

# Employment in South Central and Southeast Minnesota

Everything I Need to Know  
I Learned from the News



SE Training Consortium. January 29, 2009.

# Agenda

- What's changed?
- What's happening now?
- What's coming up?



# **What was it like before?**

August 14, 2007 – SE Consortium  
Professional Development Day

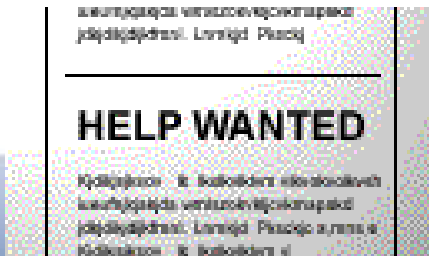
# Modest (but increasing) job growth



- Regional job growth was 1.3 percent in 2006 — the best since 2000



- Unemployment has ticked up along with the state in 2007



- Local labor market is tighter here than in metro — but it's better than most of Greater Minnesota

# Biggest # Job Growth 2005-2006

## • South Central

Administrative and Support Services  
Food Services and Drinking Places  
Management of Companies and Enterprises  
Executive, Legislative, & Gen Government  
Hospitals  
Social Assistance  
Electrical Equipment and Appliances Mfg  
Educational Services  
Computer and Electronic Product Mfg  
Fabricated Metal Product Manufacturing  
Professional and Technical Services  
Machinery Manufacturing  
Chemical Manufacturing

## • Southeast

Administrative and Support Services  
Management of Companies and Enterprises  
Ambulatory Health Care Services  
Hospitals  
Miscellaneous Manufacturing  
Social Assistance  
Clothing and Clothing Accessories Stores  
Executive, Legislative, & Gen Government  
Nursing and Residential Care Facilities  
General Merchandise Stores  
Justice, Public Order, and Safety Activities  
Machinery Manufacturing  
Computer and Electronic Product Mfg  
Crop Production

# Job Reductions by Industry

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- Industries affected by global competition, new technologies and increases in productivity, e.g. computer and electronic product manufacturing, leather and allied product manufacturing, and apparel manufacturing



- Demographic factors will affect some areas, such as growth in elderly population and reductions in school age population

- Not all manufacturing is in decline: chemical manufacturing has fastest projected growth in Southwest; HVAC and medical supplies manufacturing tops Southeast

