

# July 2023 Employment Analysis

(Embargoed until 10 am Thursday, August 17, 2023)

## Over-the-Month Overview

- The unemployment rate ticked up to 3.0% in July 2023. The labor force increased by 3,935 over the month to 3,109,454 people, the fifth month in a row of positive growth. The number of employed increased by 1,089 workers, and the number of unemployed increased by 2,846 people. The labor force participation rate ticked up one-tenth percentage point over-the-month to 68.5%.
- Minnesota lost 400 jobs in the last month on a seasonally adjusted basis, essentially flat. The private sector lost 300 jobs, also flat. The U.S. total nonfarm employment increased by 187,000 jobs, or 0.1%. The U.S. private sector gained 172,000 jobs, also 0.1%.
- Six supersectors in Minnesota lost jobs on a seasonally adjusted basis since last month, including:
  - Mining & Logging, lost 100 jobs, down 1.5%
  - Construction lost 300 jobs, down 0.2%
  - Manufacturing lost 800 jobs, down 0.2%
  - Information lost 400 jobs, down 0.9%
  - Leisure and Hospitality lost 3,800 jobs, down 1.4% and
  - Government lost 100 jobs, down 0.0%
- Four supersectors posted positive growth:
  - Trade, Transportation and Utilities added 2,900 jobs;
  - Professional & Business Services added 500 jobs;
  - Education and Health Services added 1,500 jobs;
  - Other Services added 200 jobs.
  - Financial Activities was flat over the month.
- Minnesota lost 416,000 jobs from February through April 2020 and has since recovered 405,500 jobs as of July 2023, which brings Minnesota to 99.6% 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 384,000 jobs as of June, 99.9%.
- Translating seasonally adjusted job change into a 3-month moving average series, MN gained 11,200 jobs, up 0.4% in March-May; gained 4,000 jobs, up 0.1% in April-June and lost 3,300 jobs, down 0.1% in May-July. Nationally, all three periods saw growth. The U.S. grew 0.3% in Mar-May, 0.3% in April-June and 0.3% in May-July.

## Over-the-Year Job Growth

- Minnesota gained 49,026 payroll jobs, up 1.7%, over the year. The private sector gained 38,953 jobs, up 1.5% over the year.
- All but two supersectors posted positive annual growth. Notable big growth that outpaced the national rate are:
  - Education & Health Services led with the largest over-the-year growth, up 19,724 jobs (3.6%) with all subsectors posting solid growth.
  - Leisure & Hospitality continued posting big growth, up 11,155 jobs (4.0%). All subsectors experienced growth.
  - Government grew 10,073 jobs, or 2.6%. Both State Government Education (-1.2%) and Local Government Education (-0.2%) posted declines but all other sectors posted gains.
  - Trade, Transportation, and Utilities gained 8,824 jobs, or 1.7%. All subsectors grew except Wholesale Trade (-0.9%).
  - Construction gained 3,827 jobs, or 2.6%. Strongest growth was in Heavy and Civil Engineering Construction (10.1%). Residential Building Construction lost jobs (-1.0%).
- Both Manufacturing and Financial Activities lost jobs over the year.
  - Manufacturing lost 2,453 jobs down 0.7%. Job losses were widespread with Durable Goods down 634 jobs or 0.3% and Nondurable Goods down 1,819 or 1.5%.
  - Financial Activities lost 3,365 jobs over the year, down 1.7%. Losses were widespread in both subsectors with Credit Intermediation & Related Activities down 2,371 jobs or 3.8%, Insurance Carriers & Related Activity down 643 jobs or 0.9% and Real Estate, Rental and Leasing down 380 jobs or 1.0%.
- U.S. employment grew 2.1% over the year with the private sector up 2.1%. Information was the only supersector that lost jobs over the year, down 1.1%.

