

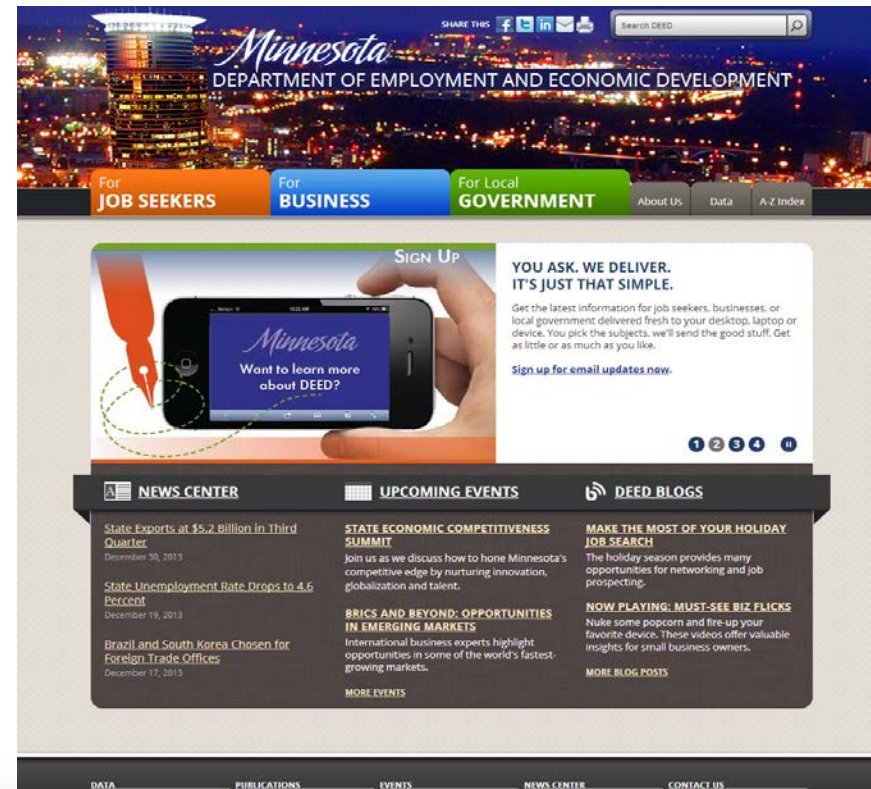
Twin Cities Metro Area Labor Market Trends

Tim O'Neill

**Regional Labor Market Analyst
Labor Market Information Office**

Labor Market Information Office

- Each state produces employment and economic statistics in cooperation with 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.



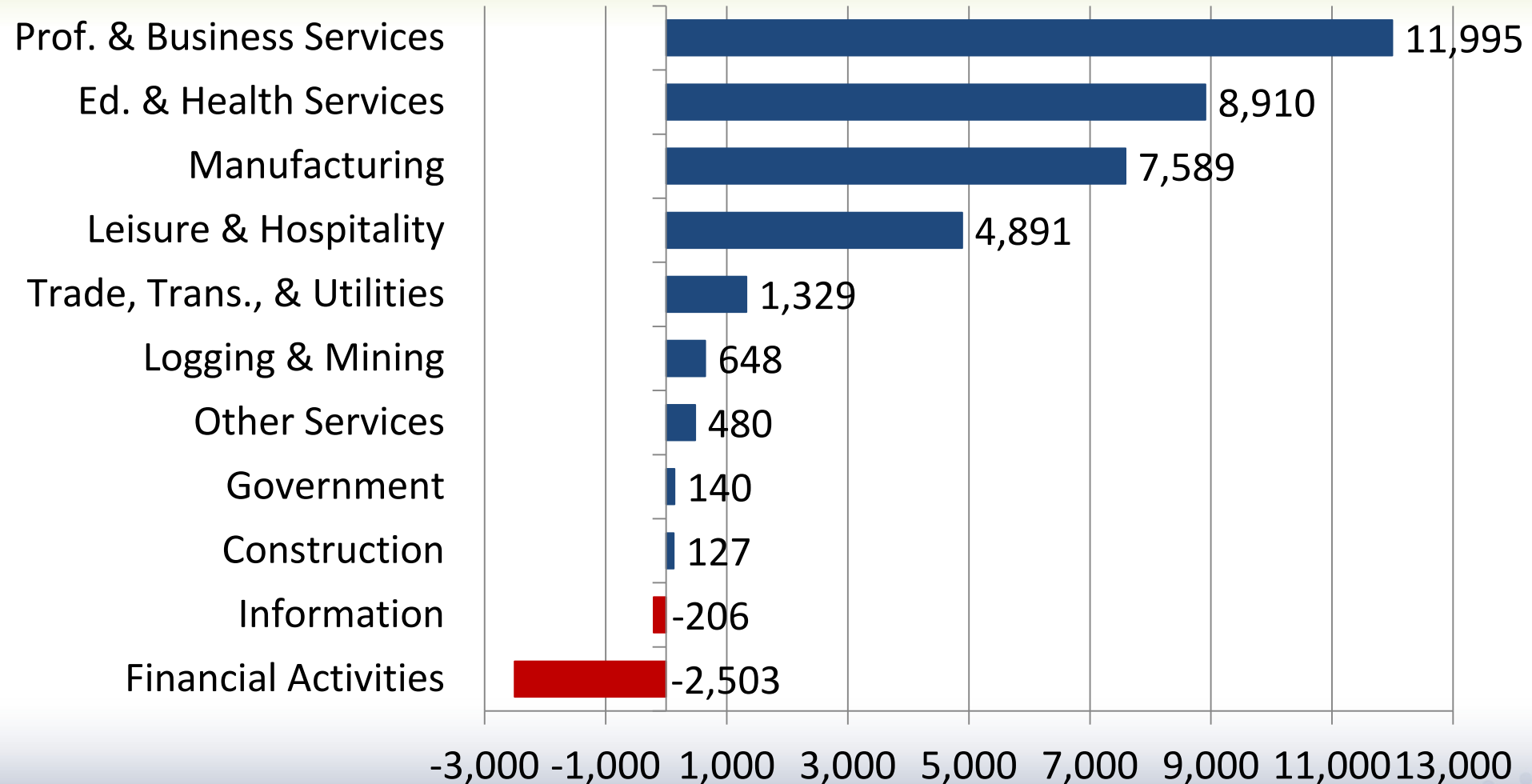
What do the data tell us?

- Good news!
 - Recent job surge
 - 5 years since recessionary rock bottom
 - Very low unemployment
- Points of concern...
 - Unemployment disparities
 - Lack of wage growth
 - Aging population and labor force
 - Labor market tightening

Regional Trends, September 2014

Metropolitan Statistical Area (MSA)	Numeric Employment Change	Percent Employment Change
Minneapolis-St. Paul MN-WI	32,033	1.8%
Duluth-Superior MN-WI	-885	-0.7%
Rochester	709	0.7%
St. Cloud	1,836	1.8%
Mankato	2,082	3.7%
Minnesota	33,400	1.2%
United States	2,987,000	2.2%

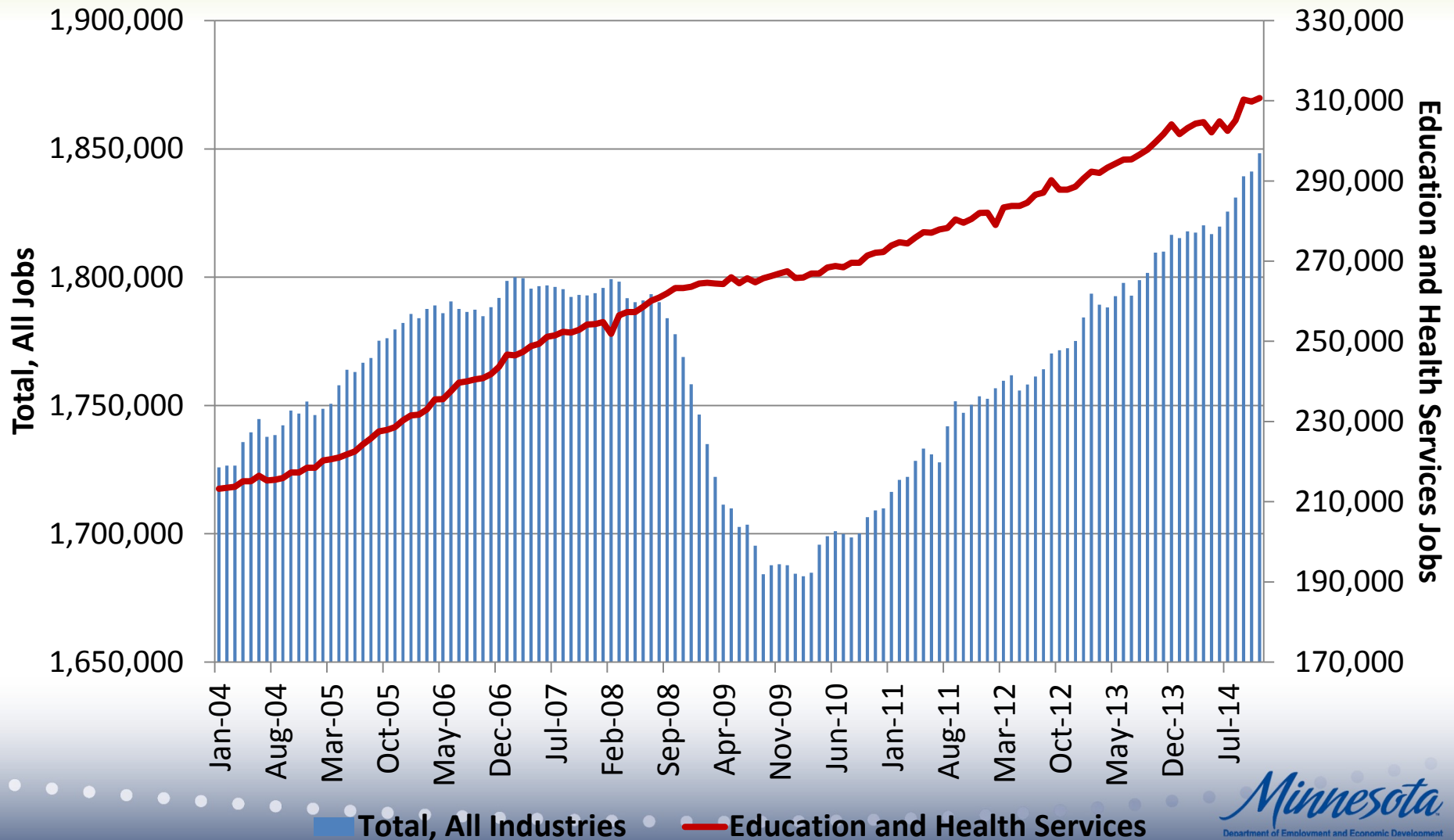
Minnesota Industry Trends



Data are December 2013 to December 2014.

