

# September 2022 Employment Analysis

## Seasonally Adjusted Jobs and Unemployment

- The unemployment rate ticked up one-tenth of a point to 2.0% in September 2022 as a result of an increase of 3,420 in the number of unemployed. The labor force participation rate ticked down one-tenth of a point to 68.1% as 4,203 people exited the labor market.
- The unemployment rate ticked up for Hispanic workers to 3.7% but down for Black workers to 5.4% and white workers to 2.2% in Minnesota in September 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 4,200 jobs in September, up 0.1% from August, following the addition of 1,200 jobs (revised) in August 2022. The private sector gained 8,500 jobs in September, up 0.3%, with Government losing 4,300 down 1%.
  - August 2022 employment was revised upward by 4,300 jobs in total and 4,400 in the private sector. This revision brings our job growth trend to 12 consecutive months.
- The U.S. gained 263,000 jobs in September, up 0.2% from August, with the private sector adding 288,000 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 2.4% since January 2022 while the U.S. has grown 2.2%. However, growth in Minnesota has slowed down in the last 3 months to 0.2% compared to 0.7% nationally.
- Here are noteworthy supersectors that gained or lost jobs on a seasonally adjusted basis in September:
  - Gains were in Education & Health Services up 3,200 jobs or 0.6%, Professional & Business Services up 1,600 jobs or 0.4%, Leisure & Hospitality, up 1,400 jobs or 0.6%, Manufacturing up 1,100 jobs or 0.3% and Construction up 900 jobs or 0.7%.
  - Losses were in Government, down 4,300 or 1%, Financial Activities down 900 jobs or 0.5%, Other Services down 700 jobs or 0.6%, and Information down 600 jobs or 1.4%. Mining & Logging had no change from last month.
- Minnesota lost 417,600 jobs from February through April 2020 and has since gained 360,300 jobs as of September, or 90% of the jobs that were lost during the Pandemic Recession, on a seasonally adjusted basis. The private sector has regained 350,100 jobs, or 90% of the jobs lost during that period. Overall, this means that we are still 1.9% below the total number of payroll jobs prior to the pandemic in Minnesota, while the U.S. surpassed (as of June) the total number of jobs prior to the pandemic.

## Over the Year Job Growth

- Minnesota gained 93,713 payroll jobs, up 3.3%, over the year. The private sector gained 92,315 jobs, up 3.8% over the year.
- All supersectors posted positive over the year (OTY) employment growth with the exception of Mining & Logging.
  - Professional & Business Services grew 6.2% OTY (22,829 jobs). Administrative and Support & Waste Management Services, led growth up 8.2% (10,425 jobs) with Employment Services (temp help) up 7.4% (4,161) jobs. Professional, Scientific, and Technical Services grew 6.1% (9,540 jobs). Management of Companies gained 2,864 jobs OTY up 3.3%.
  - Manufacturing posted 15,937 additional jobs, up 5.1% OTY. All published sectors showed growth, though the Durable Goods sector drove the growth, adding 12,125 jobs, or 6.1%. Manufacturing employment growth continued to be stronger than the nation, which was at 3.7% OTY in September.
  - Leisure & Hospitality continued to post the highest OTY growth of all the supersectors, up 6.5%, unchanged from last month, with the addition of 15,890 jobs.
  - Mining & Logging lost 252 jobs, down 3.7%.
- U.S. employment grew 3.7% OTY with the private sector up 4.2% in September. All supersectors showed gains OTY.

<b>September 2022 Over the Year (OTY) Employment Growth by Industry Not Seasonally Adjusted</b>			
	<b>MN OTY Job Change</b>	<b>MN OTY Growth Rate</b>	<b>US OTY Growth Rate</b>
Total	93,713	3.3%	3.7%
Private	92,315	3.8%	4.2%
Mining & Logging	-252	-3.7%	9.8%
Construction	1,379	1.0%	3.7%
Manufacturing	15,937	5.1%	3.7%
Trade, Transport. & Utilities	10,575	2.1%	3.1%
Information	940	2.2%	6.0%
Financial Activities	1,468	0.8%	1.8%
Prof. & Business Services	22,829	6.2%	4.6%
Ed. & Health Services	19,093	3.6%	3.8%
Leisure & Hospitality	15,890	6.5%	8.1%
Other Services	4,456	4.2%	3.5%
Government	1,398	0.3%	0.7%

## Wage and Hour Data

- Average hourly wages for all private sector workers rose 37 cents to \$34.90 in September over the month. Over the year average hourly earnings rose \$1.88, up 5.7%. Over two years, average hourly earnings increased \$3.10 or 9.7%.
  - Nationally private sector wages rose 24 cents (0.7%) over the month to \$32.40, up 5.2% OTY and up 9.8% over two years.
  - The CPI inflation index for all urban consumers rose 8.2% over the year and 14.1% over two years.
- At 34.0 hours per week, September’s average work week was up 0.3% from August and down 1.2% from last year.
  - Nationally, the average work week was unchanged at 34.5 hours per week over the month. It was also unchanged over the year.

