



# Impacts of COVID-19 on Minnesota's Labor Market

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<https://mn.gov/deed/data/regional-lmi/>

# Labor Market Information office

- Each state produces employment and economic statistics in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics
- LMI includes employment statistics, unemployment rates, wages and salaries, job projections and more
- LMI is the foundation for informed, market-responsive planning

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**Minnesota Exports at \$5.7 Billion in Second Quarter**

**Exports fell four percent between the second quarters of 2018 and 2019**

September 6, 2019

Sales of Minnesota agriculture, mining and manufacturing exports from Minnesota fell 4% between the second quarters of 2018 and 2019 to \$5.7 billion according to DEED.

**PFA Awards \$7.5 Million in two Greater Minnesota Communities**

**Le Sueur County and the City of Pipestone to receive awards for water infrastructure projects**

September 3, 2019

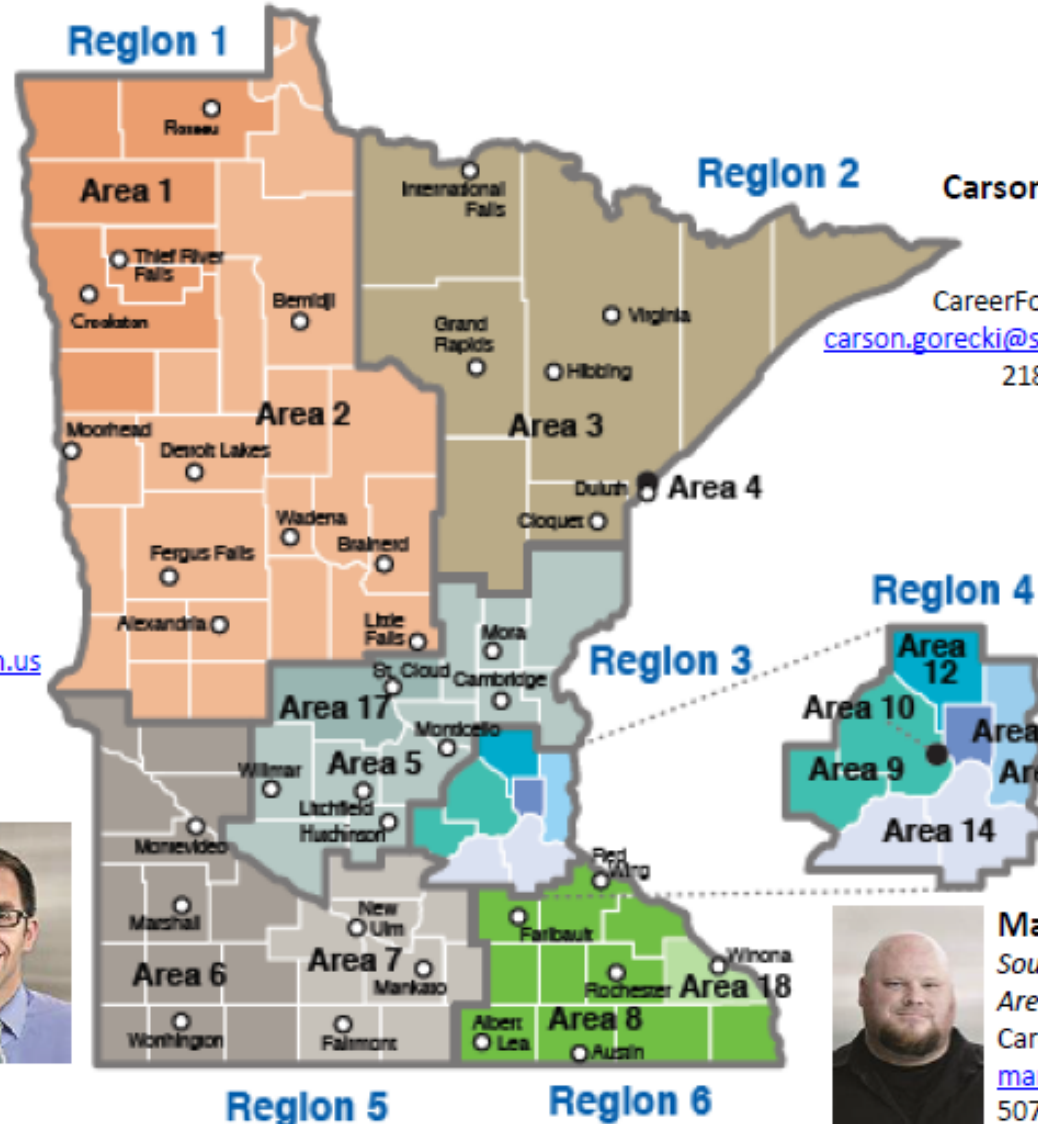
The Minnesota Public Facilities Authority (PFA) announced today that Le Sueur County and the City of Pipestone will both receive awards for water infrastructure projects.

[View Latest News](#)

