



## Labor Market Information: February 7, 2024

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# Labor Market & Economic Trends

- Labor Force Growth
- 1-Month Employment Growth
- 1-Year Employment Growth
- Unemployment Rate
- Labor Force Participation Rate
- Unemployed Workers Per Job Opening
- South Central Minnesota

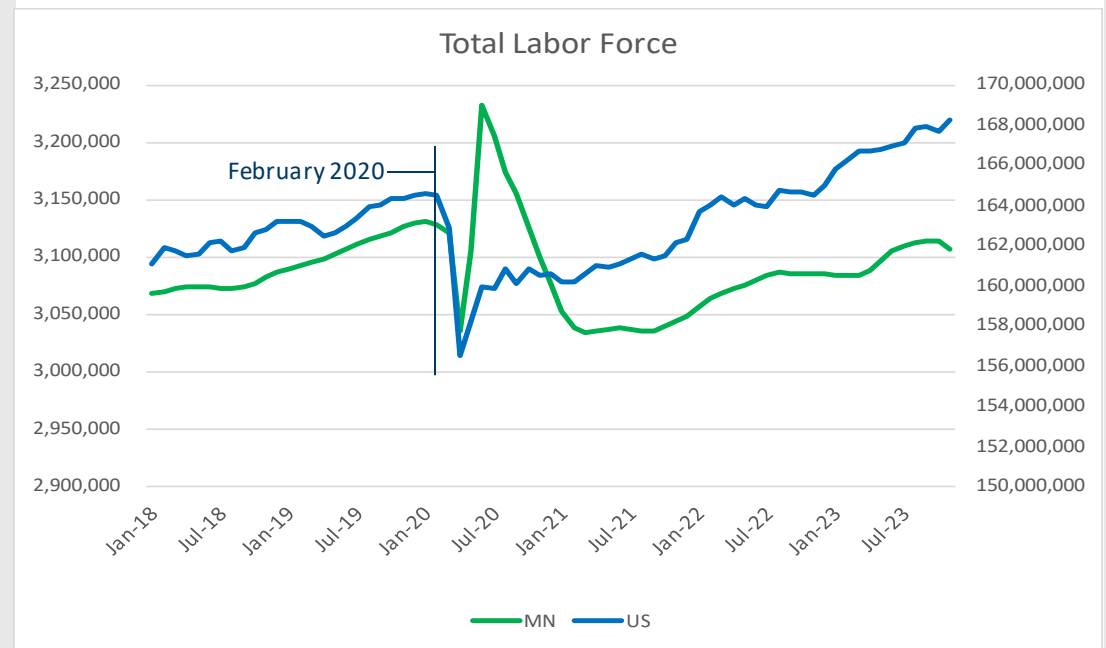
# Labor Market & Economic Trends

- **Minnesota's population grew 0.4% from 2022-2023, ranking 25<sup>th</sup> nationally**
- **The labor force has not recovered to pre-pandemic levels, still -0.7% below February 2020 levels, a shortage of nearly 28,500 workers**
- **At 2.9%, Minnesota had the 10<sup>th</sup> lowest unemployment rate in the U.S.**
- **After gaining almost 51,000 jobs over the past year, Minnesota ranked 24<sup>th</sup> in the U.S. for job growth**
- **At 68.1%, Minnesota's labor force participation rate is well above the U.S. rate (62.5%)**
- **Minnesota had 209,000 job openings in November 2023, and had the 6<sup>th</sup> highest job openings rate in the U.S.**

# Labor Force has not yet Recovered to Pre-Pandemic Levels

- **Minnesota had 3.1 million workers in December 2023**
  - Up from 1,885,780 workers in Dec. 1976
- Added +414,000 workers from 1990-2000
- Added +128,000 workers from 2000-2010
- Added +193,000 workers from 2010-2020
- **Minnesota is still nearly -28,500 workers below Feb. 2020 levels**

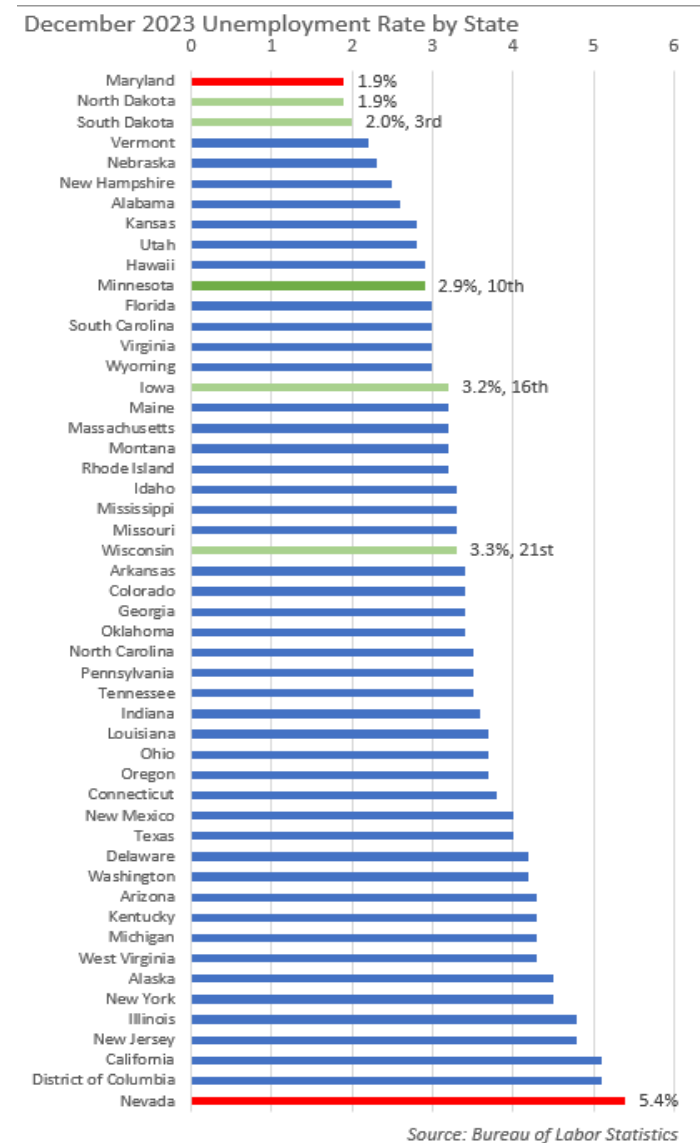
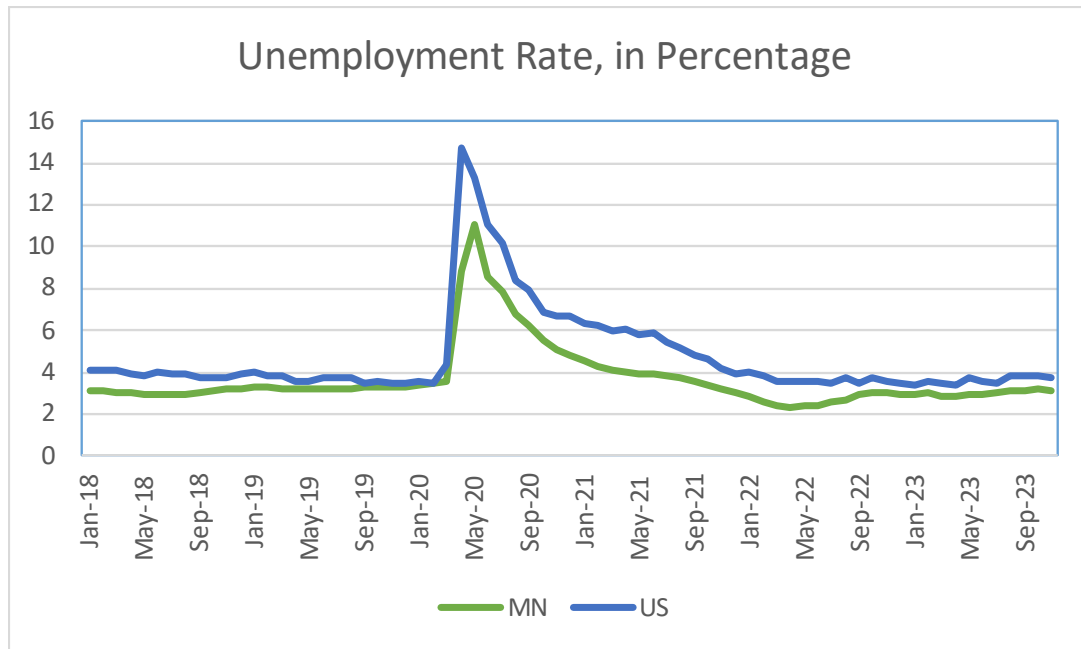
- Minnesota ranked 30<sup>th</sup> in labor force growth since January 2018, at 1.2%
- Since February 2020, Minnesota's labor force is down 0.7%, ranking 38<sup>th</sup> nationally



