

State of Minnesota's Labor Market 2020

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www.mn.gov/deed/data/

January 13, 2021

Comparing Recessions: Nonfarm Payroll Employment Trends

Minnesota lost ground in November for the first time since April, shedding 12,600 payroll jobs. This put us down 6.4% or 191,662 jobs over the year in Nov.

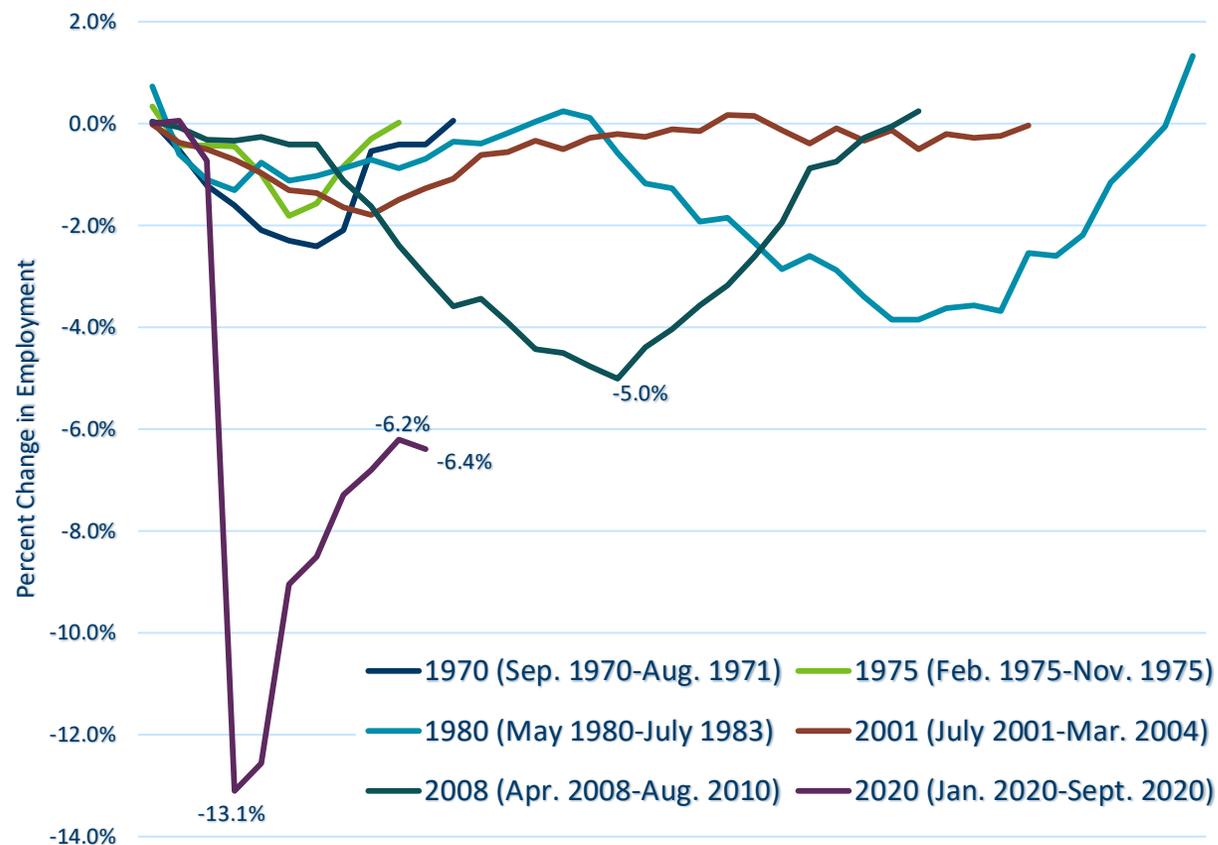
The pandemic recession shows steeper job loss than previous recessions. Over the year losses reached 13.1% in April compared to 5.0% at the trough of the Great Recession.

It took 29 months to rebuild to pre-recession employment levels during the Great Recession.

