

July 2022 Employment Analysis

Seasonally Adjusted Jobs and Unemployment

- The unemployment rate remained level at 1.8% in July 2022, another historic low for this data series, dating back to 1976. The lowest pre-pandemic unemployment rate was 2.5% in early 1999. This was also the all-time lowest state monthly rate on record in the U.S. as of June 2022.
- Although the unemployment rate remained unchanged, there was a slight downtick in both the number of people employed as well as the number of people unemployed, resulting in a one-tenth of a point decrease in the labor force participation rate to 68.4% in July.
- In July, the labor force participation rate ticked up two-tenths of a point to 68.6% for white Minnesotans and three-tenths of a point to 80% for Hispanic Minnesotans. The labor force participation rate ticked down eight-tenths of a point to 68.1% for Black Minnesotans.
- The unemployment rate remained level at 2.4% for white Minnesotans, fell one-tenth to 7.3% for Black Minnesotans and rose one-tenth to 3.2% for Hispanic Minnesotans in July. (Numbers are based on 12-month moving average Demecon data from the Current Population Survey.)
- On a seasonally adjusted basis Minnesota gained 19,100 jobs in July, up 0.7% from June, following the addition of 1,000 jobs (revised upward) in June 2022. The private sector gained 14,600 jobs in July, up 0.6% from June.
 - June 2022 employment was revised upward by 900 in total with 500 in Government and 400 in the private sector.
- The U.S. gained 528,000 jobs in July, up 0.3% from June, with the private sector up 471,000 jobs, up 0.4% on a seasonally adjusted basis. The U.S. has now regained all the jobs lost during the pandemic recession.
- Growth has been lumpy and uneven coming out of the pandemic recession, but over the last few months, it has stabilized a bit. Translating seasonally adjusted job change into a 3-month moving average series, Minnesota added 10,800 jobs (0.4%) in March-May; 7,300 jobs (0.3%) in April-June and 9,200 jobs (0.3%) in May-July. Nationally, U.S. employment increased 0.3% in each of those three periods.
- Here are noteworthy supersectors that gained or lost jobs on a seasonally adjusted basis in July:
 - Gains were in Construction, up 1,100 jobs or 0.8%, Manufacturing up 2,600 jobs or 0.8%, Professional & Business Services up 3,900 jobs or 1%, Leisure & Hospitality up 6,700 jobs or 2.7% and Government up 4,500 jobs or 1.1%.

- o Losses were in Financial Activities down 1,000 jobs or 0.5% and Other Services down 800 jobs or 0.7%.
- Minnesota lost 417,600 jobs from February through April 2020 and has since gained 356,900 jobs as of July 2022, or 85% of the jobs that were lost during the Pandemic Recession, on a seasonally adjusted basis. The private sector has regained 345,300 jobs, or 89% of the jobs lost during that period.

Over the Year Job Growth

- Minnesota gained 78,519 payroll jobs, up 2.7%, over the year. The private sector gained 77,854 jobs, up 3.1% over the year.
- Nine of 11 supersectors posted positive over the year (OTY) employment growth, with Construction flat OTY. Manufacturing, Trade, Transportation & Utilities, Information, Financial Activities, Professional & Business Services, Education & Health Services, Leisure & Hospitality, Other Services and Government all posted OTY growth. Of those:
 - o Professional & Business Services grew 4.9% OTY (18,664 jobs). Sectors that led the growth were Professional, Scientific, and Technical Services, up 6.4% (10,258 jobs), and Administrative and Support & Waste Management Services, up 5.1% (6,694 jobs) with Employment Services (temp help) up 6.3% with the addition of 3,489 jobs. Management of Companies gained 1,712 jobs OTY (1.9%).
 - o Manufacturing posted 17,416 additional jobs, up 5.5% OTY. All published sectors showed growth; Non-Durable Goods employment grew 5.0% (5,737 jobs) while Durable Goods grew 5.7% (11,679 jobs). Manufacturing employment growth continued to be stronger than the nation, which was at 3.8% OTY in July.
 - o Leisure & Hospitality continued to post the highest OTY growth of all the supersectors, up 9.0% with the addition of 23,029 jobs. Arts, Entertainment, & Recreation posted 17.9% growth (8,248 jobs). Accommodation and Food Services grew 7.1% (14,781 jobs). As this supersector recovers from the pandemic, we see slowing – though still very strong – OTY growth rates.
 - o Mining & Logging lost 224 jobs in July, down 3.3% OTY.
- U.S. employment grew 4.0% OTY with the private sector up 4.5% in July. All supersectors showed gains OTY.

