EMPLOYMENT AND ECONOMIC DEVELOPMENT

Minnesota Employment Review

Review ONLINE

mn.gov/deed/review

May 2018 Data...June 2018 Issue

Features:

Minnesota Job Outlook to 2026

2017 Job Vacancies

County Snapshots: *Pennington, Pine, Pipestone, Polk*

In this issue:

1 Regional Spotlight
5 NAICS Primer
6 Local Area Unemployment Statistics
8 Industrial Analysis
10 Regional Analysis
11 Current Employment Statistics
14 Economic Indicators
16 The Last Word

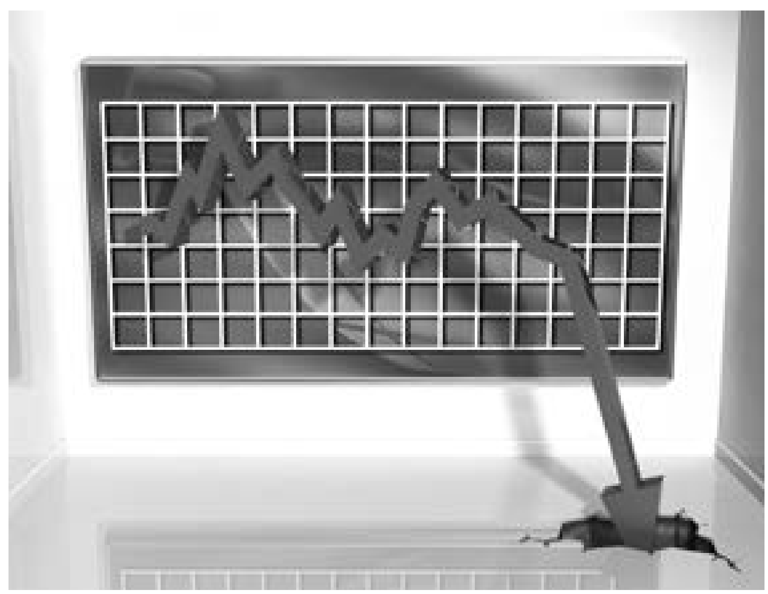
Unemployment in the Twin Cities

The unemployment rate is one of the most popular pieces of information that comes out of the Minnesota Department of Employment and Economic Development's (DEED) Labor Market Information Office. You might hear what the unemployment rate is from your local news station, read all about it in the daily newspaper, or see an official release of such data from DEED and the Bureau of Labor Statistics (BLS). If you are an employer, you are probably keeping an eye on the unemployment rate in different areas to get a sense of where available workers may be. If you are a jobseeker, you may notice more and more opportunities for work as the unemployment rate drops. There are, however, a lot of complexities around the unemployment rate and the labor market in general that a simple number will not reveal. This article will begin to unravel some of these complexities by highlighting what the unemployment rate really is. Special focus will be given to the Seven County Twin Cities Metro Area.[1]

Essential Definitions

As of June 2018 the unemployment rate in the Metro Area was 2.8 percent. So what exactly does this mean? To get at this question, you need to understand a few other terms first, including *employment*, *unemployment*, and the *labor force*.

- According to BLS, people are considered **employed** if they did any work at all for pay or profit during the survey reference week, which alludes to the Current Population Survey (www.census.gov/programs-surveys/cps.html).



[1]The Seven County Twin Cities Metro Area consists of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

This includes all part-time and temporary work, as well as regular full-time, year-round employment.

• People are classified as **unemployed** if they do not have a job, have actively looked for work in the prior four weeks before the survey period, and are currently available for work. Workers expecting to be recalled from temporary layoff are all counted as unemployed.

• Combined, the number of employed and unemployed persons is equal to the **labor force**.

• The **labor force participation rate**, which will be touched on later, is a ratio equal to the size of the labor force over the total population which includes all persons 16 years of age and older who do not live in institutions such as correctional facilities or nursing homes and who are not on active duty in the Armed Forces.

• People who are neither employed nor unemployed are **not in the labor force**. Many who are not in the labor force are either enrolled in school or are retired.

Now that we understand these concepts of the labor market, we can finally turn to the unemployment rate. At its most simple definition, the unemployment rate reflects the number of unemployed people as a percentage of the labor force.

So let's take a closer look at that 2.8 percent unemployment rate. Broken down, the estimated number of unemployed in the Metro Area was 48,248 in June 2018. At the same time, the region's total labor force was 1,740,905 people. 48,248 divided by 1,740,905 is equal to 2.8 percent. Voila! The region's unemployment rate.

Across the Metro Area, unemployment is extremely low. At 2.5 percent, Scott County has the lowest unemployment rate of any metro county, which represents approximately 2,100 unemployed in that county. At 3.0 percent, Ramsey County has the highest unemployment rate in the metro, representing about 8,800 unemployed in that county. 3.0 percent is still very low, however, being significantly lower than the national unemployment rate of 4.2 percent. With about 20,000 unemployed, Hennepin County has the highest number of unemployed of any metro county. With just under 715,000 people in its labor force, however, the county also has a very low unemployment rate, at 2.8 percent. Note, none of these unemployment rates is seasonally adjusted (see Table 1).

Adding some Perspective

So – the unemployment rate in the Metro Area is at 2.8 percent. As mentioned, this number is extremely low. How low? Other than hovering around 2.7 percent since late 2017, the unemployment rate hasn't been this low in the Metro Area since December, 2000. The total number of unemployed, at just over 48,000, hasn't been this low since May, 2001.

At the other end of the spectrum, the unemployment rate spiked at 8.1 percent in June 2009 during the Great Recession. The total number of unemployed during that time hit nearly 131,000 people.

The number of unemployed, the number of employed, and the corresponding labor force size is in

Table 1. Labor Force Statistics in the Metro Area, June 2018

Geography	Labor Force	2016 Labor Force Participation Rate	Unemployment	Unemployment Rate
Anoka County	199,477	72.1%	5,666	2.8%
Carver County	58,608	75.6%	1,534	2.6%
Dakota County	244,863	74.7%	6,598	2.7%
Hennepin County	714,992	71.9%	19,745	2.8%
Ramsey County	294,331	68.7%	8,757	3.0%
Scott County	84,073	76.8%	2,132	2.5%
Washington County	144,561	70.4%	3,816	2.6%
Metro Area	1,740,905	71.9%	48,248	2.8%
Minnesota	3,132,913	69.5%	91,369	2.9%
United States	163,277,000	63.1%	6,812,000	4.2%

Source: MN DEED Local Area Unemployment Statistics (LAUS), American Community Survey

[2] "Uncharted Territory." *Minnesota Economic Trends*, Minnesota Department of Employment and Economic Development, June 2018, mn.gov/deed/newscenter/publications/trends/june-2018/uncharted-territory.jsp. Accessed 23 July 2018.

constant motion, heavily swayed by periods of recession and expansion in the labor market. As mentioned in recent labor market articles[2], however, the low unemployment rate currently marks uncharted territory for the State of Minnesota and the Twin Cities Metro Area. This can largely be attributed to two things: the continued economic growth at the state and national levels and the aging of the Baby Boomer generation.

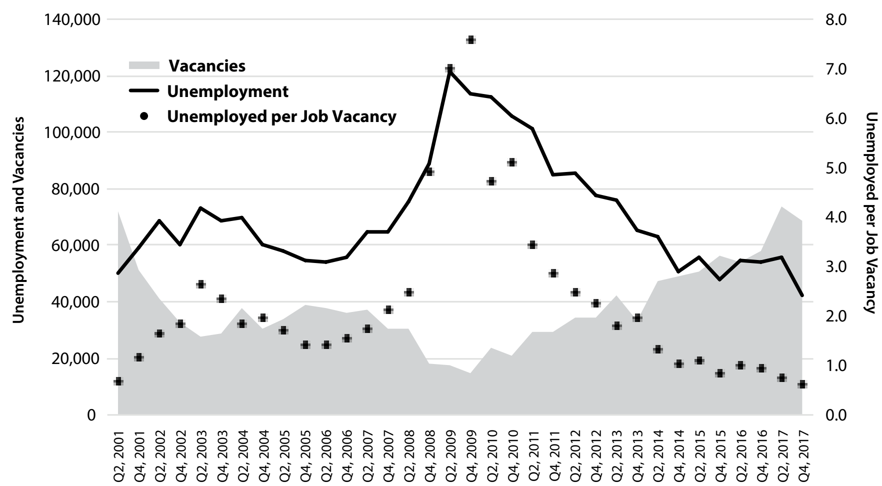
This is where labor force participation rates should be considered. As of 2016 the Metro Area had a labor force participation rate of 71.9 percent. Such rates were especially high in Carver and Scott counties, which hit 75.6 percent and 76.8 percent, respectively. All of these rates were significantly higher than the national labor force participation rate of 63.1 percent (see Table 1). Essentially, these high labor force participation rates mean that most people in these counties are working or actively looking for work.

Ultimately, with low unemployment, high labor force participation, and an aging population, employers across the Metro Area, Minnesota, and the United States will be wondering where they can find workers to fill their job vacancies. Even today in the Metro Area there are only about 0.6 unemployed persons for every job vacancy (see Figure 1). It certainly continues to be a tight labor market.

Unemployment Rates Up-Close

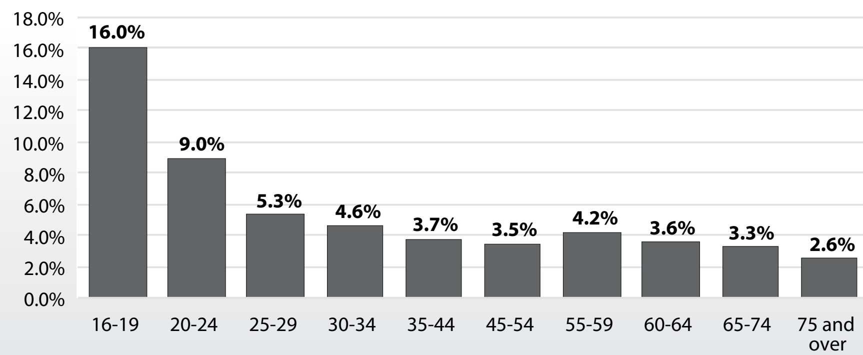
Understanding the overall unemployment rate is vital to analyzing a region's labor market. Going a step further, however, and digging into this statistic for different populations helps create a much more complete picture. For example, unemployment rates can be broken down for different age cohorts.

Figure 1. Job Vacancy Trends in the Metro Area



Source: DEED Job Vacancy Survey, Local Area Unemployment Statistics

Figure 2. Metro Area Unemployment Rate by Age



Source: 2012-2016 ACS 5-Year Estimates

Figure 2 reveals that, as of the 2016 American Community Survey (ACS) 5-Year Estimates, the unemployment rate for teenagers in the Metro Area was 16.0 percent. This was significantly higher than the overall unemployment rate of 5.0 percent at that time. This rate was nearly halved to 9.0 percent for 20 to 24 year olds, before steadily declining through those oldest workers in the labor market (see Figure 2).

Unemployment rates can also be broken down by race and ethnicity. Analysis of such rates highlights continued employment disparities in the Metro Area, with unemployment rates for Black or African Americans (12.4 percent), American Indians or Alaska Natives (10.1 percent), those reporting Two or More Races (10.2 percent), and those of Hispanic or Latino Origins (7.8 percent), significantly higher than the white unemployment rate of 4.0 percent (see Figure 3).

Figure 4 shows clearly that unemployment rates are also highly affected by educational attainment. As of the 2016 ACS 5-Year Estimates, the overall unemployment rate in the Metro Area for 25 to 64 year olds was 4.1 percent. Of those in that age cohort without a high school diploma or equivalent, the unemployment rate was much higher, at 10.1 percent. Overall, with further educational attainment the incidence of unemployment is significantly reduced (see Figure 4).

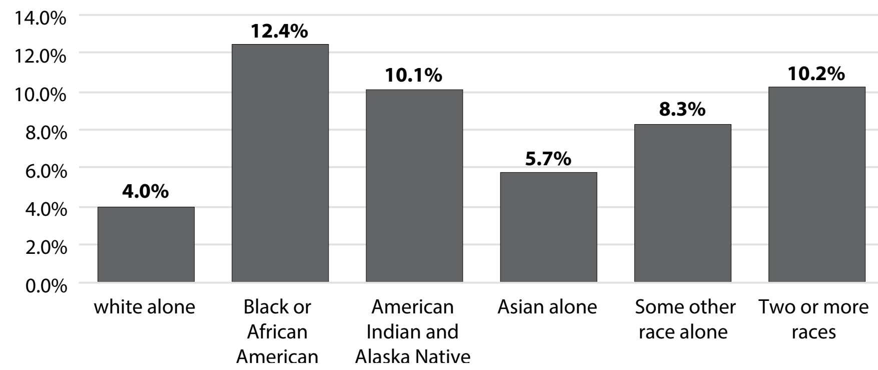
A Key Measurement

Beyond age, race and ethnicity, and educational attainment, unemployment rates can also be analyzed by a host of other indicators, including disability status, poverty status, and gender. Studying all of these indicators together can expose the challenges and opportunities that specific labor markets face. For example, what are the underlying causes for higher unemployment rates among Black and African Americans, American Indians and Alaska Natives, and those of Hispanic or Latino origins? What policies and actions can be taken to reduce these disparities? Similarly, how might teenagers and young adults find stronger connections with employers looking to hire? Or, with two-thirds of Metro Area job vacancies requiring a high school diploma or less, what strategies can be taken to reduce the high unemployment rates for those without postsecondary education?

For the Twin Cities Metro Area, currently experiencing the lowest unemployment in nearly two decades, understanding detailed labor force statistics will remain of paramount importance, especially with high labor force participation rates and an aging population.

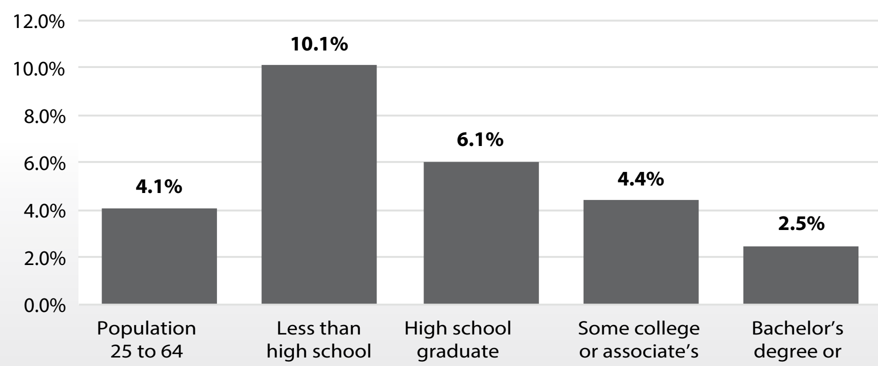
by Tim O'Neill

Figure 3. Metro Area Unemployment Rate by Race



Source: 2012-2016 ACS 5-Year Estimates

Figure 4. Metro Area Unemployment Rate by Educational Attainment



Source: 2012-2016 ACS 5-Year Estimates

NAICS 81

NAICS Sector 81, Other Services, has 3.6 percent of total private employment in the first quarter of 2018 and includes a wonderful collection of industries that didn't fit anywhere else. Where else could you compare and contract IN ONE INDUSTRY auto repair, nail salons, labor unions, dry cleaners, and nannies? Also toaster repair, funeral homes, and chambers of commerce?