Our current Minnesota forecast puts full employment recovery from the pandemic recession at the end of 2022 or beginning for 2023.

[Comparing Recessions](#) tool with data by region and industry

Year-Over-Year Employment Loss by Month During Minnesota Recessions, 1970-2020



Source: DEED Current Employment Statistics

Source: Analysis of CES data, Dave Senf, MN LMI Office

Job Loss and Recovery by Sector Through November

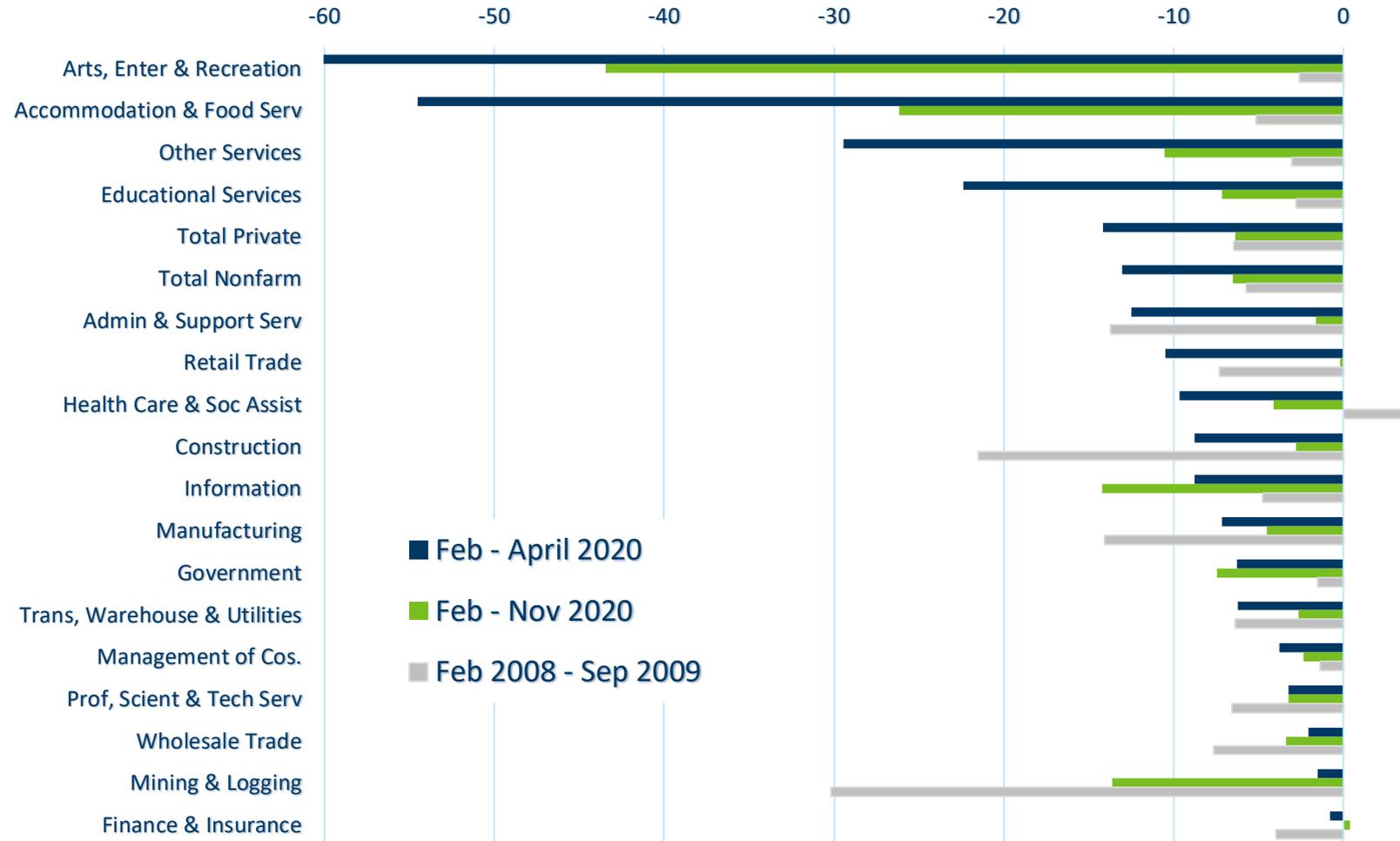
Seasonally Adjusted Payroll Employment

Minnesota lost 387,800 jobs from February to April and has since gained 193,000 jobs, or just about half of the jobs lost.