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

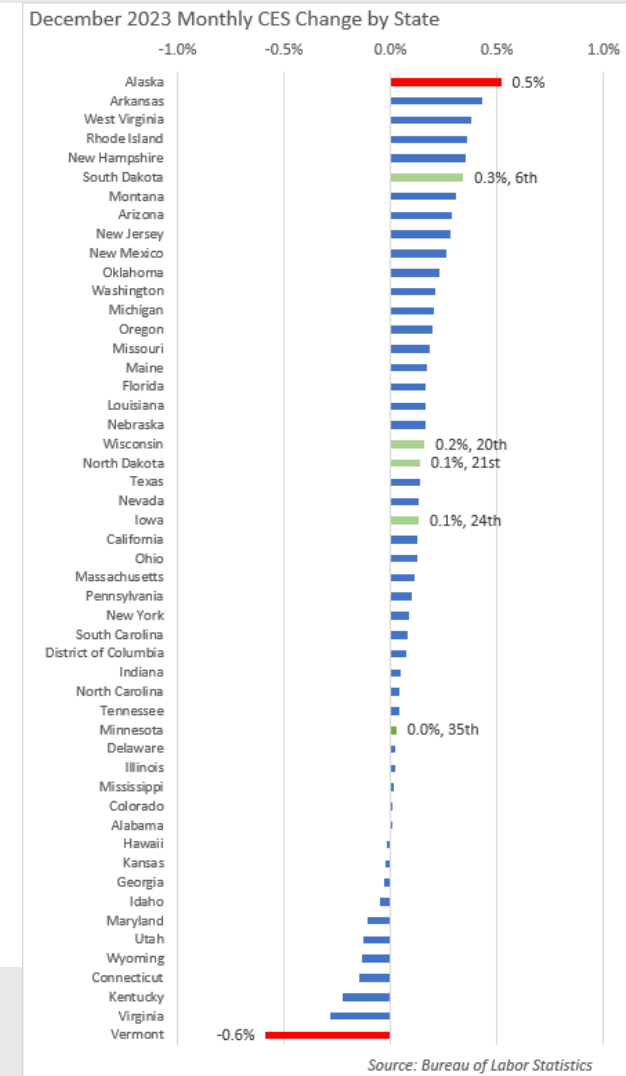
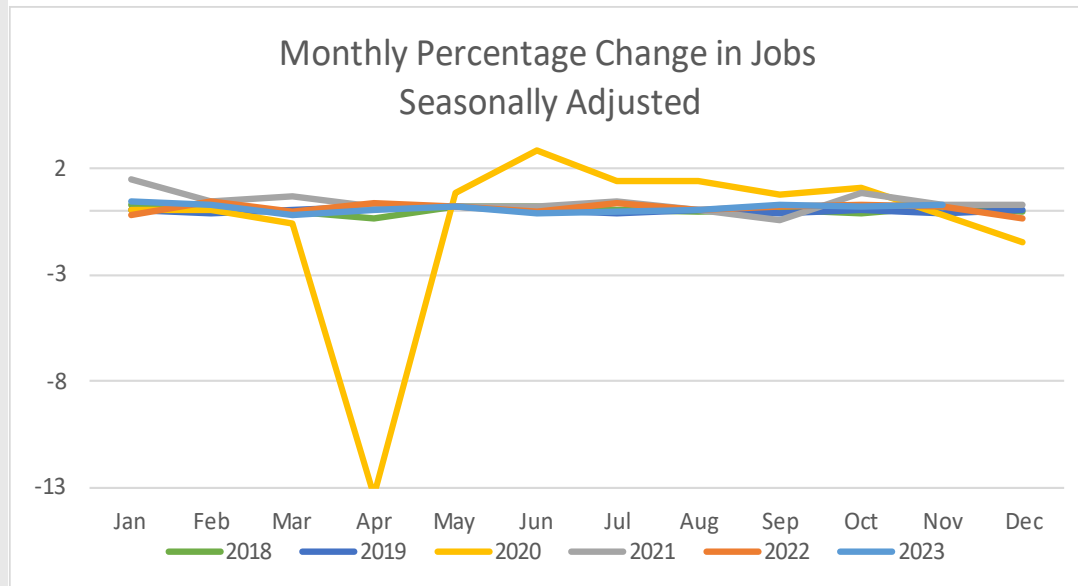
# Unemployment Rate Remains Below National Average

