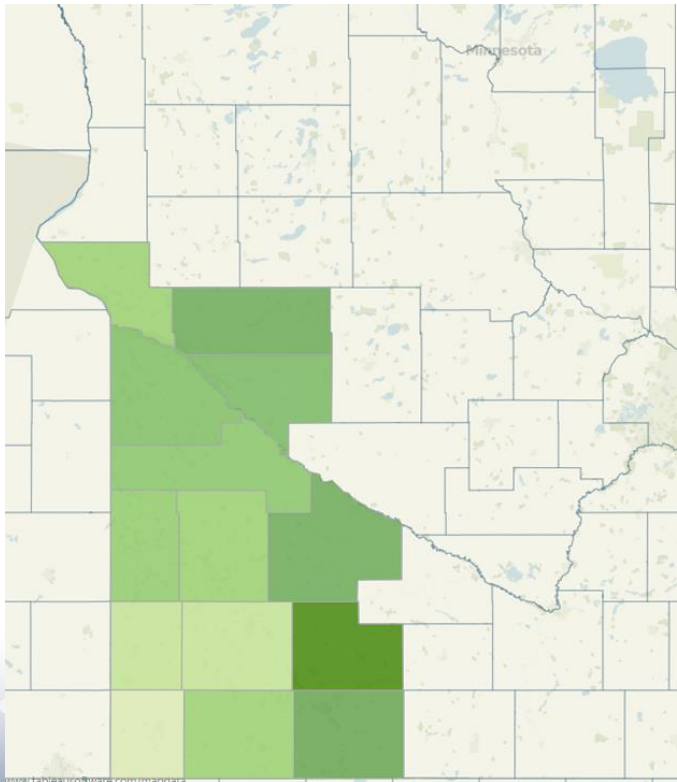


# Southwest Minnesota Labor Market Trends

Pathways 2 Postsecondary Summit  
October 28, 2014



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Dept. of Employment and Economic Development

Labor Market Information Office

<http://mn.gov/deed/data/>

# Labor Market Information Office

- DEED's LMI Office supports state workforce and economic development systems by producing and disseminating data, key indicators, analysis, and trends on the economy, workforce, job market, and business community
- LMI Office's high quality information advises policy makers on current and future economic trends, helps employers make informed business decisions, and assists individuals in making strong career choices
  - DEED's Regional Analysts are the state's **experts** on the latest labor market intelligence, economic conditions, and workforce trends
  - Minnesota WorkForce Centers are a **great resource to provide** schools with more detailed insight on the local economy, and to assist with plans to better help **students map out career objectives**
  - ***We've got you covered!***

# Labor Market Information Office

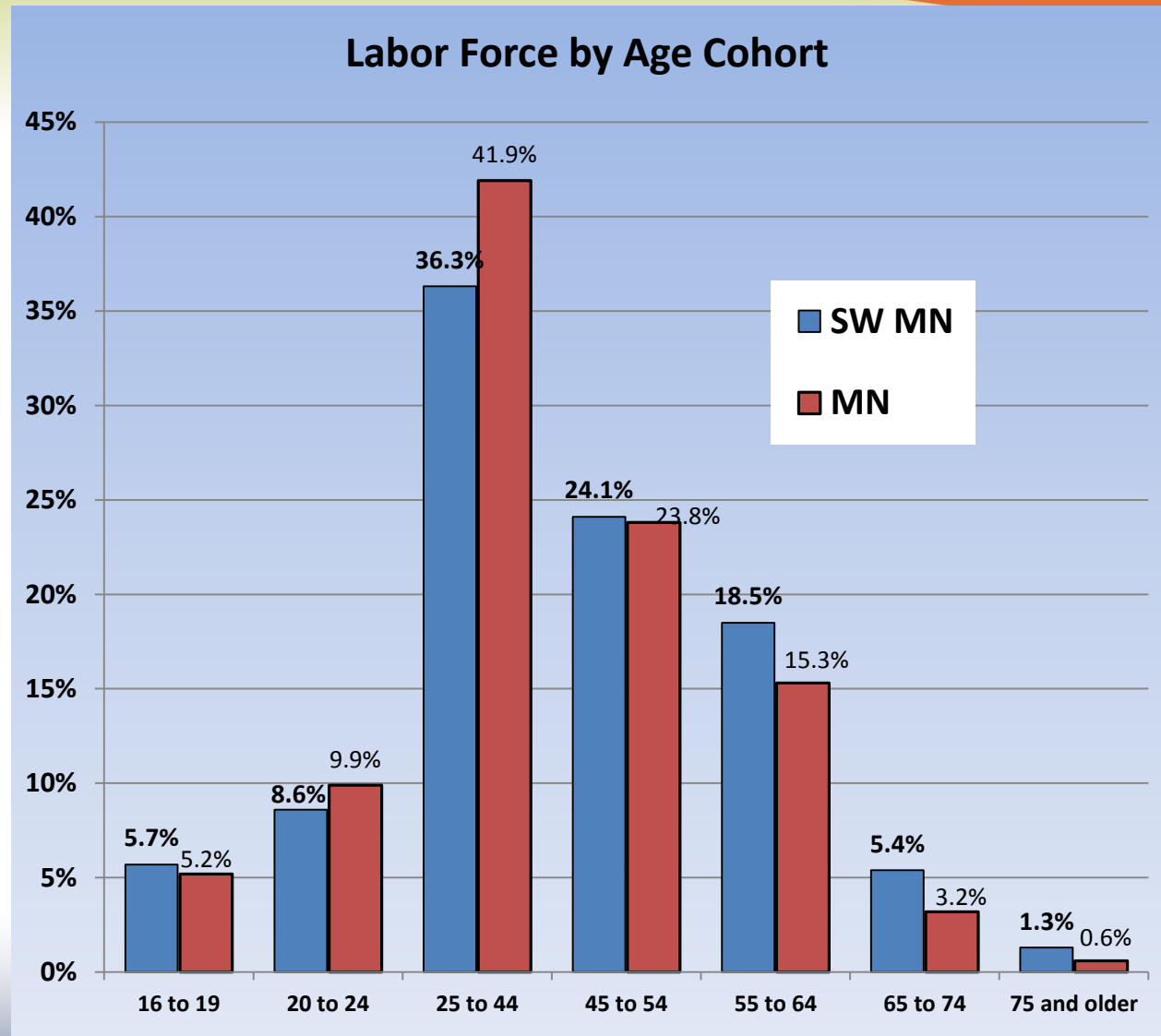
<http://mn.gov/deed/data/>

- Industry Employment Statistics & Trends
- Regional Wage & Salary Information
- Unemployment Rates
- Unemployment Insurance Claims
- Hiring Difficulties in Minnesota
- Skills Gap Surveys
- Quarterly Workforce Indicators (QWI)
- DEED's Regional Data Tool
- Job Skills Transfer Assessment Tool (JobSTAT)
- Economic Trends & Employment Review
- Occupations in Demand (OID)
- Employment Outlook Projections
- Graduate Employment Outcomes
- Career Exploration Information
- Job Vacancy Survey data
- Affirmative Action Statistics
- Bureau of Labor Statistics (BLS) data
- U.S. Census data