The private sector has regained 54.8% of the jobs lost.

- Arts, Entertainment & Recreation has regained nearly 30% of the jobs lost.
- Accommodation & Food Service has regained 52% and Other Services has regained 64%.
- Information continued to lose jobs, now down 14.2%, as has Wholesale Trade, now down 3.4%, Government, down 7.4% and Mining & Logging, now down 13.6% from February's seasonally adjusted employment level.
- Finance & Insurance is the only sector that has surpassed February's seasonally adjusted employment level by 600 jobs.

Job Rebound Since April and Great Recession Trough



Source: [Current Employment Statistics](#)

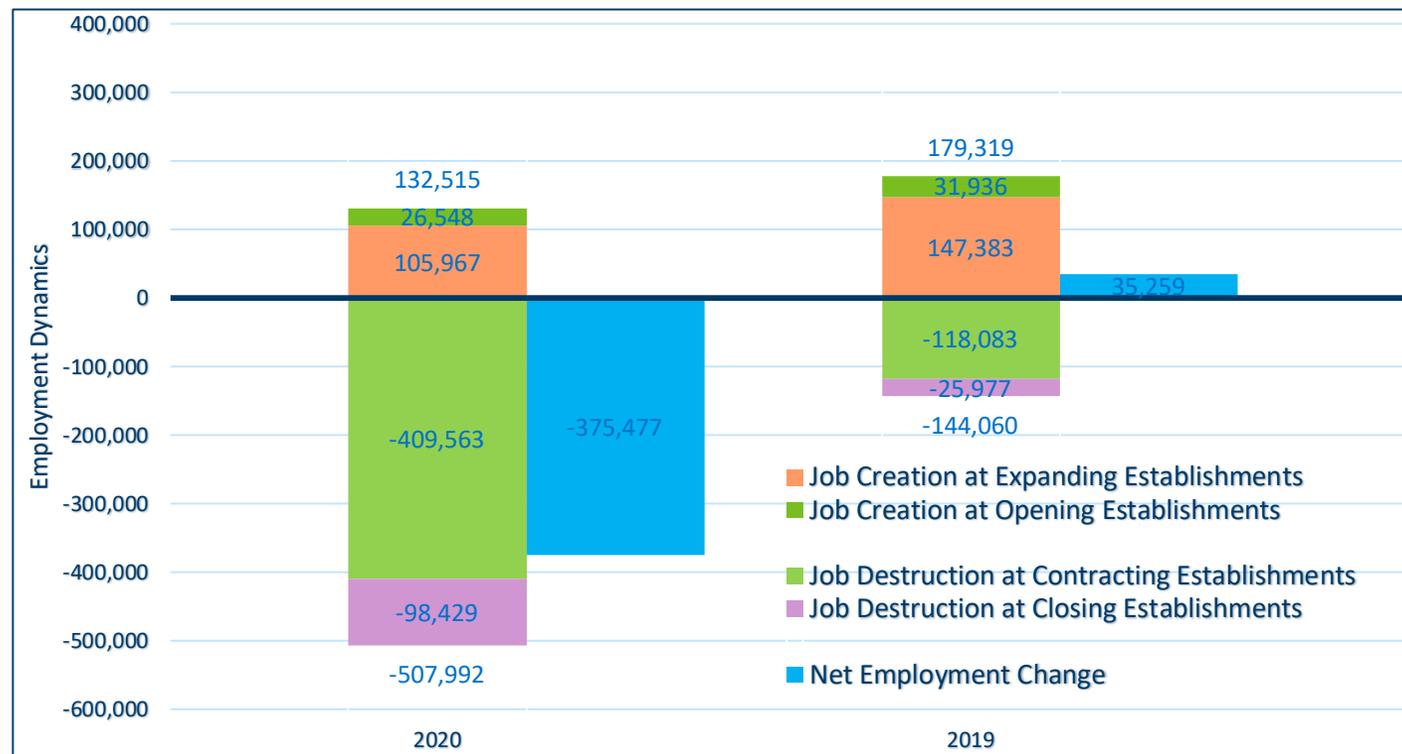
Business Impact During 2nd Quarter 2020

Analysis based on 2nd quarter Quarterly Census of Employment and Wages (QCEW) – Unemployment Insurance covered employment

- Pandemic impact on net employment: -410,700
 - Did not add the 35,259 jobs seen in 2019
 - And in addition, lost 375,500 jobs
 - 71% of the net impact was from contracting establishments, 18% from closing estabs.
- Pandemic impact on establishments:
 - Expanding: down 13,500
 - Opening: down 900
 - Contracting: up 21,100
 - Closing: up 10,500
 - Number of establishments with positive employment down by 11,400 in 2nd quarter 2020 from expected
