

# Minnesota's Labor Force: Emerging from the Pandemic Recession

2023 Regional Economic Conditions Conference

Oriane Casale

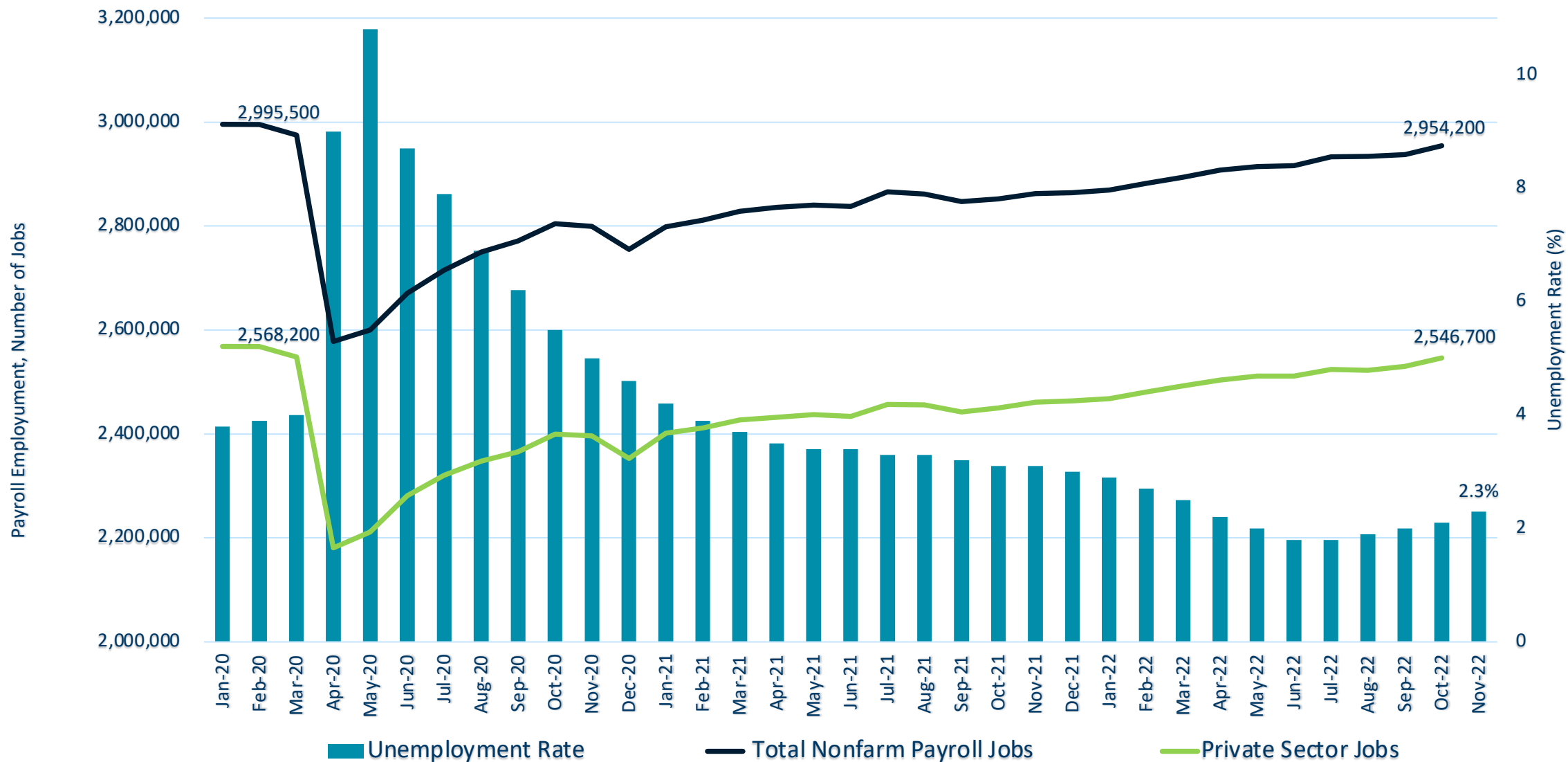
[Oriane.Casale@state.mn.us](mailto:Oriane.Casale@state.mn.us)

Assistant Director

Minnesota Labor Market Information Office

# Unemployment Rate and Job Growth

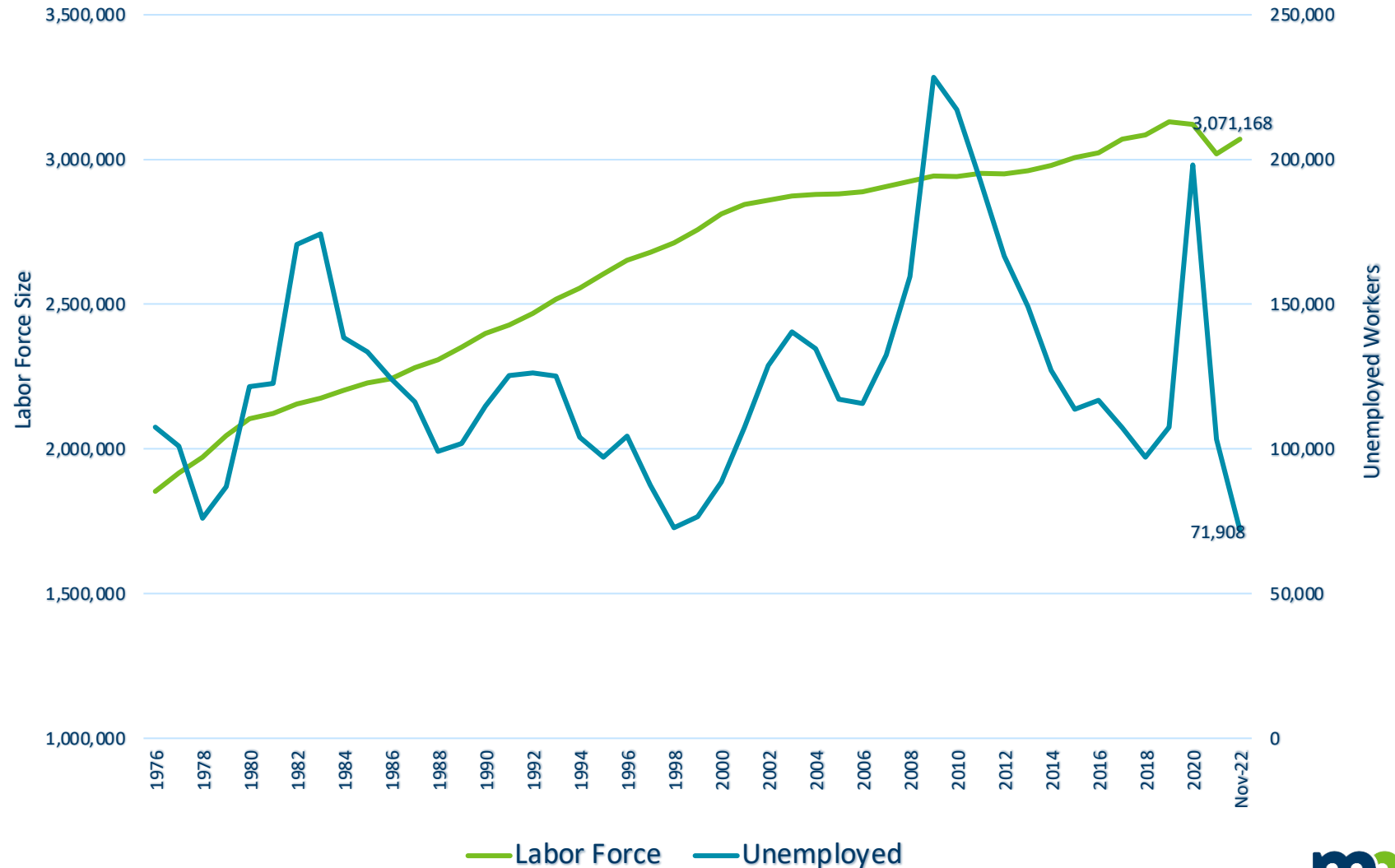
Minnesota, Seasonally Adjusted, January 2020 to November 2022



