EMPLOYMENT AND ECONOMIC DEVELOPMENT

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Features:

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Capitalizing on Experience

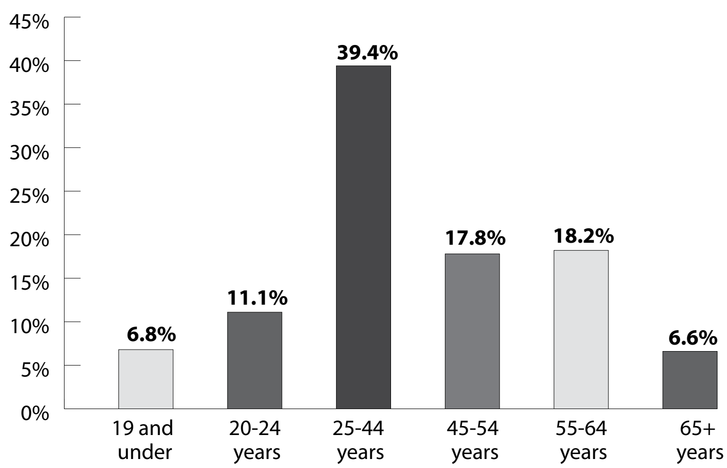
Southwest Minnesota, like the rest of the state, is in the midst of a significant population shift as baby boomers get older and jump up to the next higher age brackets. The most recent estimates from the U.S. Census Bureau show that those age 55 and over make up almost one-third (32.3 percent) of the total population in the region, an increase of 24.1 percent from 2000. With this aging of the population, there is a subsequent impact on the labor force. Currently workers 55 and older make up 25.7 percent of the labor force, but will they become more engaged in the labor force than the current norms?

An estimated 13,600 workers 65 years or older are employed in southwest Minnesota's labor force. The rate of participation in the labor force falls sharply beyond age 64. Roughly 70 percent of workers in the first half of their 60s are in the labor force, but less than a third of 65 to 74 year olds remain in the labor force, and less than 7 percent over 75 years are in the labor force. With a larger proportion of people already older in the region, as they continue to age, the labor force will decline in the coming decades.

Labor force projections from 2020 to 2030 show a predicted significant loss of residents between the ages of 55 to 64 equalling a decrease of about 10,860 workers, a drop of about 26.6 percent. In tandem, the number of labor force participants ages 65 and over are projected to increase by about 2,680, a jump of 16.1 percent. This is because people who are currently 55 to 64 years will be 65 and over in 10 years, so the change is from Baby Boomers aging from one part of the pyramid to another. Despite the projected increase of the oldest workers, many will exit the labor force entirely. Without a bulging population of younger workers to replace them, southwest Minnesota is expected to have 8,100 fewer workers by 2030. Essentially, this means more people will be in the oldest age group, but unless their labor force participation rates go upward rapidly, there won't be enough new workers to replace the retirees.

So what are older workers currently doing in the workforce? According to DEED's Quarterly Employment Demographics data, across all industries there is an inverted "U" shaped trend which shows jobs peaking between the ages of 25 to 44 years before starting to turn downward (see Figure 1). It should be noted, however, that the age brackets which these data represent are not equal. For example, for the younger cohorts there is a five year bracket for individuals between the ages of 20 and 24, followed by a 20-year bracket consisting of those between the ages of 25 and 44 years,

Figure 1. Percent of Jobs by Age Group, Southwest Minnesota (2017 Averages)



Source: DEED Quarterly Employment Demographics trailed by two 10-year brackets and then an "all other" category for those ages 65 and over. This explains the rather large representation in the middle of the distribution. There is also a higher representation among those between the ages of 55 and 64 compared to the younger cohort consisting of those between the ages of 45 and 54. The oldest age category, made up of those aged 65 and over, shows representation in the smallest percentage of jobs at 6.6 percent.

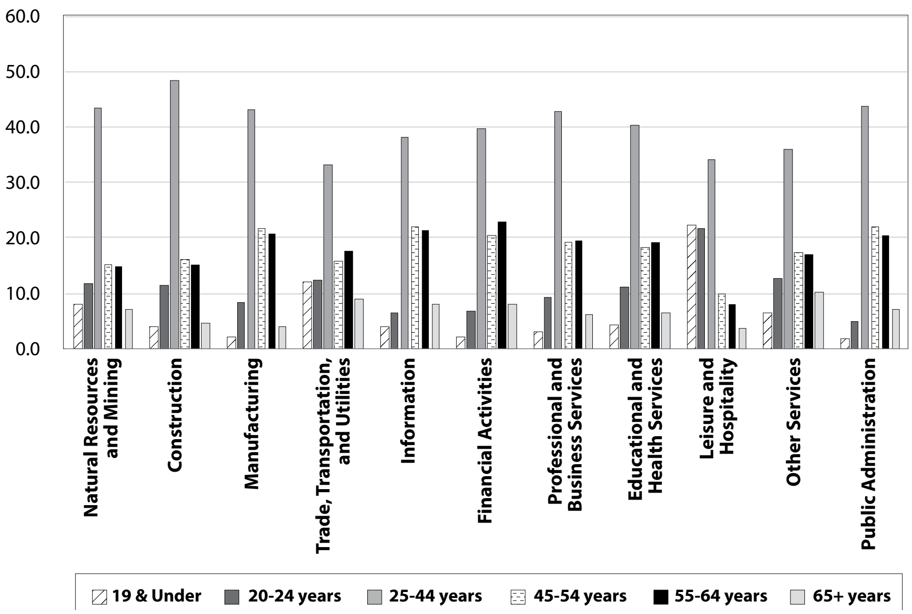
This, however, is just a general trend, and there is some variation depending on the industry. For example, as illustrated in Figure 2, workers between the ages of 55 and 64 hold anywhere from 8.1 to 22.9 percent of the jobs depending on the industry – 8.1 percent of the jobs in the Leisure and Hospitality supersector and 22.9 percent in the Financial Activities supersector. Those employees age 65 and over also occupy the lowest share (3.8%) of the jobs in Leisure and Hospitality, while holding the highest share (10.3 percent) of jobs in Other Services (Except Public Administration).

When we look at the median hours worked per quarter and median wages across industries and age groups, a similar pattern appears. The highest median wages are earned by those between the ages of 45 to 54, while a consistent decline in median hourly wages ensues as workers move up to older age brackets.

In addition to earning lower median hourly wages in general, older workers in the region are typically working fewer hours. As shown in Figure 3, the same general upside-down "U" trend occurs for median hours worked per quarter. Across all industries, however, those in the 55 to 64 age group worked only one hour less than their younger counterparts between the ages of 45 to 54, and they actually worked more than the three preceding younger age brackets. On the other hand, those ages 65 and over worked far fewer hours than all other age groups with the exception of those aged 19 and under.

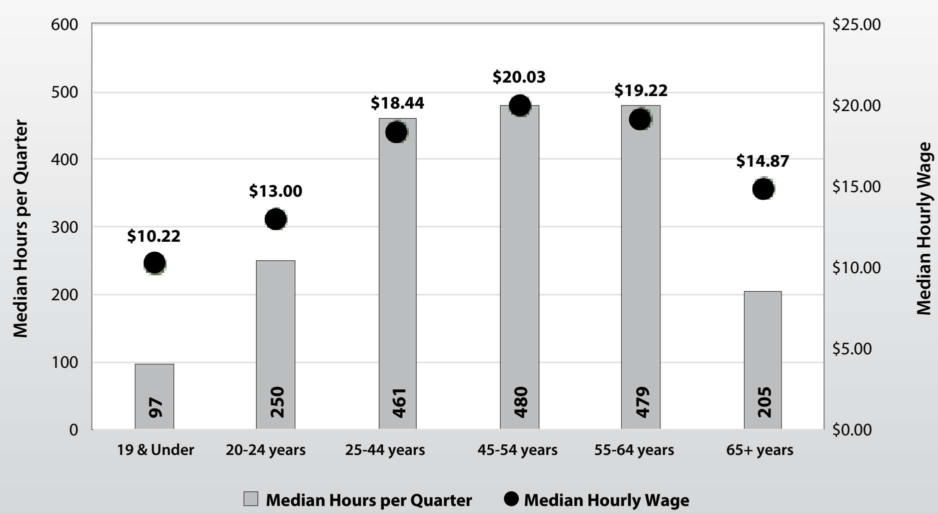
Combining both lower hours worked and lower wages can equal large overall differences in total wages earned. For example, in the Professional and Business Services industry those ages 45 to 54 saw median quarterly hours worked resting at 480 with a median hourly wage of $24.28, equaling annual total earnings of about $11,654 per quarter or $46,618 annually. In comparison, those age 65 and over saw their median hours worked per quarter drop to 240 hours at $16.06 per hour, resulting in total quarterly earnings of $3,854 and annual earnings of $15,418. Overall, the older cohort in this particular example earned about $31,200 less annually, a decrease of about 67 percent.

Figure 2. Percent of Jobs by Industry and Age Group, Southwest Minnesota (2017 Annual Averages)



Source: DEED Quarterly Employment Demographics

Figure 3. Median Hours Worked per Quarter and Median Hourly Wage by Age Group, Southwest Minnesota (2017 Averages)



Source: DEED Quarterly Employment Demographics

Economics of Aging

Age plays a defining role in the changing needs workers have throughout life, but it also changes employers' tactics to retain and recruit the most experienced workers in the economy. With fear of losing that experience and knowledge with each looming retirement, many companies are asking questions like *"how can I keep employees who are eyeing retirement"*, and *"where do I find retirees that who want to work again in some capacity"*.

Understanding where and what the most experienced workers are currently doing is a reasonable starting point for making assumptions about their skills and motivations to work or retire. In southwest Minnesota workers 65 and older are most likely to be found in the Healthcare and Social Assistance industry, with 15.9 percent of workers 65 years and older employed in the industry. This might be expected since Healthcare and Social Assistance, along with Manufacturing, dominate the employment landscape in the region.

To find seniors working in Manufacturing, a slightly larger industry than Healthcare, is much less common after turning 65 than it is for 55- to- 64 year olds. It seems reasonable that many occupations in Manufacturing are simply too physically demanding for a number of workers 65 years and older, yet a smaller change is observed in the Construction industry, notorious for physically demanding tasks.

Conversely, it is more common for our oldest workers to be working in the Retail Trade industry, with about 15 percent of workers 65 and older working in Retail Trade compared to 9.5 percent for workers in the 55 to 64 year old age group.

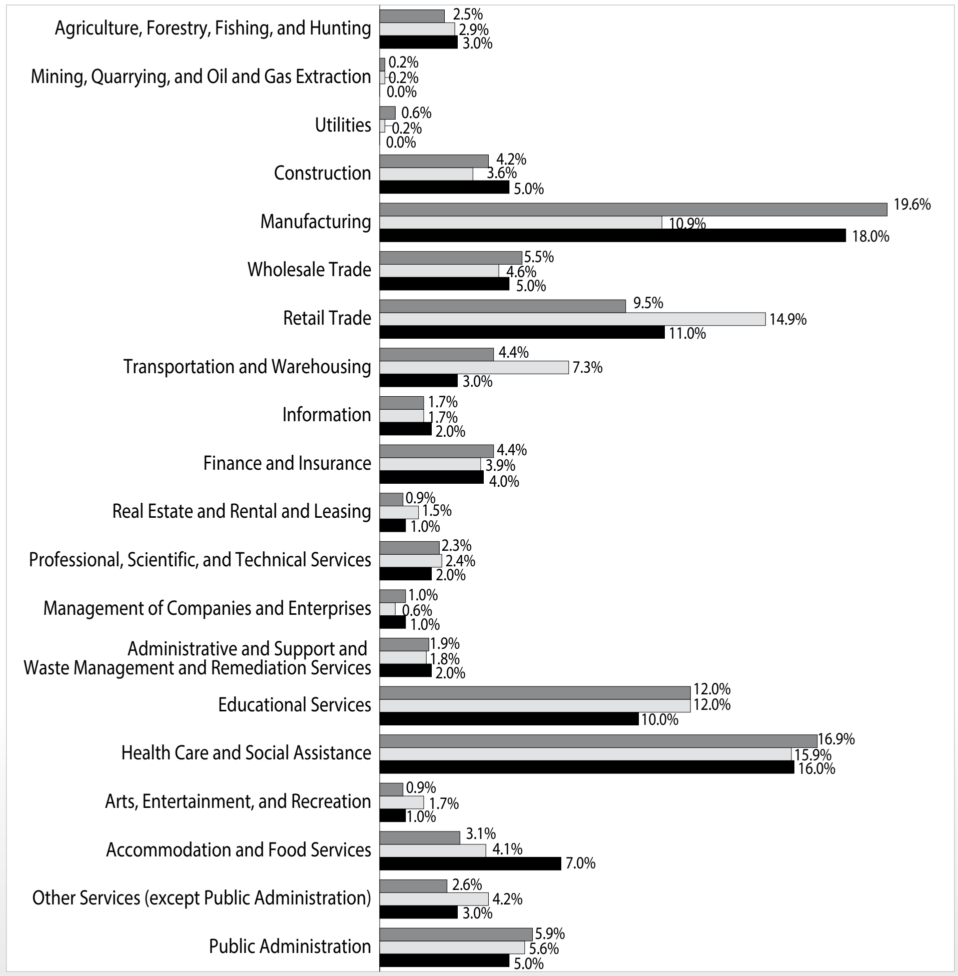
One other possible reason for the steep decline in Manufacturing employment for the oldest workers compared to the increase in older workers in Retail Trade is that higher wages in Manufacturing provide the means for retirement, meaning many exit by choice. Annual wage data support this explanation with a strong correlation.

As noted above, income potential for workers tends to peak in the 45 to 54 year old cohort, and these high earning years can allow for increased savings for retirement. Every major industry whose average annual wages are less than the average for workers in their peak earning years, employs a larger share of workers 65 years and older than they do of workers 55 to 64. To put it another way, it becomes more common to find workers 65 years and older continuing to work if they are employed in a lower paying industry.

Public administration, an industry with a different structure, might further support the conclusion that exiting the labor force is a function of ability, not choice. Average wages in Public Administration in southwest Minnesota lag the average for all industries for each age cohort from 35 years and older. Yet, despite lower wages during peak earning years, a lower percentage of workers 65 + years remain employed in Public Administration compared to workers 55- to- 64 years old. Lower wages that can essentially keep workers with their employer beyond age 64 in other industries are potentially offset by defined benefit retirement plans that are commonplace in government at all levels.

It's difficult to know how likely it is that retired workers looking for a second career would pursue employment in Retail Sales. Part-time work shifts, employee discounts, and modest entry level skill requirements could make this an attractive position for retirees looking for a change. But

Figure 4. Southwest Minnesota Employment of Workers 55 Years and Older by Industry, 2017



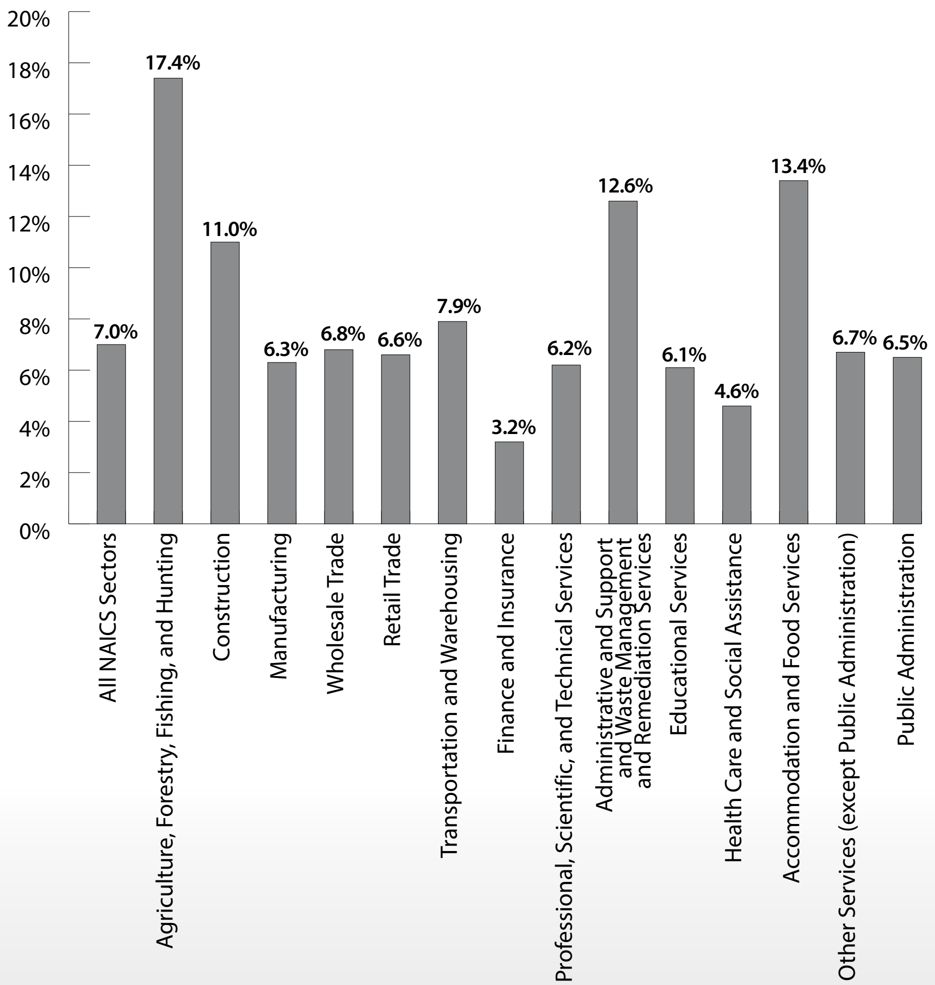
Source: U.S. Census Bureau, QWI

dealing with budget conscious consumers for relatively low pay can offer some interesting challenges.

