



Southwest Minnesota Labor Market Trends

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Labor Market Information (LMI) Office

- LMI Office supports state workforce and economic development systems by producing and disseminating data, key indicators, analysis, and trends on the economy, workforce, job market, and business community.
- LMI Office's high quality information advises policy makers on current and future economic trends, helps employers make informed business decisions, and assists individuals in making strong career choices.

Minnesota job trend overview

- Employment is growing
 - 40,000 more jobs compared to last November
 - Regained the 160,000 job lost during the Great Recession and 6,000 more
 - Twin Cities and St. Cloud regions have the fastest job growth
- Unemployment rate at 4.6% in November
 - Compared to a 7.0% rate in the United States
- Other positive signs
 - 5th best ratio of unemployed to online job postings
 - Unemployment Insurance claims at pre-recessionary levels

Regional economy

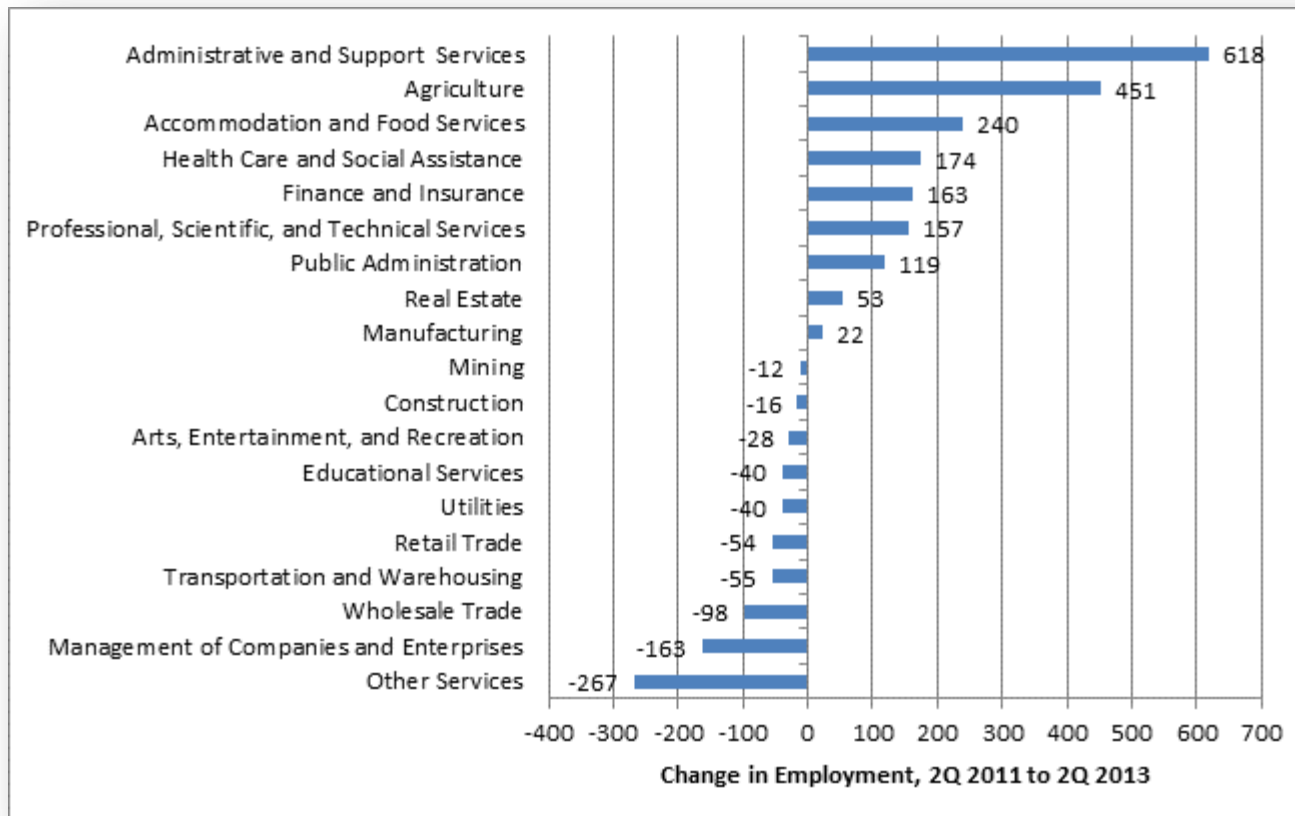
- 173,400 jobs in 2012
 - 12,250 employers
 - \$672 average weekly wage
 - Manufacturing largest industry (18% of regional jobs)
- Labor force = 225,400
 - 3.6% unemployment rate in November