# Long-term Workforce Trends

Minnesota, 1976 to November 2022

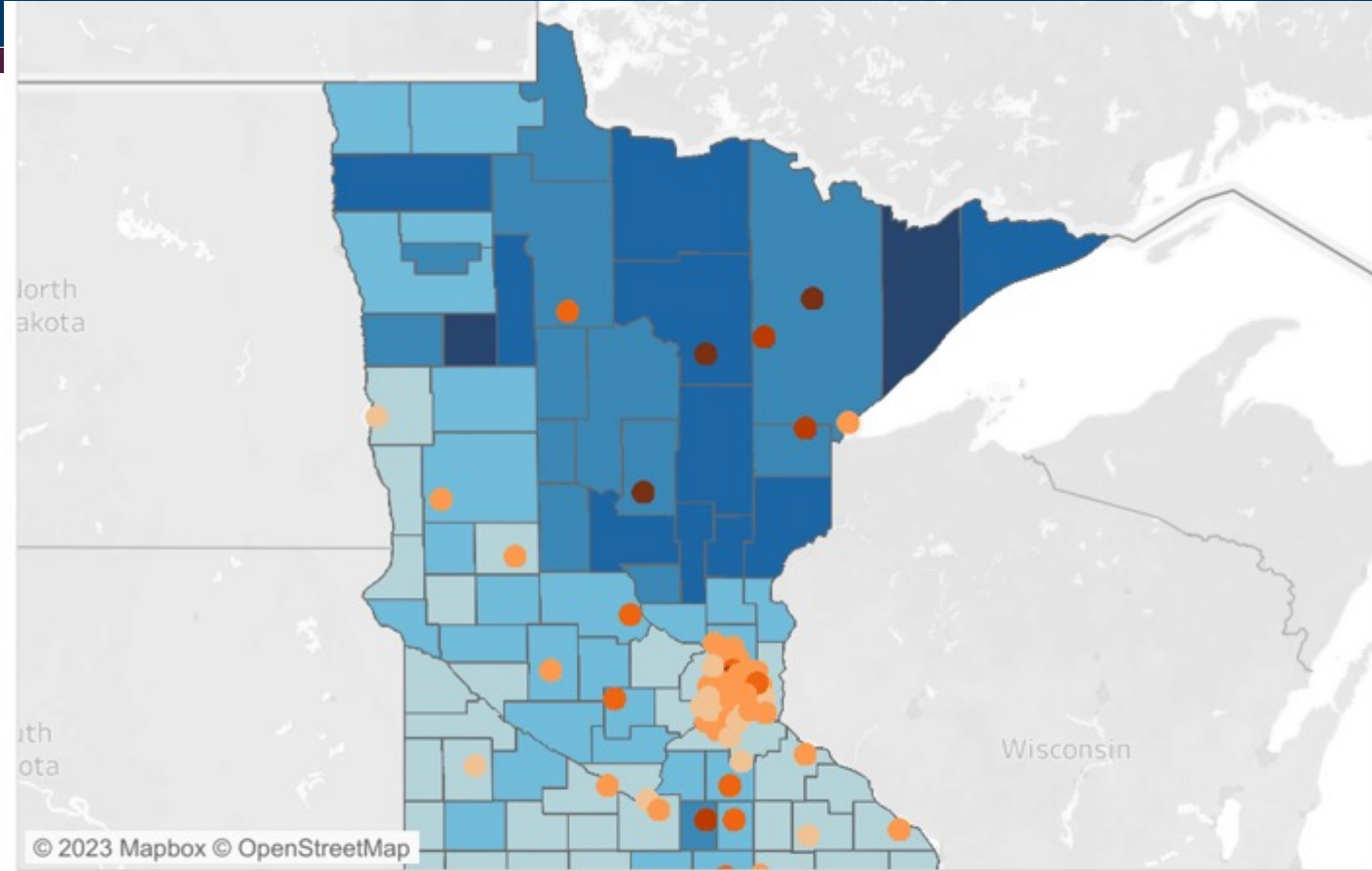
- From 1976 to 2019, Minnesota added 1,277,000 workers, reaching 3,130,000 in 2019
- But 326 fewer unemployed workers in 2019 than in 1976
- Still short 94,000 in labor force since prior to pandemic



# County and City Unemployment Rates

November 2022, not seasonally adjusted

- Only 7 of 87 counties have an unemployment rate above 3.5%
  - 42 of 87 counties had fewer than 250 unemployed workers!
- Only 2 of 87 counties have a larger labor force now than in November 2019
  - Only 7 counties have more employed workers now than in Nov 2019