New Jobs, New Beginnings

According to Longitudinal Employer Household Dynamic (LEHD) data from the U.S. Census Bureau, 7 percent of southwest Minnesota workers who are 65 years and older have been recently hired. Recently is defined as they were recently hired and not working for the same employer at any time in the previous year. Workers 65 and older transitioned employers, potentially from a different industry, at higher rates in Agriculture, Accommodation and Food Service, and Administrative Support and Waste Management, mostly in the Employment Services subsector of Administrative Support which includes Staffing Agencies. Construction and Transportation also had slightly higher rates of newly hired workers who were 65 years or older.

Figure 5. Southwest Minnesota's Share of Workers 65+ Years Who Are Newly Hired, 2017



Source: U.S. Census Bureau, QWI

Three different scenarios can contribute to an uptick in the percentages found in Figure 5:

A. A senior is hired who has not worked in the past year in the particular industry.

B. A senior is hired in the same industry, but has changed employers.

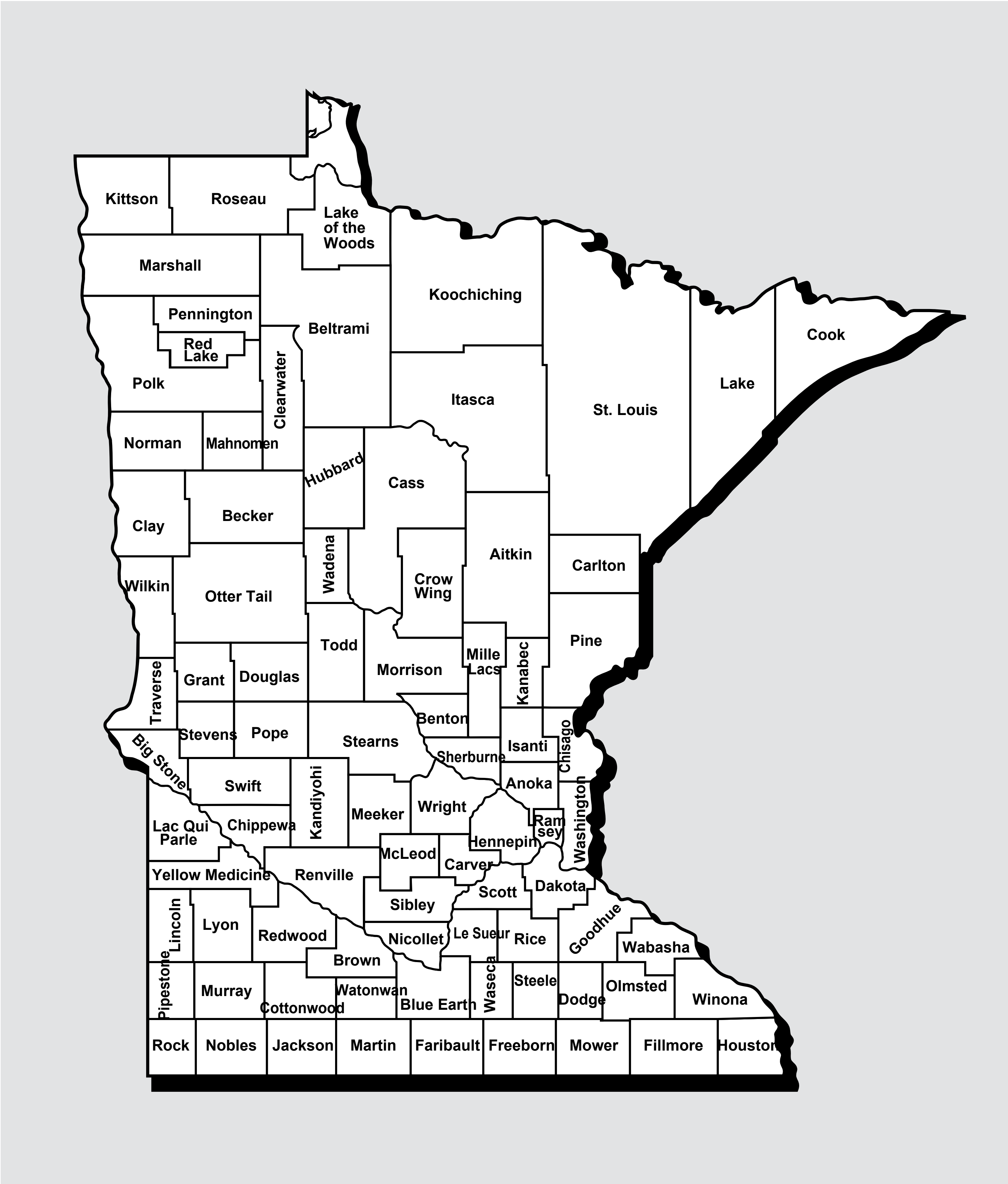
C. A senior is hired who has not worked in the last year or has never been employed.

It's difficult to pinpoint why there are large shares of newly hired seniors in some of the industries in Figure 5. The industries with low percentages of senior workers who are newly hired is possibly more revealing. We know that seniors are not finding new employment en masse at industries with lower percentages. So while workers 65 years and older are more likely to work in Retail than their slightly younger coworkers, it appears that it would be unlikely that many are finding new careers in the Retail Trade industry.

It's certainly the case that some workers who have the means to retire simply won't for their own self-fulfillment, but the data suggest that the main driving factor of why most workers continue working in their golden years is the financial ability or inability to retire. Strategies and programs that aim to target this experienced pool of labor should keep in mind the motivation of older workers. How job opportunities appeal to retirees and/or older workers might depend mainly on their past wages.

by Luke Greiner and Mark Schultz

Minnesota Counties



Labor Force Estimates

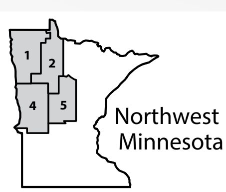
County/Area	Labor Force Feb 2019	Labor Force Jan 2019	Labor Force Feb 2018	Employment Feb 2019	Employment Jan 2019	Employment Feb 2018	Unemployment Feb 2019	Unemployment Jan 2019	Unemployment Feb 2018	Rate of Unemployment Feb 2019	Rate of Unemployment Jan 2019	Rate of Unemployment Feb 2018
United States ('000s)												
(Seasonally adjusted)	163,184	163,229	161,921	156,949	156,694	155,215	6,235	6,535	6,706	3.8%	4.0%	4.1%
(Unadjusted)	162,793	162,104	161,494	156,167	154,964	154,403	6,625	7,140	7,091	4.1	4.4	4.4
Minnesota												
(Seasonally adjusted)	3,086,454	3,082,404	3,064,080	2,991,857	2,990,501	2,970,539	94,597	91,903	93,541	3.1	3.0	3.1
(Unadjusted)	3,082,754	3,077,490	3,058,954	2,960,882	2,945,603	2,942,711	121,872	131,887	116,243	4.0	4.3	3.8
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	2,009,155	2,005,927	2,016,482	1,940,711	1,933,000	1,948,875	68,444	72,927	67,607	3.4	3.6	3.4
Duluth-Superior MSA	144,341	143,352	147,864	137,380	135,875	140,509	6,961	7,477	7,355	4.8	5.2	5.0
Rochester MSA	124,316	124,258	122,216	120,059	119,760	117,869	4,257	4,498	4,347	3.4	3.6	3.6
St. Cloud MSA	113,859	112,729	114,643	108,863	107,372	109,713	4,996	5,357	4,930	4.4	4.8	4.3
Mankato-N Mankato MSA	61,683	61,161	63,192	59,685	59,112	61,225	1,998	2,049	1,967	3.2	3.4	3.1
Fargo-Moorhead MSA	137,395	135,046	137,459	133,366	130,822	133,092	4,029	4,224	4,367	2.9	3.1	3.2
Grand Forks MSA	54,816	54,600	55,636	53,067	53,067	53,798	1,749	1,840	1,838	3.2	3.2	3.3
Region One	**47,051**	**47,316**	**47,249**	**44,111**	**43,992**	**44,473**	**2,940**	**3,324**	**2,776**	**6.2**	**7.0**	**5.9**
Kittson	2,306	2,320	2,321	2,190	2,190	2,226	116	130	95	5.0	5.6	4.1
Marshall	5,443	5,518	5,475	4,909	4,902	4,946	534	616	529	9.8	11.2	9.7
Norman	3,296	3,311	3,348	3,066	3,065	3,155	230	246	193	7.0	7.4	5.8
Pennington	9,001	9,037	8,822	8,355	8,304	8,186	646	733	636	7.2	8.1	7.2
Polk	16,781	16,846	17,018	15,938	15,933	16,209	843	913	809	5.0	5.4	4.8
Red Lake	2,225	2,246	2,262	2,057	2,049	2,093	168	197	169	7.6	8.8	7.5
Roseau	7,999	8,038	8,003	7,596	7,549	7,658	403	489	345	5.0	6.1	4.3
Region Two	**43,763**	**43,767**	**42,937**	**40,834**	**40,450**	**40,101**	**2,929**	**3,317**	**2,836**	**6.7**	**7.6**	**6.6**
Beltrami	24,559	24,426	23,901	23,243	22,961	22,603	1,316	1,465	1,298	5.4	6.0	5.4
Clearwater	4,609	4,670	4,590	4,021	4,007	4,006	588	663	584	12.8	14.2	12.7
Hubbard	9,755	9,832	9,612	8,971	8,906	8,899	784	926	713	8.0	9.4	7.4
Lake of the Woods	2,500	2,511	2,481	2,411	2,406	2,386	89	105	95	3.6	4.2	3.8
Mahnomen	2,340	2,328	2,353	2,188	2,170	2,207	152	158	146	6.5	6.8	6.2
Region Three	**164,469**	**164,020**	**163,547**	**155,511**	**154,005**	**154,606**	**8,958**	**10,015**	**8,941**	**5.4**	**6.1**	**5.5**
Aitkin	7,289	7,321	7,176	6,617	6,558	6,568	672	763	608	9.2	10.4	8.5
Carlton	17,927	17,818	17,842	16,897	16,725	16,833	1,030	1,093	1,009	5.7	6.1	5.7
Cook	2,845	2,883	2,852	2,657	2,655	2,687	188	228	165	6.6	7.9	5.8
Itasca	22,126	22,337	21,810	20,518	20,424	20,228	1,608	1,913	1,582	7.3	8.6	7.3
Koochiching	5,836	5,867	5,833	5,481	5,446	5,446	355	421	387	6.1	7.2	6.6
Lake	5,352	5,292	5,340	5,106	5,023	5,100	246	269	240	4.6	5.1	4.5
St. Louis	103,094	102,502	102,694	98,235	97,174	97,744	4,859	5,328	4,950	4.7	5.2	4.8
City of Duluth	46,114	45,672	45,838	44,477	43,997	44,255	1,637	1,675	1,583	3.5	3.7	3.5
Balance of St. Louis County	56,980	56,830	56,856	53,758	53,177	53,489	3,222	3,653	3,367	5.7	6.4	5.9
Region Four	**126,247**	**125,841**	**125,074**	**120,034**	**119,013**	**119,390**	**6,213**	**6,828**	**5,684**	**4.9**	**5.4**	**4.5**
Becker	18,466	18,400	18,265	17,397	17,262	17,298	1,069	1,138	967	5.8	6.2	5.3
Clay	36,086	35,674	35,902	34,635	34,125	34,493	1,451	1,549	1,409	4.0	4.3	3.9
Douglas	20,481	20,454	20,090	19,582	19,485	19,307	899	969	783	4.4	4.7	3.9
Grant	3,223	3,261	3,258	3,014	3,020	3,066	209	241	192	6.5	7.4	5.9
Otter Tail	31,079	31,142	30,702	29,206	29,004	29,015	1,873	2,138	1,687	6.0	6.9	5.5
Pope	6,418	6,409	6,284	6,145	6,110	6,044	273	299	240	4.3	4.7	3.8
Stevens	5,310	5,285	5,302	5,123	5,077	5,124	187	208	178	3.5	3.9	3.4
Traverse	1,688	1,718	1,758	1,597	1,613	1,674	91	105	84	5.4	6.1	4.8
Wilkin	3,496	3,498	3,513	3,335	3,317	3,369	161	181	144	4.6	5.2	4.1
Region Five	**83,798**	**84,081**	**82,434**	**77,811**	**77,307**	**76,975**	**5,987**	**6,774**	**5,459**	**7.1**	**8.1**	**6.6**
Cass	13,994	14,150	13,741	12,846	12,788	12,661	1,148	1,362	1,080	8.2	9.6	7.9
Crow Wing	32,046	32,095	31,522	30,072	29,883	29,662	1,974	2,212	1,860	6.2	6.9	5.9
Morrison	17,825	17,905	17,687	16,375	16,245	16,357	1,450	1,660	1,330	8.1	9.3	7.5
Todd	13,880	13,899	13,563	12,997	12,927	12,832	883	972	731	6.4	7.0	5.4
Wadena	6,053	6,032	5,921	5,521	5,464	5,463	532	568	458	8.8	9.4	7.7
Region Six East	**66,322**	**66,516**	**65,981**	**62,883**	**62,750**	**62,892**	**3,439**	**3,766**	**3,089**	**5.2**	**5.7**	**4.7**
Kandiyohi	24,955	24,996	24,717	23,736	23,680	23,668	1,219	1,316	1,049	4.9	5.3	4.2
McLeod	19,426	19,450	19,541	18,466	18,418	18,675	960	1,032	866	4.9	5.3	4.4
Meeker	13,131	13,185	13,103	12,396	12,347	12,417	735	838	686	5.6	6.4	5.2
Renville	8,810	8,885	8,620	8,285	8,305	8,132	525	580	488	6.0	6.5	5.7

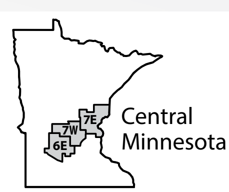
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

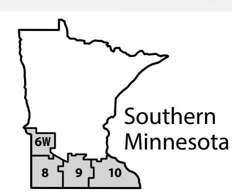
Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development,
Local Area Unemployment Statistics, and North Dakota Job Service, 2019.