# Labor market information office

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*We've got you covered...*



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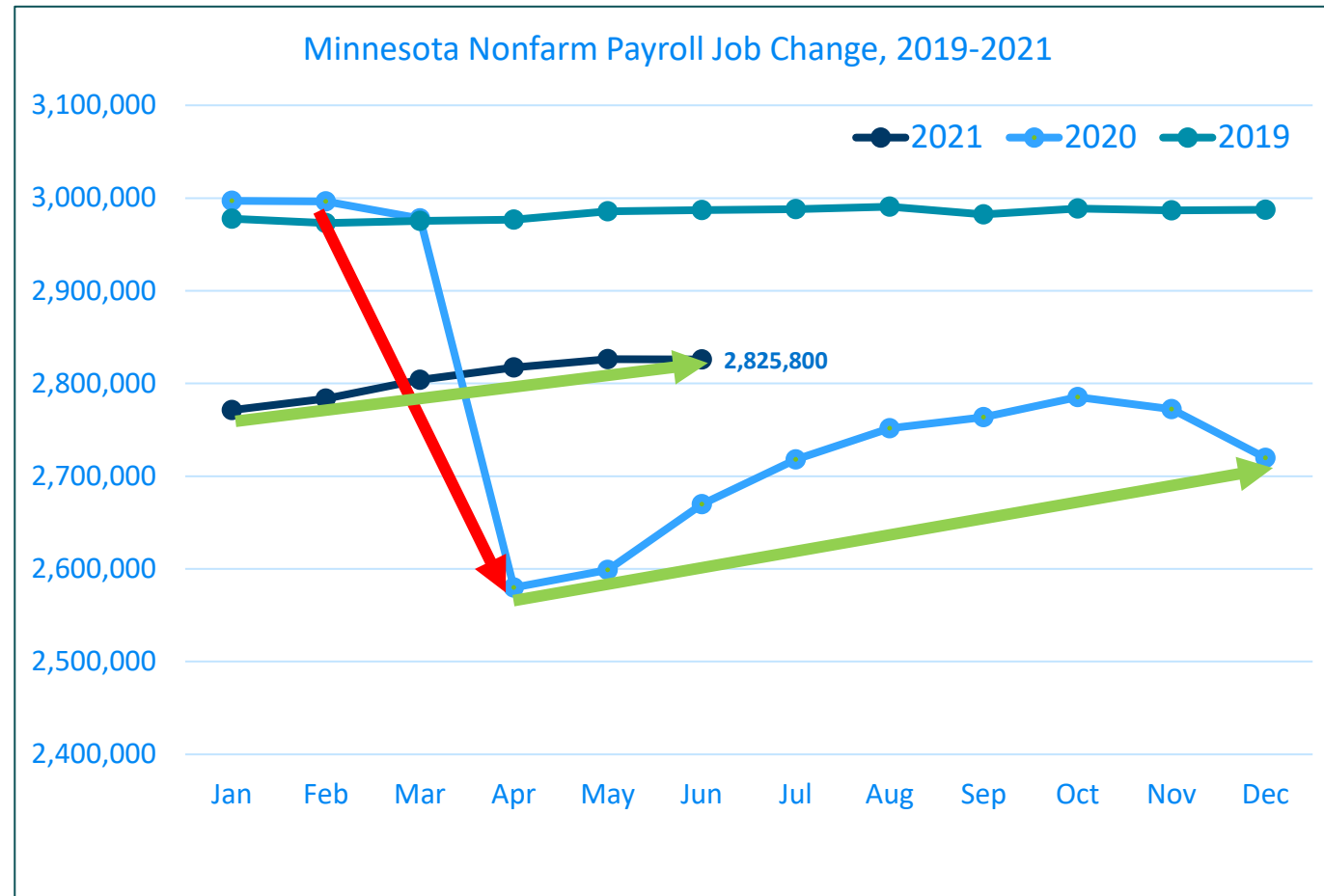
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# Current Employment Statistics

- This was a recession unlike any other recession
  - This is now a recovery unlike any other recovery...
- Minnesota lost **-416,300 jobs** from Feb. 2020 to April 2020
- Minnesota has since regained **+245,800 jobs** from April 2020 to June 2021
  - 60% of jobs lost have been regained
  - At 94% of Feb. 2020 employment peak
- Impacts were not even across regions, industries, occupations, or demographics



# Local Area Unemployment Statistics

- The state's unemployment rate was back to **4.0%** in June 2021
  - Peaked at 11.3% in May 2020 (highest on record – back to 1976)
- Back to **121,637 unemployed workers** in June 2021
  - Down from a peak of 348,262 workers in May 2020
  - Up from 96,364 unemp. workers in June 2019 (3.1%)
- Back up to **3,031,390 available workers** in June 2021
  - Down from a peak of 3,178,494 workers in June 2020
  - Down -85,691 workers from Feb. 2020
- Southwest is now down the most
- Twin Cities and Northeast got hit hardest, but Northeast has bounced back more this summer
- Northwest has seen their labor force increase!

County Unemployment Rates, June 2021  
(Not seasonally adjusted)

Tracking Our Economic Recovery: Labor Market Information Key Results

	June 2021 Workers	Year-Over-Year Labor Force Change	
Southwest	213,436	-8,857	-4.0%
Twin Cities	1,701,861	-52,879	-3.0%
Central	387,122	-11,199	-2.8%
Southeast	282,821	-7,867	-2.7%
Northeast	160,969	-2,070	-1.3%
Northwest	304,379	1,198	0.4%

