

# Minnesota's Changing Labor Market



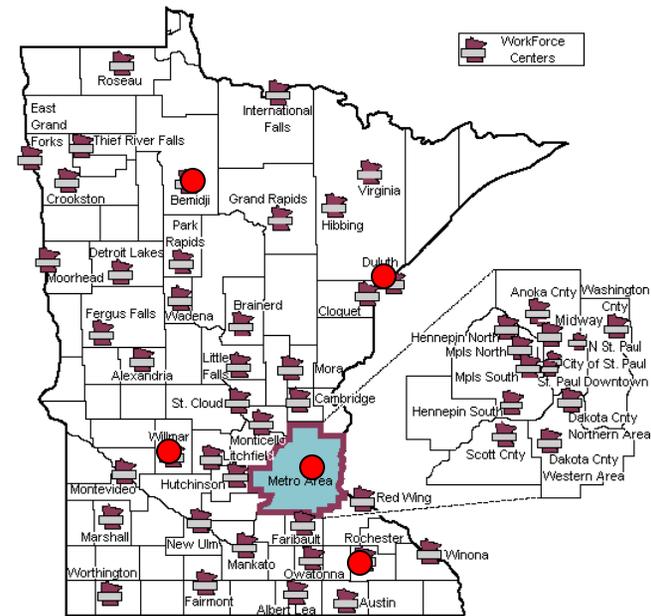
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Regional Analysis & Outreach  
Manager

Minnesota Department of Employment  
and Economic Development (DEED)

# About DEED's Regional Analysts

- Collaborate with regional stakeholders on new research
- Extend access to DEED reports and statistics
- Conduct presentations and training on regional economy and labor market
- Original research and analysis intended to answer "the tough questions"
- Five regional analysts stationed across the state



**Economics is “a dreary, desolate and indeed quite abject and distressing science. What we might call the Dismal Science.”**

-Thomas Carlyle, 1849

# Our Labor Market Environment

- Demographics
- Wealth
- Industry Mix
- Globalization
- Technology
- Economic Restructuring
- Other....

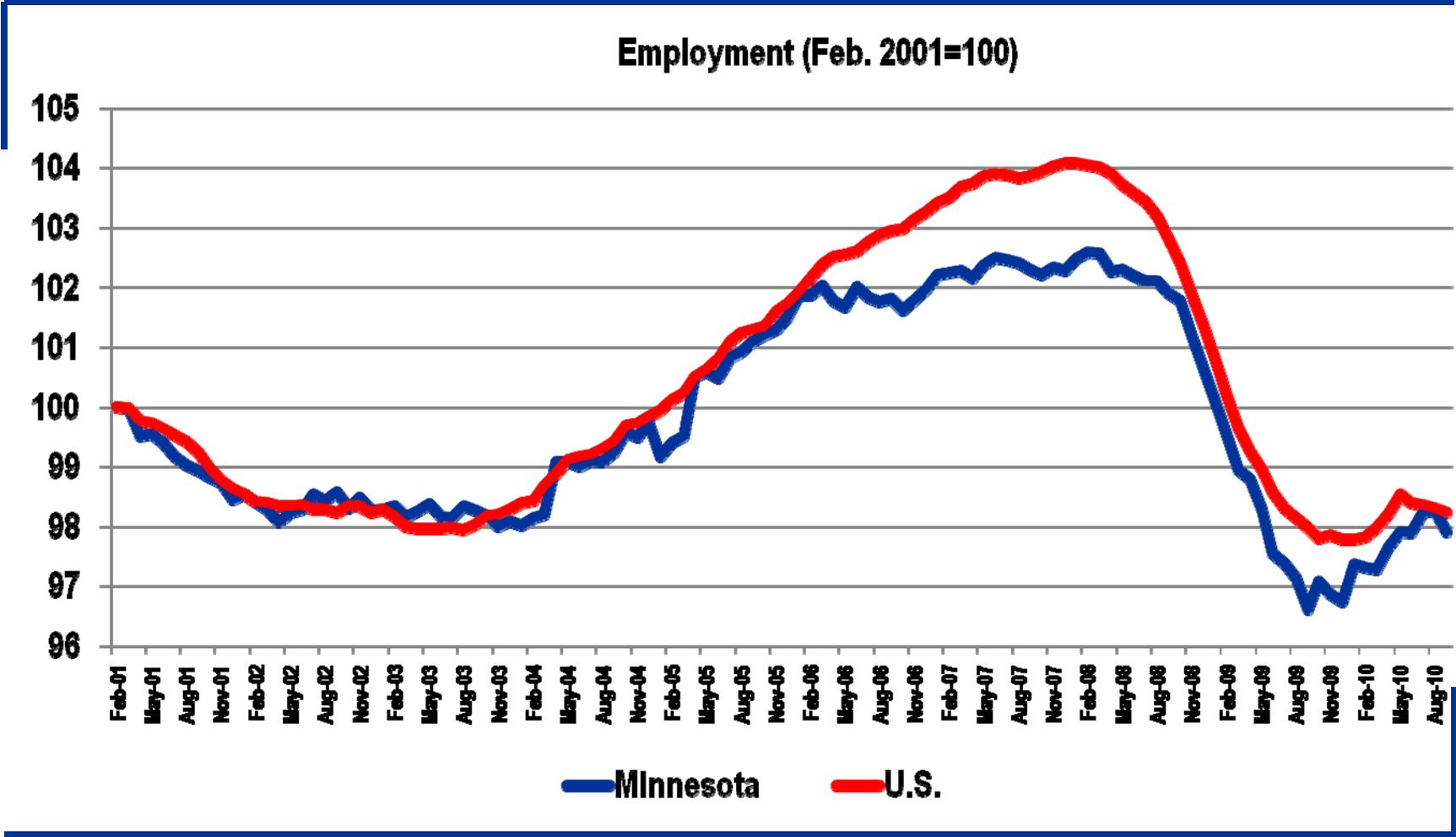
# Recessions

- Recessions restructure economies- creative destruction at work.
  - Some industries will collapse and be selected out of the economy
  - Some industries will survive but drastically restructure operations
    - New technology
    - New markets
    - New products
  - Likewise- some occupations will collapse or be restructured
    - changing skill sets
- Recessions set the course for the future- jobs, consumption/prices, globalization, regional vitality, etc..

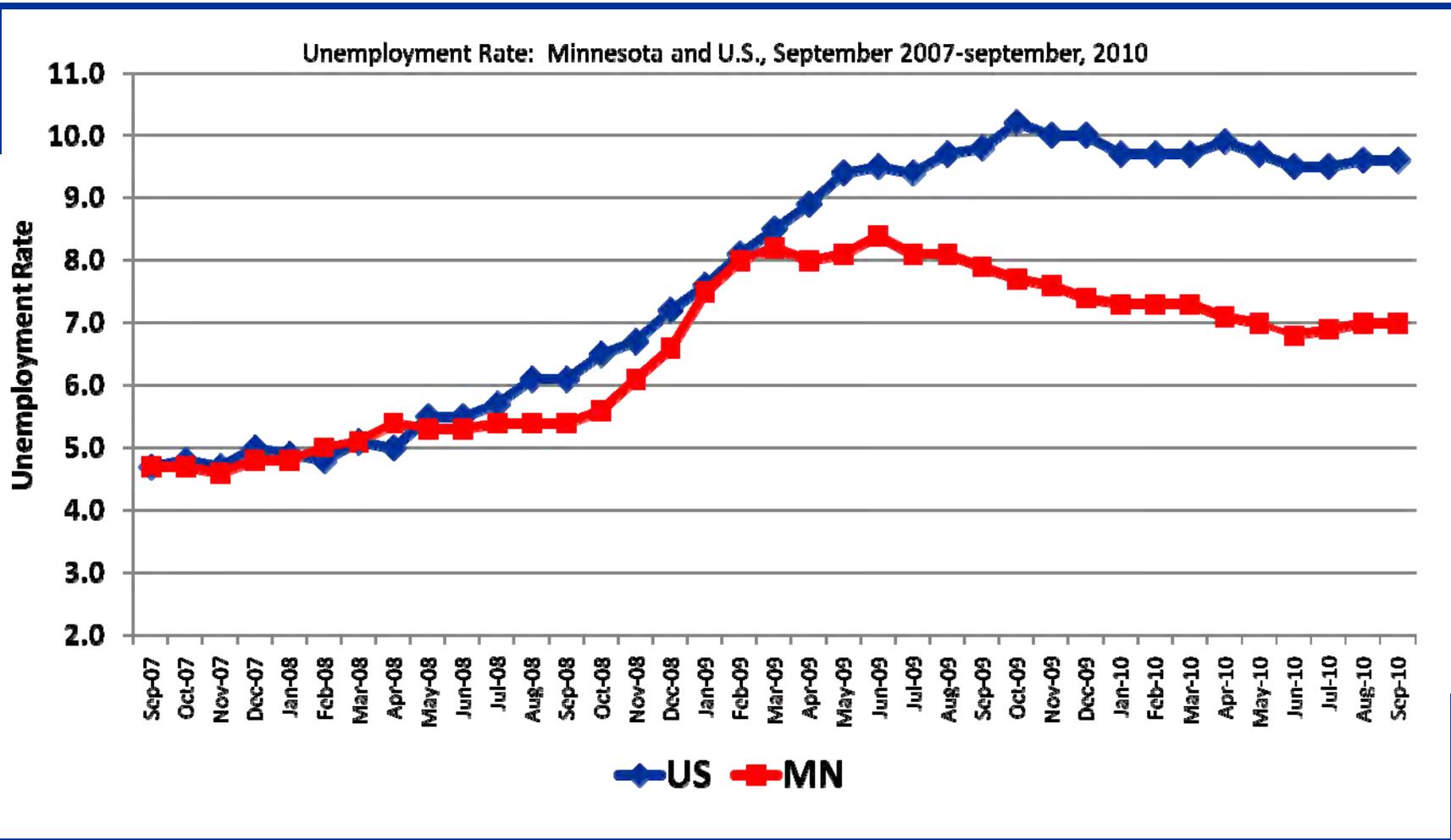
# A Recessionary Economy

- Minnesota began to slow before the nation
- Weakness has been across all sectors
- Unemployment has stabilized but may increase again.
- Forecasts are of further weakness over the next couple years.
- However, Job losses are slowing and the worst might be behind us- beware of a “W” shaped recovery.
- Some sporadic recovery in the worst hit industries.