The 87,535 employees reported to DEED by employers for the first quarter of 2018 are distributed as follows with the major component broken out as a second line:

NAICS Title	NAICS Code	Average Employment	
		2017 Q1	2018 Q1
Repair and Maintenance	811	21,786	21,495
Automotive Repair and Maintenance	8111	15,701	15,625
Personal and Laundry Services	812	28,816	27,679
Personal Care Services	8121	15,807	15,768
Religious, Grantmaking, Civic, Professional, and Sim. Orgs	813	33,693	33,840
Civic and Social Organizations	8134	16,078	15,855
Private Households	814	4,304	4,520

NAICS Title	NAICS Code	Average Wages	
		2017 Q1	2018 Q1
Repair and Maintenance	811	$42,848	$44,720
Automotive Repair and Maintenance	8111	$39,936	$41,548
Personal and Laundry Services	812	$36,140	$28,184
Personal Care Services	8121	$23,244	$24,128
Religious, Grantmaking, Civic, Professional, and Sim. Orgs	813	$30,628	$33,280
Civic and Social Organizations	8134	$14,456	$15,288
Private Households	814	$18,408	$19,240

by Derek Teed

Labor Force Estimates

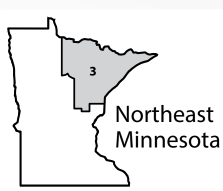
County/Area	Labor Force May 2018	Labor Force Apr 2018	Labor Force May 2017	Employment May 2018	Employment Apr 2018	Employment May 2017	Unemployment May 2018	Unemployment Apr 2018	Unemployment May 2017	Rate of Unemployment May 2018	Rate of Unemployment Apr 2018	Rate of Unemployment May 2017
United States ('000s)												
(Seasonally adjusted)	161,539	161,527	159,729	155,474	155,181	152,892	6,065	6,346	6,837	3.8%	3.9%	4.3%
(Unadjusted)	161,765	161,280	159,979	156,009	155,348	153,407	5,756	5,932	6,572	3.6	3.7	4.1
Minnesota												
(Seasonally adjusted)	3,106,974	3,100,993	3,060,752	3,009,596	3,001,827	2,954,733	97,378	99,166	106,019	3.1	3.2	3.5
(Unadjusted)	3,109,058	3,100,740	3,057,119	3,032,277	3,003,974	2,962,382	76,781	96,766	94,737	2.5	3.1	3.1
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	2,015,871	2,011,274	1,968,826	1,969,251	1,956,091	1,905,987	46,620	55,183	62,839	2.3	2.7	3.2
Duluth-Superior MSA	145,107	146,258	141,882	140,118	140,258	135,447	4,989	6,000	6,435	3.4	4.1	4.5
Rochester MSA	121,225	121,045	119,262	118,669	117,697	115,826	2,556	3,348	3,436	2.1	2.8	2.9
St. Cloud MSA	114,620	114,805	110,653	111,787	110,994	106,968	2,833	3,811	3,685	2.5	3.3	3.3
Mankato-N Mankato MSA	62,221	62,672	59,759	60,944	61,132	58,050	1,277	1,540	1,709	2.1	2.5	2.9
Fargo-Moorhead MSA	138,777	138,783	138,783	135,892	135,039	136,069	2,885	3,744	2,714	2.1	2.7	2.0
Grand Forks MSA	56,357	56,195	56,234	55,066	54,565	54,892	1,291	1,630	1,342	2.3	2.9	2.4
Region One	**48,072**	**47,492**	**47,326**	**46,541**	**45,217**	**45,379**	**1,531**	**2,275**	**1,947**	**3.2**	**4.8**	**4.1**
Kittson	2,435	2,375	2,336	2,375	2,292	2,268	60	83	68	2.5	3.5	2.9
Marshall	5,591	5,510	5,499	5,373	5,121	5,212	218	389	287	3.9	7.1	5.2
Norman	3,452	3,355	3,429	3,334	3,192	3,282	118	163	147	3.4	4.9	4.3
Pennington	8,940	8,828	8,977	8,673	8,393	8,609	267	435	368	3	4.9	4.1
Polk	17,407	17,191	16,785	16,856	16,473	16,120	551	718	665	3.2	4.2	4
Red Lake	2,309	2,261	2,295	2,204	2,124	2,186	105	137	109	4.5	6.1	4.7
Roseau	7,938	7,972	8,005	7,726	7,622	7,702	212	350	303	2.7	4.4	3.8
Region Two	**44,312**	**44,206**	**43,048**	**42,587**	**41,772**	**40,995**	**1,725**	**2,434**	**2,053**	**3.9**	**5.5**	**4.8**
Beltrami	24,181	24,358	23,739	23,281	23,200	22,679	900	1,158	1,060	3.7	4.8	4.5
Clearwater	4,697	4,776	4,617	4,409	4,295	4,292	288	481	325	6.1	10.1	7
Hubbard	10,673	10,386	9,912	10,302	9,837	9,467	371	549	445	3.5	5.3	4.5
Lake of the Woods	2,333	2,255	2,367	2,247	2,137	2,250	86	118	117	3.7	5.2	4.9
Mahnomen	2,428	2,431	2,413	2,348	2,303	2,307	80	128	106	3.3	5.3	4.4
Region Three	**166,409**	**166,742**	**160,834**	**160,246**	**159,078**	**152,627**	**6,163**	**7,664**	**8,207**	**3.7**	**4.6**	**5.1**
Aitkin	7,419	7,391	7,039	7,105	6,883	6,655	314	508	384	4.2	6.9	5.5
Carlton	18,019	18,241	17,362	17,342	17,341	16,572	677	900	790	3.8	4.9	4.6
Cook	3,548	3,408	2,968	3,459	3,269	2,861	89	139	107	2.5	4.1	3.6
Itasca	22,081	21,875	21,249	21,015	20,521	19,782	1,066	1,354	1,467	4.8	6.2	6.9
Koochiching	6,161	6,048	6,065	5,777	5,583	5,590	384	465	475	6.2	7.7	7.8
Lake	5,861	5,677	5,218	5,704	5,497	5,007	157	180	211	2.7	3.2	4
St. Louis	103,320	104,102	100,933	99,844	99,984	96,160	3,476	4,118	4,773	3.4	4	4.7
City of Duluth	46,594	46,748	45,194	45,329	45,393	43,466	1,265	1,355	1,728	2.7	2.9	3.8
Balance of St. Louis County	56,726	57,354	55,739	54,515	54,591	52,694	2,211	2,763	3,045	3.9	4.8	5.5
Region Four	**131,239**	**129,842**	**126,257**	**128,090**	**125,234**	**122,338**	**3,149**	**4,608**	**3,919**	**2.4**	**3.5**	**3.1**
Becker	19,240	19,083	18,138	18,736	18,297	17,509	504	786	629	2.6	4.1	3.5
Clay	36,436	36,295	35,784	35,527	35,118	34,694	909	1,177	1,090	2.5	3.2	3
Douglas	21,331	21,063	20,160	20,880	20,403	19,577	451	660	583	2.1	3.1	2.9
Grant	3,394	3,345	3,270	3,292	3,180	3,156	102	165	114	3	4.9	3.5
Otter Tail	33,114	32,536	31,598	32,291	31,232	30,542	823	1,304	1,056	2.5	4	3.3
Pope	6,591	6,506	6,288	6,461	6,311	6,125	130	195	163	2	3	2.6
Stevens	5,579	5,560	5,543	5,474	5,428	5,404	105	132	139	1.9	2.4	2.5
Traverse	1,894	1,849	1,796	1,852	1,777	1,753	42	72	43	2.2	3.9	2.4
Wilkin	3,660	3,605	3,680	3,577	3,488	3,578	83	117	102	2.3	3.2	2.8
Region Five	**88,144**	**87,136**	**83,163**	**85,372**	**82,893**	**79,928**	**2,772**	**4,243**	**3,235**	**3.1**	**4.9**	**3.9**
Cass	15,968	15,409	14,633	15,407	14,569	13,962	561	840	671	3.5	5.5	4.6
Crow Wing	34,344	33,850	31,959	33,388	32,434	30,794	956	1,416	1,165	2.8	4.2	3.6
Morrison	18,063	18,084	17,614	17,483	17,094	16,888	580	990	726	3.2	5.5	4.1
Todd	13,954	13,904	12,868	13,513	13,298	12,452	441	606	416	3.2	4.4	3.2
Wadena	5,815	5,889	6,089	5,581	5,498	5,832	234	391	257	4	6.6	4.2
Region Six East	**68,213**	**68,128**	**64,528**	**66,455**	**65,540**	**62,265**	**1,758**	**2,588**	**2,263**	**2.6**	**3.8**	**3.5**
Kandiyohi	25,561	25,407	24,115	24,978	24,557	23,380	583	850	735	2.3	3.3	3
McLeod	19,637	19,686	19,054	19,121	18,966	18,363	516	720	691	2.6	3.7	3.6
Meeker	13,520	13,562	13,071	13,172	12,970	12,624	348	592	447	2.6	4.4	3.4
Renville	9,495	9,473	8,288	9,184	9,047	7,898	311	426	390	3.3	4.5	4.7

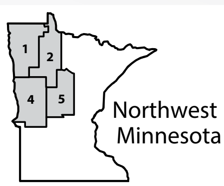
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

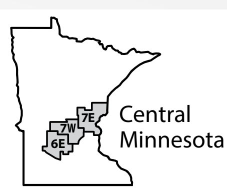
Labor Force Estimates

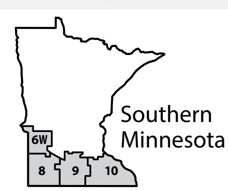
Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development, Local Area Unemployment Statistics, and North Dakota Job Service, 2018.

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	May 2018	Apr 2018	May 2017	May 2018	Apr 2018	May 2017	May 2018	Apr 2018	May 2017	May 2018	Apr 2018	May 2017
Region Six West	**23,905**	**23,600**	**23,623**	**23,289**	**22,675**	**22,829**	**616**	**925**	**794**	**2.6%**	**3.9%**	**3.4%**
Big Stone	2,766	2,682	2,712	2,706	2,570	2,621	60	112	91	2.2	4.2	3.4
Chippewa	6,985	6,946	6,937	6,794	6,681	6,687	191	265	250	2.7	3.8	3.6
Lac Qui Parle	3,606	3,557	3,593	3,511	3,411	3,480	95	146	113	2.6	4.1	3.1
Swift	5,157	5,127	5,009	5,016	4,890	4,838	141	237	171	2.7	4.6	3.4
Yellow Medicine	5,391	5,288	5,372	5,262	5,123	5,203	129	165	169	2.4	3.1	3.1
Region Seven East	**88,483**	**89,104**	**86,061**	**85,613**	**84,677**	**82,516**	**2,870**	**4,427**	**3,545**	**3.2**	**5**	**4.1**
Chisago	29,917	30,039	29,137	29,108	28,869	28,084	809	1,170	1,053	2.7	3.9	3.6
Isanti	21,207	21,338	20,518	20,579	20,426	19,728	628	912	790	3	4.3	3.9
Kanabec	9,157	9,263	8,888	8,775	8,608	8,459	382	655	429	4.2	7.1	4.8
Mille Lacs	12,971	13,167	12,672	12,494	12,382	12,110	477	785	562	3.7	6	4.4
Pine	15,231	15,297	14,846	14,657	14,392	14,135	574	905	711	3.8	5.9	4.8
Region Seven West	**241,859**	**242,411**	**233,975**	**235,950**	**234,225**	**226,201**	**5,909**	**8,186**	**7,774**	**2.4**	**3.4**	**3.3**
Benton	22,453	22,612	21,695	21,860	21,717	20,912	593	895	783	2.6	4	3.6
Sherburne	52,077	52,260	50,225	50,784	50,441	48,501	1,293	1,819	1,724	2.5	3.5	3.4
Stearns	92,167	92,193	88,958	89,927	89,277	86,056	2,240	2,916	2,902	2.4	3.2	3.3
Wright	75,162	75,346	73,097	73,379	72,790	70,732	1,783	2,556	2,365	2.4	3.4	3.2
Region Eight	**65,555**	**64,783**	**64,687**	**64,004**	**62,613**	**62,682**	**1,551**	**2,170**	**2,005**	**2.4**	**3.3**	**3.1**
Cottonwood	5,581	5,494	5,238	5,432	5,291	5,011	149	203	227	2.7	3.7	4.3
Jackson	5,712	5,662	5,893	5,595	5,497	5,699	117	165	194	2	2.9	3.3
Lincoln	3,443	3,362	3,339	3,363	3,240	3,248	80	122	91	2.3	3.6	2.7
Lyon	15,360	15,221	15,186	14,976	14,733	14,725	384	488	461	2.5	3.2	3
Murray	5,085	5,007	4,857	4,959	4,782	4,686	126	225	171	2.5	4.5	3.5
Nobles	11,498	11,411	11,185	11,245	11,102	10,858	253	309	327	2.2	2.7	2.9
Pipestone	5,158	5,102	4,822	5,058	4,914	4,682	100	188	140	1.9	3.7	2.9
Redwood	7,650	7,536	8,322	7,425	7,212	8,045	225	324	277	2.9	4.3	3.3
Rock	6,068	5,988	5,845	5,951	5,842	5,728	117	146	117	1.9	2.4	2
Region Nine	**135,851**	**136,019**	**131,715**	**132,460**	**131,414**	**127,448**	**3,391**	**4,605**	**4,267**	**2.5**	**3.4**	**3.2**
Blue Earth	41,096	41,423	39,465	40,209	40,367	38,279	887	1,056	1,186	2.2	2.5	3
Brown	14,867	14,807	14,696	14,419	14,222	14,185	448	585	511	3	4	3.5
Faribault	7,385	7,296	7,101	7,191	7,004	6,817	194	292	284	2.6	4	4
Le Sueur	15,948	16,154	15,622	15,462	15,280	15,032	486	874	590	3	5.4	3.8
Martin	10,570	10,436	10,343	10,299	10,101	10,005	271	335	338	2.6	3.2	3.3
Nicollet	21,125	21,249	20,294	20,735	20,765	19,771	390	484	523	1.8	2.3	2.6
Sibley	8,733	8,633	8,471	8,522	8,332	8,208	211	301	263	2.4	3.5	3.1
Waseca	9,613	9,584	9,252	9,296	9,155	8,923	317	429	329	3.3	4.5	3.6
Watonwan	6,514	6,437	6,471	6,327	6,188	6,228	187	249	243	2.9	3.9	3.8
Region Ten	**283,762**	**283,145**	**280,059**	**277,436**	**275,109**	**271,675**	**6,326**	**8,036**	**8,384**	**2.2**	**2.8**	**3**
Dodge	11,637	11,627	11,430	11,367	11,229	11,075	270	398	355	2.3	3.4	3.1
Fillmore	11,571	11,506	11,265	11,307	11,095	10,927	264	411	338	2.3	3.6	3
Freeborn	16,354	16,240	16,122	15,934	15,703	15,604	420	537	518	2.6	3.3	3.2
Goodhue	27,216	27,063	26,669	26,608	26,264	25,843	608	799	826	2.2	3	3.1
Houston	10,834	10,879	10,460	10,616	10,565	10,137	218	314	323	2	2.9	3.1
Mower	20,871	20,797	20,518	20,414	20,244	19,945	457	553	573	2.2	2.7	2.8
Olmsted	85,882	85,868	84,642	84,151	83,733	82,283	1,731	2,135	2,359	2	2.5	2.8
City of Rochester	63,345	63,246	62,093	62,064	61,756	60,393	1,281	1,490	1,700	2	2.4	2.7
Rice	37,565	37,507	36,704	36,737	36,422	35,614	828	1,085	1,090	2.2	2.9	3
Steele	20,088	20,029	21,015	19,555	19,345	20,347	533	684	668	2.7	3.4	3.2
Wabasha	12,135	12,044	11,925	11,844	11,640	11,541	291	404	384	2.4	3.4	3.2
Winona	29,609	29,585	29,309	28,903	28,869	28,359	706	716	950	2.4	2.4	3.2
Region Eleven	**1,723,247**	**1,718,141**	**1,683,052**	**1,684,230**	**1,673,536**	**1,629,537**	**39,017**	**44,605**	**53,515**	**2.3**	**2.6**	**3.2**
Anoka	197,545	197,403	193,388	192,880	191,688	186,994	4,665	5,715	6,394	2.4	2.9	3.3
Carver	58,146	57,926	56,139	56,878	56,415	54,493	1,268	1,511	1,646	2.2	2.6	2.9
Dakota	242,529	241,995	236,753	237,114	235,683	229,562	5,415	6,312	7,191	2.2	2.6	3
Hennepin	707,292	704,582	690,829	691,562	687,160	668,836	15,730	17,422	21,993	2.2	2.5	3.2
City of Bloomington	47,255	47,096	47,127	46,159	45,865	45,572	1,096	1,231	1,555	2.3	2.6	3.3
City of Minneapolis	241,587	240,526	236,410	236,039	234,536	228,516	5,548	5,990	7,894	2.3	2.5	3.3
Ramsey	291,141	290,069	285,212	284,130	282,326	275,591	7,011	7,743	9,621	2.4	2.7	3.4
City of St. Paul	159,724	159,078	156,405	155,733	154,745	150,984	3,991	4,333	5,421	2.5	2.7	3.5
Scott	83,327	83,220	80,728	81,551	81,034	78,350	1,776	2,186	2,378	2.1	2.6	2.9
Washington	143,267	142,946	140,003	140,115	139,230	135,711	3,152	3,716	4,292	2.2	2.6	3.1









Industrial Analysis

Monthly analysis is based on ***seasonally adjusted*** employment data; yearly analysis is based on ***unadjusted*** employment data.*

Overview

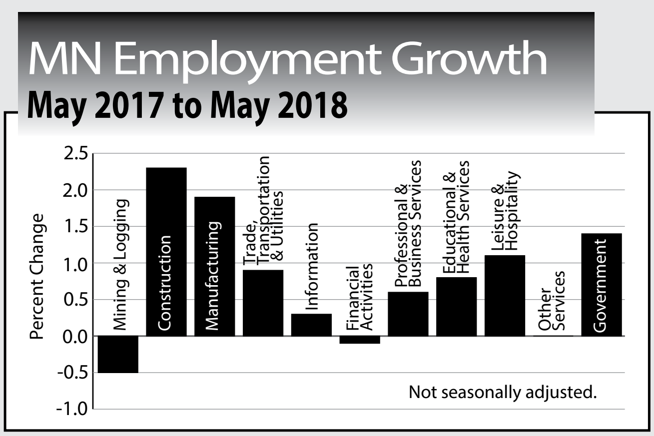
Minnesota employers added 10,200 jobs (0.3 percent) in May on a seasonally adjusted basis. This increase follows a decline of 3,800 in April, providing further evidence that the previous month's decline came from uncharacteristically cold and snowy spring weather. Private sector employers added 9,900 of those jobs, up by 0.4 percent, compared to the public sector's 0.1 percent increase (300 jobs). Both Goods Producers (up 3,100 or 0.7 percent) and Service Providers (up 7,100, 0.3 percent) contributed to the gain. On an over-the-year basis Minnesota employers added 29,188 jobs (1 percent). As with the monthly growth, this represents an increase over April's over-the-year increase of just 0.3 percent, as employment recovered from the late winter weather. Goods producers added 8,927 jobs (2 percent) while Service Providers added 14,457 (0.7 percent).