Labor Force Estimates

County/Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Feb 2019	Jan 2019	Feb 2018	Feb 2019	Jan 2019	Feb 2018	Feb 2019	Jan 2019	Feb 2018	Feb 2019	Jan 2019	Feb 2018
Region Six West	**23,043**	**23,135**	**23,206**	**21,816**	**21,801**	**22,085**	**1,227**	**1,334**	**1,121**	**5.3%**	**5.8%**	**4.8%**
Big Stone	2,401	2,435	2,483	2,238	2,245	2,332	163	190	151	6.8	7.8	6.1
Chippewa	6,933	6,914	6,829	6,578	6,550	6,527	355	364	302	5.1	5.3	4.4
Lac Qui Parle	3,452	3,448	3,551	3,246	3,248	3,372	206	200	179	6.0	5.8	5.0
Swift	4,931	4,986	4,995	4,670	4,674	4,726	261	312	269	5.3	6.3	5.4
Yellow Medicine	5,326	5,352	5,348	5,084	5,084	5,128	242	268	220	4.5	5.0	4.1
Region Seven East	**88,985**	**89,371**	**88,127**	**82,940**	**82,643**	**82,630**	**6,045**	**6,728**	**5,497**	**6.8**	**7.5**	**6.2**
Chisago	30,096	30,081	29,795	28,504	28,401	28,366	1,592	1,680	1,429	5.3	5.6	4.8
Isanti	21,496	21,562	21,307	20,253	20,170	20,146	1,243	1,392	1,161	5.8	6.5	5.4
Kanabec	9,168	9,256	9,030	8,309	8,275	8,239	859	981	791	9.4	10.6	8.8
Mille Lacs	13,188	13,287	13,027	12,085	12,043	12,039	1,103	1,244	988	8.4	9.4	7.6
Pine	15,037	15,185	14,968	13,789	13,754	13,840	1,248	1,431	1,128	8.3	9.4	7.5
Region Seven West	**241,698**	**240,638**	**238,275**	**230,816**	**228,832**	**228,111**	**10,882**	**11,806**	**10,164**	**4.5**	**4.9**	**4.3**
Benton	22,301	22,110	21,797	21,069	20,779	20,651	1,232	1,331	1,146	5.5	6.0	5.3
Sherburne	52,419	52,489	51,896	49,886	49,668	49,595	2,533	2,821	2,301	4.8	5.4	4.4
Stearns	91,558	90,619	89,755	87,794	86,593	86,152	3,764	4,026	3,603	4.1	4.4	4.0
Wright	75,420	75,420	74,827	72,067	71,792	71,713	3,353	3,628	3,114	4.4	4.8	4.2
Region Eight	**63,131**	**63,341**	**63,576**	**60,356**	**60,262**	**60,861**	**2,775**	**3,079**	**2,715**	**4.4**	**4.9**	**4.3**
Cottonwood	5,835	5,839	5,724	5,588	5,568	5,487	247	271	237	4.2	4.6	4.1
Jackson	5,621	5,652	5,706	5,391	5,388	5,502	230	264	204	4.1	4.7	3.6
Lincoln	3,178	3,191	3,245	3,005	3,013	3,087	173	178	158	5.4	5.6	4.9
Lyon	14,659	14,602	14,821	14,053	13,948	14,239	606	654	582	4.1	4.5	3.9
Murray	4,795	4,855	4,861	4,461	4,465	4,562	334	390	299	7.0	8.0	6.2
Nobles	11,161	11,195	11,242	10,782	10,772	10,853	379	423	389	3.4	3.8	3.5
Pipestone	4,899	4,961	4,802	4,628	4,661	4,553	271	300	249	5.5	6.0	5.2
Redwood	7,376	7,403	7,515	6,992	6,973	7,102	384	430	413	5.2	5.8	5.5
Rock	5,607	5,643	5,660	5,456	5,474	5,476	151	169	184	2.7	3.0	3.3
Region Nine	**132,964**	**132,868**	**132,810**	**127,035**	**126,392**	**127,140**	**5,929**	**6,476**	**5,670**	**4.5**	**4.9**	**4.3**
Blue Earth	40,745	40,385	40,378	39,390	38,999	39,078	1,355	1,386	1,300	3.3	3.4	3.2
Brown	14,500	14,562	14,495	13,763	13,702	13,788	737	860	707	5.1	5.9	4.9
Faribault	6,784	6,872	6,889	6,423	6,452	6,536	361	420	353	5.3	6.1	5.1
Le Sueur	16,268	16,354	16,174	15,132	15,091	15,119	1,136	1,263	1,055	7.0	7.7	6.5
Martin	10,139	10,146	10,195	9,680	9,673	9,795	459	473	400	4.5	4.7	3.9
Nicollet	20,938	20,776	20,777	20,295	20,113	20,176	643	663	601	3.1	3.2	2.9
Sibley	8,424	8,515	8,471	7,977	7,978	8,074	447	537	397	5.3	6.3	4.7
Waseca	8,692	8,707	8,983	8,240	8,220	8,439	452	487	544	5.2	5.6	6.1
Watonwan	6,474	6,551	6,448	6,135	6,164	6,135	339	387	313	5.2	5.9	4.9
Region Ten	**284,540**	**283,885**	**281,871**	**274,078**	**272,749**	**271,747**	**10,462**	**11,136**	**10,124**	**3.7**	**3.9**	**3.6**
Dodge	11,926	11,946	11,750	11,386	11,369	11,228	540	577	522	4.5	4.8	4.4
Fillmore	11,556	11,588	11,470	10,966	10,972	10,905	590	616	565	5.1	5.3	4.9
Freeborn	16,015	16,036	16,009	15,298	15,248	15,338	717	788	671	4.5	4.9	4.2
Goodhue	26,952	26,973	26,760	25,863	25,826	25,732	1,089	1,147	1,028	4.0	4.3	3.8
Houston	10,652	10,472	10,623	10,172	9,951	10,148	480	521	475	4.5	5.0	4.5
Mower	20,422	20,369	20,399	19,674	19,569	19,718	748	800	681	3.7	3.9	3.3
Olmsted	88,577	88,397	86,631	85,968	85,677	84,032	2,609	2,720	2,599	2.9	3.1	3.0
City of Rochester	65,423	65,307	63,814	63,603	63,388	61,930	1,820	1,919	1,884	2.8	2.9	3.0
Rice	37,227	36,992	36,779	35,771	35,465	35,465	1,456	1,527	1,314	3.9	4.1	3.6
Steele	20,141	20,212	20,376	19,344	19,326	19,569	797	886	807	4.0	4.4	4.0
Wabasha	12,257	12,327	12,163	11,739	11,742	11,649	518	585	514	4.2	4.7	4.2
Winona	28,815	28,573	28,911	27,897	27,604	27,963	918	969	948	3.2	3.4	3.3
Region Eleven	**1,716,744**	**1,712,718**	**1,703,868**	**1,662,658**	**1,655,412**	**1,651,703**	**54,086**	**57,306**	**52,165**	**3.2**	**3.3**	**3.1**
Anoka	197,899	197,576	196,255	190,641	189,783	189,385	7,258	7,793	6,870	3.7	3.9	3.5
Carver	57,934	57,859	57,654	56,117	55,901	55,861	1,817	1,958	1,793	3.1	3.4	3.1
Dakota	241,040	240,569	239,042	233,164	232,098	231,601	7,876	8,471	7,441	3.3	3.5	3.1
Hennepin	704,459	702,551	699,308	683,929	681,021	679,302	20,530	21,530	20,006	2.9	3.1	2.9
City of Bloomington	46,699	46,650	46,344	45,226	45,033	44,920	1,473	1,617	1,424	3.2	3.5	3.1
City of Minneapolis	241,678	241,065	240,825	234,613	233,615	233,755	7,065	7,450	7,070	2.9	3.1	2.9
Ramsey	289,532	288,824	287,450	280,271	279,057	278,412	9,261	9,767	9,038	3.2	3.4	3.1
City of St. Paul	158,797	158,442	159,391	153,683	153,017	154,198	5,114	5,425	5,193	3.2	3.4	3.3
Scott	83,199	83,031	82,629	80,525	80,167	80,004	2,674	2,864	2,625	3.2	3.4	3.2
Washington	142,681	142,308	141,530	138,011	137,385	137,138	4,670	4,923	4,392	3.3	3.5	3.1







Industrial Analysis

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

Overview

Employment in Minnesota was off by 8,800 (0.3 percent) in February on a seasonally adjusted basis. The losses came entirely from the private sector, which shed 9,200 jobs (0.4 percent) while the public sector added 400 (0.1 percent). Goods producers lost 5,500 jobs (1.2 percent), and service providers lost 3,300 (0.1 percent). Annually the state lost 1,364 jobs (0 percent). It was the first over-the-year job loss since July of 2010 and continued a trend of shrinking over-the-year job growth that has been progressing since last summer. Service providers drove the losses, off by 6,598 (0.3 percent), as goods producers added 5,234 jobs (1.2 percent). Private sector employers lost 1,181 jobs (0 percent), and public sector employers lost 183 (0 percent).

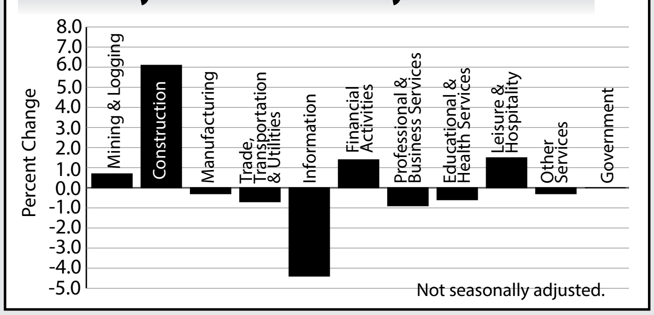
Mining and Logging

Mining and Logging employment was down by 100 (1.5 percent) in February, ending the consecutive-growth streak at two months. Over the year Mining and Logging employers added 44 jobs (0.7 percent). It was the second consecutive month of over-the-year job growth in the supersector, following three months of over-the-year job losses in the fourth quarter of 2018.

Construction

The Construction supersector lost 3,800 jobs (3 percent) in February. The sharp seasonally-adjusted decline may be in part caused by the significant snowfall the state received over the course of the month. Prior to January's 100 jobs decline, the supersector had shown positive over-the-month growth in every month since May of 2018. Annually Construction employers added 6,246 jobs (6.1 percent). This was the largest proportional and actual over-the-year job growth of any supersector in the state. While Specialty Trade Contractors led the way with 5,446 new jobs (8.1 percent), Building Construction (up 741 or 3 percent) and Heavy and Civil Engineering Construction (up 59, 0.6 percent) also contributed to the growth.

MN Employment Growth
February 2018 to February 2019



Source: Department of Employment and Economic Development, Current Employment Statistics, 2019.

Manufacturing

Employment in Minnesota's Manufacturing supersector was off by 1,600 (0.8 percent) in February. The losses came entirely from Durable Goods Manufacturing (down 0.8 percent) as employment in Non-Durable Goods Manufacturing remained at 117,200. Annually the supersector lost 1,056 jobs (0.3 percent). This was a notable change from January's 0.4 percent over-the-year job growth and represents the first time the supersector has shed jobs on an annual basis since January of 2017. Both Durable Goods (down 334, 0.2 percent) and Non-Durable Goods (down 722, 0.6 percent) lost jobs on the year.

Trade, Transportation , and Utilities

Employment in Trade, Transportation, and Utilities was down by 3,300 (0.6 percent) in February. Retail Trade lost 2,100 jobs (0.7 percent), and Transportation, Warehousing, and Utilities lost 1,100 (1 percent). Wholesale Trade added 200 jobs (0.2 percent). On an annual basis the supersector lost 3,472 jobs (0.7 percent). Transportation, Warehousing, and Utilities led the decline, shedding 3,776 jobs (3.5 percent), with most of those losses coming in the larger Transportation and Warehousing component (down 3.652, 3.8 percent). Retail Trade employers lost 495 jobs (0.2 percent), and Wholesale Trade added 799 (0.6 percent).

Information

The Information supersector lost 100 jobs (0.2 percent) in February on a seasonally adjusted basis. The supersector lost jobs in three consecutive months and nine of the last 12. Annually the supersector lost 2,202 jobs (4.4 percent). It was the largest proportional decline for any supersector in the state. Information employers have lost jobs in every month since June of 2017.

*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 up by 1,000 (0.5 percent) in February. All of the growth came from Finance and Insurance, where employment was up by 0.7 percent. Real Estate and Rental and Leasing employment was flat at 34,900. On an over-the-year basis the Financial Activities supersector added 2,542 jobs (1.4 percent). Finance and Insurance added 2,573 jobs (1.7 percent) with growth across multiple component sectors. Real Estate and Rental and Leasing lost 31 jobs (0.1 percent).

Professional and Business Services

Employment in Professional and Business Services was up by 1,300 (0.3 percent) in February. All three component sectors added jobs on the month, with Administrative and Support and Waste Management and Remediation Services leading the way at 900 new jobs (0.7 percent growth). The other two component sectors, Professional, Scientific, and Technical Services and Management of Companies and Enterprises, added 200 jobs each (0.1 and 0.2 percent, respectively). Over the year the supersector lost 3,509 jobs (0.9 percent). Administrative and Support and Waste Management and Remediation Services was the biggest downward weight, shedding 5,011 jobs (3.9 percent) thanks to a dramatic decline of 11.9 percent (6,822 jobs) in the bellwether Employment Services sector. The other two component sectors added jobs on the year. Professional, Scientific, and Technical Services was up by 814 (0.5 percent), and Management of Companies and Enterprises was up 688 (0.9 percent).

Educational and Health Services

The Educational and Health Services supersector lost 2,300 jobs (0.4 percent) in February, with job losses in each component sector. Educational Services lost 100 jobs (0.1 percent) while Health Care and Social Assistance lost 2,200 (0.5 percent). It was the fourth consecutive month that Health Care and Social Assistance lost jobs on a seasonally adjusted basis. Annually the supersector lost 3,385 jobs (0.6 percent). Educational Services lost 1,509 jobs (2.1 percent), and Health Care and Social Assistance lost 1,877 (0.4 percent). The lion's share of the losses in that component came from Nursing and Residential Care Facilities, where employment was off by 2,152 (2 percent).

Leisure and Hospitality

Leisure and Hospitality employment was off by 800 (0.3 percent) in February. Accommodation and Food Services employers added 1,000 jobs (0.4 percent), but that growth was more than erased by the loss of 1,800 (3.6 percent) in Arts, Entertainment, and Recreation. Annually the supersector added 3,922 jobs (1.5 percent). Leisure and Hospitality added 2,069 (5 percent), and Accommodation and Food Services added 1,853 (0.9 percent).

Other Services

The Other Services supersector added 200 jobs (0.2 percent) in February. It was the third consecutive month of over-the-month growth for the supersector. Annually Other Services employers lost 311 jobs (0.3 percent). Much of the loss came from Personal and Laundry Services (down 492 or 1.8 percent).

Government

Government employers added 400 jobs (0.1 percent) in February. Federal employers led the growth adding 500 jobs (1.6 percent). Over the year Government employers lost 183 jobs (0 percent), with all three levels of government losing a small number of jobs. Federal employers had the most losses, down by 120, or 0.4 percent. State and Local employers each saw declines of less than 0.1 percent.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	Feb 2019	Jan 2019	Dec 2018
Total Nonagricultural	**2,955.7**	**2,964.5**	**2,961.1**
Goods-Producing	**451.6**	**457.1**	**457.5**
Mining and Logging	6.7	6.8	6.7
Construction	124.8	128.6	128.7
Manufacturing	320.1	321.7	322.1
Service-Providing	**2,504.1**	**2,507.4**	**2,503.6**
Trade, Transportation, and Utilities	535.1	538.1	537.1
Information	47.9	48.0	48.9
Financial Activities	186.0	185.0	183.7
Professional and Business Services	377.1	375.8	375.6
Educational and Health Services	539.6	541.9	544.0
Leisure and Hospitality	280.4	281.2	277.7
Other Services	112.7	112.5	112.1
Government	425.3	424.9	424.5

Source: Department of Employment and Economic Development Current Employment Statistics, 2019.

Regional Analysis

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

Employment in the Minneapolis-St. Paul-Bloomington MSA was off by 5,850 (0.3 percent) in February. Mining, Logging, and Construction lost 2,855 jobs (3.9 percent), Trade, Transportation, and Utilities lost 5,479 (1.5 percent), and Leisure and Hospitality lost 2,372 jobs (1.3 percent). These three largest proportional declines on the month took place in three highly seasonal supersectors, and each one underperformed compared to Februarys in recent years, suggesting our inclement weather that month may have played a role in the declines. The largest increase on the month, in both real and proportional terms, came from Government employers, which added 3,194 jobs (1.3 percent). Growth was spread among all three component groups (local, state, and federal governments). Annually the metro area lost 10,350 jobs (0.5 percent). It was the second consecutive month of over-the-year job losses in the area. Prior to January, the most recent over-the-year job loss had been July of 2010. Notable areas of negative growth included Professional and Business Services (down 5,103, 1.6 percent on the loss of 7,104 jobs in Administrative and Support and Waste Management and Remediation Services), and Educational and Health Services (down 5,423, 1.6 percent). Financial Activities employment was up by 2,002 jobs (1.4 percent).

