



MIS 380 - Fall 2025

2024 Minnesota Labor Market Analysis



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Intended Audience

This report is written for workforce planners, regional development boards, policymakers, and employers across Minnesota who make decisions about wages, training programs, and hiring practices. Its goal is to help these groups understand where labor shortages, turnover, and cost of living pressures are strongest, and why those differences matter for the state's economy.

Executive Summary

Minnesota's labor market in 2024 shows strong job growth but also persistent differences between regions. No area currently meets the 1.7 wage-sufficiency benchmark, meaning the average single adult still cannot follow the recommended 50-30-20 income split for necessities, wants, and savings. Job vacancies remain highest in health care, education, and hospitality, which continue to face recruitment challenges because experience and tenure rarely lead to higher pay and career paths are often limited. At the same time, unemployment claims remain highest in Northeast and Southeast Minnesota, where tourism, hospitality, and other weather-dependent industries slow down during the winter months. Together, these patterns show an economy that is growing overall but not evenly and one that needs region-specific wage targets, off-season training opportunities, and stronger retention efforts to keep workers engaged throughout the year.

Key Findings & Analysis

Cost of Living & Wage Sufficiency

The data shows clear differences in monthly living costs for single adults aged 19–55 across Minnesota’s regions. Housing and transportation make up the largest share of expenses statewide, but residents in the Seven County Minneapolis–St. Paul area face an average monthly cost that’s about \$600 higher than those in rural regions. According to the [DEED Cost of Living Tool](#), housing remains the most significant factor driving regional wage sufficiency. These differences show why wage sufficiency should not be treated as a single statewide measure. Regional benchmarks are needed to reflect actual household budgets and improve wage planning accuracy.

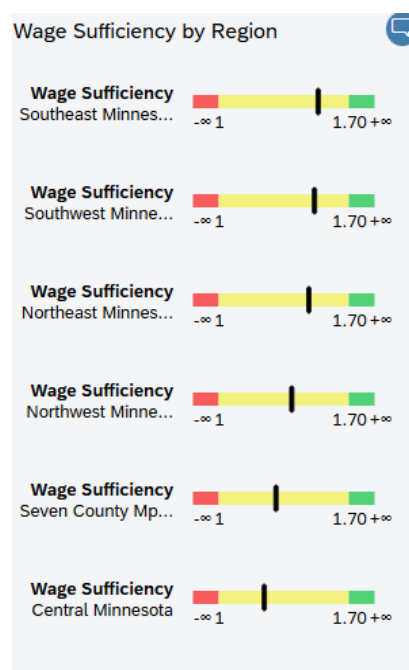


Figure 1 Wage Sufficiency Relative to 1.7 Benchmark

Across all six Minnesota regions, average wages fall short of the 1.7 sufficiency benchmark, meaning that single adults with no children cannot meet the recommended 50-30-20 income balance of necessities, discretionary spending, and savings. Regions in the Southeast and Southwest come closest to the threshold, while Central Minnesota lags the most. According to [Investopedia](#), the 50-30-20 framework reflects a basic measure of financial stability, suggesting that workers earning below this level are likely to experience ongoing financial stress. This pattern highlights how cost of living differences across the state affect economic mobility, with higher wages in metro areas often offset by elevated housing and transportation costs.

Vacancy Pressure

Vacancy pressure, the ratio of unemployment insurance claimants and current vacancies, is strongest in healthcare and food prep and service occupations, with the highest demand in Northeast and Northwest Minnesota. Roles in food preparation, healthcare support, and healthcare practitioners consistently show the most severe shortages, while technical and administrative positions experience relatively stable hiring conditions. This imbalance reflects structural workforce issues rather than temporary fluctuations. According to the [Minnesota Department of Employment and Economic Development](#), healthcare and service industries continue to report the widest gaps between job openings and available workers, particularly in rural regions where fewer training programs exist. The Lumina Foundation's report [Not Just a Job: New Evidence on the Quality of Work in the United States](#) found that occupations lacking clear career pathways and adequate compensation are less likely to retain or attract workers, even when openings are plentiful. This helps explain why sectors like health care and food service continue to experience consistent vacancy pressure despite sustained demand. In this context, Minnesota's shortages appear most concentrated in essential but undervalued fields, where improving job quality and creating clearer career pathways may be as important as increasing wages in closing hiring gaps.