July 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	+78,519	+2.7%	+4.0%
Private	+77,854	+3.1%	+4.5%
Mining & Logging	-224	-3.3%	+11.3%
Construction	-62	0%	+4.2%
Manufacturing	+17,416	+5.5%	+3.8%
Trade, Transport. & Utilities	+2,019	+0.4%	+3.5%
Information	+1,271	+3.0%	+6.6%
Financial Activities	+181	+0.1%	+2.2%
Prof. & Business Services	+18,664	+4.9%	+5.2%
Ed. & Health Services	+12,745	+2.4%	+3.3%
Leisure & Hospitality	+23,029	+9.0%	+8.7%
Other Services	+2,815	+2.6%	+3.9%
Government	+665	+0.2%	+0.8%

Wage and Hour Data

- Average hourly wages for all private sector workers rose 31 cents to \$34.43 in July 2022 over the month. Over the year average hourly earnings rose \$1.83, up 5.6%. Over two years, average hourly earnings increased \$3.07, or 9.8%.
 - Nationally private sector wages rose 26 cents (0.8%) over the month to \$32.11, up 5.3% OTY and up 9.9% over two years.
 - The CPI inflation index for all urban consumers rose 8.5% OTY in July 2022 and 14.2% over two years.
- At 34.0 hours per week, July's average work week was unchanged from last month and down 2.3% from last year.
 - Nationally, the average work week decreased 0.3% to 34.5 hours per week, and 0.6% OTY.

Unemployment Data

- The unemployment rate remained level at 1.8% in July 2022, an all-time low in Minnesota and in the U.S.
- There were 2,320 fewer employed people over the month in July and 1,666 fewer unemployed people resulting in a decline of 3,986 people in the labor force.

- The drop in the labor force caused a drop of one-tenth of a point in the labor force participation rate, which stood at 68.4%. The labor force was 76,613 workers smaller than in February 2020 when the participation rate was at 70.8%.
- The employment-to-population ratio ticked down one-tenth of a percentage point to 67.2%.
- Nationally, the unemployment rate ticked down one-tenth of a point to 3.5% and the employment-to-population ratio rose one-tenths of a point to 60.0% over the month. The size of the labor force actually shrank by 63,000 workers, with the labor force participation rate down one-tenth of a point to 62.1%. This was due to fewer employed as well as unemployed people nationally.
- Based on 12-month moving averages, Minnesota’s **unemployment rates by race** in July 2022 are as follows (source: CPS Demecon, 12-month moving averages):

Month/Year	Total	White	Black	Hispanic
July-2022	2.9%	2.4%	7.3%	3.2%
June-2022	3%	2.4%	7.4%	3.1%
July-2021	4.6%	4.7%	3.5%	6.7%
Over the month change	-0.1	0	-0.1	0.1
Annual change	-1.7	-2.3	3.8	-3.5

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 the change in the labor force participation rate by race group. This represents the total share of Minnesotans in July 2022 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. Taken together, these **alternative unemployment rates** are also calculated from 12-month moving average CPS Demecon data.

Month/Year	Total	White	Black	Hispanic
June-2022	4.4%	3.7%	10.5%	-0.5%
May-2022	4.6%	3.9%	9.8%	-0.3%
June-2021	6.4%	6.0%	9.3%	5.0%

- The negative sign on the Hispanic alternative unemployment rate means that more Hispanic Minnesotans are in the labor force now than prior to the start of the pandemic and their unemployment rate has declined over the period. Hispanic workers in Minnesota have more than

fully reentered employment compared to prior to February 2020, with an employment-to-population ratio of 77.5% in July 2022, compared to 72.5% in February 2020.