Duluth-Superior MSA

The Duluth-Superior MSA added 254 jobs (0.2 percent) in February. Government employers did much of the heavy lifting, adding 758 jobs (2.9 percent), while Leisure and Hospitality was up 163 (1.2 percent), and Professional and Business Services was up 110 (1.4 percent). Trade, Transportation, and Utilities employment was down by 772 (3.2 percent) with losses in all three component sectors. Over the year, employment in the Duluth MSA was down by 1,140 (0.8 percent). Trade, Transportation, and Utilities lost 856 jobs (3.5 percent), Educational and Health Services lost 477 (1.4 percent), and Information lost 95 jobs (7.1 percent), among other shrinking supersectors. The largest gains came in Professional and Business Services, which added 385 jobs or 5.1 percent.

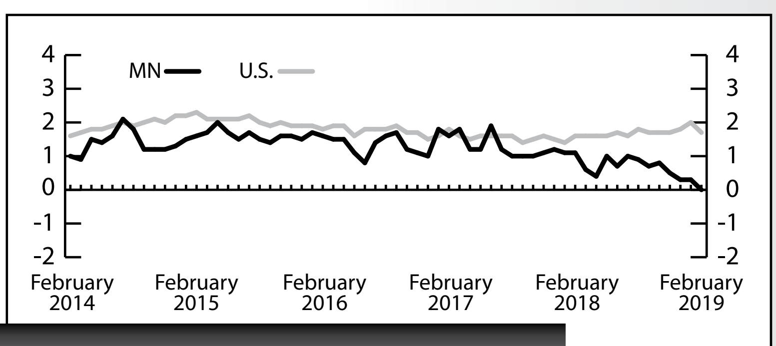
Rochester MSA

Employment in the Rochester MSA was down by 252 (0.2 percent) in February. Trade, Transportation, and Utilities lost 232 jobs (1.3 percent), most of that from Retail Trade (off by 220 or 1.8 percent), and Leisure and Hospitality lost 146 jobs (1.3 percent). Professional and Business Services added 109 jobs or 1.8 percent, the largest real and proportional gains in the MSA. Over the year the Rochester area added 1,825 jobs (1.5 percent). It was the largest over-the-year employment growth of any MSA listed here. The growth was driven by a number of supersectors, including Manufacturing (up 557 or 5.4 percent), Mining, Logging, and Construction (up 290, 7.4 percent), and Leisure and Hospitality (up 342, 3.3 percent). Only two supersectors (Information and Financial Activities) lost jobs on the year.

St. Cloud MSA

Employment in the Saint Cloud MSA was up by 777 (0.7 percent) in February. Government employers added 427 jobs (2.8 percent) with growth in all three levels of government, and Educational and Health Services added 230 jobs (1 percent). The biggest actual job loss came in Manufacturing, which shed 71 jobs (0.5 percent). Annually the area added 1,365 jobs (1.3 percent). Mining, Logging, and Construction was the engine that drove the area's labor market, adding 1,013 jobs (19.2 percent) on the year, far outpacing every other supersector's real or proportional growth. The Information supersector's employment was off by 9.6 percent or 137 jobs.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2019; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2019.



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

Mankato-North Mankato MSA

The Mankato-North Mankato MSA added 184 jobs (0.3 percent) in February. The gains came entirely from government employers (up 252 or 2.6 percent) as private sector employers lost 68 jobs (0.1 percent). Service providers added 429 jobs (0.9 percent), and goods producers lost 245 (2.4 percent). On the year, employment in the Mankato-North Mankato MSA was mostly flat, as the area added just 16 jobs (0 percent). Government employers added 203 jobs (2.1 percent), but private sector employers lost 187 jobs (0.4 percent).

Fargo-Moorhead MSA

The Fargo-Moorhead MSA added 1,407 jobs (1 percent) in February. It was the largest proportional over-the-month growth of any MSA published by the state. Government employers added 967 jobs (5.1 percent), Professional and Business Services added 398 (2.7 percent), and Educational and Health Services added 272 (1.1 percent). Annually the Fargo-Moorhead area lost 349 jobs (0.3 percent). Leisure and Hospitality shed 648 jobs (4.7 percent), and Trade, Transportation, and Utilities lost 503 (1.7 percent). Educational and Health Services added 630 jobs (2.6 percent).

Grand Forks-East Grand Forks MSA

The Grand Forks-East Grand Forks MSA lost 232 jobs (0.4 percent) in February. Trade, Transportation, and Utilities employment was down by 159 (1.4 percent), and Leisure and Hospitality employment was off by 183 (3.1 percent). Annually the supersector lost 1,010 jobs or 1.8 percent. It was the largest over-the-year decline of any published MSA in the state. The loss was driven by declines in Government (off 478 or 3.3 percent), Trade, Transportation, and Utilities (down 459, 4.1 percent), and Leisure and Hospitality (430, 6.9 percent). Financial Activities added 110 jobs or 5.7 percent.

by Nick Dobbins

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) Feb 2019	Jan 2019	Feb 2018	Percent Change From** Jan 2019	Feb 2018	Production Workers Hours and Earnings: Average Weekly Earnings Feb 2019	Feb 2018	Average Weekly Hours Feb 2019	Feb 2018	Average Hourly Earnings Feb 2019	Feb 2018
TOTAL NONFARM WAGE AND SALARY	**2,903.6**	**2,906.8**	**2,905.0**	**-0.1%**	**0.%**	–	–	–	–	–	–
GOODS-PRODUCING	**429.6**	**436.2**	**424.3**	**-1.5**	**1.2**	–	–	–	–	–	–
Mining, Logging, and Construction	**114.7**	**118.9**	**108.5**	**-3.5**	**5.8**	–	–	–	–	–	–
Mining and Logging	**6.4**	**6.4**	**6.4**	**0.4**	**0.7**	–	–	–	–	–	–
Construction	**108.3**	**112.5**	**102.1**	**-3.7**	**6.1**	–	–	–	–	–	–
Specialty Trade Contractors	72.9	75.4	67.5	-3.3	8.1	$1,146.33	$1,187.45	35.7	37.4	$32.11	$31.75
Manufacturing	**314.8**	**317.3**	**315.9**	**-0.8**	**-0.3**	**901.32**	**865.24**	**40.4**	**40.3**	**22.31**	**21.47**
Durable Goods	199.8	201.7	200.2	-0.9	-0.2	931.67	906.19	39.9	40.6	23.35	22.32
Wood Product Manufacturing	11.4	11.5	11.3	-1.0	0.3	–	–	–	–	–	–
Fabricated Metal Production	43.5	43.7	42.5	-0.4	2.3	–	–	–	–	–	–
Machinery Manufacturing	34.6	34.4	33.3	0.6	3.8	–	–	–	–	–	–
Computer and Electronic Product	45.8	45.8	45.0	0.0	2.0	–	–	–	–	–	–
Navigational, Measuring, Electromedical and Control	27.0	27.0	26.3	0.1	2.9	–	–	–	–	–	–
Transportation Equipment	10.9	10.9	10.6	0.2	2.7	–	–	–	–	–	–
Medical Equipment and Supplies Manufacturing	16.3	16.3	15.8	0.1	3.1	–	–	–	–	–	–
Nondurable Goods	115.0	115.6	115.7	-0.5	-0.6	853.67	797.59	41.3	39.8	20.67	20.04
Food Manufacturing	45.2	45.3	46.5	-0.3	-3.0	–	–	–	–	–	–
SERVICE-PROVIDING	**2,474.0**	**2,470.6**	**2,480.6**	**0.1**	**-0.3**	–	–	–	–	–	–
Trade, Transportation, and Utilities	**525.2**	**532.5**	**528.7**	**-1.4**	**-0.7**	–	–	–	–	–	–
Wholesale Trade	129.6	129.3	128.8	0.3	0.6	1,114.74	892.36	39.1	37.7	28.51	23.67
Retail Trade	291.7	297.3	292.2	-1.9	-0.2	429.48	431.46	26.3	27.8	16.33	15.52
Motor Vehicle and Parts	35.9	35.8	35.4	0.3	1.6	–	–	–	–	–	–
Building Material and Garden Equipment	24.6	24.6	24.8	0.1	-1.1	–	–	–	–	–	–
Food and Beverage Stores	56.0	56.4	54.9	-0.7	1.9	–	–	–	–	–	–
Gasoline Stations	25.5	25.6	25.4	-0.4	0.4	–	–	–	–	–	–
General Merchandise Stores	60.2	63.1	60.1	-4.5	0.2	362.05	378.09	26.7	28.3	13.56	13.36
Transportation,Warehouse, Utilities	103.9	105.9	107.6	-1.9	-3.5	–	–	–	–	–	–
Transportation and Warehousing	91.8	93.9	95.5	-2.2	-3.8	761.12	754.42	31.7	33.8	24.01	22.32
Information	**47.5**	**47.9**	**49.7**	**-0.7**	**-4.4**	–	–	–	–	–	–
Publishing Industries	18.6	18.7	19.1	-0.3	-2.3	–	–	–	–	–	–
Telecommunications	11.8	11.9	12.6	-0.6	-6.6	–	–	–	–	–	–
Financial Activities	**184.7**	**183.4**	**182.2**	**0.7**	**1.4**	–	–	–	–	–	–
Finance and Insurance	150.7	149.3	148.1	0.9	1.7	1,181.39	1,134.75	37.6	37.5	31.42	30.26
Credit Intermediation	65.1	64.4	64.4	1.0	1.0	829.93	840.80	37.1	36.7	22.37	22.91
Securities, Commodity Contracts, and Other	20.4	20.2	20.1	1.1	1.5	–	–	–	–	–	–
Insurance Carriers and Related	65.2	64.6	63.6	0.9	2.5	–	–	–	–	–	–
Real Estate and Rental and Leasing	34.0	34.1	34.0	-0.2	-0.1	–	–	–	–	–	–
Professional and Business Services	**368.8**	**366.8**	**372.3**	**0.5**	**-0.9**	–	–	–	–	–	–
Professional, Scientific, and Technical Services	163.4	161.6	162.6	1.1	0.5	–	–	–	–	–	–
Legal Services	18.0	18.0	18.1	0.1	0.0	–	–	–	–	–	–
Accounting, Tax Preparation	16.9	16.0	17.6	5.9	-3.9	–	–	–	–	–	–
Computer Systems Design	35.7	35.5	37.1	0.6	-3.9	–	–	–	–	–	–
Management of Companies and Enterprises	80.7	80.5	80.0	0.2	0.9	–	–	–	–	–	–
Administrative and Support Services	124.7	124.7	129.8	0.1	-3.9	–	–	–	–	–	–
Educational and Health Services	**539.7**	**537.4**	**543.0**	**0.4**	**-0.6**	–	–	–	–	–	–
Educational Services	69.4	64.5	70.9	7.5	-2.1	–	–	–	–	–	–
Health Care and Social Assistance	470.3	472.9	472.2	-0.6	-0.4	–	–	–	–	–	–
Ambulatory Health Care	156.4	156.6	156.0	-0.1	0.2	1,239.12	1,359.12	36.0	37.4	34.42	36.34
Offices of Physicians	75.2	75.4	74.5	-0.3	0.9	–	–	–	–	–	–
Hospitals	114.7	115.3	113.6	-0.5	1.0	–	–	–	–	–	–
Nursing and Residential Care Facilities	105.3	106.4	107.4	-1.0	-2.0	493.90	477.53	27.5	29.1	17.96	16.41
Social Assistance	93.9	94.7	95.1	-0.8	-1.3	–	–	–	–	–	–
Leisure and Hospitality	**263.0**	**263.9**	**259.1**	**-0.4**	**1.5**	–	–	–	–	–	–
Arts, Entertainment, and Recreation	43.2	44.7	41.1	-3.2	5.0	–	–	–	–	–	–
Accommodation and Food Services	219.8	219.3	217.9	0.2	0.9	–	–	–	–	–	–
Food Services and Drinking Places	193.0	192.6	191.9	0.2	0.6	282.04	273.48	19.6	19.3	14.39	14.17
Other Services	**112.3**	**111.7**	**112.6**	**0.6**	**-0.3**	–	–	–	–	–	–
Religious, Grantmaking, Civic, Professional Organizations	63.1	63.6	63.2	-0.8	-0.1	–	–	–	–	–	–
Government	**432.8**	**427.0**	**433.0**	**1.4**	**0.0**	–	–	–	–	–	–
Federal Government	31.9	31.6	32.0	0.9	-0.4						
State Government	104.2	101.7	104.2	2.4	0.0						
State Government Education	63.2	60.8	64.5	3.9	-2.1						
Local Government	296.7	293.7	296.8	1.0	0.0						
Local Government Education	152.2	148.7	152.5	2.4	-0.2						

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, 2019.