# Employment Trends Over Ten Years



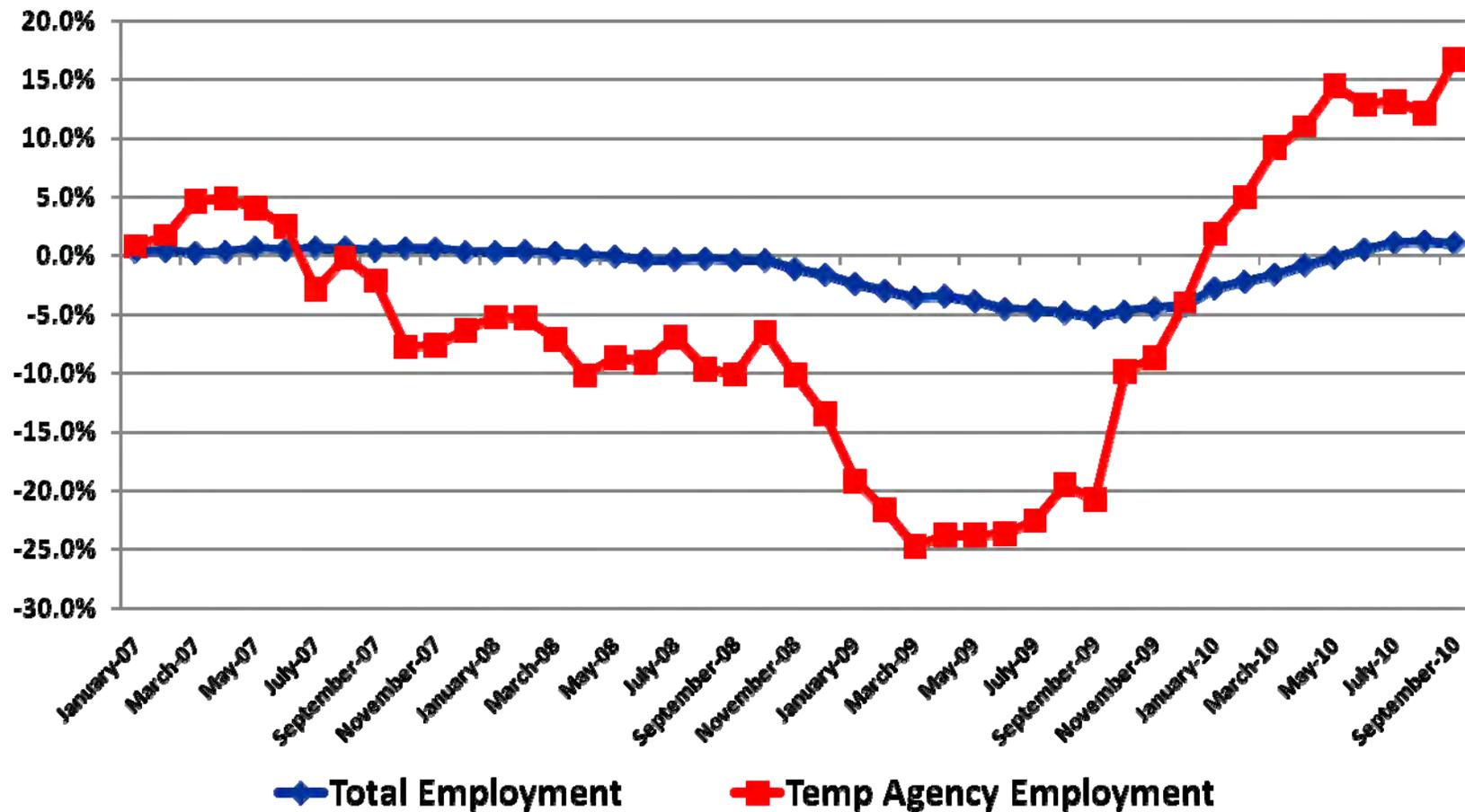
# Minnesota's Unemployment Rate Seems to have Stabilized



## Industries losing jobs in MN since February 2008

- Total Employment: -127,100 in 2.5 years
- Construction: -31,000
- Manufacturing: -37,700
- Wholesale: -6,700
- Retail: -18,000
- Transportation: -8,800
- Information: -1,000
- Finance: -7,400
- Professional & Technical Services: -21,600
- Administrative Services: -7,600
- Leisure & Hospitality: -3,600
- Other Services: -11,000
- Government: -7,400

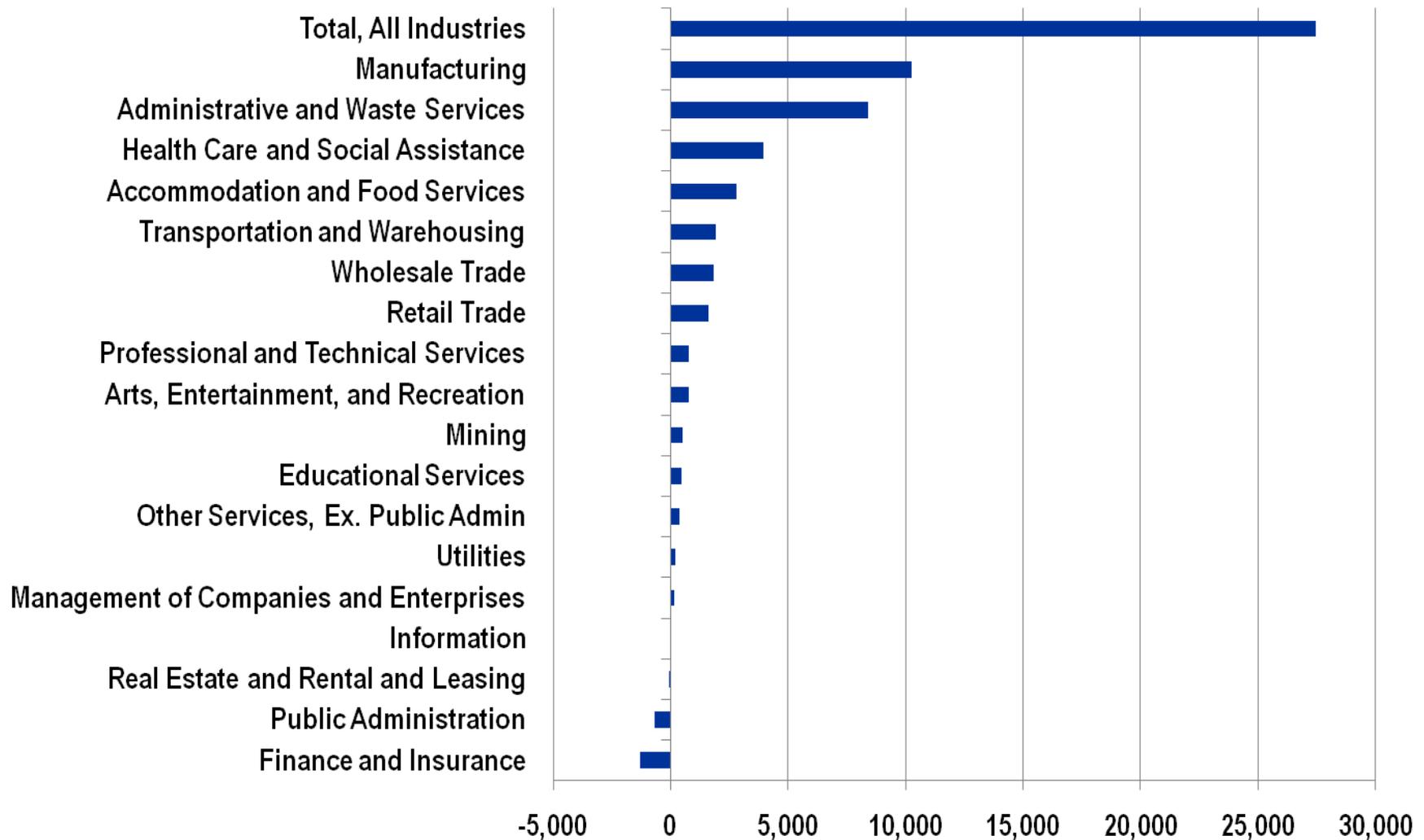
# Temp Agency Employment tells us Something about Total Employment



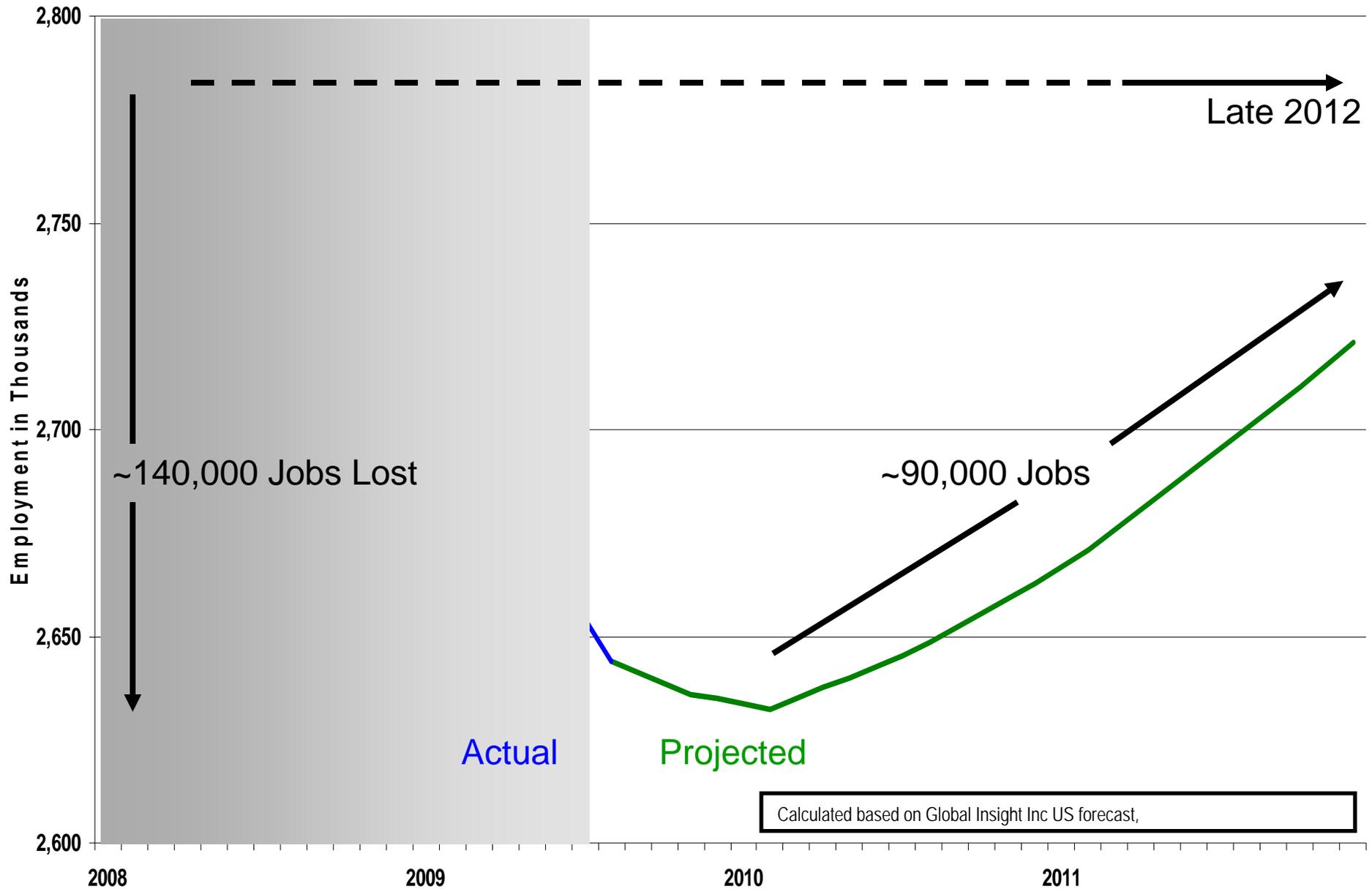
# Some Industries are adding back jobs after 2 years of losses