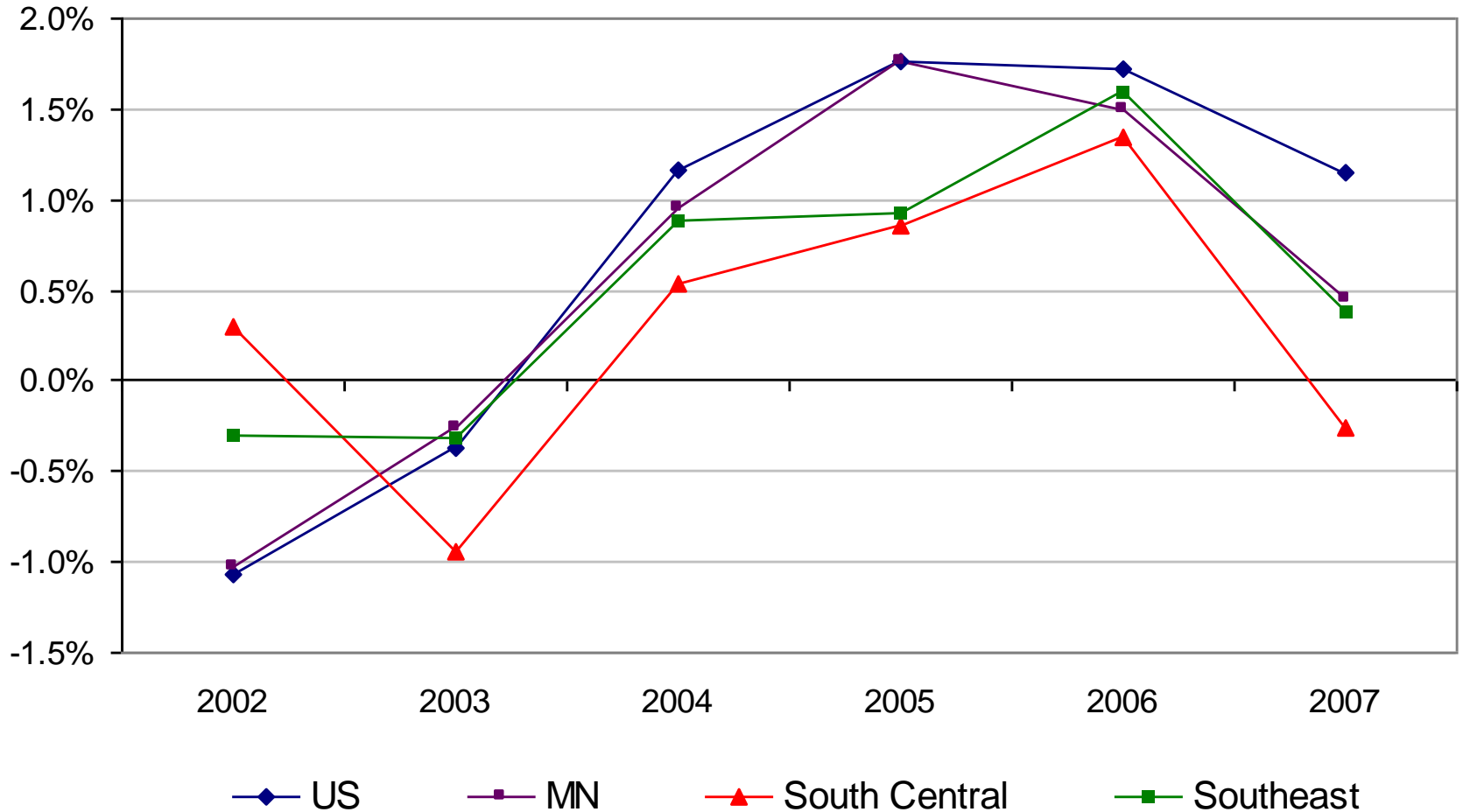


# What's is it like now?

- *Many things to measure*
  - *Headline-makers*
- *Our role as DEED staff*

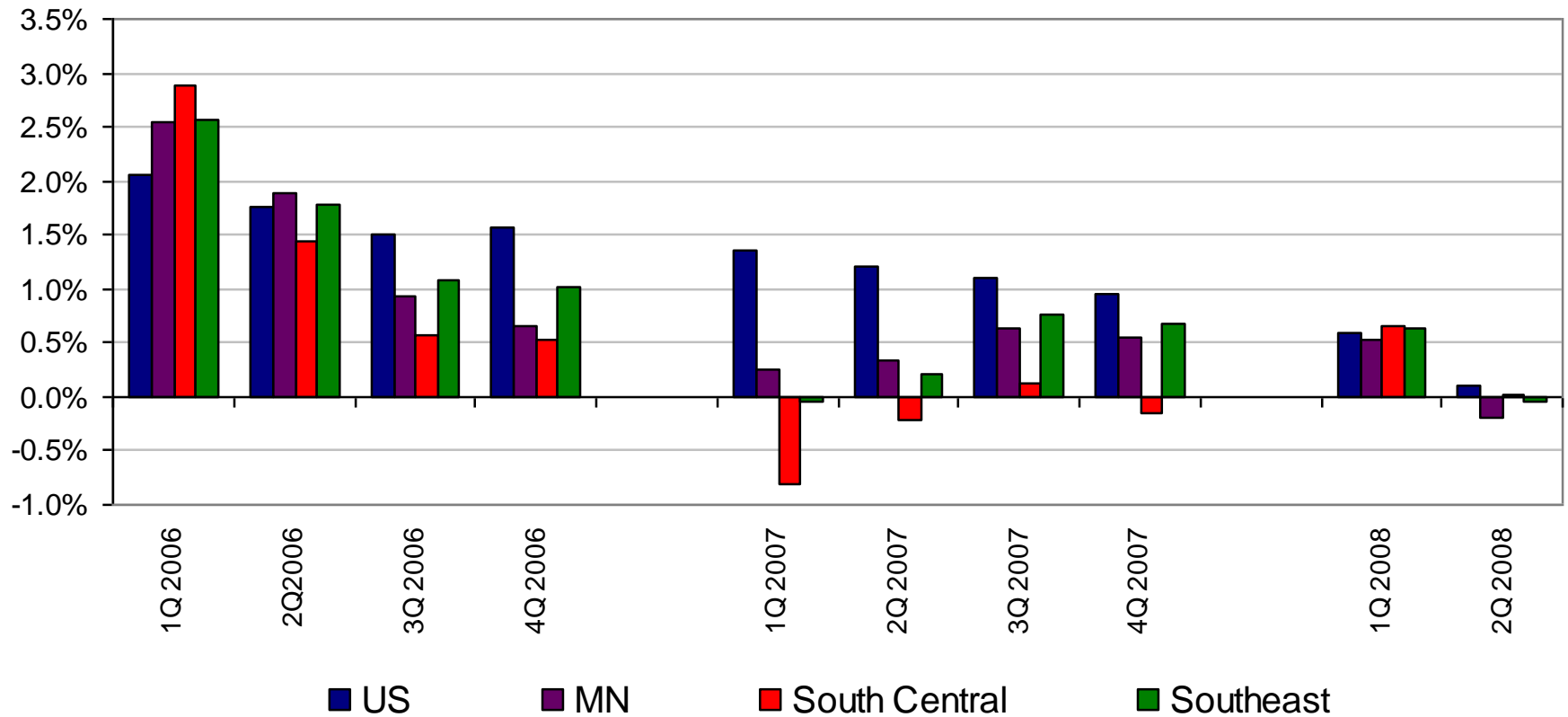
# Job growth

## Annual Average Change in Payroll Employment



# Change 2006 to 2008

Year-over-year change in payroll employment, 1Q 2006 to 2Q 2008



# Biggest # Job Growth: 1<sup>st</sup> Half 2007-2008

## • South Central

Hospitals  
General Merchandise Stores  
Social Assistance  
Nursing and Residential Care Facilities  
Educational Services  
Publishing Industries  
Accommodation  
Food and Beverage Stores  
Building Material & Garden Supply Stores  
Gasoline Stations  
Ambulatory Health Care Services  
Electrical Equipment and Appliances Mfg.  
Animal Production

## • Southeast

Machinery Manufacturing  
Ambulatory Health Care Services  
Hospitals  
Nursing and Residential Care Facilities  
Educational Services  
Administrative and Support Services  
Merchant Wholesalers, Nondurable Goods  
Textile Product Mills  
Truck Transportation  
Social Assistance  
Professional and Technical Services  
Gasoline Stations  
Food Manufacturing  
Miscellaneous Manufacturing  
Animal Production  
Transit and Ground Passenger Transport  
Nonstore Retailers  
Electrical Equipment and Appliances Mfg.