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	
	Feb 2019	Jan 2019	Feb 2018	Jan 2019	Feb 2018	Feb 2019	Feb 2018	Feb 2019	Feb 2018	Feb 2019	Feb 2018
TOTAL NONFARM WAGE AND SALARY	**1,973.1**	**1,979.0**	**1,983.5**	**-0.3%**	**-0.5%**	–	–	–	–	–	–
GOODS-PRODUCING	**267.5**	**271.2**	**266.7**	**-1.4**	**0.3**	–	–	–	–	–	–
Mining, Logging, and Construction	**70.6**	**73.5**	**71.4**	**-3.9**	**-1.1**	–	–	–	–	–	–
Construction of Buildings	17.5	17.9	17.4	-2.0	0.3	–	–	–	–	–	–
Specialty Trade Contractors	45.6	47.4	48.2	-3.7	-5.2	$1,201.20	$1,237.13	35.0	37.5	$34.32	$32.99
Manufacturing	**196.9**	**197.8**	**195.3**	**-0.4**	**0.8**	**916.83**	**906.36**	**40.3**	**41.5**	**22.75**	**21.84**
Durable Goods	135.5	136.4	133.0	-0.7	1.9	955.96	945.26	40.2	41.9	23.78	22.56
Fabricated Metal Production	30.1	30.2	29.5	-0.4	1.9	–	–	–	–	–	–
Machinery Manufacturing	20.8	20.7	20.2	0.4	2.9	–	–	–	–	–	–
Computer and Electronic Product	37.4	37.4	36.5	0.1	2.6	–	–	–	–	–	–
Navigational, Measuring, Electromedical and Control	25.3	25.3	24.6	0.0	3.0	–	–	–	–	–	–
Medical Equipment and Supplies Manufacturing	15.4	15.5	14.9	-0.5	3.4	–	–	–	–	–	–
Nondurable Goods	61.4	61.3	62.4	0.1	-1.6	833.05	824.99	40.4	40.6	20.62	20.32
Food Manufacturing	13.8	13.8	14.4	0.0	-3.7	–	–	–	–	–	–
Printing and Related	13.5	13.6	14.1	-0.8	-3.9	–	–	–	–	–	–
SERVICE-PROVIDING	**1,705.7**	**1,707.8**	**1,716.8**	**-0.1**	**-0.6**	–	–	–	–	–	–
Trade, Transportation, and Utilities	**356.9**	**362.4**	**356.2**	**-1.5**	**0.2**	–	–	–	–	–	–
Wholesale Trade	94.7	94.6	93.7	0.1	1.0	1,164.24	888.71	39.6	37.2	29.40	23.89
Merchant Wholesalers - Durable Goods	55.4	54.9	53.9	0.9	2.8	–	–	–	–	–	–
Merchant Wholesalers - Nondurable Goods	31.9	31.9	32.3	0.0	-1.2	–	–	–	–	–	–
Retail Trade	187.1	191.9	187.1	-2.5	0.0	440.91	455.04	27.8	28.8	15.86	15.80
Food and Beverage Stores	34.9	35.3	34.6	-1.2	0.8	–	–	–	–	–	–
General Merchandise Stores	38.7	41.1	37.6	-6.0	2.8	349.65	370.22	25.9	28.5	13.50	12.99
Transportation, Warehouse, Utilities	75.1	75.9	75.3	-1.1	-0.3	–	–	–	–	–	–
Utilities	7.3	7.3	7.4	0.4	-0.6	–	–	–	–	–	–
Transportation and Warehousing	67.7	68.6	67.9	-1.2	-0.3	877.42	782.95	37.1	35.8	23.65	21.87
Information	**37.1**	**37.1**	**38.0**	**0.0**	**-2.3**	–	–	–	–	–	–
Publishing Industries	15.3	15.3	15.4	-0.1	-1.0	–	–	–	–	–	–
Telecommunications	7.7	7.7	8.2	-0.8	-6.0	–	–	–	–	–	–
Financial Activities	**150.1**	**149.0**	**148.0**	**0.7**	**1.4**	–	–	–	–	–	–
Finance and Insurance	122.4	121.4	120.6	0.8	1.4	1,248.56	1,196.12	38.5	37.9	32.43	31.56
Credit Intermediation	48.7	48.4	48.4	0.5	0.5	–	–	–	–	–	–
Securities, Commodity Contracts, and Other	18.2	18.0	18.1	1.0	0.6	–	–	–	–	–	–
Insurance Carriers and Related	55.5	54.9	54.1	1.1	2.5	–	–	–	–	–	–
Real Estate and Rental and Leasing	27.7	27.6	27.4	0.3	0.9	–	–	–	–	–	–
Professional and Business Services	**317.3**	**315.7**	**322.3**	**0.5**	**-1.6**	–	–	–	–	–	–
Professional, Scientific, and Technical Services	143.9	142.0	142.7	1.3	0.8	–	–	–	–	–	–
Legal Services	15.5	15.5	15.5	0.2	0.3	–	–	–	–	–	–
Architectural, Engineering, and Related	19.5	19.5	18.7	-0.3	3.9	–	–	–	–	–	–
Computer Systems Design	33.4	33.1	34.2	0.9	-2.2	–	–	–	–	–	–
Management of Companies and Enterprises	74.2	74.0	73.3	0.3	1.2	–	–	–	–	–	–
Administrative and Support Services	99.3	99.7	106.4	-0.4	-6.7	–	–	–	–	–	–
Employment Services	45.5	46.1	49.6	-1.3	-8.4	–	–	–	–	–	–
Educational and Health Services	**331.0**	**331.6**	**336.4**	**-0.2**	**-1.6**	–	–	–	–	–	–
Educational Services	45.6	43.0	47.8	6.1	-4.6	–	–	–	–	–	–
Health Care and Social Assistance	285.4	288.6	288.6	-1.1	-1.1	–	–	–	–	–	–
Ambulatory Health Care	92.0	93.1	92.6	-1.2	-0.7	–	–	–	–	–	–
Hospitals	68.3	68.6	67.3	-0.4	1.4	–	–	–	–	–	–
Nursing and Residential Care Facilities	57.5	58.3	58.8	-1.4	-2.3	–	–	–	–	–	–
Social Assistance	67.6	68.6	69.9	-1.4	-3.2	–	–	–	–	–	–
Leisure and Hospitality	**181.5**	**183.9**	**182.5**	**-1.3**	**-0.5**	–	–	–	–	–	–
Arts, Entertainment, and Recreation	32.7	33.9	33.0	-3.7	-1.2	–	–	–	–	–	–
Accommodation and Food Services	148.8	149.9	149.4	-0.7	-0.4	326.16	300.98	21.6	20.7	15.10	14.54
Food Services and Drinking Places	135.1	136.2	134.7	-0.8	0.4	321.86	293.30	21.4	20.2	15.04	14.52
Other Services	**78.2**	**77.9**	**78.1**	**0.4**	**0.1**	–	–	–	–	–	–
Repair and Maintenance	14.7	14.6	14.3	0.6	2.7	–	–	–	–	–	–
Religious, Grantmaking, Civic, Professional Organizations	41.7	41.7	41.9	0.0	-0.5	–	–	–	–	–	–
Government	**253.6**	**250.4**	**255.2**	**1.3**	**-0.6**						
Federal Government	21.2	21.1	21.4	0.3	-0.8						
State Government	68.7	66.9	68.5	2.7	0.2						
State Government Education	40.9	39.2	41.9	4.5	-2.4						
Local Government	163.7	162.4	165.4	0.8	-1.0						
Local Government Education	92.9	91.4	94.3	1.7	-1.5						

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, 2019.

Employer Survey

Industry	Duluth-Superior MSA Jobs Feb 2019	Jobs Jan 2019	Jobs Feb 2018	% Chg. From Jan 2019	% Chg. From Feb 2018	Rochester MSA Jobs Feb 2019	Jobs Jan 2019	Jobs Feb 2018	% Chg. From Jan 2019	% Chg. From Feb 2018
TOTAL NONFARM WAGE AND SALARY	**134,630**	**134,376**	**135,770**	**0.2%**	**-0.8%**	**121,379**	**121,631**	**119,554**	**-0.2%**	**1.5%**
GOODS-PRODUCING	**16,425**	**16,686**	**16,075**	**-1.6**	**2.2**	**15,061**	**15,121**	**14,214**	**-0.4**	**6.0**
Mining, Logging, and Construction	8,582	8,854	8,311	-3.1	3.3	4,194	4,289	3,904	-2.2	7.4
Manufacturing	7,843	7,832	7,764	0.1	1.0	10,867	10,832	10,310	0.3	5.4
SERVICE-PROVIDING	**23,634**	**24,406**	**24,490**	**-3.2**	**-3.5**	**106,318**	**106,510**	**105,340**	**-0.2**	**0.9**
Trade, Transportation, and Utilities	3,173	3,189	3,235	-0.5	-1.9	17,680	17,912	17,633	-1.3	0.3
Wholesale Trade	14,291	14,815	14,904	-3.5	-4.1	2,771	2,762	2,792	0.3	-0.8
Retail Trade	118,205	117,690	119,695	0.4	-1.2	12,304	12,524	12,080	-1.8	1.9
Transportation, Warehouse, Utilities	6,170	6,402	6,351	-3.6	-2.8	2,605	2,626	2,761	-0.8	-5.7
Information	1,245	1,250	1,340	-0.4	-7.1	1,599	1,598	1,764	0.1	-9.4
Financial Activities	5,471	5,474	5,627	-0.1	-2.8	2,734	2,732	2,806	0.1	-2.6
Professional and Business Services	7,907	7,797	7,522	1.4	5.1	6,021	5,912	5,881	1.8	2.4
Educational and Health Services	32,424	32,168	32,901	0.8	-1.4	50,726	50,672	50,231	0.1	1.0
Leisure and Hospitality	13,685	13,522	13,853	1.2	-1.2	10,838	10,984	10,496	-1.3	3.3
Other Services	6,583	6,575	6,599	0.1	-0.2	3,772	3,747	3,734	0.7	1.0
Government	27,256	26,498	27,363	2.9	-0.4	12,948	12,953	12,795	0.0	1.2

Employer Survey

Industry	St. Cloud MSA Jobs Feb 2019	Jobs Jan 2019	Jobs Feb 2018	% Chg. From Jan 2019	% Chg. From Feb 2018	Mankato MSA Jobs Feb 2019	Jobs Jan 2019	Jobs Feb 2018	% Chg. From Jan 2019	% Chg. From Feb 2018
TOTAL NONFARM WAGE AND SALARY	**109,260**	**108,483**	**107,895**	**0.7%**	**1.3%**	**57,730**	**57,546**	**57,714**	**0.3**	**0.0%**
GOODS-PRODUCING	**21,512**	**21,635**	**20,279**	**-0.6**	**6.1**	**9,836**	**10,081**	**9,752**	**-2.4**	**0.9**
Mining, Logging, and Construction	6,279	6,331	5,266	-0.8	19.2	--	--	--	--	--
Manufacturing	15,233	15,304	15,013	-0.5	1.5	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**87,748**	**86,848**	**87,616**	**1.0**	**0.2**	**47,894**	**47,465**	**47,962**	**0.9**	**-0.1**
Trade, Transportation, and Utilities	22,165	22,213	22,437	-0.2	-1.2	--	--	--	--	--
Wholesale Trade	5,031	4,974	4,987	1.1	0.9	--	--	--	--	--
Retail Trade	13,014	13,101	13,389	-0.7	-2.8	--	--	--	--	--
Transportation, Warehouse, Utilities	4,120	4,138	4,061	-0.4	1.5	--	--	--	--	--
Information	1,286	1,296	1,423	-0.8	-9.6	--	--	--	--	--
Financial Activities	5,265	5,187	5,186	1.5	1.5	--	--	--	--	--
Professional and Business Services	8,527	8,449	8,651	0.9	-1.4	--	--	--	--	--
Educational and Health Services	22,819	22,589	22,251	1.0	2.6	--	--	--	--	--
Leisure and Hospitality	8,080	8,016	8,323	0.8	-2.9	--	--	--	--	--
Other Services	3,835	3,754	3,794	2.2	1.1	--	--	--	--	--
Government	15,771	15,344	15,551	2.8	1.4	10,067	9,815	9,864	2.6	2.1

Employer Survey

Industry	Fargo-Moorhead MSA Jobs Feb 2019	Jobs Jan 2019	Jobs Feb 2018	% Chg. From Jan 2019	% Chg. From Feb 2018	Grand Forks-East Grand Forks MSA Jobs Feb 2019	Jobs Jan 2019	Jobs Feb 2018	% Chg. From Jan 2019	% Chg. From Feb 2018
TOTAL NONFARM WAGE AND SALARY	**140,155**	**138,748**	**140,504**	**1.0%**	**-0.3%**	**55,139**	**55,371**	**56,149**	**-0.4%**	**-1.8%**
GOODS-PRODUCING	**17,578**	**17,655**	**17,092**	**-0.4**	**2.8**	**6,872**	**6,861**	**6,698**	**0.2**	**2.6**
Mining, Logging, and Construction	7,339	7,443	7,202	-1.4	1.9	2,398	2,443	2,397	-1.8	0.0
Manufacturing	10,239	10,212	9,890	0.3	3.5	4,474	4,418	4,301	1.3	4.0
SERVICE-PROVIDING	**122,577**	**121,093**	**123,412**	**1.2**	**-0.7**	**48,267**	**48,510**	**49,451**	**-0.5**	**-2.4**
Trade, Transportation, and Utilities	29,763	29,905	30,266	-0.5	-1.7	10,881	11,040	11,340	-1.4	-4.1
Wholesale Trade	8,820	8,806	8,814	0.2	0.1	1,849	1,850	1,789	-0.1	3.4
Retail Trade	15,088	15,262	15,783	-1.1	-4.4	6,857	6,913	7,363	-0.8	-6.9
Transportation, Warehouse, Utilities	5,855	5,837	5,669	0.3	3.3	2,175	2,277	2,188	-4.5	-0.6
Information	3,009	3,022	3,033	-0.4	-0.8	555	564	564	-1.6	-1.6
Financial Activities	10,987	11,043	11,032	-0.5	-0.4	2,030	2,028	1,920	0.1	5.7
Professional and Business Services	15,203	14,805	15,504	2.7	-1.9	3,387	3,416	3,286	-0.9	3.1
Educational and Health Services	25,337	25,065	24,707	1.1	2.6	9,723	9,742	9,693	-0.2	0.3
Leisure and Hospitality	13,166	13,136	13,814	0.2	-4.7	5,812	5,995	6,242	-3.1	-6.9
Other Services	4,989	4,961	4,988	0.6	0.0	1,926	1,917	1,975	0.5	-2.5
Government	20,123	19,156	20,068	5.1	0.3	13,953	13,808	14,431	1.1	-3.3

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2019.

Minnesota Economic Indicators

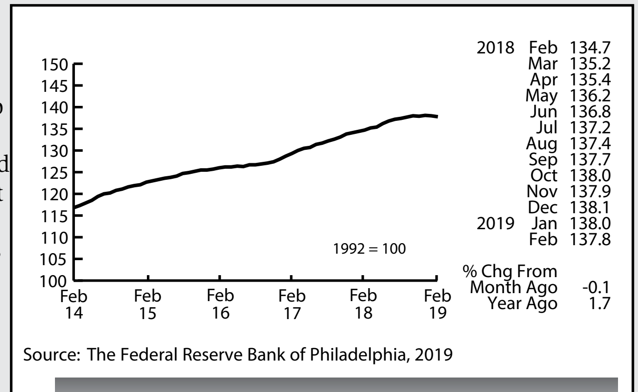
Highlights

The **Minnesota Index** dipped for the fourth time over the last five months in March, slipping to 137.6. While wage and salary employment inched up, average weekly manufacturing hours declined, and the unemployment rate rose for the third straight month. The U.S. index increased 0.2 percent for the fourth month in a row, reaching 125.8.

March's reading was up over the year 1.7 percent for Minnesota and 2.9 percent for the U.S. The 1.7 gain was the smallest for the state since November 2016. The Minnesota Index, after averaging a 3.9 percent over-the-year increase in 2018, averaged only a 2.2 percent increase during the first three months. The pace of economic growth in Minnesota has slowed noticeable over the last six months. Seven other states recorded declining economic activity in March with Kansas stumbling the most followed by Hawaii, Maryland, and then Minnesota.

Minnesota adjusted **Wage and Salary Employment** recorded a weak rebound in March, inching up 1,300 jobs after cutting 7,800 in February. All the jobs added were in the private sector as public sector payroll numbers were down 100. Construction employment, after dropping by 3,500 the previous month, added 2,900 jobs in March. Manufacturing lost jobs for the third month in a row. Six sectors boosted employment while seven sectors reduced their workforce.

Unadjusted over-the-year job growth ticked up to 0.3 percent. That gain is down from the 0.7 percent average in 2018 and below the 1.7 percent rate for the U.S. in March. Labor demand, as evidenced by the level of job openings, remains robust, and layoff rates, as supported by low initial unemployment claims, continue at record-low levels. So the weakness in job growth is probably related more to businesses' having a difficult time filling openings than to waning business activity.



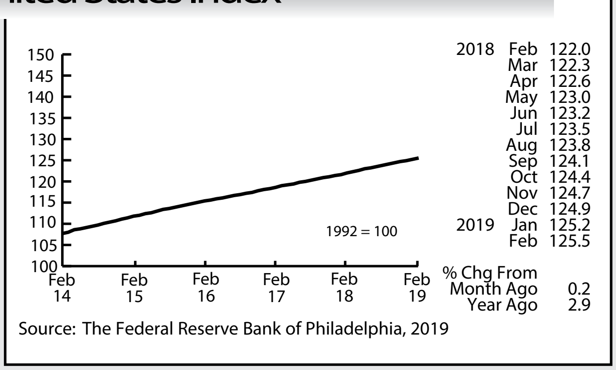
Minnesota Index

Online Help-Wanted Ads tailed off in March to 141,900 but remain high by historic standards. Online postings fell 1.5 percent in Minnesota and 2.1 percent across the U.S. in March. Minnesota's share of online postings rose to 2.7 percent. Robust job listings in other states have drawn more people into the labor force, allowing solid hiring activity. Minnesota's pool of workers on the sideline has already been used up over the last few years which is limiting the hiring pace in Minnesota.

Minnesota's U-6 unemployment rate averaged 5.4 percent in 2018. The U-6 unemployment rate is the broadest measure of labor market slack as it includes marginally attached, discouraged, and involuntary part-time workers. Only Iowa and North Dakota had a lower U-6 rate in 2018. New Hampshire, Nebraska, South Dakota, and Vermont also had U-6 rates below 6.0 percent. The combined over-the-year job growth rates for these seven states in March was 0.6 percent compared to the 1.7 nationally. Job growth in Minnesota and the other states listed here have slowed as a result of very tight labor markets.

Minnesota's **Purchasing Managers' Index (PMI)** stumbled for the third month in a row to 53.0, the lowest reading in over two years. Minnesota's PMI continues to report in two comparable indices. The Mid-America Business Index climbed for the fourth consecutive month to 58.2 while the national PMI advanced to 55.3.

United States Index



Adjusted average weekly **Manufacturing Hours** dropped noticeably in March to 40.3 hours, a 17-month low. The decline is consistent with other signals of slowing manufacturing activity in the state. Average weekly **Manufacturing Earnings**, adjusted for inflation and seasonality, inched up for the second straight month to $908.34 in March. Real manufacturing paychecks have averaged 2.4 percent higher than the year before since the start of 2017.

