

# August 2024 Employment Analysis

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## Over-the-Month Overview

- Minnesota's unemployment rate increased to 3.3% in August 2024, one-tenth of a percentage point higher than the prior month. Nationally, over the month, the unemployment rate ticked down one-tenth of a percentage point to 4.2%.
- Minnesota's labor force decreased by 248 people over the month to 3,093,892 people. The number of employed decreased by 5,927 workers, and the number of unemployed increased by 5,679 people. The labor force participation rate ticked down one-tenth of a percentage point to 67.7% over the month.
- Minnesota gained 14,400 jobs in the last month on a seasonally adjusted basis, translating to 0.5% growth. The private sector gained 13,000 jobs, also up 0.5%. The U.S. total nonfarm employment increased by 142,000 jobs, or 0.1%. The U.S. private sector gained 118,000 jobs, also up 0.1%.
- Eight supersectors in Minnesota gained jobs on a seasonally adjusted basis since the prior month:
  - Leisure and Hospitality gained 4,300 jobs, up 1.6%
  - Education and Health Services gained 4,200 jobs, up 0.7%
  - Professional & Business Services gained 3,900 jobs, up 1.1%
  - Government gained 1,400 jobs, up 0.3%
  - Trade, Transportation and Utilities gained 1,000 jobs, up 0.2%
  - Other Services gained 800 jobs, up 0.7%
  - Information gained 400 jobs, up 1.0%
  - Financial Activities gained 100 jobs, up 0.1%
- Three supersectors lost jobs over the month:
  - Construction lost 900 jobs, down 0.7%
  - Manufacturing lost 700 jobs, down 0.2%
  - Mining & Logging lost 100 jobs, down 1.5%
- Minnesota lost 414,500 jobs from February through April 2020 and has since recovered 449,200 jobs as of August 2024, which brings Minnesota to 101.2% 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 406,200 jobs as of August, or 100.9% recovered.
- Calculating seasonally adjusted 2-month job change, Minnesota lost 13,800 jobs in April-June, down 0.46%; lost 5,000 jobs in May-July, down 0.17%; and gained 16,900 jobs in June-August, up 0.56%. Nationally, the U.S. grew 0.2% in April-June; grew 0.1% in May-July; and grew 0.1% in June-August.

## Over-the-Year Job Growth

- Minnesota gained 41,695 payroll jobs, up 1.4%, over the year. The private sector gained 20,562 jobs, up 0.8% over the year.
- Five supersectors posted positive annual growth in Minnesota:
  - Education and Health Services gained 39,968 jobs, up 7.1% for Minnesota, outpacing the national rate of 3.9%. Growth was strong in all subsectors.
  - Government gained 21,133 jobs, up 5.4%, more than twice outpacing the U.S. growth rate of 1.9%. Growth was healthy across almost all subsectors except US Postal Service (-0.4%).
  - Leisure and Hospitality gained 5,523 jobs, up 1.9%. Most subsectors grew except Arts, Entertainment, and Recreation (-4.2%) and Accommodation (-4.9%) subsectors. Nationally, this supersector grew 1.7%.
  - Other Services gained 3,233 jobs, up 2.8%. All subsectors posted growth in Minnesota. Nationally, this supersector grew 1.1%.
  - Trade, Transportation, and Utilities gained 794 jobs, up 0.1%. Retail Trade declined 0.2% and Wholesale Trade declined 1.6%, while Transportation, Warehousing, and Utilities grew 0.4%. Nationally, this supersector grew 0.8%.
- Six supersectors lost jobs over the year in Minnesota:
  - Professional & Business Services lost 12,579 jobs, down 3.2%, while the U.S. grew 0.4%. Notable declines were in Management of Companies and Enterprises (-4.4%), Employment Services (-5.4%), Services to Buildings and Dwellings (-5.5%), and Computer Systems Design and Related Services (-2.5%).
  - Manufacturing lost 6,904 jobs, down 2.1%. All subsectors experienced decline in Minnesota except Food Manufacturing (2.0%) and Transportation Equipment Manufacturing (0.2%). The U.S. Manufacturing supersector also declined (-0.1%).
  - Financial Activities lost 4,716 jobs over the year, down 2.5%. Losses happened in all subsectors. Nationally, this supersector grew 0.4%.
  - Information lost 2,365 jobs, down 5.3%. All subsectors saw decline in Minnesota. The U.S. Information supersector grew 0.1%.
  - Construction lost 2,242 jobs, down 1.5%. All subsectors experienced loss in Minnesota except Building Equipment Contractors (1.5%). The U.S. Construction supersector grew 2.8%.
  - Mining and Logging lost 150 jobs, down 2.2% in Minnesota. The U.S. also declined in this supersector, down 1.2%.
- Overall U.S. employment grew 1.5% over the year with the private sector up 1.4%. All supersectors grew except Manufacturing and Mining & Logging.