# Biggest # Job Loss : 1st Half 2007-2008

## • South Central

Merchant Wholesalers, Nondurable Goods  
Administrative and Support Services  
Specialty Trade Contractors  
Construction of Buildings  
Transportation Equipment Manufacturing  
Amusement, Gambling & Recreation Industries  
Telecommunications  
Chemical Manufacturing  
Machinery Manufacturing  
Miscellaneous Manufacturing  
Food Manufacturing

## • Southeast

Fabricated Metal Product Manufacturing  
Computer and Electronic Product Mfg  
Specialty Trade Contractors  
Furniture and Related Product Mfg  
Transportation Equipment Manufacturing  
Motor Vehicle and Parts Dealers  
Building Material & Garden Supply Stores  
Leather and Allied Product Manufacturing  
Sporting Goods/Hobby/Book/Music Stores  
Repair and Maintenance  
Amusement, Gambling & Recreation Industries  
Printing and Related Support Activities  
Food Services and Drinking Places  
Wood Product Manufacturing  
Heavy and Civil Engineering Construction  
Health and Personal Care Stores  
Primary Metal Manufacturing  
Management of Companies and Enterprises

# Job Reductions by Industry

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- Industries affected by credit crunch and construction activity, including wood products and auto manufacturing



- Demographic factors will affect some sectors in coming years, such as healthcare, but everyone is facing challenges

- Not all manufacturing is in decline, but future competitiveness may not be easy to measure right now



- Public policy may have a role

# Exports

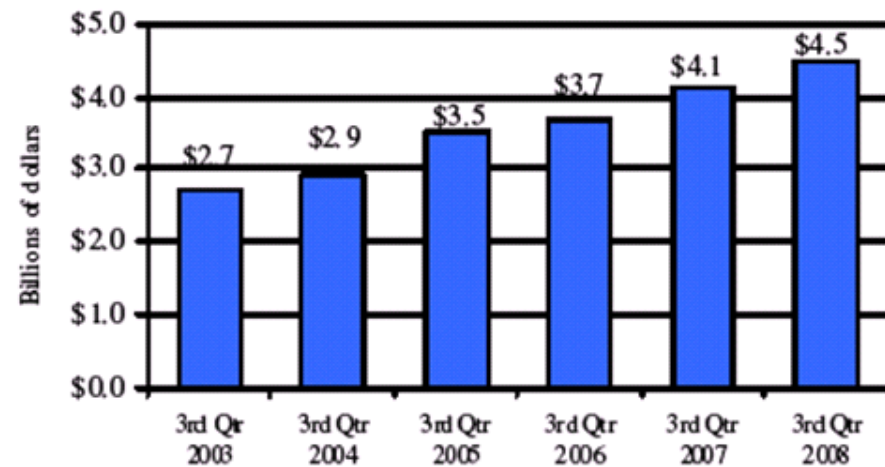
## **Exports Show Steady Growth of 8.6 Percent in the Third Quarter**

In the face of economic weakness, manufactured exports continue their record growth. Minnesota's exports from manufacturing industries were valued at \$4.5 billion in the third quarter of 2008 – a record high, representing an increase of 8.6 percent (or \$356 million) since the third quarter of 2007. For the year-to-date, Minnesota exports increased 9.5 percent, while U.S. exports increased 14.8 percent.

Despite difficult economic times, the continued growth in Minnesota's exports is welcome news. Exports to Canada and the Philippines gained the most in value, while machinery and computers and electronics products fueled the state's export growth trend from the industry perspective.

Minnesota ranked second in value among Midwest states, after Wisconsin (\$5.0 billion) in the third quarter of 2008.

Minnesota's Quarterly Manufactured Exports



Computer components and motor trucks exports were down

# Layoffs

- Manufacturing claims up 267 percent in South Central and 260 percent in Southeast
- Increases across sectors and educational levels
- Retail, temp services, accommodation and food services, and healthcare all saw large increases in December
- Construction is still the largest (double in 2008 for SK claims)

## Initial Claims for Unemployment Insurance, December 2008

County	Dec 2007	Dec 2008	Pct Chg
Blue Earth County	340	554	62.9%
Brown County	405	567	40.0%
Faribault County	101	155	53.5%
Le Sueur County	394	466	18.3%
Martin County	122	204	67.2%
Nicollet County	193	324	67.9%
Sibley County	173	247	42.8%
Waseca County	138	223	61.6%
Watonwan County	117	142	21.4%
Dodge County	172	280	62.8%
Fillmore County	203	323	59.1%
Freeborn County	193	270	39.9%
Goodhue County	370	567	53.2%
Houston County	153	273	78.4%
Mower County	196	308	57.1%
Olmsted County	703	1,019	45.0%
Rice County	544	773	42.1%
Steele County	252	536	112.7%
Wabasha County	166	321	93.4%
Winona County	354	622	75.7%