Minnesota Leading Index for March will be published during the first week in May (https://www.philadelphiafed.org/research-and-data/regional-economy/indexes/leading/), but February's recently published leading index predicts that Minnesota's economy will continue to face headwinds. February's reading of -0.5 is the lowest since April 2009. Minnesota has the unpleasant distinction of being one of six states with negative leading indices in February. The U.S. index was 1.1 in February.

Adjusted **Residential Building Permits** remain one of the few positive indicators for Minnesota's economy as permit numbers inched down slightly in March to 2,424 but remained well above the 39-year average of 2,100. Home-building permits through the first three months of 2019 are 10.2 higher than 2018 and the second highest level first quarter total since 2006.

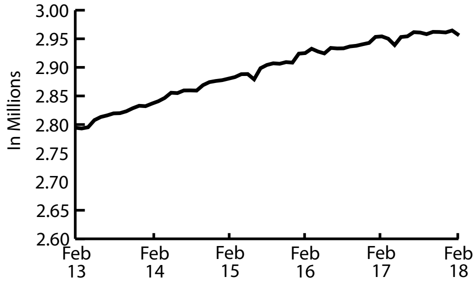
Adjusted **Initial Claims for Unemployment Benefits (UB)** fell for the second straight month to 15,961 in March. Employers continue to keep layoffs to a minimum in light of hiring difficulties and solid business conditions.

by Dave Senf

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

2018	Sep	2.9581
	Oct	2.9621
	Nov	2.9619
	Dec	2.9611
2019	Jan	2.9645
	Feb	2.9567

% Chg From Month Ago 0.0

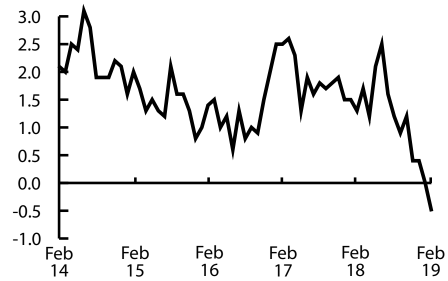
unadjusted

2018	Feb	2.9008
2019	Feb	2.9084

% Chg From Year Ago 0.3%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2019

Minnesota Leading Index

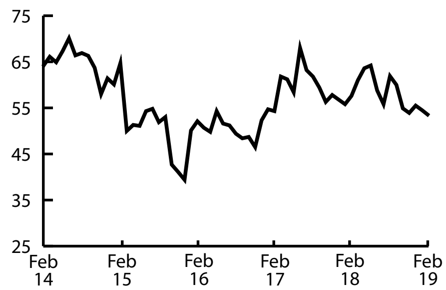


2018	Feb	1.3
	Mar	1.7
	Apr	1.2
	May	2.1
	Jun	2.5
	Jul	1.6
	Aug	1.2
	Sep	0.9
	Oct	1.2
	Nov	0.4
	Dec	0.4
2019	Jan	0.0
	Feb	-0.5

% Chg From Month Ago NA
Year Ago NA

Source: The Federal Reserve Bank of Philadelphia, 2019

Purchasing Managers' Index

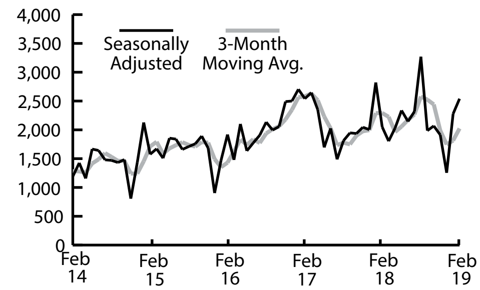


2018	Feb	57.6
	Mar	61.0
	Apr	63.6
	May	64.2
	Jun	58.8
	Jul	55.8
	Aug	61.9
	Sep	60.0
	Oct	54.9
	Nov	53.9
	Dec	55.5
2019	Jan	54.5
	Feb	53.4

% Chg From Month Ago -0.7
Year Ago -13.1

Source: Creighton University, Mid-America Survey of Business Conditions, 2019

Residential Building Permits



seasonally adjusted

2018	Sep	1,986
	Oct	2,068
	Nov	1,913
	Dec	1,255
2019	Jan	2,278
	Feb	2,540

% Chg From Month Ago -4.6

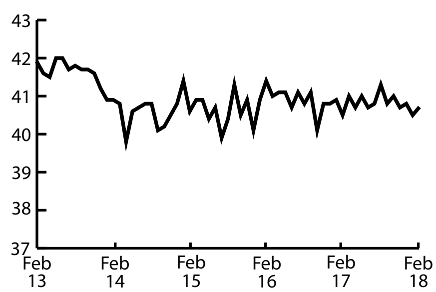
unadjusted

2018	Feb	1,650
2019	Feb	2,136

% Chg From Year Ago 29.5%

Source: Residential Building Permits, Census Bureau, U.S. Department of Commerce, 2019

Average Weekly Manufacturing Hours



seasonally adjusted

2018	Sep	40.8
	Oct	41.0
	Nov	40.7
	Dec	40.8
2019	Jan	40.5
	Feb	40.7

% Chg From Month Ago -0.9

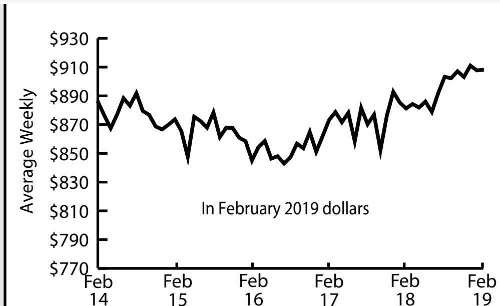
unadjusted

2018	Feb	40.9
2019	Feb	40.4

% Chg From Year Ago -1.2%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2019

Manufacturing Earnings



seasonally adjusted

2018	Sep	902.24
	Oct	907.10
	Nov	903.15
	Dec	911.02
2019	Jan	907.69
	Feb	908.11

% Chg From Month Ago 0.0

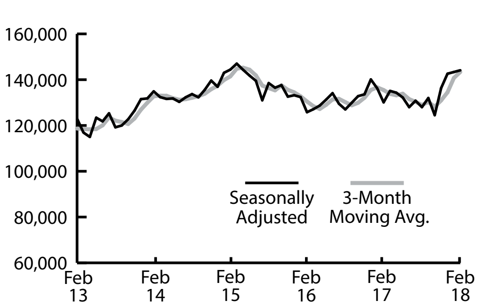
unadjusted

2018	Feb	884.43
2019	Feb	913.04

% Chg From Year Ago 3.2%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2019

Online Help-Wanted Advertising

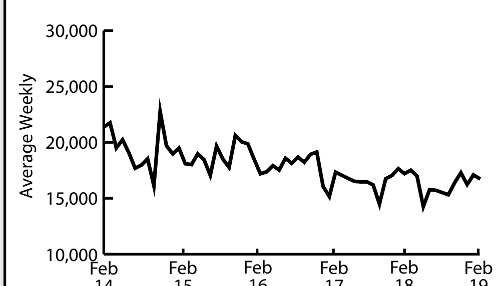


2018	Feb	130,100
	Mar	135,100
	Apr	134,300
	May	132,200
	Jun	128,000
	Jul	130,800
	Aug	128,000
	Sep	132,000
	Oct	124,500
	Nov	136,300
	Dec	142,600
2019	Jan	143,350
	Feb	144,100

% Chg From Month Ago -1.5
Year Ago 5.0

Source: The Conference Board Inc., 2019

Initial UB Claimants



seasonally adjusted

2018	Sep	15,320
	Oct	16,394
	Nov	17,287
	Dec	16,232
2019	Jan	17,096
	Feb	16,753

% Chg From Month Ago -4.7

unadjusted

2018	Feb	14,833
2019	Feb	14,153

% Chg From Year Ago -4.6%

Source: Department of Employment and Economic Development, Unemployment Insurance Program, 2019

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

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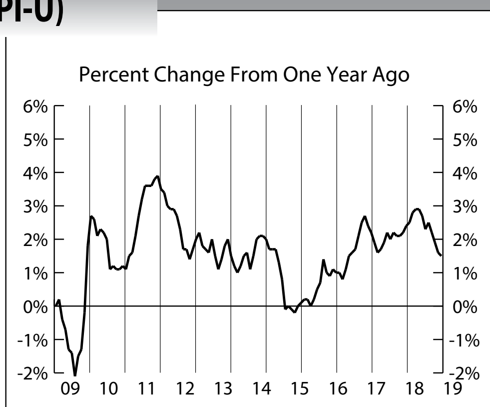
U.S. Consumer Price Index for All Urban Consumers (CPI-U)

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in February on a seasonally adjusted basis after being unchanged in January the U.S. Bureau of Labor Statistics reported. The indices for shelter and food increased, and the gasoline index rose after recent declines.



The all items index increased 1.5 percent for the 12 months ending February, a smaller increase than the 1.6-percent rise for the 12-months ending January.

www.bls.gov/cpi/

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.

What's Going On?

What Would I Do If I Couldn't See?

The simple answer is that with a few new skills, you'd be going about your everyday life. Three new videos from State Services for the Blind – posted on YouTube – showcase Minnesotans who are blind, losing vision, or DeafBlind, doing just that.

"**How Can I Do It If I Can't See It**" (audio described) focuses on seniors who are wondering how to live well with vision loss.

"**How Can I Read It If I Can't See It**" (audio described) is for everyone who loves reading and has concerns that vision loss or another disability might take away their ability to read.

"**How Could I Do This Job If I Can't See**" (audio described) shows Minnesotans using high-tech and low-tech solutions at work.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Workforce Shortages in Minnesota's Early Learning Industry

The Context

As a result of continued steady job growth since the end of the Great Recession in 2010, and slow to no labor force growt primarily caused by an aging population, there are now fewer unemployed workers than vacancies. Minnesota's unemployment rate, at 3.2 percent in March 2019, is very low by historical standards and is 13th lowest nationwide.

Largely from retirements, the labor force participation rate dropped to 69.8 percent in 2018, the lowest it's been since 1981. As a result, employers across the state and its diverse industries are having a difficult time finding workers, managing turnover, and remaining fully staffed. This in turn is slowing the overall growth of Minnesota's economy.

The early learning industry both impacts this picture and is impacted by it. Young families need child care in order to work, and many will choose not to work rather than place their young children in low quality or unaffordable care. On the flip side early learning programs are having difficulty hiring and retaining qualified workers, which is impacting access to and quality of care. Program closures are impacting rural areas of the state most dramatically, but child care deserts exist in urban areas as well.

Early Learning Industry

Early learning programs in Minnesota include publicly funded programs – Head Start and pre-k classes in public schools – as well as private and nonprofit businesses. These include both family child care programs and child care center based programs. According to a recent Department of Human Services study, there are 43,000 employees in the early learning industry in Minnesota with about 35,500 of these employees in private and nonprofit programs. This article focuses on these private and nonprofit programs.

Most of these private and nonprofit early learning programs are small private businesses with most family child care providers self-employed. The average staffing in a center-based program is 14 employees and in a family child care home is 1.3 employees.

Wages

Wages are very low in early learning occupations. Most of the cost of running a center comes down to staffing but centers have a difficult time raising prices enough to adequately compensate staff. Infant classrooms, for example, require a minimum of two full-time equivalents for eight children and are generally open a minimum of 10 hours a day to accommodate parents work/commute schedules. Even at an average cost of $16,000 a year per infant (statewide 2017, Child Care Aware Minnesota), it is difficult to see how anyone could put together a viable business model for this age group.

Table 1 provides 2018 wages in Minnesota's early learning programs. Wages for preschool teachers, who are required to have a related associate's degree in most private centers, are critically low in private ownership settings and much lower than those in publicly funded settings. Wages for child care workers are also critically low compared to other occupations that require a high school diploma.

Table 1. Wages for Minnesota's Early Learning Industry

Occupation	25th Percentile	Median	75th Percentile
Education Administrators, Preschool and Child Care Center/Program	$20.50	$24.60	$31.72
Preschool Teachers, except special education	$12.95	$15.03	$25.81
Private ownership	**$12.86**	**$14.68**	**$17.68**
Public ownership	$16.60	$21.57	$28.49
Child Care Workers (public and private settings pay similar wages)	$9.97	$11.44	$13.89

Source: Occupational Employment Statistics mn.gov/deed/oes

Based on DEED's cost of living calculator the basic cost of living for a single person ranges from $12.85 an hour in southwest Minnesota to $15.69 an hour in the Seven County Twin Cities Metro region. Since child care wages do not sustain a basic cost of living, it is difficult to recruit and retain qualified workers in the industry.

Talent Gap

These low wages negatively impact the pipeline of workers coming into this industry, creating a critical talent gap. Based on Statewide Longitudinal Education Data System (SLEDS) data, private and non-profit sector wages clearly do not justify the financial burden of obtaining a degree in the field and do not support the cost of repaying loans.

In Minnesota graduates with an Associate Degree in early learning or child development earned a median wage of only $13.90 in center-based child care programs two years after graduation. Those with a Bachelor's degree in early learning or child development who worked in center-based programs earned a median wage of only $15.60 while those who worked in elementary or secondary schools earned $24.40 two years after graduation. Because of the large earnings gap, most graduates with Bachelor or graduate credentials end up pursuing jobs in public schools, leaving private and non-profit child care programs bereft of highly trained teachers (see Table 2).

This talent gap is being compounded by high turnover in the industry. Figure 1 shows that the Child Care Services industry has higher turnover than most other industries in Minnesota.

Turnover further exacerbates staffing shortages and negatively impacts program quality. It has been well established that young children are better able to play, learn, and thrive in a stable environment where they can develop attachments with the important adults in their lives. Staff turnover negatively impacts stability, causing stress and slowing learning in young children.

Moreover, from a business perspective, high turnover increases costs to programs that must continually hire and train new staff. In these small businesses, many of which barely make ends meet financially, the cost of turnover can make the difference between staying in business and going out of business. Turnover is an even bigger challenge in rural regions of the state (see Table 3).

Table 2. College Workforce Pipeline, 2011 to 2015 Graduates, Minnesota

Degree	Industry of Employment	Number Employed	% Employed in Industry	Median Wage Second Year After Graduation
Certificates	Elementary and Secondary Schools	64	16.2%	$ 14.20
Certificates	**Social Assistance (private center-based)**	**155**	**39.3%**	**$ 13.20**
Associate Degree	Elementary and Secondary Schools	145	16.4%	$ 14.40
Associate Degree	**Social Assistance (center-based programs)**	**402**	**45.5%**	**$ 13.90**
Bachelor's Degree	Elementary and Secondary Schools	287	58.5%	$ 24.40
Bachelor's Degree	**Social Assistance (center-based programs)**	**101**	**20.6%**	**$ 15.60**
Graduate Degree	Elementary and Secondary Schools	109	64.1%	$ 32.20
Graduate Degree	**Social Assistance (center-based programs)**	**29**	**17.1%**	**$ 21.00**

Source: Graduate Employment Outcomes Tool mn.gov/deed/geo

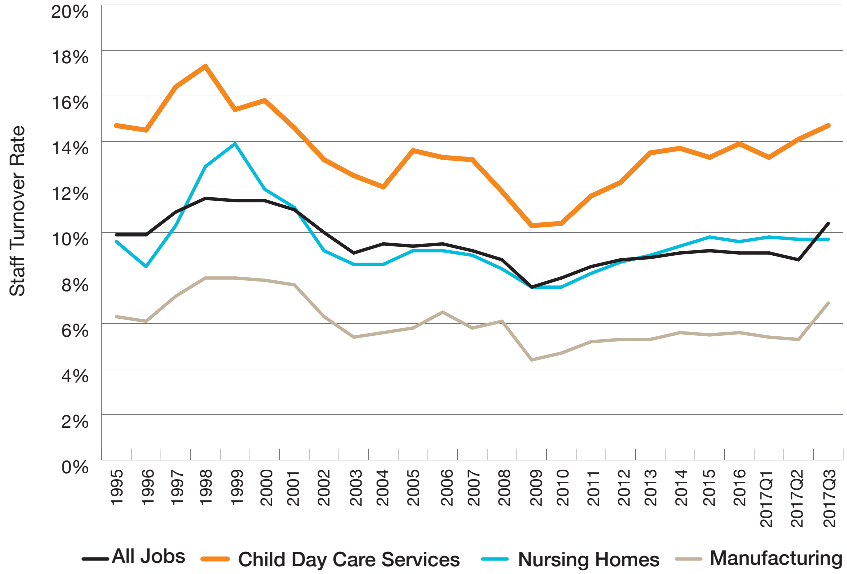
With vacancy rates of 5.7 and 10.3 percent compared to 5.2 percent across all occupations, labor market demand is higher than average for both preschool teachers and child care workers (see Table 3). Wage offers mirror the wages of currently employed workers in the industry including the gulf between the public and private sectors, especially for preschool teachers. The median wage offer for preschool teachers in public and private settings combined is $20.82 compared to the median wage offer for preschool teachers in center-based programs at $14.31. Wage offers are somewhat lower in Greater Minnesota at the median than in the Seven-County Twin Cities area.

