)	+100	+0.2%
La Crosse-Onalaska WI-MN (Sept)	+1,300	+1.7%

Outlook

- Minnesota has now seen job growth for 13 straight months. The U.S. growth streak is even longer at 20 months.
- The third uptick in a row in the number of unemployed, while not looked for, could signal slightly improved labor availability coming into the autumn months.
- The number of involuntary parttime workers ticked down again to 26,100 in October, another all-time low for this series. These low numbers indicate that workers don't need to settle for parttime jobs when they prefer full time jobs and is another sign of the very tight labor market.
- Teen (16-19) labor force participation, at 52.4% in October (12-month moving avg) has made gains in the last 2 years. Teen unemployment is also very low at 6.8%, indicating that this group of workers is in demand to fill jobs that employers are having more difficulty finding adults to fill in a very tight labor market.
- Despite plentiful job opportunities, we continue to struggle to add labor force with four months of losses, now down 19,037 people since its peak this year in June. But to put that in perspective, year-to-date Minnesota's labor force is still growing faster than the U.S., up 0.9% year to date compared to 0.6% nationwide.
- Wages grew even faster in October than in September, up 6.1% overall, although still slower than inflation, with the CPI down somewhat to 7.7% in October. While not all sectors have published hourly earnings in Minnesota, of those that do, the following show the strongest over the year increases among sectors.
 - Nursing & Residential Care up 13.1% over the year and 20% over 2 years. Current hourly earnings for production workers are \$22.34. Probably in part thanks to increasing wages, Nursing and Residential Care facilities showed a second month of positive OTY job growth.
 - Professional & Business Services up 9.2% over the year and 17.2% over two years. Hourly earnings for all workers are now \$41.22.
 - Construction up 11.6% over the year and 19.8% over two years. Hourly earnings for all workers are now \$40.71.
 - Non-durable Goods Manufacturing up 8.9% over the year and 17.4% over two years. Hourly earnings for production workers are now \$25.85.
 - Food Service & Drinking Places up 6.4% over the year and 16.8% over 2 years. Hourly earnings for production workers are now \$17.74.