# Unemployment

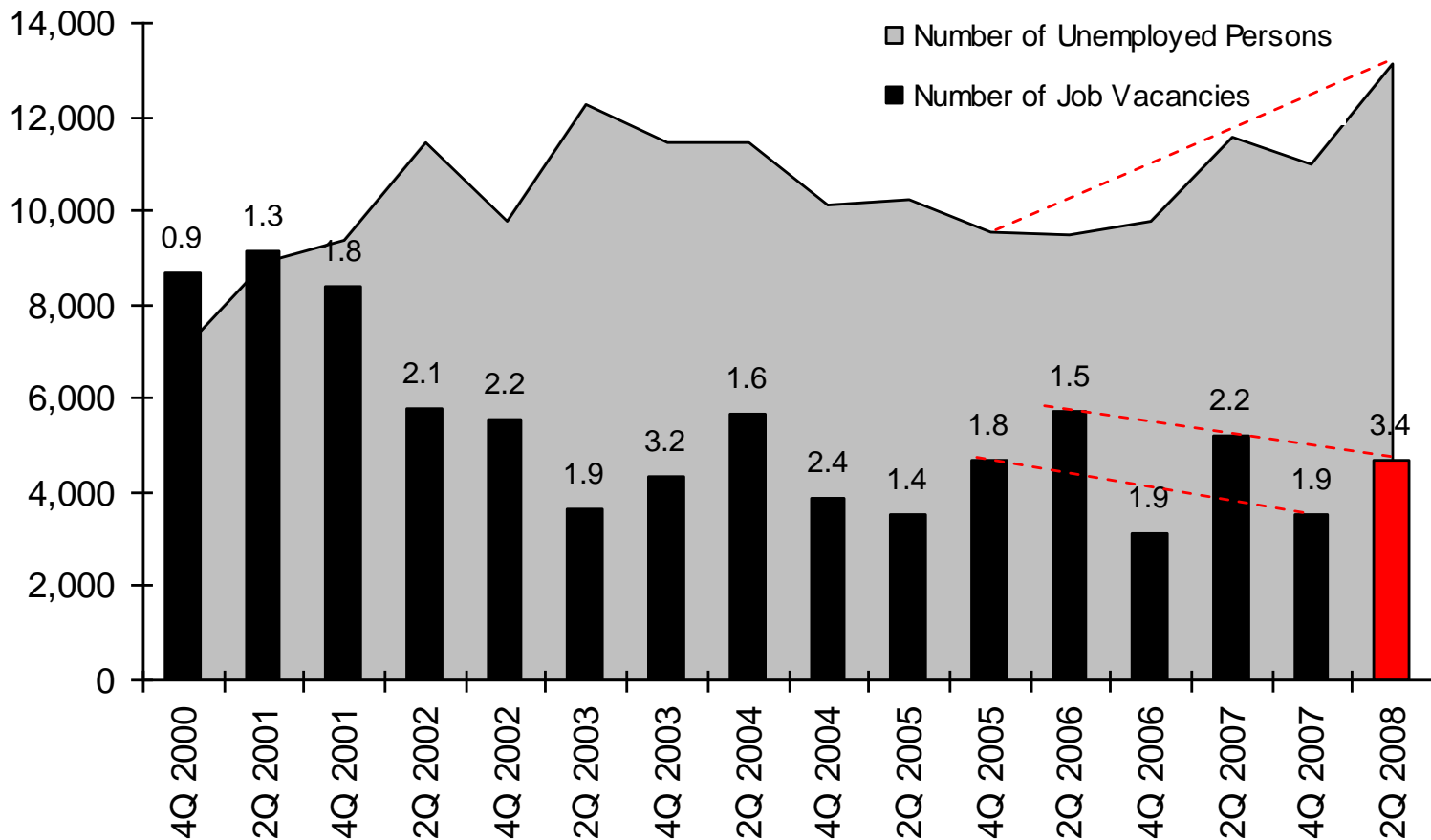
## County December Unemployment Rates, 2007 and 2008

County	Dec 07 Rate	Dec 08 Rate	Difference (% Pts)
Blue Earth County	3.9%	5.1%	1.2%
Brown County	5.2%	7.0%	1.8%
Dodge County	4.6%	6.7%	2.1%
Faribault County	5.9%	7.9%	2.0%
Fillmore County	5.9%	7.2%	1.3%
Freeborn County	5.2%	7.0%	1.8%
Goodhue County	5.5%	7.0%	1.5%
Houston County	4.4%	7.5%	3.1%
Le Sueur County	7.7%	10.1%	2.4%
Martin County	4.9%	6.0%	1.1%
Mower County	4.3%	5.4%	1.1%
Nicollet County	4.0%	5.3%	1.3%
Olmsted County	4.0%	5.2%	1.2%
Rice County	5.6%	7.5%	1.9%
Sibley County	6.2%	7.9%	1.7%
Steele County	4.6%	6.4%	1.8%
Wabasha County	4.6%	5.8%	1.2%
Waseca County	5.4%	7.5%	2.1%
Watonwan County	5.5%	7.7%	2.2%
Winona County	4.2%	5.6%	1.4%