Mining and Logging

Employment in the Mining and Logging supersector was up by 100 (1.5 percent) in May after remaining flat in April. Annually the supersector lost 34 jobs (0.5 percent). Although the total number of lost jobs was small, it represented the largest proportional over-the-year job loss of any supersector in the state. Mining and Logging was one of only two supersectors to lose jobs on the year.

Construction

The Construction supersector added 1,600 jobs (1.3 percent) in May. April's estimate was also revised upward, from a loss of 400 jobs to a gain of 500.



Source: Department of Employment and Economic Development, Current Employment Statistics, 2018.

Annually the supersector added 2,898 jobs (2.3 percent). This was the largest over-the-year growth rate of any supersector in the state, coming on the heels of over-the-year job losses in April. It appears that the April losses were a temporary weather-related blip as, exempting that month, the last annual job losses came in December of 2016. Specialty Trade Contractors drove April's over-the-year growth, adding 3,714 jobs (4.7 percent). Construction of Buildings employment was up by 27 (0.1 percent) while the third component sector, Heavy and Civil Engineering Construction, lost jobs (off by 843 or 4.6 percent).

Manufacturing

Employment in the Manufacturing supersector was up by 1,400 (0.4 percent) in May. Durable Goods Manufacturers added 1,200 jobs (0.6 percent), and Non-Durable Goods Manufacturers added 200 (0.2 percent). Manufacturing has had positive seasonally adjusted monthly growth in each of the first five months of 2018. Annually Manufacturers added 6,063 jobs (1.9 percent). Durable Goods Manufacturers led the way with 4,672 more jobs (2.3 percent) while Non-Durable Goods added 1,391 (1.2 percent).

Trade, Transportation , and Utilities

Trade, Transportation, and Utilities employment was up by 1,500 (0.3 percent) in May. Wholesale Trade employment led the growth, adding 1,700 jobs (1.3 percent) while Retail Trade added 100 (0 percent) and Transportation, Warehousing, and Utilities lost 300 jobs (0.3 percent). On an annual basis the supersector added 4,986 jobs (0.9 percent). Wholesale Trade added 1,998 jobs (1.5 percent), with most of that growth coming from Durable Goods Wholesalers (up 1,641 or 2.5 percent). Retail Trade was up by 1,370 (0.5 percent), and Transportation, Warehousing, and Utilities was up by 1,618 (1.5 percent).

Information

Employment in the Information supersector was up by 100 (0.2 percent) in May. It was the third consecutive month of over-the-month job growth. Annually Information employers added 133 jobs (0.3 percent). The increase is a notable change from April's over-the-year growth, which was at -1.2 percent. In fact, May marked the first time since March of 2017 that the industry achieved positive over-the-year job growth.

*Over-the-year data are not seasonally adjusted because of small changes in seasonal adjustment factors from year to year. Also, there is no seasonality in over-the-year changes.

Financial Activities

Financial Activities employment was flat in May on a seasonally adjusted basis. Finance and Insurance lost 700 jobs (0.5 percent) while Real Estate and Rental and Leasing gained 700 (2 percent). On the year Financial Activities lost 188 jobs (0.1 percent) and was one of only two supersectors to shed jobs on an over-the-year basis. Finance and Insurance drove the losses, as the component sector lost 1,040 jobs (0.7 percent) on the year thanks to the loss of 1,877 jobs (2.9 percent) in Credit Intermediation and Related Activities. Real Estate and Rental and Leasing employment was up by 852 (2.5 percent).

Professional and Business Services

Employment in Professional and Business Services was up by 2,700 (0.7 percent) in May. The lion's share of that growth came in Professional, Scientific, and Technical Services, which added 2,700 jobs (0.7 percent). Management of Companies and Enterprises added 100 jobs (0.1 percent) while Administrative and Support and Waste Management and Remediation Services gave 100 back (down 0.1 percent). Annually the supersector added 2,072 jobs (0.6 percent). Professional, Scientific, and Technical Services added 1,706 (1.1 percent) while growth in the other two components was more limited.

Educational and Health Services

Educational and Health Services employment was off by 600 (0.1 percent) in May. Educational Services added 200 jobs (0.3 percent) while Health Care and Social Assistance lost 800 (0.2 percent). On the year the supersector added 4,463 jobs (0.8 percent). Educational Services added 2,019 jobs (3 percent), and Health Care and Social Assistance added 2,444 (0.5 percent).

Leisure and Hospitality

Leisure and Hospitality employment was up by 2,200 (0.8 percent) in May. This is a notable if expected rebound from April's loss of 3,700 jobs. Accommodation and Food Services led the gains, adding 2,300 jobs (1 percent) while its counterpart, Arts, Entertainment, and Recreation, lost 100 jobs (0.2 percent). Annually the supersector added 2,979 jobs (1.1 percent). Arts, Entertainment, and Recreation added 1,406 jobs (3 percent) while Accommodation and Food Services added 1,573 (0.7 percent).

Other Services

The Other Services supersector added 900 jobs (0.8 percent) in May. Over the year the supersector added 12 jobs (0 percent). Religious, Grantmaking, Civic, Professional, and Similar Organizations added 703 jobs (1.1 percent) but nearly all of those gains were erased with losses in Repair and Maintenance (down 570 or 2.6 percent) and Personal and Laundry Services (down 121, 0.4 percent).

Government

Government employment was up by 300 (0.1 percent) in May. State and Local government each added 200 jobs (0.2 and 0.1 percent, respectively), but Federal employers lost 100 jobs (0.3 percent). Annually Government added 5,804 jobs (1.4 percent). State government added 3,195 jobs (3.2 percent), and Local government added 2,882 (1 percent).

by Nick Dobbins

Seasonally Adjusted **Nonfarm Employment**

In 1,000's

Industry	May 2018	Apr 2018	Mar 2018
Total Nonagricultural	**2,955.2**	**2,945.0**	**2,948.8**
Goods-Producing	**452.5**	**449.4**	**448.3**
Mining and Logging	6.6	6.5	6.5
Construction	122.4	120.8	120.3
Manufacturing	323.5	322.1	321.5
Service-Providing	**2,502.7**	**2,495.6**	**2,500.5**
Trade, Transportation, and Utilities	542.5	541.0	544.1
Information	49.9	49.8	49.5
Financial Activities	180.1	180.1	179.1
Professional and Business Services	375.7	373.0	373.2
Educational and Health Services	536.9	537.5	538.4
Leisure and Hospitality	272.1	269.9	273.6
Other Services	116.8	115.9	114.4
Government	428.7	428.4	428.2

Source: Department of Employment and Economic Development Current Employment Statistics, 2018.

Regional Analysis

Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area (MSA)

Employment in the Minneapolis-St. Paul MSA was up by 34,190 (1.7 percent) in May. This was the largest over-the-month increase of any MSA primarily in Minnesota (Grand Forks-East Grand Forks led MSAs with any Minnesota connection at 2.3 percent). However, statewide growth still outpaced the metro at 1.8 percent, suggesting strong employment growth in outstate areas as well. Mining, Logging, and Construction led the way by adding 11,320 jobs (15.3 percent). Leisure and Hospitality added 10,720 jobs (5.8 percent). Two supersectors lost jobs in May. Educational and Health Services lost 1,933 jobs (0.6 percent), with component Educational Services losing 953 jobs (4.2 percent) as employment tapered off for summer break. The other supersector to contract was Government, which lost 460 jobs (0.2 percent), thanks to a loss of 2,579 (6.1 percent) in State Government Educational Services. Over the year the metro area added 29,304 jobs (1.5 percent). The only supersector to lose jobs was the perpetually-troubled Information, which was off by 629 (1.7 percent). The supersector has showed over-the-year job losses for 11 consecutive months. The largest numerical employment gains came in Government (up 5,653 or 2.3 percent) and Manufacturing (up 5,257, 2.7 percent). The largest proportional increase was in Mining, Logging, and Construction, which was up by 3.3 percent (2,760 jobs).

Duluth -Superior MSA

The Duluth-Superior MSA added 1,141 jobs (0.8 percent) in May. The gains were concentrated in the private sector, which added 1,558 jobs (1.4 percent) while public sector employment dipped by 417 (1.5 percent). Leisure and Hospitality, unsurprisingly, showed the largest actual and proportional growth on the month, adding 921 jobs (6.6 percent). Annually the Duluth area added 1,298 jobs (0.9 percent). In a reversal from the over-the-month movement, Government employers had the largest gains on the year (actual and proportional), adding 895 jobs or 3.3 percent. State Government added 577 jobs (7.7 percent) while Local Government added 304 (1.7 percent). Manufacturing also had a strong 12 months, adding 207 jobs or 2.8 percent. Three supersectors lost jobs on the year: Professional and Business Services (down 101 jobs or 1.2 percent), Information (down 89, 6.3 percent), and Mining, Logging, and Construction (down 13, 0.1 percent).

Rochester MSA

The Rochester MSA added 1,669 jobs (1.4 percent) in May. Every supersector in the MSA grew on the month. Mining, Logging, and Construction had the largest proportional increase (up by 9.4 percent or 394 jobs), and Educational and Health Services added the most jobs (544, 1.1 percent). Annually Rochester lost 879 jobs (0.7 percent). It was the only MSA in Minnesota to lose jobs on an over-the-year basis. It was the second consecutive month of annual losses in the area, although the deficit has shrunk since April's 0.9 percent over-the-year decline. Five supersectors had negative growth, with the most jobs lost in Educational and Health Services, which was down by 1,137 (2.3 percent). The largest proportional decline came in Mining, Logging, and Construction (off by 4.1 percent or 197 jobs).

St. Cloud MSA

Employment in the Saint Cloud MSA was up by 1,508 (1.4 percent) in May. Mining, Logging, and Construction added 1,050 jobs (16.8 percent). Trade, Transportation, and Utilities also had notable growth, adding 357 jobs or 1.6 percent, both of which were the second highest in the MSA. Over the year the Saint Cloud MSA added 1,779 jobs (1.6 percent), outpacing the state's 1 percent annual growth. Educational and Health Services added 936 (4.3 percent), Manufacturing added 698 (4.6 percent), and Mining, Logging, and Construction added 408 (5.9 percent). The largest over-the-year losses came in Leisure and Hospitality employment, which was off by 413 (4.5 percent).

Mankato-North Mankato MSA

The Mankato-North Mankato MSA added 111 jobs (0.2 percent) in May. This was the lowest over-the-month growth of any MSA in the state. Private sector employers added 250 jobs (0.5 percent) while public sector employers shed 139 (1.4 percent). Goods Producers led the over-the-month growth, adding 287 jobs (2.8 percent). Annually the area added 1,286 jobs or 2.2 percent. This was the largest proportional over-the-year growth of any MSA in the state. The growth came entirely from the private sector, which added 1,319 jobs (2.7 percent) while public sector employers were losing 33 jobs (0.3 percent).

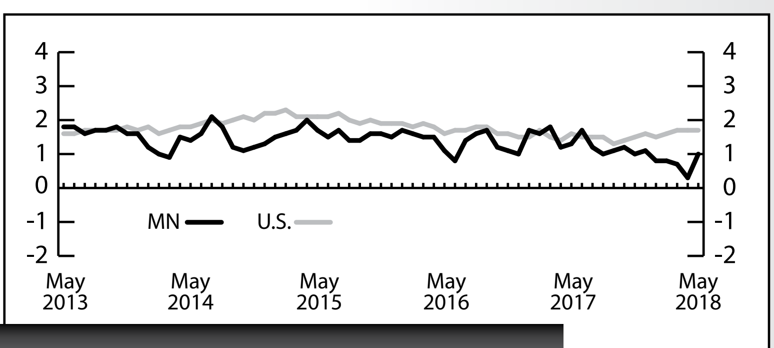
Fargo-Moorhead MSA

Employment in the Fargo-Moorhead MSA was up by 2,613 (1.9 percent) in May. Growth was led, on both a proportional and actual jobs basis, by the Mining, Logging, and Construction supersector which added 1,094 jobs, or 13.2 percent. The only supersector to contract in May was Information, which was off by 26 (0.9 percent). Annually the area added 648 jobs (0.5 percent). The plurality of those jobs were concentrated in Educational and Health Services, which was up by 837 (3.5 percent). Professional and Business Services lost 399 jobs (2.5 percent) on the year.

Grand Forks-East Grand Forks MSA

The Grand Forks-East Grand Forks MSA added 1,284 jobs (2.3 percent) in May. This was the largest proportional over-the-month increase of any Minnesota MSA. As expected, the gain was driven by two highly seasonal industries. Mining, Logging, and Construction added 491 jobs (18.5 percent) while Leisure and Hospitality added 699 (13 percent). Annually the MSA added 673 jobs (1.2 percent). Manufacturing employment was up by 293 (6.8 percent), and Educational and Health Services was up by 251 (8.2 percent). While three supersectors shed jobs, none lost more than 80 total.

by Nick Dobbins



Source: Department of Employment and Economic Development, Current Employment Statistics, 2018; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2018.

Total Nonfarm Jobs
U.S. and MN over-the-year percent change

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

Note: State, regional and local estimates from past months (for all tables pages 11-13) may be revised from figures previously published.