- Establishment closures were concentrated in
 - Other Services: 735
 - Accommodations and Food Services: 650
 - Retail Trade: 422
 - Health Care and Social Assistance: 338
 - Arts, Entertainment and Recreation: 215
 - Professional, Scientific, Tech Services: 268

Analysis using 2nd quarter QCEW, DEED, LMI, Dec. 2020

Monthly Business Employment Dynamics, March - April 2020 vs. 2019, MN



Year	Number of Establishments				Change in Establishments
	Job Creating Establishments		Job Destroying Establishments		
2 nd Quarter	Expanding	Opening	Contracting	Closing	
2020	37,649	8,767	64,927	17,404	-8,637
2019	51,106	9,668	43,862	6,912	2,756
COVID-impact	-13,457	-901	21,065	10,492	-11,393
		8%		92%	100%

Unemployment and Labor Force Participation

Minnesota's unemployment rate dropped to 4.4% in November. Peaked at 9.9% in May.

The unemployment rate (6-month moving avg.) peaked in September at

- Black: 16.5%
- Hispanic: 9.7%
- Women: 8.3%

Labor force participation rates are dropping, keeping unemployment low

- 67.9% in Nov 2020, down from 70.4% in Nov 2019
- 89,000 people exited labor market over the year in Nov

By demographic, rates (6-month moving avg.) have dropped from one year ago for:

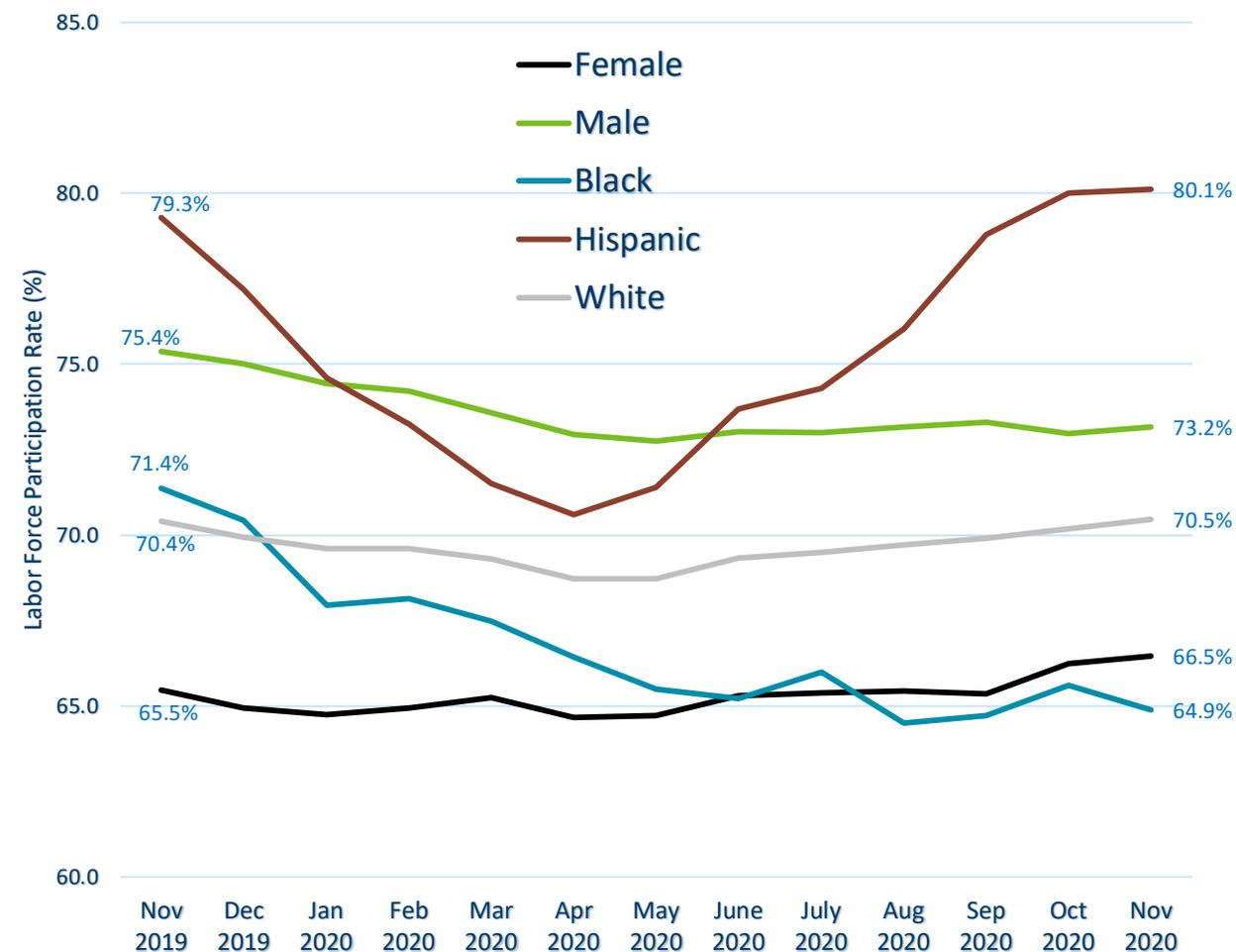
- Black Minnesotans: 64.9% in Nov, down from 71.4%
- Men: 73.2% in Nov, down from 75.4%

Risen for:

- Women: 66.5% in Nov, up from 65.5%
- Hispanic Minnesotans: 80.1% in Nov, up from 79.3%

Monthly [Alternative Measures](#) from Current Population Survey

Labor Force Participation Rates, Minnesota, 6-month Moving



Regional Unemployment

Unemployment rates tend to be high in NE and West Central MN, particularly during fall and winter.

But overall, rural parts of the state have seen rates rise less during the pandemic period.