- At 2.9%, Minnesota ranked 10<sup>th</sup> among states in unemployment rate in December 2023
- Minnesota has long had an unemployment rate below the national average



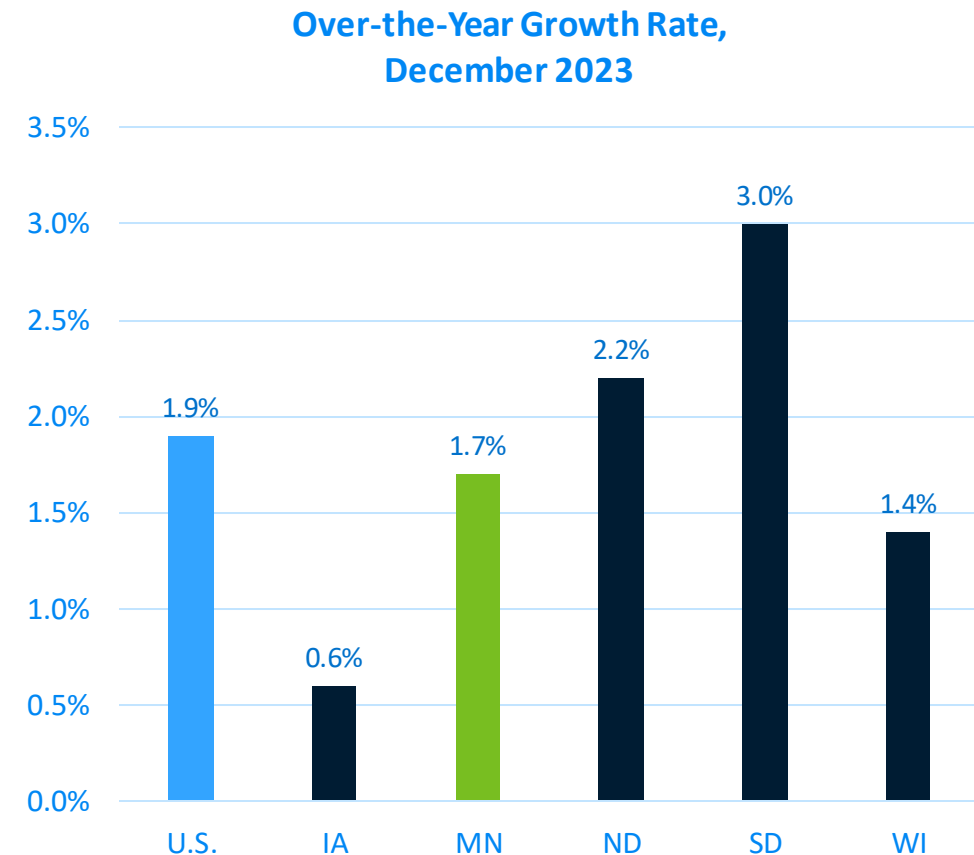
# Job Growth Compared to Preceding Month Ranked 35<sup>th</sup>

- Minnesota ranked 35<sup>th</sup> among states in 1-month job growth in Dec. 2023
- Monthly job growth has mostly followed a pattern in recent years, with the exception of 2020



# Over-the-Year Job Growth ranks 24<sup>th</sup> in Nation

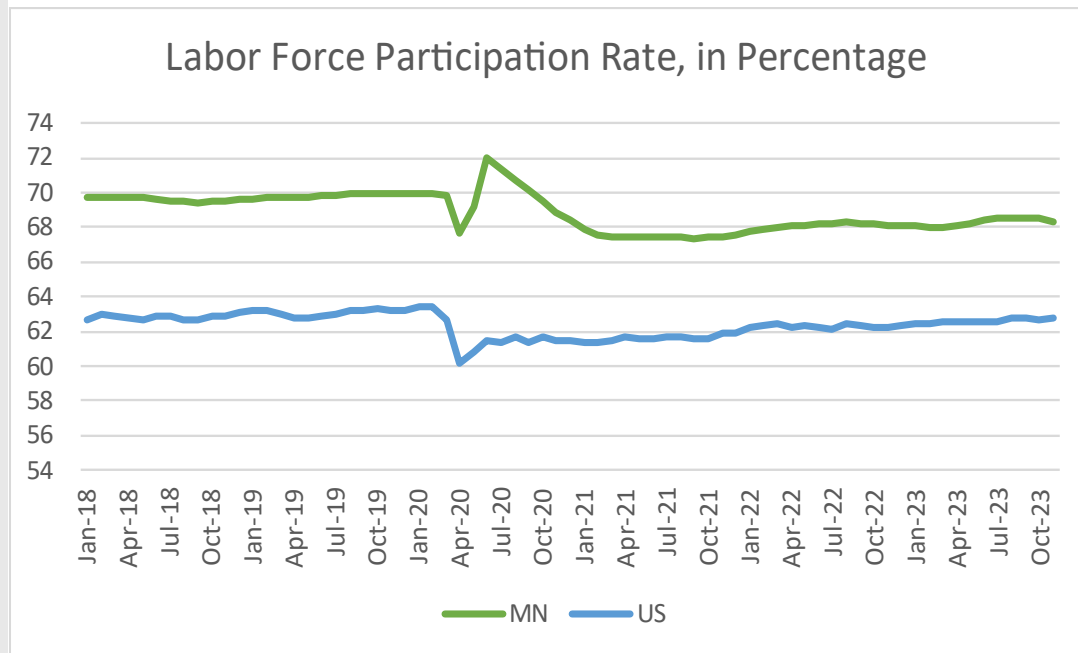
- **Minnesota ranked 24<sup>th</sup> among states in over-the-year job growth**
  - Minnesota gained +50,809 jobs
- **Supersectors with notable growth:**
  - Construction up +8.8%, compared to +3.0% nationally
  - Trade, Transportation, and Utilities up +2.6%, compared to +0.5% nationally
  - Mining & Logging up +5.2%, compared to 2.2%
  - Education & Health Services up +4.0%, compared to 4.3%
  - Leisure & Hospitality up +3.4%, compared to 3.2%
  - Other Services is up +2.9%, compared to +1.7%
  - Government is up +2.5%, compared to +3.1%
- **Supersectors that lost jobs:**
  - Financial Activities down -4.2%, while U.S. grew +0.4%
  - Professional & Business Services down -1.3%, while the U.S. grew 0.5%
  - Manufacturing down -1.2%, while the U.S. grew +0.2%
  - Information down -4.1%, and U.S. is also down -2.2%