## Unemployment Data

- The unemployment rate ticked up one-tenth of a point 2.0% in September 2022 with the addition of 3,420 unemployed people.
- There were 7,623 fewer employed people over the month in September resulting in a decrease of two-tenths of a point in the employment-to-population, now at 66.7%.
- The labor force declined by 4,203 with the labor force participation rate down one-tenths of a point to 68.1%.
- Nationally, the unemployment rate ticked down two-tenth of a point to 3.5% and the employment-to-population ratio remained unchanged at 60.1% over the month. The size of the labor force shrank by 57,000 workers, with the labor force participation rate down one-tenth to 62.3%.
- Over the last three months Minnesota’s labor force has declined 0.3% while the U.S. has grown 0.4%. Year to date, Minnesota’s labor force has grown 1.1% 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
September-2022	2.7%	5.9%	3.7%	2.2%
August-2022	2.8%	6.6%	3.6%	2.3%
September-2021	4.2%	3.9%	5.5%	4.2%
February-2020	3.1%	4.5%	5.0%	3.0%

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

- In September the employment-to-population ration for Black workers rose 1.1 points to 63.6%. For Hispanic workers, it dropped 1.3 points to 76.2% and for white workers it dropped 0.1 point to 66.9% over the month. Compared to February 2020, rates are lower for white and Black workers but higher for Hispanic workers in Minnesota.
- 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
September-2022	66.6%	63.6%	76.2%	66.9%
August-2022	66.6%	62.5%	77.5%	67%
September-2021	65%	64.1%	72.5%	65.3%
February-2020	67.8%	68.2%	72.5%	67.8%

- In September, the labor force participation rate ticked down to 79.1% for Hispanic workers and 68.4% for white workers. It ticked up to 67.7% for Black workers in Minnesota. While the LFPR continued to rise for all groups of workers over the year, since February 2020, it remains down for both white and Black workers in Minnesota.
- 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
September-2022	68.4%	67.7%	79.1%	68.4%
August-2022	68.5%	66.8%	80.4%	68.6%
September-2021	67.9%	66.8%	76.7%	68.2%
February-2020	70.0%	71.3%	76.3%	69.9%

## Industry Details

**Mining and Logging:** Employment in Mining and Logging was flat over the month (OTM) in September, holding at 6,300 jobs. Over the year (OTY) the supersector lost 252 jobs (3.7%). It was the only supersector in the state to post negative annual growth, as it has in every month since April.

**Construction:** Construction employers added 900 jobs (0.7%) OTM on a seasonally adjusted basis, after losing 1,500 jobs in August. This was the largest proportional monthly growth of any supersector in the state. Over the year, the supersector added 1,379 jobs (1%) with growth in all three published components. Building Construction added 440 jobs (1.5%), Heavy and Civil Engineering added 796 jobs (3.4%) and Specialty Trade Contractors added 143 jobs (0.2%).

**Manufacturing:** Employment in the Manufacturing supersector was up 1,100 (0.3%) in September. Non-durable Goods employment was up 800 (0.7%) while their counterpart in Durable Goods was up 300 (0.1%). On an annual basis, Manufacturing employment was up 5.1%, or 15,937 jobs, the third-largest proportional growth of any supersector. Both major components added jobs, though the Durable Goods sector drove the growth, adding 12,125 jobs, or 6.1%.

**Trade, Transportation, and Utilities:** Trade, Transportation and Utilities employment was up 2,500 (0.5%) OTM in September. The growth came entirely from Transportation, Warehousing and Utilities, which was up 2,800 jobs or 2.7%. Retail Trade lost 300 jobs (0.1%) and Wholesale Trade employment was flat. Over the year, the supersector added 10,575 jobs (2.1%). All three component sectors posted positive growth, with Wholesale Trade up 1% (1,310 jobs), Retail Trade up 2.1% (5,719 jobs) and Transportation, Warehousing and Utilities up 3.4% (3,546 jobs).

**Information:** Employment in Information was off by 600 (1.4%) OTM in September, on a seasonally adjusted basis. Over the year, Information employment was up 940 jobs (2.2%), though both published components (Publishing and Telecommunications) lost jobs on the year.

**Financial Activities:** Financial Activities employment was down 900 (0.5%) OTM in September. Finance and Insurance was down 800 (0.5%) while Real Estate and Rental and Leasing was down 100 (0.3%). Over the year, the supersector added 1,468 jobs (0.8%). Finance and Insurance lost 299 jobs (0.2%) but those declines were overcome by the gain of 1,767 jobs (5.2%) in Real Estate and Rental and Leasing.