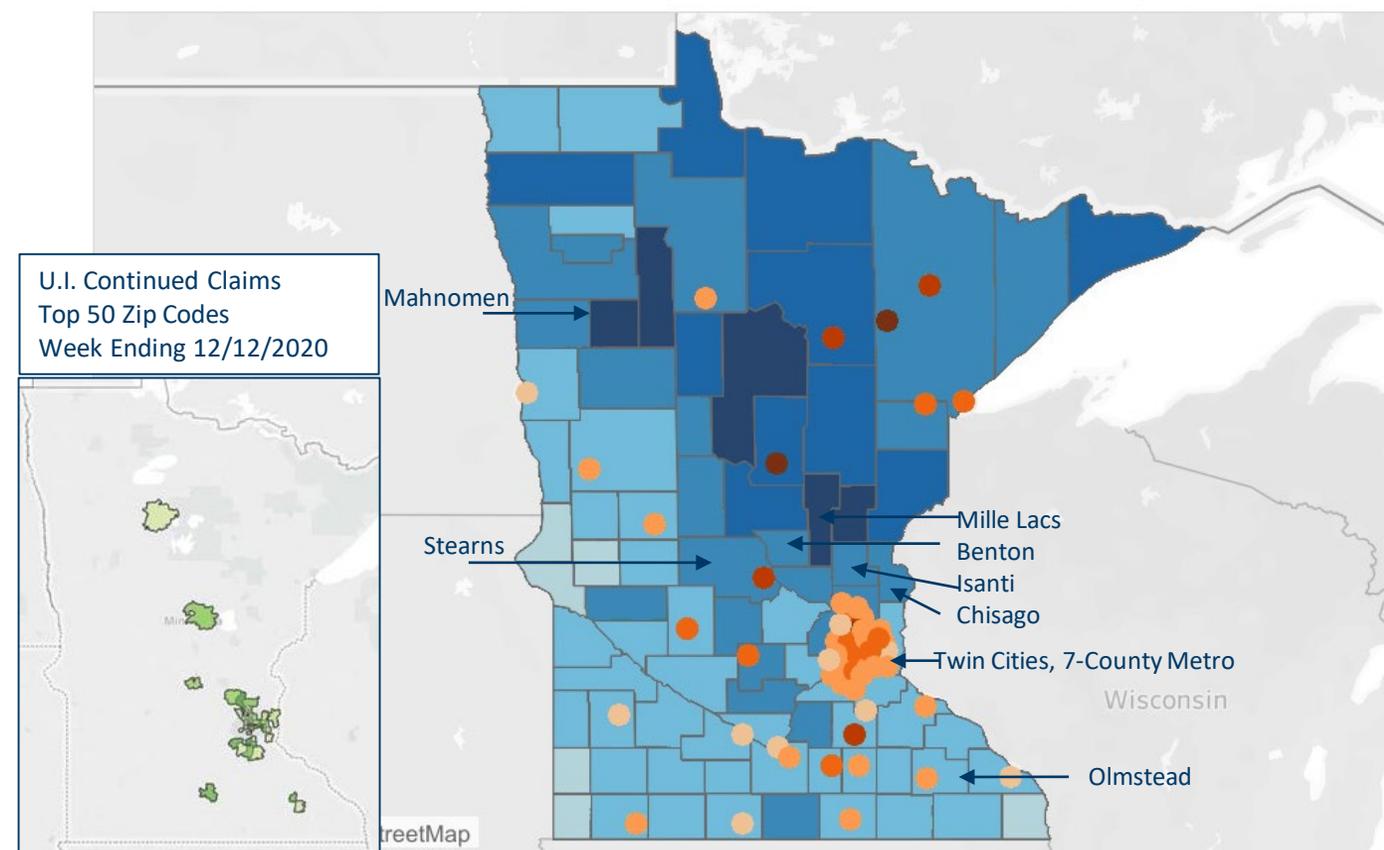
Over the year in November, unemployment rates have risen most in the regions that tend to have the lowest unemployment rates:

- 7-County Twin Cities
- Central and East Central
- Southeast, South Central and Southwest Central

By county:

- Mahnomen - West Central
- Hennepin - Twin Cities
- Ramsey - Twin Cities
- Anoka - Twin Cities
- Benton – Central
- Chisago - Central
- Mille Lacs – East Central
- Olmstead – Southeast
- Stearns – Central
- Isanti East Central

November City and County Unemployment Rates, Not Seasonally Adjusted



Unemployment Rate



Source: DEED, Labor Market Information Office, Local Area Unemployment Statistics [Link to data and map](#)

Who is most at risk of long-term unemployment in Minnesota?

Demographics, October 2020

Based on the 678,225 Minnesotans who filed an eligible claim for Unemployment Insurance (UI) between March and August.