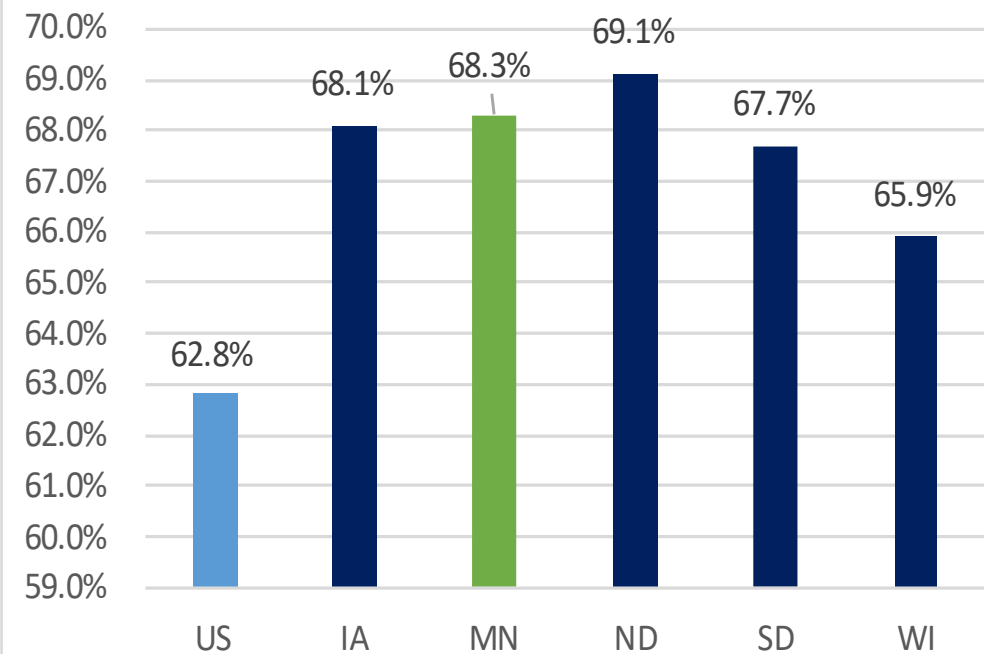
Source: Current Employment Statistics, Bureau of Labor Statistics

# Minnesota Continues to Have Strong Labor Force Participation, Ranking 6<sup>th</sup> nationally

- Minnesota ranked 6<sup>th</sup> among states in labor force participation rate