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings: Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	May 2018	Apr 2018	May 2017	Apr 2018	May 2017	May 2018	May 2017	May 2018	May 2017	May 2018	May 2017
TOTAL NONFARM WAGE AND SALARY	**2,973.9**	**2,922.1**	**2,944.7**	**1.8%**	**1.0%**	—	—	—	—	—	—
						—	—	—	—	—	—
GOODS-PRODUCING	**456.6**	**437.1**	**447.7**	**4.5**	**2.0**	—	—	—	—	—	—
Mining, Logging, and Construction	**133.5**	**118.3**	**130.7**	**12.9**	**2.2**	—	—	—	—	—	—
Mining and Logging	**6.6**	**6.2**	**6.6**	**5.5**	**-0.5**	—	—	—	—	—	—
Construction	**127.0**	**112.0**	**124.1**	**13.3**	**2.3**	—	—	—	—	—	—
Specialty Trade Contractors	83.1	74.1	79.4	12.1	4.7	$1,206.90	$1,300.66	37.4	39.8	$32.27	3$2.68
Manufacturing	**323.1**	**318.9**	**317.0**	**1.3**	**1.9**	**879.04**	**849.86**	**41.0**	**40.8**	**21.44**	**20.83**
Durable Goods	205.2	202.0	200.6	1.6	2.3	924.21	870.46	41.5	40.6	22.27	21.44
Wood Product Manufacturing	11.5	11.3	11.3	2.0	1.7	—	—	—	—	—	—
Fabricated Metal Production	42.5	42.4	42.2	0.3	0.8	—	—	—	—	—	—
Machinery Manufacturing	33.0	32.9	32.9	0.3	0.2	—	—	—	—	—	—
Computer and Electronic Product	45.5	45.0	44.8	1.2	1.8	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	26.5	26.2	25.8	1.1	2.5	—	—	—	—	—	—
Transportation Equipment	10.6	10.6	10.5	-0.1	0.7	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	16.3	16.2	16.1	0.3	1.1	—	—	—	—	—	—
Nondurable Goods	117.8	116.9	116.5	0.9	1.2	804.41	814.67	40.1	41.0	20.06	19.87
Food Manufacturing	46.8	47.0	46.5	-0.4	0.7	—	—	—	—	—	—
SERVICE-PROVIDING	**2,517.2**	**2,485.0**	**2,497.0**	**1.3**	**0.8**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**543.3**	**533.5**	**538.3**	**1.8**	**0.9**	—	—	—	—	—	—
Wholesale Trade	135.1	131.9	133.1	2.5	1.5	980.67	903.24	38.9	38.6	25.21	23.40
Retail Trade	300.1	294.6	298.7	1.9	0.5	452.70	418.50	28.4	27.9	15.94	15.00
Motor Vehicle and Parts	36.0	35.6	35.8	1.2	0.5	—	—	—	—	—	—
Building Material and Garden Equipment	28.4	26.9	28.7	5.9	-0.8	—	—	—	—	—	—
Food and Beverage Stores	57.0	56.3	56.1	1.2	1.5	—	—	—	—	—	—
Gasoline Stations	25.3	24.9	25.2	1.3	0.2	—	—	—	—	—	—
General Merchandise Stores	60.2	59.1	58.3	1.8	3.3	409.19	386.45	29.0	29.1	14.11	13.28
Transportation,Warehouse, Utilities	108.1	107.0	106.5	1.0	1.5	—	—	—	—	—	—
Transportation and Warehousing	95.7	94.6	94.1	1.2	1.7	745.46	737.33	33.9	34.6	21.99	21.31
Information	**50.5**	**49.8**	**50.4**	**1.5**	**0.3**	**1,071.35**	**1,087.45**	**35.0**	**34.1**	**30.61**	**31.89**
Publishing Industries	18.8	18.8	19.3	-0.2	-2.6	—	—	—	—	—	—
Telecommunications	13.1	13.0	13.3	0.2	-1.6	—	—	—	—	—	—
Financial Activities	**179.5**	**179.2**	**179.7**	**0.2**	**-0.1**	—	—	—	—	—	—
Finance and Insurance	143.9	144.7	145.0	-0.5	-0.7	1,227.28	1,107.44	36.8	37.2	33.35	29.77
Credit Intermediation	62.2	62.7	64.1	-0.9	-2.9	780.58	802.52	34.6	35.4	22.56	22.67
Securities, Commodity Contracts, and Other	19.6	19.7	19.4	-0.4	1.1	—	—	—	—	—	—
Insurance Carriers and Related	62.1	62.2	61.5	-0.2	1.0	—	—	—	—	—	—
Real Estate and Rental and Leasing	35.6	34.6	34.7	3.0	2.5	—	—	—	—	—	—
Professional and Business Services	**375.2**	**370.4**	**373.1**	**1.3**	**0.6**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	159.8	160.2	158.1	-0.2	1.1	—	—	—	—	—	—
Legal Services	18.2	18.2	18.1	0.1	0.5	—	—	—	—	—	—
Accounting, Tax Preparation	15.5	17.7	15.1	-12.8	2.4	—	—	—	—	—	—
Computer Systems Design	35.3	34.9	36.8	1.2	-4.1	—	—	—	—	—	—
Management of Companies and Enterprises	80.0	79.6	79.7	0.5	0.4	—	—	—	—	—	—
Administrative and Support Services	135.3	130.6	135.3	3.6	0.0	—	—	—	—	—	—
Educational and Health Services	**538.9**	**540.8**	**534.4**	**-0.4**	**0.8**	—	—	—	—	—	—
Educational Services	70.1	70.7	68.1	-0.8	3.0	—	—	—	—	—	—
Health Care and Social Assistance	468.8	470.2	466.3	-0.3	0.5	—	—	—	—	—	—
Ambulatory Health Care	153.2	154.2	152.9	-0.6	0.2	1,355.94	1,339.19	37.2	36.6	36.45	36.59
Offices of Physicians	74.8	74.7	73.1	0.1	2.3	—	—	—	—	—	—
Hospitals	112.4	112.3	111.2	0.0	1.1	—	—	—	—	—	—
Nursing and Residential Care Facilities	106.6	106.0	107.8	0.5	-1.1	469.50	458.46	28.3	28.3	16.59	16.20
Social Assistance	96.6	97.7	94.4	-1.0	2.4	—	—	—	—	—	—
Leisure and Hospitality	**279.5**	**261.3**	**276.5**	**6.9**	**1.1**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	48.3	41.5	46.9	16.5	3.0	—	—	—	—	—	—
Accommodation and Food Services	231.1	219.8	229.5	5.1	0.7	—	—	—	—	—	—
Food Services and Drinking Places	201.6	192.9	201.0	4.5	0.3	281.80	275.53	20.1	20.2	14.02	13.64
Other Services	**116.9**	**115.9**	**116.8**	**0.8**	**0.0**	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	65.4	64.6	64.7	1.1	1.1	—	—	—	—	—	—
Government	**433.5**	**434.1**	**427.7**	**-0.1**	**1.4**						
Federal Government	31.9	32.0	32.2	-0.4	-0.8						
State Government	102.2	105.9	99.0	-3.5	3.2						
State Government Education	62.0	66.1	58.9	-6.2	5.1						
Local Government	299.4	296.1	296.5	1.1	1.0						
Local Government Education	151.2	151.1	149.5	0.1	1.1						

Note: Not all industry subgroups are shown for every major industry category.

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2018.

Employer Survey of Twin Cities Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

Note: State, regional and local estimates from past months (for all tables pages 11-13) may be revised from figures previously published.

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	May 2018	Apr 2018	May 2017	Apr 2018	May 2017	May 2018	May 2017	May 2018	May 2017	May 2018	May 2017
TOTAL NONFARM WAGE AND SALARY	**2,023.9**	**1,989.7**	**1,994.6**	**1.7%**	**1.5%**	—	—	—	—	—	—
GOODS-PRODUCING	**286.0**	**271.8**	**278.0**	**5.2**	**2.9**	—	—	—	—	—	—
Mining, Logging, and Construction	**85.4**	**74.1**	**82.7**	**15.3**	**3.3**	—	—	—	—	—	—
Construction of Buildings	17.5	16.9	17.3	3.4	0.9	—	—	—	—	—	—
Specialty Trade Contractors	56.9	51.1	55.3	11.4	3.0	$1,284.75	$1,359.06	37.5	39.2	$34.26	$34.67
Manufacturing	**200.5**	**197.7**	**195.3**	**1.5**	**2.7**	**924.62**	**910.73**	**41.8**	**41.7**	**22.12**	**21.84**
Durable Goods	136.1	134.4	132.9	1.3	2.4	972.40	921.72	42.5	41.5	22.88	22.21
Fabricated Metal Production	29.6	29.5	29.5	0.4	0.6	—	—	—	—	—	—
Machinery Manufacturing	20.2	20.1	20.0	0.4	1.1	—	—	—	—	—	—
Computer and Electronic Product	37.5	36.8	36.3	2.1	3.3	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	25.1	24.6	24.2	1.8	3.4	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	15.6	15.5	14.9	0.4	4.6	—	—	—	—	—	—
Nondurable Goods	64.5	63.3	62.4	1.8	3.3	831.43	888.30	40.4	42.0	20.58	21.15
Food Manufacturing	15.0	15.1	14.5	-0.5	3.7	—	—	—	—	—	—
Printing and Related	14.3	14.3	14.6	0.0	-2.5	—	—	—	—	—	—
SERVICE-PROVIDING	**1,737.9**	**1,717.9**	**1,716.6**	**1.2**	**1.2**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**366.0**	**360.9**	**361.0**	**1.4**	**1.4**	—	—	—	—	—	—
Wholesale Trade	99.4	97.9	97.3	1.5	2.2	955.58	898.20	37.8	38.9	25.28	23.09
Merchant Wholesalers - Durable Goods	50.1	49.5	48.8	1.1	2.7	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	28.9	28.4	28.9	1.6	-0.1	—	—	—	—	—	—
Retail Trade	191.9	188.7	189.7	1.7	1.2	477.28	435.09	29.7	28.7	16.07	15.16
Food and Beverage Stores	35.2	34.9	34.5	1.1	2.0	—	—	—	—	—	—
General Merchandise Stores	38.3	37.6	35.7	1.9	7.3	386.21	367.79	28.8	29.4	13.41	12.51
Transportation, Warehouse, Utilities	74.7	74.2	74.1	0.7	0.9	—	—	—	—	—	—
Utilities	7.5	7.5	7.5	-0.1	0.1	—	—	—	—	—	—
Transportation and Warehousing	67.3	66.7	66.6	0.8	0.9	780.71	708.88	35.6	34.8	21.93	20.37
Information	**37.3**	**37.3**	**37.9**	**0.2**	**-1.7**						
Publishing Industries	15.0	15.0	15.2	-0.1	-1.4	—	—	—	—	—	—
Telecommunications	8.3	8.3	8.6	-0.1	-4.3	—	—	—	—	—	—
Financial Activities	**147.1**	**145.8**	**144.9**	**0.8**	**1.5**	—	—	—	—	—	—
Finance and Insurance	117.8	117.4	117.1	0.3	0.6	1,267.30	1,199.06	38.0	37.6	33.35	31.89
Credit Intermediation	46.7	46.7	47.9	0.0	-2.5	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	17.6	17.6	17.4	0.2	1.2	—	—	—	—	—	—
Insurance Carriers and Related	53.5	53.1	51.8	0.6	3.1	—	—	—	—	—	—
Real Estate and Rental and Leasing	29.3	28.4	27.8	3.0	5.5	—	—	—	—	—	—
Professional and Business Services	**321.7**	**316.8**	**321.0**	**1.5**	**0.2**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	139.8	139.2	138.5	0.5	1.0	—	—	—	—	—	—
Legal Services	15.6	15.6	15.5	0.0	0.8	—	—	—	—	—	—
Architectural, Engineering, and Related	19.3	19.1	18.8	1.5	2.9	—	—	—	—	—	—
Computer Systems Design	33.0	32.2	33.8	2.4	-2.4	—	—	—	—	—	—
Management of Companies and Enterprises	71.9	71.6	73.0	0.4	-1.5	—	—	—	—	—	—
Administrative and Support Services	109.9	106.0	109.5	3.7	0.4	—	—	—	—	—	—
Employment Services	48.6	47.1	49.9	3.2	-2.6	—	—	—	—	—	—
Educational and Health Services	**334.1**	**336.1**	**330.5**	**-0.6**	**1.1**	—	—	—	—	—	—
Educational Services	46.7	47.7	44.9	-2.0	4.2	—	—	—	—	—	—
Health Care and Social Assistance	287.4	288.4	285.7	-0.3	0.6	—	—	—	—	—	—
Ambulatory Health Care	90.1	91.0	90.8	-1.0	-0.8	—	—	—	—	—	—
Hospitals	67.9	67.3	66.1	1.0	2.8	—	—	—	—	—	—
Nursing and Residential Care Facilities	59.4	59.4	60.3	0.0	-1.4	—	—	—	—	—	—
Social Assistance	69.9	70.6	68.5	-1.0	2.1	—	—	—	—	—	—
Leisure and Hospitality	**195.1**	**184.4**	**191.5**	**5.8**	**1.9**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	38.7	34.0	36.9	13.9	4.9	—	—	—	—	—	—
Accommodation and Food Services	156.4	150.4	154.6	4.0	1.2	306.29	304.74	21.3	21.4	14.38	14.24
Food Services and Drinking Places	143.1	137.7	140.0	3.9	2.2	298.49	295.74	20.7	20.9	14.42	14.15
Other Services	**81.9**	**81.5**	**80.6**	**0.5**	**1.6**	—	—	—	—	—	—
Repair and Maintenance	14.8	14.8	14.7	0.2	0.7	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	43.6	43.3	42.7	0.7	2.2	—	—	—	—	—	—
Government	**254.8**	**255.2**	**249.1**	**-0.2**	**2.3**						
Federal Government	21.2	21.3	21.4	-0.8	-0.9						
State Government	66.8	69.2	63.8	-3.5	4.7						
State Government Education	39.9	42.5	37.3	-6.1	7.1						
Local Government	166.8	164.7	163.9	1.3	1.8						
Local Government Education	94.8	94.3	92.2	0.6	2.8						

Note: Not all industry subgroups are shown for every major industry category.

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2018.

Employer Survey

Duluth-Superior MSA

Industry	Jobs May 2018	Jobs Apr 2018	Jobs May 2017	% Chg. From Apr 2018	% Chg. From May 2017
TOTAL NONFARM WAGE AND SALARY	**138,727**	**137,586**	**137,429**	**0.8%**	**0.9%**
GOODS-PRODUCING	**16,577**	**16,189**	**16,383**	**2.4**	**1.2**
Mining, Logging, and Construction	8,912	8,635	8,925	3.2	-0.1
Manufacturing	7,665	7,554	7,458	1.5	2.8
SERVICE-PROVIDING	**122,150**	**121,397**	**121,046**	**0.6**	**0.9**
Trade, Transportation, and Utilities	25,055	24,820	24,961	0.9	0.4
Wholesale Trade	3,218	3,205	3,279	0.4	-1.9
Retail Trade	15,651	15,544	15,366	0.7	1.9
Transportation, Warehouse, Utilities	6,186	6,071	6,316	1.9	-2.1
Information	1,316	1,312	1,405	0.3	-6.3
Financial Activities	5,934	5,883	5,857	0.9	1.3
Professional and Business Services	8,131	8,023	8,232	1.3	-1.2
Educational and Health Services	32,341	32,612	32,188	-0.8	0.5
Leisure and Hospitality	14,885	13,964	14,857	6.6	0.2
Other Services	6,701	6,579	6,654	1.9	0.7
Government	27,787	28,204	26,892	-1.5	3.3

Rochester MSA

Industry	Jobs May 2018	Jobs Apr 2018	Jobs May 2017	% Chg. From Apr 2018	% Chg. From May 2017
TOTAL NONFARM WAGE AND SALARY	**119,406**	**117,737**	**120,285**	**1.4%**	**-0.7%**
GOODS-PRODUCING	**14,891**	**14,394**	**15,116**	**3.5**	**-1.5**
Mining, Logging, and Construction	4,581	4,187	4,778	9.4	-4.1
Manufacturing	10,310	10,207	10,338	1.0	-0.3
SERVICE-PROVIDING	**104,515**	**103,343**	**105,169**	**1.1**	**-0.6**
Trade, Transportation, and Utilities	17,675	17,606	17,873	0.4	-1.1
Wholesale Trade	2,735	2,680	2,679	2.1	2.1
Retail Trade	12,035	12,004	12,399	0.3	-2.9
Transportation, Warehouse, Utilities	2,905	2,922	2,795	-0.6	3.9
Information	1,885	1,884	1,877	0.1	0.4
Financial Activities	2,793	2,763	2,776	1.1	0.6
Professional and Business Services	5,395	5,335	5,520	1.1	-2.3
Educational and Health Services	48,118	47,574	49,255	1.1	-2.3
Leisure and Hospitality	11,318	10,930	10,840	3.5	4.4
Other Services	4,035	4,007	3,993	0.7	1.1
Government	13,296	13,244	13,035	0.4	2.0

Employer Survey

St. Cloud MSA

Industry	Jobs May 2018	Jobs Apr 2018	Jobs May 2017	% Chg. From Apr 2018	% Chg. From May 2017
TOTAL NONFARM WAGE AND SALARY	**112,457**	**110,949**	**110,678**	**1.4%**	**1.6%**
GOODS-PRODUCING	**23,170**	**21,939**	**22,064**	**5.6**	**5.0**
Mining, Logging, and Construction	7,310	6,260	6,902	16.8	5.9
Manufacturing	15,860	15,679	15,162	1.2	4.6
SERVICE-PROVIDING	**89,287**	**89,010**	**88,614**	**0.3**	**0.8**
Trade, Transportation, and Utilities	22,377	22,020	22,431	1.6	-0.2
Wholesale Trade	4,888	4,794	4,716	2.0	3.6
Retail Trade	13,333	13,100	13,708	1.8	-2.7
Transportation, Warehouse, Utilities	4,156	4,126	4,007	0.7	3.7
Information	1,519	1,515	1,566	0.3	-3.0
Financial Activities	5,364	5,311	5,454	1.0	-1.7
Professional and Business Services	8,917	8,896	8,923	0.2	-0.1
Educational and Health Services	22,656	22,746	21,720	-0.4	4.3
Leisure and Hospitality	8,853	8,722	9,266	1.5	-4.5
Other Services	3,980	3,958	3,875	0.6	2.7
Government	15,621	15,842	15,379	-1.4	1.6

Mankato MSA

Industry	Jobs May 2018	Jobs Apr 2018	Jobs May 2017	% Chg. From Apr 2018	% Chg. From May 2017
TOTAL NONFARM WAGE AND SALARY	**58,979**	**58,868**	**57,693**	**0.2%**	**2.2%**
GOODS-PRODUCING	**10,581**	**10,294**	**10,228**	**2.8**	**3.5**
Mining, Logging, and Construction	--	--	--	--	--
Manufacturing	--	--	--	--	--
	--	--	--	--	--
SERVICE-PROVIDING	**48,398**	**48,574**	**47,465**	**-0.4**	**2.0**
Trade, Transportation, and Utilities	--	--	--	--	--
Wholesale Trade	--	--	--	--	--
Retail Trade	--	--	--	--	--
Transportation, Warehouse, Utilities	--	--	--	--	--
Information	--	--	--	--	--
Financial Activities	--	--	--	--	--
Professional and Business Services	--	--	--	--	--
Educational and Health Services	--	--	--	--	--
Leisure and Hospitality	--	--	--	--	--
Other Services	--	--	--	--	--
Government	9,642	9,781	9,675	-1.4	-0.3