- Leisure & Hospitality: +9,000
- Employment Services: +7,150
- Education: +4,900
- Social Assistance: +4,300
- Healthcare: +4,200
- General Merchandise Stores: +3,000
- Wholesale: +1,600
- Fabricated Metal Mfg.: +1,400
- Computer & Elect. Mfg: +1,270
- Food Manufacturing: +1,100
- Heavy & Civil Construction: +850
- Insurance: +700
- Medical Devices: +650
- Mining & Logging: +500
- Telecomms: +170
- Utilities: +150
- Architecture & Engineering Services: +140
- Misc. Stores: +100

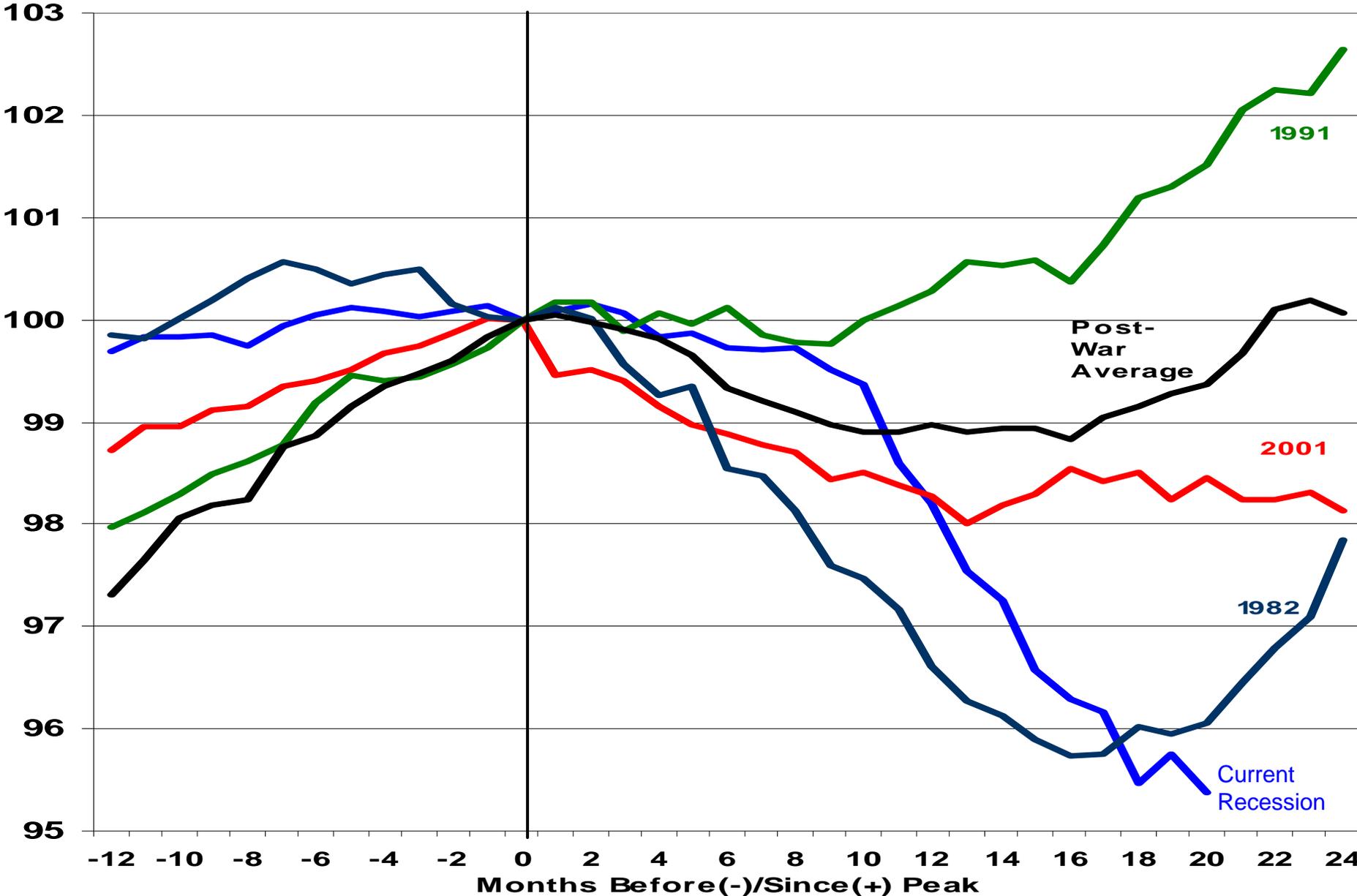
# Industry Projections: MN, 2010-11



# Employment During Recession and Recovery



# Employment Decline Relative to Previous Recessions



# Where are the jobs now?

The Minnesota Job Vacancy Survey:

- Identify occupations in demand
- Determine education and experience needed for job vacancies by region
- Describe job vacancies in terms of:
  - Wages
  - Benefits
  - Part-time/full-time
  - Temporary/seasonal or permanent
- Numbers and job titles of current openings



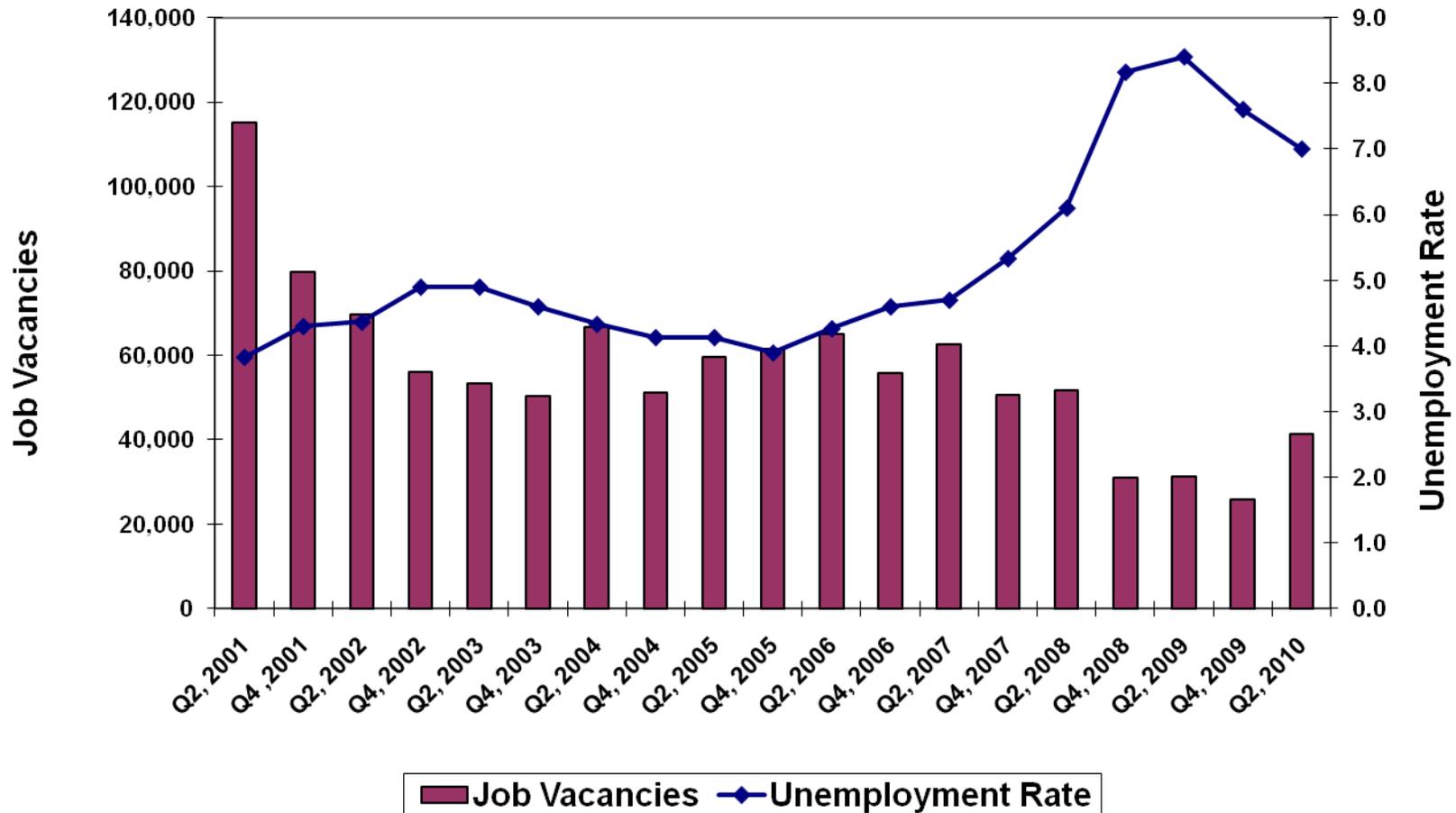
[www.positivelyminnesota.com/Data\\_Publications/Data/All\\_Data\\_Tools/Job\\_Vacancy\\_Survey](http://www.positivelyminnesota.com/Data_Publications/Data/All_Data_Tools/Job_Vacancy_Survey)