# Age of labor force

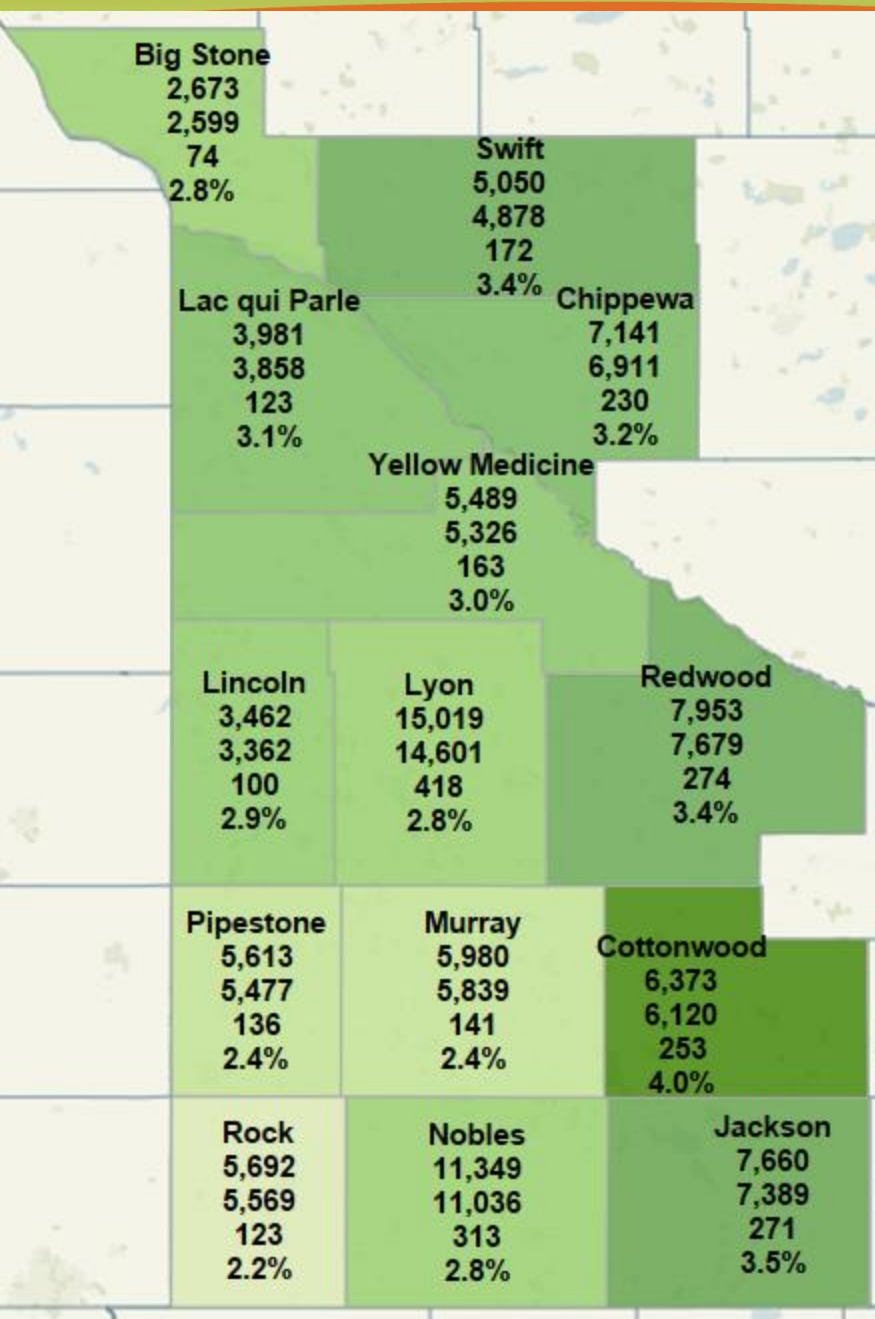
Population 163,667

- General population is older than state.
- 25% of total pop. is 60 or older (20% for the state)
- The difference is made up from a decrease in 20 to 44 year olds



# Employment Change

- **Employment is growing**
  - Minnesota gained another 7,200 jobs in September
  - Minnesota has 45,098 more jobs compared to last Sept.
  - Minnesota has regained the 159,000 jobs lost during the Great Recession, plus 53,800 above our pre-recessionary peak!
  - Southwest Minnesota grew +.7% from 2010 to 2013
- **Other (mainly) positive signs:**
  - Hiring activity has surpassed pre-recession levels
  - Average work-weeks are near record highs
  - Relatively low unemployment rates across the state
  - Labor force participation rates are recovering
  - Educational attainment rates are rising