<b>August Over the Year (OTY) Employment Growth by Industry Sector Not Seasonally Adjusted</b>			
Industry Supersector	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	41,695	1.4	1.5
Private	20,562	0.8	1.4
Mining & Logging	-150	-2.2	-1.2
Construction	-2,242	-1.5	2.8
Manufacturing	-6,904	-2.1	-0.1
Trade, Transport. & Utilities	794	0.1	0.7
Information	-2,365	-5.3	0.1
Financial Activities	-4,716	-2.5	0.4
Prof. & Business Services	-12,579	-3.2	0.4
Ed. & Health Services	39,968	7.1	3.9
Leisure & Hospitality	5,523	1.9	1.7
Other Services	3,233	2.8	1.1
Government	21,133	5.4	1.9

## Wage and Hour Data

- Average hourly wages for all private sector workers increased 9 cents to \$37.74 in August 2024 over the month. Over the year average hourly earnings increased \$2.11, up 5.9%.
  - For the U.S., private sector wages increased 8 cents over the month and grew 3.8% over the year.
  - The CPI inflation index for all urban consumers rose 2.5% over the year in August.
- At 33.1 hours per week, Minnesota’s August average work week remained the same over the month. Over-the-year it decreased seven-tenths of an hour.
  - Nationally, the average work week increased two-tenths of an hour over the month to 34.3 hours. Over-the-year, it decreased one-tenth of an hour.

## Unemployment Data

- Over the month, the unemployment rate increased one-tenth of a percentage point to 3.3% in August on a seasonally adjusted basis. The number of employed decreased by 5,927 workers, and the number of unemployed increased 5,679. The employment to population ratio ticked down two-tenths of a percentage point to 65.4% from the prior month.
- The labor force decreased 248 people over the month, totaling 3,093,892 people in August. The labor force participation rate decreased one-tenth of a percentage point to 67.7%. Minnesota’s labor force was 37,676 people fewer than in February 2020 when the participation rate was at 70%.

- Nationally, over the month, the unemployment rate ticked down one-tenth of a percentage point to 4.2% and the employment to population ratio remained at 60.0%. The labor force participation stayed constant at 62.7% over the month.

## Industry Details

**Mining and Logging:** Employment in Mining and Logging was down by 100 (1.5%) over the month (OTM) in August, on a seasonally adjusted basis. The supersector has lost jobs in six of eight months so far in 2024. Over the year (OTY), employment in Mining and Logging was down 150 jobs (2.2%) in August. The supersector has posted negative annual growth in each of the past three months.

**Construction:** Construction employment was down by 900 (0.7%) OTM in August. It was the second consecutive month of seasonally adjusted job losses in the supersector. Over the year, Construction employers lost 2,242 jobs (1.5%). All but one component sector lost jobs, with Building Equipment Contractors posting the only positive growth, up 633, or 1.5%. Specialty Trade Contractors lost 1,706 jobs (1.8%) and Construction of Buildings was down by 472 (1.4%).

**Manufacturing:** Employment in Manufacturing was down by 700 (0.2%) OTM in August. Employment in both component sectors was down 0.2%, with Durable Goods Manufacturing losing 500 jobs and Non-Durable Goods Manufacturing down 200 jobs. Over the year, Manufacturing employers lost 6,904 jobs (2.1%). Most of that loss came in Durable Goods, which was down 6,249 (3%) with negative growth in every published component sector. Non-Durable Goods was down 475 (0.4%) despite the addition of 979 jobs (2%) in Food Manufacturing, the only published major component sector.

**Trade, Transportation, and Utilities:** Trade, Transportation and Utilities employment was up by 1,000 (0.2%) OTM in August. The growth was concentrated entirely in the trade components, with Retail Trade up 1,100 (0.4%) and Wholesale Trade up 500 (0.4%), while Transportation, Warehousing and Utilities lost 600 jobs (0.5%). Over the year, the supersector added 794 jobs, or 0.1%. Both trade components lost jobs. Wholesale Trade was off 1,503 (1.1%) with that decline entirely in Nondurable Good Merchant Wholesalers. Retail Trade was down 485 (0.2%), due in large part to a decline of 847 (3%) in Building Material and Garden Equipment Supplies Dealers, and 444 jobs (1%) in Grocery and Convenience Retailers. Transportation, Warehousing and Utilities employers added 2,782 jobs (2.5%).