Southwest region

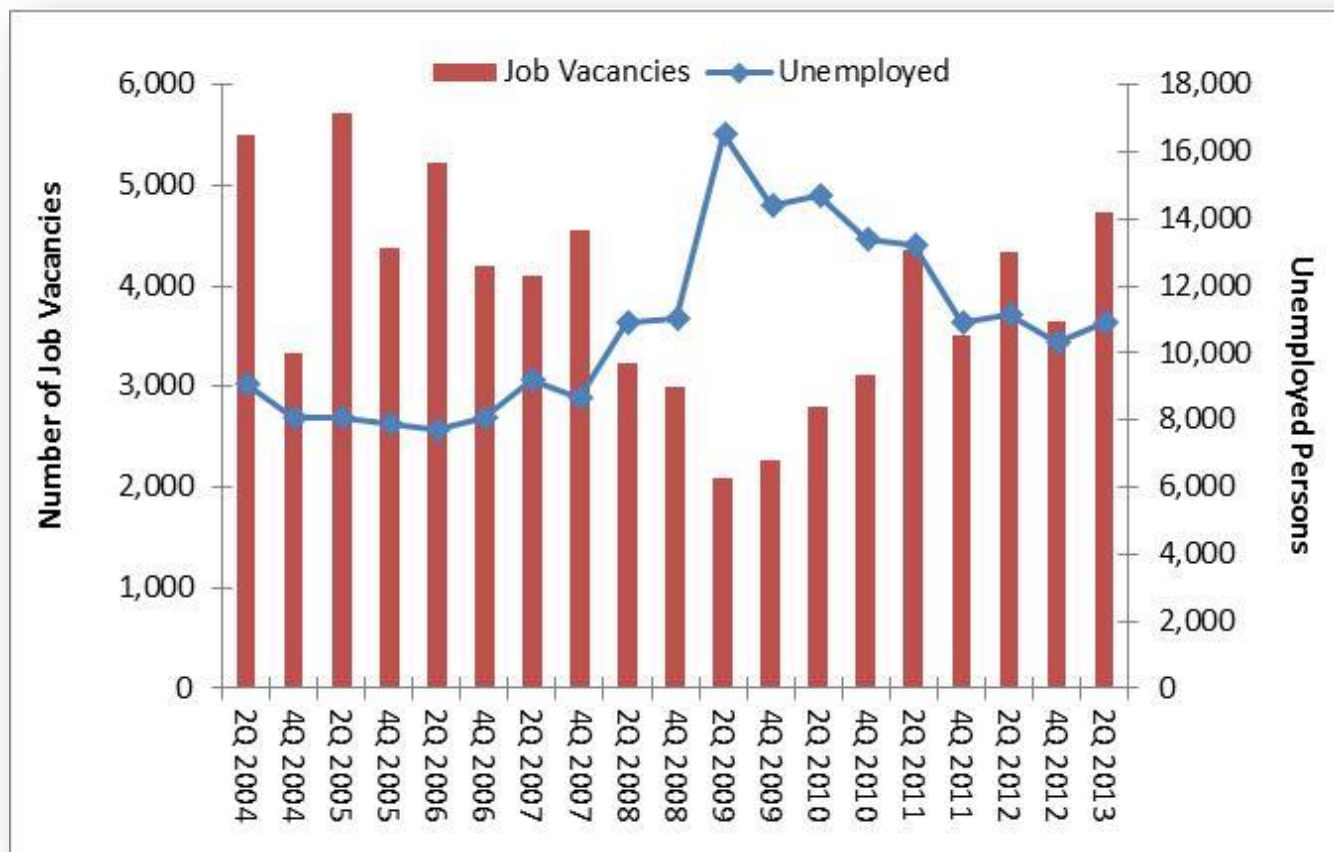
- 23 counties
- Large cities: Marshall, Mankato, New Ulm, Fairmont, Worthington