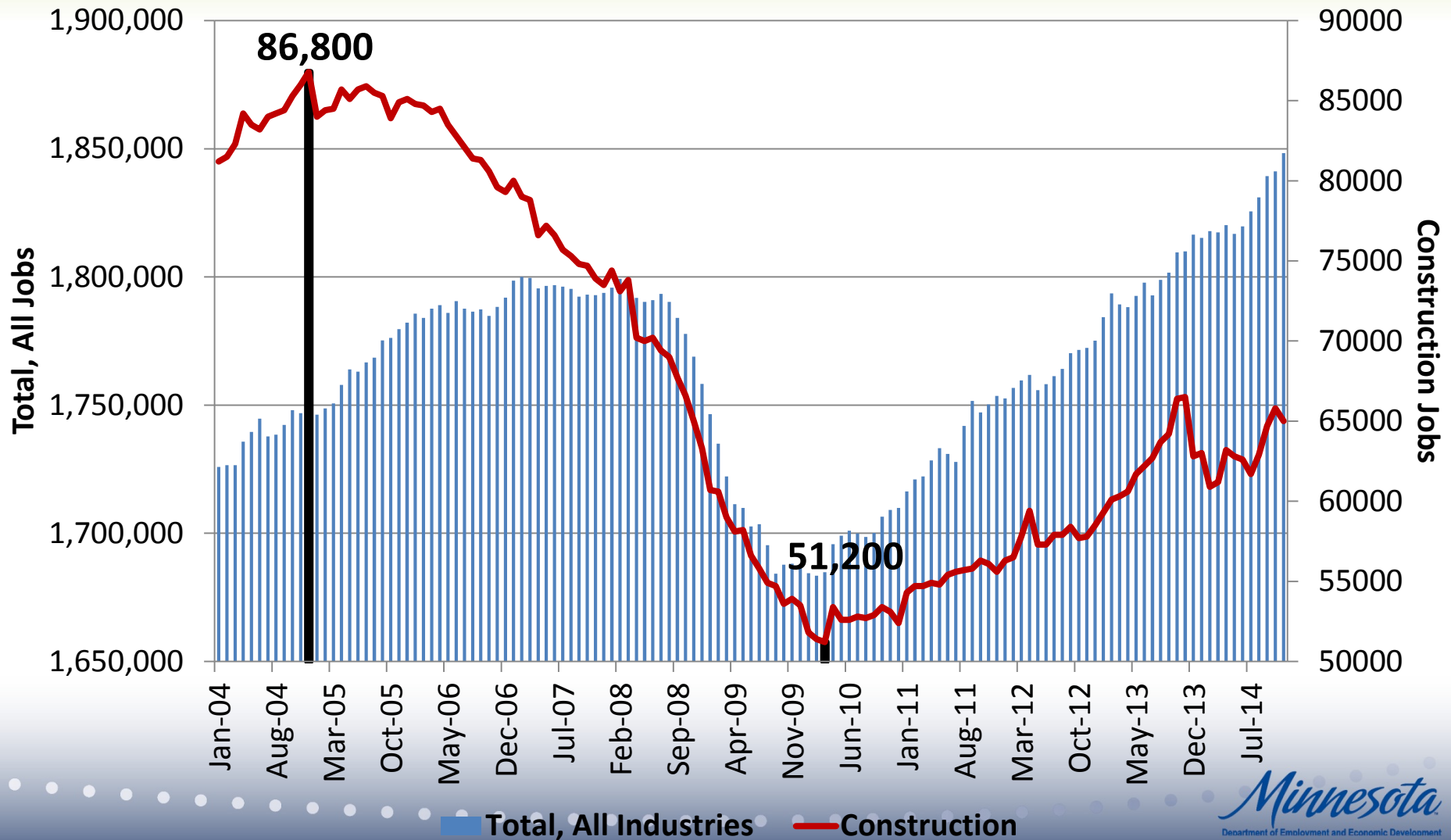
Seven-County Metro Area

Education & Health Services Trends 2004 - 2014



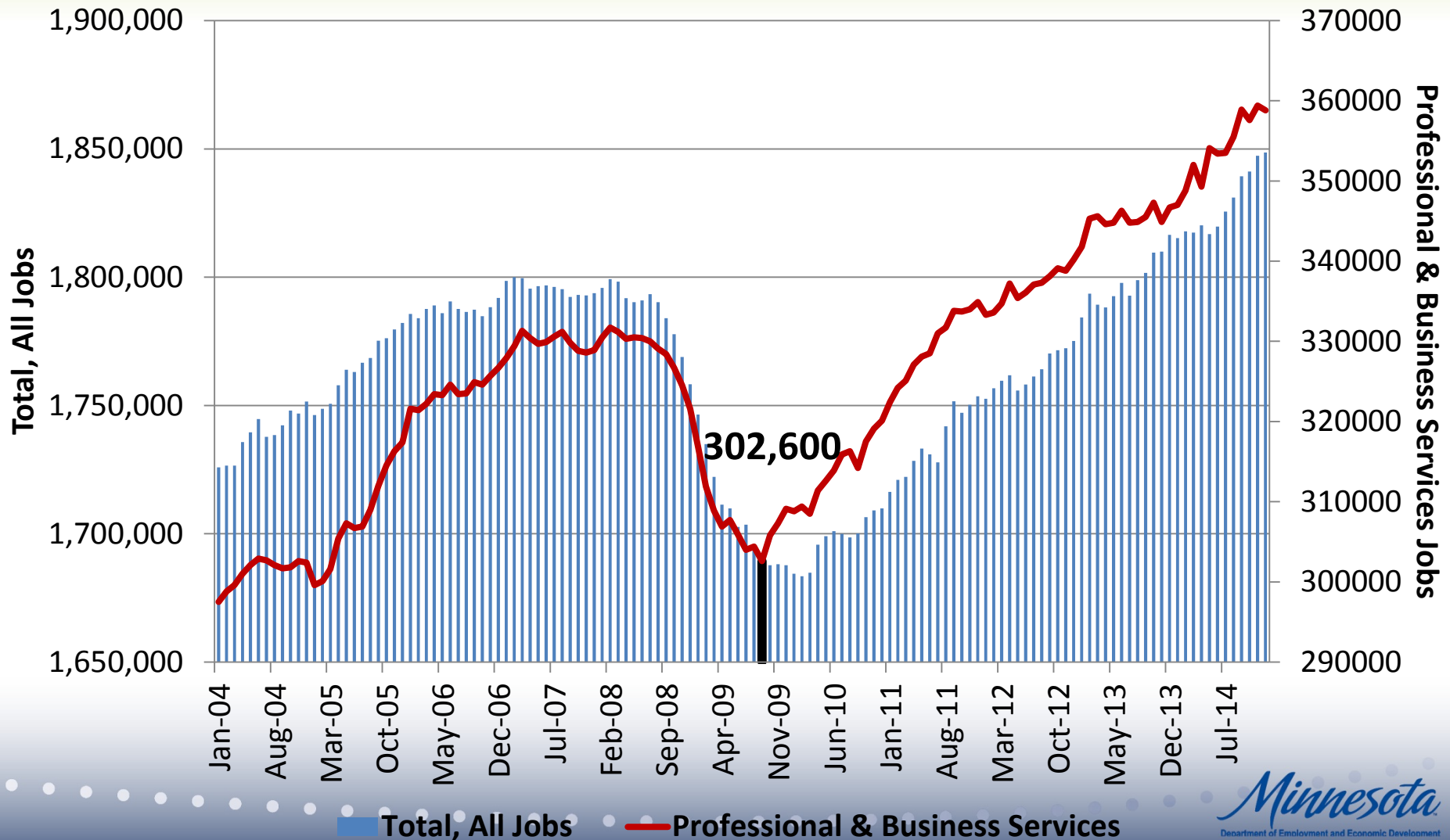
Seven-County Metro Area

Construction trends 2004 – 2014



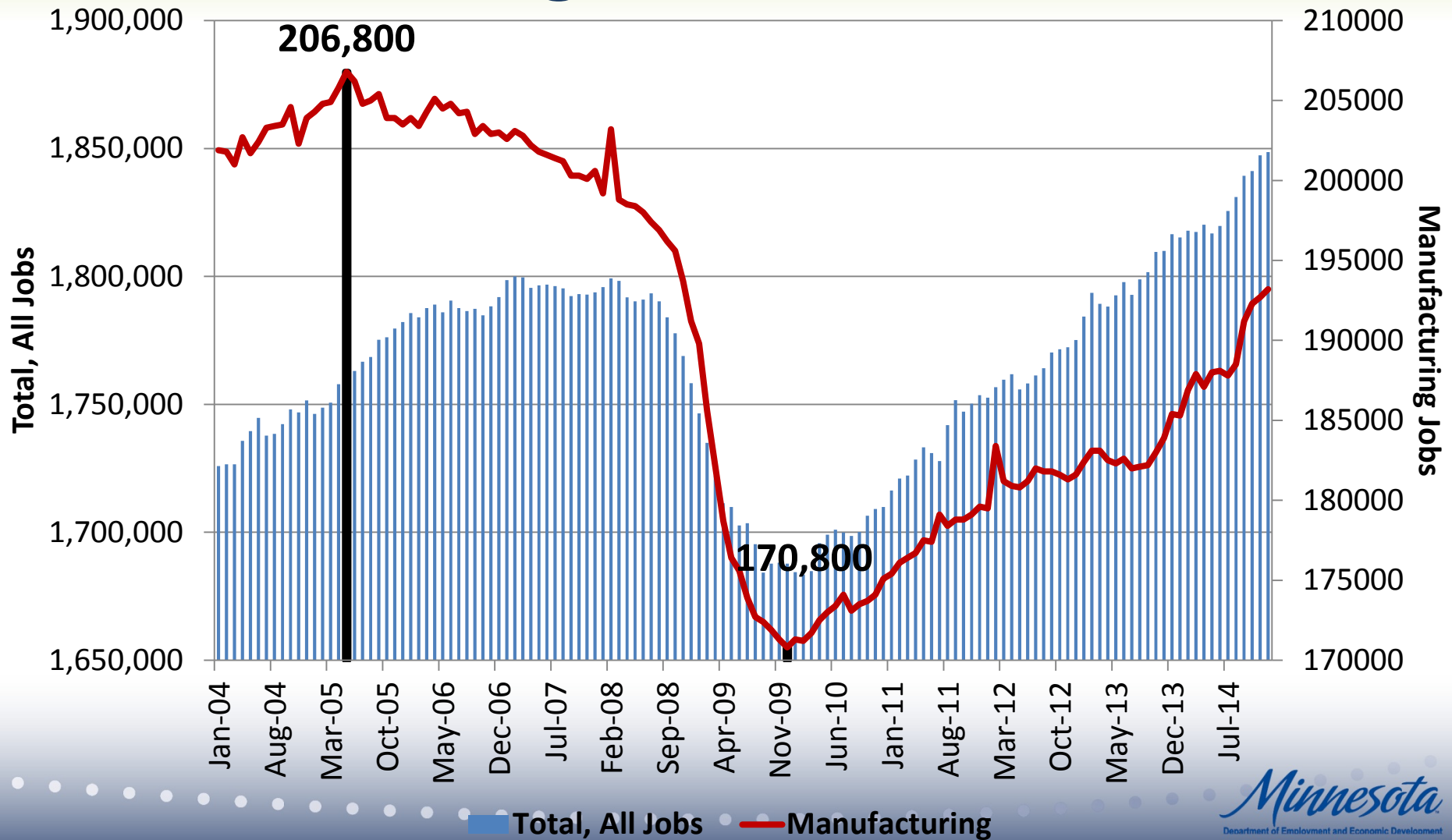
Seven-County Metro Area

Professional & Business Services Trends 2004 - 2014



Seven-County Metro Area

Manufacturing Trends 2004 - 2014



Current Employment Statistics (CES)

- **Description:** Monthly survey of nonfarm businesses for estimating industry employment, hours and earnings for the 50 states and 250 Metropolitan Statistical Areas.
- **Data source:** The CES program is a federal-state cooperative program between the BLS and state agencies. This program is the largest survey of its kind, consisting of 400,000 businesses nationwide and 5,900 businesses in Minnesota.
- **What it provides:** A look at the health of the economy through industry employment numbers, earnings trends and other data.
- **Data limitations:** Not available for small, local areas, and data are revised monthly and benchmarked annually.