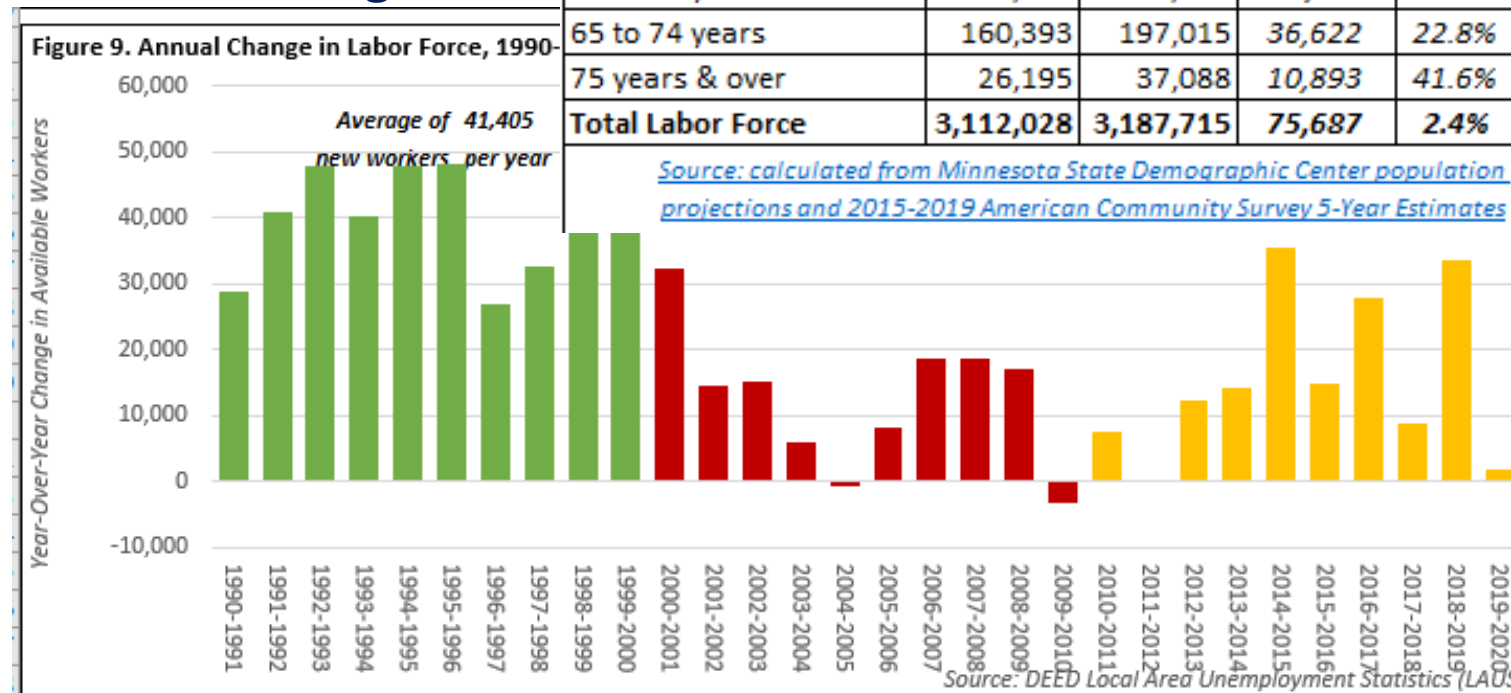
Source: DEED LAUS program

# Labor Force Projections

- The state's labor force growth has slowed down
  - From an average of more than 41,000 new workers per year
  - To an average of 15,500 new workers per year (2010s)
- Projected to slow down to about 7,500 new workers per year over the next decade
  - Immigrants accounted for nearly half of labor force growth from 2010-2019
  - Almost all of the state's labor force growth is projected to occur in the Twin Cities metro area (+6.1%)
  - Northeast = -5.7%
  - Southwest = -3.8%
  - Southeast = -2.2%
  - Northwest = -2.0%
  - Central = -0.8%

**Table 15. Labor Force Projections, 2020-2030**

Minnesota	2020 Labor Force Projection	2030 Labor Force Projection	2020-2030 Change	
			Numeric	Percent
16 to 19 years	171,577	169,441	-2,137	-1.2%
20 to 24 years	343,952	380,357	36,404	10.6%
25 to 44 years	1,240,067	1,296,630	56,563	4.6%
45 to 54 years	604,985	613,819	8,834	1.5%
55 to 64 years	564,859	493,365	-71,494	-12.7%
65 to 74 years	160,393	197,015	36,622	22.8%
75 years & over	26,195	37,088	10,893	41.6%
<b>Total Labor Force</b>	<b>3,112,028</b>	<b>3,187,715</b>	<b>75,687</b>	<b>2.4%</b>



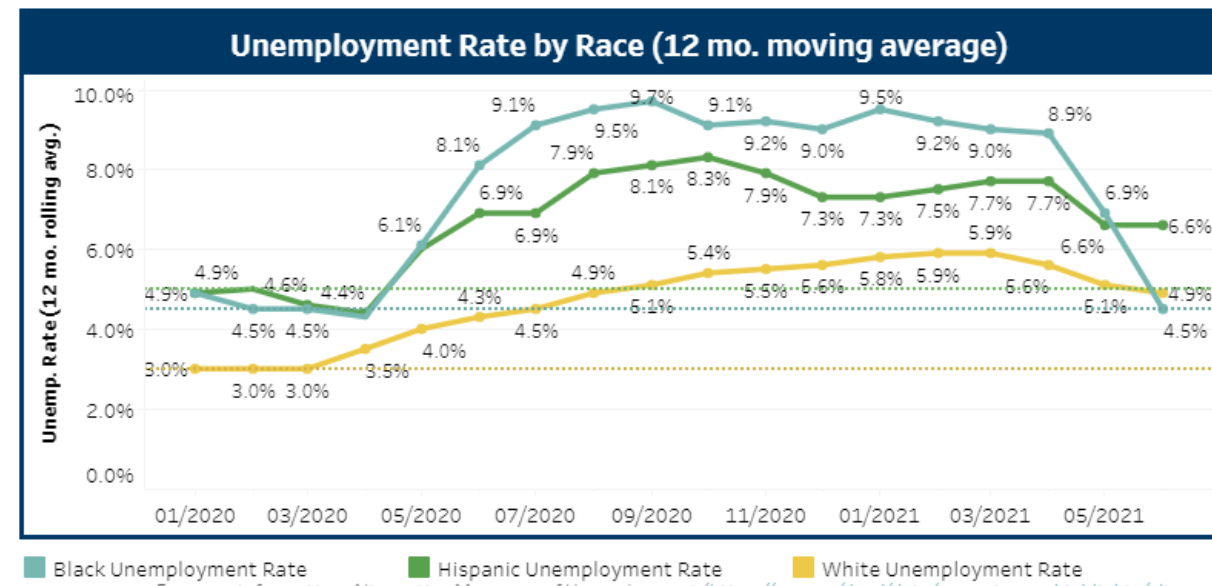
Source: calculated from Minnesota State Demographic Center population projections and 2015-2019 American Community Survey 5-Year Estimates

# Local Area Unemployment Statistics

- Minnesota's labor force participation rate has fallen from 70.2% to 67.9%
- Contrary to past recessions, UI Claims jumped higher for women in the initial months
  - Female labor force is down **-32,400 workers** from Feb. 2020 to June 2021
  - Female labor force participation rate is down to 64.4% (from 66.2%)
  - Male labor force is down **-20,900 workers**
  - LFPR is down to 72.4% (from 73.9%)
- BIPOC workers saw an early and sustained amount of UI claims
  - Black LFPR has dropped to 65.7% (from 71.3%)
    - But Unemp. rate dropped to 4.5% in June 2021!
  - Hispanic LFPR increased to 78.0% (from 76.3%)
    - Unemp. rate climbed to 6.6%
  - White LFPR dropped to 68.9% (from 69.9%)

Tracking Our Economic Recovery: Labor Market Information Key Results

	Current Rate June 2021	Change from Last Month	Change from Pre-Pandemic
Black Unemployment Rate	4.5%	-2.4%	+0.0%
Hispanic Unemployment Rate	6.6%	+0.0%	+1.6%
White Unemployment Rate	4.9%	-0.2%	+1.9%



# Industry Employment Statistics

- **Certain industries were hit much harder**

- **Leisure & Hospitality, Other Services**
  - Lost -140,478 jobs
- **Educational Services**
- **Information**
- **Admin. Support & Waste Mgmt. Services**
- **Real Estate, Rental & Leasing**
- **Health Care & Social Assistance**
  - Contrary to prior recessions