# Unemployment Rates

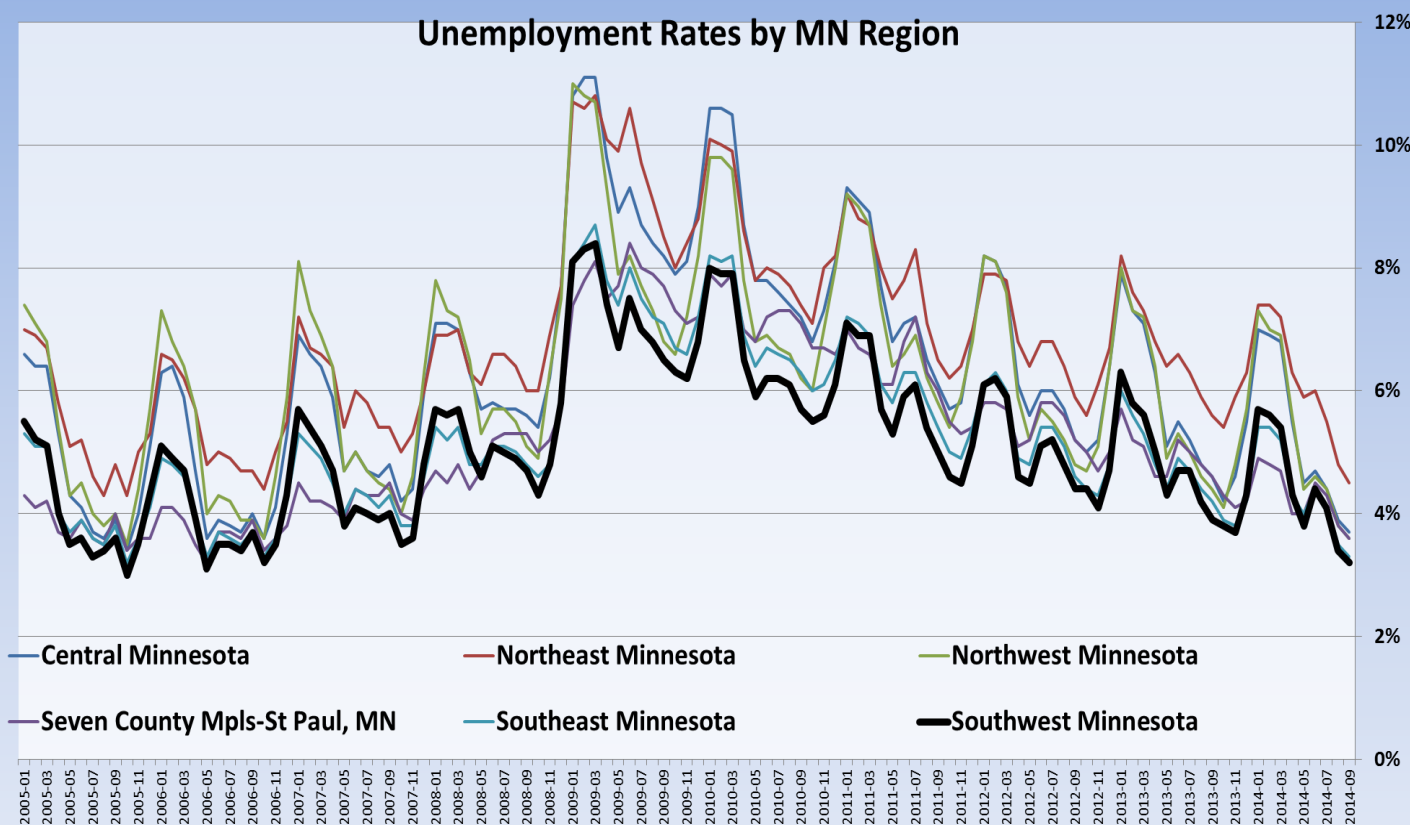
- Southwest Minnesota's unemployment rate fell to 3.0% in Sept. '14
  - Down from 3.2% in August '14
  - Down from 3.6% in August 2013
- Lowest rates in Rock (2.2%); and highest in Cottonwood (4.0%)

Map Legend  
 County  
 Labor Force  
 Employment  
 Unemployment  
 Unemployment Rate



# Unemployment Rates

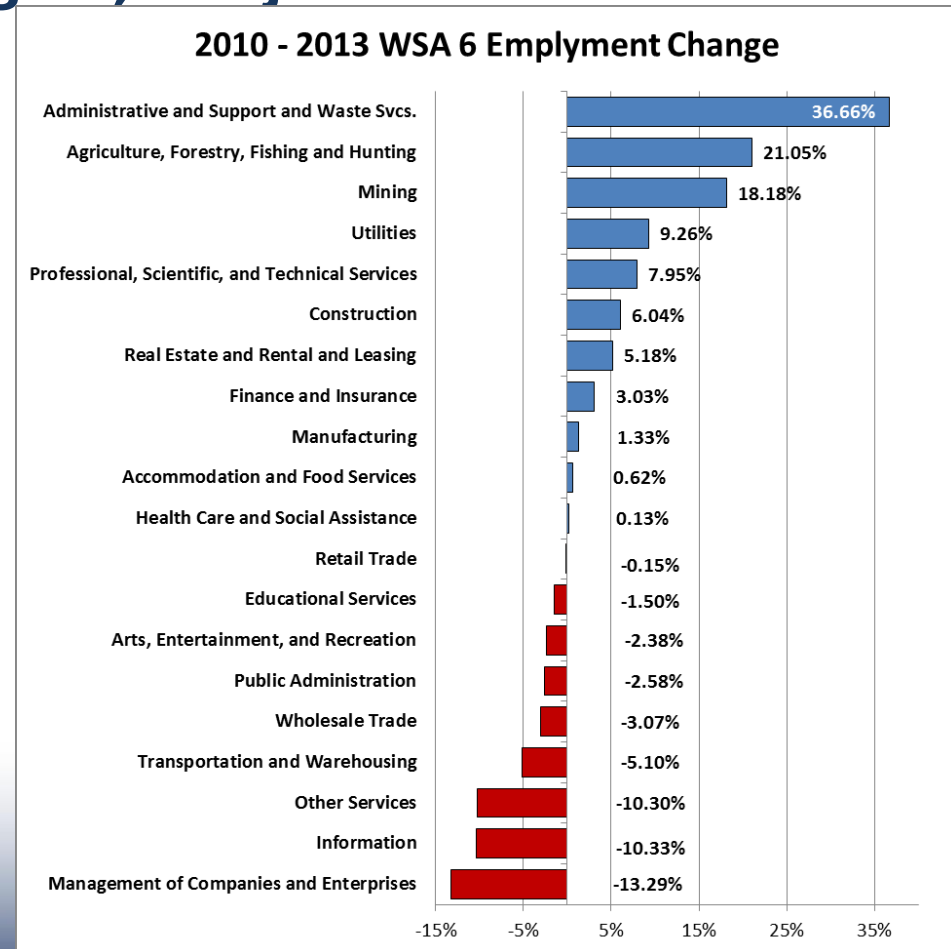
- Southwest Minnesota has consistently had among the lowest unemployment rates in the state
  - Consistently tracking at least 1.0% below the state rate