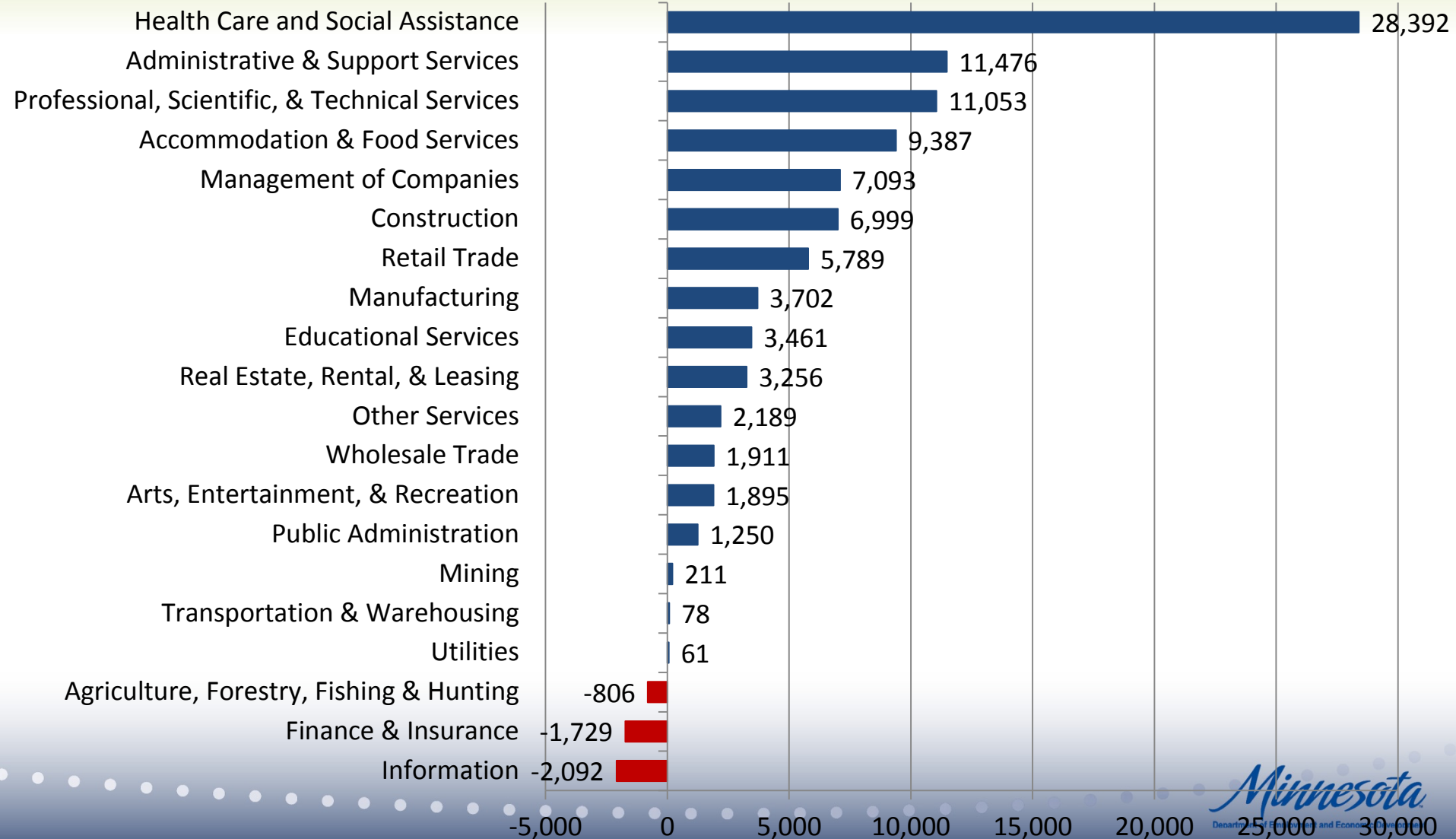
<http://mn.gov/deed/CES>

Quarterly Census of Employment and Wages (QCEW)

- **Description:** Quarterly census of employers for compiling employment and wage statistics. Data are available by industry, ownership type, states, regions, counties and minor civil divisions.
- **Data Source:** All establishments covered under the Unemployment Insurance (UI) program are required to report wage and employment statistics.
- **What it provides:** Industry employment and wage information at the state, regional, county and minor civil division levels. These data are used for state revenue forecasting, employment density studies, and economic planning and development.
- **Data limitations:** Six month time lag and some data confidentiality.

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

Metro Area Industry Trends Q2, 2009 – Q2, 2014



Metro in-depth industry trends Q2, 2009 to Q2, 2013

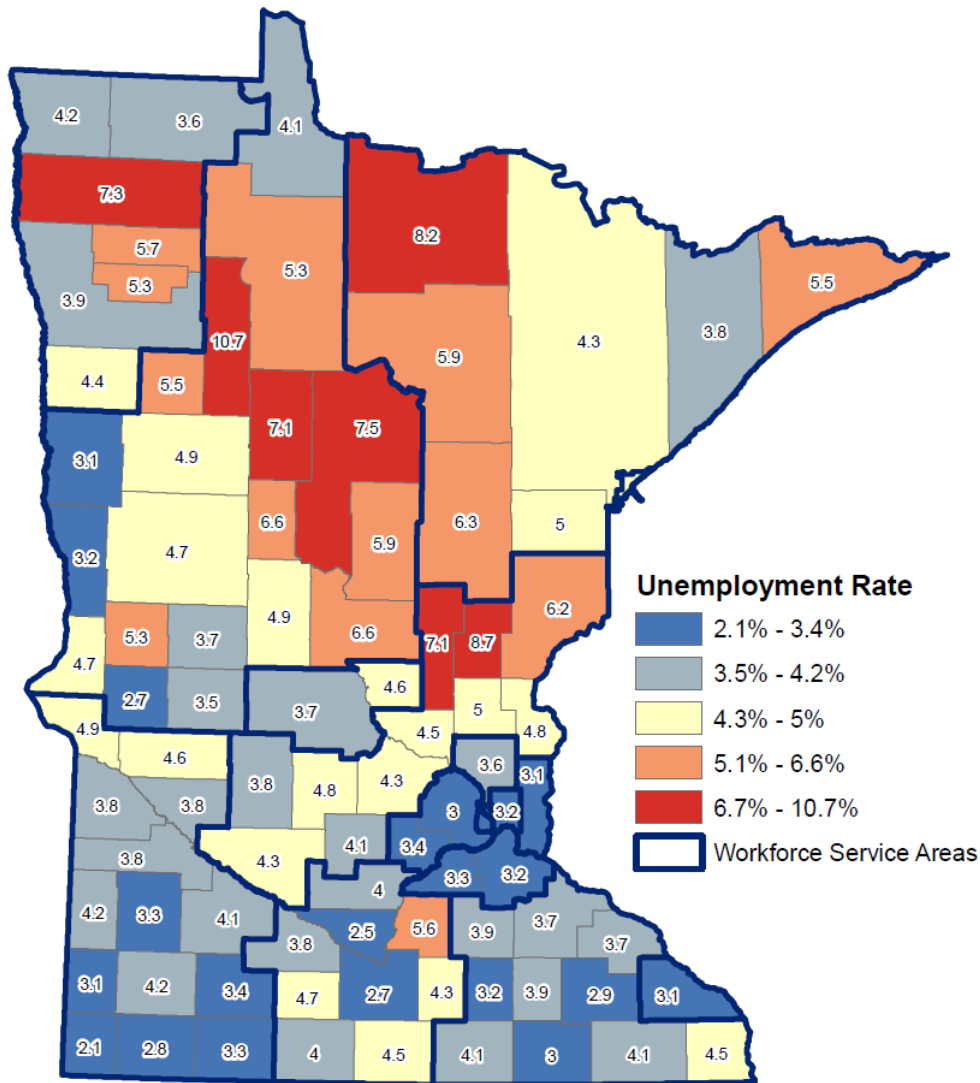
Largest Growing Industries

- Administrative & Support Services (+11,422)
- Food Services & Drinking Places (+9,622)
- Ambulatory Health Care Services (+9,410)
- Social Assistance (9,325)
- Management of Companies (+7,093)
- Nursing & Residential Care Facilities (+6,012)
- Computer Systems Design (+4,547)
- Specialty Trade Contractors (+4,500)
- Hospitals (+3,646)
- Real Estate (+3,629)