**Professional and Business Services:** Employment in Professional and Business Services was up 1,600 (0.4%) OTM in September. Administrative and Support and Waste Management was up 1,800 (1.4%) and Management of Companies and Enterprises was up 1,000 (1.1%) while Professional, Scientific and Technical Services lost 1,200 (0.7%). Over the year, the supersector added 22,829 jobs (6.2%). It was the second-highest proportional growth of any supersector in the state (trailing only Leisure and Hospitality). Administrative and Support and Waste Management led the growth, adding 10,425 jobs (8.2%), with Employment Services adding 4,161 jobs (7.4%).

**Education and Health Services:** The Education and Health Services supersector added 3,200 jobs (0.6%) OTM in September. Educational Services added 1,700 jobs (2.3%) and Health Care and Social Assistance added 1,500 (0.6%). On an annual basis, the supersector added 19,093 jobs (3.6%). Educational Services added 4,949 jobs (7.2%) and Health Care and Social Assistance added 14,144 jobs (3%). Nursing and Residential Care facilities entered positive annual growth for the first time since March of 2020, up 157 jobs (0.2%).

**Leisure and Hospitality:** Leisure and Hospitality employment was up 1,400 (0.6%) on a seasonally adjusted basis in September. Arts, Entertainment and Recreation added 1,000 jobs (2.3%) and Accommodation and Food Services added 400 (0.2%). Over the year, employment in Leisure and Hospitality was up 6.5%, or 15,890 jobs. It was the largest proportional increase of any supersector in the state as employers in the industry continued to recover from pandemic-related job losses.

**Other Services:** Employment in Other Services was down 700 (0.6%) OTM in September, after being up 600 jobs in August. Over the year, the supersector added 4,456 jobs (4.2%). Religious, Grantmaking, Civic, Professional and Similar Organizations drove the growth, adding 2,760 jobs, or 4.7%.

**Government:** Government employers lost 4,300 jobs (1%) on a seasonally adjusted basis in September. Local Government drove the declines, losing 4,100 jobs (1.5%) while State and Federal employers each lost 100 jobs (0.1% and 0.3%, respectively). Over the year, Government employers added 1,398 jobs (0.3%). Local Government drove the growth, adding 2,375 jobs (0.9%) while State employers lost 323 jobs (0.3%) and Federal employers lost 654 (2%).

## Regional Analysis

September 2022 Over the Year (OTY) Employment Growth by Region, Not Seasonally Adjusted		
Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	75,536	3.9%
Duluth-Superior MN-WI MSA	3,383	2.6%
Rochester MSA	3,812	3.1%
St. Cloud MSA	3,468	3.3%
Mankato MSA	1,587	2.9%
Fargo-Moorhead ND-MN MSA (Aug 2022)	4,200	2.9%
Grand Forks-East Grand Forks ND- MN MSA (Aug 2022)	1,900	3.7%
La Crosse-Onalaska WI-MN (Aug 2022)	-400	-0.5%

## Outlook

- With revisions for August and further growth in September, Minnesota has now seen job growth for 12 straight months. The U.S. growth streak is even longer at 19 months.
- The second uptick in row in the number of unemployed, while not looked for, could signal slightly improved labor availability coming into the autumn months.
- Minnesota remained at the top of the list in terms of the tightest labor market of any state with 4.1 job openings for every unemployed worker based on BLS JOLTS and LAUS July data. With 226,000 job openings in July, Minnesota had a vacancy rate of 7.2%, 15<sup>th</sup> highest, tied with Idaho and Illinois.
- The number of involuntary parttime workers ticked down to 28,100 in September, 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 53% in September (12-month moving avg) has made gains in the last 2 years. Teen unemployment is also very low at 6.2%, 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 losses in July, August and now also September, now down 14,018 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, up 1.1%, than the U.S., which is up 0.6% from January.
- Wages grew even faster in September than in August, up 5.7% overall, although still slower than inflation, with the CPI still stubbornly high at 8.2% in September and 14.1% over two years. While not all sectors have published hourly earnings in Minnesota, of those that do, the following show the strongest over the year increases.
  - Nursing & Residential Care up 11.7% over the year and 13.9% over 2 years. Current hourly earnings for production workers are \$22.01. Probably in part thanks to increasing wages, Nursing and Residential Care facilities entered positive annual growth for the first time since March of 2020, up 157 jobs (0.2%).
  - Professional & Business Services up 9.5% over the year and 13.3% over two years. Hourly earnings for all workers are now \$41.07.
  - Construction up 8.5% over the year and 16.4% over two years. Hourly earnings for all workers are now \$39.60.
  - Non-durable Goods Manufacturing up 8.3% over the year and 16.2% over two years. Hourly earnings for production workers are now \$25.77.
  - Food Service & Drinking Places up 7.5% over the year and 17.7% over 2 years. Hourly earnings for production workers are now \$17.69.

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