# MN LMI: Job Vacancy Survey Findings

- 41,400 job openings in the job market during 2nd Q 2010
- 1.6% job vacancy rate
- 32% increase from last year
- Hiring demand is highest in:
  - Building/grounds Maintenance
  - Healthcare Support
  - Healthcare practitioners and technical
  - Sciences
  - Computers & Math
  - Architecture & Engineering
  - Business & Financial Operations



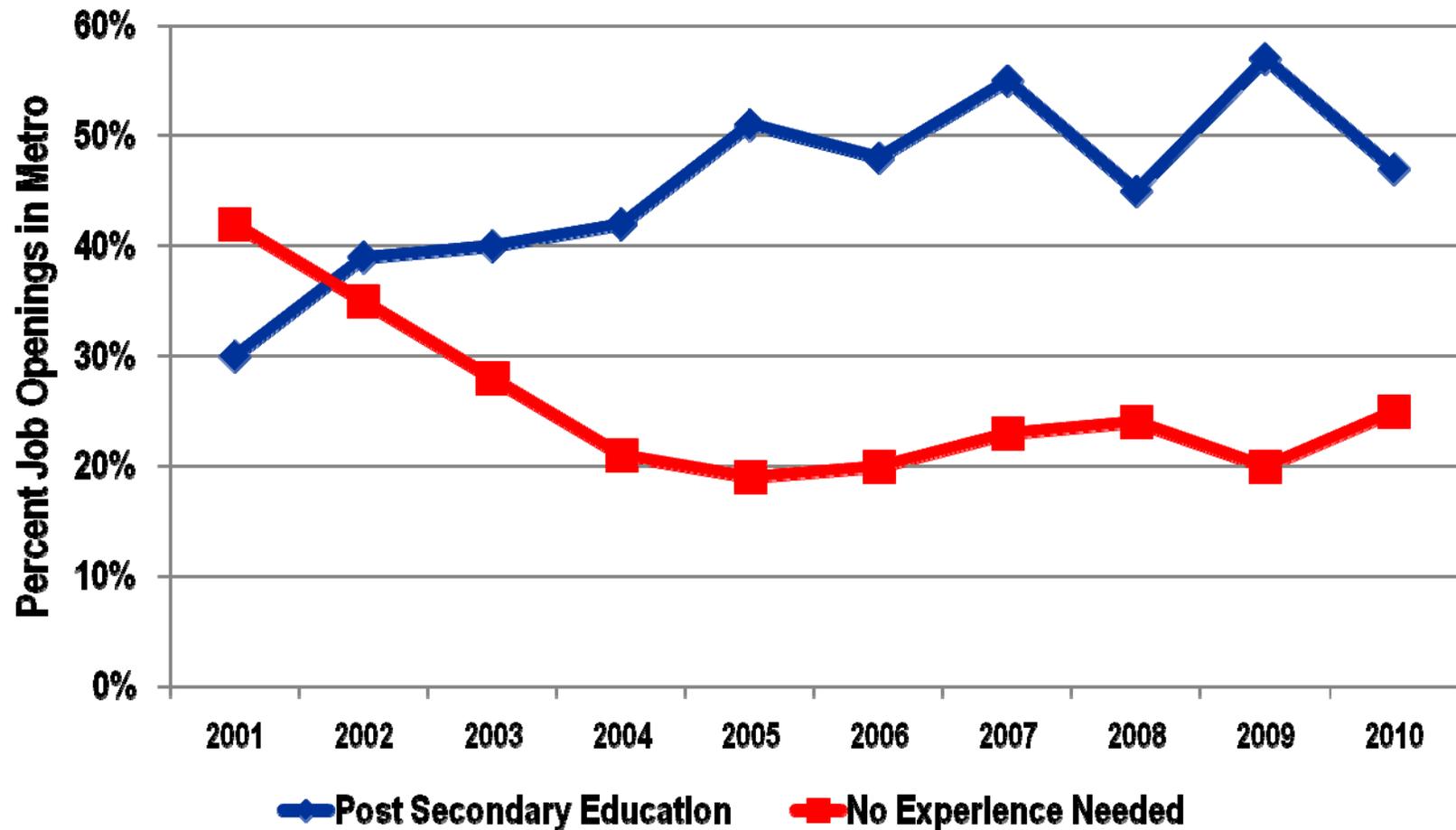
# The gap between opportunities and the jobless has widened



# An Uneven Recovery: Change in Vacancies over Year

- Bldg./Grounds Maint.: +145%
- Architecture & Engineering: +124%
- Computers: +112%
- Business & Finance Operation: +89%
- Management: +87%
- Health Practitioners: +79%
- Art, Design, Entertainment, etc.: +78%
- Transportation: +48%
- Office & Admin: +48%
- Sciences: +35%
- Sales: +35%
- Food Prep. +30%
- Education, Training, Library: +10%
- Health Support: +7%
- Community & Social Svcs: +1%
- Personal Care: -18%
- Production: -23%
- Installation, Maint.& Repair: -53%
- Construction: -60%