- Minnesota has long been a leader in participation, but we still have not returned to pre-pandemic levels due to retirements, caregiving



Border State Comparisons,  
November 2023

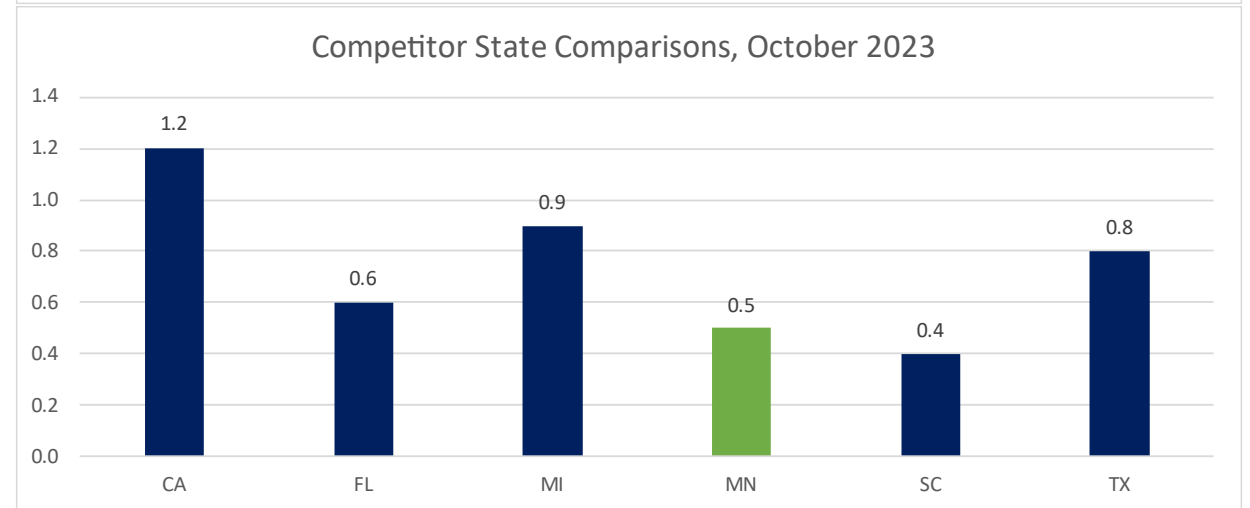
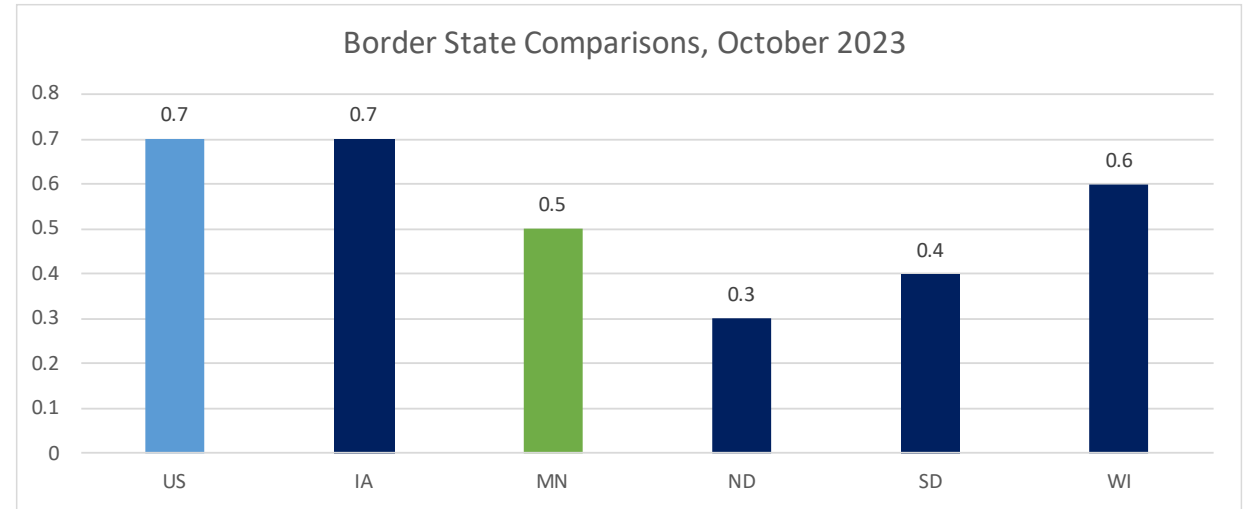
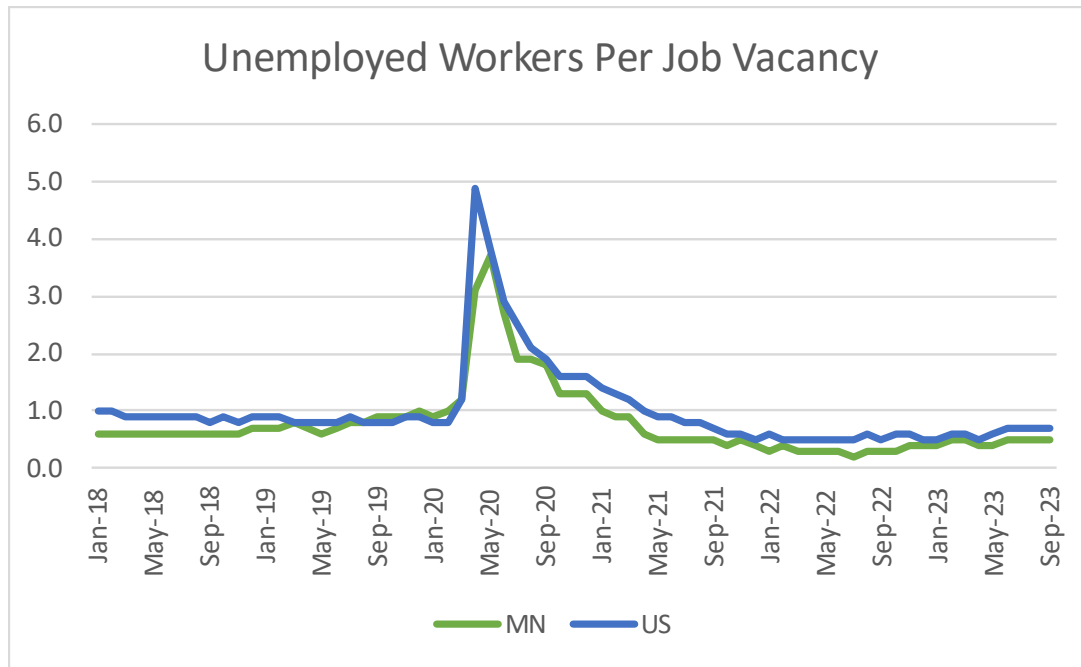


Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



# Tight Labor Market Means Fewer Workers Per Job Vacancy Than National Average

- **Minnesota ranked 19<sup>th</sup> tightest among states in unemployed workers per job vacancy**
- **This ratio is a good indicator of labor market tightness**



# Tight Labor Market Means Fewer Workers Per Job Vacancy Than National Average

**Health Care & Social Assistance (45,230 vacancies)**

**Retail Trade (28,477 vacs.)**

**Accommodation & Food Services (25,894 vacs.)**

**Manufacturing (18,987 vacancies)**

## Minnesota Vacancies by Industry, 2022

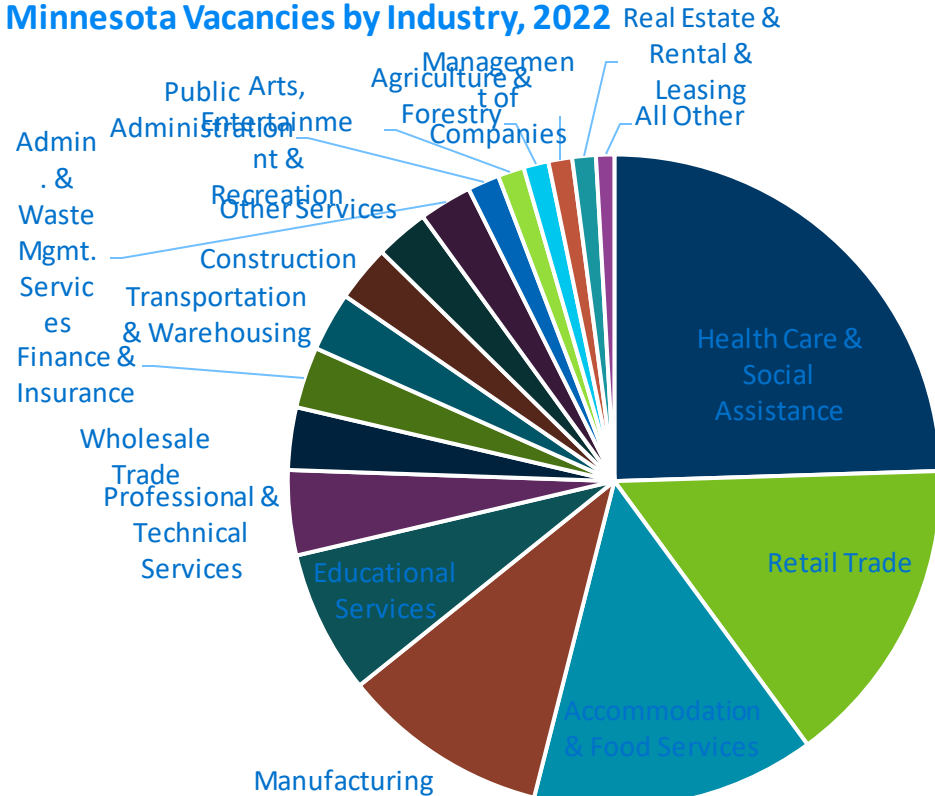
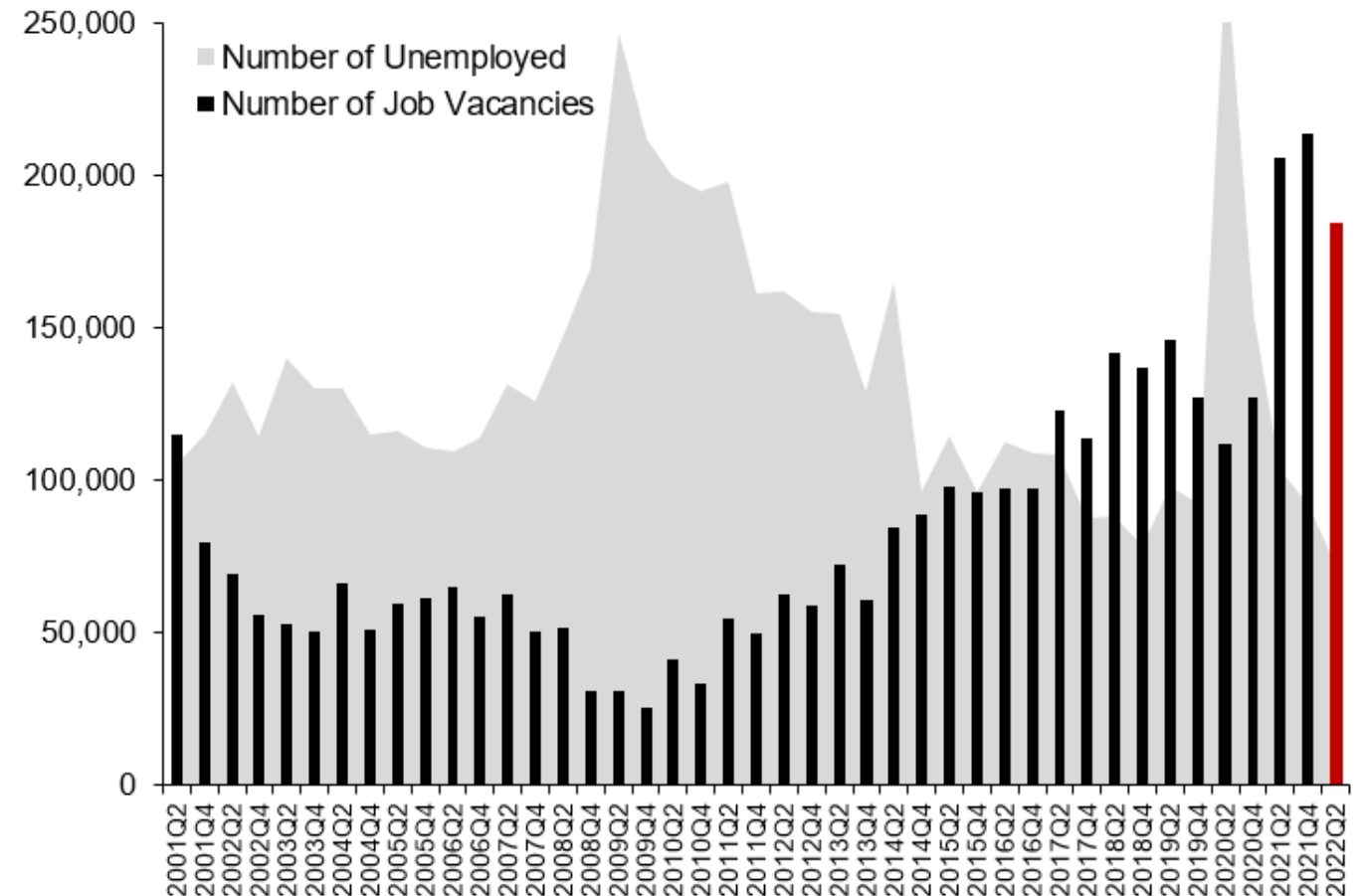


Figure 1. Minnesota Job Vacancies and Unemployed, Second Quarter 2001 to Second Quarter 2022



# Region 9: South Central

- Region 9 is the 5<sup>th</sup> largest and 8<sup>th</sup> fastest growing EDR (of 13) in the state
  - Higher percentage of 15-24 year olds (college students)
- Rapidly becoming more racially and ethnically diverse
  - +35.5% increase in foreign-born population from 2010
  - *International in-migration versus domestic out-migration*

Table 1. Population by Age Group, 2022		
	Number	Percent
Under 5 years	13,177	5.5%
5-14 years	29,346	12.4%
15-24 years	38,956	16.4%
25-34 years	27,808	11.7%
35-44 years	28,638	12.1%
45-54 years	25,594	10.8%
55-64 years	30,910	13.0%
65-74 years	23,901	10.1%
75-84 years	12,623	5.3%
85 years & over	6,494	2.7%
<b>Total Population</b>	<b>237,447</b>	<b>100.0%</b>

Source: Census Population Estimates, 2018-2022 ACS

Figure 3. Population by Race, 2022

■ White  
■ Black or African American  
■ American Indian  
■ Asian  
■ Some Other Race  
■ Two or More Races

