



# Minnesota Economic Update

June 19, 2015

## Summary

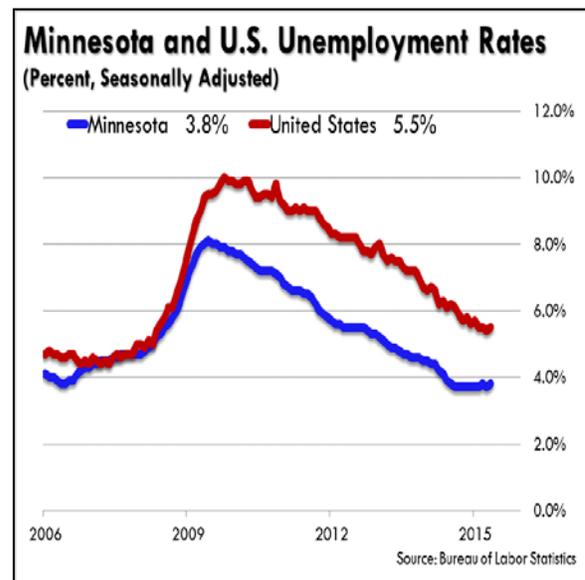
Nonfarm payroll employment in Minnesota declined by 200 jobs and the unemployment rate rose to 3.8 percent in May according to data released by the Bureau of Labor Statistics (BLS).

## Minnesota Unemployment Rate

During May, the unemployment rate in Minnesota increased by 0.1 percentage point to 3.8 percent. The number of people counted as unemployed rose by 3,139 in May to 116,563, while the labor force grew by 6,507 to 3,036,950. Among the 50 states and the District of Columbia, only 4 posted lower unemployment rates. A year earlier, the unemployment rate in Minnesota stood at 4.1 percent.

The 10 year peak for the unemployment rate in Minnesota was 8.1 percent in June 2009. The series high for the unemployment rate in Minnesota occurred in January 1983 when the unemployment rate reached 8.9 percent. The 10 year low for the unemployment rate in Minnesota was 3.7 percent in April 2015. The series low for the unemployment rate in Minnesota occurred in March 1999 when the unemployment rate reached 2.5 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was inched up to 5.5 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.3 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



## Minnesota Payroll Employment

Minnesota nonfarm payrolls declined by 200 jobs, or 0.01 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 7,500. Over the past 12 months nonfarm payrolls in Minnesota increased by 42,600, or 1.52 percent.

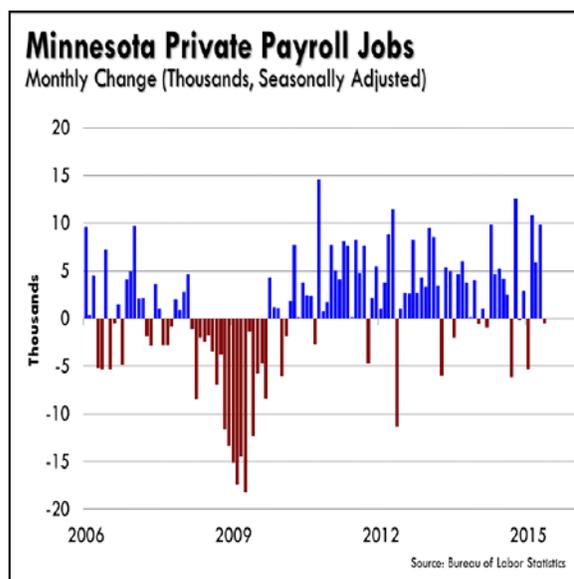
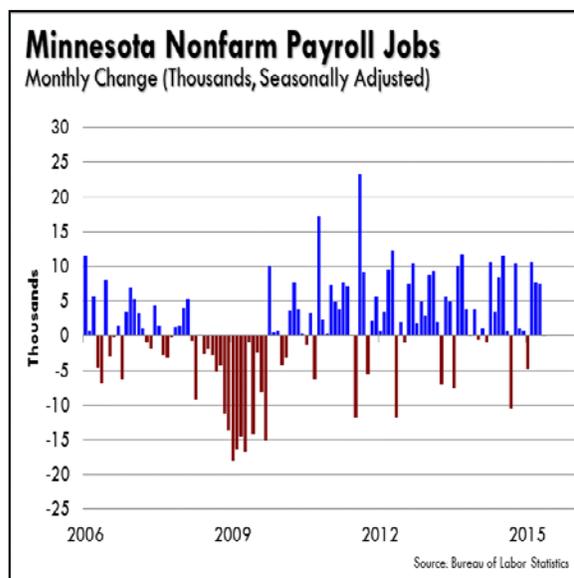
Minnesota nonfarm payroll employment has increased in 9 of the past 12 months.