July 2023 Over the Year (OTY) Employment Growth by Industry Sector Not Seasonally Adjusted			
Industry Supersector	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	49,026	1.7	2.1
Private	38,953	1.5	2.1
Mining & Logging	215	3.3	4.7
Construction	3,827	2.6	2.5
Manufacturing	-2,453	-0.7	0.9
Trade, Transportation & Utilities	8,824	1.7	0.6
Information	358	0.8	-1.1
Financial Activities	-3,365	-1.7	1.1

Prof. & Business Services	158	0.0	1.6
Education & Health Services	19,724	3.6	4.1
Leisure & Hospitality	11,155	4.0	3.9
Other Services	510	0.5	2.9
Government	10,073	2.6	2.4

## Wage and Hour Data

- Average hourly wages for all private sector workers increased 83 cents to \$36.18 in July 2023 over the month. Over the year average hourly earnings increased \$1.80, up 5.2%, and since July 2020 they are up 15.4%.
  - Nationally private sector wages increased 50 cents over the month and 5.1% over the year and 15.8% over three years.
  - The CPI inflation index for all urban consumers rose 3.2% over the year in July and 18% over 3 years.
- At 34 hours per week, Minnesota’s July 2023 average work week increased by one-tenth of an hour over-the-month and was level over the year.
  - Nationally, the average work week increased three-tenth of an hour over the month to 34.7 hours and decreased two-tenth of an hour over the year.

## Unemployment Data

- The unemployment rate ticked up one-tenth of a point to 3.0% in July 2023 on a seasonally adjusted basis. The number of employed increased 1,089, and the number of unemployed increased 2,846. The employment to population ratio remained level at 66.4%.
- The labor force grew by 3,935 people over the month, totaling 3,109,454 people in July. The labor force participation rate ticked up one-tenth of a percentage point to 68.5%. Minnesota’s growing labor force is still 19,149 people smaller than in February 2020 when the participation rate was at 69.9%.
- Nationally, over the month, the unemployment rate ticked down one-tenth of a percentage point to 3.5% and the employment to population ratio ticked up one-tenth to 60.4%. the labor force participation rate remained at 62.6%.

## Industry Details

**Mining and Logging:** Employment in Mining and Logging was down by 100 (1.5%) over the month (OTM) in July. The supersector posted a seasonally adjusted 6,400 total jobs for the month, its lowest employment total in 2023. Over the year, Mining and Logging employers added 215 jobs (3.3%), the third-highest proportional growth of any supersector, trailing only Leisure and Hospitality and Education and Health Services.

**Construction:** Construction industry employers lost 300 jobs (0.2%) OTM in July, on a seasonally adjusted basis. It was just the second month of negative seasonally adjusted growth in 2023 for the supersector. Employment is up by 4,000 during that period. On an annual basis, Construction employers added 3,827 jobs (2.6%). Heavy and Civil Engineering Construction drove the growth, with the component sector adding 2,265 jobs, or 10.1%. Specialty Trade Contractors added 1,543 jobs (1.6%) and Building Construction was up 19 (0.1%).

**Manufacturing:** Manufacturing employers lost 800 jobs (0.2%) OTM in July. The losses came entirely among Durable Goods Manufacturing, which lost 1,000 jobs (0.5%), its fifth consecutive month of seasonally adjusted job losses. Non-Durable Goods Manufacturing added 200 jobs (0.2%). Over the year, the Manufacturing supersector lost 2,453 jobs (0.7%). It was one of only two supersectors to lose jobs on the year, along with Financial Activities. Manufacturing employers dipped into negative growth in July due in large part to the loss of 1,819 jobs (1.5%) in Non-Durable Goods Manufacturing. Food Manufacturing was off by 1,033 jobs (2.1%). Durable Goods Manufacturing was also down, off by 634 jobs (0.3%).

**Trade, Transportation, and Utilities:** Employment in Trade, Transportation and Utilities was up by 2,900 (0.5%) OTM in July. All three component sectors added jobs. Transportation, Warehousing and Utilities was up 1,300 (1.1%), Retail Trade was up 1,100 (0.4%) and Wholesale Trade employers added 500 jobs (0.4%). Over the year, the supersector added 8,824 jobs (1.7%). Employment in Wholesale Trade was off by 1,168 (0.9%), but those declines were more than offset by growth in the other two component sectors. Retail Trade was up 4,046 (1.4%), with Motor Vehicle and Parts Dealers showing particularly strong growth (up 1,201, or 3.5%), while Transportation, Warehousing and Utilities added 5,946 jobs (5.4%) with growth spread among its component industry groups.