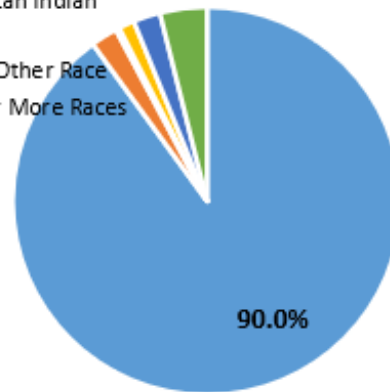


Table 1. Region 9 Population Change 2010-2022

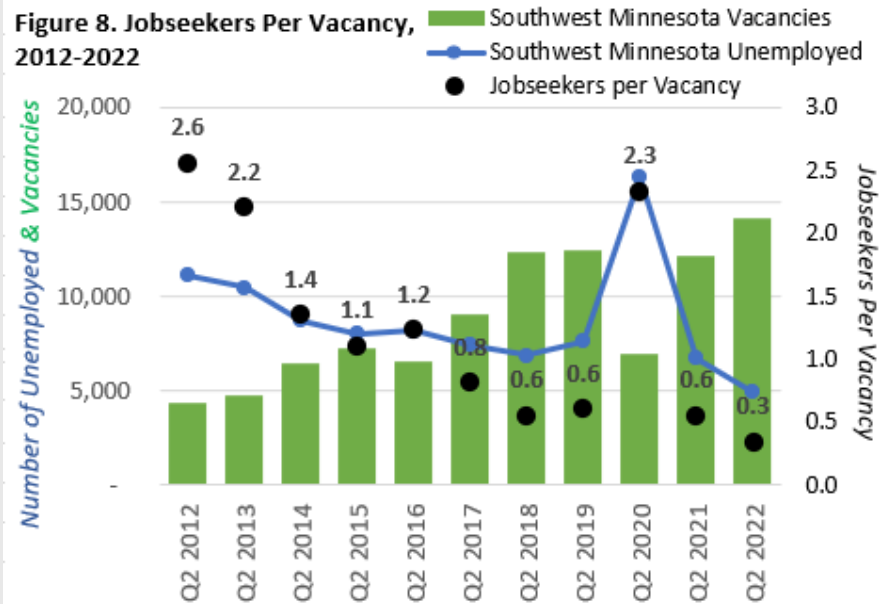
Table 4. Race and Hispanic Origin, 2022	Region 9			Minnesota	
	Number	Percent	Change from 2011-2022	Percent	Change from 2011-2022
<b>Total</b>	<b>237,076</b>	<b>100.0%</b>	<b>2.8%</b>	<b>100.0%</b>	<b>7.9%</b>
White	213,364	90.0%	-2.3%	79.7%	-0.4%
Black or African American	5,269	2.2%	71.5%	6.7%	44.3%
American Indian or Alaska Native	754	0.3%	12.0%	0.9%	-10.2%
Asian or Other Pac. Islanders	3,094	1.3%	23.1%	5.1%	37.1%
Some Other Race	5,337	2.3%	91.6%	2.3%	84.7%
Two or More Races	9,258	3.9%	187.6%	5.3%	159.6%
Hispanic or Latino origin	15,535	6.6%	45.0%	5.7%	34.6%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

# Region 9: South Central

- High labor force participation
- Extremely tight labor market: 0.3 jobseekers per vacancy!

Figure 8. Jobseekers Per Vacancy, 2012-2022



Source: DEED Job Vacancy Survey, LAUS program

Table 7. Employment Characteristics, 2022

	Region 9			Minnesota		Labor Force by Gender	
	In Labor Force (available workers)	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate	Male	Female
Total Labor Force	131,069	68.5%	3.5%	68.7%	4.0%	69,237	61,841
16 to 19 years	8,645	59.1%	8.1%	53.0%	9.8%	3,974	4,672
20 to 24 years	17,659	84.0%	5.0%	83.1%	6.7%	9,067	8,587
25 to 44 years	50,525	89.6%	3.2%	88.8%	3.5%	27,089	23,435
45 to 54 years	22,417	87.7%	2.1%	87.8%	2.9%	11,938	10,478
55 to 64 years	23,192	75.1%	3.1%	72.8%	3.1%	12,088	11,105
65 to 74 years	7,236	30.3%	2.4%	27.6%	3.3%	4,220	3,017
75 years & over	1,405	7.4%	3.0%	6.6%	3.2%	861	547

Employment Characteristics by Race & Hispanic Origin

White alone	118,582	67.8%	3.1%	67.8%	3.4%
Black or African American	2,657	68.9%	7.9%	71.5%	8.7%
American Indian & Alaska Native	401	58.1%	0.0%	57.6%	11.9%
Asian or Other Pac. Islanders	1,983	71.7%	8.2%	73.9%	3.6%
Some Other Race	3,122	82.8%	5.4%	76.1%	6.1%
Two or More Races	4,324	79.6%	9.3%	74.3%	6.6%
Hispanic or Latino	8,197	79.7%	8.9%	77.0%	6.3%

Employment Characteristics by Disability, 20 to 64 years

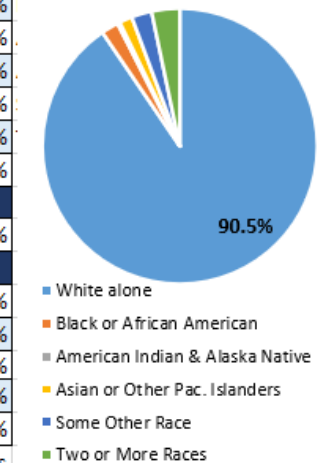
With Any Disability, 20 to 64 years	6,947	54.5%	11.7%	54.4%	10.2%
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Employment Characteristics by Educational Attainment, 25 to 64 years

Population, 25 to 64 years	96,139	85.2%	2.9%	84.4%	3.3%
Less than H.S. Diploma	4,258	67.7%	3.7%	67.2%	4.6%
H.S. Diploma or Equivalent	24,035	79.8%	2.1%	76.8%	2.5%
Some College or Assoc. Degree	37,631	87.1%	3.1%	85.1%	3.6%
Bachelor's Degree or Higher	30,208	91.1%	1.8%	90.3%	2.0%

Source: 2018-2022 American Community Survey, 5-Year Estimates

Figure 9. Labor Force by Race, 2022



# Region 9: South Central

- **104,544 jobs at 7,115 firms in Q3 2023**
  - Up about +1,400 jobs from Q3 2022
  - Down about -1,900 jobs from Q3 2019
  - Lost -7,500 jobs from Q3 2019-Q3 2020
- High concentration of employment in Manufacturing, Health Care & Social Assistance, Retail Trade, Educational Services