Declining Industries

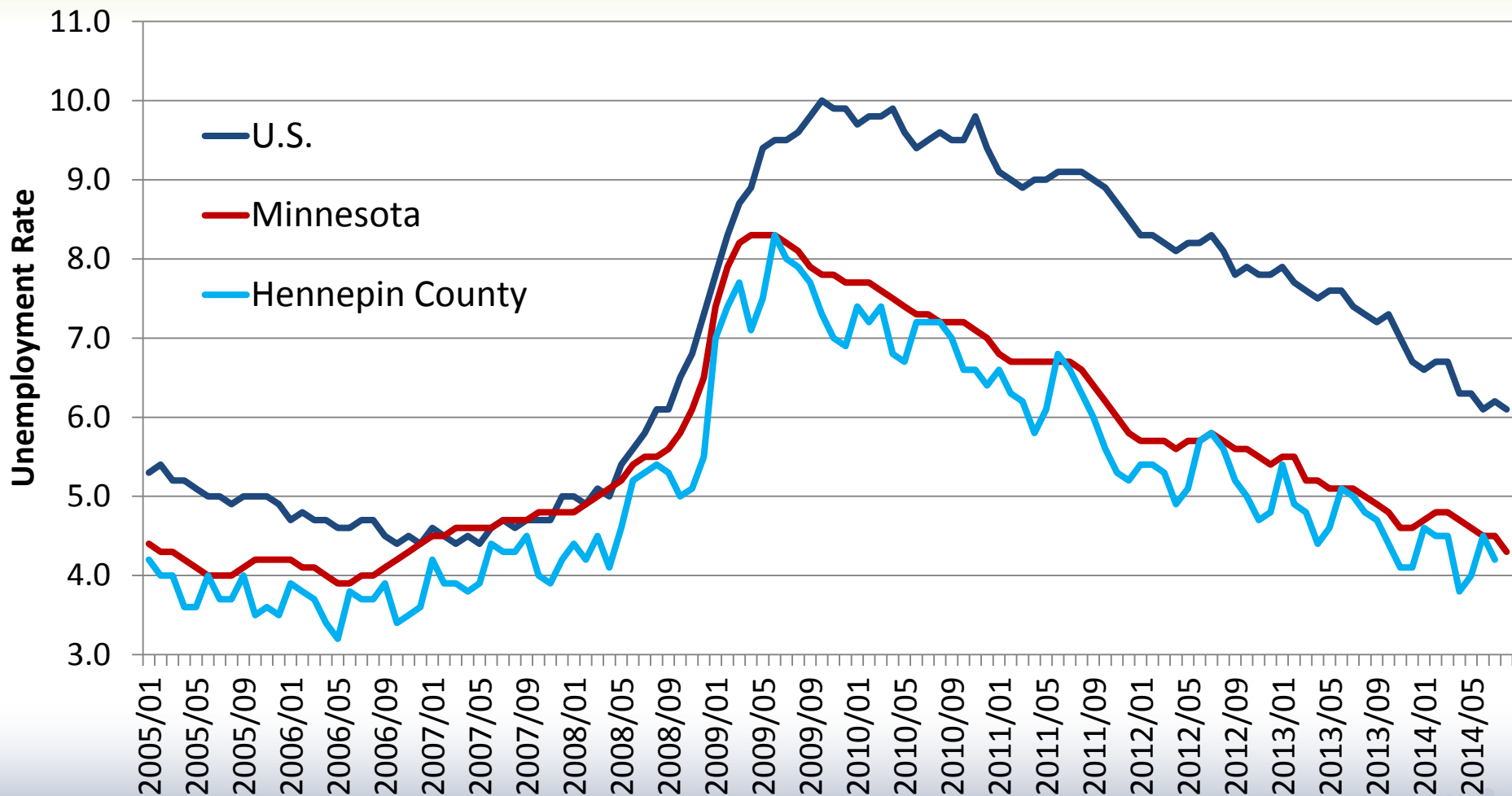
- Insurance Carriers (-2,191)
- Admin. Of Economic Programs (-1,577)
- Publishing Industries (-1,547)
- Clothing & Clothing Accessories Stores (-1,271)
- Air Transportation (-1,026)
- Crop Production (-906)
- Computer & Electronic Product Mfg. (-902)
- Printing & Related Support Activities (-776)
- Chemical Mfg. (-615)
- Electronics & Appliance Stores (-549)

Regional unemployment rates



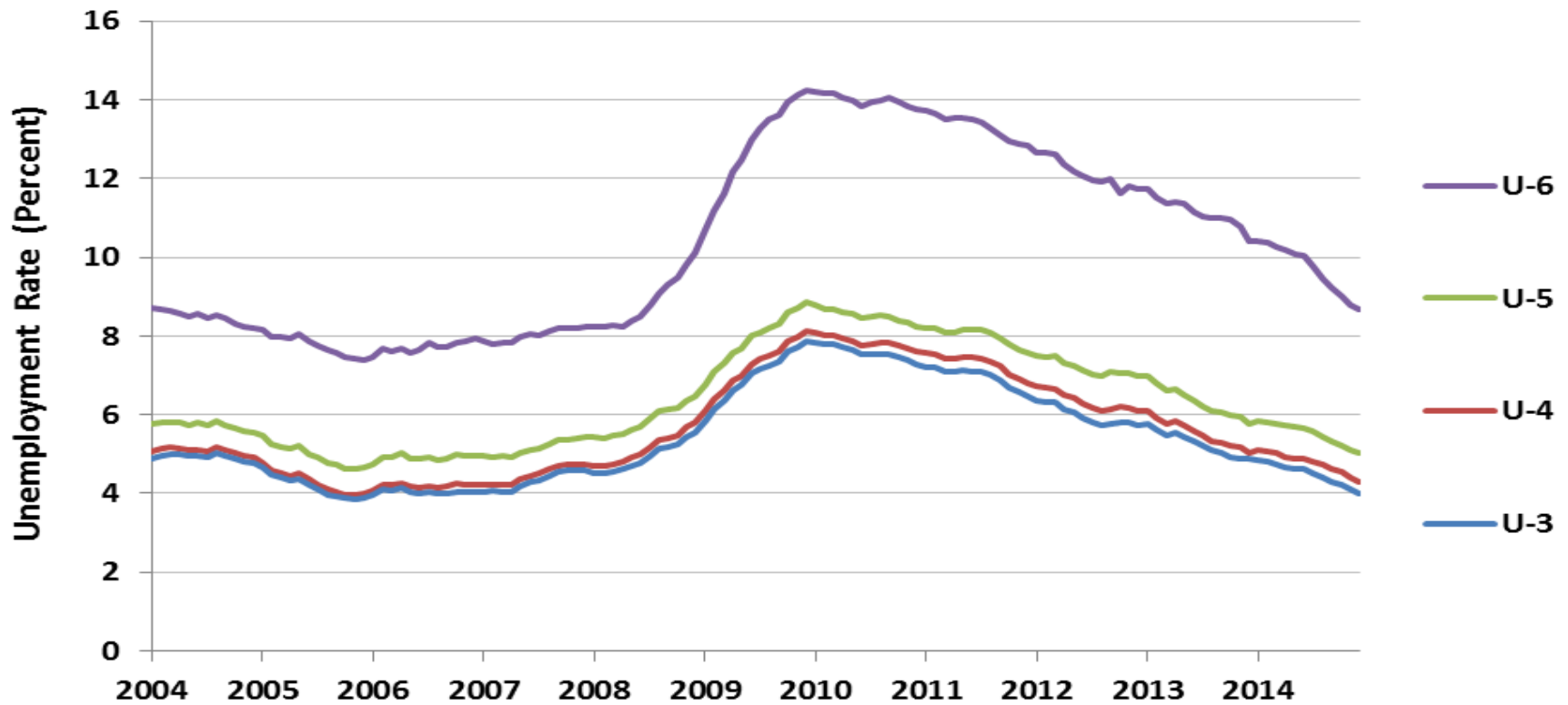
County	December 2014 Unemployment Rate
Anoka	3.6%
Carver	3.4%
Dakota	3.2%
Hennepin	3.0%
Ramsey	3.2%
Scott	3.3%
Washington	3.1%
Metro Area	3.1%
Minnesota	3.7%
Not Seasonally Adjusted	

Unemployment rates are low...



Unemployment up-close

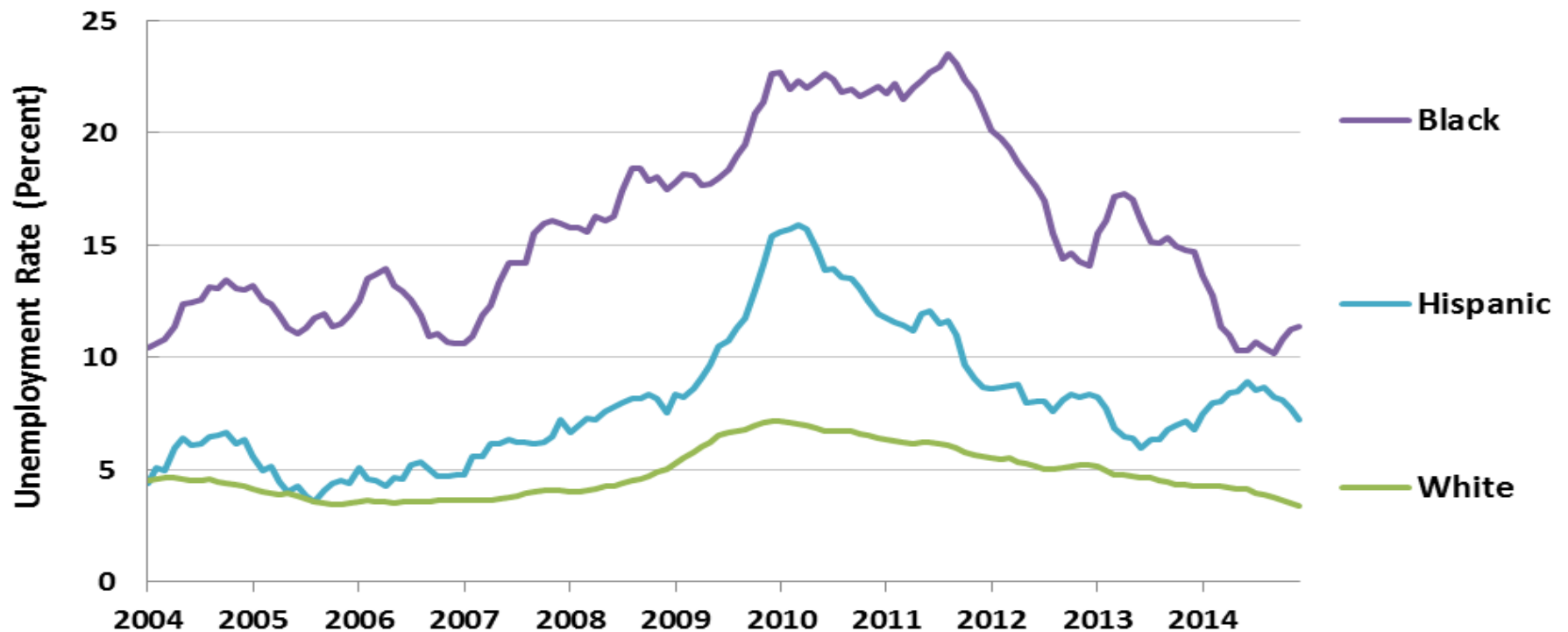
Minnesota Unemployment and Underemployment