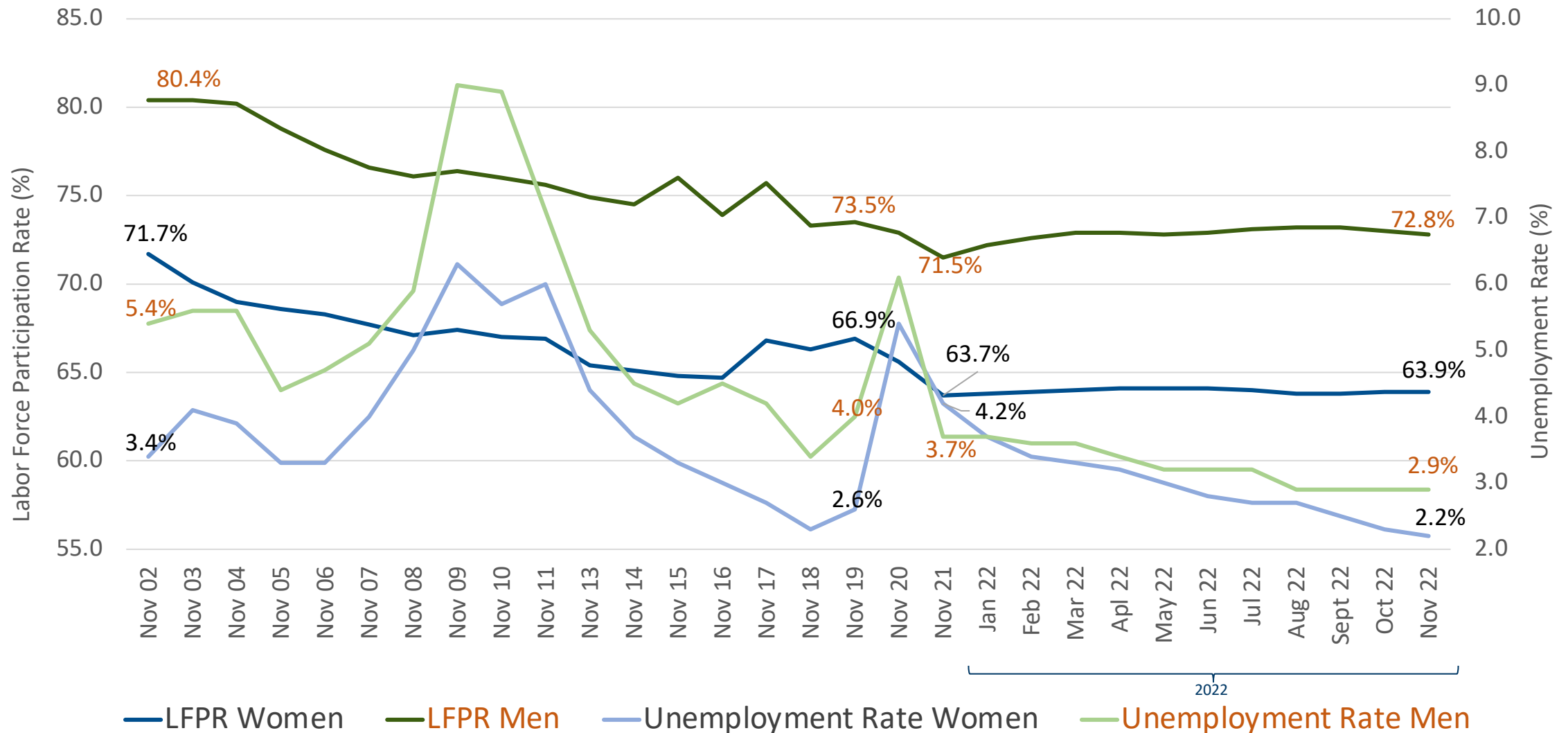


Source: Local Area Unemployment Statistics

Source: DEED, Labor Market Information Office, Local Area Unemployment Statistics