Risk determined by:

- Percent ever permanently separated from employment since March 16, 2020
- Percent filed continued claim since Oct 3
- Average number of weeks of continued claims filed from March 16 to Oct 3rd
- Higher share on U.I. than in labor force
- *Women* have claimed more weeks on avg than men and are more likely to have filed a claim after Oct 3rd
- *Black Minnesotans* have experienced longest average period on UI are most likely to have filed a continued claim after Oct 3rd
- *Workers 65 and over* have experienced longest time on UI and are the most likely to have filed a continued claim after Oct 3rd
- *Workers with a high school diploma or less* have the longest avg time on UI, are most likely have filed a claim after Oct 3rd.
- *Minnesotans with disabilities* have 15.9 avg week on UI and higher likelihood of permanent separation.
- *Twin Cities residents* have highest avg spell on UI and are most likely to have filed a continued claim after Oct 3rd

Description	% Tot claimants	% Lab force	Avg UI weeks	% Continued filing after Oct 3	% Ever permanently separated
				13.6%	2.1%
Total claimants since Mar 15	100.0%	100.0%	13.3	27.2%	6.8%
Female	51.5%	48.0%	13.8	25.1%	6.5%
Male	48.5%	52.0%	12.8	24.3%	7.1%
American Indian	1.3%	0.8%	15.6	31.4%	8.2%
Asian	5.7%	5.1%	13.2	25.2%	5.9%
Black	10.5%	5.9%	16.8	45.7%	10.5%
Hispanic/Latino	5.5%	5.2%	13.8	25.9%	6.0%
Mixed race	2.5%	2.4%	15.4	32.2%	8.2%
White	74.5%	80.7%	12.7	21.1%	6.4%
18-19	2.5%	n/a	10.7	15.3%	2.1%
20-24	13.1%	9.4%	13.2	20.6%	3.7%
25-34	25.8%	21.8%	13.5	24.9%	6.5%
35-44	20.6%	21.0%	13.2	25.4%	7.7%
45-54	16.6%	19.2%	12.8	24.2%	8.0%
55-64	16.0%	17.9%	13.3	25.7%	8.4%
65 and above	5.3%	5.7%	16.2	34.8%	7.9%
Less than high school	5.8%	4.6%	13.9	30.3%	6.9%
High school or equivalent	31.9%	19.9%	13.8	28.0%	7.6%
Some college or Assoc. deg.	39.6%	33.3%	13.3	23.4%	6.4%
Bachelor's	17.9%	n/a	12.6	21.5%	6.3%
Master's	3.7%	n/a	11.8	20.7%	7.6%
Above Master's	1.1%	n/a	9.7	13.6%	4.5%
With a disability	3.6%	5.6%	15.9	35.2%	10.7%
Without a disability	96.4%	94.4%	13.1	23.9%	6.5%
Twin Cities Metro	59.1%	55.6%	14.2	28.2%	7.3%
Central	12.5%	12.8%	11.9	20.0%	6.2%
Northeast	5.8%	5.3%	13.3	21.9%	6.3%
Northwest	8.4%	9.8%	11.7	18.3%	6.7%
Southeast	8.4%	9.3%	11.5	19.4%	5.9%
Southwest	5.6%	7.2%	11.7	19.4%	6.7%

Source: Analysis of Minnesota Unemployment Insurance PROMIS file by Alessia Leibert, DEED, LMI

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Job Characteristics, October 2020