Source: Minnesota DEED, Labor Market Information, Current Population Survey

Some groups are still struggling

Minnesota Unemployment by Selected Race or Ethnicity



Source: Minnesota DEED, Labor Market Information, Current Population Survey

Finding more unemployment rates

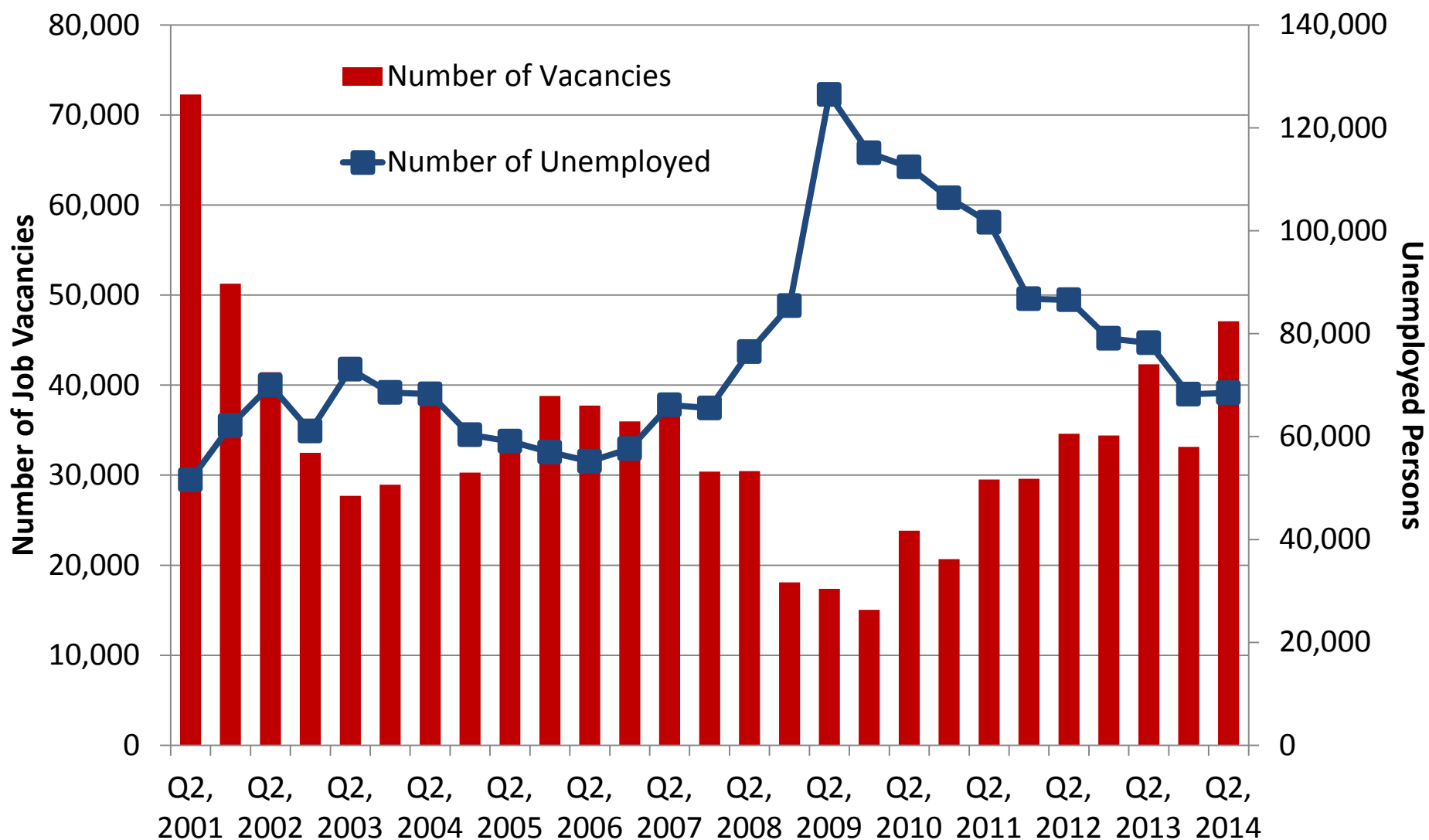
- Employment Situation Report (national, monthly)
 - www.bls.gov
- Geographic Profile of Employment and Unemployment (state, annual)
 - <http://www.bls.gov/opub/gp/laugp.htm>
- Disability Statistics, Cornell University (state, annual)
 - www.disabilitystatistics.org
- DEED: Alternative Measures of Unemployment
 - <http://mn.gov/deed/data/current-econ-highlights>

Local Area Unemployment Statistics (LAUS)

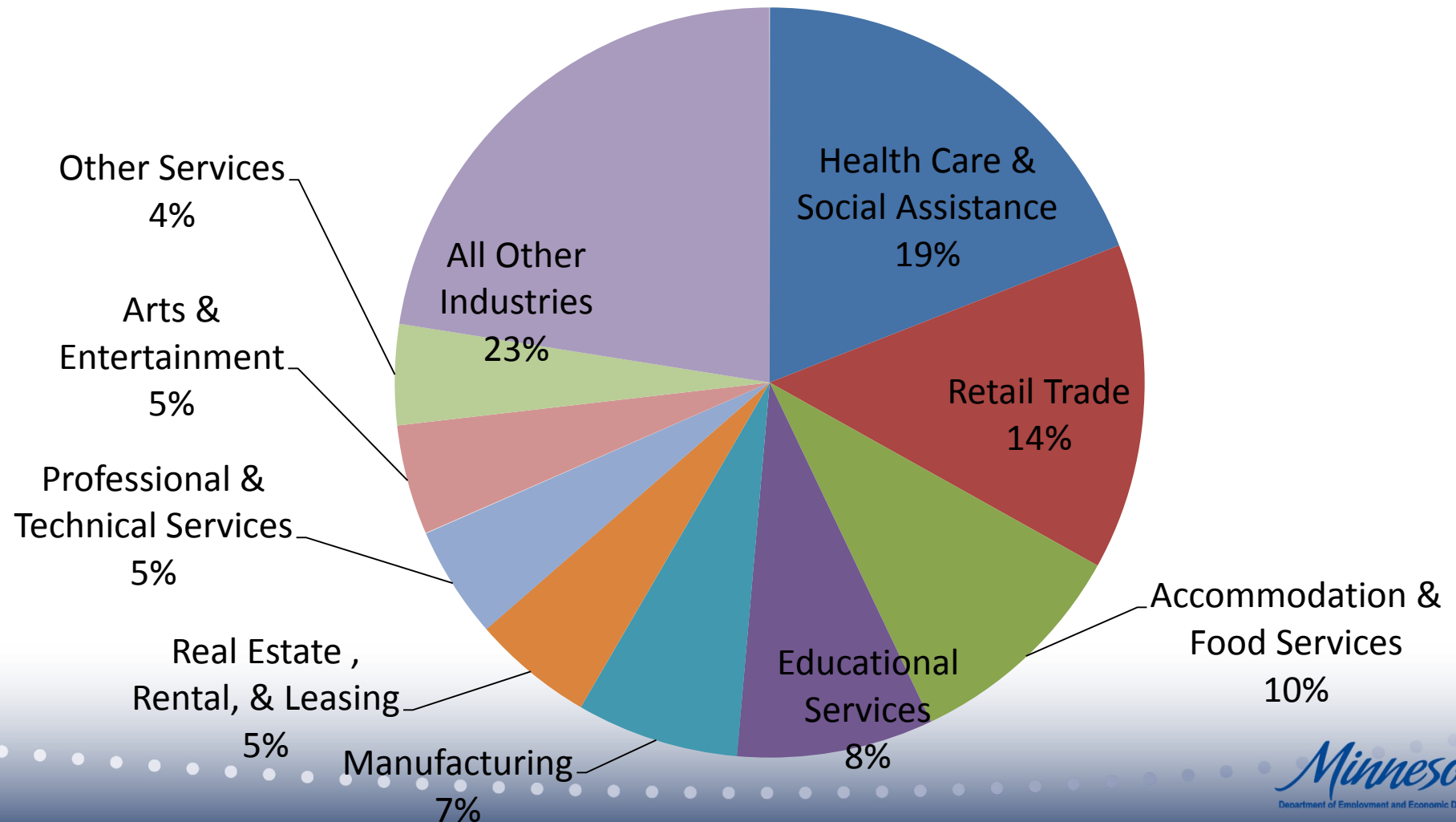
- **Description:** Monthly estimates of labor force, employment and unemployment for state and local areas.
- **Data source:** LAUS is a federal-state cooperative program between the BLS and state agencies. Models use both current and historical data from the CPS, the CES program and the UI statistics program to provide estimates of employment and unemployment.
- **What it provides:** Helps state and local governments make planning and budgetary decision; determines needs for employment and training services.
- **Data limitations:** Not available for small cities, and data are revised monthly and benchmarked annually.

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

Metro: Job openings expanding



Metro: Openings by industry



Occupations in demand for the Metro

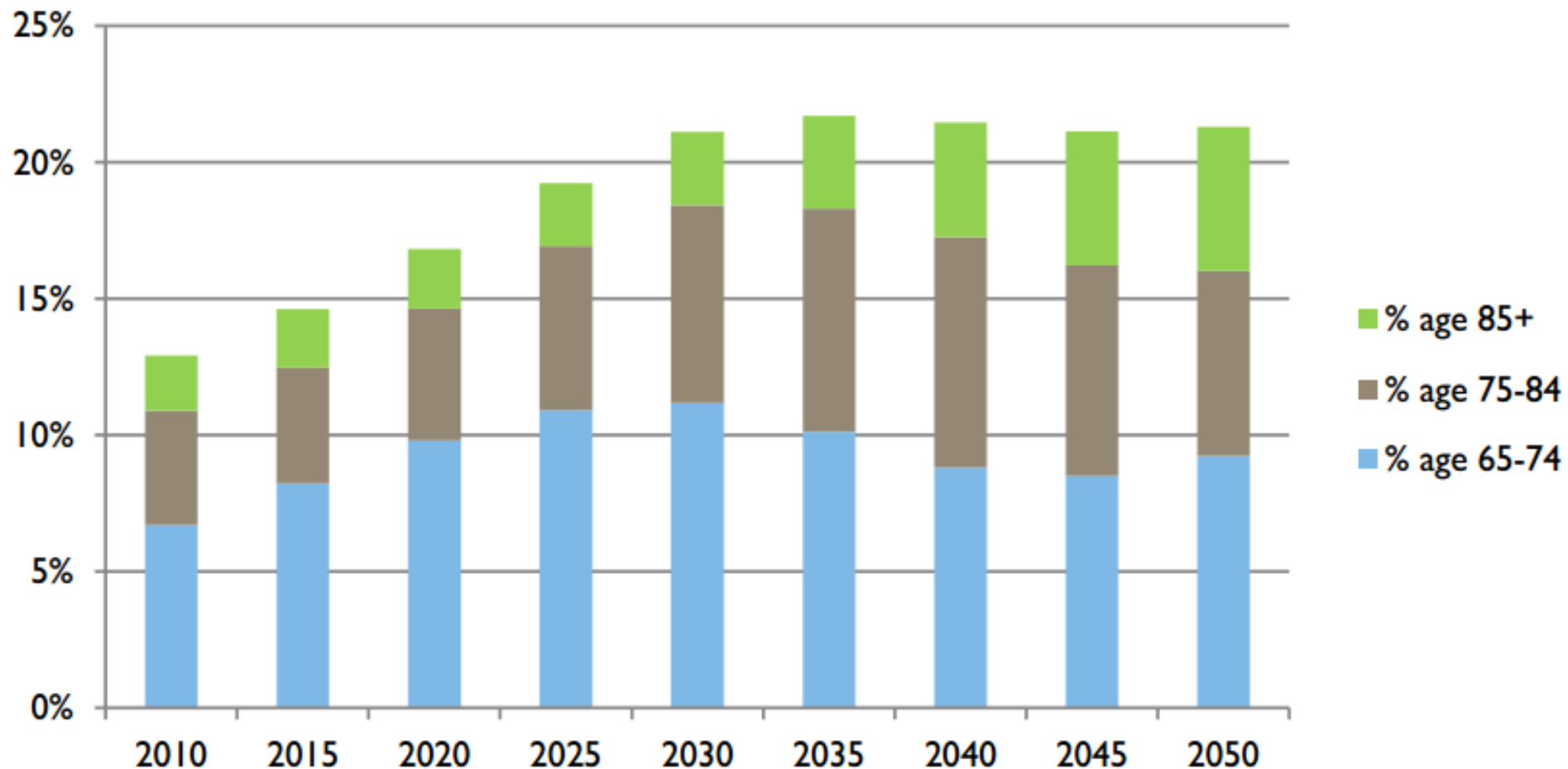
High School Diploma or less	Postsecondary Award or Associate's Degree	Bachelor's Degree or higher
Combined Food Prep & Serving Workers (\$18,140)	Registered Nurses (\$79,709)	Training & Development Specialists (\$30,965)
Stock Clerks & Order Fillers (\$21,152)	Heavy & Tractor-Trailer Truck Drivers (\$40,863)	Nurse Practitioners (\$100,639)
Cashiers (\$18,601)	Nursing Assistants (\$27,450)	Family & General Practitioners (\$185,230)
Construction Laborers (\$38,948)	LPNs (\$39,411)	Physical Therapists (\$78,572)
Customer Service Reps (\$28,105)	Medical Assistants (\$31,343)	Software Developers, Applications (\$69,371)
Personal Care Aides (\$22,335)	Computer User Support Specialists (\$42,823)	Industrial Engineers (\$75,182)