Employer Survey

Fargo-Moorhead MSA

Industry	Jobs May 2018	Jobs Apr 2018	Jobs May 2017	% Chg. From Apr 2018	% Chg. From May 2017
TOTAL NONFARM WAGE AND SALARY	**143,555**	**140,942**	**142,907**	**1.9%**	**0.5%**
GOODS-PRODUCING	**19,221**	**18,116**	**18,831**	**6.1**	**2.1**
Mining, Logging, and Construction	9,412	8,318	9,178	13.2	2.6
Manufacturing	9,809	9,798	9,653	0.1	1.6
SERVICE-PROVIDING	**124,334**	**122,826**	**124,076**	**1.2**	**0.2**
Trade, Transportation, and Utilities	30,084	29,962	30,385	0.4	-1.0
Wholesale Trade	9,066	8,987	9,126	0.9	-0.7
Retail Trade	15,294	15,277	15,606	0.1	-2.0
Transportation, Warehouse, Utilities	5,724	5,698	5,653	0.5	1.3
Information	3,044	3,070	3,164	-0.9	-3.8
Financial Activities	11,407	11,359	11,157	0.4	2.2
Professional and Business Services	15,437	15,022	15,836	2.8	-2.5
Educational and Health Services	24,945	24,945	24,108	0.0	3.5
Leisure and Hospitality	13,902	13,221	13,908	5.2	0.0
Other Services	5,584	5,579	5,524	0.1	1.1
Government	19,931	19,668	19,994	1.3	-0.3

Grand Forks-East Grand Forks MSA

Industry	Jobs May 2018	Jobs Apr 2018	Jobs May 2017	% Chg. From Apr 2018	% Chg. From May 2017
TOTAL NONFARM WAGE AND SALARY	**57,425**	**56,141**	**56,752**	**2.3%**	**1.2%**
GOODS-PRODUCING	**7,762**	**7,187**	**7,415**	**8.0**	**4.7**
Mining, Logging, and Construction	3,139	2,648	3,085	18.5	1.8
Manufacturing	4,623	4,539	4,330	1.9	6.8
SERVICE-PROVIDING	**49,663**	**48,954**	**49,337**	**1.5**	**0.7**
Trade, Transportation, and Utilities	11,633	11,541	11,595	0.8	0.3
Wholesale Trade	1,831	1,794	1,879	2.1	-2.6
Retail Trade	7,538	7,499	7,530	0.5	0.1
Transportation, Warehouse, Utilities	2,264	2,248	2,186	0.7	3.6
Information	554	555	569	-0.2	-2.6
Financial Activities	1,932	1,910	1,881	1.2	2.7
Professional and Business Services	3,330	3,309	3,079	0.6	8.2
Educational and Health Services	9,902	9,880	9,740	0.2	1.7
Leisure and Hospitality	6,062	5,363	6,138	13.0	-1.2
Other Services	2,007	2,007	2,014	0.0	-0.4
Government	14,243	14,389	14,321	-1.0	-0.5

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2018.

Minnesota Economic Indicators

Highlights

The **Minnesota Index** surged 0.5 percent in May, powered by robust wage and salary employment growth. The May increase was the largest since June 2017 and the 21st straight month of gains. After April's weak reading, the solid rebound in May suggest that Minnesota's late winter weather in April delayed the start of the usual seasonal hiring. May's increase was also fueled by increasing average weekly manufacturing hours and a 0.1 decline in the unemployment rate. The last time that Minnesota's seasonally adjusted unemployment rate was 3.1 percent was in July 2000, seven months before the 2001 recession began.

Minnesota's adjusted **Wage and Salary Employment** rocketed up in May as employers added 10,200 jobs, the largest monthly hiring total since January 2017. Private sector hiring accounted for 9,900 of the job jump to go along with a 300 public sector jobs increase. All but two of the 11 super sectors added workers in May with hiring strongest in Professional and Business Services, Leisure and Hospitality, and Construction. Manufacturing also expanded its workforce, adding positions for the fifth month in a row. Only Educational and Health Services cut jobs while employment in Financial Activates held steady in May.

Minnesota's unadjusted over-the-year job growth accelerated to 1.0 percent in May, a welcomed improvement over the 0.3 percent increase in April. Through the first five months of 2018 Minnesota's unadjusted over-the-year job growth has average 0.7 percent which is almost half the 1.3 percent rate recorded over all of 2017. The U.S. over-the-year rate stayed at 1.7 percent for the third consecutive month.

Online Help-Wanted Ads inched down for the second month in a row to 132,200. Minnesota's job postings slipped 1.6 percent while nationwide postings declined 1.1 percent. Minnesota's share of U.S. online job postings stayed at 2.8 percent and continues to be higher than the state's 2.0 percent share of wage and salary employment. The state's unemployed-workers-to-online-help-wanted-ads ratio in May, as reported by the Conference Board, was 0.74, the third lowest ratio behind Hawaii and Colorado. The national ratio was 1.34. Unemployment rates for Hawaii and Colorado in May were 2.0 and 2.8 percent. Minnesota unemployment rate is likely to fall below 3.0 percent before 2018 ends.

Minnesota's **Purchasing Managers' Index (PMI)** rose for the fourth consecutive month, climbing to an 11-month high of 64.2. The upward direction of the index over recent months suggests that Minnesota's Manufacturing activity should continue to pick up over the next three to six months. The comparable national index increased to 58.7 while the Mid-America Business Conditions Index, which includes Minnesota and eight other states stretching from Arkansas to North Dakota, spiked to 67.3, the highest reading in 14 years.

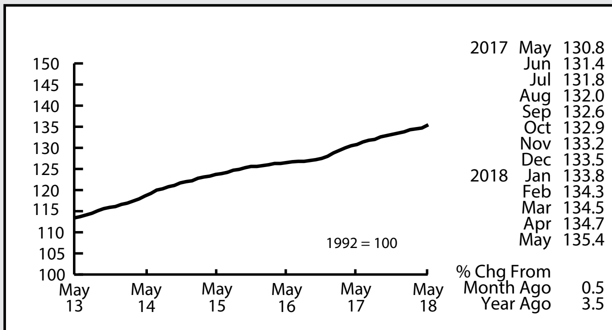
Adjusted average weekly **Manufacturing Hours** rose sharply in May, climbing to 4.1, its highest level since last September. The uptick in the factory workweek is consistent with Manufacturing activity picking up across the state. Average weekly **Manufacturing Earnings**, adjusted for inflation and seasonality, strengthened in May to $988.96. Real Manufacturing paychecks unadjusted for seasonality were up 1.2 percent from a year ago. Real Manufacturing earnings have increased for 17 straight months.

The **Minnesota Leading Index** advanced sharply in May to 2.1 after having slipped the previous two months. May's reading is the highest since last April and higher than the 1.5 U.S. reading. The average reading since 1982 is 1.5 so the 2.1 May index suggests that Minnesota's economy will be expanding at a faster rate than usual over the next six months.

Adjusted **Residential Building Permits** shook off the state's late winter weather in May by jumping to 2,450, the highest level since March 2017. Home-building permits through the first five months of 2018 were down 12.6 percent from the same period a year ago. Annual home-building permits through May were 7,100 in 2016, 9,600 in 2017, and 9,300 this year.

Adjusted **Initial Claims for Unemployment Benefits (UB)** nosedived in May, falling to its lowest level in 20 years. May's extremely low 14,221 initial claims set an all-time record low as a percent of total wage and salary employment. For every 10,000 wage and salary jobs there were 48 initial claims for unemployment benefits in May. The monthly average since 1970 is 99 initial claims for every 10,000 wage and salary job. The record low is just another indicator of how tight Minnesota's labor market has become.

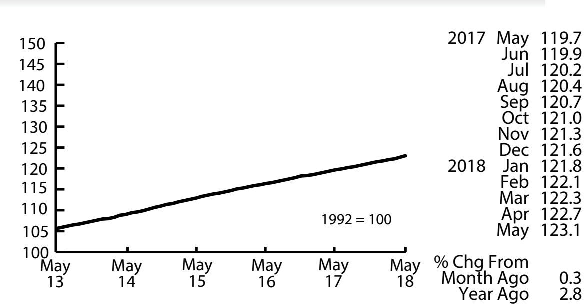
by Dave Senf



Source: The Federal Reserve Bank of Philadelphia, 2018

Minnesota Index

United States Index

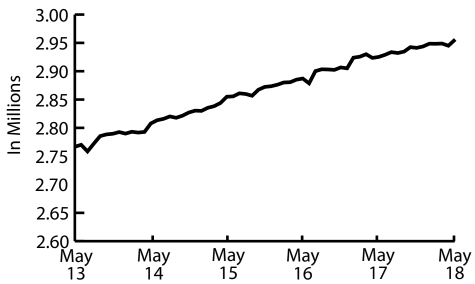


Source: The Federal Reserve Bank of Philadelphia, 2018

Note: All data except for Minnesota's PMI have been seasonally adjusted. See the feature article in the Minnesota Employment Review, May 2010, for more information on the Minnesota Index.

Minnesota Economic Indicators

Wage and Salary Employment



seasonally adjusted

2017	Dec	2.9437
2018	Jan	2.9486
	Feb	2.9484
	Mar	2.9488
	Apr	2.9450
	May	2.9552

% Chg From Month Ago 0.3

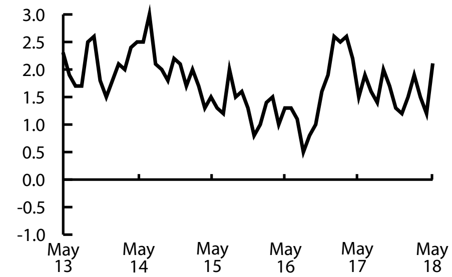
unadjusted

2017	May	2,944.7
2018	May	2,973.9

% Chg From Year Ago 1.0%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2018

Minnesota Leading Index

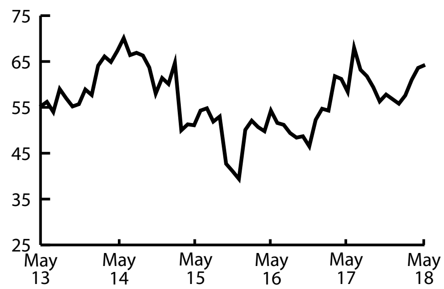


2017	May	1.5
	Jun	1.9
	Jul	1.6
	Aug	1.4
	Sep	2.0
	Oct	1.7
	Nov	1.3
	Dec	1.2
2018	Jan	1.5
	Feb	1.9
	Mar	1.5
	Apr	1.2
	May	2.1

% Chg From Month Ago 73.6
Year Ago 46.0

Source: The Federal Reserve Bank of Philadelphia, 2018

Purchasing Managers' Index

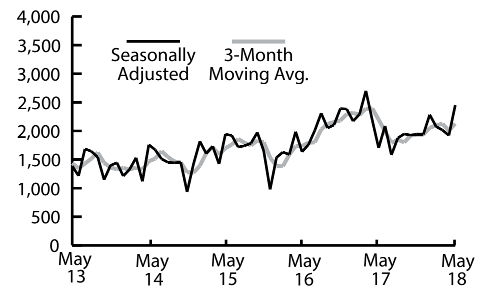


2017	May	58.4
	Jun	68.0
	Jul	63.2
	Aug	61.8
	Sep	59.4
	Oct	56.3
	Nov	57.8
	Dec	56.8
2018	Jan	55.8
	Feb	57.6
	Mar	61.0
	Apr	63.6
	May	64.2

% Chg From Month Ago 0.9
Year Ago 9.9

Source: Creighton University, Mid-America Survey of Business Conditions, 2018

Residential Building Permits



seasonally adjusted

2017	Dec	1,940
2018	Jan	2,284
	Feb	2,077
	Mar	2,015
	Apr	1,922
	May	2,450

% Chg From Month Ago 27.5

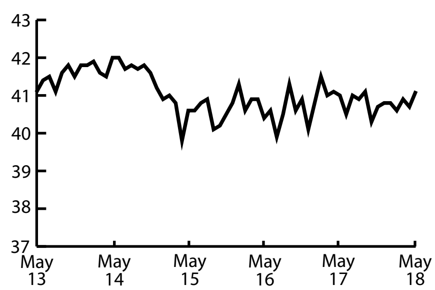
unadjusted

2017	May	2,215
2018	May	2,908

% Chg From Year Ago 31.3%

Source: Residential Building Permits, Census Bureau, U.S. Department of Commerce, 2018

Average Weekly Manufacturing Hours



seasonally adjusted

2017	Dec	40.8
2018	Jan	40.8
	Feb	40.6
	Mar	40.9
	Apr	40.7
	May	41.1

% Chg From Month Ago 1.1

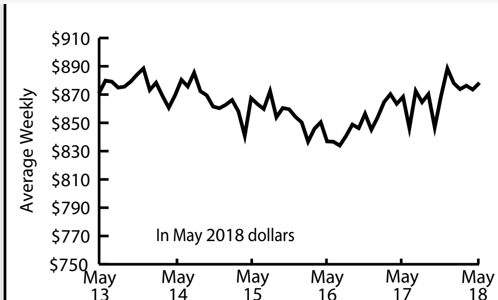
unadjusted

2017	May	40.8
2018	May	41.0

% Chg From Year Ago 0.5%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2018

Manufacturing Earnings



seasonally adjusted

2017	Dec	888.40
2018	Jan	878.09
	Feb	873.83
	Mar	876.29
	Apr	873.53
	May	877.96

% Chg From Month Ago 0.5

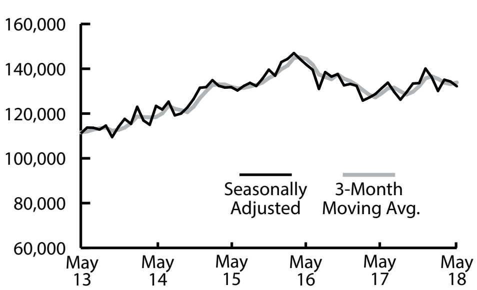
unadjusted

2017	May	869.00
2018	May	879.04

% Chg From Year Ago 1.2%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2018

Online Help-Wanted Advertising

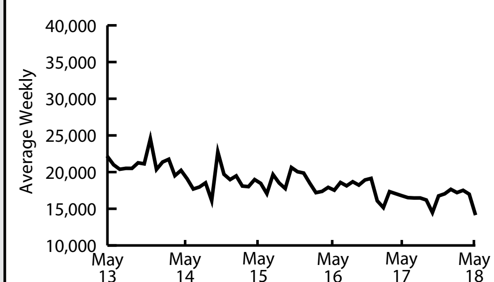


2017	May	131,300
	Jun	133,800
	Jul	129,700
	Aug	126,200
	Sep	129,600
	Oct	133,400
	Nov	133,600
	Dec	140,100
2018	Jan	136,200
	Feb	130,100
	Mar	135,100
	Apr	134,300
	May	132,200

% Chg From Month Ago -1.6
Year Ago 0.7

Source: The Conference Board Inc., 2018

Initial UB Claimants



seasonally adjusted

2017	Dec	17,040
2018	Jan	17,651
	Feb	17,203
	Mar	17,515
	Apr	16,993
	May	14,221

% Chg From Month Ago -16.3

unadjusted

2017	May	15,000
2018	May	12,226

% Chg From Year Ago -18.5%

Source: Department of Employment and Economic Development, Unemployment Insurance Program, 2018

Minnesota Employment Review

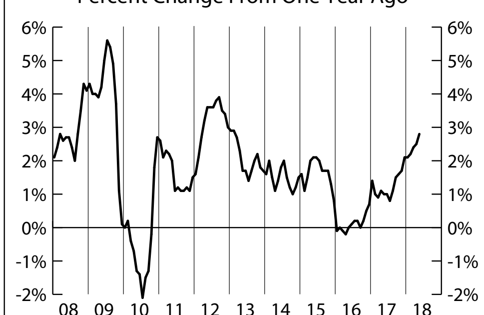
DEED
Labor Market Information Office
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351
651.259.7400 (voice)
1.888.234.1114 (toll free)
651.296.3900 (TTY)
1.800.657.3973 (TTY toll free)
e-mail :
DEED.lmi@state.mn.us
Internet :
mn.gov/deed/lmi

Labor Market Information Help Line:
651.259.7384

PRE-SORTED
FIRST-CLASS MAIL
POSTAGE & FEES
PAID
PERMIT NO. 8717

U.S. Consumer Price Index for All Urban Consumers (CPI-U)

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in May on a seasonally adjusted basis after rising 0.2 percent in April the U.S. Bureau of Labor Statistics reported today. The indices for gasoline and shelter were the largest factors in the seasonally adjusted increase in the all items index, as they were in April.



The all items index rose 2.8 percent for the 12 months ending May, continuing its upward trend since the beginning of the year.

www.bls.gov/cpi/#news

For more information on the U.S. CPI or the semi-annual Minneapolis-St. Paul CPI, call: 651.259.7384 or toll free 1.888.234.1114.