# Available job openings require higher amounts of education

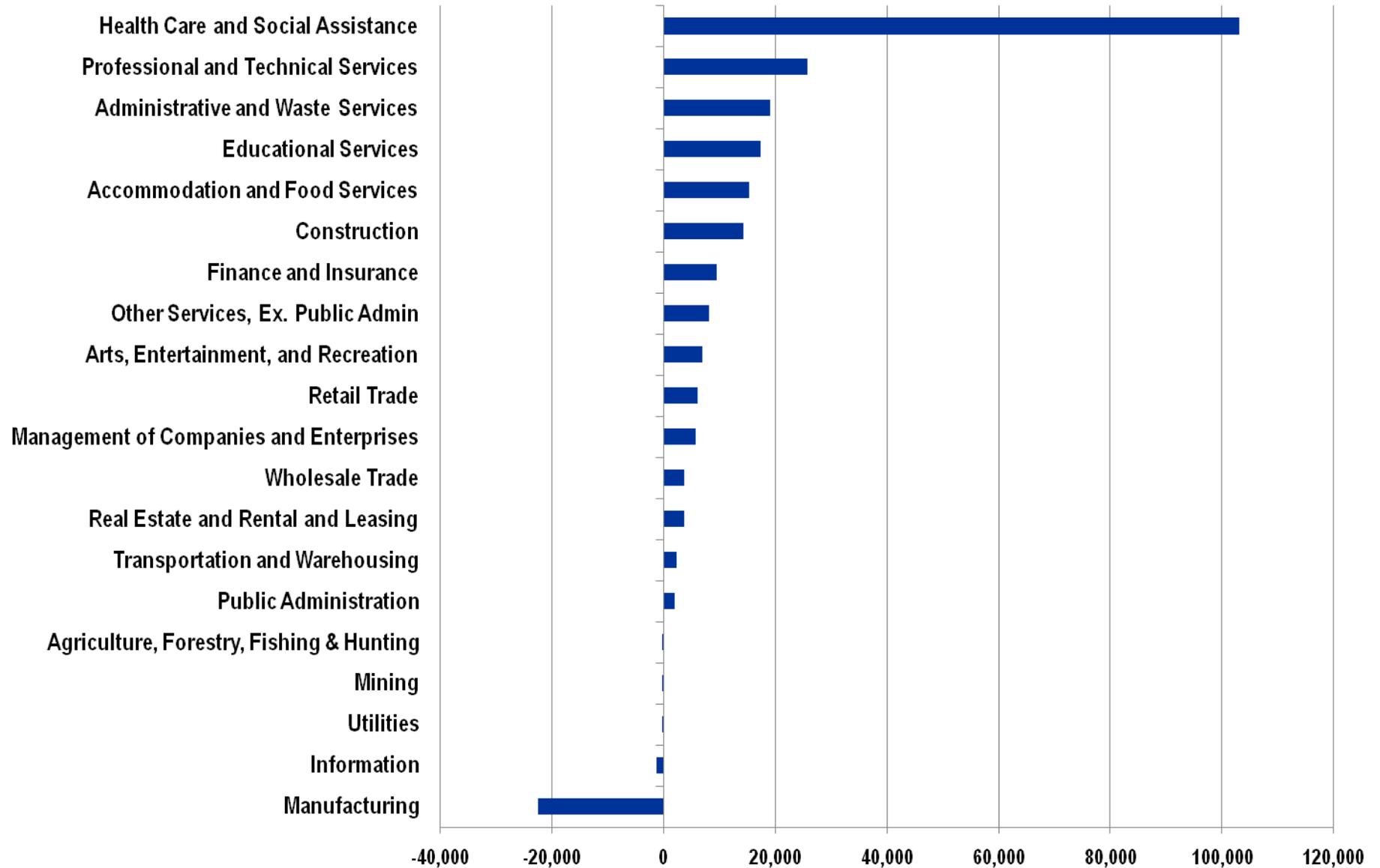


## 2009-19 Employment Projections

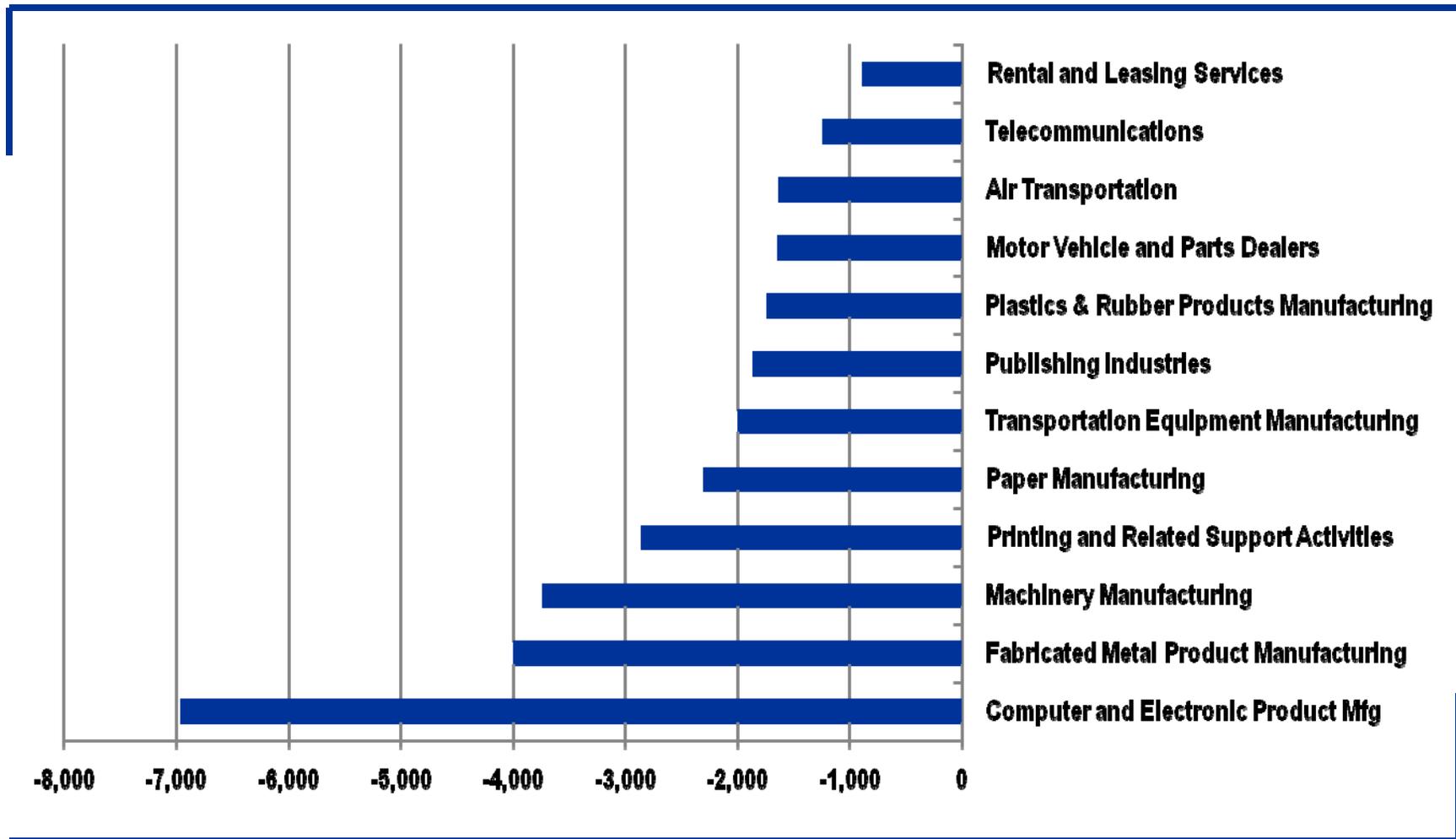
[www.positivelyminnesota.com/Data\\_Publications/Data/All\\_Data\\_Tools/Employment\\_Outlook](http://www.positivelyminnesota.com/Data_Publications/Data/All_Data_Tools/Employment_Outlook)

- Projections are estimated over a 10 year period every two years for the state and regions (also nationally).
- Projections are largely based on past trends. We cannot predict:
  - Recessions, depressions, energy crises...
  - Wars
  - Natural Disaster
  - Technology change
  - Business Processes
  - Legislation

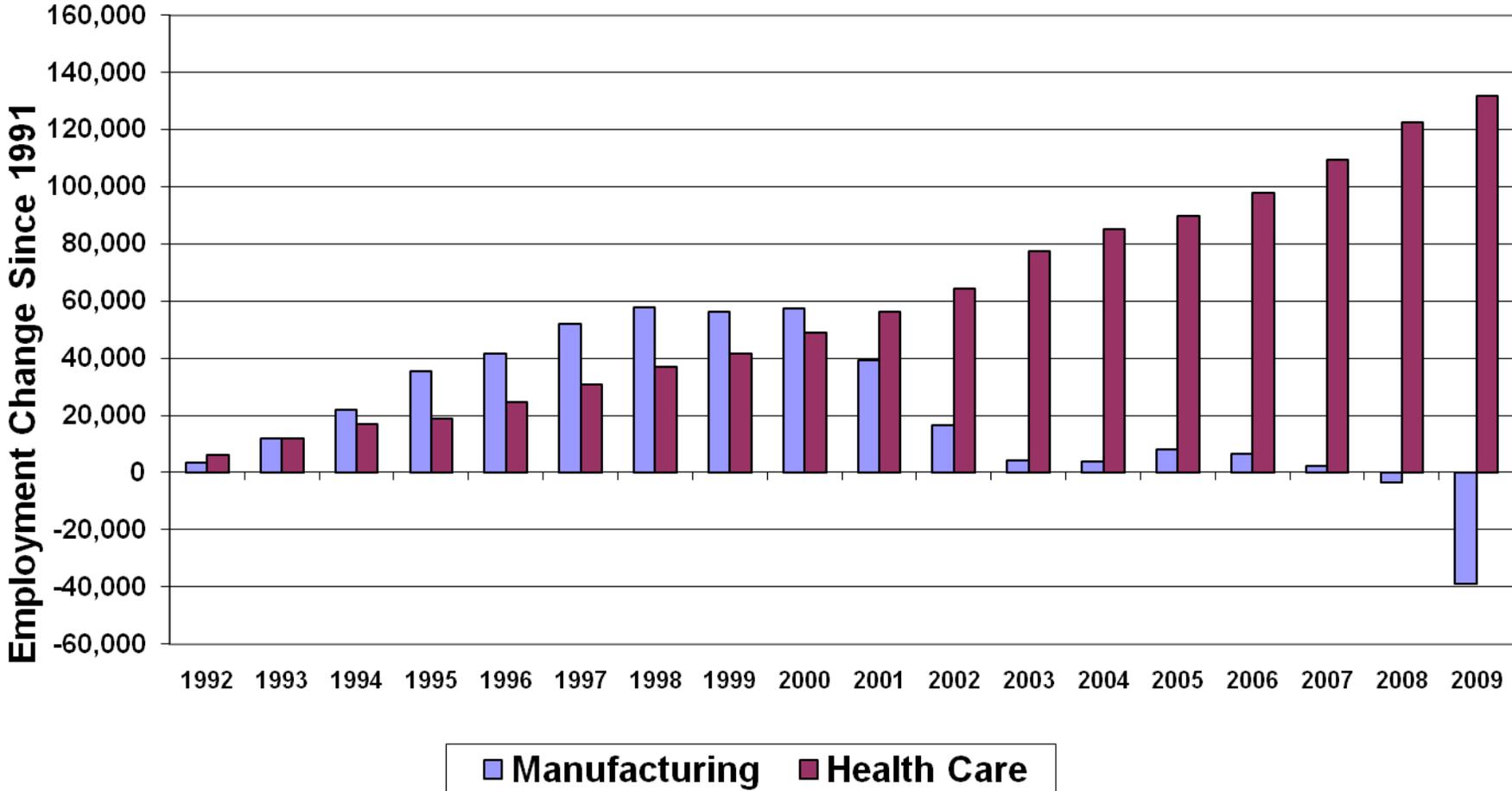
# MN Projections: Employment change 2009-19