Southwest regional job gains by industry, 2011-2013



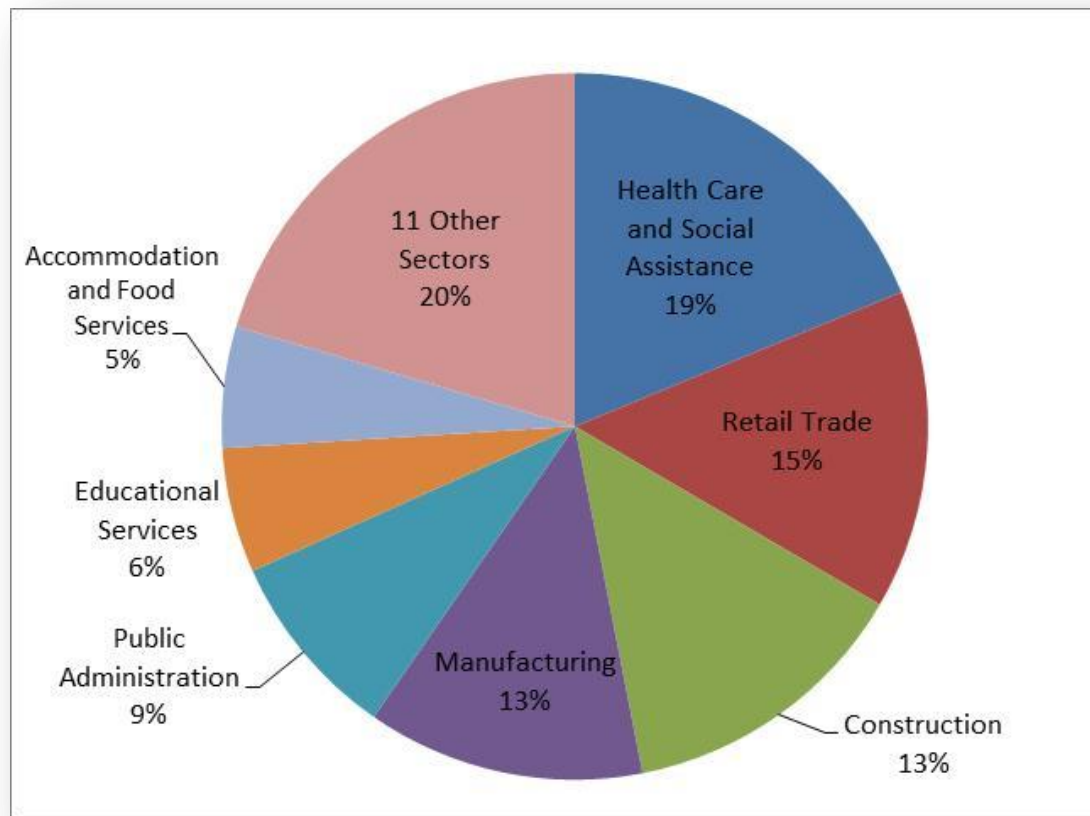
Source: MN Dept of Employment & Economic Development

Job openings in the Southwest region are expanding



Source: MN Dept of Employment & Economic Development

Southwest regional job openings by industry, Spring 2013



Source: MN Dept of Employment & Economic Development

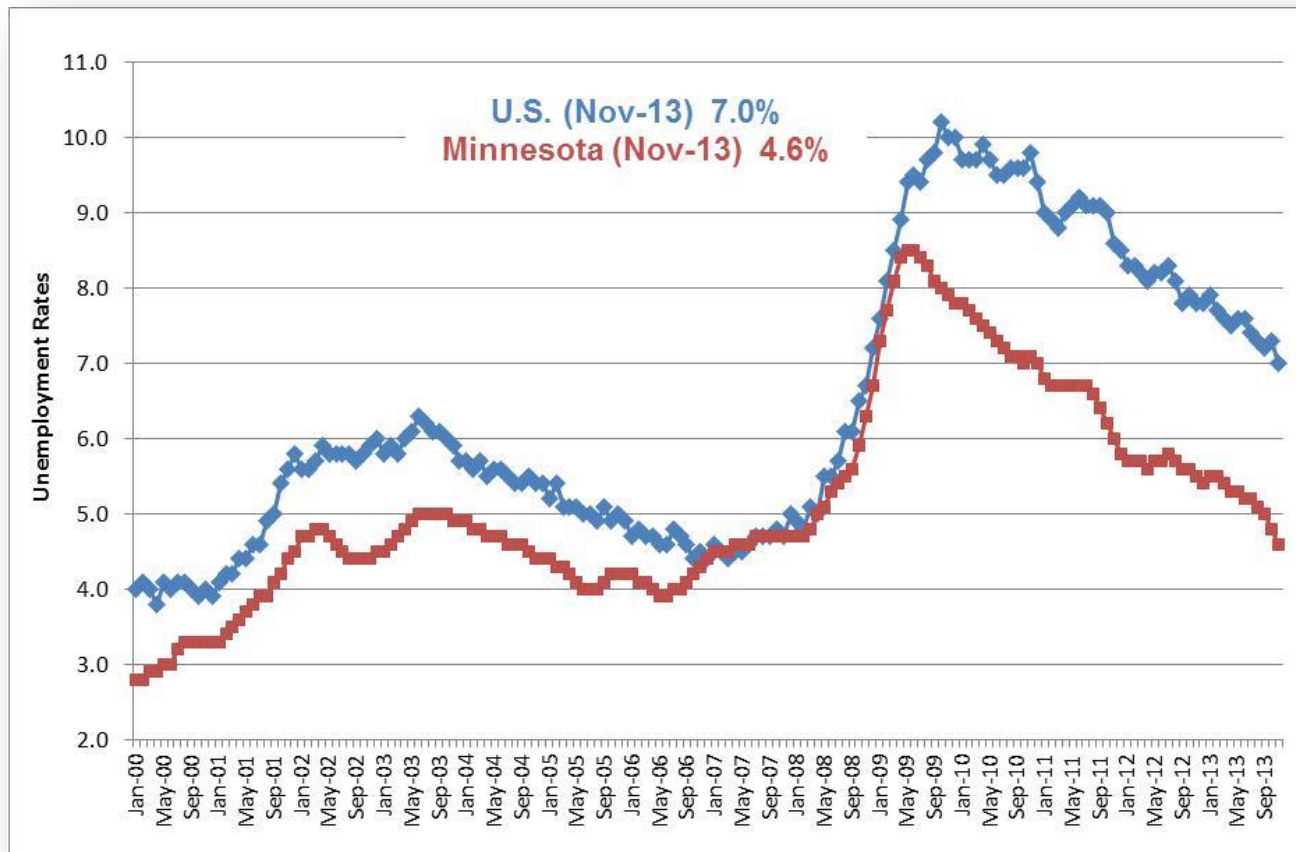
Top 12 occupations with the most openings in the Southwest region