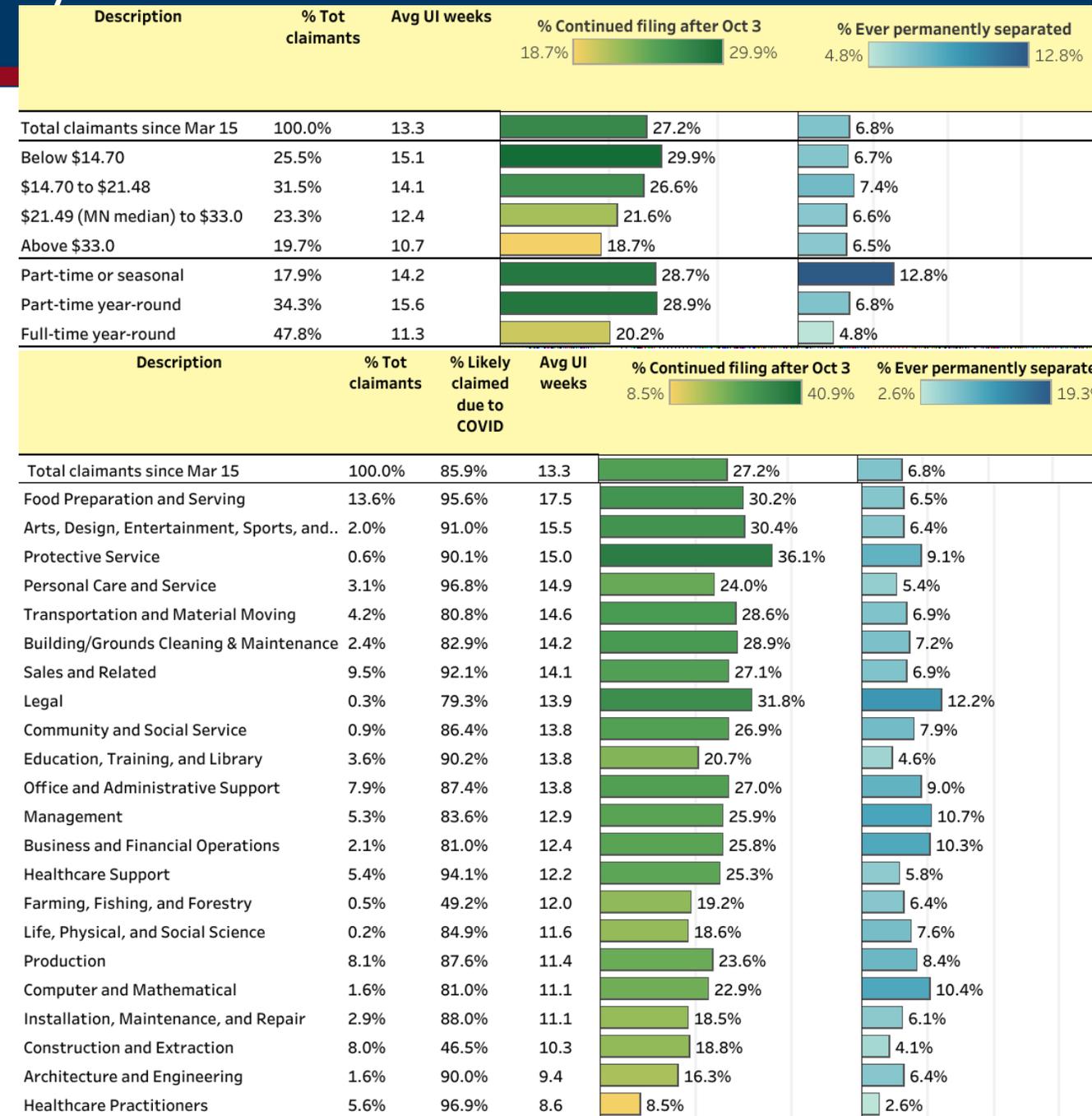
Wage: Layoffs have disproportionately affected workers whose earnings were below statewide median wage of \$21.49 per hour.

- 57% of claimants
- Individuals who earned less than \$14.70 an hour at the time of layoff were also the most likely to be still out of work after Oct 3.

Work Status: Part-time workers face longer spells on U.I.

Occupation: Job losses are spread across many occupations.

- Food Preparation and Serving impacted most - 13.6% of total claimants with highest average number of weeks claimed, very high likelihood that the claim was due to the pandemic recession.
- By detailed occupation, largest occs with highest number of weeks claimed (17+) are:
 - Travel Agents, 609
 - Waiters and Waitresses, 24,500
 - Bartenders, 13,100
 - Taxi drivers and chauffeurs, 1,800
 - Bus drivers, 1,500
 - Actors, entertainers and performers, 1,600
 - Food servers, nonrestaurant, 4,000
 - Dishwashers, 2,900



Source: [Risk for Prolonged Unemployment](#), Analysis of Minnesota Unemployment Insurance PROMIS file by Alessia Leibert, DEED, LMI.

Thank You!

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