# MN Industry Projections Employment Loss, 2009-19



# The Shift Towards Services

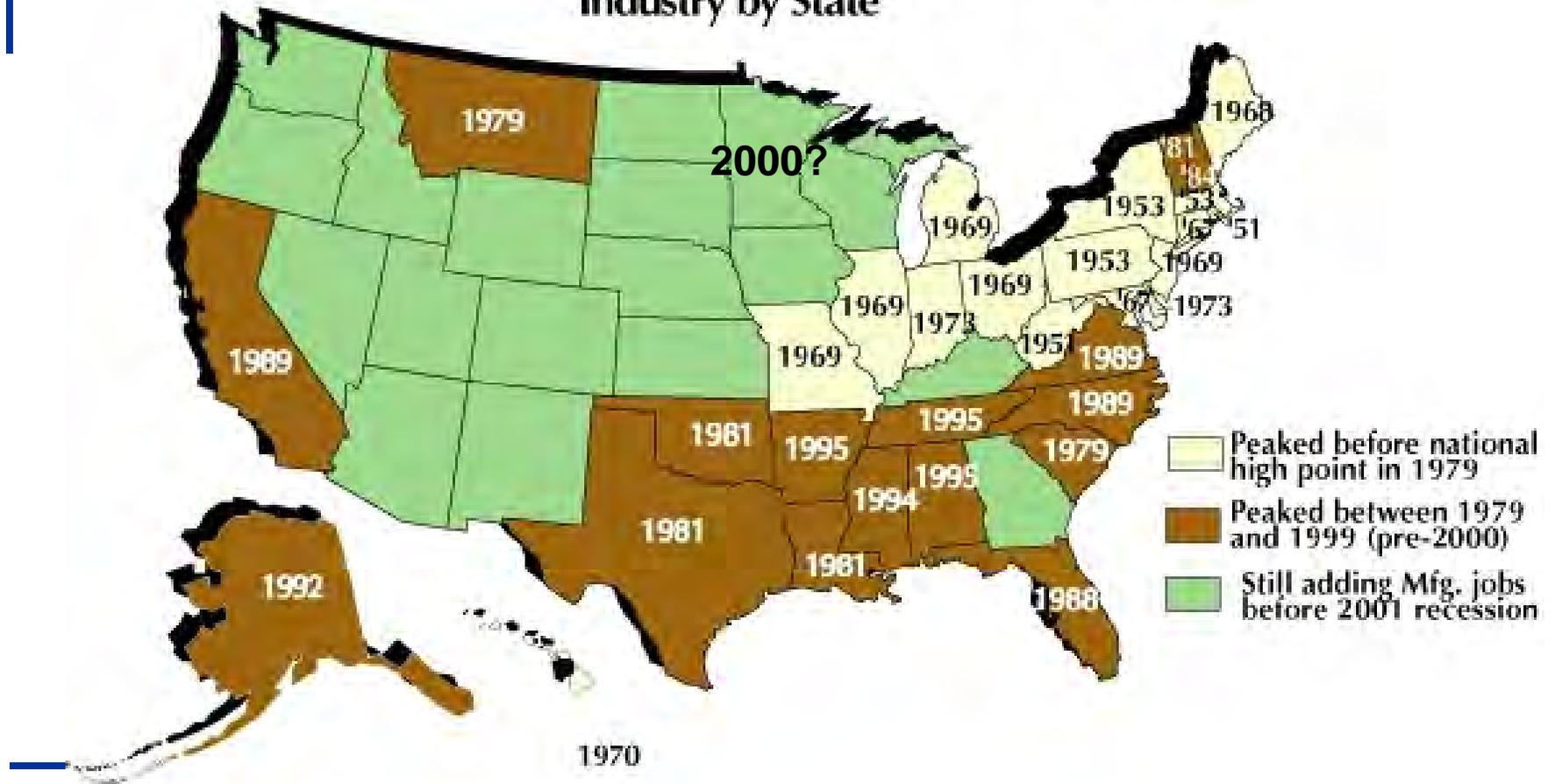


# Shift to Services

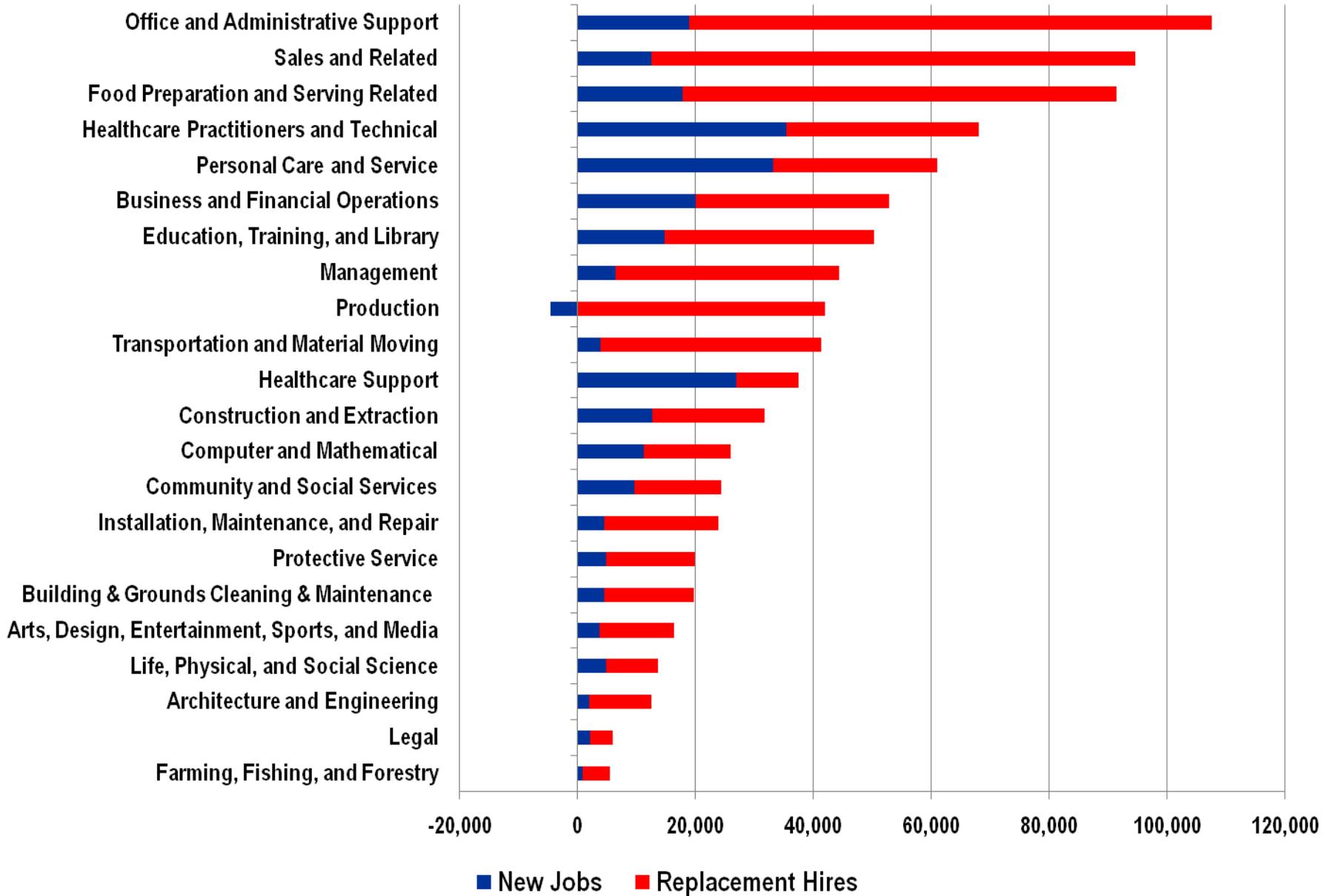
- Not all bad.
- Services make up an increasingly large share of the value of manufactures.
- Skill sets need to shift beyond the shop floor or computer terminal.
- Specialization of products, careers and skills will be more important.

# Year of Peak Manufacturing Employment

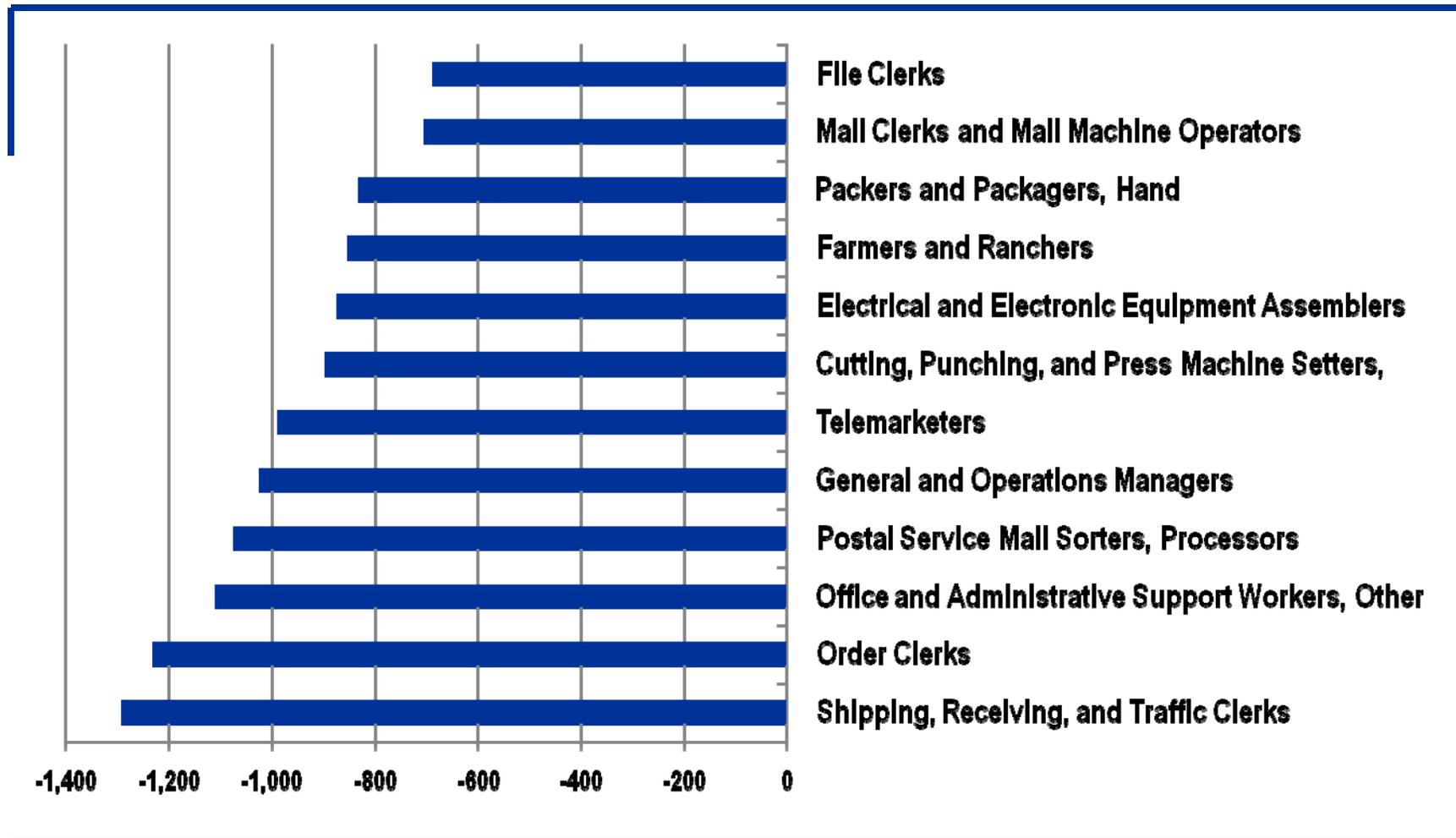
Growth and Peak Years of the Manufacturing Industry by State