Nationally nonfarm payrolls increased by 280,000 jobs in May, or 0.20 percent. Over the 12 month period ending in May 2015, nonfarm payrolls grew by 3,058,000 jobs, or 2.21 percent. Minnesota ranks 26th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Minnesota private sector payrolls declined by 500, or 0.02 percent. Private sector payrolls increased by 9,800 jobs in the prior month. Over the past 12 months, private sector payrolls in Minnesota increased by 41,700, or 1.74 percent. Minnesota private sector payroll employment has increased in 8 of the past 12 months.

Nationally, private sector payroll jobs increased by 262,000 in May, or 0.22 percent. Over the past 12 months, the nation's economy has added 2,958,000 private sector payroll jobs, an increase of 2.53 percent. Minnesota ranks 28th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Minnesota increased by 300, or 0.07 percent. Federal government payroll employment was unchanged. State government payroll employment declined by 300, or 0.29 percent, while local government payroll employment increased by 600, or 0.21 percent.



Over the past year, total government payroll employment increased by 900, or 0.22 percent. State government payroll employment declined by 2,200, or 2.11 percent. Local government payroll employment increased by 2,800, or 0.99 percent.

The best performing sectors on a seasonally adjusted basis during May were Trade, Transportation & Utilities (+6,600) and Financial Activities (+900). The poorest performing sectors during the month were Professional & Business Services (-4,400) and Leisure & Hospitality (-1,600).

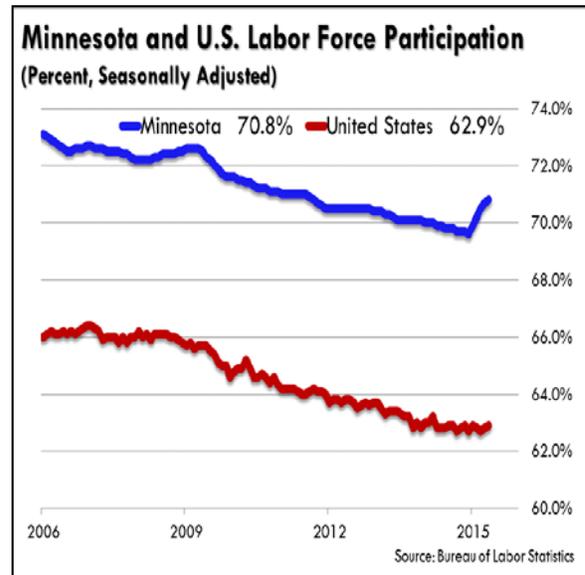
The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+14,000) and Educational & Health Services (+9,500). The poorest performing sectors for the year were Mining & Logging (-200) and Information (+300).

#### Other Minnesota Labor Force Statistics

The labor force participation rate in Minnesota rose to 70.8 percent in May from 70.7 percent the prior month. At 70.8 percent, Minnesota has one of the five highest labor force participation rates in the nation. The labor force participation rate in Minnesota is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Minnesota was 73.2 percent in June 2005. The series high for the labor force participation rate in Minnesota occurred in February 2001 when the labor force participation rate hit 75.6 percent. The 10 year low for the labor force participation rate was 69.6 percent in December 2014. The series low for the labor force participation rate occurred in April 1976 when the labor force participation rate hit 65.5 percent.

The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in May. That rate is 0.1 percentage point higher than a year earlier.



The employment-to-population ratio, or the percentage of the Minnesota civilian noninstitutionalized population 16 years and older counted as employed, was unchanged at 68.1 percent in May. At 68.1 percent, Minnesota has one of the five highest employment-to-population ratios in the nation. The employment-to-population ratio in Minnesota is 1.1 percentage points higher than a year earlier.

The 10 year high for the employment-to-population ratio in Minnesota was 70.3 percent in August 2005. The series high for the employment-to-population ratio in Minnesota occurred in April 2000 when the

employment-to-population ratio hit 73.1 percent. The 10 year low for the employment-to-population ratio was 66.0 percent in October 2010. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 61.4 percent.

The national employment-to-population ratio ticked up to 59.4 percent in May. At 59.4 percent, the national employment-to-population ratio has finally risen back to the level it was at when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in May 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for May is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Thursday, July 2. The national employment report is being released on Thursday instead of Friday due to the Independence Day holiday.