- SW Peaked at 8.4% in March '09
- Lowest since Oct. '05 at 3.0%
- Currently lowest in state

# Industry Trends

- Southwest Minnesota is home to 5,552 business establishments providing 71,806 jobs
  - 2.7% of state's total jobs (2,691,838 jobs)
  - Southwest added +509 jobs (+.71%) from 2010-2013
    - Minnesota added +128,447 jobs (+5.0%)
  - *11 of the 20 main sectors added jobs*
  - Largest job growth occurred in admin support and waste Mgmt., agriculture, mining, and utilities



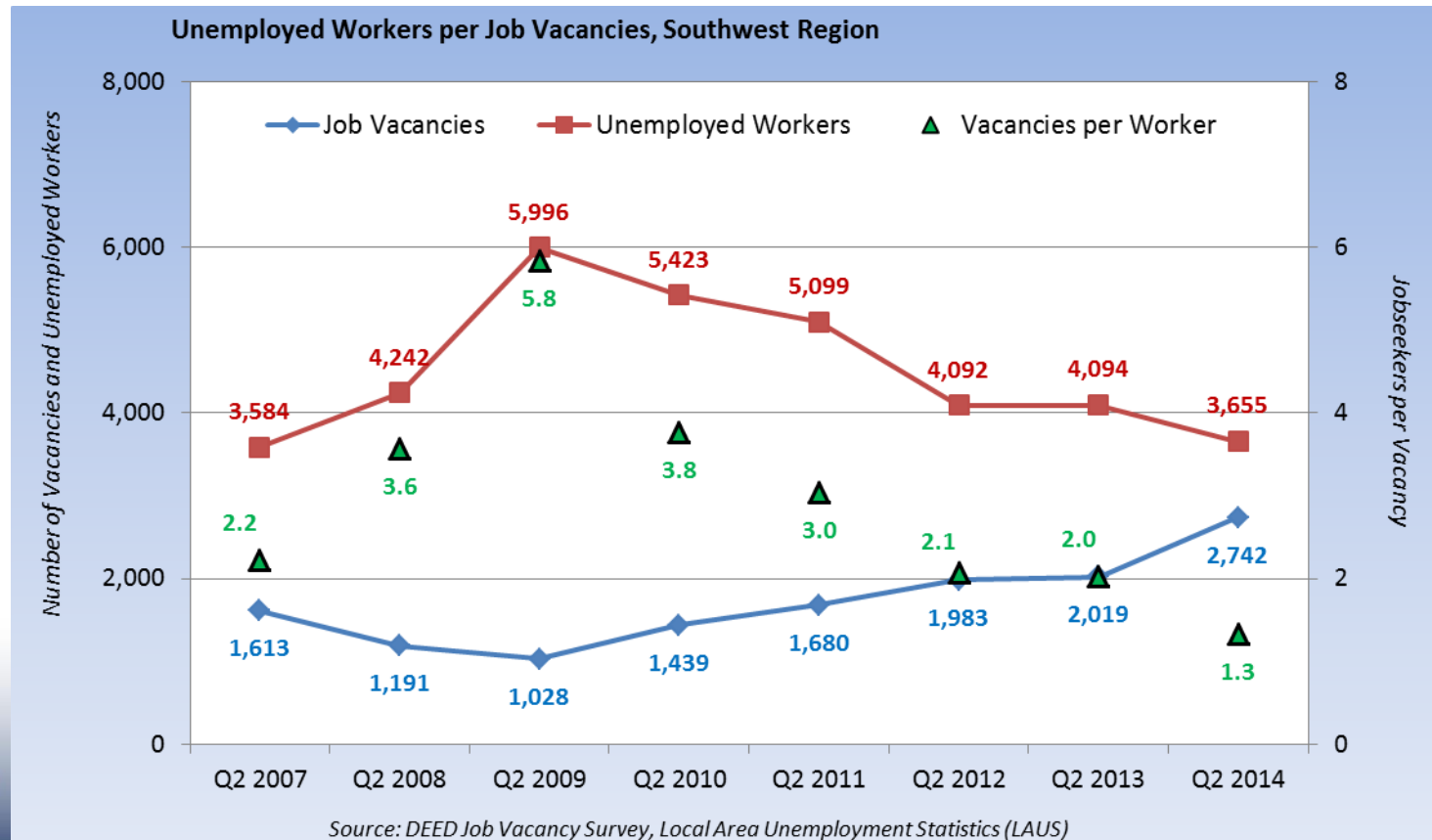




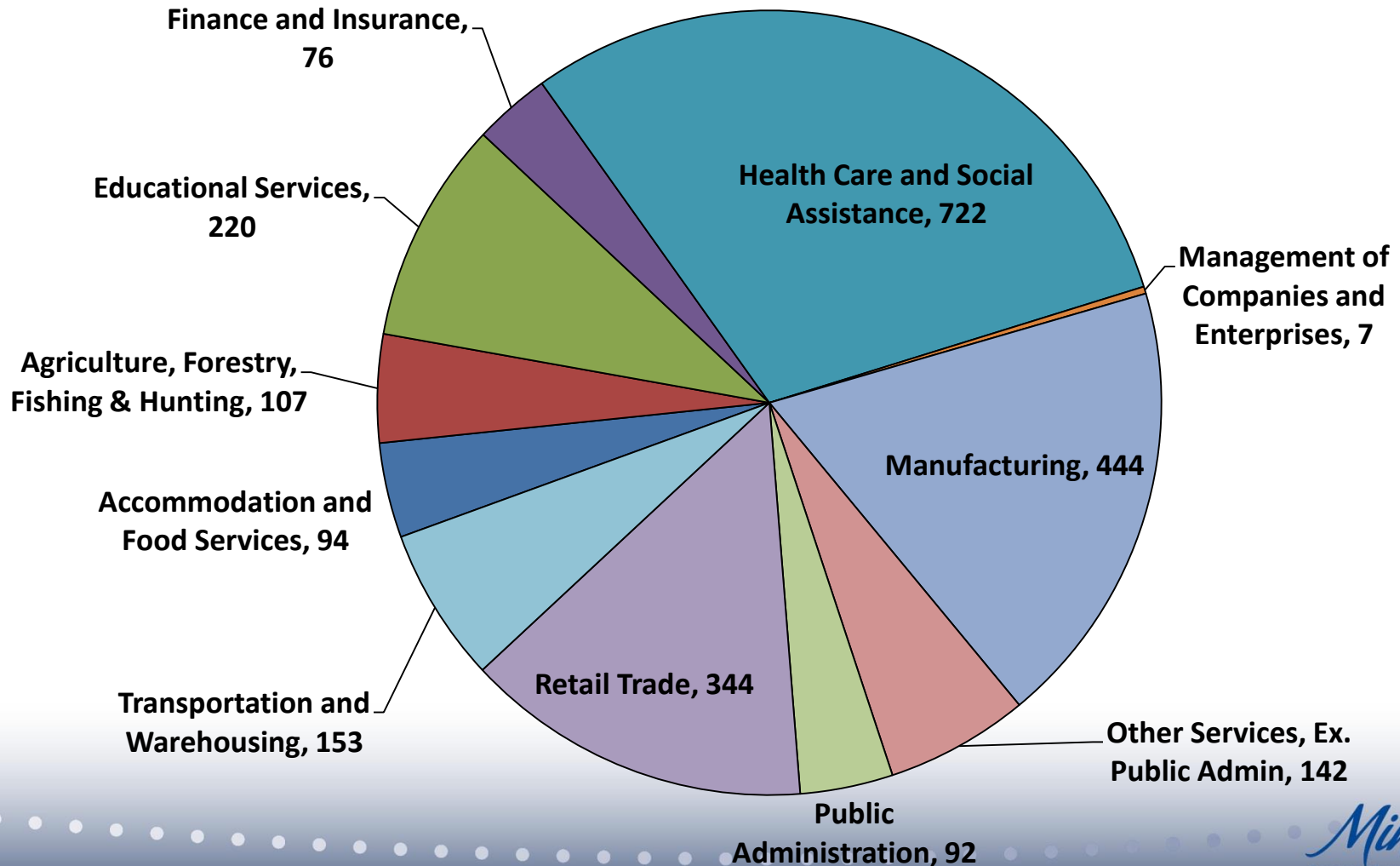
# Southwest Minnesota: Job Vacancies

- Southwest Minnesota had about 1.3 jobseekers for every job vacancy in Q2 2014
  - Down from 5.8 jobseekers per vacancy in 2009!