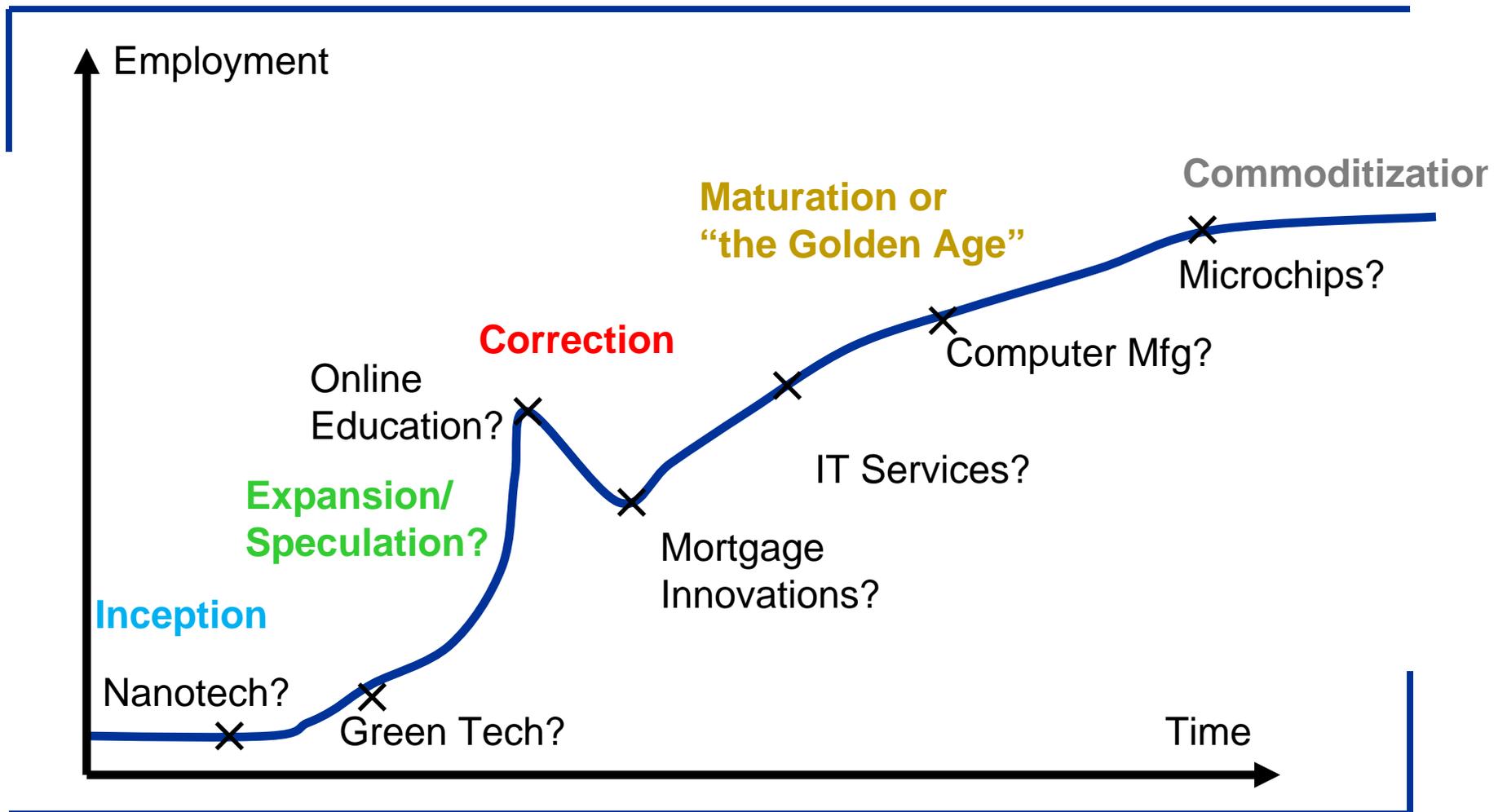
# MN Occupational Projections: 2009-19



# Some Occupations will lose jobs...



# Employment and Innovation



# Skill and Knowledge Areas for “In Demand” Jobs

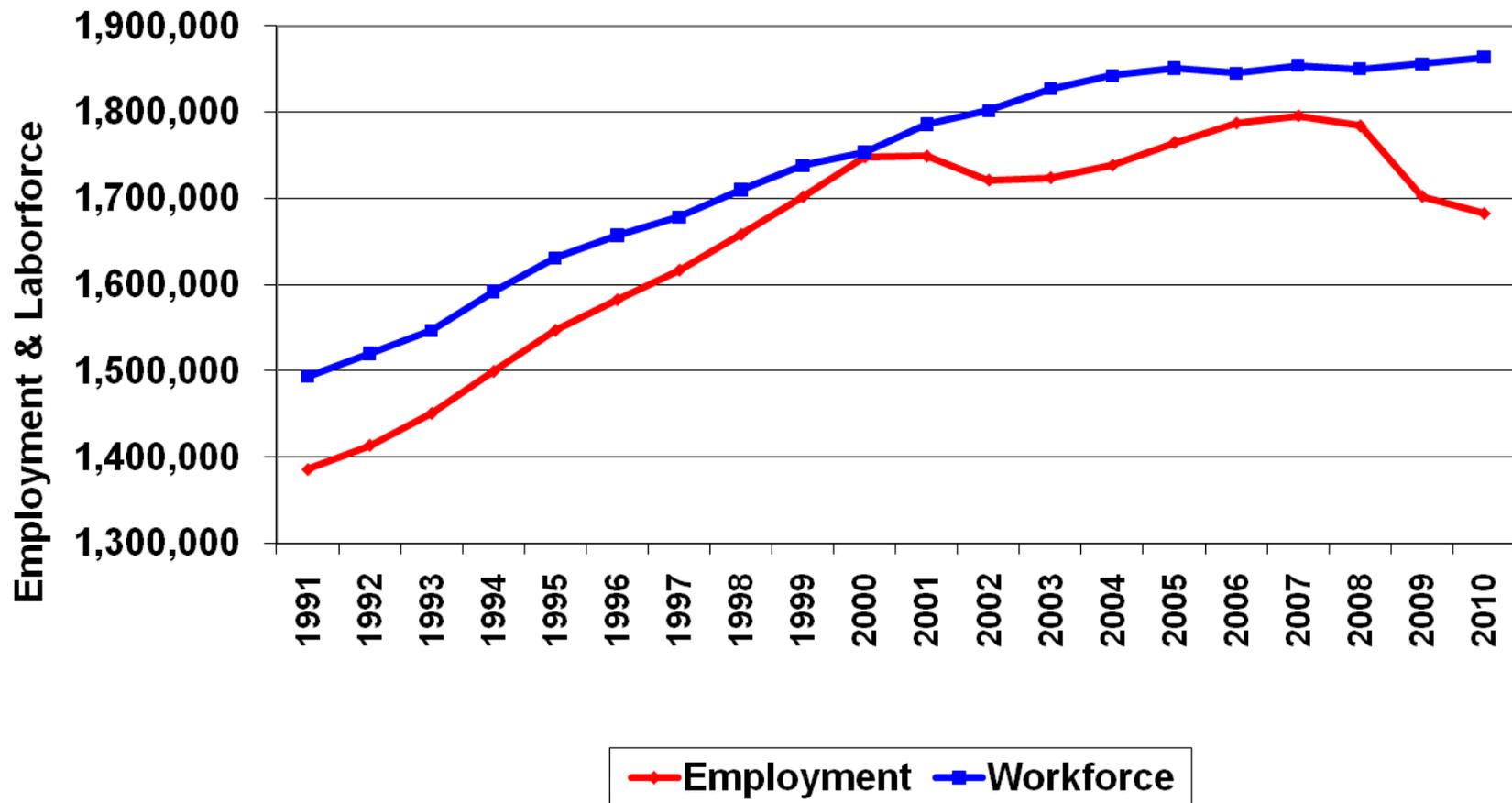
- Skills areas projected to be most utilized by future occupations:

- Reading Comprehension
- Active Listening
- Speaking
- Writing
- Active Learning
- Coordination
- Monitoring
- Instructing
- Critical Thinking

- Knowledge areas projected to be most utilized by future occupations:

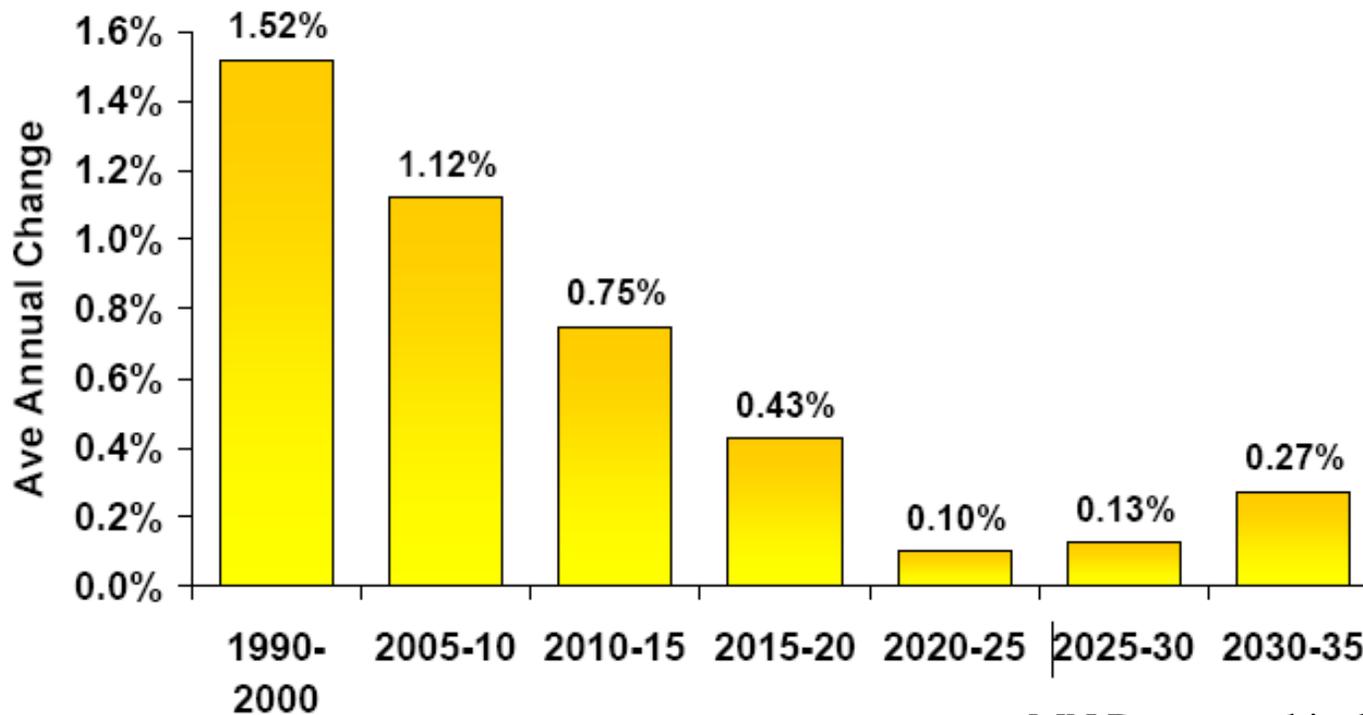
- Customer Service
- Mathematics
- Clerical
- Education/training
- English
- Sales/marketing
- Psychology
- Computers/electronics
- Administration/management