- Fast food workers
- Light truck drivers
- Heavy and tractor-trailer truck drivers
- Farmworkers
- Cashiers
- Personal care aides
- Retail salespersons
- Nursing aides
- Multiple machine tool operators
- Stock clerks
- LPNs
- Highway maintenance workers

Data are for second quarter 2013

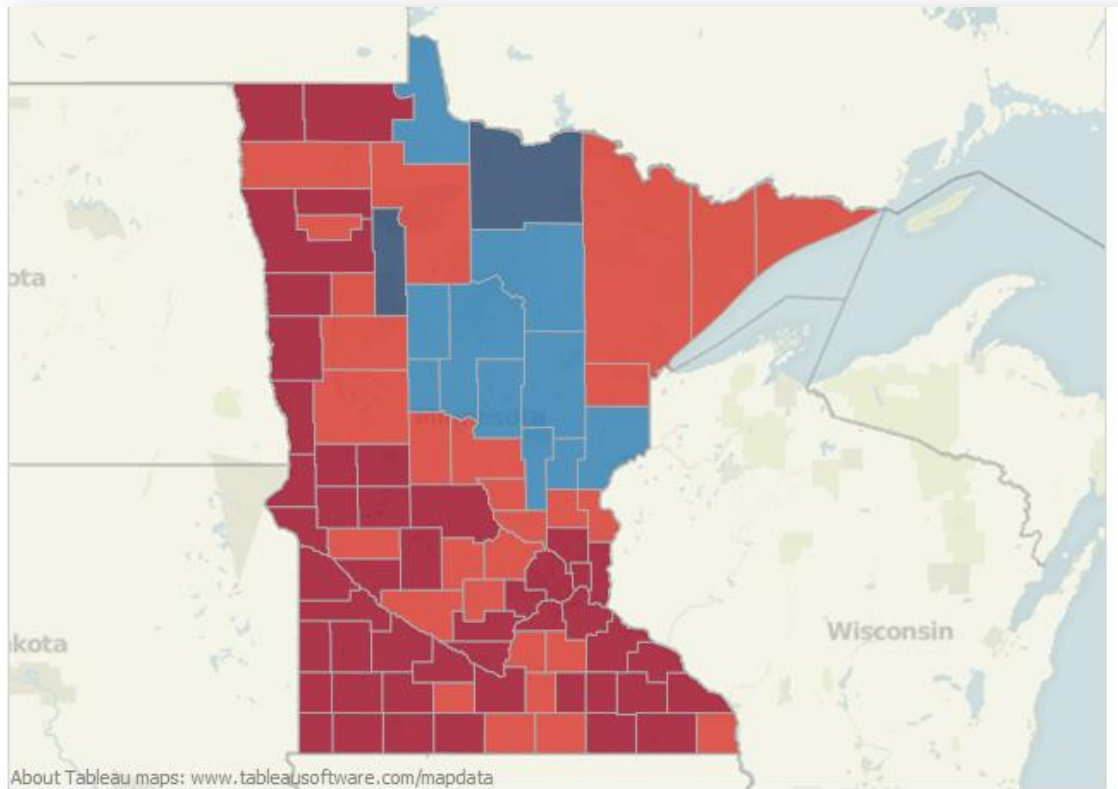
Source: MN Dept of Employment & Economic Development