**MN = 6.8%**  
**US = 7.1%**

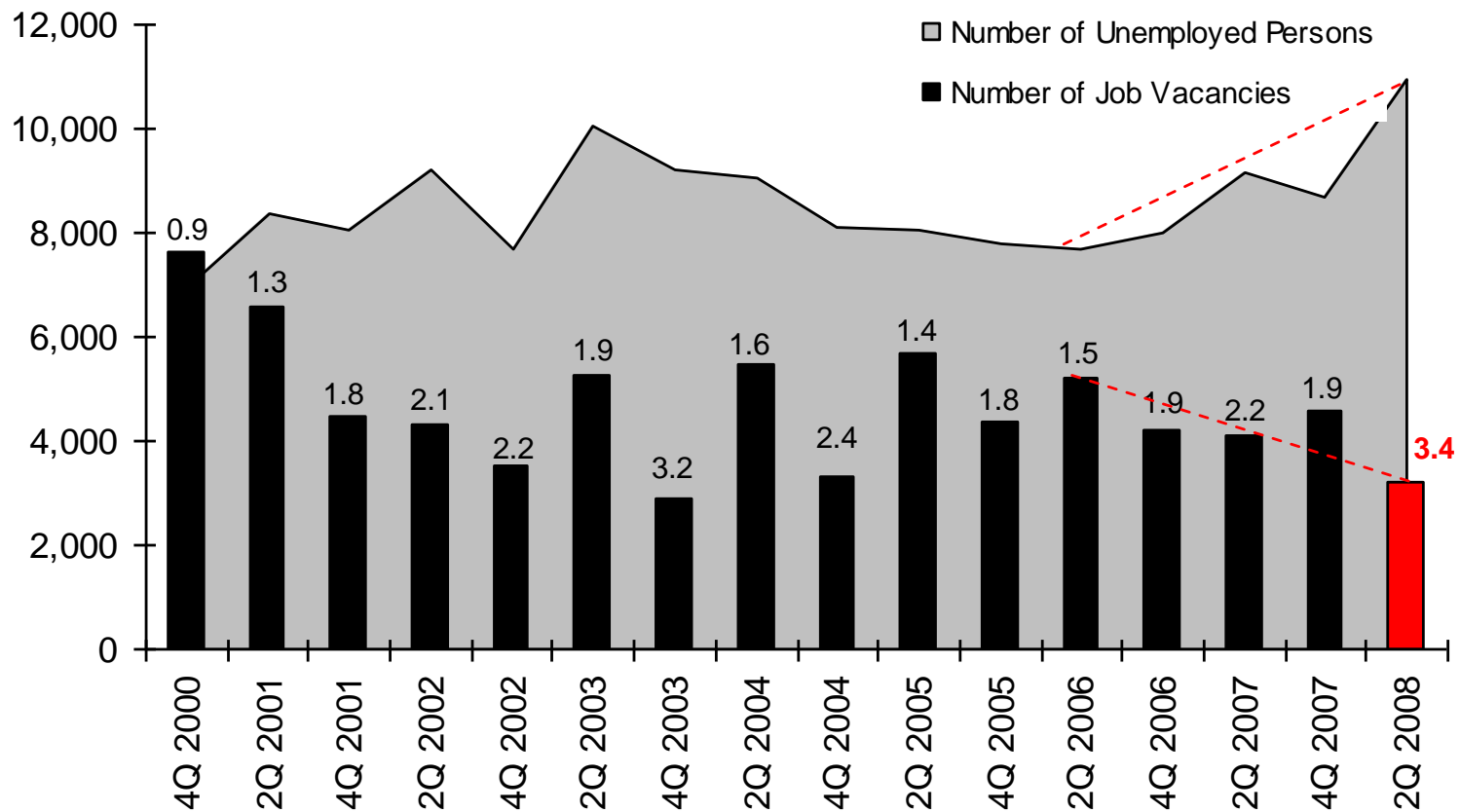
# Job Vacancy Statistics, Southeast

Job Vacancies in the Southeast Planning Region, 2000-2007



# Job Vacancy Statistics, Southwest (SC)

Job Vacancies in the Southwest Planning Region,  
2000-2008



# SC Occupations in Demand and Long-term Employment Projections

EDR 9 - South Central Results: 180

Last Updated: September 2008

Next Update: March 2009

SOC Code	SOC Title	Current Demand Rank	Current Demand Indicator	25th Percentile Wage	Median Wage	Planning Area Growth Rate	Planning Area Total Openings	Education and Training Requirements
353021	Combined Food Preparation and Serving Workers, Inc	1	★★★★★	\$14,975/yr	\$16,244/yr	Above Average	2,662	Short-term on-the-job training
291111	Registered Nurses	2	★★★★★	\$51,899/yr	\$62,499/yr	Well Above Average	1,141	Associate degree
533032	Truck Drivers, Heavy and Tractor-Trailer	3	★★★★★	\$28,412/yr	\$35,284/yr	Above Average	1,312	Moderate-term on-the-job training (1-12 months)
412011	Cashiers	4	★★★★★	\$14,699/yr	\$16,087/yr	Well Below Average	2,670	Short-term on-the-job training
311011	Home Health Aides	5	★★★★★	\$19,896/yr	\$22,391/yr	Well Above Average	1,112	Short-term on-the-job training
412031	Retail Salespersons	6	★★★★★	\$16,598/yr	\$19,030/yr	Average	2,719	Short-term on-the-job training
311012	Nursing Aides, Orderlies, and Attendants	7	★★★★★	\$22,013/yr	\$24,276/yr	Average	974	Short-term on-the-job training
493031	Bus & Truck Mechanics & Diesel Engine Specialists	8	★★★★★	\$33,860/yr	\$39,483/yr	Above Average	203	Post secondary vocational training
434051	Customer Service Representatives	9	★★★★★	\$21,615/yr	\$26,852/yr	Above Average	708	Moderate-term on-the-job training (1-12 months)
372011	Janitors and Cleaners, Except Maids and Housekeepi	10	★★★★★	\$17,478/yr	\$22,620/yr	Above Average	NA	Short-term on-the-job training
433031	Bookkeeping, Accounting, and Auditing Clerks	11	★★★★★	\$25,032/yr	\$30,000/yr	Below Average	662	Moderate-term on-the-job training (1-12 months)
452093	Farmworkers, Farm and	12	★★★★★	\$22,805/yr	\$24,844/yr	Below	84	Moderate-term on-the-job training