**Information:** Information employment was up by 400 (1%) OTM in August. The growth came following two consecutive months of job losses in which employment was down a total of 900 in the supersector. Over the year, employers in Information lost 2,365 jobs, or 5.3%. It was the largest proportional decline for any supersector in the state, as employers in Information returned to the long contraction trend that was present prior to the 2020 pandemic.

**Financial Activities:** Employment in Financial Activities was up by 100 (0.1%) OTM in August. Finance and Insurance employers added 100 jobs (0.1%) while employment in Real Estate and Rental and Leasing was flat. On an annual basis, employment in Financial Activities was off by 4,716, or 2.5%, which was worse than July's -2.3%, but still improved over the 2.9% annual loss in

March. Finance and Insurance was down 4,030 (2.6%) and Real Estate and Rental and Leasing was down 686 (1.9%). Every published component sector lost jobs on the year.

**Professional and Business Services:** Professional and Business Services employers lost 3,900 jobs (1.1%) OTM in August. It was the first monthly growth in the supersector since January, and the largest monthly growth since September of 2022. The growth came entirely in Administrative and Support and Waste Management and Remediation Services (up 4,400, or 3.9%) as both other component sectors lost jobs. Over the year, employment in the supersector was down by 12,579 jobs, or 3.2%. This is the best annual growth the supersector has posted since April, and the second month of improvement after posting annual losses of 5.3% in June. The August change was mostly driven by Administrative and Support and Waste Management, which moved from -11.8% in July to -6.8% in August. Of particular note is Employment Services, which is sometimes viewed as a leading indicator for employment change and which moved from -11.3% annual growth to -5.4% in August.

**Education and Health Services:** Employment in Education and Health Services was up 4,200 (0.7%) OTM in August. Both component sectors added jobs, with Educational Services up 1,100 (1.5%) and Health Care and Social Assistance adding 3,100 jobs (0.6%). The supersector has added jobs in twenty-two consecutive months dating back to November of 2022. Over the year, Education and Health Services employers added 39,968 jobs (7.1%). It was the highest proportional annual growth of any supersector in the state. Education Services was up 7,284 (11.8%) and Health Care and Social Assistance was up 32,684 (6.5%).

**Leisure and Hospitality:** Leisure and Hospitality was up 4,300 (1.6%) OTM in August. It was the highest proportional monthly growth of any supersector in the state. The growth came entirely in Accommodation and Food Services, which added 4,500 jobs (2%), while Arts, Entertainment and Recreation employment was down 200 (0.4%). On an annual basis, employment in Leisure and Hospitality was up 5,523, or 1.9%. Accommodation and Food Services added 7,869 jobs (3.4%), with its growth coming entirely in Food Services and Drinking Places (up 9,341, or 4.6%). Arts, Entertainment and Recreation employers lost 2,346 jobs, or 4.2%.

**Other Services:** Employment in Other Services was up 800 (0.7%) OTM in August. It was the second consecutive month of growth for the supersector, adding 1,900 total jobs during those two months. Over the year, employment in Other Services was up 3,233, or 2.8%. All published components added jobs, with Religious, Grantmaking, Civic and Professional Organizations up 3% (1,880 jobs) and growth of 2.6% in both Repair and Maintenance and Personal and Laundry Services (up 634 jobs and 719 jobs, respectively).

**Government:** Government employers added 1,400 jobs (0.3%) OTM in August. State employers added 600 jobs (0.6%) and Local Government employers added 800 jobs (0.3%). Employment at the Federal Government level was flat, holding at 33,300 jobs. Over the year, Government employers added 21,133 jobs, or 5.4%. This was the second highest proportional annual growth in Minnesota, trailing only Education and Health Services. Federal employers added 596 jobs (1.8%), State employers added 3,692 jobs (4%) and Local employers added 16,845 jobs (6.3%). The only published government sector to lose jobs on the year was the U.S. Postal Service, which was off by 51 jobs, or 0.4%.

## Over-the-Year Job Growth by MSAs

August data released by DEED, not seasonally adjusted

<b>Metropolitan Statistical Area</b>	<b>OTY Employment Change (#, NSA)</b>	<b>OTY Employment Change (% , NSA)</b>
Minneapolis-St. Paul MN-WI MSA	1,799	0.1
Duluth-Superior MN-WI MSA	-813	-0.6
Rochester MSA	7,127	5.7
St. Cloud MSA	1,775	1.7
Mankato MSA	1,762	3.1
Fargo-Moorhead ND-MN MSA (July)	3,900	2.6
Grand Forks-East Grand Forks ND-MN MSA (July)	900	1.7
La Crosse-Onalaska WI-MN (July)	1,500	1.9

**Labor Market Information Office**  
**MN Department of Employment and Economic Development**  
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