Minnesota and U.S. unemployment rates



Source: MN Dept of Employment & Economic Development

Regional unemployment rates, November 2013



	Unemp. Rate
Fairmont	4.6%
Mankato	3.5%
Marshall	3.1%
New Ulm	4.4%
North Mankato	2.6%
Worthington	3.3%

Source: MN Dept of Employment & Economic Development

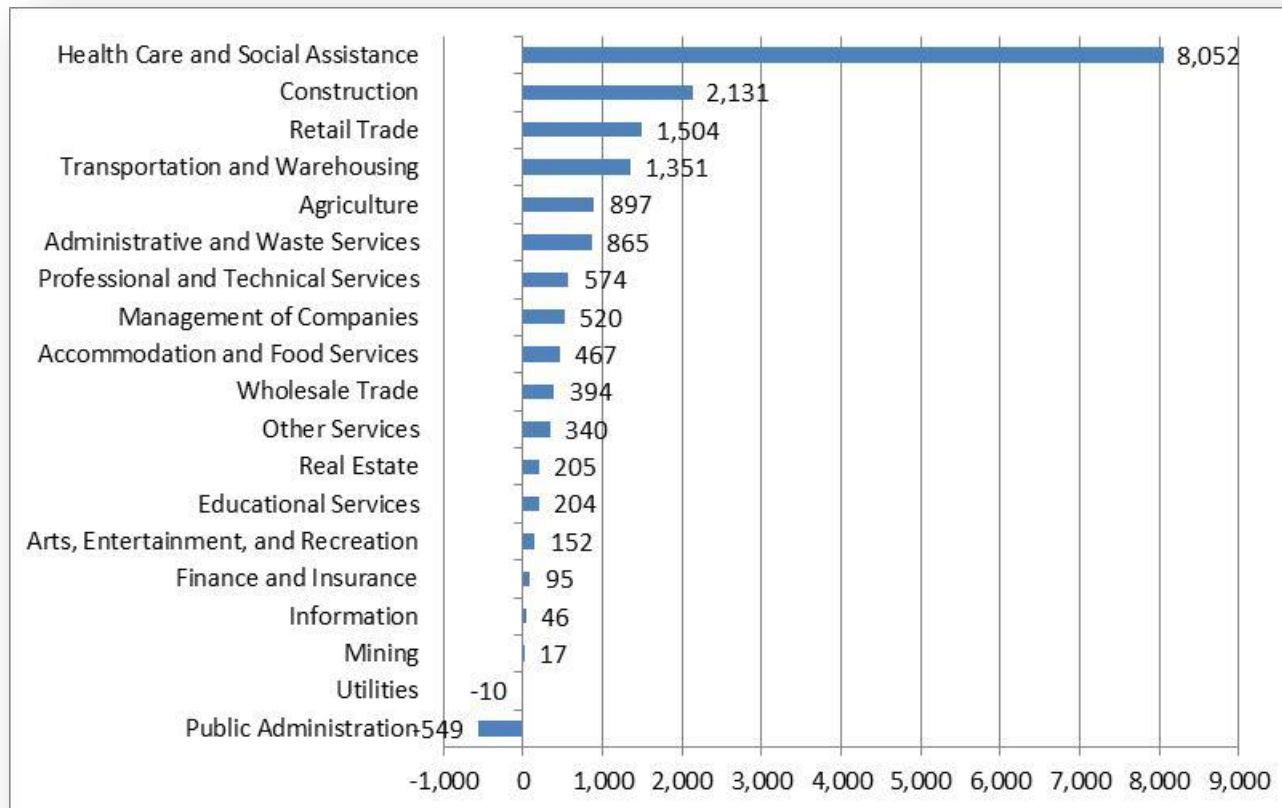
Forecasting future job trends

- Southwest Minnesota's economy will grow by 10%, or 21,340 new jobs, between 2010 and 2020.
- Over 48,340 new workers will be needed to take jobs left vacant through retirements and replacements.
- Employment changes depend on the demand for goods and services, productivity advances, technological innovations, and shifts in business practices.