**Coming Soon:  
New Data**

# SE Occupations in Demand and Long-term Employment Projections

EDR 10 - Southeast Results: 228 Last Updated: September 2008 Next Update: March 2009

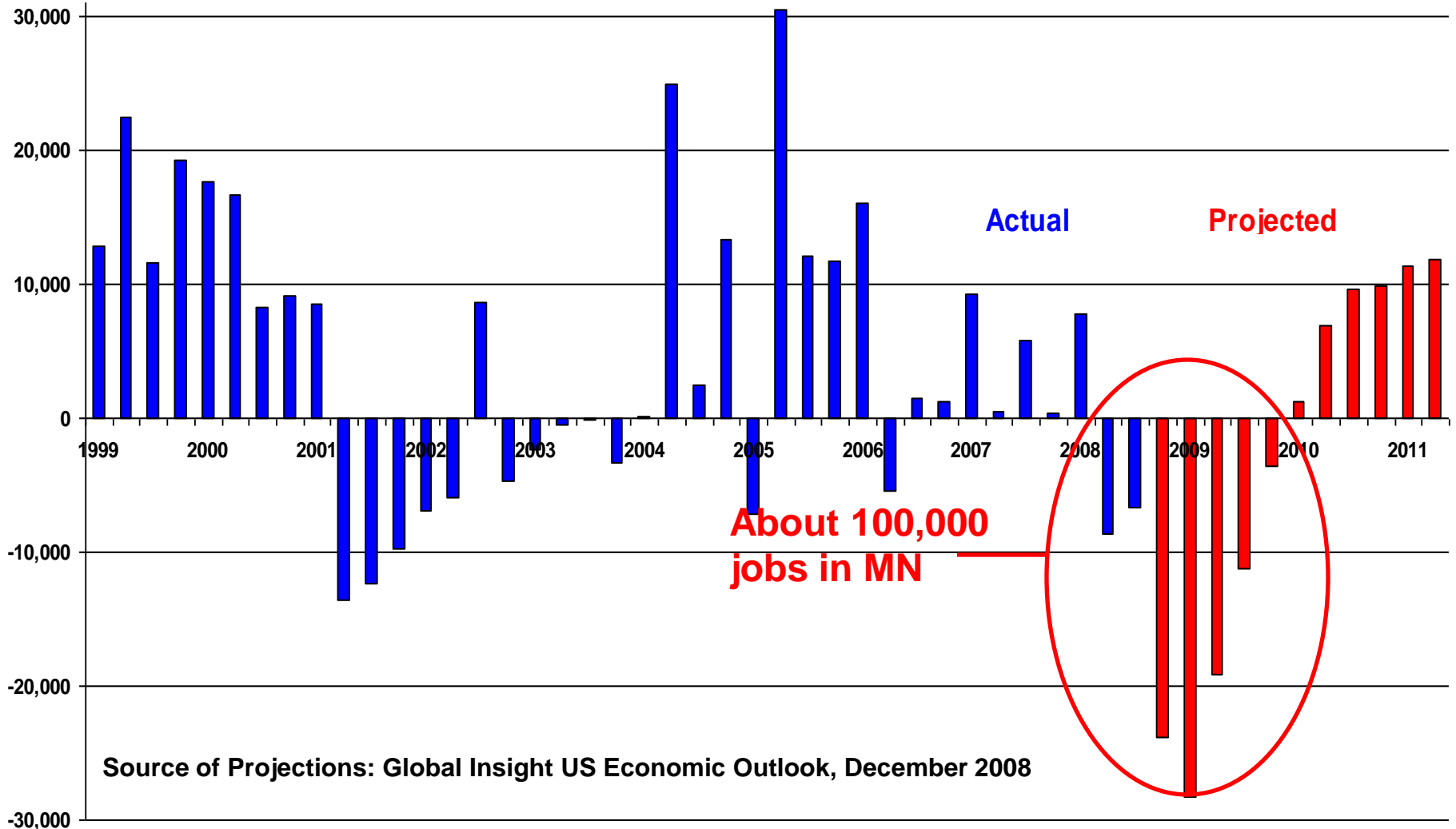
SOC Code	SOC Title	Current Demand Rank	Current Demand Indicator	25th Percentile Wage	Median Wage	Planning Area Growth Rate	Planning Area Total Openings	Education and Training Requirements
291111	Registered Nurses	1	★★★★★	\$60,609/yr	\$71,761/yr	Well Above Average	3,501	Associate degree
353021	Combined Food Preparation and Serving Workers, Inc	2	★★★★★	\$15,048/yr	\$16,348/yr	Above Average	3,028	Short-term on-the-job training
412031	Retail Salespersons	3	★★★★★	\$17,413/yr	\$20,725/yr	Above Average	4,115	Short-term on-the-job training
412011	Cashiers	4	★★★★★	\$14,800/yr	\$16,483/yr	Well Below Average	2,791	Short-term on-the-job training
434051	Customer Service Representatives	5	★★★★★	\$25,777/yr	\$30,927/yr	Well Above Average	1,021	Moderate-term on-the-job training (1-12 months)
311011	Home Health Aides	6	★★★★★	\$21,082/yr	\$23,157/yr	Well Above Average	1,421	Short-term on-the-job training
353031	Waiters and Waitresses	7	★★★★★	\$15,041/yr	\$16,680/yr	Average	2,364	Short-term on-the-job training
452093	Farmworkers, Farm and Ranch Animals	8	★★★★★	\$17,243/yr	\$23,046/yr	Well Below Average	80	Moderate-term on-the-job training (1-12 months)
292061	Licensed Practical and Licensed Vocational Nurses	9	★★★★★	\$34,799/yr	\$39,244/yr	Above Average	782	Post secondary vocational training
311012	Nursing Aides, Orderlies, and Attendants	10	★★★★★	\$22,591/yr	\$25,405/yr	Average	791	Short-term on-the-job training
533032	Truck Drivers, Heavy and Tractor-Trailer	11	★★★★★	\$30,555/yr	\$36,913/yr	Average	1,125	Moderate-term on-the-job training (1-12 months)