# Labor Force Participation and Unemployment Rates by Gender

Minnesota, November 2002 to 2022, 12-month moving averages

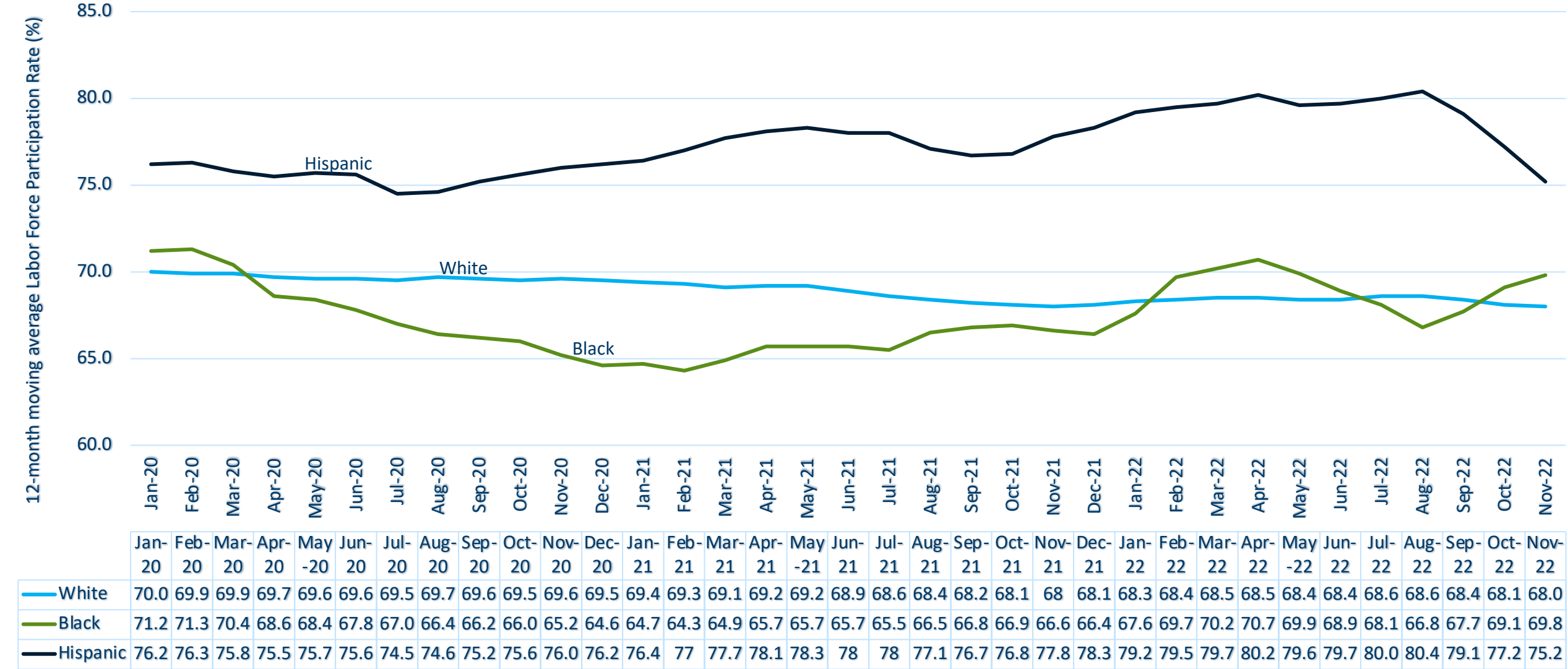


Source: Demecon from the Current Population Survey



# Labor Force Participation Rates by Race/Ethnicity

Minnesota, 12-month moving averages

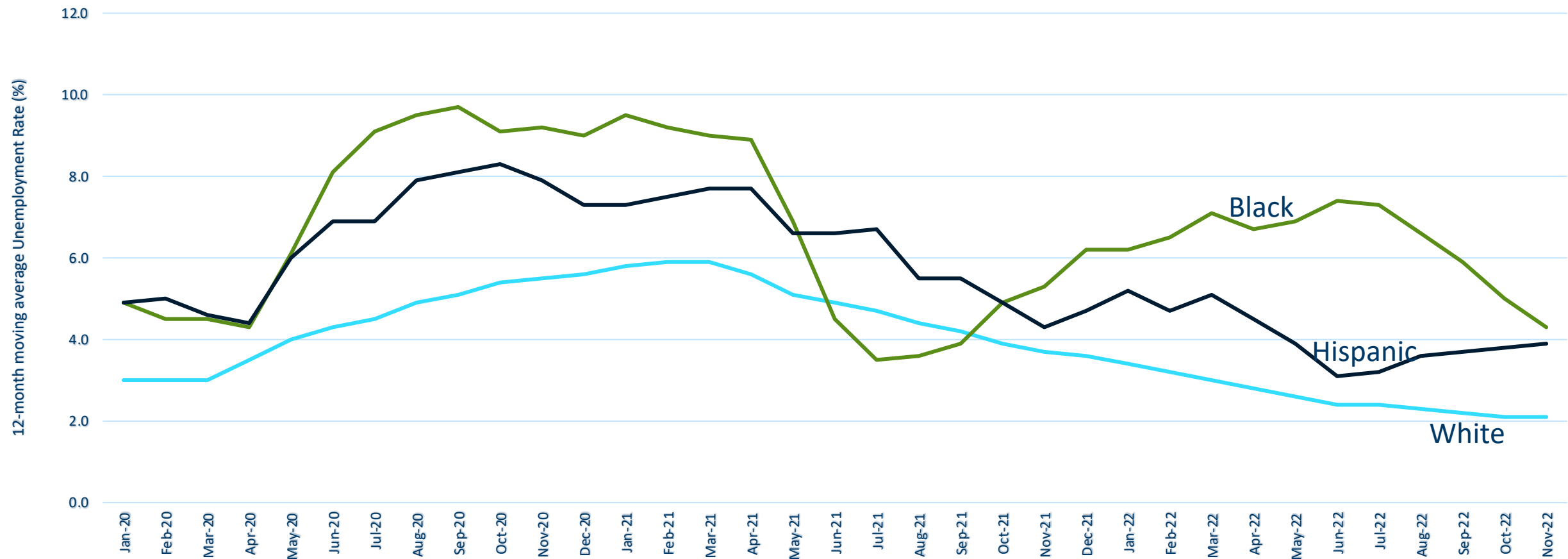


Source: Demecon from the Current Population Survey



# Unemployment Rates by Race/Ethnicity

Minnesota, 12-month moving averages



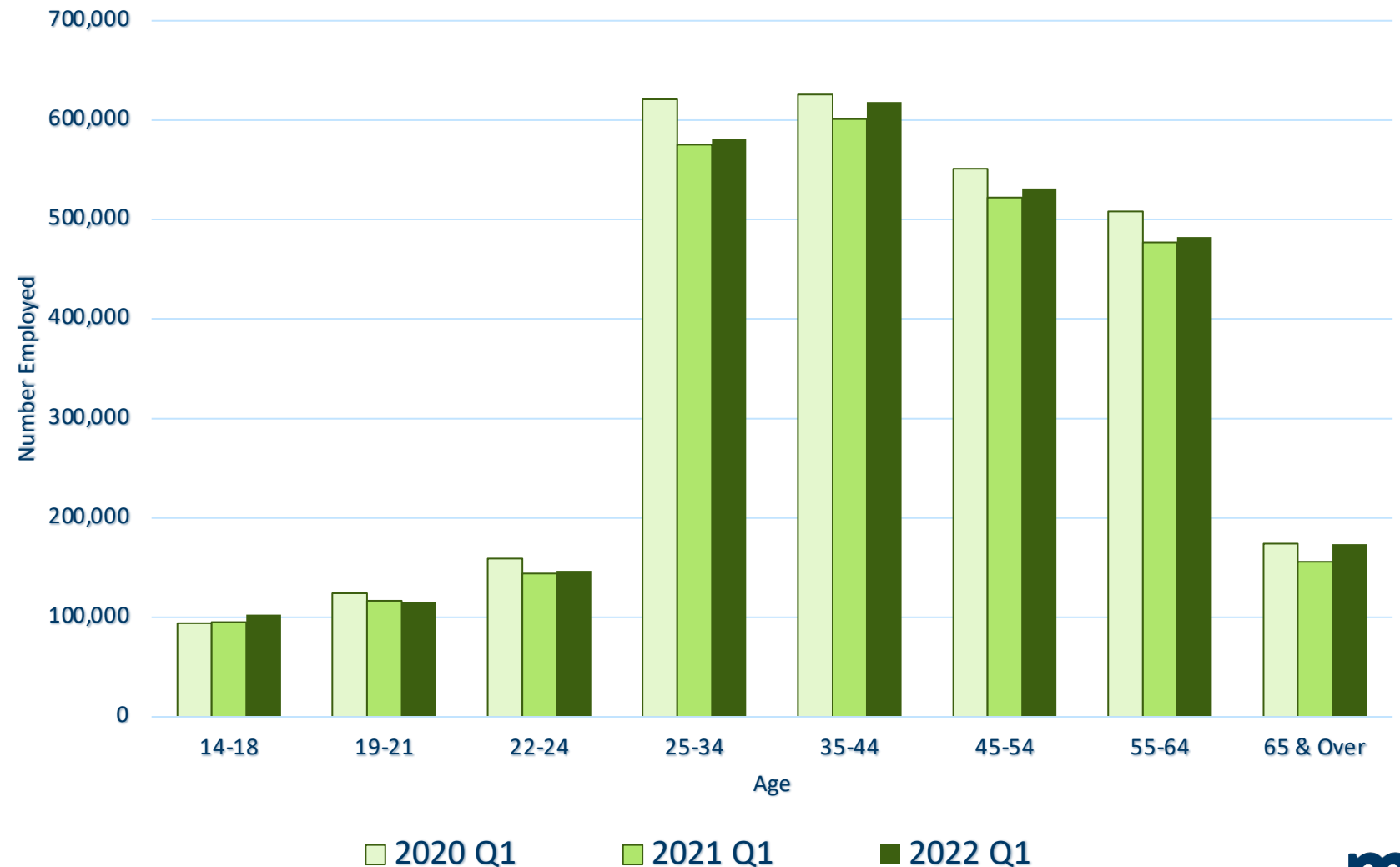
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
White	3.0	3.0	3.0	3.5	4.0	4.3	4.5	4.9	5.1	5.4	5.5	5.6	5.8	5.9	5.9	5.6	5.1	4.9	4.7	4.4	4.2	3.9	3.7	3.6	3.4	3.2	3.0	2.8	2.6	2.4	2.4	2.3	2.2	2.1	2.1
Black	4.9	4.5	4.5	4.3	6.1	8.1	9.1	9.5	9.7	9.1	9.2	9.0	9.5	9.2	9	8.9	6.9	4.5	3.5	3.6	3.9	4.9	5.3	6.2	6.2	6.5	7.1	6.7	6.9	7.4	7.3	6.6	5.9	5.0	4.3
Hispanic	4.9	5.0	4.6	4.4	6.0	6.9	6.9	7.9	8.1	8.3	7.9	7.3	7.3	7.5	7.7	7.7	6.6	6.6	6.7	5.5	5.5	4.9	4.3	4.7	5.2	4.7	5.1	4.5	3.9	3.1	3.2	3.6	3.7	3.8	3.9