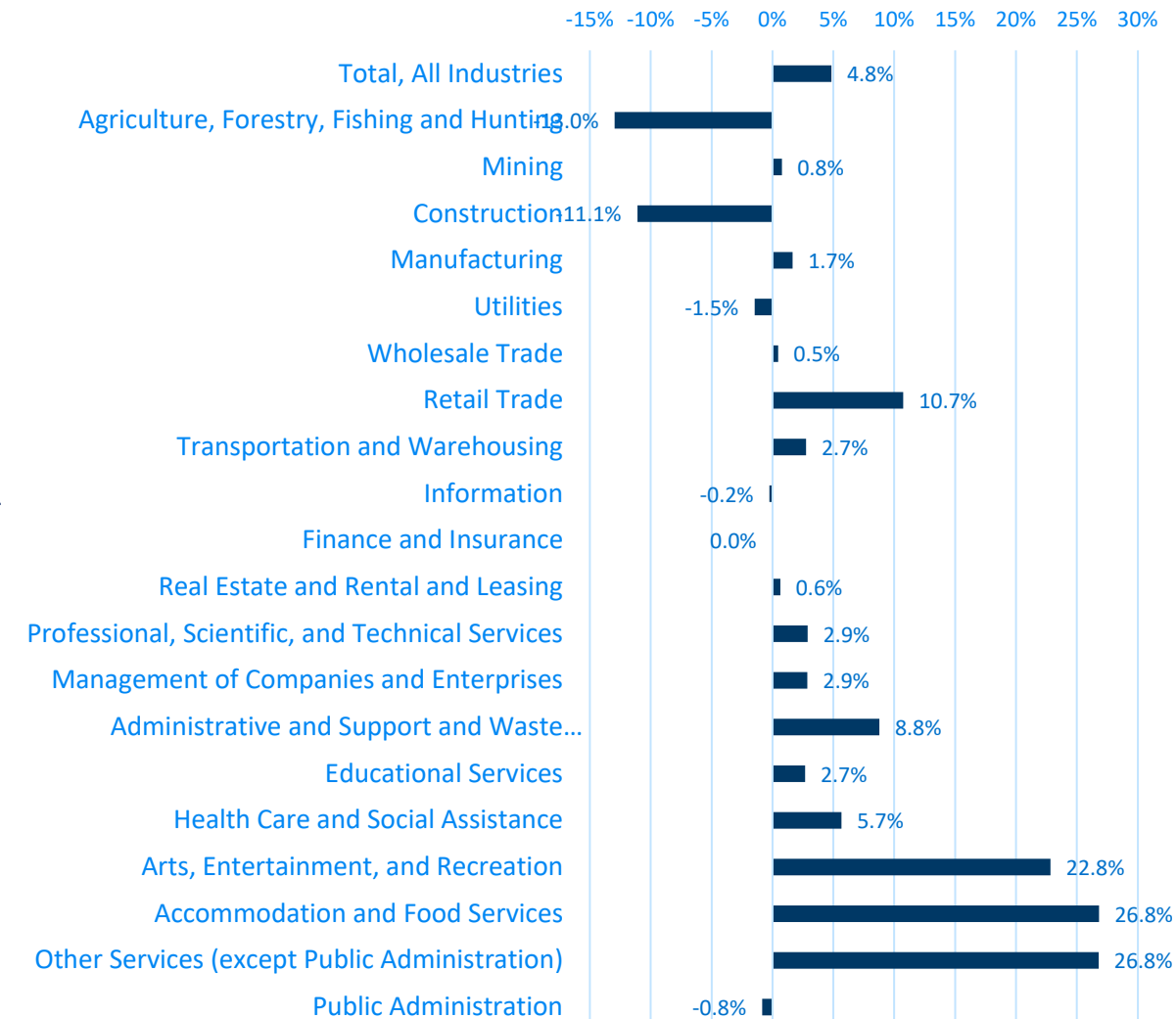
- **Those industries have started to bounce back**

- **Leisure & Hospitality, Other Services**
  - Regained +58,407 jobs (77.3% of pre-pandemic)
- **Health Care & Social Assistance**
  - 97.4% of pre-pandemic job level

- **These industries did better overall:**

- **Retail Trade**
- **Finance & Insurance**
- **Agriculture, Forestry, Fishing & Hunting**

Minnesota Industry Employment Statistics, Q2 2020-Q1 2021





# Industry Employment Statistics

- **The Twin Cities & Northeast Minnesota saw the biggest declines**
  - The Twin Cities & Northeast are still the furthest from their pre-pandemic levels
- **Northwest & Southwest saw the smallest declines**
  - Northwest is the closest to pre-pandemic employment levels
  - Southwest saw the slowest bounce-back

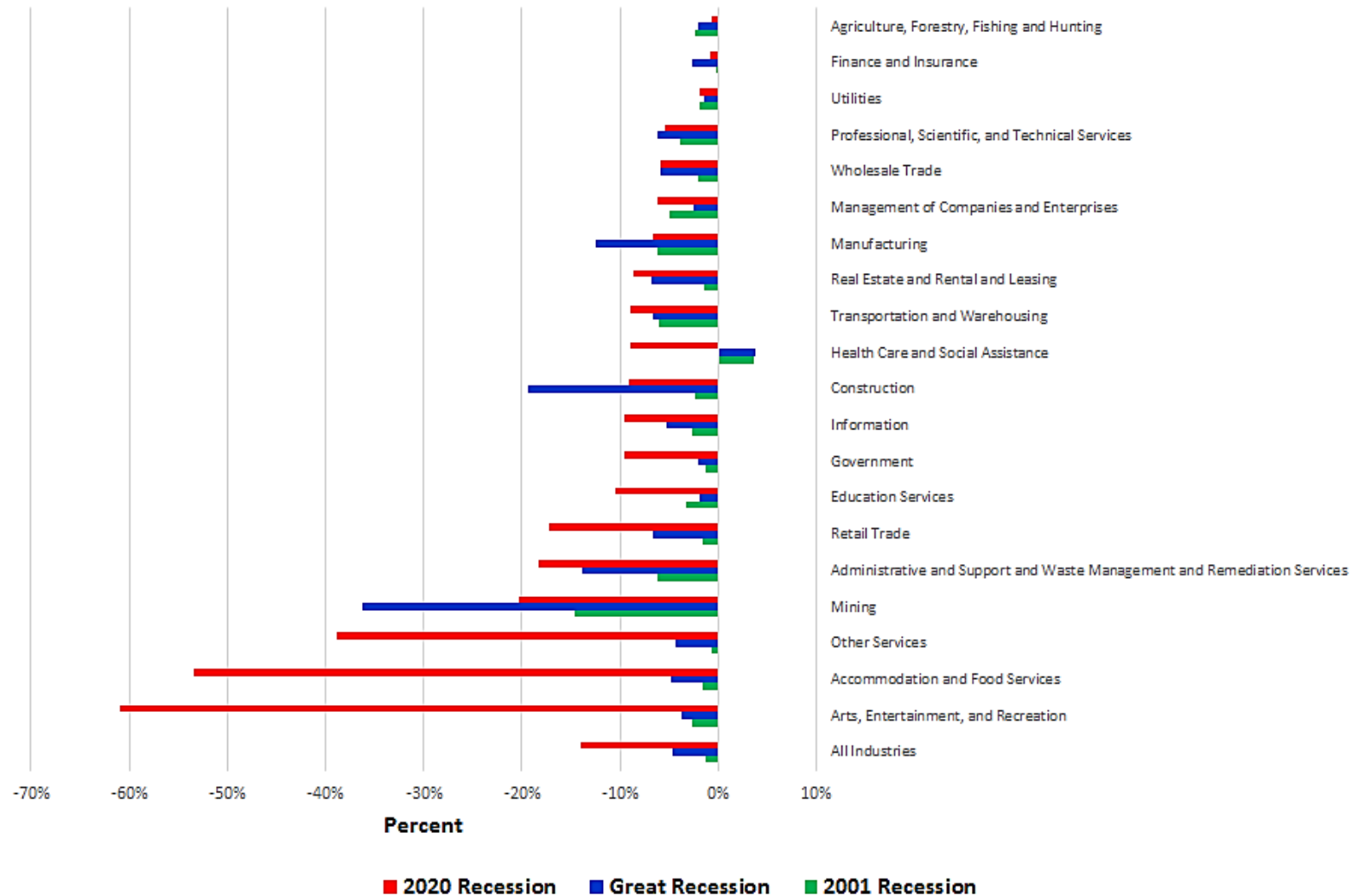
year	areaname	avgemp1	Q1 2020-Q1 2021		Q1 2019-Q1 2021		Q1 2020-Q2 2020		Q2 2020-Q1 2021	
2021	Minnesota	2,684,070	-171,880	-6.0%	-158,706	-5.6%	-295,943	-10.4%	124,063	4.8%
2021	Twin Cities Metro	1,629,010	-128,408	-7.3%	-118,821	-6.8%	-207,748	-11.8%	79,340	5.1%
2021	Central Minnesota	259,172	-13,284	-4.9%	-11,938	-4.4%	-21,271	-7.8%	7,987	3.2%
2021	Southeast Minnesota	231,752	-11,565	-4.8%	-10,156	-4.2%	-22,163	-9.1%	10,598	4.8%
2021	Northeast Minnesota	129,020	-10,903	-7.8%	-11,529	-8.2%	-16,426	-11.7%	5,523	4.5%
2021	Southwest Minnesota	163,696	-8,475	-4.9%	-8,607	-5.0%	-11,692	-6.8%	3,217	2.0%
2021	Northwest Minnesota	208,348	-6,963	-3.2%	-6,173	-2.9%	-13,916	-6.5%	6,953	3.5%