Assumptions

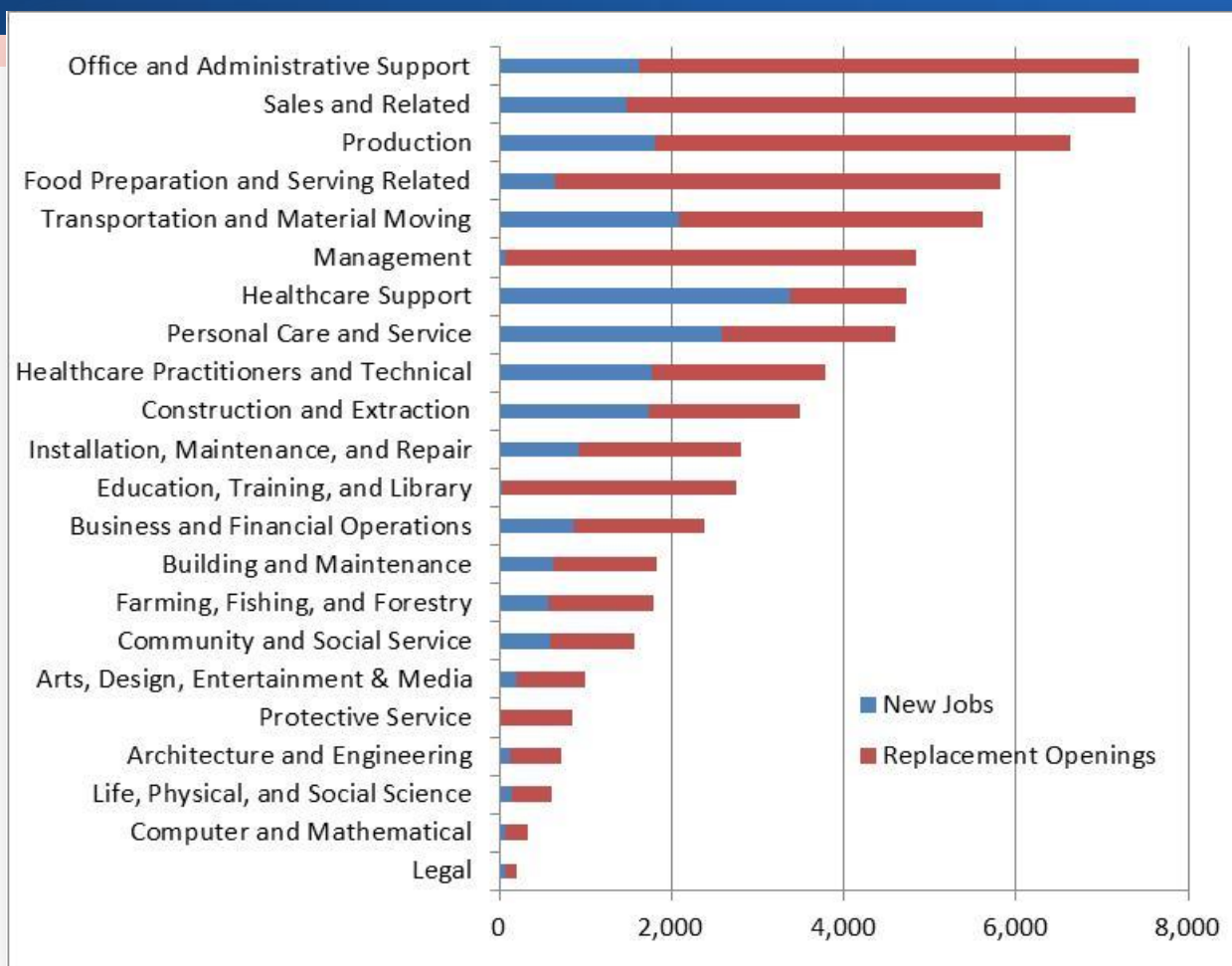
- Recovery from the steep job losses experienced between 2008 and 2010 will boost job growth in Minnesota during the next few years, but job growth will slow.
- Job growth over the next decade will average 1.3% a year, a pace similar to job growth experienced in 2011.
- The key macroeconomic assumptions driving the 2010-2020 national industry projections are:
 - GDP growth will average 3.0 % annually
 - Productivity growth will slow
 - U.S. labor force growth will slow
 - Unemployment will average 5.2% in 2020

Health care will add the most new jobs in Southwest region between 2010 and 2020



Source: MN Dept of Employment & Economic Development

Office and sales occupations will need the largest numbers of workers



Source: MN Dept of Employment & Economic Development

Fastest growing Southwest regional occupations, 2010 to 2020

- Home health aides
- Vet technologists
- Personal care aides
- Physical therapy assistants
- HVAC mechanics
- Physical therapists
- Construction trades helpers
- Veterinarians
- Medical assistants
- Nonfarm animal caretakers
- Plumbers
- Optometrists & opticians
- Electricians
- Computer-controlled machine tool operators
- Crane operators
- Chemists
- Mental health counselors
- Cement masons

Source: MN Dept of Employment & Economic Development

Occupations adding the most jobs in Southwest region, 2010 to 2020

- Home health aides (3,220)
- Cashiers
- Retail salespersons
- Heavy and tractor-trailer truck drivers
- Personal care aides
- Office clerks
- Fast food workers
- Childcare workers
- Waiters and waitresses
- Farmworkers
- Material movers
- Registered nurses
- Janitors and cleaners
- Customer service reps
- LPNs
- Nursing aides
- Social and human services assistants (700)

Southwest regional job in demand by educational level

On-the-job training

- Home health aides (10.69)
- Personal care aides (\$10.90)
- Janitors/cleaners (\$11.80)
- Office clerks (\$13.00)
- Customer service representatives (\$14.97)

Postsecondary award/cert.