**Information:** Information employment was off by 400 (0.9%) OTM in July. The monthly loss brought employment in the supersector to its lowest level of the year, sitting at 45,900 jobs. On an annual basis, Information employment was up by 358 (0.8%), despite the fact that both published component sectors (Publishing and Telecommunications) posted negative growth.

**Financial Activities:** Employment in Financial Activities was flat in July, holding at 189,800 jobs. Finance and Insurance was up by 100 (0.1%) while Real Estate and Rental and Leasing was down by 100 (0.3%). Over the year, Financial Activities employers lost 3,365 jobs (1.7%). It was one of only two supersectors to post negative annual growth (along with Manufacturing). Finance and Insurance employment was off by 2,985 (1.9%), with component Credit Intermediation and Related Activities down 2,371 (3.8%). Real Estate and Rental and Leasing was off by 380 (1%).

**Professional and Business Services:** Professional and Business Services employers added 500 jobs (0.1%) OTM in July. Management of Companies was up by 400 (0.5%) and Administrative and Support and Waste Management and Remediation Services was up 300 (0.2%), while Professional, Scientific and Technical Services lost 200 jobs (0.1%). Over the year, Professional and Business Services employment was mostly flat, adding 158 jobs, or 0.0%. Professional, Scientific and Technical Services added 1,067 jobs (0.6%), but that was largely offset by losses in the other two component sectors. Administrative and Support and Waste Management and Remediation Services lost 791 jobs (0.6%), with that decline driven by a loss in component Employment Services, which was off by 902 jobs (1.5%).

**Education and Health Services:** Employment in Education and Health Services was up by 1,500 (0.3%) OTM in July, with both components posting positive growth. Educational Services added 300 jobs (0.4%) and Health Care and Social Assistance added 1,200 (0.2%). Over the year, Education and Health Services employers added 19,724 jobs, or 3.6%. This was the second-highest proportional annual growth of any supersector, trailing only Leisure and Hospitality. Health Care and Social Assistance employment was up by 17,028 (3.5%), with Ambulatory Health Care Services up 4.7% (7,496 jobs). Educational Services added 2,696 jobs (4.5%) with growth at all published levels.

**Leisure and Hospitality:** Leisure and Hospitality employers lost 3,800 jobs (1.4%) OTM in July. Arts, Entertainment and Recreation was down by 1,500 (3%), and Accommodation and Food Services was down 2,300 (1.1%). It was the second consecutive month of adjusted losses for the supersector. Over the year, Leisure and Hospitality employers added 11,155 jobs, or 4%. While this remained the largest proportional growth of any supersector in Minnesota, it is notably down from the 6.7% annual growth posted in June, and is the lowest annual growth since March of 2021. Combined with the monthly declines, this slowing growth suggests that the recovery in the supersector that was hardest-hit by the recent pandemic may finally be leveling off.

**Other Services:** Employment in Other Services was up by 200 (0.2%) OTM in July. It was the fourth consecutive month of seasonally adjusted growth for the supersector. Over the year, employment in Other Services was up by 510 (0.5%). That growth was driven by Personal and Laundry Services, which added 745 jobs (2.8%), while Repair and Maintenance and Religious, Grantmaking, Civic and Professional Organizations both lost jobs.

**Government:** Employment in Government was down slightly in July, off by 100 jobs (0.3%). The declines came entirely at the Federal level (down 100, or 0.3%), as both State and Local employment was flat on the month. Annually, Government employers added 10,073 jobs (2.6%). Federal employment was up by 942 (3%), State was up 676 (0.7%), with the growth coming completely in the non-education sector, and Local employment was up by 8,455 (3.2%), with its growth also coming from non-education employment.

## Over-the-Year Job Growth by MSAs

July data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	34,971	1.8
Duluth-Superior MN-WI MSA	3,281	2.5
Rochester MSA	3,512	2.8
St. Cloud MSA	1,148	1.1
Mankato MSA	3,760	6.9

June data released by other states, not seasonally adjusted

*Note that June 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 (June)	1,700	1.1
Grand Forks-East Grand Forks ND-MN MSA (June)	1,300	2.5
La Crosse-Onalaska WI-MN (June)	1,700	2.2

**Labor Market Information Office  
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