The median wage offer for child care workers, who generally do not need post-secondary education to work in public or private programs, is $12.45.

Based on DEED's Occupations in Demand data series, updated annually, demand for child care workers ranks 56th out of 315 occupations, making it a high demand (top quintile) occupation. With a high school diploma required for most of these job openings, this occupation is at the very bottom of median wage offers within its educational requirement category among other high demand occupations (see Table 4). Moreover, with high turnover and high demand in the occupation, we project that the industry will have to fill 44,000 jobs by 2026.

Likewise preschool teachers rank 79th overall, also a high demand (top quintile) occupation. With a related Associates Degree required, preschool teachers are also at the very bottom of median wages in their educational requirement category.

Figure 1. Turnover Rates by Industry in Minnesota



Source: Quarterly Workforce Indicators, U.S. Census Bureau, data for Minnesota

Table 3. Turnover Rates in the Child Day Care Industry by Region, 2016

Region	2016 Turnover (%)
Duluth MSA	13.7
Mankato MSA	13.6
MSP MSA	13.7
Rochester MSA	13.0
St. Cloud MSA	14.2
Rural Counties (non-MSA)	15.0
Northwest (1) WSA	11.7
Rural CEP (2) WSA	17.0
Northeast (3) WSA	14.5
Southwest (6) WSA	15.0
South Central (7) WSA	15.5
Southeast (8) WSA	12.8

Source: Quarterly Workforce Indicators, U.S. Census Bureau, data for Minnesota

Supporting Early Learning Programs and Staff

While the wages in the early learning industry are too low to make these employers eligible for many of the training and retraining programs that the Minnesota Department of Employment and Economic Development offers[1], Minnesota has several workforce development programs to support the industry and its employees.

The Community Child Care Expansion Grant Program provides funding to implement solutions to reduce the child care shortages in the state, including but not limited to funding for child care business start-ups or expansions, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. At $500,000 a year, this program created or retained 1,159 early learning slots in SFY 2018, primarily in Greater Minnesota.

Other programs that support staff and reduce turnover are the Retaining Early Educators Through Attaining Incentives Now (R.E.E.T.A.I.N.), which provides a competitive bonus system to help keep well-trained child care professional in the field. Recipients make a commitment to remain in their position or business for at least one year after the grant is awarded. Since 2003, R.E.E.T.A.I.N. has awarded bonuses to over 2,000 professionals degreed or credentialed in early childhood and school-age care.

T.E.A.C.H. Scholarships help early childhood and school-age care providers increase their levels of education by providing reimbursement to center-based or school-age care staff for credits toward an Associate's or Bachelor's Degree in Child Development or Early Childhood Education at an accredited Minnesota college or university. All together 903 students have received a T.E.A.C.H. scholarship since the program's introduction in 2002.

Together these programs help support the industry and its employees, but at current funding levels can only begin to address quality, access, and the problem of program closures in Minnesota.

To the extent that early learning programs can mitigate later learning disparities in grade school and beyond, it is important to ensure that all programs in Minnesota provide high quality care that allows young children to thrive. The current picture of low wages, resulting in a talent gap and high turnover rates, negatively impacts the quality of Minnesota's private early learning programs. Moreover, the resulting shortage of child care slots is limiting parents' ability to participate in the labor market, particularly in Greater Minnesota, and further driving down already historically low labor force participation rates in Minnesota.

by Oriane Casale

Table 4. Minnesota Job Vacancies in the Early Learning Industry, Second Quarter 2018

Occupation	Number of Vacancies	Median Wage Offer	Vacancy Rate	Percent Requiring Postsecondary
All Job Vacancies	142,282	$14.54	5.2%	31%
Preschool Teachers	**436**	**$20.82**	**5.7%**	**100%**
Preschool Teachers – private ownership	214	$14.31	NA	100%
Twin Cities	139	$14.49	NA	100%
Greater Minnesota	74	$13.23	NA	100%
Preschool Teachers – public ownership	222	$24.88	NA	100%
Child Care Workers	**1,189**	**$12.45**	**10.3%**	**15%**

Source: Job Vacancy Survey (JVS), DEED, mn.gov/deed/jvs

[1]The Minnesota Job Skills Partnership program, for example, has never partnered with a child care establishment because the wages do not meet the definition of "living wage".

Minnesota Industry Snapshot

NAICS 923 Administration of Human Resource Programs

Encompassing Education, Public Health, and Veterans' Affairs, the Administration of Human Resource Programs industry provides extremely important government functions throughout the state. These organizations accounted for more than 15,800 jobs at 460 establishments across the state in the third quarter of 2018, supplying vital services and support to a wide variety of stakeholders, ranging literally from the cradle to the grave and most of the important moments in between. For example, public health programs include both maternity child health programs and coroners' offices.

Table 1. Administration of Human Resource Programs Employment in Minnesota, Qtr. 3 2018

Industry	Number of Firms	Number of Jobs	Federal Government Share	State Government Share	Local Government Share	Average Annual Wage
Administration of Human Resource Programs	460	15,806	12.8%	52.0%	35.3%	$67,028
Administration of Education Programs	14	892	0.1%	83.1%	16.8%	$80,756
Administration of Public Health Programs	66	2,536	0.5%	72.2%	27.4%	$68,744
Administration of Human Resource Programs	366	10,707	4.6%	51.4%	44.0%	$65,156
Administration of Veterans' Affairs	14	1,669	90.5%	8.4%	1.0%	$69,524

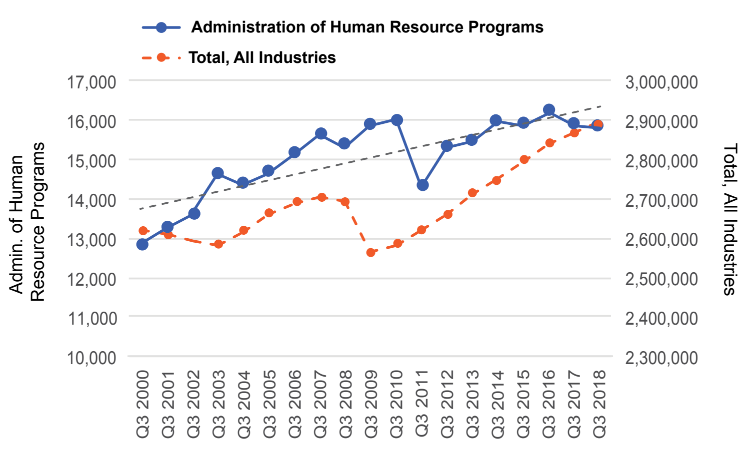
Source: DEED Quarterly Census of Employment and Wages (QCEW)

As shown in Table 1, the largest subsector is the Administration of Human Resource Programs, which includes "government establishments primarily engaged in the planning, administration, and coordination of programs for public assistance, social work, and welfare activities. The administration of Social Security, disability insurance, Medicare, unemployment insurance, and workers' compensation programs are included in this industry.[1] Over half of these jobs are in state government, and another 44 percent are in local government, while less than 5 percent are federal jobs. Employment has declined by more than 1,200 jobs over the past decade – although it's important to note that all of those jobs and more were cut in the Twin Cities metro area, while employment was actually increasing in Greater Minnesota.

Administration of Public Health Programs "comprises government establishments primarily engaged in the planning, administration, and coordination of public health programs and services, including environmental health activities, mental health, categorical health programs, health statistics, and immunization services," as well as public health-related inspections.[2] Nearly three-quarters of the more than 2,500 jobs in the state are in state government, while the other 27 percent are in local government.

In contrast, the federal government employs over 90 percent of the workers in the Administration of Veterans' Affairs industry, which provides programs of assistance, training, counseling, and other services to veterans and their dependents.[3] Eighty percent of these jobs are located in the Twin Cities metro area, and the industry has nearly tripled in size since 2008, expanding 164.5 percent.

Figure 1. Minnesota Industry Employment Statistics, 2000-2018



Source: DEED Quarterly Census of Employment and Wages

Finally, the smallest sector is the Administration of Education Programs, which encompasses the central coordination, planning, supervision, and administration of funds, policies, intergovernmental activities, statistical reports and data collection, and centralized programs for educational administration." This would include the state education department and University boards/regents, but does not include local school boards. Again, over 80 percent of these jobs are in the Twin Cities, and employment has increased almost 50 percent in the past decade.

[1]923130 Administration of Human Resources Programs (except Education, Public Health, and Veterans' Affairs Programs). Retrieved from www.census.gov/cgi-bin/sssd/naics/naicsrch?code=923130&search=2017%20NAICS%20Search
[2]923120 Administration of Public Health Programs. Retrieved from www.census.gov/cgi-bin/sssd/naics/naicsrch?code=923120&search=2017%20NAICS%20Search
[3]923140 Administration of Veterans' Affairs. Retrieved from www.census.gov/cgi-bin/sssd/naics/naicsrch?code=923140&search=2017%20NAICS%20Search
[4]923110 Administration of Education Programs. Retrieved from www.census.gov/cgi-bin/sssd/naics/naicsrch?code=923110&search=2017%20NAICS%20Search

Minnesota Industry Snapshot

NAICS 561 Administrative and Support Services

With 131,458 jobs at 7,860 business establishments, Administrative and Support Services is the fifth largest industry at the 3-digit NAICS code level. Businesses operating in this sector primarily do work for other businesses. According to the Census definition, "the processes employed in this sector (e.g., general management, personnel administration, clerical activities, cleaning activities) are often integral parts of the activities of establishments found in all sectors of the economy". Many of the activities performed in this subsector are ongoing routine support functions and that businesses have traditionally done for themselves. Recent trends, however, are to contract or purchase such services from businesses that specialize in such activities and can, therefore, provide the services more efficiently."[1]

The largest administrative support industry is Employment Services, with just under 60,000 jobs at about 1,700 establishments statewide. Temporary Help Services, also known as staffing agencies, account for over 90 percent of those jobs. While temporary staffing employment dropped over the past year, it is up by nearly 5,800 jobs over the past decade, while the number of staffing establishments jumped by 30 percent since 2008. In addition, employment placement agencies and professional employer organizations both provide about 2,700 jobs in the state, and both have also been seeing growth in recent years.

The second largest industry is Services to Buildings and Dwellings, with 35,070 jobs at 3,517 establishments. This includes about 18,000 jobs in janitorial services and about 14,300 jobs at landscaping services. Services to Buildings and Dwellings also added more than 5,000 jobs over the past decade, including 805 net new jobs in the last year.

Business Support Services – which includes collection agencies, telephone call centers, mail and parcel services, and document preparation services – had more than 10,700 jobs statewide but suffered recent losses. In contrast, Investigation and Security Services was seeing rapid growth – adding almost 750 jobs over the past year, an 8 percent increase – and now has more than 10,350 jobs at 294 firms.

Smaller industries include Other Support Services – running the gamut through auctioneers, coupon redemption services, document shredding services, meter reading and utility locating, traffic control and flagging, and water softening and conditioning services – which had 7,810 jobs at 688 small businesses; Office Administrative Services – which primarily serves the health care and hospitality industries, with just under 5,000 jobs after cutting payrolls 12 percent in the past year; and Travel Arrangement and Reservation Services – where employment is split between travel agencies and tour operators (See Table 1).

Table 1. Minnesota Industry Employment Statistics

		Qtr. 3 2018 Data		Change in Jobs, Q3 2017-Q3 2018		Qtr. 3 2018 Data	
NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Numeric	Percent	Quarterly Payroll	Average Annual Wage
Total, All Industries	0	177,652	2,894,506	27,696	1.0%	$40,435,843,735	$55,848
Administrative and Support Services	561	7,860	131,458	195	0.1%	$1,297,965,600	$39,468
Office Administrative Services	5611	521	4,864	-666	-12.0%	$96,415,672	$79,248
Facilities Support Services	5612	93	666	-68	-9.3%	$7,190,887	$43,160
Employment Services	5613	1,681	59,241	-72	-0.1%	$562,673,831	$37,960
Employment Placement Agencies	56131	361	2,696	15	0.6%	$51,001,952	$75,660
Temporary Help Services	56132	1,186	53,859	-104	-0.2%	$487,195,340	$36,140
Professional Employer Organizations	56133	134	2,685	16	0.6%	$24,476,539	$36,452
Business Support Services	5614	733	10,723	-378	-3.4%	$134,241,717	$50,076
Travel Arrangement and Reservation Services	5615	333	2,731	-52	-1.9%	$44,725,665	$65,468
Investigation and Security Services	5616	294	10,352	748	7.8%	$87,083,582	$33,644
Services to Buildings and Dwellings	5617	3,517	35,070	805	2.3%	$279,534,216	$31,876
Other Support Services	5619	688	7,810	-121	-1.5%	$86,100,030	$44,096

Source: DEED Quarterly Census of Employment and Wages

[1]561 Administrative and Support Services. Retrieved from www.census.gov/cgi-bin/sssd/naics/naicsrch?code=561&search=2017%20NAICS%20Search

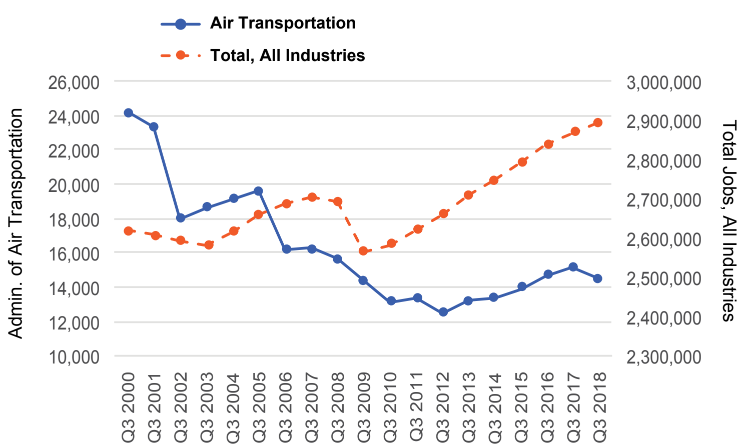
Minnesota Industry Snapshot

NAICS 481 Air Transportation

Since the Twin Cities are home to the top ranked airport in North America according to a survey from Airports Council International[1], the Air Transportation industry is a source of pride for the state of Minnesota. Data from the Federal Aviation Administration show that Minneapolis-St. Paul International Airport is the 17th busiest in the United States, ranking between Boston and Detroit[2]. With more than 14,000 jobs in 2018, Minnesota has a location quotient of 1.4 – meaning that employment in Air Transportation is more concentrated in Minnesota than in the United States as a whole.

The Air Transportation industry, however, has experienced many ups and downs in Minnesota over time. The terrorist attacks on September 11, 2001, severely impacted the airline industry's employment, leading to a 10 percent decline nationwide and a 23 percent drop in the state. Employment plunged sharply again from 2005 to 2006, accentuated by Northwest Airlines' filing for Chapter 11 bankruptcy protection, ironically on the same day as Delta Air Lines.[3] Then in October 2008 those two airlines merged to form "a carrier that today is the most profitable in the world."[4] Overall, employment has been increasing in the state since grounding out at 12,444 jobs in the third quarter of 2012 (see Figure 1).

Figure 1. Minnesota Industry Employment Statistics, 2000-2018



Source: DEED Quarterly Census of Employment and Wages

Ninety-five percent of Minnesota's Air Transportation jobs are located in the Twin Cities metro area, but 60 percent of Air Transportation establishments are located in Greater Minnesota. This is because Air Transportation is classified into two main subsectors: "scheduled air carriers fly regular routes on regular schedules and operate even if flights are only partially loaded. Nonscheduled carriers often operate during nonpeak time slots at busy airports. These establishments have more flexibility with respect to choice of airport, hours of operation, load factors, and similar operational characteristics."[5]

In Minnesota more than 97 percent of employment is in scheduled air transportation, while the other 3 percent of jobs are with nonscheduled carriers. In addition to passengers, this also includes the shipping of mail, cargo, and other freight. Similarly, 97 percent of employment is concentrated on passengers, with only 3 percent focusing on freight and mail.