- Nursing assistants (\$11.55)
- Mechanics – auto/farm equipment (\$16.06-\$17.73)
- Welders (\$17.00)
- Heavy truck drivers (\$18.00)
- LPNs (\$18.59)
- Production supervisors (\$23.51)

Southwest regional job in demand by educational level (continued)

Associate's degree

- Agriculture/food science technicians (\$17.64)
- Paralegals (\$20.19)
- Engineering technicians (\$21-\$26)
- Medical/clinical lab technicians (\$20.80)
- Registered nurse (\$29.59)

Bachelor's degree

- Social workers (\$23-\$25)
- Accountants and auditors (\$28.49)
- Engineers (\$31-\$34)
- Computer systems analysts (\$33.15)
- Sales/financial managers (\$42-\$44)

Skills in demand

- Leadership and project management skills, with the ability to apply those skills in a team context
- Stronger critical-thinking and problem-solving skills to apply technical information to real life situations
- Strong multitasking and time-management abilities
- Adaptability
- Interpersonal communication and conflict resolution
- Motivated, trainable, and willing to engage in lifelong learning

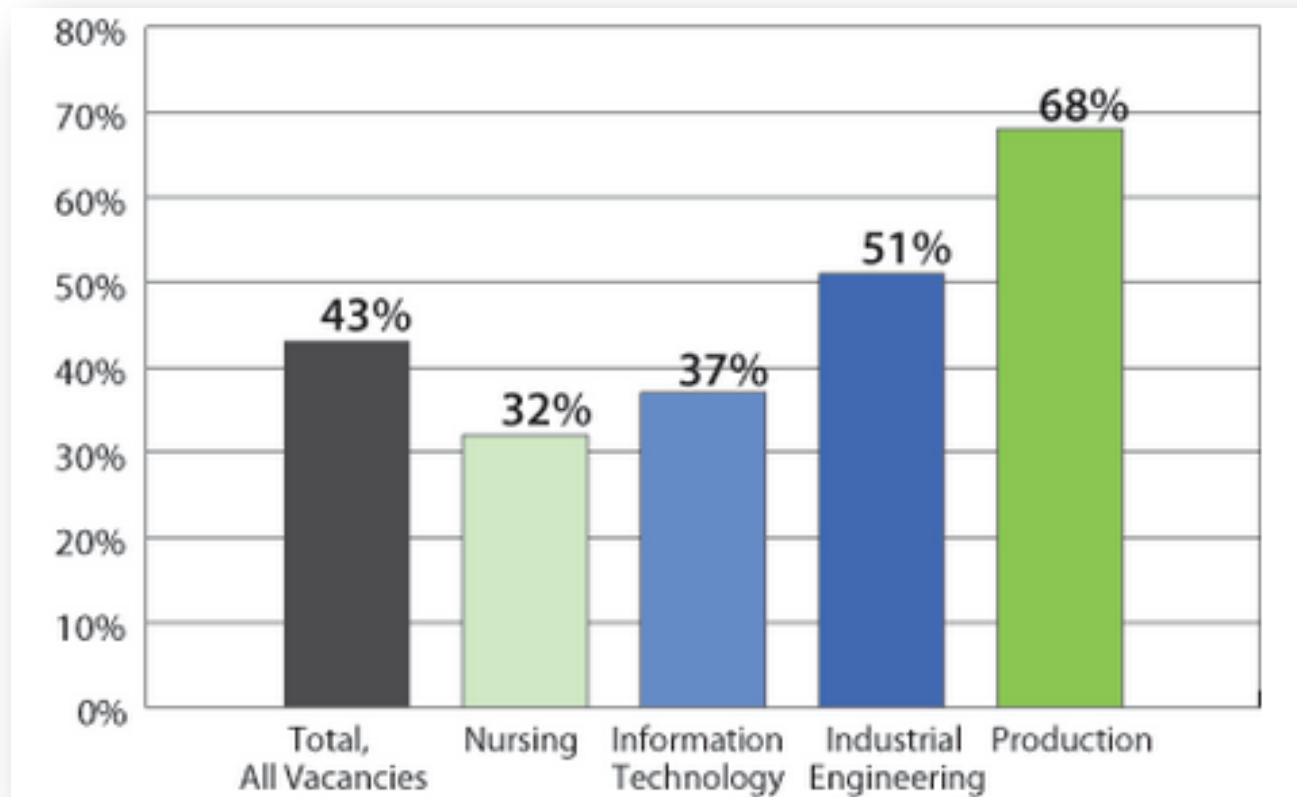
Skills gap debate

- A skills gap is the difference between the skill levels of the available workforce and the skills necessary to meet job requirements.
- Skills gaps are *not* synonymous with hiring difficulties.
 - Hiring difficulties may be a lack of qualified candidates who apply for a job.
 - Aside from lacking skills, there may be many reasons why qualified candidates don't apply for jobs.