Source: DEED Quarterly Census of Employment & Wages

# Minnesota industry trends

## employment loss in last three recessions

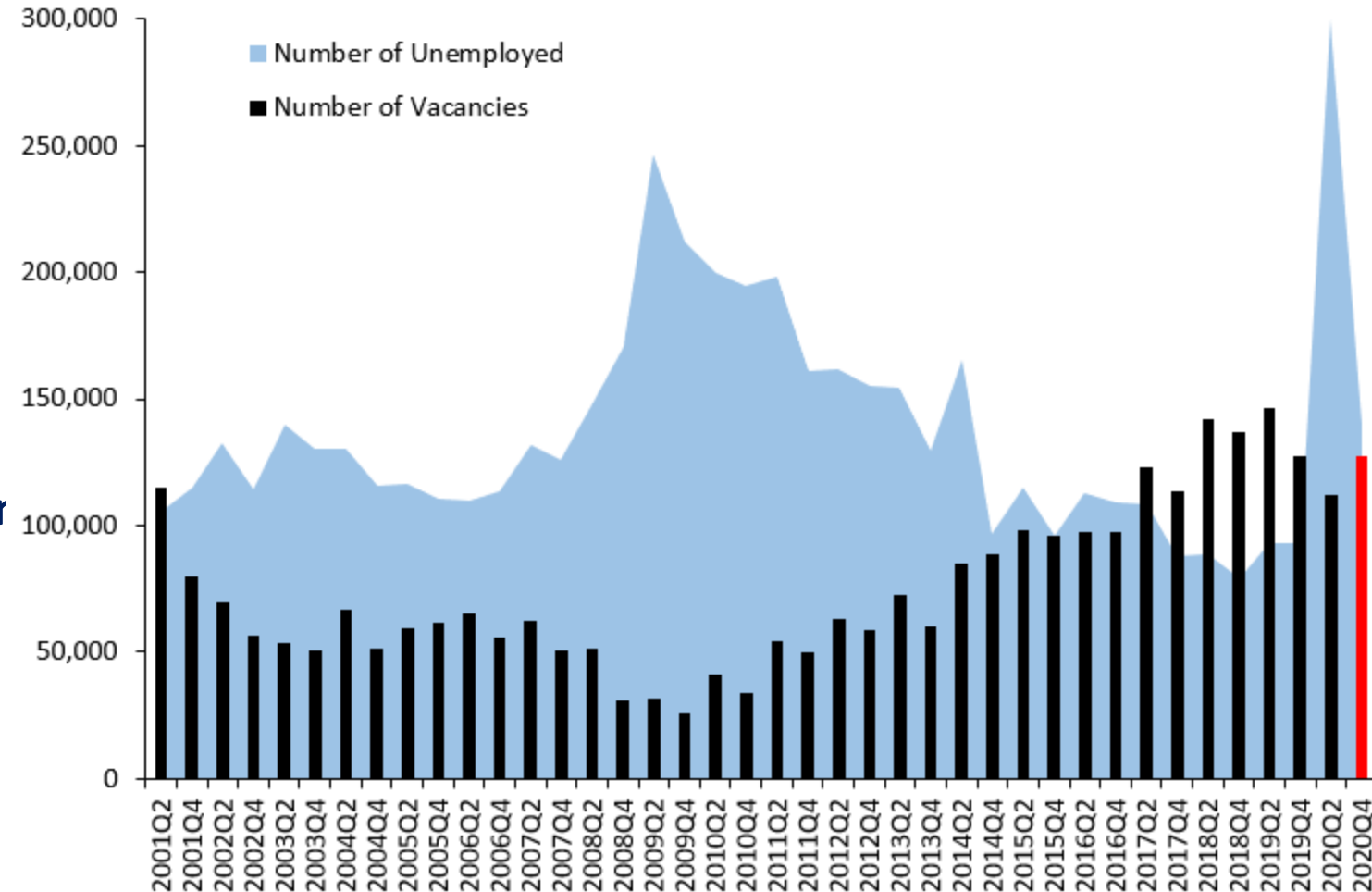
Figure 2. Employment Loss in Last Three Recessions by Industry, Minnesota, Seasonally Adjusted



# Job Vacancy Survey

- **Back to a 1.1-to-1 jobseeker per vacancy ratio**
- **Big increases in hiring demand**
  - Health Care & Social Assistance
  - Wholesale Trade
  - Professional & Technical Services
  - Manufacturing
  - Retail Trade
- **Big declines in hiring demand for:**
  - Accommodation & Food Services
  - Admin. Support & Waste Management
  - Construction
  - Transportation & Warehousing
  - Public Administration
  - Information
  - Other Services
  - Educational Services

Figure 1. Minnesota Job Vacancies and Unemployed, Second Quarter 2001 to Fourth Quarter 2020



# Job Vacancy Survey

- **Big increases in hiring demand in the following occupations:**

- **Healthcare support occupations**

- Home Health & Personal Care Aides, Nursing Assistants, Medical Assistants, etc.