- On the other hand, white Minnesotans have continued to see declines in their labor force participation rate over the period, although they have also seen decreases in their unemployment rates. Their employment to population ratio in July 2022, at 67%, is below where it had been in February 2020, at 67.8%.
- Black Minnesotans have not fully returned to the labor market compared to pre-pandemic, and have lost ground in terms of unemployment, with a significantly higher unemployment rate now compared to February 2020 (4.5% in February 2020 compared to 7.3% in July 2022) and a significantly lower employment to population ratio at 63.2% in July compared to 68.2% in February 2020.

Industry Details

- o **Mining and Logging:** Mining and Logging employment was flat in July on a seasonally adjusted basis, holding at 6,300 jobs after losing 300 jobs over the month (OTM) from May to June. On an annual basis, the supersector lost 224 jobs, or 3.3%. It was one of only two supersectors to post negative over-the-year (OTY) growth (along with Construction).
- o **Construction:** Construction employment was up by 1,100 jobs (0.8%) OTM in July, the third consecutive month of seasonally adjusted gains for the supersector. Over the year, Construction employers lost 62 jobs, or 0.0% growth. Growth in Construction was last in the negative in April, when seasonal fluctuations caused negative OTY growth of 4.4%.
- o **Manufacturing:** Employment in Manufacturing was up by 2,600 (0.8%) OTM in July. Durable Goods Manufacturing was up 2,400 jobs, or 1.1%, while Nondurable Goods Manufacturing added 200 jobs (0.2%). Over the year, Manufacturers added 17,416 jobs, or 5.5%. It was the second-highest annual proportional growth for any supersector in Minnesota, trailing only Leisure and Hospitality. Durable Goods employment was up 11,679 (5.7%) while their counterparts in Nondurable Goods added 5,737 jobs (5%).
- o **Trade, Transportation, and Utilities:** Trade, Transportation, and Utilities employment was up by 500 jobs, or 0.1%, in July. Both trade components posted positive growth, with Wholesale Trade up 900 jobs and Retail Trade up 1,900 (both 0.7%). However, Transportation, Warehousing and Utilities was one of the handful of published sectors to post negative growth, shedding 2,300 jobs, or 2.1%. Over the year, the supersector added 2,019 jobs (0.4%). The increase was driven entirely by Retail Trade, which added 2,926 jobs (1%). Wholesale Trade lost 704 jobs (0.5%) and Transportation, Warehousing, and Utilities lost 203 (0.2%), with declines driven by the loss of 1,243 jobs, or 4.5%, in Truck Transportation.