“Difficult to fill” stems from...

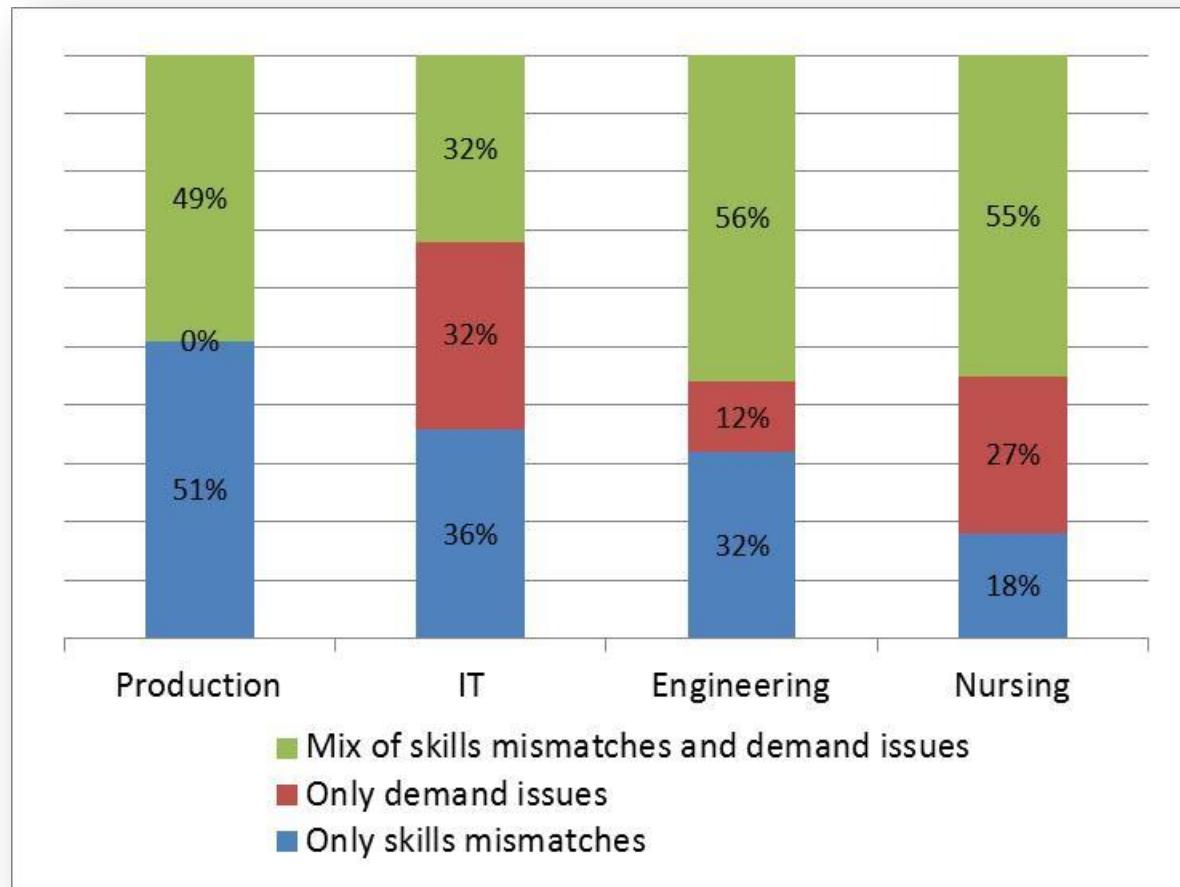
- Supply-side factors: Hiring difficulties caused by a mismatch between job requirements and the training, skills, and experience of applicants.
- Demand-side factors: Hiring difficulties caused by problems that are unrelated to candidates' qualifications, such as unattractive work hours, inadequate compensation, geographic location of position, and ineffective recruiting.

Share of vacancies reported as “difficult to fill” by occupation group



Source: MN Dept of Employment & Economic Development

Factors perceived by employers as contributing to hiring difficulties



New LMI products in 2014

- “Better LMI”
 - Workforce supply and demand
 - Educational attainment of workers and employment outcomes of recent graduates by program of study
- Cost of Living
 - Link basic needs budget to hourly pay and current/future job opportunities
 - Statewide report and regional/county-level analysis

Let me know how I can help



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