- **Healthcare practitioners & technical**

- RNs, LPNs, Pharmacy Technicians, Dental Hygienists, Family Medicine Physicians, Clinical Lab Techs, etc.
  - Wage offers steady

- **Sales & related occupations**

- Highest level ever recorded; wage offers jumped quickly

- **Production, Protective Service, Computer**

- **Big declines in hiring demand for:**

- **Personal Care & Service**

- Hairdressers, Childcare workers, Recreation workers

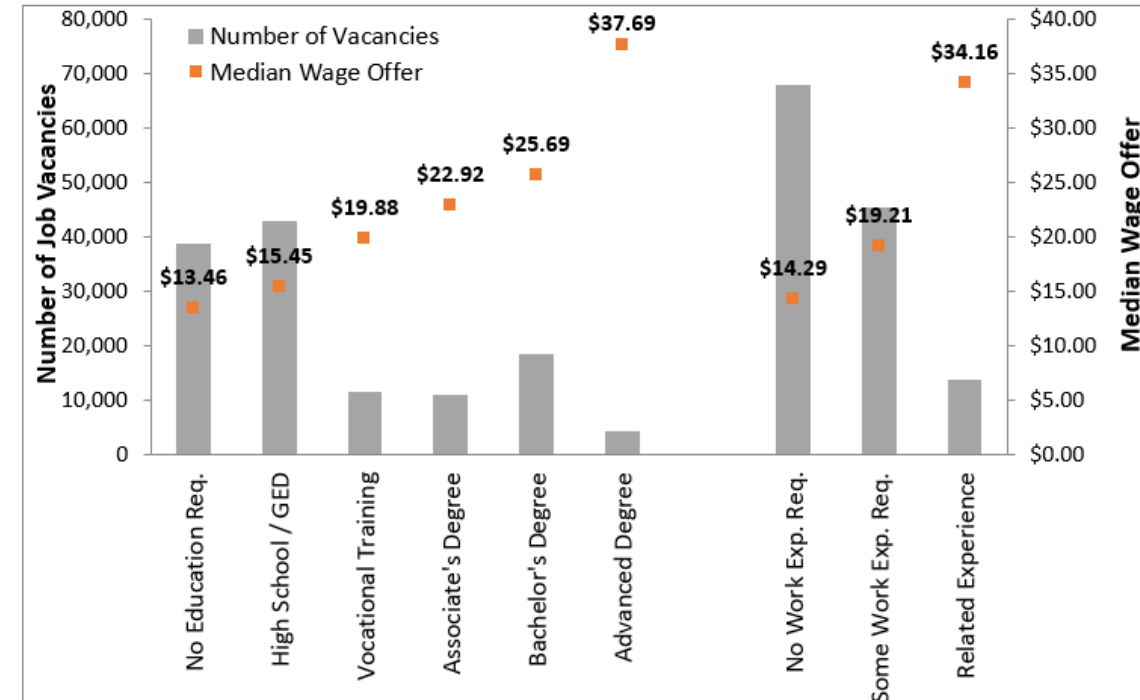
- **Food Prep & Serving**

- Lowest number since Q4 2016; Wait staff & Bartenders saw big drops

- **Building & Grounds Cleaning & Maintenance**

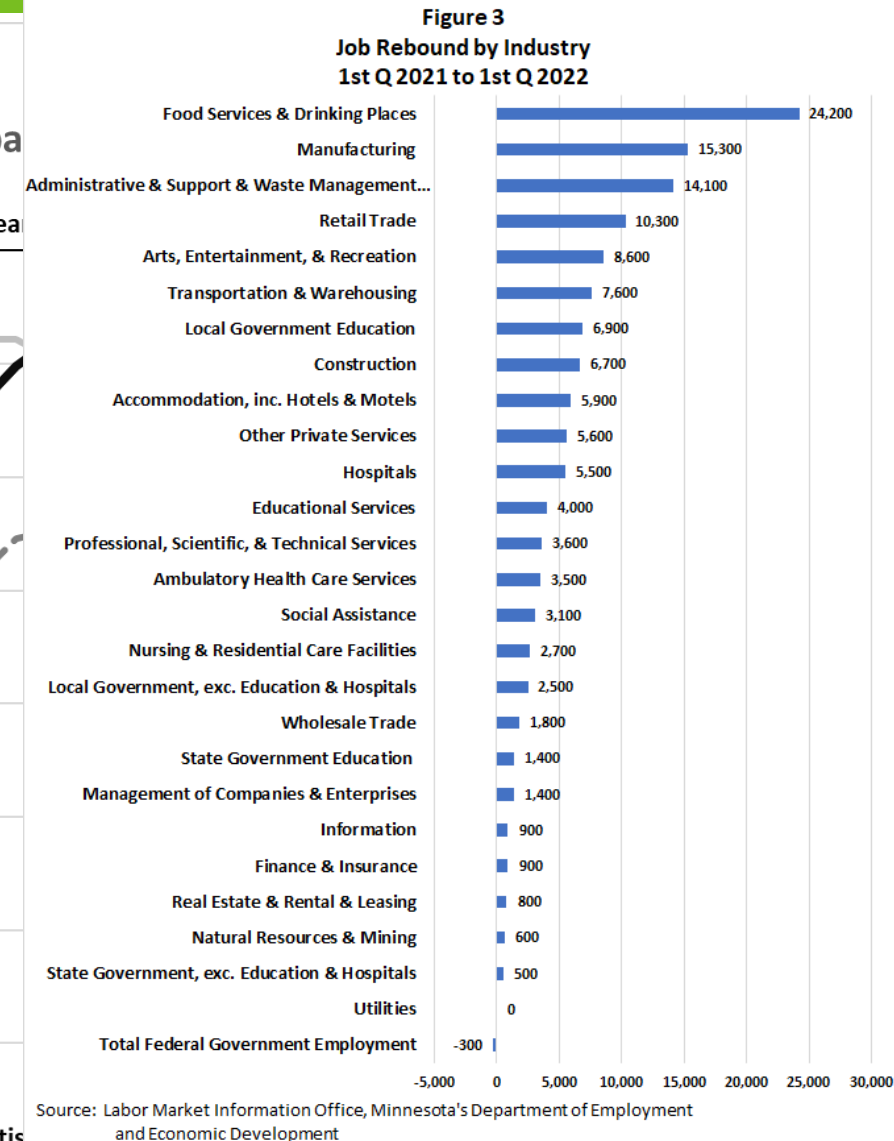
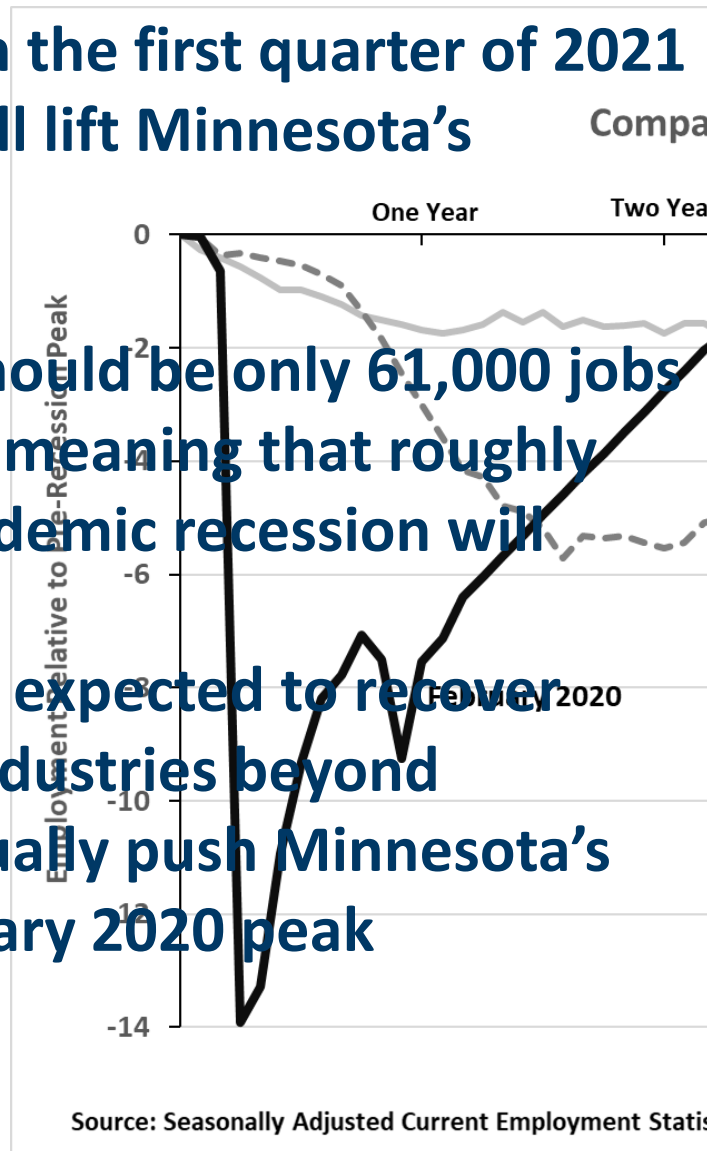
- Cut in half over the year; lowest level since 2013; but not as low as Great Recession