Source: Demecon from the Current Population Survey

# Trends in Covered Employment by Age

First quarter 2020, 2021 and 2022

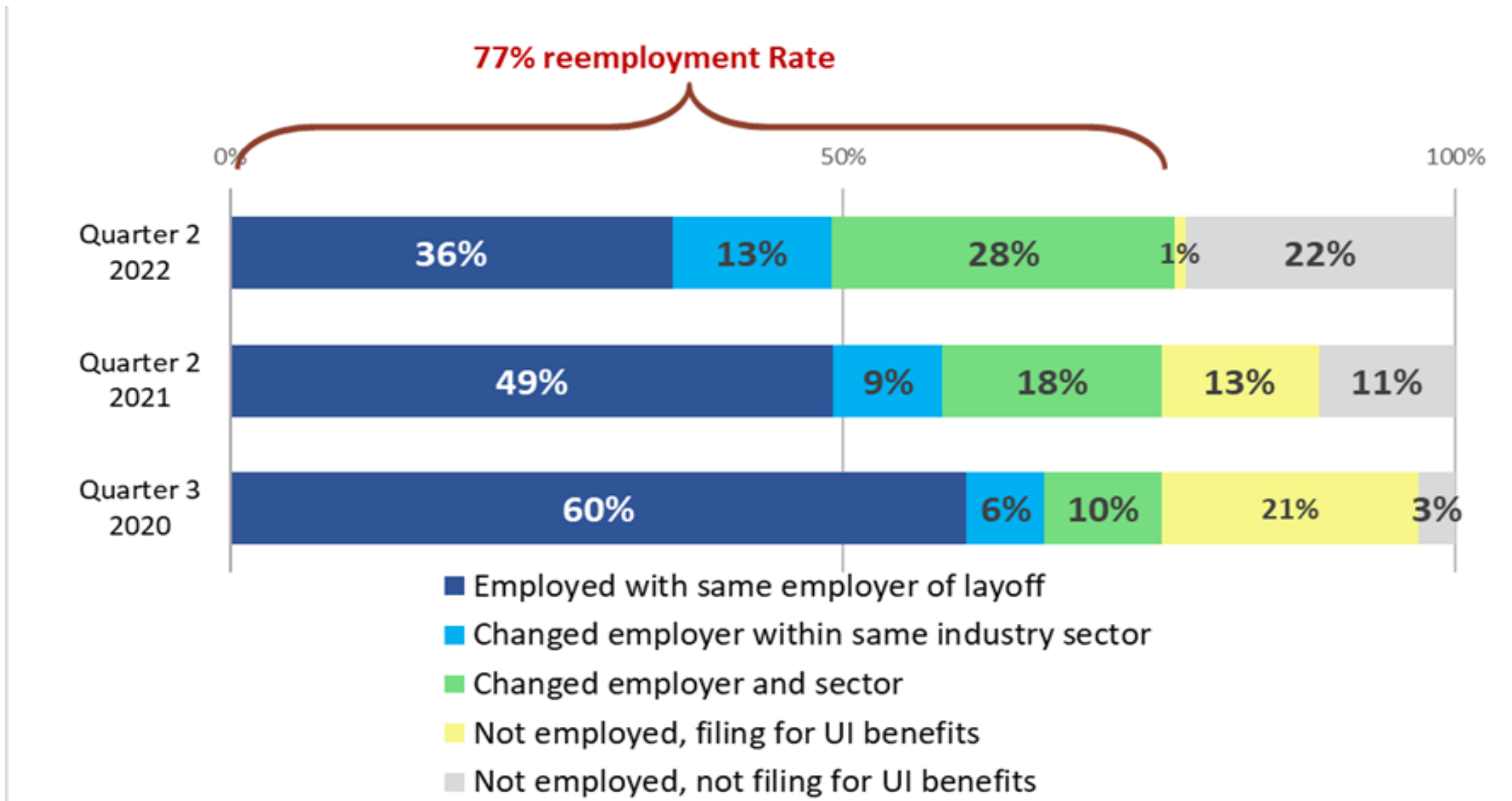
- Teens 14-18 added 8,700 workers, up 9.2%.
  - Made gains in 2021 and 2022
- 65+ age group saw smallest decline, down 0.3% over the period
  - Down 500 workers
- 19-34 age group saw the greatest declines, down 6.7%
  - Down 60,700 workers
- 55-64 age group also saw a large drop, down 5.1%
  - Down 25,800 workers





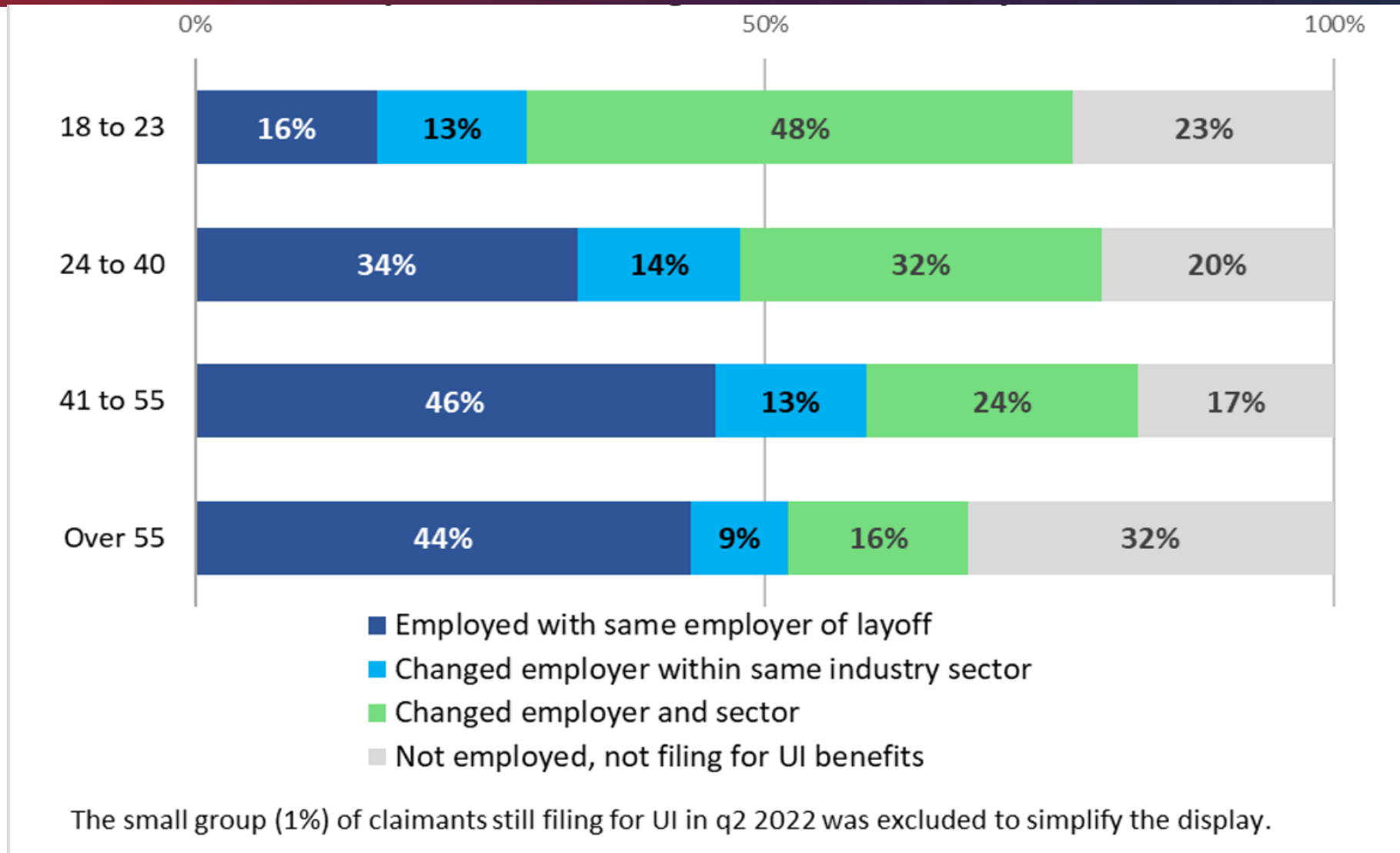
# Reemployment Rates Changed Very Little Over Time

