



Economics Group

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Minnesota Payrolls Post Modest Gain in March

Employers added 1,300 net new jobs during March, which equates to a 0.3% year-over-year increase. Hiring has moderated alongside a shortfall of qualified workers. The unemployment rate edged higher to 3.2%.

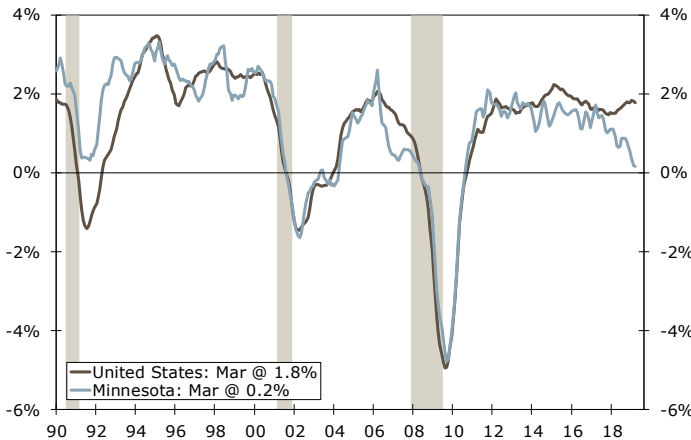
The North Star State is Losing Momentum

- Employment growth appears to be losing steam as employers continue to struggle to find qualified workers. The state has recently been hit with a bout of winter storms which may explain some of the weakness. However, through the seasonal volatility, payrolls increased a modest 0.3% over the past year.
- A 2,800 rebound in construction jobs offset cuts across several other major sectors, notably a 1,100 decline in manufacturing.

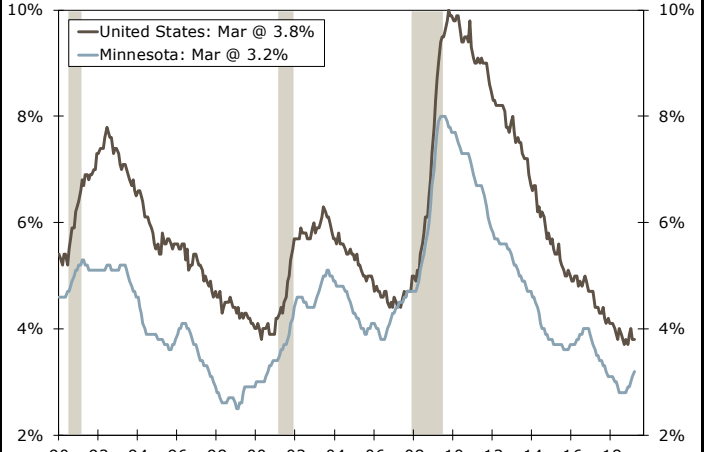
Hiring Limited by Labor Shortages

- The unemployment rate edged higher to 3.2%, a result of Minnesota's labor force growing faster than household employment during March.
- While the state's labor market remains tight, still-solid employment growth appears to be pulling in more workers. The labor force expanded by an average 4,610 workers per month in the first quarter, the largest increase since 2016.

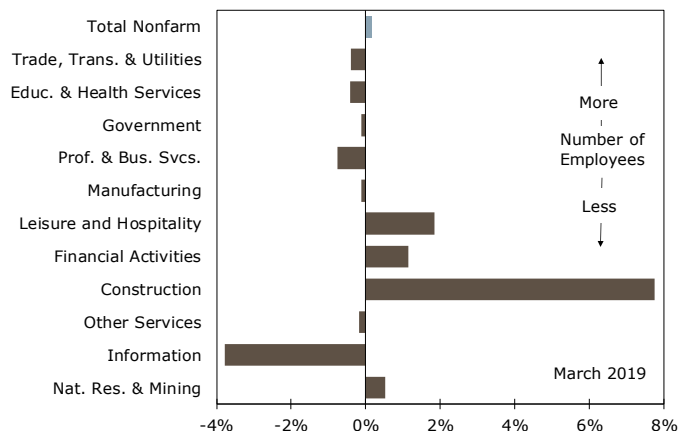
Minnesota Nonfarm Employment
3-Month Moving Averages



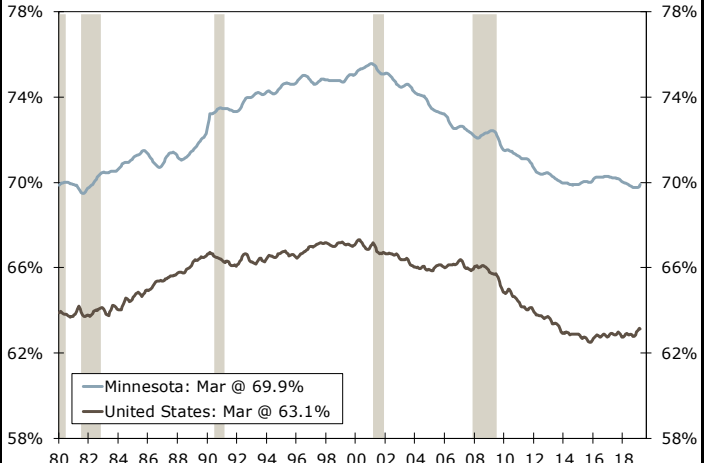
Minnesota vs. U.S. Unemployment Rate
Seasonally Adjusted



Minnesota Employment Growth By Industry
Year-over-Year Percent Change, 3-MMA



Labor Force Participation Rate
3-Month Moving Averages, Seasonally Adjusted



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