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[1] "MSP Airport Ranked As Best In North America For 2nd Consecutive Year." WCCO 4 CBS Minnesota. Retrieved from https://minnesota.cbslocal.com/2018/03/06/msp-airport-ranked-as-best-in-north-america-for-2nd-consecutive-year/

[2] Calendar Year 2017 Enplanements at All Commercial Service Airports (by Rank), Updated 7 November 2018. Retrieved from www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/media/cy17-commercial-service-enplanements.pdf

[3] Baxter, Annie and Mark Zdechlik. "Northwest files for bankruptcy." Minnesota Public Radio. Retrieved from http://news.minnesota.publicradio.org/features/2005/09/14_baxtera_nwa/

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Minnesota Industry Snapshot

NAICS 621 Ambulatory Health Care Services

Closing in on 500,000 jobs in 2018, Health Care and Social Assistance is easily the largest employing sector in the state of Minnesota. With over 155,000 jobs, Ambulatory Health Care Services is the largest industry in health care, and the fourth largest employing 3-digit NAICS code overall, behind just Educational Services, Food Services and Drinking Places, and Professional, Scientific, and Technical Services.

Ambulatory Health Care Services ranks in the top six industries in all six planning regions of the state, including the number one spot in Southeast Minnesota, where it accounts for 13.3 percent of total employment. Encompassing offices of physicians, dentists, and other health practitioners as well as outpatient care centers, medical and diagnostic laboratories, and home health care services, ambulatory health care is among the fastest and largest expanding segments of Minnesota's economy (see Table 1).

Table 1. Minnesota Health Care Employment

NAICS Industry Title	NAICS Code	Q3 2008-Q3 2018 Number of Firms	Q3 2008-Q3 2018 Number of Jobs	Average Annual Wages	1-year Trend Q3 2017-Q3 2018 Numeric	1-year Trend Q3 2017-Q3 2018 Percent	10-year Trend Q3 2008-Q3 2018 Numeric	10-year Trend Q3 2008-Q3 2018 Percent
Total, All Industries	0	177,652	2,894,506	$55,848	27,696	1.0%	200,977	7.5%
Health Care and Social Assistance	62	17,117	498,878	$52,832	8,789	1.8%	86,325	20.9%
Ambulatory Health Care Services	621	7,839	156,687	$75,348	3,433	2.2%	32,525	26.2%
Offices of Physicians	6211	1,677	73,767	$105,092	1,172	1.6%	11,011	17.5%
Offices of Dentists	6212	1,859	16,723	$56,992	84	2.4%	873	5.5%
Offices of Other Health Practitioners	6213	2,738	17,231	$42,276	546	3.3%	6,273	57.2%
Outpatient Care Centers	6214	489	11,931	$75,972	339	2.9%	2,202	22.6%
Medical and Diagnostic Laboratories	6215	132	3,974	$67,028	151	3.9%	1,607	67.9%
Home Health Care Services	6216	625	25,697	$29,484	756	3.0%	9,434	58.0%
Other Ambulatory Health Care Services	6219	319	7,363	$60,164	85	1.2%	1,127	18.1%

Source: DEED Quarterly Census of Employment and Wages

Minnesota's growing and aging population ensures that there will also be a tremendous amount of future demand. According to DEED's Employment Outlook program, Ambulatory Health Care Services is expected to add more than 38,000 net new jobs in the next decade, which would account for more than one in every five new jobs added in the state from 2016 to 2026. That is the largest projected job growth of any industry in the state, and, with a 26 percent projected growth rate, it also ranks as the third fastest growing industry (see Table 2).

Table 2. Minnesota Industry Employment Projections, 2016-2026

Industry	NAICS Code	Estimated Employment 2016	Projected Employment 2026	Percent Change 2016-2026	Numeric Change 2016-2026
Total, All Industries	0	3,097,300	3,278,900	5.9%	181,600
Health Care and Social Assistance	62	462,083	540,500	17.0%	78,417
Ambulatory Health Care Services	621	146,987	185,300	26.1%	38,313
Offices of Physicians	6211	69,181	80,700	16.7%	11,519
Offices of Dentists	6212	16,228	17,500	7.8%	1,272
Offices of Other Health Practitioners	6213	15,532	20,200	30.1%	4,668
Outpatient Care Centers	6214	11,262	14,000	24.3%	2,738
Medical and Diagnostic Laboratories	6215	3,515	5,400	53.6%	1,885
Home Health Care Services	6216	24,042	38,000	58.1%	13,958
Other Ambulatory Health Care Services	6219	7,227	9,500	31.5%	2,273

Source: DEED Employment Outlook

by Cameron Macht

Youth Summer Employment 2019

A greater share of youth age 16 to 19 were employed in 2018 than at any time since 2007, just before the Great Recession started. This bodes well for employers who are facing a very tight labor market and are able to hire younger workers. It also indicates that teens are likely to continue jumping back into the labor market as long as they see an opportunity to work and earn money.

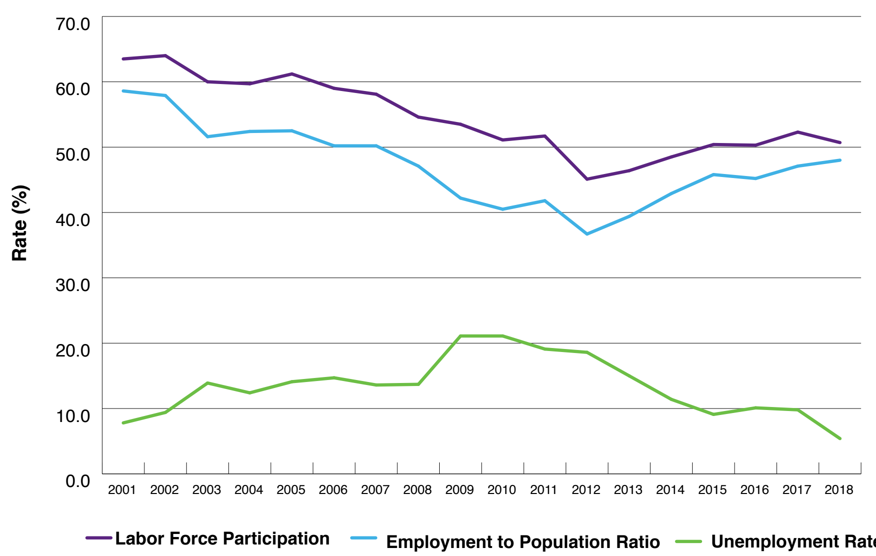
Teen Employment Trends

Teen labor force participation in Minnesota grew steadily for five years, from 45.1 percent in 2012 to 52.3 percent in 2017, and then dropped slightly to 50.7 percent in 2018. At the same time the unemployment rate for teens dropped sharply, from 18.6 percent in 2012 to 5.4 percent in 2018 (see Figure 1).

While the population age 16 to 19 has grown by only 13,900 over the six year period, the number of employed teens has grown by 38,800. This is the result of the drop in the unemployment rate, with the number of unemployed teens falling by 15,700 over the six year period. As a result, a higher share of teens are employed, with the employment to population ratio up from only 36.7 percent in 2012 to 48.0 percent in 2018.

From an historical perspective teen labor force participation rates are still low, however. As Figure 1 shows, during the early 2000s the teen labor force participation rate was as high as 64 percent with the employment to population ratio at 58.8 percent in Minnesota. By comparison, in 2018 the teen labor force participation rate was at 50.7 percent with the employment to population ratio at 48.0 percent.

FIgure 1. Teen Labor Market Indicators, Minnesota, 2001-2018



Source: Current Population Survey (CPS), BLS, 2001-2018

Definitions of Labor Market Measures:

Labor Force Participation Rate: The share of the population (in this case teens age 16 to 19 in Minnesota) who are either working at least one hour for pay the week of the survey or who were actively looking for work by sending out resumes, filling out applications, and/or meeting with potential employers.

Employment to Population Ratio: The share of the population (teens age 16 to 19 in Minnesota) who were working at least one hour for pay during the week of the survey.

Unemployment Rate: The share of the population (teens age 16 to 19 in Minnesota) who were actively looking for work by sending out resumes, filling out applications, and/or meeting with potential employers.

These labor market measures are calculated from responses to a monthly, nationwide survey of households called the Current Population Survey.

Compared to the United States, however, teens in Minnesota are very much engaged in the labor market. In 2018 the labor force participation rate for teens nationwide was only 35.1 percent (roughly comparing to 50.7 percent in Minnesota), and only 30.6 percent were employed (roughly comparing to 48.0 percent in Minnesota[1]).

Rising labor force participation in Minnesota in this age group is an excellent sign for employers who want to hire teens. With so many things competing for teens' time – school, extracurricular activities, family responsibilities, and friends - teens are likely to forgo job search in a slack labor market. If their friends are having a difficult time finding jobs, they might not even bother to look. But when their peers are finding jobs, or they see help wanted signs in their neighborhood and at locations they frequent, teens are much more likely to apply for jobs.

Where Do Teens Work?

Overall, teens made up 6.4 percent of the workforce during the third quarter of 2017, earning a median hourly wage of $10.37 and working, at the median, 145 hours during that quarter. Teens make up a significant portion of several industry sectors including the Accommodations and Food Services, Arts, Entertainment and Recreation, and Retail Trade industries, particularly during the summer months (see Table 1).

Teens make up even higher proportions of industries within the top three employing sectors for teens. Teens make up over 21 percent of amusement and recreation, 25 percent of clothing and accessories stores 23 percent of food services and drinking places, 21 percent of food and beverage stores, and 19 percent of gas station staffing during the summer months.

Although few teens work in the sector, they earned the most in Construction, a median hourly wage of $15.00 per hour during third quarter 2017. Other industry sectors that provided few jobs but higher-than-average wages for teens were Manufacturing ($12.30 per hour median wage) and Financial Activities ($11.85 per hour median wage).

Table 1. Teen Share of Sector Workforce, Hourly Wage and Hours Worked, Minnesota Third Quarter 2017

Industry Sector	Share of Industry Employment (%)	Median Hourly Wage	Number of Hours Worked
Total, all industries	6.4	$10.37	145
Accommodation and Food Services	21.4	$10.01	130
Arts, Entertainment, and Recreation	16.4	$9.97	108
Retail Trade	15.0	$10.10	155
Agriculture, Forestry, Fishing, and Hunting	11.4	$10.90	139
Other Services	8.5	$10.03	127

Source: Quarterly Employment Demographics, DEED (mn.gov/deed/data/data-tools/qed)

[1]Annual published 2018 data for Minnesota are not yet available. The data used here for Minnesota are based on unpublished monthly Current Population Survey (CPS) data called Demecon data. Each data point is a rollup of data for that month and the 11 months preceding it to create a 12-month moving average, so in this case the December data point is used throughout this article, representing an annual average (January to December). Unless otherwise specified, the Minnesota data in this article are December 12-month moving average unpublished CPS data.

Teens tend to work part-time even in the summer but also tend to be hired into industries that hire few full-time positions. For example, in Retail Trade, teens worked a median of 155 hours during third quarter 2017 while the total workforce was working a median of only 280 hours (520 hours during the quarter would be full-time). Median hours for the total workforce in Accommodation and Food Services, Arts, Entertainment, and Recreation, and Other Services were even lower.

Why Hire Teens?

Teens can be extremely reliable, flexible works who are quick to learn new skills. As a result many employers value them highly as workers. Moreover, in a tight labor market like the one that Minnesota is currently experiencing, employers clearly benefit from teens' willingness to work odd hours and part-time and to learn on the job.

But beyond meeting immediate staffing needs, employers should also think of summer hiring as an opportunity to build their workforce pipeline. Helping teens see your industry as a viable career option can help you in the long run. Offering summer internships, apprenticeships, or on-the-job training opportunities to teens can help build a pipeline of workers for your industry and help you establish relationships that may further your business in the future. Getting in touch with local high schools is a good place to start the process.

Tips for Recruiting Teens

Here are some tips for recruiting teen workers.

Teens have never known a world without the World Wide Web. The first place many will go to find a job is the internet so make sure that you have an attractive website, on-line job application or easy instructions on how to apply, or that you're posting jobs on job boards like MinnesotaWorks.net, US.jobs, or America's Job Exchange that teens are likely to find.

Ask your teen workers to tell their friends that you're hiring. Teens are natural networkers and can help you get the word out about open positions.

Make sure that you're adhering to child labor rules and keeping your teen workers safe. Rules vary for employees ages 14 to 17. You can find information on the Minnesota Department of Labor and Industry website at www.dli.mn.gov/LS/TeenWorkers.asp

Do Teens Benefit from Working?

A brief review of the literature on teens and employment suggests that teens benefit from work as long as it does not interfere with their schoolwork. Summer jobs and low intensity jobs held during the school year by older teens can keep them focused and help them learn important soft skills like time management, showing up to work on time, and appropriate behavior with coworkers and customers. Younger students, however, and those working more hours have a harder time balancing school and work.

Parents can feel comfortable encouraging their teens to pursue summer jobs. But they should keep a close eye on their working teens during the school year to make sure that they have time for homework and are getting plenty of sleep.

Tips for Teens Who Want to Work

If you are new to the job application process, here are some tips for you. Mostly you'll be filling out applications but it can be helpful to put together a one page resume. A resume should include how to contact you, any jobs both paid and unpaid you've had, volunteer experience, helping a family member or friend like babysitting your sibling or neighbor, where you go to school, or your school history. Then have someone read it and give you feedback. Make sure there are no spelling or punctuation errors and make it look nice. Having a resume will also help you fill out job applications.

Have a list of one to three references that you can hand potential employers. The list should include someone you've worked for, even if you didn't get paid or you were one of many volunteers. It should have names and emails and/or phone numbers.

Go to www.careeronestop.org/GetMyFuture/Toolkit/find-jobs. to search for job openings, ask family and friends if they know of companies that are hiring, and look for help wanted signs in your neighborhood and other places you often go.

In an interview let the employer know that you are reliable, show up to work on time every day ready to work, and that you are eager to learn.

Be persistent. Apply for lots of jobs. Almost no one gets the first, second, or third job they apply for. Keep trying. You can ask employers who turned you down to give you feedback. They may (or may not), and it may be helpful (or not).

What if you get multiple job offers? If you get multiple job offers here are a couple of things to think about: Does it seem like a good place to work? Will you learn anything new? Which will look best on your resume? Can you reliably get there on time for each shift? Which pays the most and is there any room for negotiating wage? It doesn't hurt to ask, and the employer might say yes.

Resources for Teens Seeking Work

For teens who plan to go on to higher education, the military, or another post high school option, just getting work experience and earning a paycheck may be enough.

For teens who plan to enter the workforce directly after high school, finding a job with on-the-job training or in an industry that you see yourself working in in the future could provide a road map to financial independence after high school.

If you fall into this category, the resources below are especially important for you to spend some time exploring. Use your summer to learn about occupations that don't require college but pay a good wage. Look for paid or unpaid apprenticeships or internship in occupations that interest you.
Be open to any training that an employer or program offers so that you can gain specific work skills. Try to figure out how to tie your career interests to school so that you can spend your junior and/or senior year taking classes that support that interest. Most importantly, reach out to counselors and teachers at school and adults in other areas of your life who might be helpful, and ask for advice and help figuring out your next step.

Finding a career path takes work but it pays off in the end.

Below are some resources to help teens find employment and explore careers.

- GetMyFuture website at www.careeronestop.org/getmyfuture is a great place for you to learn about finding a career, getting job experience, and getting a job.

- Department of Employment and Economic Development website at mn.gov/deed/job-seekers lets you link to Minnesota's job bank, learn more about the job search process, learn about programs for teens who are blind or have another disability, explore careers, and find a CareerForce Center near you.

- Office of Youth Development website at mn.gov/deed/job-seekers/find-a-job/targeted-services/youth-employment provides resources to young adults who have dropped out of high school or are in danger of doing so or who have other barriers to employment. This website can help you connect to programs and people who can help you with your next step in life.

- Use the Youth Program Finder to find free job, career, and training assistance for youth. Go to www.careeronestop.org/youthprogramfinder

by Oriane Casale