Figure 4. Minnesota Job Vacancies by Education and Experience Required With Wage Offers, Fourth Quarter 2020



# Minnesota short-term employment projections

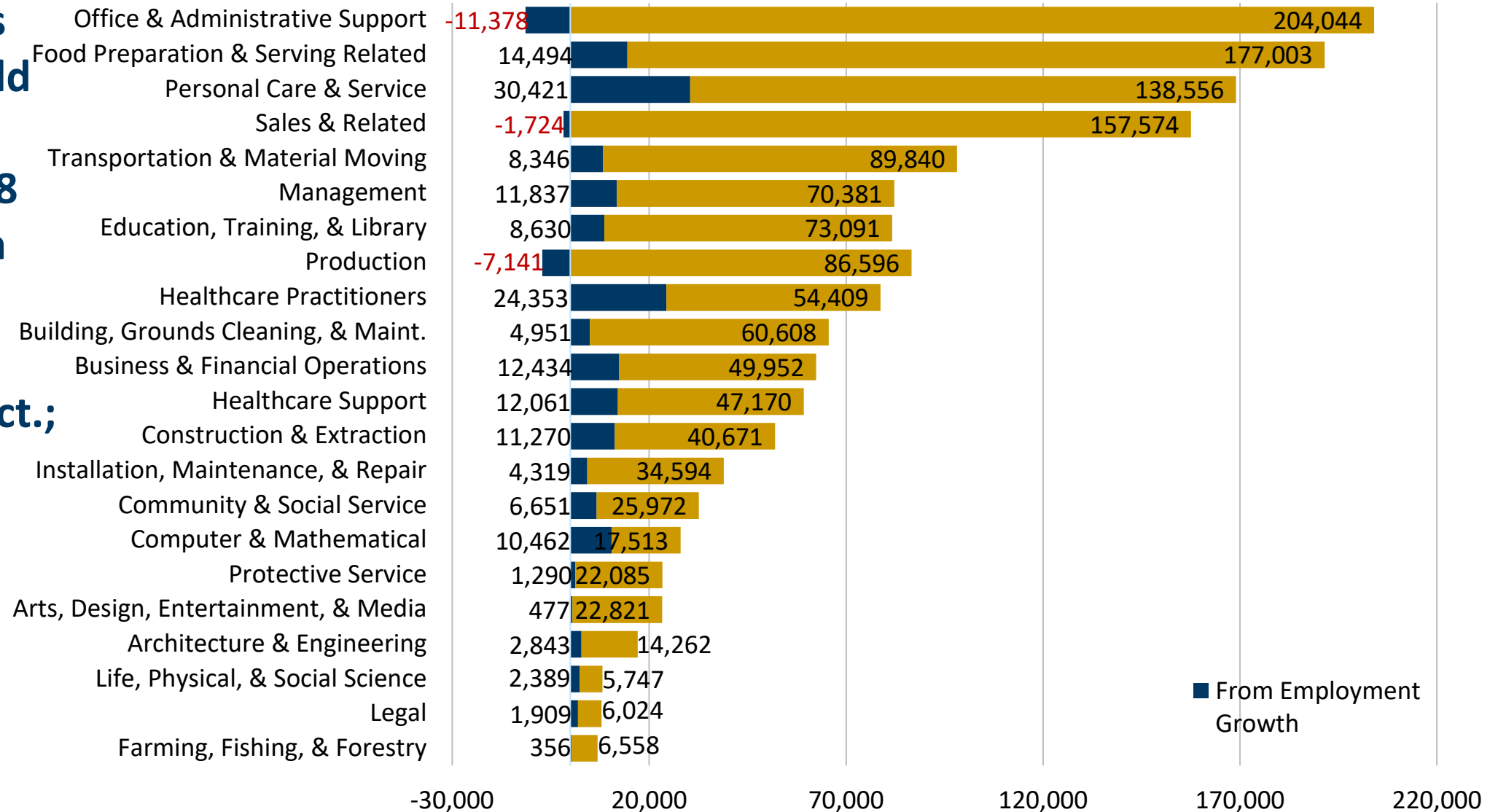
- Forecasted job growth between the first quarter of 2021 and the first quarter of 2022 will lift Minnesota's employment base to roughly 98% of pre-pandemic level
- By March 2022, employment should be only 61,000 jobs below the February 2020 level, meaning that roughly 85% of jobs lost during the pandemic recession will have been recovered
- Of course, not all industries are expected to recover fully, but job growth in other industries beyond pre-pandemic levels will eventually push Minnesota's employment base past its January 2020 peak by late 2022 or early 2023