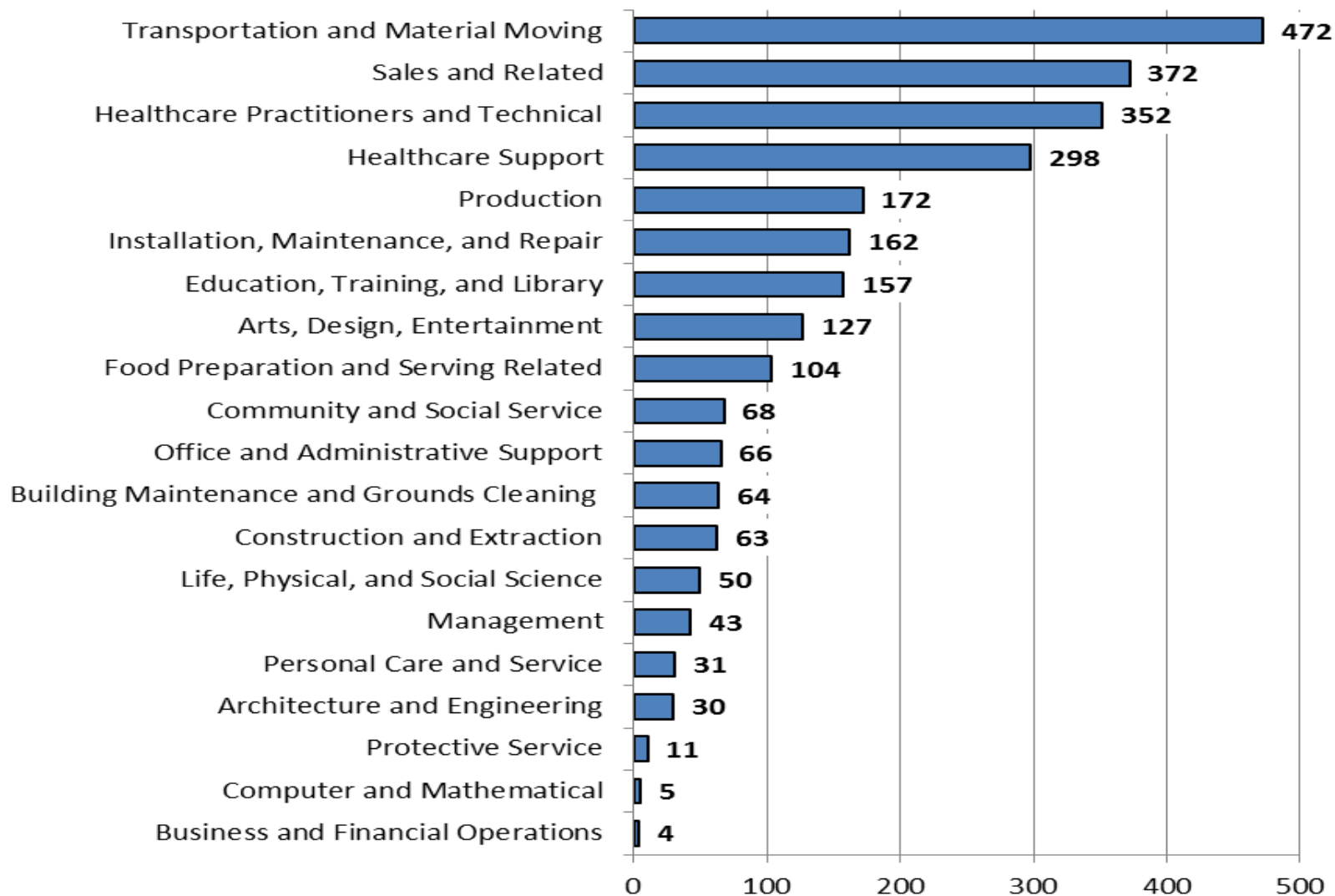
Lower than  
pre-recession  
levels



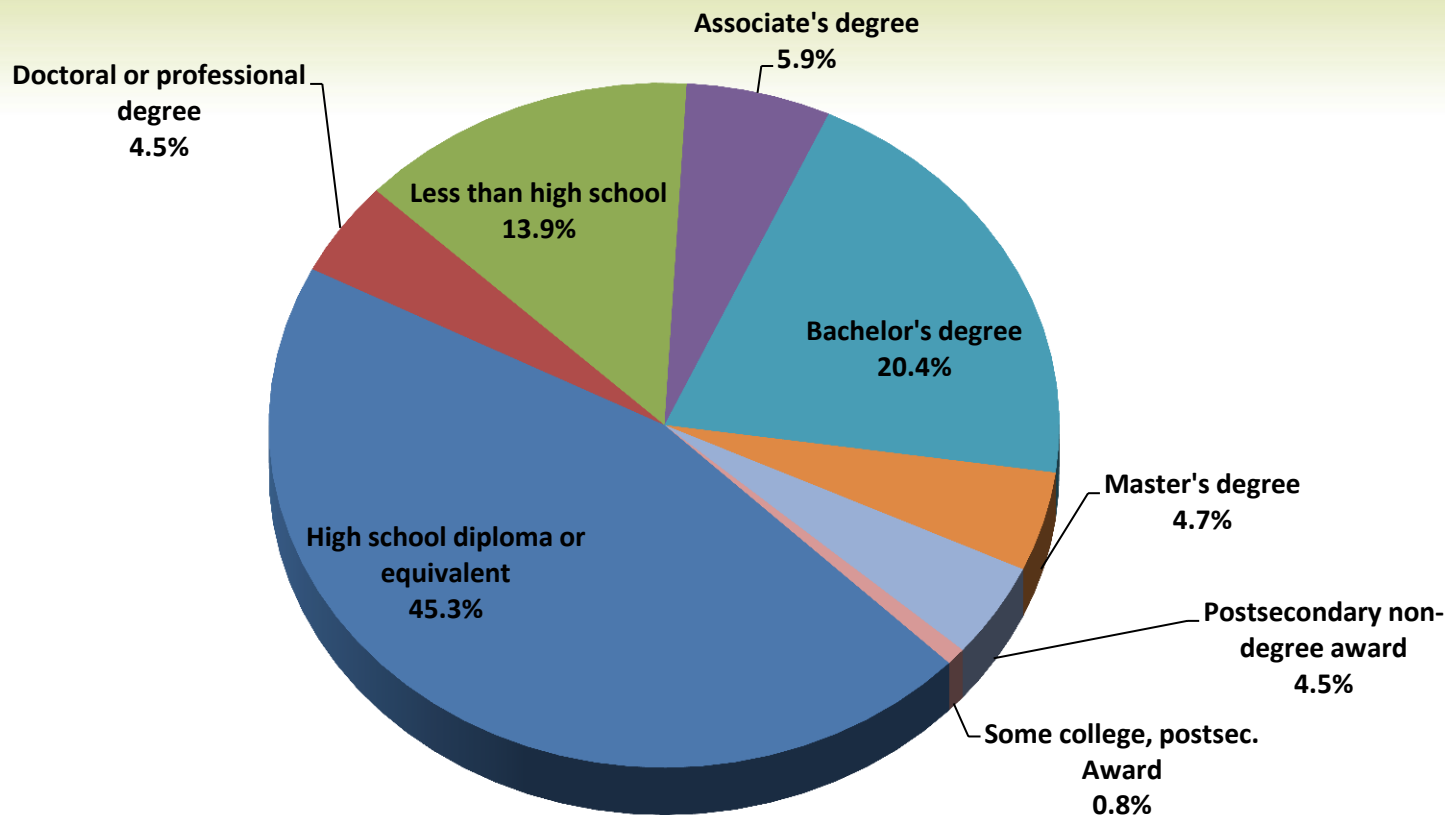
# Southwest Job Openings by Industry, 2014



## Southwest Job Vacancies by Occupational Group



# Southwest Occupations in Demand



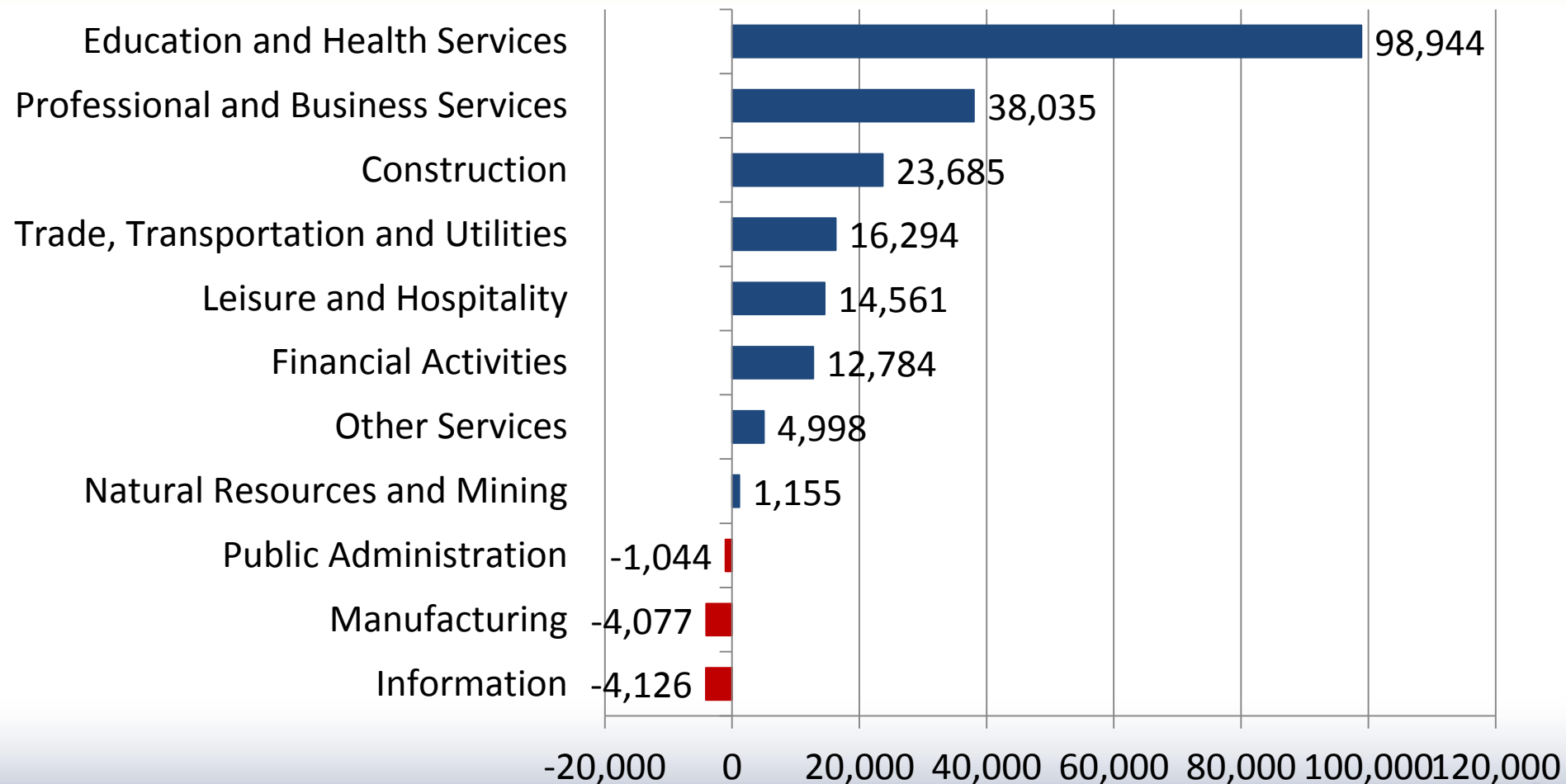
- **356 occupations in relatively high demand**
  - 148 require a high school diploma or less
  - 20 require some college, postsecondary vocational award, or associate's degree
  - 73 require a bachelor's degree
  - 34 require an advanced degree