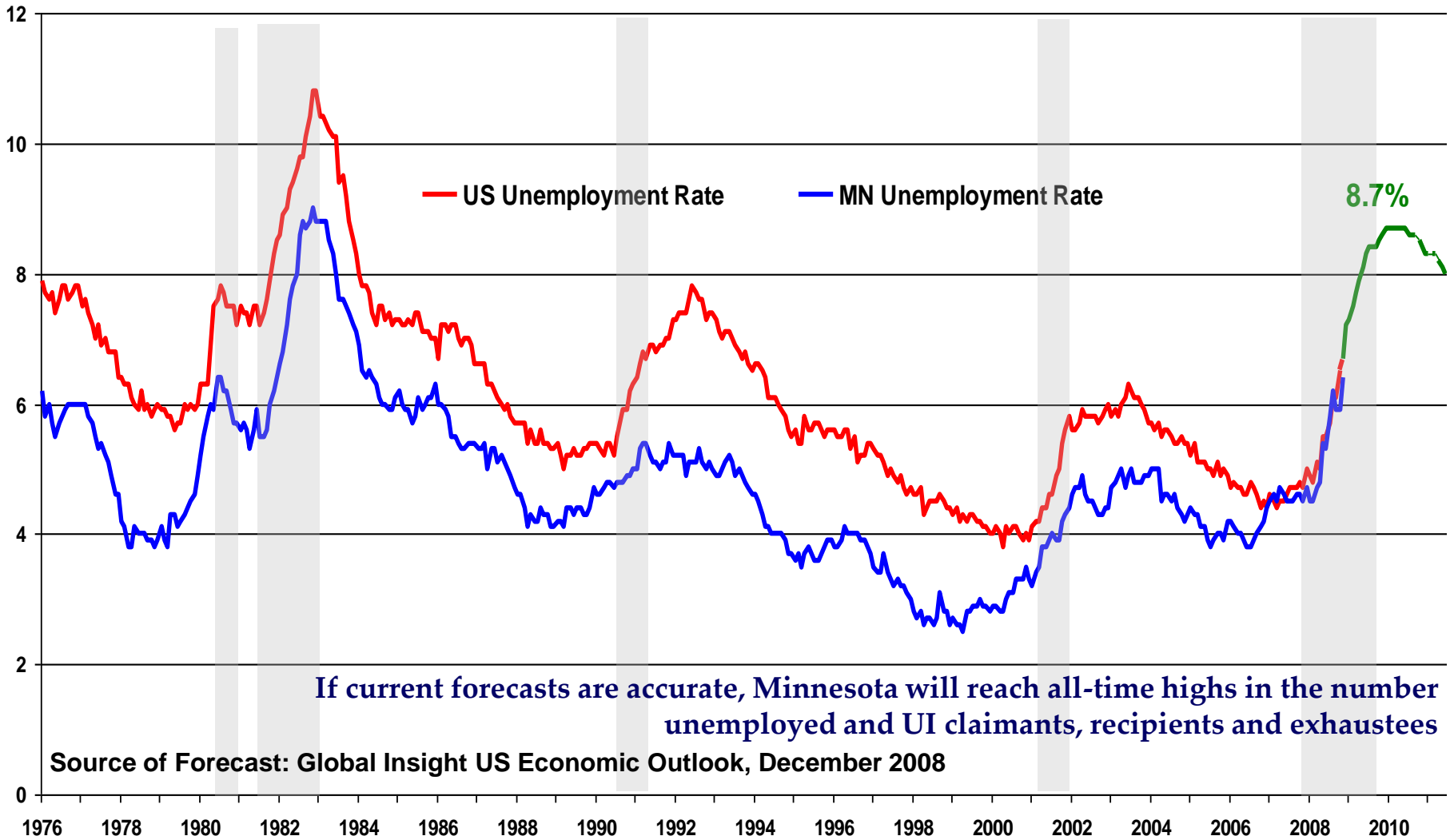
# Future Hiring

Future Hiring by Region		Compared to 2007, in 2008 your location's:		
	Inc Employ	<u>Up</u>	<u>Same</u>	<u>Down</u>
<b>Minnesota</b>				
Greater Minnesota				
Twin Cities				
Region 1 - Northwest				
Region 2 - Headwaters				
Region 3 - Northeast				
Region 4 - West Central				
Region 5 - North Central				
Region 6E - Southwest Central				
Region 6W - Upper Southwest				
Region 7E - East Central				
Region 7W - Central				
Region 8 - Southwest				
Region 9 - South Central				
Region 10 - Southeast				
Region 11 - Twin Cities				
		Compared to 2008, during 2009 you expect your location's:		
		<u>Up</u>	<u>Same</u>	<u>Down</u>
		21%	38%	41%
		19%	45%	37%
		13%	54%	33%
		14%	43%	42%
		32%	54%	14%
		21%	33%	45%
		23%	58%	20%
		22%	57%	22%
		What is your outlook on the following state economic indicators during the next year:		
		<u>Up</u>	<u>Same</u>	<u>Down</u>
		4%	24%	72%
		7%	25%	68%
		3%	16%	81%
		58%	30%	12%
		7%	22%	72%
		3%	23%	75%