## Demographics: Labor Shortage? Not any time soon.



# Labor Growth will Slow

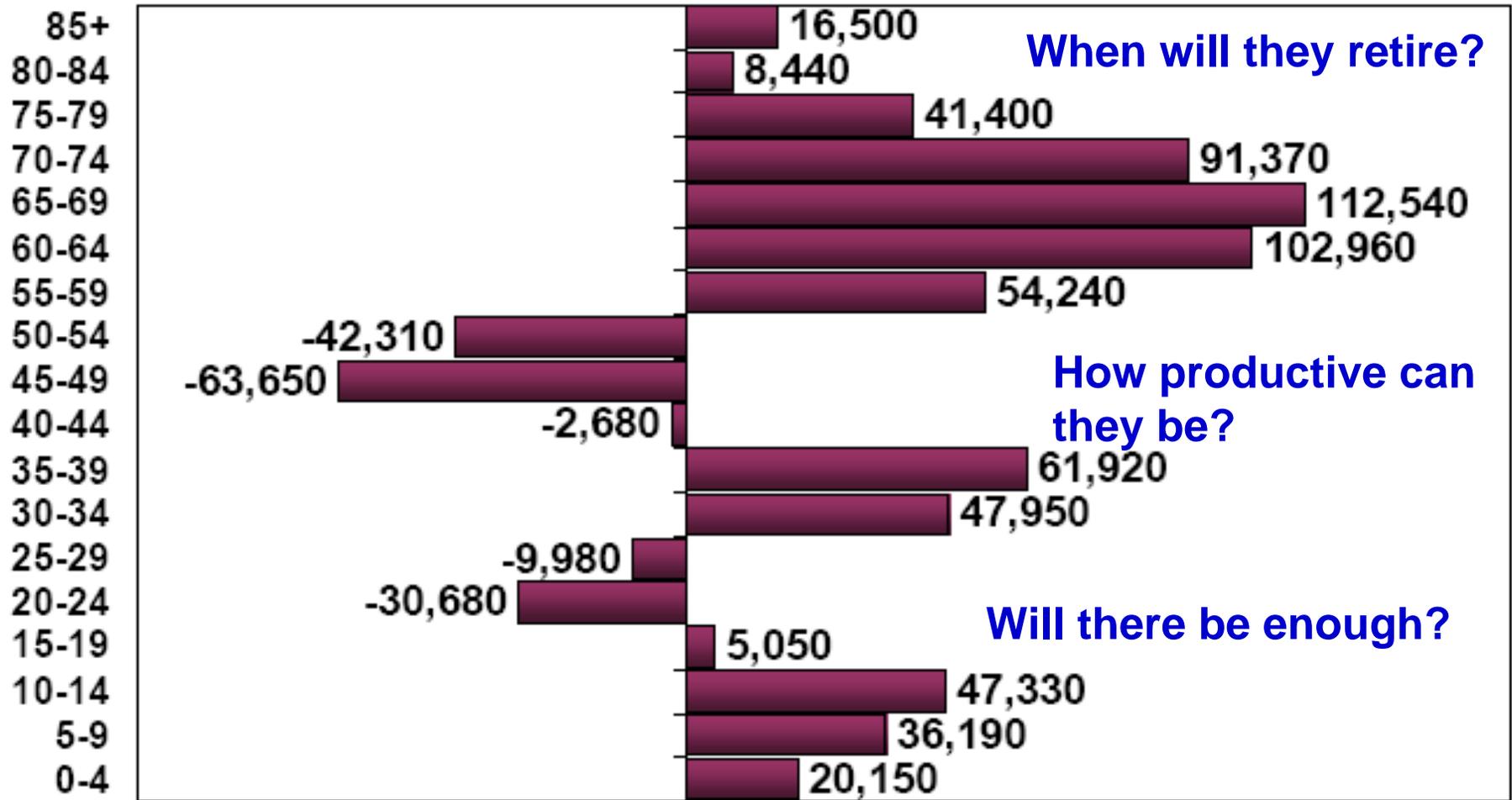
## Labor Force Growth Is About To Slow Sharply



Each Unit  
in Office

MN Demographic Center

# Minnesota is Aging

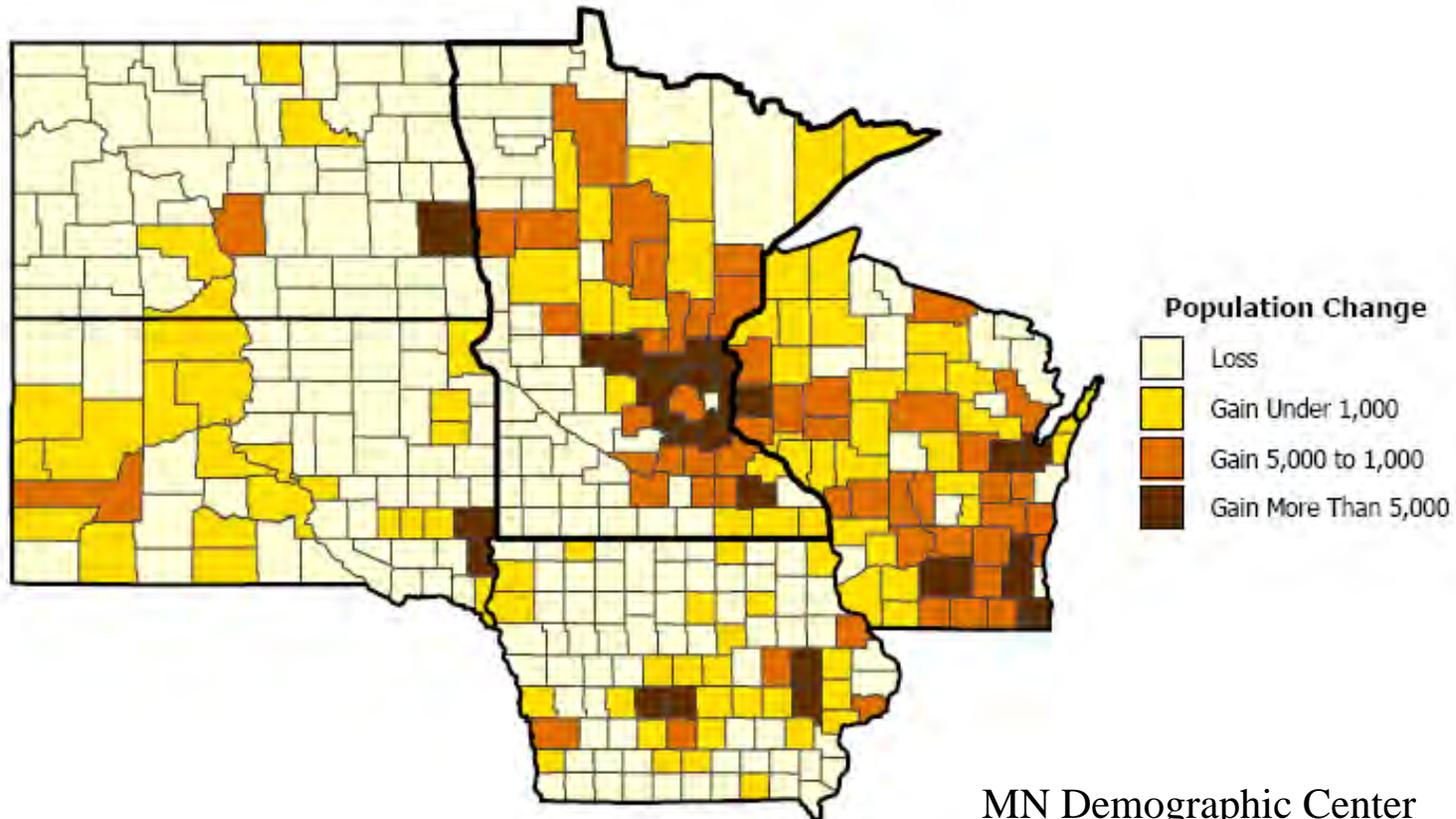


Source: Minnesota State Demographic Center  
 Numbers are rounded

# Rural America is bottoming out

## Population Change 2000-04

Census Bureau Estimate

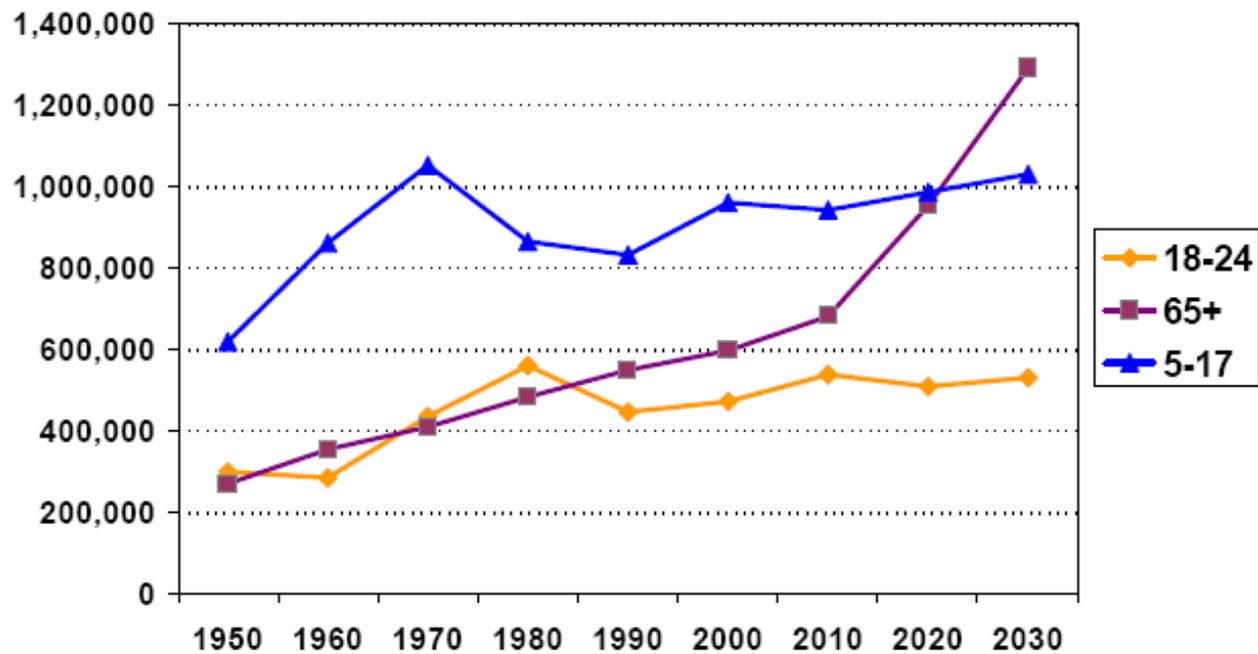


MN Demographic Center

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# Aging will shift government priorities

## More 65+ Than School Age By 2020



Census counts & State Demographer projection

## Responding to an older workforce

- Almost all labor force growth will be in the older cohort
- One in three of the workforce of 2035 are already of working age today
- The P-16 “pipeline” of skilled workers will shrink dramatically
- “Re-skilling” existing workers will become more crucial

## Where can I get this information?

- Kyle Uphoff (RAO Manager): (651)-259-7185
- Central/SW: Cameron Macht (320)-231-5174
- Northeast: Drew Digby (218)-723-4774
- Northwest: Nate Dorr (218)-333-8220
- Metro: Rachel Vilsack (651)-642-0728
- Southeast: Brent Pearson (507)-389-5582
- [www.positivelyminnesota.com](http://www.positivelyminnesota.com)