- o **Information:** Information employment was flat in July, holding at 43,800 jobs after adding 500 jobs (1.2%) in June. Over the year, the supersector added 1,271 jobs, or 3%. However, both published components shed jobs on the year, with Publishing Industries (except Internet) down 84 jobs (0.5%) and Telecommunications down 101 jobs (1.1%).
- o **Financial Activities:** Employment in Financial Activities was down by 1,000 (0.5%) on a seasonally adjusted basis in July. It was one of only two supersectors in the state to lose jobs on the month (Other Services). Finance and Insurance lost 700 jobs (0.4%) while Real Estate and Rental and Leasing lost 300 (0.8%). On an annual basis, employment in Financial Activities was mostly flat, adding just 181 jobs, or 0.1%. Growth in Real Estate and Rental and Leasing (up 1,390 jobs, or 4%) was mostly offset by losses in Finance and Insurance (down 1,209 jobs, or 0.8%).
- o **Professional and Business Services:** Professional and Business Services employers added 3,900 jobs (1%) OTM in July. Professional, Scientific, and Technical Services added 1,200 jobs (0.7%), Management of Companies added 1,000 jobs (1.1%) and Administrative and Support and Waste Management and Remediation Services added 1,700 jobs (1.3%). Over the year, the supersector added 18,664 jobs, or 4.9%, the third-highest proportional growth of any supersector. Professional, Scientific, and Technical Services added 10,258 jobs (6.4%), the lion's share of the growth, while Management of Companies added 1,712 jobs (1.9%) and Administrative and Support and Waste Management and Remediation Services added 6,694 (5.1%). Employment Services added 3,489 jobs, or 6.3%.
- o **Education and Health Services:** Employment in Education and Health Services was up 1,600 (0.3%) OTM in July. Health Care and Social Assistance added 2,700 jobs (0.6%) while Educational Services lost 1,100 jobs (1.5%). Over the year, the supersector added 12,745 jobs (2.4%). Educational Services was up 5,826 jobs (10.1%) while Health Care and Social Assistance was up 6,919 jobs (1.5%). Nursing and Residential Care Facilities employment was down 2.5% OTY (2,613 jobs), though that was an improvement over June's 4.3% annual decline. OTY growth in the component has improved in each of the last four months.
- o **Leisure and Hospitality:** Leisure and Hospitality employment was up by 6,700 (2.7%) OTM in July. Accommodation and Food Service added 5,800 jobs (2.9%) while Arts, Entertainment, and Recreation added 900 jobs (2%). Over the year, employment in Leisure and Hospitality was up 23,029, or 9%, the largest real and proportional growth of any supersector in the state as employers continue to grow following the pandemic-related job losses.
- o **Other Services:** Employment in Other Services was down by 800 (0.7%) OTM in July, one of only two supersectors to post negative monthly growth (Financial Activities). It was the first negative monthly growth since March for Other Services. Over the year, the supersector added 2,815 jobs (2.6%) with all three published component sectors posting positive growth.

- o **Government:** Government employers added 4,500 jobs (1.1%) OTM in July. Local Government drove the growth, adding 4,200 jobs (1.5%) while Federal employers added 400 jobs (1.3%) and State employers lost 100 (0.1%). Over the year, Government employment was up by 665, or 0.2%. Local Government was the only level to post positive growth, adding 1,679 jobs (0.6%) with Local Educational Services down 3,541 jobs (3%) and Local Non-Education up 5,220 (3.6%).

Regional Details

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	+63,189	+3.2%
Duluth-Superior MN-WI MSA	+4,333	+3.4%
Rochester MSA	+3,283	+2.6%
St. Cloud MSA	+3,040	+2.9%
Mankato MSA	+3,360	+6.3%
Fargo-Moorhead ND-MN MSA (June)	+3,700	+2.6%
Grand Forks-East Grand Forks ND-MN MSA (June)	+1,400	+2.7%
La Crosse-Onalaska WI-MN (June)	-300	-0.4%

Outlook

- Compared with the U.S., Minnesota nonfarm employment is still down 2.0% from where we were in February 2020 while the U.S. has regained all the jobs lost during the Pandemic Recession as of the July report. But looking at year to date, Minnesota’s seasonally adjusted employment has grown 2.3% while the U.S. has grown 1.9% since January 2022.
- The number of involuntary parttime workers continued to decline in MN, down again to another record low 29,600 in July on a 12-month moving average basis, compared with 35,100 in February 2020. This indicates 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.
- Despite plentiful job opportunities, we continue to struggle to add labor force, with a decline between June and July of just under 4,000. But to put that in perspective, MN has added labor force in every month since December 2021 and is up 1.4% since January 2022 compared to the U.S., which is up 0.2% over the same period.

- Neither Minnesota (5.6% OTY) nor U.S. (5.3% OTY) wage growth is keeping pace with inflation (8.5% OTY). However, some sectors are seeing higher wage growth than others in Minnesota, with that picture shifting somewhat in recent months.
 - o The average wage for production workers in Nursing & Residential Care Facilities, at \$21.49 in July, rose 13.0% over the year and 14.4% over two years.
 - o The average wage for all workers in Construction, at \$39.12 in July rose 8.0% over the year and 15.1% over two years.
 - o At \$24.50 in July, the average wage for production workers in Non-Durable Goods Manufacturing rose 6.8% over the year and 11.4% over two years.
 - o The average wage for production workers in Food Service & Drinking Places, at \$17.39, rose 6.2% over the year and 18.8% over two years.

**Labor Market Information Office
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