# And we're forecasted to go lower



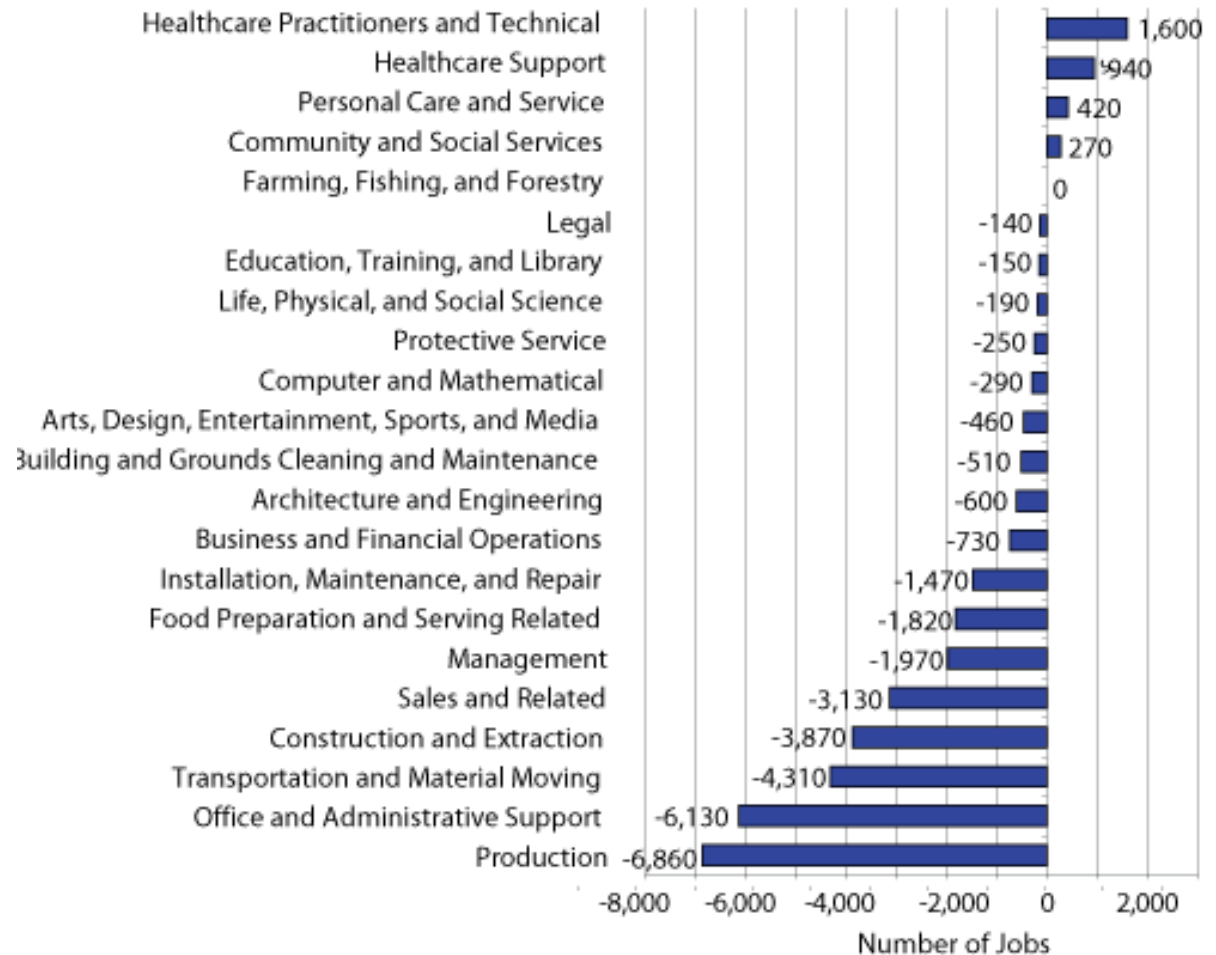
# Job Declines = Rising Unemployment Rates



# Short-term Employment Forecast

Minnesota's Occupational Employment Forecast  
3rd Quarter 2008 to 3rd Quarter 2009

**Total job openings will approach 67,000 when job openings from replacement needs are added to job openings arising from employment growth.**



Source: Minnesota Department of Employment and Economic Development

# Other indicators not available locally

- Underemployment
  - Increase in involuntary part-time work
  - Reduction in hours
- Increases in furloughs
- Wage freezes or reductions

# Other unknowns

- When the recession will (officially) end
- When job growth will return
- The impact of public policy, including a stimulus package or tax cuts



# What should we be doing now?

- Respond to immediate needs of businesses and jobseekers (recognize that employers still have needs)
  - Jobs are more scarce, so information is key for jobseekers
- Follow labor market data to ensure people are ready to take in-demand and returning jobs
  - Will the jobs that return (e.g. in 2010) look different from the ones going away now?
- Keep an eye to future demographic challenges

# For more information

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### **LMI Helpline**

Please call 651-282-2714 or toll free at 888-234-1114.

Hours of service are weekdays, 9:00 am to 3:00 pm.

Or e-mail to [deed.lmi@state.mn.us](mailto:deed.lmi@state.mn.us). We will reply within one business day.