Vacancy Pressure	Region	Central	Northwest	Northwest	Seven County Mpls-St Paul, MN	Southeast Minnesota	Southwest Minnesota
Industry	Minnesota	Minnesota	Minnesota	Minnesota	Minnesota	Minnesota	Minnesota
Architecture and Engineering Occupations	0.002	0.007	0.006	0.005	0.002	0.002	0.002
Arts, Design, Entertainment, Sports, and Media Occupations	0.002	0.002	0.003	0.004	0.002	0.002	0.001
Building and Grounds Cleaning and Maintenance Occupations	0.004	0.007	0.011	0.003	0.001	0.001	0.007
Business and Financial Operations Occupations	0.006	0.006	0.004	0.012	0.003	0.003	0.003
Community and Social Service Occupations	0.005	0.006	0.007	0.009	0.002	0.002	0.007
Computer and Mathematical Occupations	0.001	0.001	0.001	0.008	0.002	0.002	0.001
Construction and Extraction Occupations	0.009	0.001	0.008	0.002	0.001	0.001	0.002
Educational Instruction and Library Occupations	0.012	0.007	0.011	0.010	0.005	0.005	0.010
Farming, Fishing, and Forestry Occupations	0.001		0.002	0.000	0.000	0.000	0.001
Food Preparation and Serving Related Occupations	0.029	0.035	0.042	0.035	0.021	0.021	0.022
Healthcare Practitioners and Technical Occupations	0.023	0.027	0.018	0.026	0.023	0.023	0.013
Healthcare Support Occupations	0.022	0.025	0.019	0.016	0.009	0.009	0.018
Installation, Maintenance, and Repair Occupations	0.011	0.008	0.013	0.008	0.006	0.006	0.011
Legal Occupations	0.000		0.000	0.001	0.000	0.000	
Life, Physical, and Social Science Occupations	0.002	0.001	0.001	0.002	0.002	0.002	0.001
Management Occupations	0.003	0.004	0.003	0.015	0.005	0.005	0.003
Office and Administrative Support Occupations	0.014	0.007	0.009	0.010	0.007	0.007	0.007
Personal Care and Service Occupations	0.006	0.011	0.006	0.007	0.004	0.004	0.002
Production Occupations	0.008	0.002	0.009	0.006	0.008	0.008	0.008
Protective Service Occupations	0.003	0.002	0.003	0.003	0.001	0.001	0.004
Sales and Related Occupations	0.030	0.035	0.034	0.024	0.013	0.013	0.018
Transportation and Material Moving Occupations	0.018	0.009	0.012	0.011	0.008	0.008	0.020
Unknown	0.002	0.001	0.002	0.003	0.001	0.001	0.002

Figure 2 Vacancy Pressure Heat Matrix

Job vacancies in 2024 remain heavily concentrated in service oriented fields. Food preparation and serving occupations account for more than 55,000 openings statewide, followed by sales and healthcare industry related positions, each having over 40,000 vacancies. Together, these three categories make up a significant portion of Minnesota’s 350,000 total openings. According to the [U.S. Chamber of Commerce](#), these sectors have

Industry	Vacancies
Food Preparation and Serving Related Occupations	55826
Sales and Related Occupations	42927
Healthcare Practitioners and Technical Occupations	40419
Healthcare Support Occupations	29459
Transportation and Material Moving Occupations	20782
Educational Instruction and Library Occupations	16840
Office and Administrative Support Occupations	16486
Management Occupations	16403
Installation, Maintenance, and Repair Occupations	14730
Business and Financial Operations Occupations	14291
Community and Social Service Occupations	12328
Production Occupations	11816
Personal Care and Service Occupations	10937
Computer and Mathematical Occupations	8255
Building and Grounds Cleaning and Maintenance Occupations	7997
Architecture and Engineering Occupations	7254
Construction and Extraction Occupations	5748
Arts, Design, Entertainment, Sports, and Media Occupations	5422
Protective Service Occupations	4477
Unknown	3865
Life, Physical, and Social Science Occupations	2909
Legal Occupations	974
Farming, Fishing, and Forestry Occupations	712
Grand Total	350857

Figure 3 Vacancies by Industry

struggled to recover staffing levels since the pandemic, largely due to limited flexibility, high burnout, and competition from remote or hybrid work options. Minnesota’s data aligns with that trend, showing the largest gaps in industries that depend on in person labor and irregular scheduling.

Unemployment Patterns

Unemployment insurance claim intensity varies throughout the year but is most elevated in Northeast and Southeast Minnesota. The seasonally unadjusted data used in this analysis captures the seasonal nature of employment in these regions, where claim volumes rise sharply between late fall and early winter and taper off by late summer. According to the [Minnesota Department of Employment and Economic Development](#) these fluctuations reflect predictable seasonal patterns tied to weather-sensitive industries such as construction, retail, and hospitality, which traditionally scale back operations during colder months. The [Center for Rural Policy & Development](#) also notes that rural regions experience elevated winter claim activity due to anticipated slowdowns rather than sustained job losses. We also see spikes in the early summer months due, mostly due to summer layoffs and discharges in the education industry. This consistency between statewide

trends and local data suggests that claim intensity in these areas could be driven more by the timing of employment cycles than by overall job scarcity.