More workers changed employer or industry



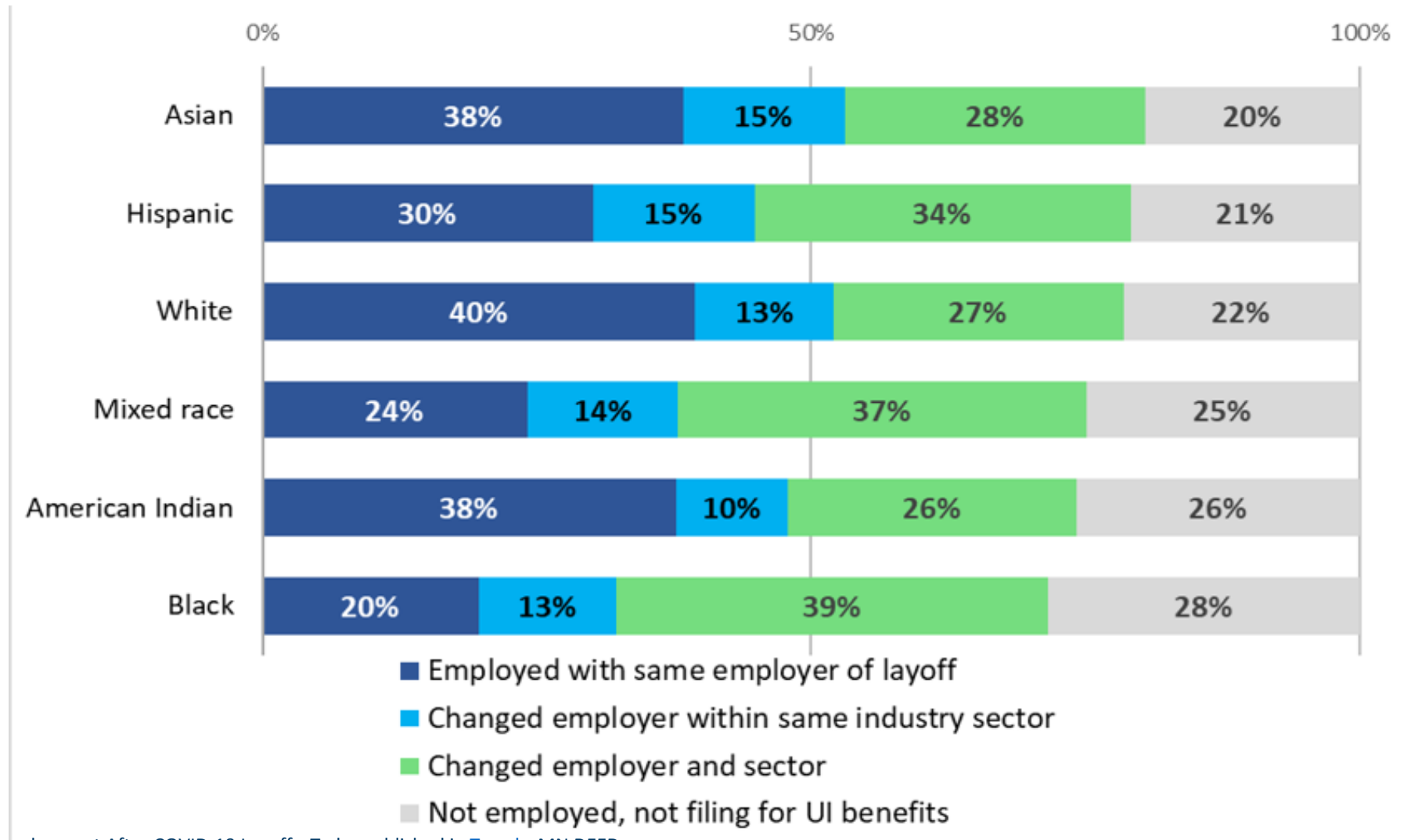
# Reemployment and Recall Rates Grow with Age Until 55

Job switching more prevalent at younger ages



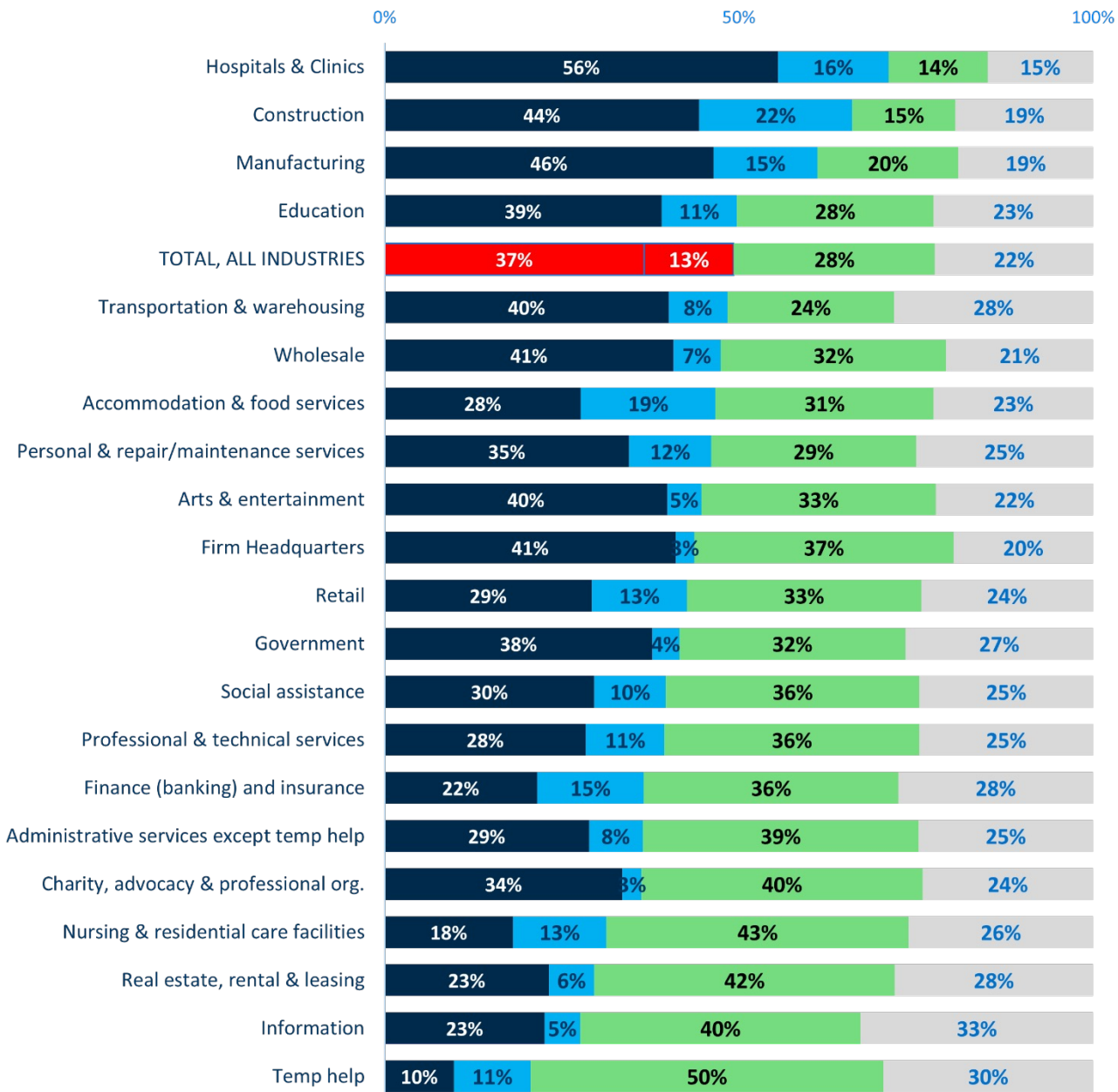
# Reemployment Highest Among Asian and Hispanic Workers