# Minnesota long-term employment projections

Occupational: 2018 – 2028

- Minnesota was projected to add 149,250 jobs from 2018-2028
- Largest gains in Personal Care & Service; Healthcare Pract.; Food Prep; Business & Financial; and Healthcare Support
- Replacements!



# Labor market publications and assistance

- **Minnesota Economic Trends – June 2021**
  - [Labor Market Trends During the Pandemic Recession: Jobs, Vacancies, Unemployment, and Labor Force Participation in Minnesota](#)
  - [Regional Spotlights](#)
  - [Reemployment After COVID-19 Layoffs in Minnesota: Early Findings](#)
  - [More than Simple Supply and Demand \(Where Are the Job Seekers?\)](#)
  - [Why Are There Unfilled Jobs Amid High Unemployment?](#)
  - [COVID-19 and Ex-Offender Employment](#)
  - [First Quarter Forecast: A Rapid Rebound](#)
- **Minnesota Economic Trends – March 2021**
  - [How the Deck is Stacked: Racial and Ethnic Disparities in Earnings Following High School Graduation in Minnesota](#)
  - [Minnesota Early Care and Education Wage Scale](#)
  - [Popular or Pragmatic: Considering College Instructional Program Decisions](#)
  - [The Shape of a Recession](#)
  - [Teleworking During the Pandemic](#)



- **This was a recession, and now a recovery, unlike any other**
- **Minnesota's labor force has undergone significant shifts**
  - Participation is down
  - Strangely, the labor market is almost as tight as it was pre-pandemic
  - Women and BIPOC workers have faced more immediate and lingering issues
- **Certain regions were impacted differently**
  - Twin Cities & Northeast saw huge initial declines
  - Northwest is closest to recovery
- **Certain industries were hit harder than others**
  - Leisure & Hospitality, Other Services, Educational Services
  - Finance & Insurance, Agriculture, Retail Trade
- **Job levels are projected to get back to Feb. 2020 levels by the end of 2022**
  - Long-term projections are still toward growth, but there are labor force constraints
  - It's important to align jobseekers to jobs



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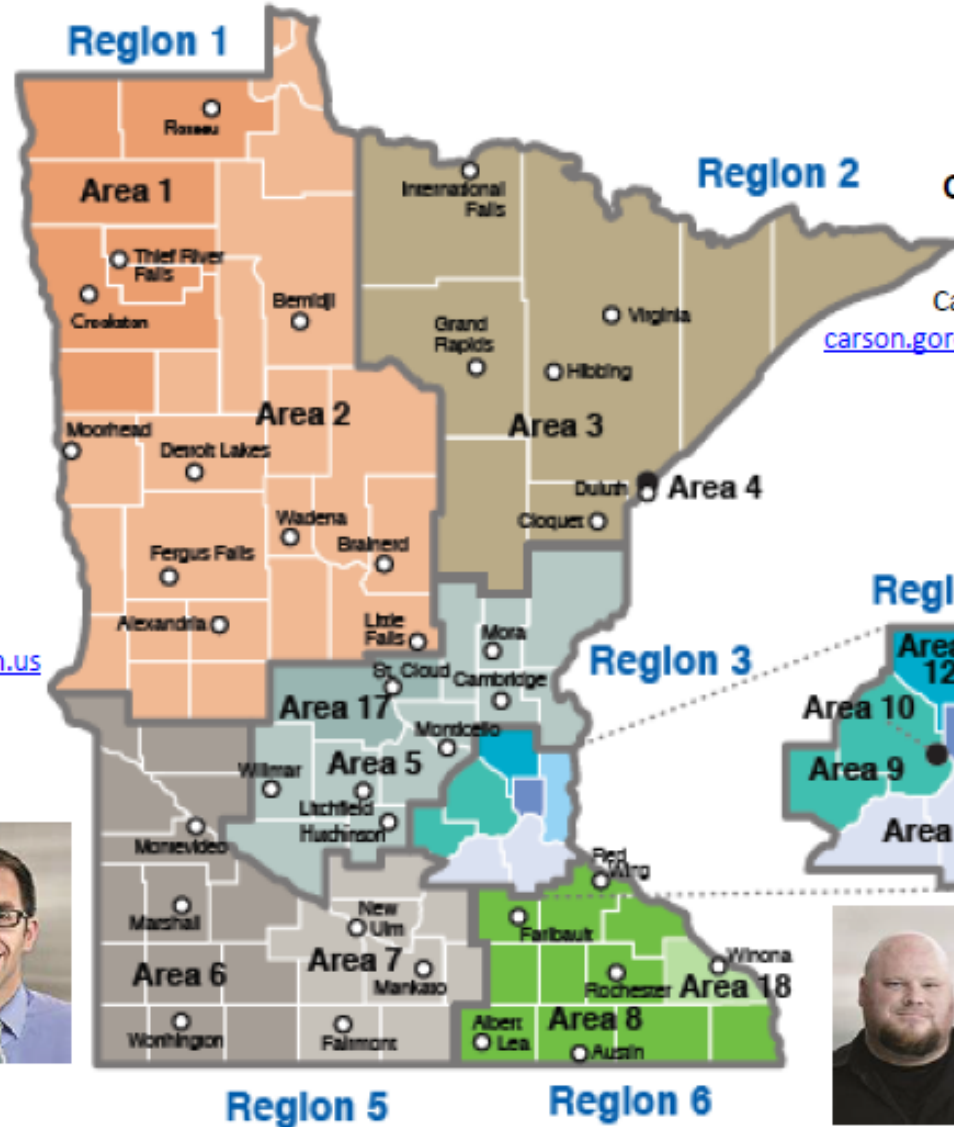
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