# Employment Outlook

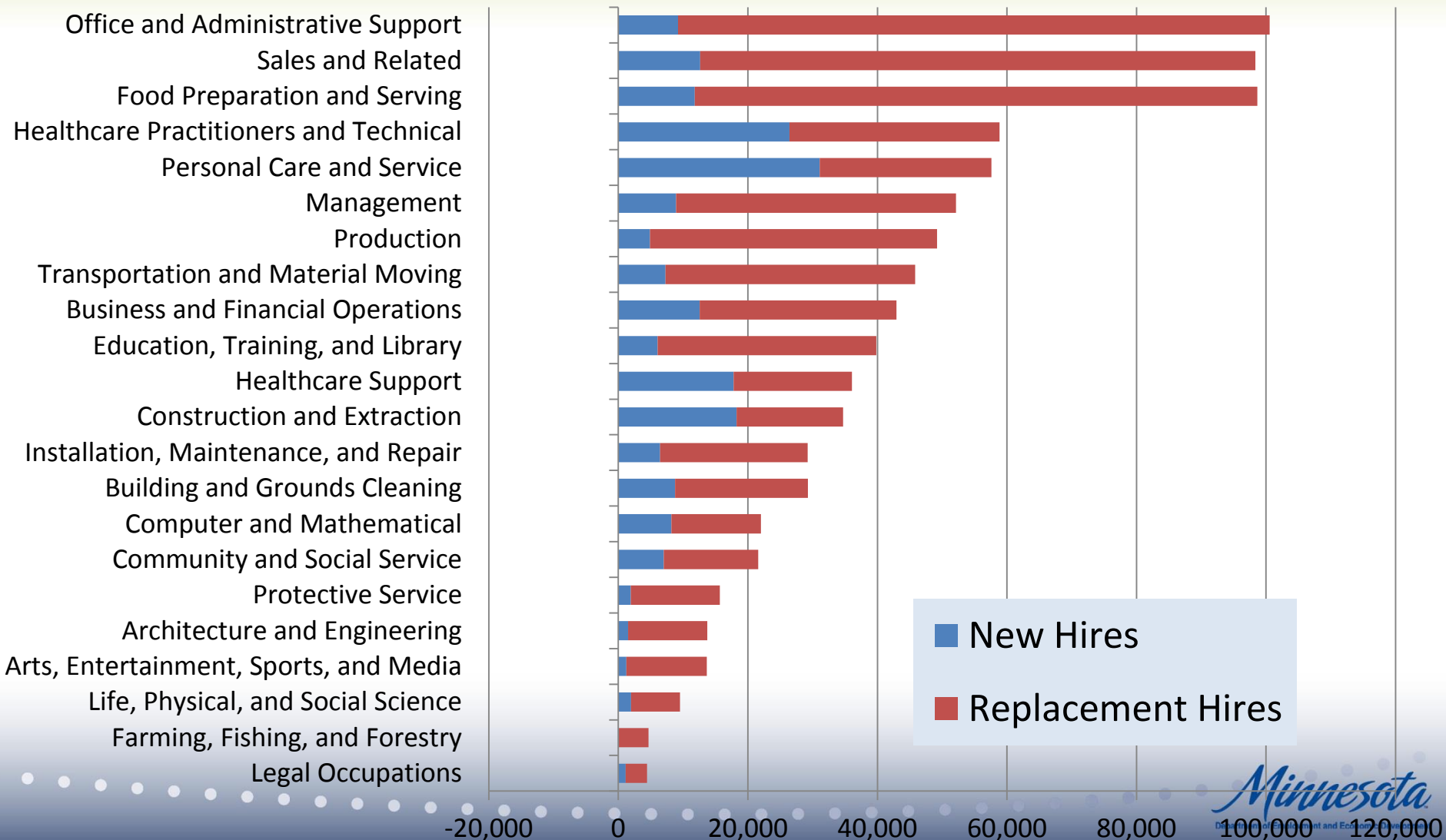
- According to DEED's 2012-2022 Employment Outlook tool, Minnesota's economy will gain **+204,999 net new jobs**, a growth rate of **+7.0%**
  - *Minnesota gained **358,732 jobs** from 1980-1990*
  - *Minnesota gained **549,000 jobs** from 1990-2000*
  - *Minnesota lost **-43,706 jobs** from 2000-2010*
  - In addition, over **+673,520 workers** will be needed to take jobs left vacant through retirements and replacements
- Employment changes depend on the demand for goods and services, productivity advances, technological innovations, and shifts in business practices
  - *Demographic changes drive demand for healthcare & related services*
  - *Labor force growth will slow below 0.5% annually (baby boomers leaving)*