## Lowest for American Indian and Black workers



# Some Sectors Had Difficulty Retaining Talent After Layoff

- Hospitals & Clinics, Construction and Manufacturing - most successful at retaining workers within the industry sector
- Nursing & Residential Care Facilities - high demand industry that struggled to retain workers
- Other industries at the bottom of the list saw permanent layoffs or lower demand during the period or offered only temporary employment



Employed with same employer of layoff
  Changed employer within same industry sector
  Changed employer and sector
  Not employed, not filing for UI benefits

Source: Leibert, Alessia. Reemployment After COVID-19 Layoffs. To be published in [Trends](#), MN DEED



# Workers Who Changed Employers Enjoyed Stronger Wage Growth

The median worker who remained with their employer saw a small decline in real wages

<b>Group</b>	<b>Median wage Second quarter 2022</b>	<b>Median percent change in hourly wage Pre-layoff to second quarter 2022</b>	<b>Percent workers with greater than 10% drop in hourly wages Over two years</b>
With employer of layoff	\$27.08	-0.4%	20.4%
Changed employer within same industry sector	\$25.09	3.4%	24.8%
Changed employer and industry sector	\$21.09	6.8%	28.1%
<i>TOTAL Reemployed after pandemic layoff</i>	<i>\$24.22</i>	<i>2.0%</i>	<i>23.9%</i>
<i>TOTAL Workforce</i>	<i>\$27.82</i>	<i>1.4%</i>	<i>23.6%</i>

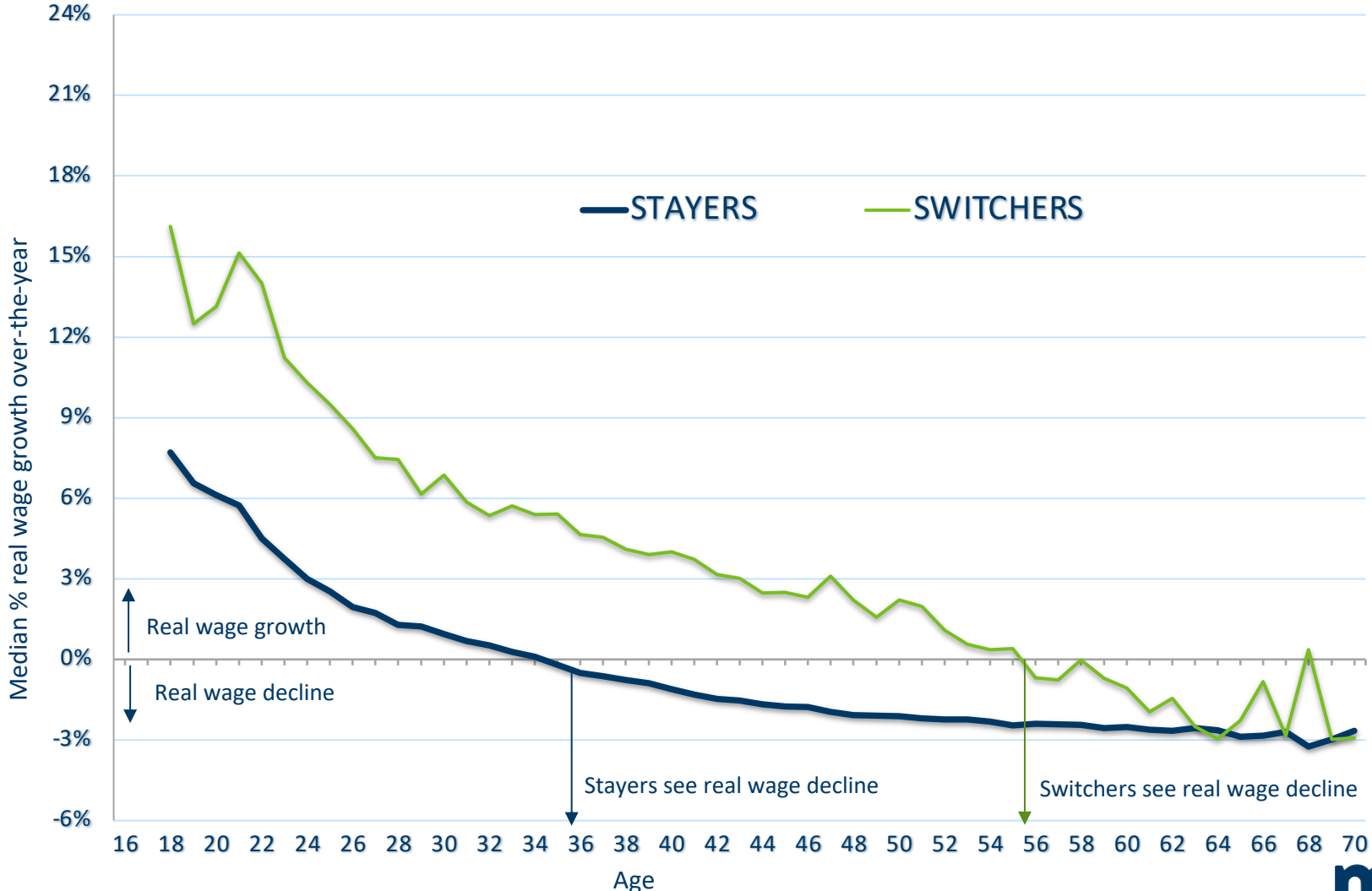
# Real Wage Growth by Job Mobility Status and Age

Fourth quarter 2020 to 2021

Workers who switched employers were able to beat inflation until age 56.

Workers who stayed with the same employer saw declines in real wages by age 36.

The jump in the green line between 18 and 22 years old represents high school and college graduates moving into careers.