Figure 16. Industry Employment Statistics, 2007-2022

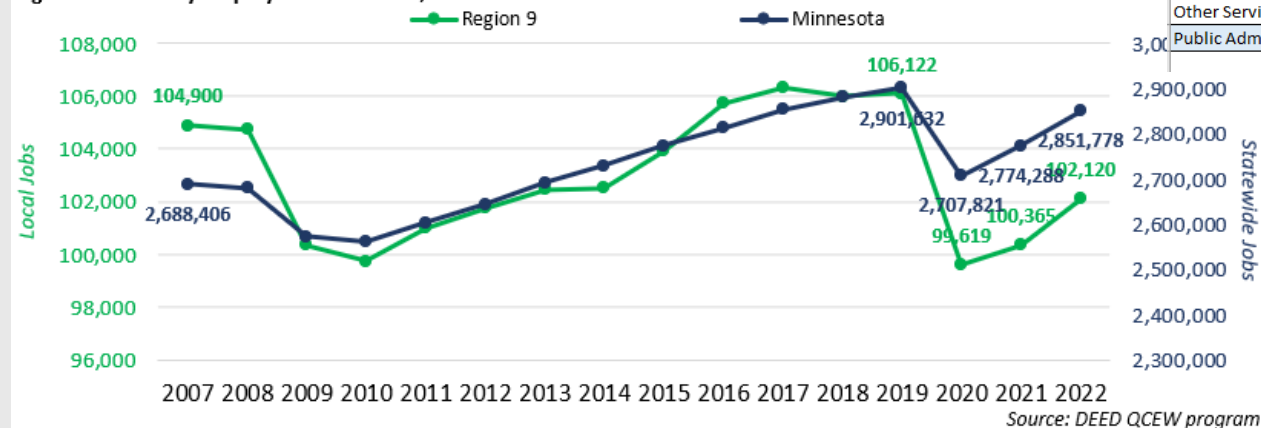
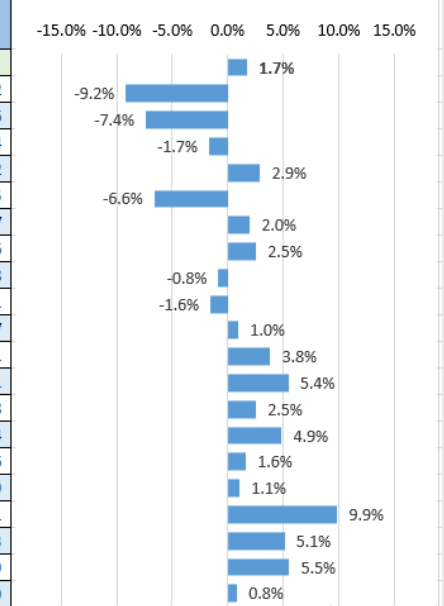


Table 15. Region 9 Industry Employment Statistics, 2022	Number of Jobs	Percent of Total Jobs	Average Annual Wage
<b>Total, All Industries</b>	<b>102,120</b>	<b>100.0%</b>	<b>\$52,252</b>
Agriculture, Forestry, Fish & Hunt	2,870	2.8%	\$52,032
Mining	113	0.1%	\$75,506
Construction	4,738	4.6%	\$64,654
Manufacturing	18,362	18.0%	\$64,612
Utilities	424	0.4%	\$97,915
Wholesale Trade	3,917	3.8%	\$81,617
Retail Trade	12,008	11.8%	\$31,866
Transportation & Warehousing	4,340	4.2%	\$49,668
Information	1,516	1.5%	\$64,661
Finance & Insurance	3,070	3.0%	\$77,427
Real Estate & Rental & Leasing	975	1.0%	\$36,801
Professional & Technical Services	2,477	2.4%	\$71,901
Management of Companies	809	0.8%	\$101,548
Admin. Support & Waste Mgmt. Svcs.	2,248	2.2%	\$42,344
Educational Services	9,024	8.8%	\$52,546
Health Care & Social Assistance	17,538	17.2%	\$54,039
Arts, Entertainment, & Recreation	1,104	1.1%	\$16,641
Accommodation & Food Services	7,790	7.6%	\$17,573
Other Services	3,167	3.1%	\$34,509
Public Administration	5,627	5.5%	\$55,529

Figure 17. Change in Jobs, 2021-2022



# Key Takeaways

- Minnesota's labor market is relatively tight:
  - Minnesota's labor force has been slow to bounce back after the pandemic
  - Steady job creation over the past year
  - Low unemployment
  - High labor force participation
  - Low numbers of unemployed workers per job opening
    - However, Minnesota's neighboring states also have relatively tight labor markets
  - South Central region has a growing population and increasing racial diversity
  - South Central has a growing economy and a very tight labor market



# DEED's Regional Analysis & Outreach Unit



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*We've got you covered...*

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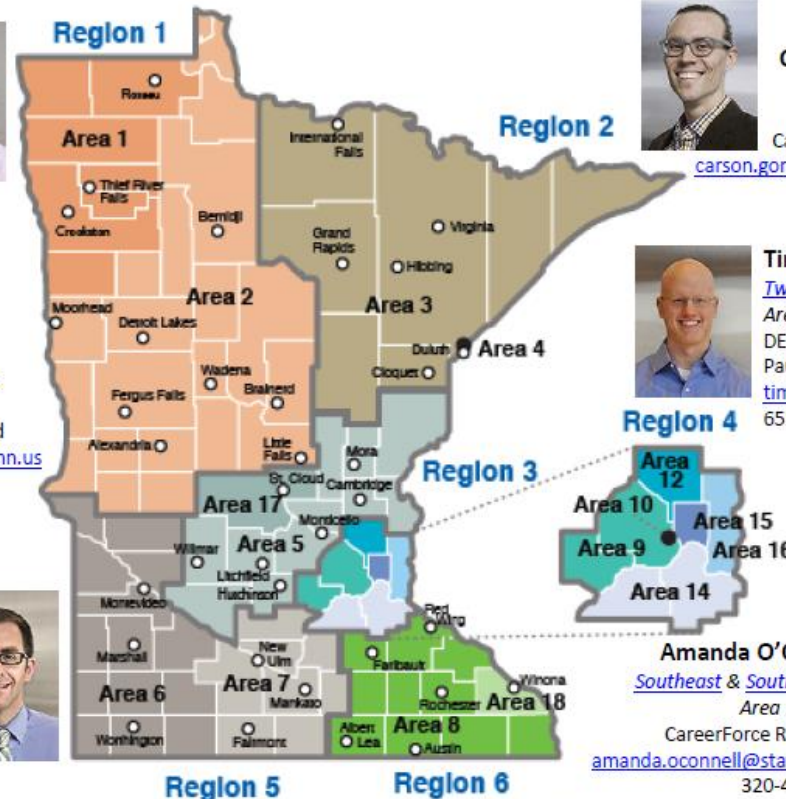
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# The Big Picture: Minnesota is a Great Place to Live and Work

- Minnesota's population has been growing, and is projected to continue
- Minnesota ranked 4<sup>th</sup> in the share of the population that graduated from high school at 94%, and 13<sup>th</sup> in the share of the population with a 4-year degree or higher at 39.1%
- Minnesota ranked 13<sup>th</sup> in median household income at \$82,338 in 2022
- 9.6% of Minnesotans are in poverty – the 5<sup>th</sup> lowest rate nationally
- Minnesota had the 7<sup>th</sup> highest average hourly earnings in 2022
- Minnesota ranks 5<sup>th</sup> nationwide in the 2022 Camelot Index, a well-accepted measure of quality of life
- Minnesota ranked as the 4<sup>th</sup> Happiest State in 2023 by WalletHub