298 Metro Area jobs are in relatively high demand – mn.gov/deed/oid

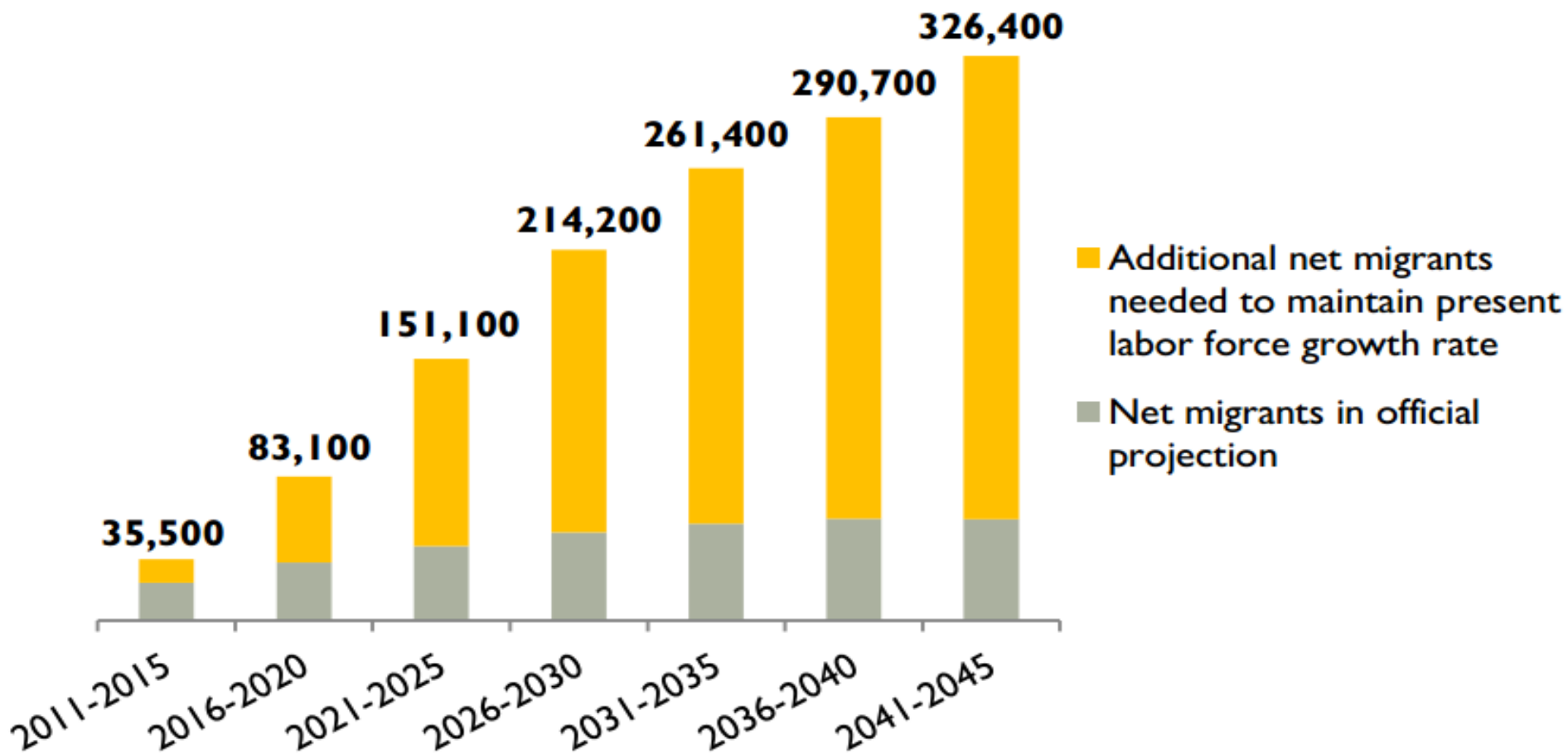
Expectations for future job growth

- With the labor market fully recovered from the recent recession, current projections show a more balanced outlook through 2022.
- Job growth over the next decade will average 0.7% a year, a slower pace than previous projections. National projections at 1.0% a year.
- The key macroeconomic assumptions driving the 2012-2022 national industry projections are:
 - Demographic changes drive demand for healthcare and related services
 - Labor force growth will slow below 0.5% annually (baby-boomers leaving)
 - GDP projected to increase at an annual rate of 2.6%
 - Economy will reach full-employment by 2022

Older adults as a share of MN's total population, 2010 – 2050



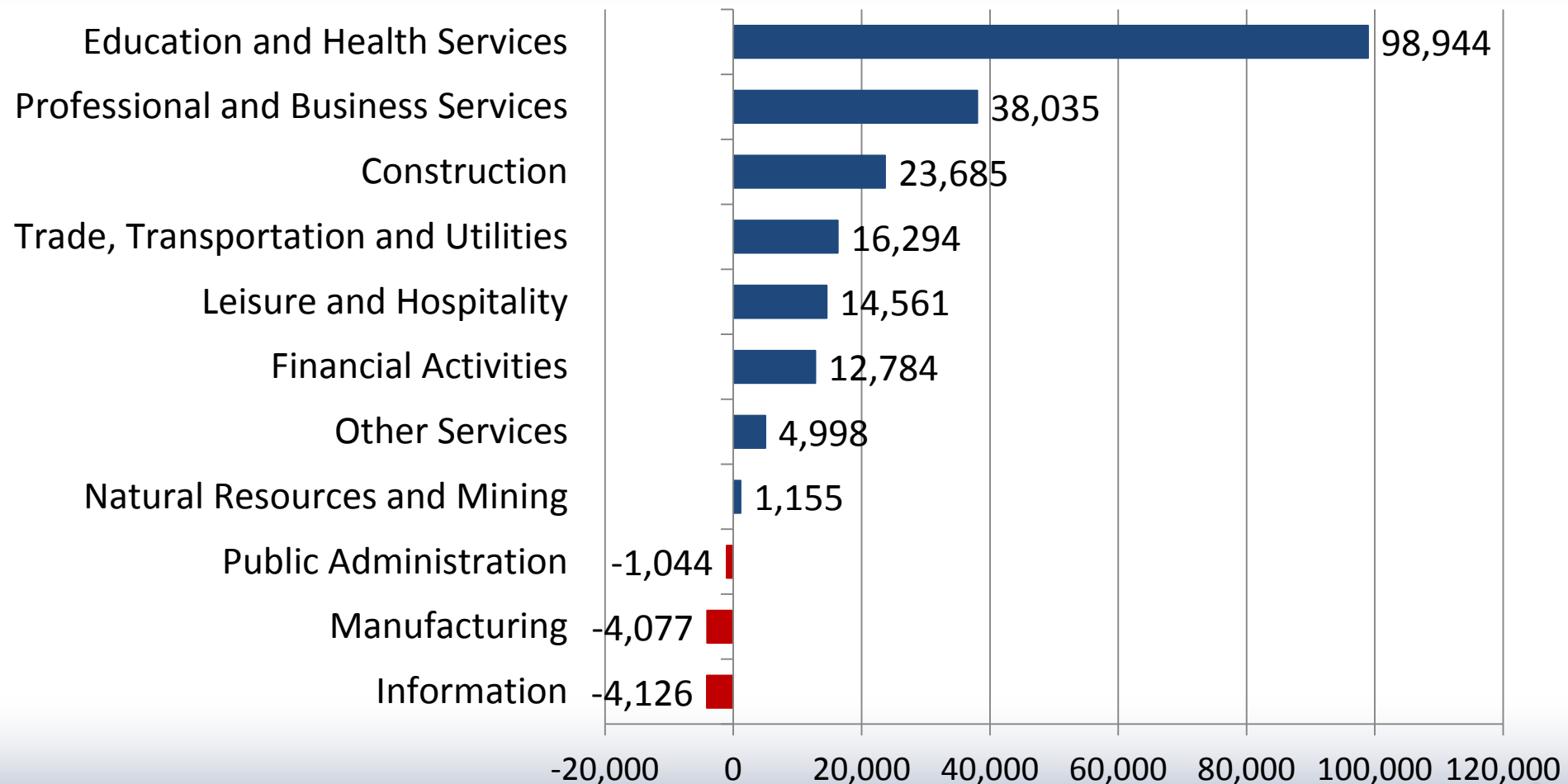
Net migrants necessary to maintain a .5% labor force growth rate in MN, 2011 – 2045