# MN Industry projections, 2012-2022



# MN Occupational projections, 2012-2022



# Skills Gaps? Or Hiring Difficulties?

- Hiring difficulties caused by a mismatch between job requirements and the *training, skills, and experience of applicants (skills mismatches)*
- Hiring difficulties caused by problems that are unrelated to candidates' qualifications, such as *unattractive work hours, wages, geographic location, and others (demand-side factors)*
- Separate report for healthcare, IT occupations
- Full report covers 9 occupations



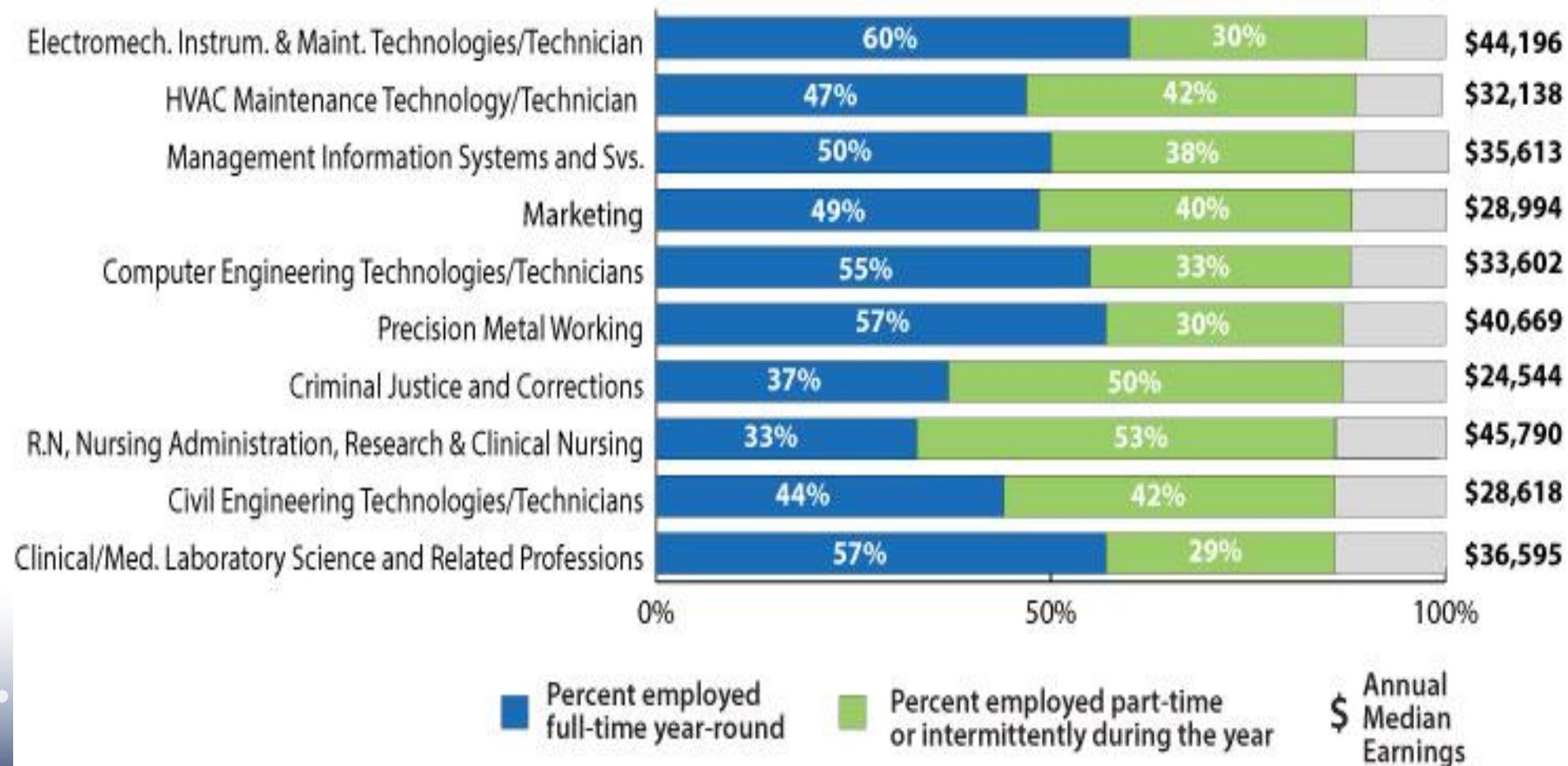
# Graduate Employment Outcomes

- Prospective students, to set realistic expectations for employment and wages following graduation
- Parents and career counselors, to help prospective students plan their education
- Education program planners interested in aligning program offerings to market demand
- Policy makers interested in evaluating the state's returns on investments in higher education
- **Choice of major (with a focus on career paths and labor market trends) is the main driver of economic success after graduation**
  - There are more opportunities in MN for people with degrees that are technical (focused on analytical/quantitative skills) or geared towards growing sectors (Healthcare & Social Assistance, Education)
  - *This is true at every award level!*

# Major Matters

Figure 2

## Top 10 Associate Degree programs with the highest employability in Minnesota, class of 2011





# Graduate Employment Outcomes

- Findings show that two-thirds of graduates were employed in Minnesota a year after graduation
- Overall, wages increased with education level
  - Hourly wages for bachelor's and graduate degree completers rose at a faster rate than others between 12 and 24 months after graduation, suggesting stronger earning power in the long run
- Both full-time and year-round employment status affect wage results. Individuals who worked full-time for the whole year earned considerably more than the total population employed
- Overall, only 42% of 2011 completers who were employed managed to find a full-time job and keep it for the whole year
  - These results stand as evidence of under-employment, or under-utilization of skills in the economy
- Healthcare & Social Assistance was the dominant employer, employing one fourth (24%) of new graduates with jobs



# DEED's Regional Analysts

*We've got you covered...*

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Ramsey County  
WSA 15

Washington County  
WSA 16

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