The employment and unemployment data in this publication were produced in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

Editor in Chief: *Carol Walsh*

Editor: *M. B. Hummel*

Technical Editor: *Noah Aitoumeziane*

Statistics: *Nick Dobbins*

Writers: *Oriane Casale, Nick Dobbins, Tim O'Neill, Mark Schultz, Dave Senf, Derek Teed*

Graphics/Layout: and Website Preparation: *Mary Moe*

Commissioner: *Shawntera Hardy*

LMI Office Director: *Steve Hine*

Assistant Director and Technical Supervisor: *Oriane Casale*

The Last Word

New Reality

Eleven years ago Minnesota was on the cusp of a recession that cost over 160,000 jobs and left 235,000 people unemployed. Much has changed since then. After nine consecutive years of economic growth, Minnesota faces labor market conditions as tight as anyone can remember. New reality: Minnesota set a fourth-quarter record with nearly 114,000 job vacancies late last year and had more open jobs than people to fill them. Employers were scrambling to fill vacant positions. With Baby Boomers continuing to retire, economists expect tight labor market conditions to persist for some time. What that will mean for the overall economy is anybody's guess. Read about the new era of worker shortages in Review.

http://www.mn.gov/deed/newscenter/publications/review/june-2018/jvs-2017.jsp

EMPLOYMENT AND ECONOMIC DEVELOPMENT

2017 Job Vacancies

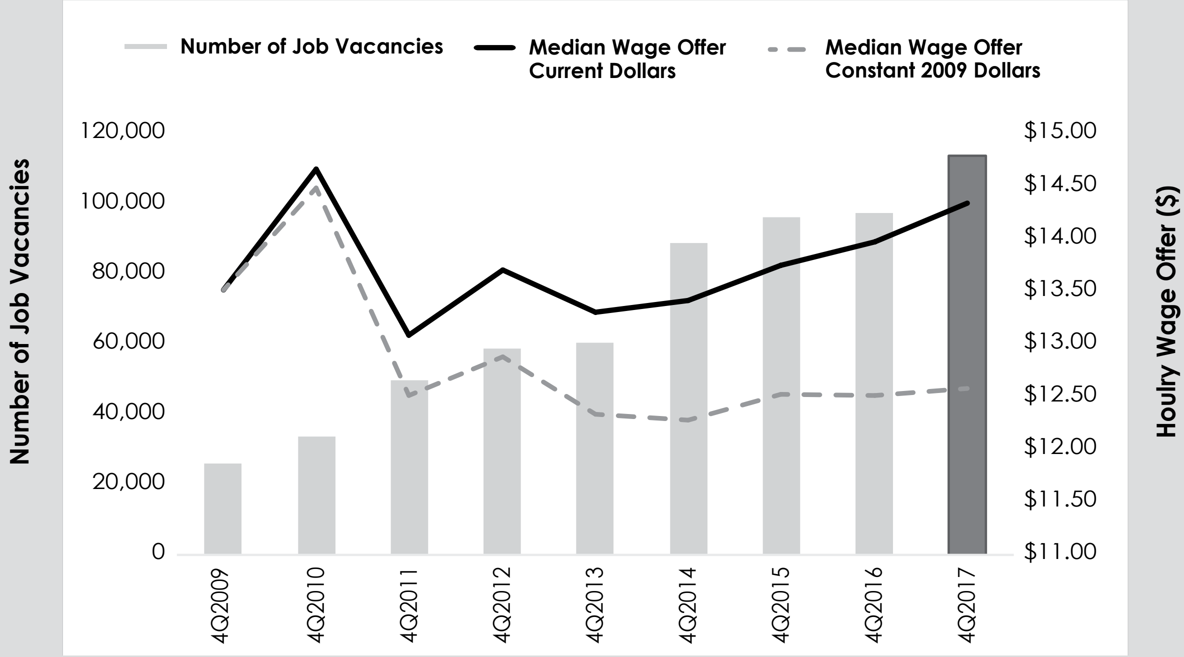
In 2017 the number of job vacancies in Minnesota exceeded all other estimates on record going back to 2001 with 122,929 job vacancies in second quarter and 113,774 in fourth quarter. With low unemployment there have been slightly more vacancies than unemployed people in Minnesota throughout 2017. The number of unemployed per vacancy was 0.9 during second quarter and 0.8 during fourth quarter.

The rising vacancy rate also shows a tightening labor market in 2017, with vacancies representing 4.5 and 4.2 percent of all jobs in second and fourth quarters respectively. This is up from a recession trough of 1.2 and 1.0 percent during second and fourth quarters of 2009. In such a tight labor market it is no wonder that many employers in a variety of industries are having difficulty filling open positions and keeping turnover in check.

Despite the tight labor market, wage offers have been rising slowly, barely keeping pace with inflation. Figure 1 shows vacancies and wage offers since the trough in the number of vacancies at the end of the Great Recession. While vacancies were building back up to the highest level on record, wage offers dropped and then remained flat in constant dollars. So while current dollar wage offers show some growth, inflation has eaten away almost all of its value.

In fourth quarter 2017 the largest number of openings by industry was in Health Care and Social Assistance with 23 percent of the total, followed by Retail Trade with 17 percent, Accommodation and Food Service with 14 percent, and Manufacturing with 9 percent. These are all large sectors with many jobs. The vacancy rate, on the other hand, allows us to determine

Figure 1. Job Vacancies and Median Wage Offers in Current and Constant Dollars, 2009 to 2017



Source: Minnesota Job Vacancy Survey, 2009 to 2017 and Cost of Living Index, Bureau of Labor Statistics

Job Vacancy Survey Methodology

Minnesota's Labor Market Information Office has run an economy wide Minnesota Job Vacancy Survey during the second and fourth quarters of the year since 2001. We survey about 10,000 firms for each round. Firms are selected based on a sampling procedure that stratifies by Economic Development Region, firm size (one to nine employees, 10 to 49 employees, 50 to 249 employees, and 250 employees or more), and 20 industrial sectors so as to achieve complete coverage of the state's economy.

Over half of the firms are sent paper surveys to complete. These tend to be the smaller firms. Data for the other 3,800 firms are collected from each company's website. Overall, a 70 to 75 percent response rate is achieved in each round. Starting this year, a supplemental survey will be mailed to companies in the sample that do not provide wage offers in their on-line job postings. Information about wage offers is not only important to job seekers and employers but is also an important indicator of the overall labor market. We hope through this process to achieve a better representation of wage offers in Minnesota.

which occupations have the highest share of vacancies to filled jobs. Accommodation and Food Service had the highest vacancy rate at 7.0 percent followed by Waste and Administrative Services at 6.8 percent and Retail Trade at 6.6 percent.

All of these sectors had median wage offers below the overall median of $14.34 per hour during fourth quarter 2017, with only two exceptions. Those exceptions were in Manufacturing at $16.88 and Administrative and Waste Services at $14.82. In other words, the lower wage sectors are showing the tightest labor market conditions and may be experiencing more difficulty hiring and retaining staff than higher paid sectors.

Looking at specific occupations can shed more light on labor shortage conditions. Of the over 570 occupations with measured vacancies in fourth quarter 2017, the top seven in terms of number of vacancies represent 25 percent of all vacancies during the quarter (see Table 1). All of these have median wages at or below $13.40 per hour, well below the $14.34 for all vacancies. Table 1 lists the 10 occupations with the most vacancies in fourth quarter 2017.

Comparing over a couple of years, most of the occupations listed in Table 1 have grown in terms of the number of vacancies. Some, like retail salespeople, personal care aides, and cooks, have grown quite substantially. Wage offers have also grown, up 5.9 percent across the board, but not necessarily in line with increasing demand. For example, in these three fast growing occupations, median wage offers bumped up 19 percent for retail salespersons, 8.5 percent for cooks, but only 0.5 percent or six cents for personal care aides over this period.

The good news here is that employers who can are responding to the tight labor market by raising wage offers, even in low skill, low wage occupations. The bad news is that not all employers are in a position to increase wages if wages are constrained by forces other than the market. For example, only the U.S. Congress, because personal care aides are primarily funded through Medicaid, and Minnesota legislatures, because they fund the other half of personal care aides, have the power to raise wages substantially and wage offers substantially for this occupation. As personal care aide wage offers continue to fall behind wage offers in other occupations, the result is critical labor shortages for individuals and families who rely on these services.

Regional Differences

Regionally 68,854 or 60.5 percent of all job vacancies were located in the Twin Cities seven-county area, while the remaining 44,920 vacancies or 39.5 percent were located in Greater Minnesota during fourth quarter 2017. Compared to one year ago, the number of job vacancies increased by 19.3 percent in the Twin Cities and 13.3 percent in Greater Minnesota.

The Twin Cities' job vacancy rate was 4.1 percent, and Greater Minnesota's was 4.3 percent. However, the Twin Cities continues to have a ratio of less than one at 0.6 unemployed persons to each job vacancy, while Greater Minnesota's ratio is 1.0 unemployed persons to each job vacancy. While there is a slightly higher share of unfilled positions in Greater Minnesota, there is also a higher share of unemployed.

The overall median wage offer

is higher in the Twin Cities than Greater Minnesota at $14.95 compared to $13.54. One reason for this is that job offers tend to be higher in the Twin Cities for the same occupation. Overall 277 occupations have lower median wage offers in Greater Minnesota than the Twin Cities and 73 have higher median wage offers.

Minnesota's labor market is expected to continue to tighten as more and more Baby Boomers retire. In 2017 we already saw record numbers of job vacancies. These record breaking numbers are likely to be the norm for years to come barring another recession. It will be interesting to watch how employers respond to this new labor market reality.

by Oriane Casale

Table 1: Largest 10 Occupations in Fourth Quarter 2017 and Three Year Change*

Occupation	Vacancies	Vacancy Rate (%)	Median Wage Offer ($)	% Change Vacancies	% Change Median Wage Offer
Total, All Occupations	113,774	4.2	14.34	18.4	5.9
Retail Salespersons	8,278	9.8	11.97	38.5	19.1
Personal Care Aides	6,640	9.8	11.55	180.5	0.5
Combined Food Prep and Serving Workers	3,251	4.9	10.53	8.8	10.6
Nursing Assistants	2,918	9.4	14.00	15.7	16.7
First-Line Supervisors of Food Prep and Serving	2,649	17.6	13.40	19.4	7.5
Cashiers	2,592	4.1	10.71	-25.2	8.0
Cooks, Restaurant	2,562	10.0	11.82	36.3	8.5
Registered Nurses	2,480	4.0	30.23	-1.0	6.1
Heavy and Tractor-Trailer Truck Drivers	2,376	6.9	18.05	9.2	10.1
First-Line Supervisors of Retail Sales Workers	2,125	9.8	15.43	-10.9	17.1

*Change is measured between fourth quarter 2015 and fourth quarter 2017.

Source: Minnesota Job Vacancy Survey

Minnesota Job Outlook to 2026

The prime goal of employment projections is to provide details on projected job growth and employment prospects for 810 occupations in Minnesota. Projections of future job growth at the national, state, and substate level are widely used in career guidance, in planning education and training programs, and in workforce development efforts in the private and public sectors. Workforce development will be more important than ever in achieving a healthy economy in the future since slow labor force growth over the next decade is expected to keep the state's job picture extremely tight.

Changes in demand for goods and services, productivity advances, technological innovations, and shifts in business practices all combine to alter the mix of occupations that employers will be looking to fill over the next 10 years even with only moderate economic growth. The ongoing retirement of the Baby Boomers over the next 10 years will also heavily influence employment opportunities in Minnesota. Job openings arising from retirements and occupational transfers will be larger than job openings created by employment growth for most occupations.

Total jobs in Minnesota are projected to increase by 181,600 between 2016 and 2026, reaching over 3.2 million jobs by 2026 according to recently released 2016 – 2026 Minnesota employment projections.[1] The projected growth is about 28 percent higher than the previous decade (2006 – 2016) when the state added 128,300 jobs with most of the growth occurring from 2011 to 2016 as the state's job market rebounded from the Great Recession. Job expansion over the last 10 years was severely trimmed by steep job cutbacks experienced during the Great Recession in 2008 – 2010.

Job creation in the state over the next decade while stronger than the previous decade will not accelerate to match job growth two decades ago. The state add 280,000 jobs between 1996 and 2006 even with a mild recession in 2001. While no repeat of the Great Recession is expected during the next 10 years, economic expansion and job growth nationally and in Minnesota will be limited by slow labor force growth as the Baby Boomers continue to retire. Minnesota's labor force participation has inched up over the last few years but remains way below its 2000 peak of 75.4 percent. The state's labor force participation rate, 70.2 percent in 2017, may continue to inch up over the next few years if the job market continues to tighten but any increase will be minimal as the baby boom retirement limits any significant increase in the rate.

When Baby Boomers entered the labor force between 1964 and 1980, they replaced a much smaller older generation in the workforce thus generating robust labor force expansion. A steady increase in female labor force participation between 1960 and 2000 boosted labor force growth even higher before it flattened out in 2000. Since Millennial numbers are just slightly larger than

[1]Detailed 2016 – 2026 occupational and industry employment projections for Minnesota can be found at mn.gov/deed/data/data-tools/employment-outlook/.

Baby Boomers, labor force growth will be subdued as Millennials replace Baby Boomers in the labor force. Unless net immigration into the state increases significantly in the near future the state's labor force will record minimal growth between 2016 and 2026.

Projected jobs include wage and salary employment as well as self-employment with all jobs measured on an annual average basis. Projection employment plunged 4.8 percent between 2007 and 2010 with wage and salary jobs dropping 4.7 percent and self-employed jobs slipping by 6.9 percent. Wage and salary employment surpassed its 2007 peak in 2013, but self-employment continued to fall until 2014. Self-employed jobs were still 5.5 percent lower in 2016 when compared to 2007 while wage and salary jobs were 4.8 percent higher than in 2007. The breakdown of jobs showed that 6.6 percent of jobs in 2016 were self-employed as opposed to the 93.4 percent that were wage and salary jobs.

Job growth has averaged 1.5 percent since 2011 but is expected to decline gradually over the next 10 years to average just over 0.5 percent annually between 2016 and 2026. Most of the projected job expansion will occur over the next five years before tailing off during the second half of the decade as Baby Boomer retirements slow labor force growth and restrict job growth. The moderate job growth combined with slower labor force growth will continue to push Minnesota's unemployment down. Unemployment in the state is likely to fall below 3 percent for the first time since 1999 over the next few years unless a recession develops and demand for workers drops.

Minnesota's long-term industry and occupational employment projections (10-year timeframe) rely heavily on national industry and occupational employment projections produced by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).[2] Minnesota, along with most other states, customizes national projections to reflect state specific industrial, occupational, and demographic traits. Historical employment trends for 290 industries in Minnesota are compared to corresponding national industry employment trends using statistical techniques. The models produced are used with BLS's projections of 2026 national industry employment to produce industry projections for Minnesota.

The key macroeconomic assumptions driving the 2016 – 2026 national industry projections are:

1. Gross Domestic Product (GDP) growth will average 2.0 percent annually during the 10-year period, up from the 1.5 percent annual average experienced during the previous decade, but slower than the 3.3 percent growth achieved between 1996 and 2006.

2. Productivity growth will increase slightly over the next 10 years, averaging 1.6 percent between 2016 and 2026 compared to the 1.5 percent average experienced between 2006 and 2016. The 1.6 percent annual productivity gain will be down from the 2.8 percent achieved between 1996 and 2006.

3. U.S. labor force growth will inch up over the next 10 years, averaging 0.6 percent a year compared to the 0.5 percent annual average of the previous 10 years. Labor force growth between 1996 and 2006 averaged 1.2 percent annually.

4. Unemployment will average 4.7 percent in 2026 or about the same as the 4.9 percent average in 2016 and the 4.6 percent average in 2006.

Projected industry employment is converted to occupational employment projections based on industry staffing patterns and the distribution of industry employment across occupations. Staffing patterns for Minnesota industries are developed from estimates of occupational employment collected through the Minnesota Wage and Salary Survey, which is a product of the Occupational Employment Statistics (OES) program.[3] Shifts in staffing patterns over the 2016 to 2026 period across industries are also projected as part of the BLS national projections. These shifts in staffing patterns are used in Minnesota's projections. The shifts project which occupations within an industry will be increasing or decreasing as a percent of total industrial employment.

[2]The BLS's main projection website is www.bls.gov/emp/. Projections for all states are available at www.projectionscentral.com/Projections/LongTerm.

[3]Information on the Minnesota Wage and Salary Survey is available at mn.gov/deed/data/data-tools/oes/. A condensed 2026 Minnesota staffing pattern matrix (810 occupations across 30 aggregated industries) is available at mn.gov/deed/data/data-tools/occupational-staffing/.

A majority of occupations, 631 in all, will experience employment growth over the next 10 years in Minnesota. The expected expansion of healthcare services over the next decade is a prime example of how changes in the demand for goods and services fuel demand for particular occupations. As the Baby Boomer generation enters their senior years, demand for healthcare services will increase steadily. Increasing healthcare service expenditures will in turn boost the demand for workers in healthcare related jobs like registered nurses, pharmacists, dental assistants, personal care aides, and home health aides both nationally and in Minnesota.

Nineteen occupations are expected to see no change in the number of workers. These are small specialized occupations (less than 100 positions in 2016) that are employed in industries that are expected to experience little employment change. Slightly less than 20 percent of all occupations, 162 to be exact, are projected to decline. Seventy percent of the declining occupations, however, are projected to decline by 10 percent or less.