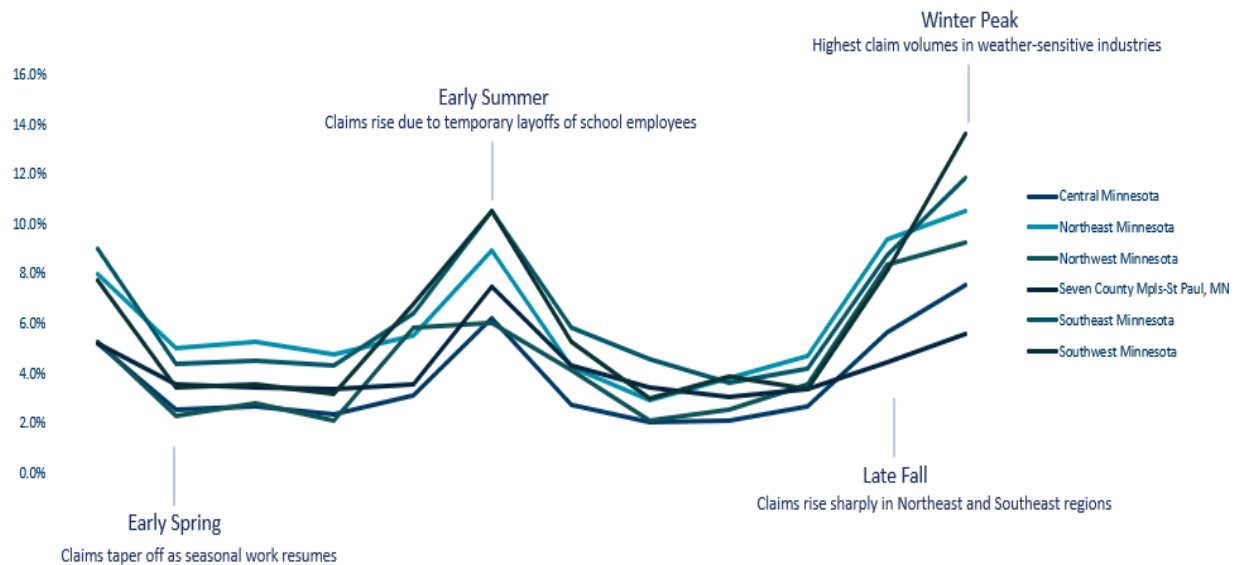


Figure 4 Seasonal Unemployment Patterns

Region	January	February	March	April	May	June	July	August	September	October	November	December
Construction and Extraction Occupations	64943	29009	27551	23598	19926	18038	18540	15291	19724	24327	71129	94730
Unknown	19778	12563	12366	11539	13431	18736	15258	11578	12619	13533	22100	26734
Transportation and Material Moving Occupations	11879	6085	7736	6616	8932	27416	10224	7037	3998	5629	15033	21501
Production Occupations	12766	7710	8737	7548	8992	10779	14696	9120	10702	9510	11076	17796
Food Preparation and Serving Related Occupations	10156	6780	8393	6269	12991	27154	10259	7591	5825	6928	7511	12648
Building & Grounds Cleaning & Maintenance Occup.	5280	2757	2175	2093	1692	1728	1684	1710	1629	3546	8994	8936
Office and Administrative Support Occupations	9119	6803	6589	6623	7710	14255	8700	7447	6327	7417	7693	8168
Sales and Related Occupations	9491	6951	6429	7075	6793	7204	7218	6693	6523	6833	7039	7399
Management Occupations	8181	6362	6106	6649	6563	6461	6750	6212	6469	6680	7384	6947
Education, Training, and Library Occupations	3455	1426	2168	2337	26173	88619	19226	8212	2624	2534	1731	5706
Installation, Maintenance, and Repair Occupations	4514	3581	3693	2943	2595	2582	2931	2528	2901	2673	4122	5659
Farming, Fishing, and Forestry Occupations	2766	893	1052	969	332	251	375	280	163	1028	3735	4630
Healthcare Support Occupations	4338	3611	3621	4300	4599	5302	4532	4125	3778	4275	3602	4209
Business and Financial Operations Occupations	3441	2945	2762	3949	3850	2950	3391	2750	3068	3067	2889	2683
Computer and Mathematical Occupations	2851	2030	2207	2440	2550	2404	2584	2637	2302	2382	1958	2041
Arts, Design, Entertainment, Sports, and Media Occ	2629	1972	1556	1665	1777	2057	1864	1652	1463	1445	1577	1883
Healthcare Practitioners and Technical Occupations	1899	1554	1797	1583	1717	3419	1852	1617	1559	1616	1326	1262
Architecture and Engineering Occupations	1418	1204	797	1033	899	1100	1784	861	874	1132	1141	1130
Personal Care and Service Occupations	989	777	922	892	986	1136	1074	707	767	747	895	824
Protective Service Occupations	644	525	581	595	525	644	560	511	518	532	766	735
Community and Social Services Occupations	969	630	763	867	943	1470	1590	1138	721	1004	930	644
Legal Occupations	385	378	448	476	336	378	329	329	413	329	245	273
Life, Physical, and Social Science Occupations	231	182	364	266	287	238	322	238	350	336	245	238
Military Specific Occupations										77		