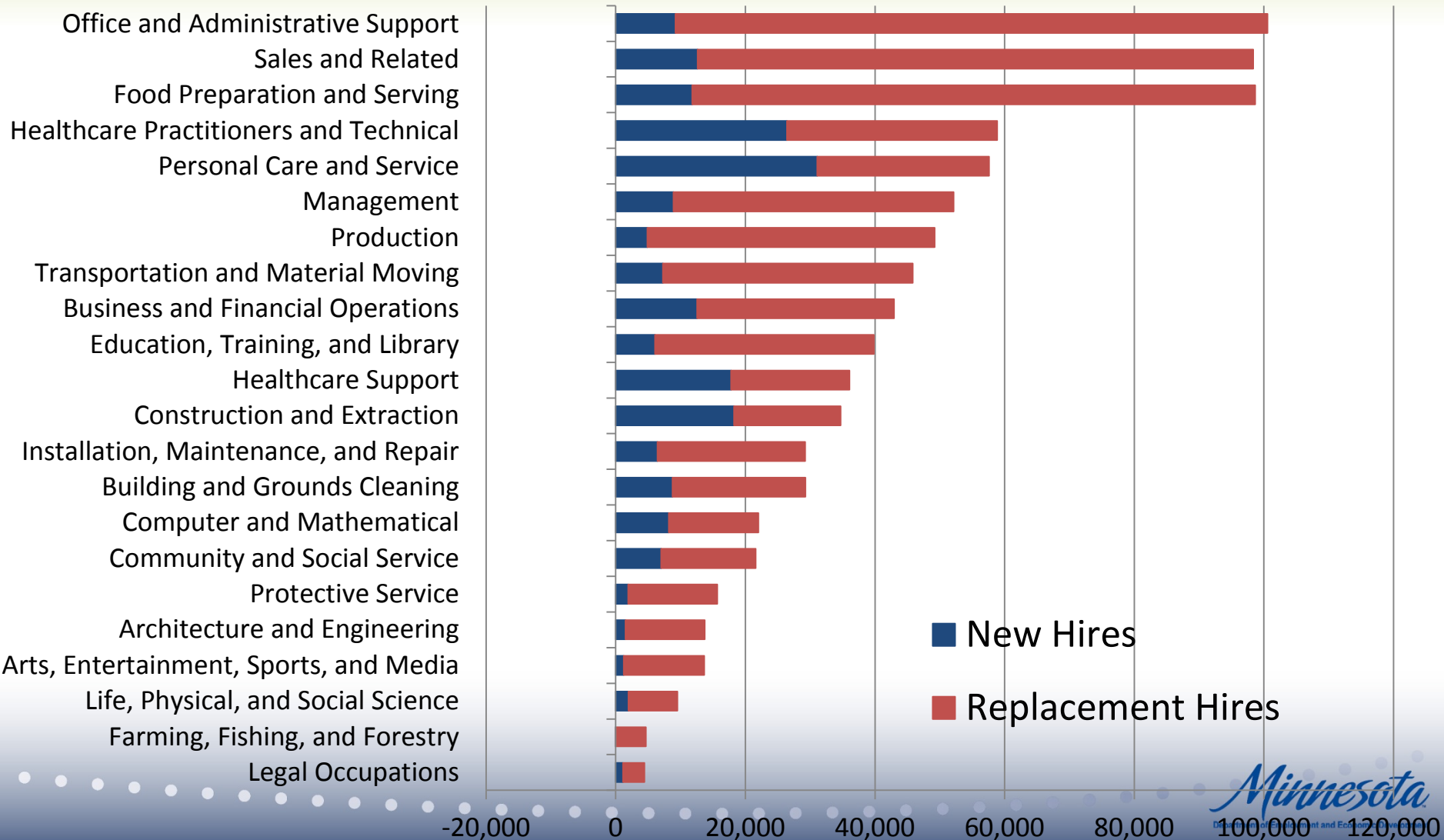
Forecasting future job trends

- Minnesota's economy will grow by 7%, or **204,999** new jobs, between 2012 and 2022.
 - MN gained **358,732 jobs** between 1980-1990.
 - MN gained **549,000 jobs** between 1990-2000.
 - MN lost **43,706 jobs** between 2000-2010.
- Over 673,500 new 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.

Industry projections, 2012-2022



Occupational projections, 2012-2022



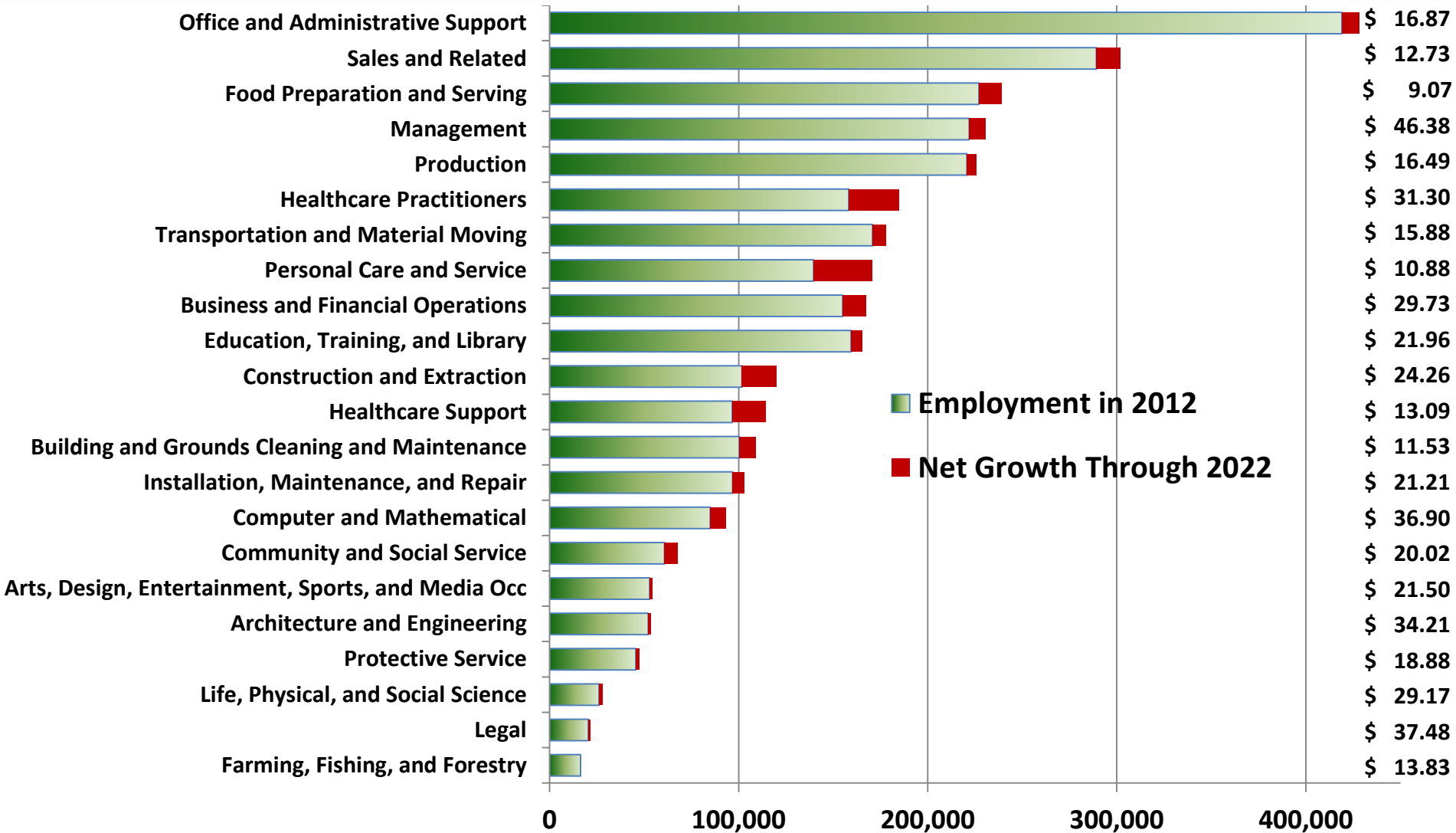
MN's largest growing occupations

- Personal Care Aides (22,595)
- Home Health Aides (10,131)
- **Registered Nurses (9,477)**
- Retail Salespersons (6,655)
- Combined Food & Prep Workers (5,465)
- Carpenters (4,491)
- Childcare Workers (4,006)
- Janitors & Cleaners (3,777)
- **LPNs (3,239)**
- Customer Service Representatives (3,218)
- **General & Operations Managers (2,836)**
- Social & Human Service Assistants (2,825)
- Bookkeeping, Accounting, & Auditing Clerks (2,779)
- Maids and Housekeeping Cleaners (2,742)
- Nursing Assistants (2,742)
- Heavy & Tractor Trailer Truck Drivers (2,543)
- **Market Research Analysts (2,511)**
- Secretaries and Administrative Assistants (2,463)
- Cooks, Restaurant (2,271)
- **Computer Systems Analysts (2,227)**

Projections Etc.

- About 1/3 of total employment growth will be in healthcare, healthcare support, construction, and personal care fields.
- The most new jobs projected for 2022 are expected to be in occupations requiring a high school diploma or equivalent.
 - Will account for about 30% of all employment gains through 2022
 - About 1/4 of these jobs will be in healthcare and social assistance
- The second largest number of new projected jobs for 2022 are expected to be in occupations that do not require a high school diploma.
 - Personal care aides and home health aides

Net Occupational Growth 2012-2022



Two ways to measure what education/training is needed for jobs

- Education/training typically required to do the job
- Education/training of people who currently hold the job

Total openings in Minnesota by typical education needed for entry, 2020

Educational Level	Projected Employment, 2020	Current Educational Attainment, MN 2012
Less than high school	833,577	270,170
High school diploma or equivalent	1,393,007	952,141
Some college, no degree	165,367	801,498
Associate's degree	176,690	381,595
Bachelor's degree	492,506	807,626
Graduate degree	119,470	387,714

Educational attainment computed for the adult (age 25 and over) population.

What about claims of a growing skills (i.e. educational) gap by 2020?

- In *Recovery: Job Growth and Education Requirements Through 2020*, the Georgetown University Center on Education and the Workforce claim that:
 - By 2020, we will need 26 million new workers with college degrees—but will fall short of that number by at least 5 million postsecondary degrees.
 - 74% of all jobs in Minnesota (2.3 million jobs) will require some postsecondary training beyond high school in 2020.

Compare “needs” to current educational attainment of MN adults, 2012

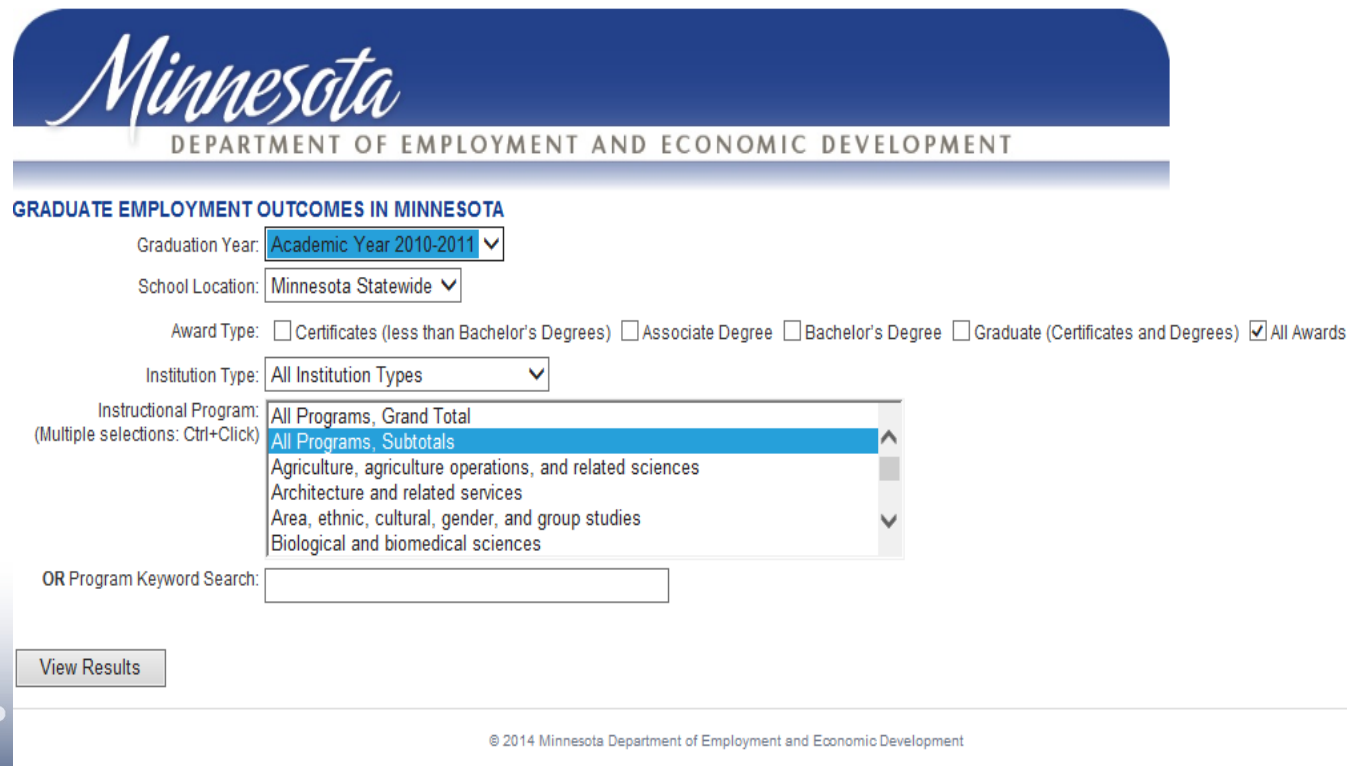
Educational Level	Georgetown Projections: MN, 2020	Current Educational Attainment: MN, 2012
Less than high school	147,180	270,170
High school diploma or equivalent	680,180	952,141
Some college, no degree	706,150	801,498
Associate's degree	444,940	381,595
Bachelor's degree	864,910	807,626
Graduate degree	357,170	387,714

Educational attainment computed for the adult (age 25 and over) population.