The 162 shrinking occupations combined accounted for roughly 683,000 jobs or 22 percent of all jobs in 2026. The number of jobs in these occupations is projected to tail off to 651,000 by 2026, an aggregated 7 percent drop. Declining occupations are concentrated in the production, office and administrative support, and management occupational groups. Almost all of the job loss in the managerial group is expected to be farmers, ranchers, and other agricultural managers which are included in the managerial occupation group. Minnesota farmers totaled 50,800 in 2016 and are projected to slip to 49,500 or a 2.7 percent decline over the next 10 years. Other occupations expected to see their numbers shrink the most over the next 10 years are team assemblers, executive secretaries, secretaries and administrative assistants, electrical and electronic equipment assemblers, and general office clerks.

Some occupations will decline as industries which employ workers in the declining occupations cut back their workforces. Electrical and electronic equipment assemblers is one such occupation. Continued reduction in Minnesota's computer and electronic product manufacturing is expected over the next 10 years, leading to a reduction in the number of electrical and electronic equipment assemblers (SOC 51-2022).

General office clerks, on the other hand, are employed across multiple industries yet are still expected to decline slightly with automation of some of their work. For example, in 2016 an estimated 3,030 office clerks (SOC 43-9061) were working in the real estate industry (NAICS 531), accounting for 11 percent of the 27,000 workers in the industry. While this industry is expected to increase employment to 28,600 by 2026, office clerk positions within the industry will drop to 2,780 in 2026. Office clerk positions in the real estate industry will shrink by 8 percent by 2026 even though real estate employment is expected to expand by 6 percent.

Minnesota's total employment is projected to climb 5.8 percent over the 2016 – 2026 period, compared to projected U.S. employment growth of 7.4 percent over the same time period. Minnesota's employment growth trailed the U.S. pace during the previous 10 years, 4.3 percent for the state compared to 4.7 percent nationwide.

Most of the predicted job growth will occur in the 415 occupations projected to grow faster than overall employment. These fast growing occupations are anticipated to add roughly 180,100 new positions. The 216 occupations that will expand below the overall job growth rate will add a combined 34,000 jobs. Nineteen occupations are expected to experience no change in numbers over the next 10 years. The other 162 occupations are expected to be declining occupations. The combined loss of shrinking occupations is projected to be approximately 32,500, bringing net job growth to 181,600 jobs. So 180,100 jobs from fast growing occupations + 34,000 jobs from slower growing occupations - 32,500 jobs from shrinking occupations = 181,600.

Three major occupational groups will experience job growth twice the rate of overall job growth over the next 10 years – personal care and service, healthcare support, and healthcare practitioners and technical. Growth in the fastest growing occupational groups will be fueled by climbing senior citizen numbers and their increasing health care demand. Eleven of the 22 major occupational groups are expected to grow faster than average but not twice as fast. The other eight occupational groups are projected to expand slower than overall employment growth. Two of the groups – office and administrative support and production occupations – are expected to see their workforces shrink slightly, with office and administrative support jobs slipping by 0.8 percent and production jobs decreasing by 2.0 percent.

When the occupational aggregation scheme is combined into only 10 super groups then the state's two largest major occupational groups in 2016 – professional and related and service occupations – will add the most jobs in Minnesota from 2016 to 2026 (see Table 1 which lists projections for super occupational groups ranked by 2016 employment). These two super occupational groups, which tend to have occupations at the opposite ends of the educational attainment and earnings range, are projected to account for 71 percent of all net

Table 1. Projections for Super Occupational Groups 2016 - 2026

	Estimated 2016	Projected 2026	2016 - 2026 Numeric Change	2016 - 2026 Percent Change
Total Employment	**3,097,300**	**3,278,900**	**181,600**	**5.9**
Professional and Related	679,070	739,780	60,710	8.9
Service	633,790	702,320	68,530	10.8
Office and Administrative Support	423,740	420,510	-3,230	-0.8
Management, Business, and Financial	413,540	441,690	28,150	6.8
Sales and Related	295,310	300,900	5,590	1.9
Production	224,790	220,280	-4,510	-2.0
Transportation and Material Moving	188,100	196,340	8,240	4.4
Construction and Extraction	119,140	129,150	10,010	8.4
Installation, Maintenance, and Repair	103,310	109,970	6,660	6.5
Farming, Fishing, and Forestry	16,510	17,960	1,450	8.8

Source: DEED LMI Office Projections

employment growth over the next 10 years, adding 129,000 new positions. Professional and service occupations accounted for 42.4 percent of all employment and are projected to account for 44 percent of 2026 employment.

Service occupations will not only be adding the most jobs over the next decade but will also be the fastest growing occupational group. Service occupations, fueled by rapidly climbing healthcare support jobs and personal care and service jobs, are anticipated to expand 10.8 percent, adding roughly 68,500 workers. Production occupations are anticipated to decline the most in both absolute and percent terms. Productions jobs are projected to decline by 4,500 positions or by 2.0 percent as manufacturers continue to find ways to increase production with fewer workers.

The top 50 occupations in terms of the number of workers employed accounted for 50.3 percent of all state employment in 2016. The largest occupations range from retail salespersons (86,800 jobs) to executive secretary and administrative assistant (14,580 jobs). Employment growth in these large occupations will account for 51.5 percent of all job growth over the next decade. The net result is that the share of total employment accounted for by the 50 largest occupations (50.4 percent in 2026) will remain virtually unchanged over the next 10 years. Ten of the largest occupations are expected to see their workforce numbers shrink with team assemblers, executive secretaries and administrative assistants, secretaries and administrative secretaries, and office clerks anticipated to see the steepest declines.

The top 50 fastest growing occupations among occupations with employment of more than 500 workers in 2026 combined for 8.7 percent of the 2016 employment base but are anticipated to account for 35.4 percent of jobs created over the next 10 years. There are 526 occupations that employed more than 500 workers in 2016 and 286 occupations that employed below 500 workers. The 50 fastest expanding occupations are projected to grow on average by 20.4 percent or more than three times the anticipated overall job growth rate. The expected increases range from 39 percent for statisticians to 14.8 percent for production helpers.

As presented above, projected employment growth can be viewed from two perspectives – percent change and numerical change. Some occupations, which start with a large number of workers in 2016, are projected to grow slower than overall employment growth but will add a large number of workers by 2026. Other occupations, which have relatively small numbers of workers in 2016, are projected to grow rapidly over the next 10 years but will add relatively few new jobs. The distinction between occupations with fast employment growth and occupations expected to add the most jobs is apparent when the 50 fastest growing occupations

Table 2. Fastest Growing Occupations

	2016 - 2026 Percent Change	2016 - 2026 Numeric Change
Statisticians	39.1	360
Personal Care Aides	33.6	22,980
Physician Assistants	30.9	610
Home Health Aides	30.7	7,850
Nurse Practitioners	27.8	990
Magnetic Resonance Imaging Technologists	26.2	190
Phlebotomists	26.2	500
Medical Assistants	25.3	2,480
Hazardous Materials Removal Workers	24.5	150
Software Developers, Applications	23.8	3,600
Information Security Analysts	23.8	880
Massage Therapists	22.6	820
Operations Research Analysts	22.4	590
Veterinary Technologists and Technicians	22.3	560
Earth Drillers, Except Oil and Gas	22.3	120
Therapists, All Other	21.8	120
Health Specialties Teachers, Postsecondary	20.8	680
Veterinarians	20.7	360
Septic Tank Servicers and Sewer Pipe Cleaners	20.7	150
Athletic Trainers	20.5	160
Diagnostic Medical Sonographers	20.5	330
Computer Numerically Controlled Machine Tool Programmers	20.2	150
Market Research Analysts and Marketing Specialists	20.1	2,840
Marriage and Family Therapists	19.9	220
Veterinary Assistants and Laboratory Animal Caretakers	19.9	210
Occupational Therapy Assistants	19.2	100
Physical Therapist Assistants	18.6	280
Medical and Health Services Managers	18.5	1,470
Nursing Instructors and Teachers, Postsecondary	18.4	250
Self-Enrichment Education Teachers	18.2	1,650
Physical Therapists	17.8	760
Personal Financial Advisors	17.4	910
Telecommunications Line Installers and Repairers	17.3	240
Environmental Science and Protection Technicians, Including Health	17.3	130
Appraisers and Assessors of Real Estate	17.1	440
Mental Health Counselors	16.8	740
Financial Managers	16.8	2,580
Building Cleaning Workers, All Other	16.5	110
Nurse Anesthetists	16.0	290
Ophthalmic Medical Technicians	15.9	150
Optometrists	15.7	120
Community Health Workers	15.5	220
Mental Health and Substance Abuse Social Workers	15.4	470
Coaches and Scouts	15.4	720
Surgeons	15.2	200
Medical Secretaries	15.1	1,780
Anesthesiologists	15.1	90
Health Technologists and Technicians, All Other	14.9	190
Preschool Teachers, Except Special Education	14.9	1,040
Helpers--Production Workers	14.8	1,590

Source: DEED LMI Office Projections

(Table 2) are compared to the 50 occupations expected to add the most jobs (Table 3). Only 13 occupations appear on both Top 50 lists. The combined job growth of these occupations is 51,800 jobs or 28.5 percent of total projected job growth. A large share of the new jobs expected in this group of occupations will be personal care aide positions.

The occupations are:

Financial Managers
Production Workers Helpers
Home Health Aides
Market Research Analysts and Marketing Specialists
Medical and Health Services Managers
Medical Assistants
Medical Secretaries
Nurse Practitioners
Personal Care Aides
Personal Financial Advisors
Preschool Teachers, Except Special Education
Self-Enrichment Education Teachers
Software Developers, Applications

Job opportunities tend to be better in occupations that are growing, but new openings created by employment growth are a tiny part of the future job opportunities across occupations. The chance of scoring a job in a particular occupation also depends on how many workers are leaving the occupation and on how many job seekers are looking to enter that occupation. Job openings created by workers leaving the labor force or transferring to a different occupation will far exceed openings generated by employment growth.

Over the 10 year projection period, openings generated by employment growth are projected to be around 181,600. Openings generated by workers exiting the labor force, primarily through retirement, are projected to be around 1,480,000. Job openings from workers transferring from one occupation to another will surpass exit openings with 1,950,300 occupational transfers anticipated over the decade. Only 5 percent of job openings over the next 10 years are expected to arise from employment growth.

Table 4 lists the 20 occupations expected to have the most openings over the decade. Even occupations that are anticipated to experience decline during the next 10 years will have thousands of exit and transfer openings. For example, the number of workers employed as bookkeeping, accounting, and auditing clerks in Minnesota is projected to decline by 1,010 as technological change and automation reduce the demand for workers in this occupation.

Some of the 35,930 individuals working as bookkeeping, accounting, and auditing clerks in 2016 will still be working in that occupation in 2026 but many others will have retired or transferred to another occupation over the next 10 years thereby creating labor market exit and occupational transfer openings for bookkeepers, accounting, and auditing clerks. Over the 10 years 21,940 bookkeeping, accounting, and auditing clerks are expected to retire or leave the labor force for other reasons thereby creating openings in the occupation. Another 17,020 openings are expected to be generated by bookkeeping, accounting, and auditing clerks who take another job in different occupations. Even though the number of bookkeeping, accounting, and auditing clerks is expected to fall from 35,930 in 2016 to 34,920 in 2026, there will be a need for 37,950 workers to fill the openings in this occupation created by labor force exits and occupational transferring.

Looking at labor force exits and occupational separations on an annual average basis provides another way of understanding the job churning that occurs in Minnesota's job market. Each year roughly 2,200 workers leave their bookkeeping, accounting, and auditing clerk job by exiting the labor force while another 1,700 workers leave the occupation taking another job in a different occupation. That translates into about 11 percent of bookkeeping, accounting, and auditing clerks turning over each year.

The occupational turnover rate created from occupational separation openings (labor force exit and occupational transfer openings) for bookkeeping, accounting, and auditing clerks is about average among Minnesota's 810 occupations. Occupations that require extended years of education, like doctors and lawyers, have low occupational separation rates as few doctors or lawyers transfer out of their professions into some other occupation. The occupational turnover or separation rate for surgeons is 2.8 percent and 4.3 percent for lawyers.

Table 3. Occupations Adding the Most Jobs

	2016 - 2026 Percent Change	2016 - 2026 Numeric Change
Accountants and Auditors	9.4	2,830
Bus Drivers, School or Special Client	8.0	1,250
Business Operations Specialists, All Other	7.9	1,980
Carpenters	5.6	1,200
Childcare Workers	8.5	2,370
Combined Food Preparation and Serving Workers, Including Fast Food	12.0	7,980
Computer Systems Analysts	5.9	940
Construction Laborers	9.7	1,630
Cooks, Restaurant	7.2	1,830
Elementary School Teachers, Except Special Education	4.6	1,360
Financial Managers	16.8	2,580
General and Operations Managers	7.4	3,220
Hairdressers, Hairstylists, and Cosmetologists	6.9	1,090
Heavy and Tractor-Trailer Truck Drivers	6.4	2,460
Helpers--Production Workers	14.8	1,590
Home Health Aides	30.7	7,850
Industrial Engineers	10.8	940
Insurance Sales Agents	9.0	900
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	8.2	3,990
Laborers and Freight, Stock, and Material Movers, Hand	5.5	2,130
Landscaping and Groundskeeping Workers	8.9	1,700
Lawyers	9.2	1,160
Licensed Practical and Licensed Vocational Nurses	12.3	2,180
Light Truck or Delivery Services Drivers	5.6	920
Maids and Housekeeping Cleaners	8.0	1,540
Maintenance and Repair Workers, General	6.9	1,610
Management Analysts	11.1	1,770
Managers, All Other	6.7	1,080
Market Research Analysts and Marketing Specialists	20.1	2,840
Medical and Health Services Managers	18.5	1,470
Medical Assistants	25.3	2,480
Medical Secretaries	15.1	1,780
Nurse Practitioners	27.8	990
Nursing Assistants	5.8	1,890
Operating Engineers and Other Construction Equipment Operators	8.9	890
Personal Care Aides	33.6	22,980
Personal Financial Advisors	17.4	910
Plumbers, Pipefitters, and Steamfitters	13.1	1,250
Preschool Teachers, Except Special Education	14.9	1,040
Receptionists and Information Clerks	5.2	960
Registered Nurses	11.1	7,250
Sales Representatives, Services, All Other	8.0	1,630
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	5.8	1,960
Secondary School Teachers, Except Special and Career/Technical Education	4.7	1,010
Self-Enrichment Education Teachers	18.2	1,650
Social and Human Service Assistants	8.2	1,230
Software Developers, Applications	23.8	3,600
Stock Clerks and Order Fillers	3.4	1,150
Teacher Assistants	6.7	2,210
Waiters and Waitresses	2.5	1,270

Source: DEED LMI Office Projections

Occupations with high occupational separation rates tend to be jobs that require little training, are low paying, and usually considered entry level jobs. The jobs grouped together in the lifeguards, ski patrol, and other recreational protective service occupation have an occupational separation rate of 25 percent. That means that from one year to the next 25 percent of this occupation's workforce moves on either exiting the labor force or taking another job in a new occupation. Other occupations with high numbers of occupational separation openings include: cashiers, waiters and waitresses, combined food preparation and serving workers, counter attendants at food places, amusement and recreation attendants, and ushers, lobby attendants, and ticket takers.