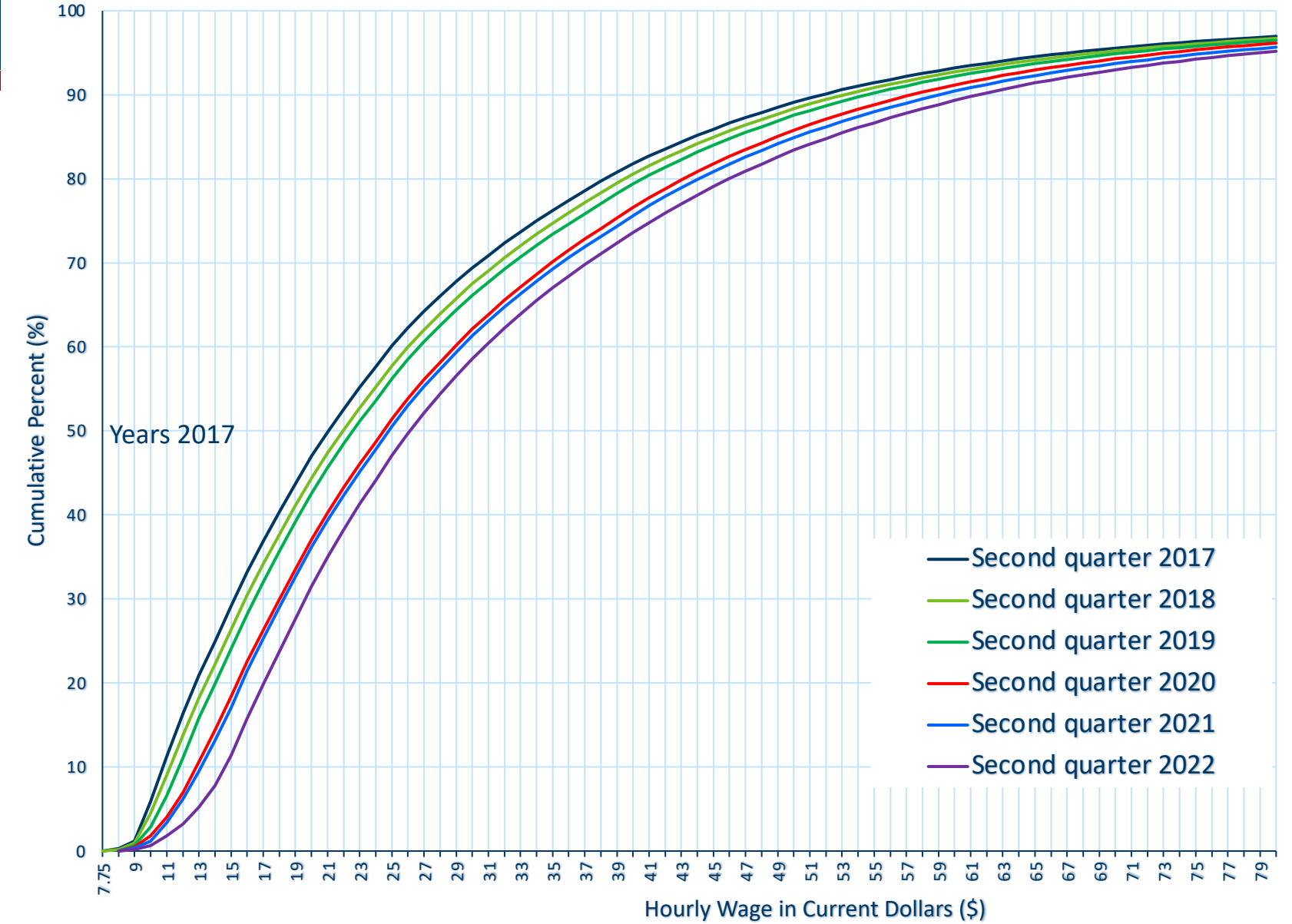
Source: Leibert, Alessia. [Job mobility in the post-COVID labor market / Minnesota Department of Employment and Economic Development \(mn.gov\)](https://mn.gov)



# Minnesota Wage Distribution

2017 to 2022

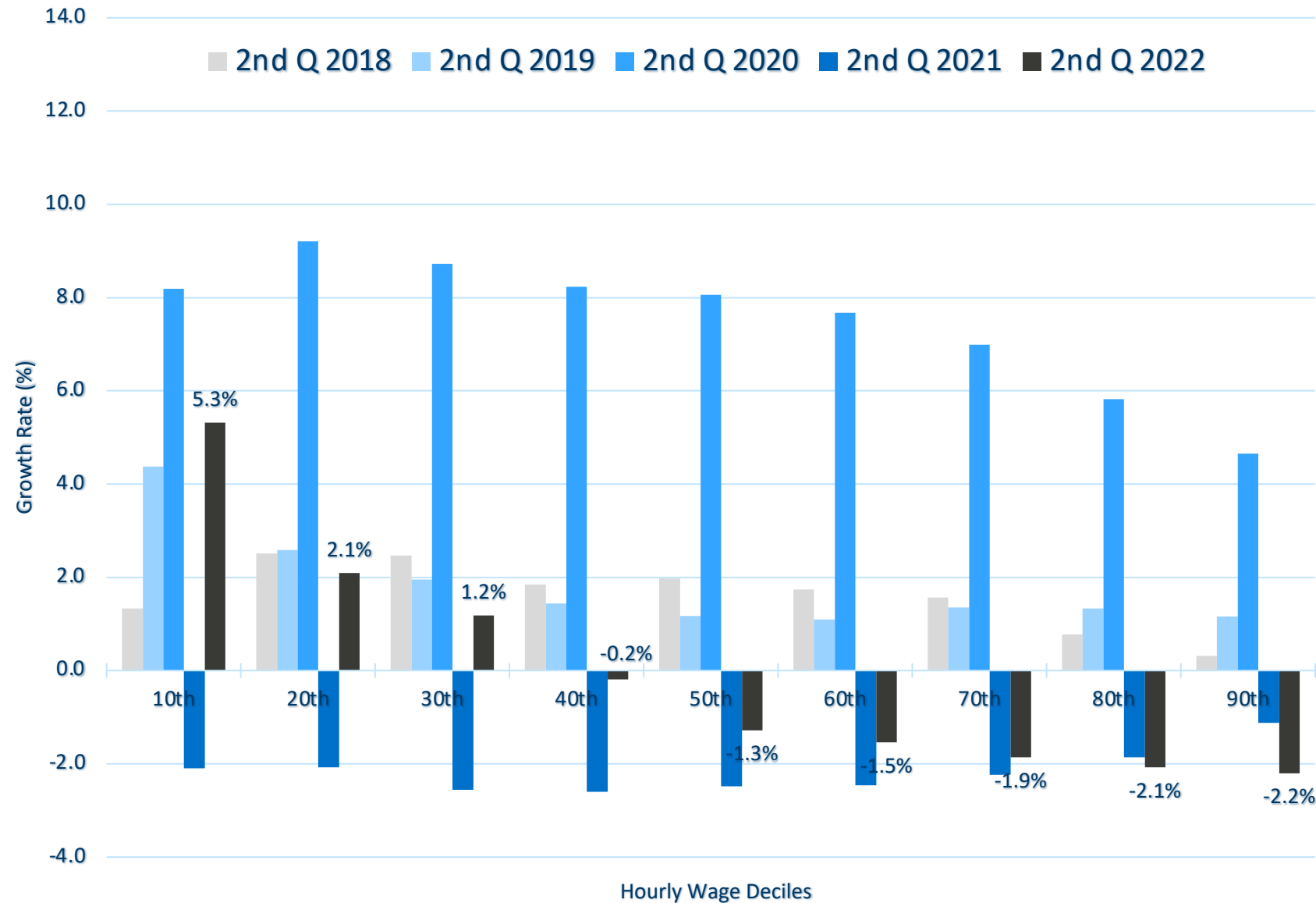
- Minnesota's wage distribution shifted to the right between 2017 and 2022, meaning that wage inequality has decreased over this period.
- Between 2017 and 2022 the median hourly wage of workers increased from \$21.05 to \$26.14 per hour in current dollars.
- Wage inequality improved across the distribution, but faster in the lower half.
  - The share of workers making \$11.00 or less per hour decreased from 11.3% in 2017 to 1.8% in 2022 in current dollars.
  - The share making \$15 or less decreased from 29.2% to 11.4%.



# Wage Growth Across the Distribution in Minnesota

2017 to 2022, Inflation-adjusted wages

- Wages grew faster at the lower end of the distribution over the 5-year period, than at the upper end
- After adjusting for inflation, wages grew across the distribution in 2017 – 2020 but declined in 2021
- In 2022, only workers below the 40<sup>th</sup> percentile of the wage distribution saw real wage growth
  - Workers at the 40<sup>th</sup> percentile and above saw real wages decline





# Thank You!



**Oriane Casale**

Assistant Director

Minnesota Labor Market  
Information Office

[oriane.casale@state.mn.us](mailto:oriane.casale@state.mn.us)

[mn.gov/deed/data](https://mn.gov/deed/data)