Source: U.S. Census Bureau, American Community Survey

Graduate employment outcomes tool

- Brand new labor market tool!
- <https://apps.deed.state.mn.us/lmi/etd/default.aspx>



The screenshot shows the web interface for the Minnesota Graduate Employment Outcomes tool. At the top is the Minnesota Department of Employment and Economic Development logo. Below it, the title "GRADUATE EMPLOYMENT OUTCOMES IN MINNESOTA" is displayed. The form includes several filters: "Graduation Year" set to "Academic Year 2010-2011", "School Location" set to "Minnesota Statewide", and "Award Type" with checkboxes for "Certificates (less than Bachelor's Degrees)", "Associate Degree", "Bachelor's Degree", "Graduate (Certificates and Degrees)", and "All Awards" (which is checked). The "Institution Type" is set to "All Institution Types". The "Instructional Program" dropdown is open, showing a list of program categories with "All Programs, Subtotals" highlighted. Below this is an "OR Program Keyword Search" text box. A "View Results" button is located at the bottom left of the form area. The footer contains the copyright notice "© 2014 Minnesota Department of Employment and Economic Development" and the Minnesota Department of Employment and Economic Development logo.

Minnesota
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

GRADUATE EMPLOYMENT OUTCOMES IN MINNESOTA

Graduation Year: Academic Year 2010-2011 ▼

School Location: Minnesota Statewide ▼

Award Type: ☐ Certificates (less than Bachelor's Degrees) ☐ Associate Degree ☐ Bachelor's Degree ☐ Graduate (Certificates and Degrees) ☒ All Awards

Institution Type: All Institution Types ▼

Instructional Program: All Programs, Grand Total
(Multiple selections: Ctrl+Click) All Programs, Subtotals
Agriculture, agriculture operations, and related sciences
Architecture and related services
Area, ethnic, cultural, gender, and group studies
Biological and biomedical sciences

OR Program Keyword Search:

View Results

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Department of Employment and Economic Development

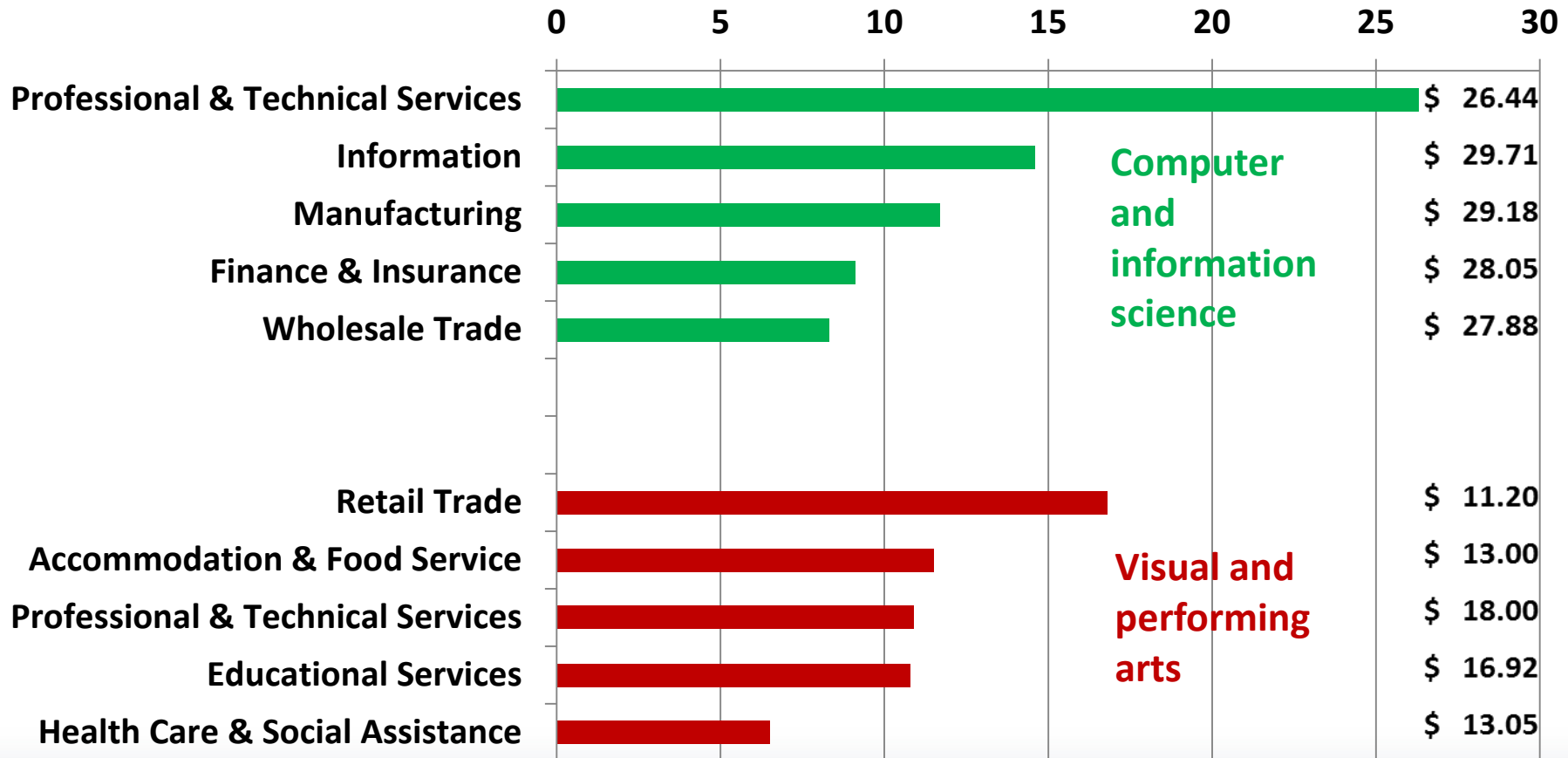
Who will use the tool?

- **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

A GEO analysis...

	Instructional Program Bachelors Degree Award	Number of Bachelor Degree Graduates	Annual Median Earnings of All Employed Graduates in 2 nd year after graduation	Percent working full- time and year-round in 2nd Year	Median Earnings of Full-time Employed in 2nd Year
Well Aligned	Engineering	1,217	\$55,489	69%	\$59,124
	Construction trades	25	\$53,675	76%	\$55,472
	Computer and information science	647	\$51,990	68%	\$56,277
	Health profession	2,577	\$50,021	40%	\$59,646
	Engineering technologies	165	\$47,688	68%	\$51,960
	Business, management, and marketing	6,272	\$38,667	64%	\$45,289
Poorly Aligned	Visual and performing arts	1,562	\$17,833	29%	\$31,039
	Transportation and materials moving	51	\$17,731	35%	\$26,447
	Communications technologies/technician	21	\$17,629	N/A*	N/A*
	Area, ethnic, cultural, gender, and group studies	168	\$17,540	28%	\$30,300
	History	443	\$16,513	29%	\$34,154
	Theology and religious vocations	337	\$15,741	30%	\$33,185

A step further...



- Comparison of any other pair of majors from previous chart would reveal the same discrepancies in employment outcome

Top certificate programs

Instructional Program	Grads	1 Year After Graduation		
		Reported Employment	Median Wage	Reported FTE
Cosmetology & Related Services	1,599	70.2%	\$10.71	13%
Practical Nursing, Vocational Nursing, & Nursing Assistants	992	80.2%	\$16.57	26%
Vehicle Maintenance & Repair Technologies	622	75.7%	\$13.41	54%
Health & Medical Admin Services	599	72.1%	\$13.61	39%
Ag Business & Management	475	25.9%	\$15.80	44%
Precision Metal Working	457	80.5%	\$16.99	52%
Allied Health & Medical Assisting Services	434	80.6%	\$14.20	39%
Electrical & Power Transmission Installers	374	65.8%	\$16.74	39%

Top associate degree programs

Instructional Program	Grads	1 Year After Graduation		
		Reported Employment	Median Wage	Reported FTE
Liberal Arts & Sciences, General Studies & Humanities	6,090	68.4%	\$11.84	21%
Registered Nursing, Nursing Admin, Nursing Research, & Clinical Nursing	1,940	84.1%	\$25.68	39%
Allied Health & Medical Assisting Services	1,070	80.5%	\$13.81	43%
Criminal Justice & Corrections	954	76.6%	\$14.00	43%
Business Administration	860	74.9%	\$14.96	51%
Practical Nursing, Nursing Assistants	822	73.4%	\$17.72	29%
Health & Medical Admin Services	805	63.1%	\$13.70	48%
Allied Health Diagnostic, Intervention, & Treatment Professions	653	68.5%	\$20.78	45%

Top bachelor degree programs

Instructional Program	Grads	1 Year After Graduation		
		Reported Employment	Median Wage	Reported FTE
Business Administration	2,548	81%	\$18.40	63%
Psychology, General	1,712	72%	\$14.08	33%
Registered Nursing, Nursing Admin, Nursing Research, & Clinical Nursing	1,664	84%	\$32.60	39%
Biology, General	1,542	61%	\$13.71	28%
Teacher Education & Professional Development	1,471	75%	\$16.17	17%
Accounting	1,128	82%	\$20.67	70%
Communication & Media Studies	920	72%	\$15.55	48%
Marketing	862	82%	\$18.00	60%

Conclusions

- Currently, college grads at all levels are struggling as they enter the workforce, but faster growth is predicted in areas requiring college education, especially at the AA and MA levels
- The challenges faced by college grads are more daunting in some fields of study than others, and future trends will increase this disparity, but information-based self-selection can help
- While growth in jobs will be greatest at certain levels of education and in specific fields, most jobs of the future will still not require post-secondary education
- Expanded access to necessary education & training and to suitable employment by our disadvantaged populations will be increasingly necessary to achieve continued growth and prosperity
- As job growth and labor force slowing continue, and as college-educated workers find suitable employment, workplace exposure/engagement for teens that may not enter post-secondary, but who can succeed in lesser skilled employment with some preparation, will become even more beneficial

Let me know how I can help

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Department of Employment and Economic Development

mn.gov/deed