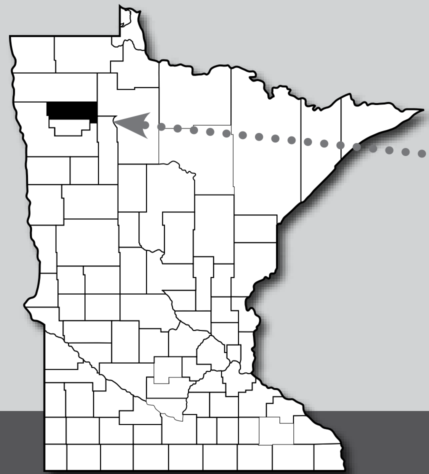
As shown at the top of Table 4 the 181,600 new jobs that are expected to be created over the next 10 years are only a small percent (5 percent) of the projected total job openings. The other 95 percent of job openings will be split between openings created by labor market exits (41 percent of all openings) and occupational transfers (54 percent). During each year between 2016 and 2026 roughly 4.7 percent of all jobs will need a replacement worker from labor market exits and another 6.3 percent of jobs will need a replacement worker from occupational transfers. When exploring career options using 2016-2026 employment projections, it is important to consider both employment growth generated openings and projected job openings created by labor force exits and occupational transfers.

by Dave Senf

Table 4. Occupations with the Most Job Openings

	2016 Employment	Job Openings from Employment Growth 2016 - 2026	Job Openings from Labor Market Exits 2016 - 2026	Job Openings from Occupational Transfers 2016 - 2026	Total Job Openings 2016 - 2026
Total Employment	3,097,300	181,600	1,480,000	1,950,300	3,611,900
Combined Food Preparation and Serving Workers, Including Fast Food	66,730	7,980	62,630	65,500	136,110
Personal Care Aides	68,410	22,980	63,770	48,040	134,790
Retail Salespersons	86,820	-850	54,700	68,560	122,410
Cashiers	64,170	-260	60,120	58,680	118,540
Waiters and Waitresses	50,540	1,270	37,880	58,040	97,190
Customer Service Representatives	57,600	400	29,550	43,360	73,310
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	48,830	3,990	33,080	31,970	69,040
Office Clerks, General	57,500	-1,370	33,340	32,480	64,450
Laborers and Freight, Stock, and Material Movers, Hand	38,660	2,130	19,680	33,960	55,770
Heavy and Tractor-Trailer Truck Drivers	38,400	2,460	16,800	24,890	44,150
Stock Clerks and Order Fillers	33,540	1,150	18,630	24,310	44,090
Childcare Workers	27,760	2,370	23,630	17,930	43,930
Registered Nurses	65,410	7,250	19,770	15,010	42,030
Home Health Aides	25,600	7,850	17,940	14,920	40,710
General and Operations Managers	43,540	3,220	9,360	26,930	39,510
Nursing Assistants	32,660	1,890	20,410	16,980	39,280
Cooks, Restaurant	25,610	1,830	15,540	21,220	38,600
Bookkeeping, Accounting, and Auditing Clerks	35,930	-1,010	21,940	17,020	37,950
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	33,950	1,960	11,530	23,400	36,880
Teacher Assistants	32,810	2,210	18,610	15,470	36,290

Source: DEED LMI Office Projections



CountySnapshot Pennington

Past

Pennington County was formed in 1910 and was named after Edmund Pennington, the vice president of the Minneapolis, St. Paul, and Sault Ste. Marie Railroad. The county is 616.6 square miles according to the U.S. Census and is one of the state's savanna region counties, composed of a larger amount of savanna soils compared to prairie or forest.

Future

Pennington County experienced a growth of 654 residents from 2000 to 2017, an increase of 4.8 percent. With this population growth, the labor force in the county also saw an 18.7 percent increase during this time frame, a net gain of 1,435 people. Of the workers who live in the county, 1,603 leave the county for work elsewhere. The county, however, is a net importer of labor with 4,008 workers from outside the county commuting in for work. Marshall and Red Lake send the most non-residents into the county for work while the highest number of residents leave for Polk and Cass Counties for their jobs. From the current county population estimate of 14,238, the population is projected in increase by 360 (2.5 percent) by the year 2030. As the economy continues to tighten, the labor force is projected to see a decline with an estimated loss of 1,385 workers (down 15.2 percent).

Economy

Estimates	Pennington County	Minnesota
Population (2017 Annual Estimate)	14,238	5,576,606
Labor Force (4/2018)	8,826	3,100,699
Unemployment Rate (4/2018)	4.9%	3.1%
Household Income (2016)	$51,156	$63,217
Cost of Living Wage Requirement (Individual)	$12.06	$15.22
Cost of Living Wage Requirement (Average Family)*	$13.86	$18.47

Source: DEED Local Area Unemployment Statistics, DEED Cost of Living, U.S. Census American Community Survey
**Average Family: 2 parents, 1 full-time/1 part-time, 1 child*

Trends

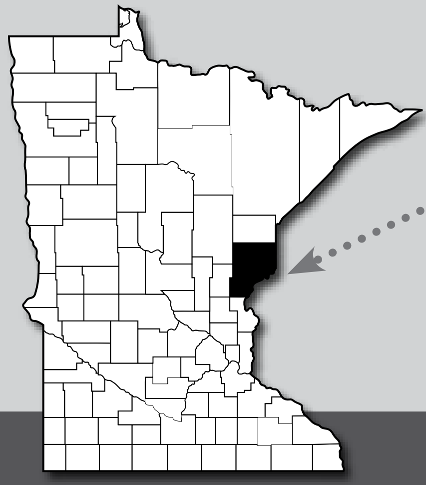
Of the total industries within Pennington County, the top five make up 65.2 percent of the estimated 10,125 jobs in 415 firms. The largest employing industry is Wholesale Trade which accounts for over one-third of the total jobs itself (3,660 jobs in 30 establishments). Rounding out the top five industries in the county are Retail Trade (983 jobs at 71 firms), Manufacturing (958 jobs at 21 firms), Arts, Entertainment, and Recreation (531jobs at 11 firms), and Accommodation and Food Services (468 jobs at 29 firms).

In general, the county saw an 11.7 percent increase in jobs from 2010 to 2017, resulting in a gain of 1,074 jobs across all industries. The largest increases in jobs occurred in Wholesale Trade, (1,026 jobs) and Administrative and Support and Waste Management and Remediation Services (279 jobs), while Manufacturing (down 102 jobs) and Arts, Entertainment, and Recreation (down 56 jobs) saw the largest decreases, yet remained in the top five highest employing industries.

Industry

		Total 2017 Employment	Percent Change 2010-2017	Average 2017 Annual Wages	Percent Change 2010-2017
	Total, All Industries	**10,125**	**11.7%**	**$44,356**	**24.9%**
1	Wholesale Trade	3,661	38.9%	$54,340	16.5%
2	Retail Trade	983	-3.5%	$23,660	21.0%
3	Manufacturing	958	-9.6%	$41,860	1.5%
4	Arts, Entertainment, and Recreation	531	-9.5%	$19,396	13.7%
5	Accommodation and Food Services	468	2.4%	$13,312	32.0%

Source: DEED Quarterly Census of Employment and Wages 2006-2016



CountySnapshot
Pine

Past

Pine County was formed in 1856 and covers 1,411 square miles containing many lakes and rivers that provide a copious amount of "scenic and recreational activities" according to the county web site (www.co.pine.mn.us). Interestingly, the county was featured in mystery novels written by Dean Hovey, which have received nominations for a Northeasters Minnesota Book Award for the effective portrayal of life in that part of the state.

Future

Pine County experienced a growth of 2,673 residents from 2000 to 2017, an increase of 10.1 percent. With this population growth, the labor force in the county also saw an 11.8 percent increase during this time frame, a gain of 1,586 people. Of the workers who live in the county, 6,606 leave the county for work elsewhere, making the county a net exporter of labor. However, the county draws in 2,720 workers from outside the county who commute in for their jobs. The counties that send the most non-residents workers into Pine County are Kanabec and Chisago while Carlton and Hennepin counties see the highest number of Pine County residents commute in for work. While the county is currently home to 29,203 residents according to 2017 U.S. Census estimates, this number is projected to increase slightly by 2030, jumping 0.5 percent or 136 residents. Despite this increase in population the county is actually expected to see a labor force decline of over 2,700 workers by 2030, a drop of 18.2 percent.

Economy

Estimates	Pine County	Minnesota
Population (2017 Annual Estimate)	29,203	5,576,606
Labor Force (4/2018)	15,290	3,100,699
Unemployment Rate (4/2018)	5.9%	3.1%
Household Income (2016)	$45,379	$63,217
Cost of Living Wage Requirement (Individual)	$15.44	$15.22
Cost of Living Wage Requirement (Average Family)*	$17.45	$18.47

Source: DEED Local Area Unemployment Statistics, DEED Cost of Living, U.S. Census American Community Survey
**Average Family: 2 parents, 1 full-time/1 part-time, 1 child*

Trends

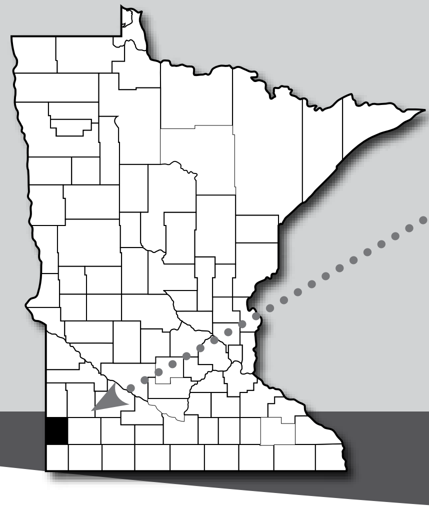
Of the total industries within Pine County, the top five make up 72.1 percent of the estimated 8,342 jobs in 629 firms. The largest employing industry is Accommodation and Food Service which accounts for over one-quarter of the total jobs itself (2,332 jobs in 61 establishments). Rounding out the top five industries in the county are Retail Trade (1,036 jobs at 81 firms), Healthcare and Social Assistance (969 jobs at 49 firms), Educational Services (882 jobs at 15 firms), and Public Administration (801 jobs at 39 firms).

In general, the county saw a 1.3 percent increase in jobs from 2010 to 2017, resulting in a gain of 110 jobs across all industries. The largest increases in jobs occurred in Accommodation and Food Service (1,523 jobs) and Construction (166 jobs), while Arts, Entertainment, and Recreation (down 1,725 jobs) and Healthcare and Social Assistance (down 103 jobs) saw the largest decreases but remained in the top five highest employing industries).

Industry

		Total 2017 Employment	Percent Change 2010-2017	Average 2017 Annual Wages	Percent Change 2010-2017
	Total, All Industries	**8,342**	**1.3%**	**$31,096**	**15.4%**
1	Accommodation and Food Services	2,332	188.3%	$22,672	96.4%
2	Retail Trade	1,036	5.5%	$22,152	22.1%
3	Healthcare and Social Assistance	969	-9.6%	$29,536	16.9%
4	Educational Services	882	0.8%	$40,716	14.6%
5	Public Administration	801	4.8%	$48,308	11.1%

Source: DEED Quarterly Census of Employment and Wages 2006-2016



CountySnapshot Pipestone

Past

Established in 1857, Pipestone County had previously experienced explorers and traders visiting the county. People deferred settlement in the county, however, because they saw it as "Indian territory". The name Pipestone came about because the county is home to accumulations of red pipestone that Native Americans in the area used to create pipes. The county is home to a prime example of the "skilled (architectural) craftsmanship and beauty" in the state with the county courthouse, which is characterized by a 100-foot "renaissance dome", atop which rests a bronze statue of "Justice".

Future

Pipestone County, unfortunately, experienced a population decline of 8.2 percent from 2000 to 2017, equaling 808 fewer residents. Not surprisingly, accompanying this population decline was a decrease in the labor force, which fell from 5,421 in 2000 to 4,821 in 2017 - a drop of 600 workers (11.1 percent). The county experiences a higher number of residents leaving the county for work than they see non-residents coming in for work – 2,026 residents leave while only 1,653 non-residents commute in from outside. The highest number of non-residents come in from Murray and Rock Counties while the largest number of Pipestone County residents travel to Minnehaha in South Dakota and Lyon Counties for work. Currently home to 9,087 residents, the county is anticipated to see an overall decline in population of almost 960 people or 10.5 percent by 2030 and, as the labor market continues to tighten, the labor force is also projected to see a decrease of almost 700 workers by then, a drop of 14.4 percent.

Economy

Estimates	Pipestone County	Minnesota
Population (2017 Annual Estimate)	9,087	5,576,606
Labor Force (4/2018)	5,098	3,100,699
Unemployment Rate (4/2018)	3.6%	3.1%
Household Income (2016)	$48,944	$63,217
Cost of Living Wage Requirement (Individual)	$13.51	$15.22
Cost of Living Wage Requirement (Average Family)*	$14.66	$18.47

Source: DEED Local Area Unemployment Statistics, DEED Cost of Living, U.S. Census American Community Survey
**Average Family: 2 parents, 1 full-time/1 part-time, 1 child*

Trends

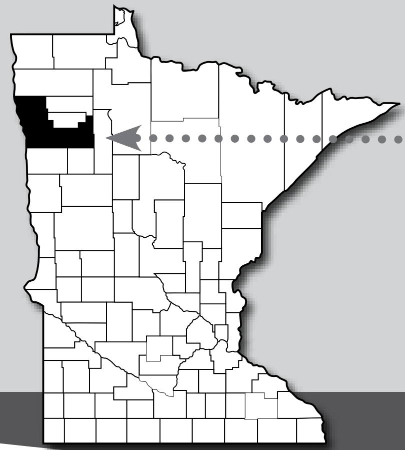
Of the total industries within Pipestone County, the top five make up just under three-quarters (74.9 percent) of the estimated 4,497 jobs in 354 firms. The largest employing industry is Education and Health Services which makes up over one-quarter (26.4 percent) of the jobs in the county. Trade, Transportation, and Utilities comes in second with 925 jobs in 99 establishments, followed by Manufacturing (508 jobs in 14 firms), Natural Resources and Mining (412 jobs in 33 firms), and Construction (337 jobs in 56 firms).

In general, the county saw a 1.3 percent increase in jobs from 2010 to 2017, resulting in a gain of 210 jobs across all industries. The largest increases in jobs occurred in Construction, which gained 193 jobs, and Natural Resources and Mining, which saw an increase of 118 jobs. Of the five industries that saw job declines, the highest occurred in Leisure and Hospitality (down 83 jobs) and Education and Health Services (down 79). Despite the loss in jobs from 2010 to 2017, Education and Health Services remained in the top five highest employing industries.

Industry

		Total 2017 Employment	Percent Change 2010-2017	Average 2017 Annual Wages	Percent Change 2010-2017
	Total, All Industries	**4,497**	**4.9%**	**$37,076**	**35.3%**
1	Education and Health Services	1,186	-6.2%	$31,824	15.9%
2	Trade, Transportation, and Utilities	925	-4.7%	$32,986	31.0%
3	Manufacturing	508	8.1%	$41,756	20.8%
4	Natural Resources and Mining	412	40.1%	$39,728	16.5%
5	Construction	337	134.0%	$51,064	52.0%

Source: DEED Quarterly Census of Employment and Wages



CountySnapshot
Polk

Past

Named after the 11th U.S. President, James Polk, Polk County came to be in 1858, but was not officially organized until 1872-73. Polk County is ranked number one in the production of three crops - spring wheat, dry beans, and sugar beets – according to the Minnesota Department of Agriculture. The county is also home to two national wildlife refuges – Glacial Ridge and Rydell.

Future

Polk County experienced a rather small population gain from 2000 to 2017 with an increase of only 250 people (0.8 percent). However, during this time frame the labor force saw a more sizable increase, growing by 7.3 percent (1,158 people). Just under 50 percent, 49.8 to be exact, of the county's residents leave the county to work in nearby counties, which equals an exodus of about 7,870 residents. However, the county also draws in about 4,870 non-residents to work in jobs in the county. In fact, the largest number of workers who commute into the county actually come from Grand Forks County in North Dakota, with the second largest number of commuters come in from Red Lake County, MN. Of the county residents who go elsewhere to work, over one-half (51.4 percent or 4,048 residents) commute to Grand Forks County, ND, while another 4.9 percent (770) are employed in Cass County, ND.

Economy

Estimates	Polk County	Minnesota
Population (2017 Annual Estimate)	31,619	5,576,606
Labor Force (4/2018)	17,214	3,100,699
Unemployment Rate (4/2018)	4.1%	3.1%
Household Income (2016)	$53,059	$63,217
Cost of Living Wage Requirement (Individual)	$13.53	$15.22
Cost of Living Wage Requirement (Average Family)*	$15.31	$18.47

Source: DEED Local Area Unemployment Statistics, DEED Cost of Living, U.S. Census American Community Survey
**Average Family: 2 parents, 1 full-time/1 part-time, 1 child*

Industry

		Total 2017 Employment	Percent Change 2010-2017	Average 2017 Annual Wages	Percent Change 2010-2017
	Total, All Industries	**12,258**	**0.7%**	**$39,000**	**25.4%**
1	Health Care and Social Assistance	2,428	-8.5%	$40,456	49.9%
2	Manufacturing	1,693	13.8%	$53,768	24.1%
3	Educational Services	1,424	2.2%	$41,392	9.5%
4	Retail Trade	1,289	4.1%	$23,972	21.0%
5	Accommodation and Food Services	1,020	-3.7%	$13,988	39.4%

Source: DEED Quarterly Census of Employment and Wages

Trends

Of the total industries within Polk County, the top five make up almost 65 percent (64.1) of the estimated 12,258 jobs in 965 firms. The largest employing industry is Healthcare and Social Assistance which accounts for 19.8 percent of the jobs in the county. Rounding out the top five industries in the county are Manufacturing (1,693 jobs in 41 firms), Educational Services (1,424 jobs in 27 firms), Retail Trade (1,289 jobs in 95 firms), and Accommodation and Food Services (1,020 jobs in 67 firms).

In general, the county saw job growth of less than 1 percent (0.7) from 2010-2017, which amounted to 82 additional jobs across all industries. Manufacturing, which jumped by 205 during this time, saw the largest increase in jobs, and Agriculture, Forestry, Fishing, and Hunting saw the second highest job gain with 118. However, while remaining in the top five industries in the county, Healthcare and Social Assistance actually saw the highest decrease in jobs, dropping by 226, followed by Professional, Scientific, and Technical Services which decreased by 70 jobs.

by Mark Schultz