Figure 5 Unemployment Claims by Occupation over Time

Attrition

Statewide separations data show that most workforce exits in Minnesota are voluntary rather than driven by employers. Of the 970,000 separations recorded in 2024, about 68 percent were quits and 32 percent were

layoffs or discharges. This pattern suggests a confident labor market in which workers feel secure leaving their jobs and pursuing new opportunities. According to [LPL](#)

[Research](#) a high quits rate typically reflects strong worker confidence and elevated mobility. The [Federal](#)

[Reserve Bank of Minneapolis](#) also notes that quits tend to outpace layoffs during periods of economic expansion, when employees believe they can easily find comparable or better positions. In this context, Minnesota's high proportion of voluntary separations highlights retention challenges rather than job scarcity, reinforcing the need for employer strategies focused on advancement, recognition, and long term engagement to stabilize the workforce.

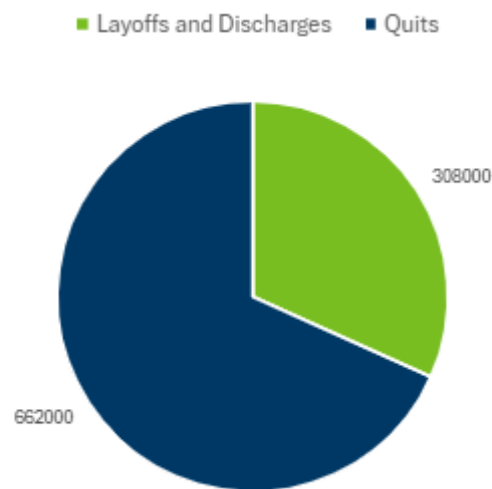


Figure 6 Employer vs Employee driven separations

Summary of Findings

Across the six analyses, Minnesota's 2024 labor market shows steady growth but persistent gaps between regions and industries. The Twin Cities continue to offer higher wages but remain difficult for many workers to afford, especially single adults. In Greater Minnesota, healthcare, education, and service jobs are still difficult to fill, even with a ready labor force. Seasonal slowdowns in the Northeast and Southeast continue to affect income stability, particularly in areas tied to construction and tourism. Together, these trends point to a labor market that is strong but uneven, with stability depending on better wage alignment, training access, and retention strategies across regions.

Action Steps & Recommendations

Minnesota's labor market is strong but uneven, and closing those gaps will take focused changes in a few key areas.

First, wages should better reflect what it actually costs to live in each region. Right now, even in areas with higher pay, most single workers still fall short of the 1.7 benchmark for financial stability. Employers and policymakers should use local cost of living data when setting pay ranges and creating incentives to help people stay in their jobs.

Second, training programs should focus on skills that can transfer between industries. Jobs in healthcare, education, and service fields have the most openings, not because people aren't willing to work, but because the requirements and career paths can be hard to navigate. More access to training partnerships, tuition support, and apprenticeships would help workers move into these jobs and stay there.

Third, regions that rely on seasonal work, like construction and tourism in the Northeast and Southeast, need more stable, year-round job options. Off-season projects, cross-training, and local infrastructure work could help people stay employed and reduce the cycle of layoffs and unemployment each winter.

Finally, employers should focus on keeping the workers they already have. With most job separations coming from people quitting on their own, it's clear that many are leaving for better pay, flexibility, or growth opportunities. Offering clearer career paths, flexible scheduling, and better support for employee well-being can make jobs more appealing and help reduce turnover across industries.

Conclusion

Minnesota's labor market in 2024 shows steady growth and strong hiring activity, but that strength isn't spread evenly across regions or industries. The data point to a system that works well for some workers and employers but leaves others facing seasonal instability and limited career pathways. The goal moving forward should not only be to create more jobs, but to make those jobs sustainable and accessible across the state.

For the Minnesota Department of Employment and Economic Development (DEED), regional workforce boards, and local policymakers, these findings highlight where investment will have the greatest impact. Improving wage alignment, expanding cross-industry training, and stabilizing seasonal employment can help close the gaps seen in this analysis. Employers can also play a major role by focusing on job quality by offering fair pay, growth opportunities, and flexibility that encourage people to stay and build their careers in Minnesota.

Together, these efforts can help create a labor market that supports both economic growth and worker stability. Minnesota already has the foundation for success and the next step is ensuring that every region and industry shares in that progress.

