EMPLOYMENT AND ECONOMIC DEVELOPMENT

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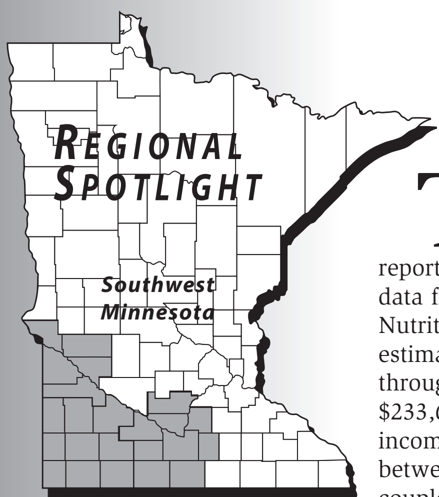


Feature:

In this issue:

Child Care in Southwest Minnesota

The economic cost of having children has been tallied and reported for years, with the latest data from the USDA's Center for Nutrition Policy and Promotion estimating that raising a child through the age of 17 costs $233,610 for a married, middle-income (gross household income between $59,200 and $107,400) couple with two children.[1] This includes costs for housing, food, transportation, clothing, health care, education, and miscellaneous expenses, many of which increase as the number of children in the household increases.

For many families one of the other major costs in that equation is child care. Child care is an important issue in Southwest Minnesota, which is home to about 89,000 children under the age of 18, accounting for just under 23 percent of the entire population. Depending on the composition and work status of the family, the cost of child care in Southwest Minnesota can be daunting.

For families with two or more children, the Cost of Living data tool defines the third child as aged 13 and the fourth child aged 14-18 years, both being ages that can take care of themselves, hence the cost of child care does not rise for families with more than two children.

For example, as seen in Table 1, for both a single person and a two-parent family where the adults are working full-time while raising two children, the cost of childcare is $639 per month based on estimates from DEED's Cost of Living data tool. To put that into perspective, for a family with a gross household income of $59,200 as mentioned above, that's approximately 13 percent of their gross monthly income. That is very real in Southwest Minnesota, where median incomes for families with children under 18 years of age ranged from $52,375 to $72,817 in 2015 according to Census data.

Child care costs are lower for a two-parent householdwhere one adult is working part-time, assuming that the adult working part-time is caring for the children when not at work, essentially cutting costs. But the biggest cost burden for child care falls on single-parent households, especially female households, which had median incomes as low as $18,542 in Pipestone County to a high of $43,542 in Watonwan County. For a female householder with two children needing child care, those costs would account for between 20 and 40 percent of her income at the median.

What's more, these estimates may be a bit low as the cost for private child care may be higher, and rates for infants are usually

Table 1: Cost of Child Care in Southwest Minnesota

Household Composition	Number of Children	Work Status	Monthly Cost of Child Care
Single	1	FT	$429
	Two or more*		$654
Two-Parent	1	1 FT / 1 PT	$214
	Two or more*		$327
Two-Parent	1	2 FT	$429
	Two or more*		$654

** For families with two or more children, the Cost of Living data tool defines the third child as aged 13 and the fourth child aged 14-18 years, both being ages that can take care of themselves, hence the cost of child care does not rise for families with more than two children.*

Source: DEED Cost of Living tool

[1] Lino, M., Kuczynski, K., Rodriguez, N., and Schap, T. (2017). Expenditures on Children by Families, 2015. Miscellaneous Publication No. 1528-2015. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. https://www.cnpp.usda.gov/sites/default/files/expenditures_on_children_by_families/crc2015.pdf

higher than those for a toddler. Costly and limited child care openings in Southwest Minnesota have created circumstances where parents can't find child care, reducing their availability to work. This is leading some parents to opt out of the workforce in order to stay at home to care for their children to avoid having to pay the high price tag for child care, or, possibly, limiting their notion to have more children.

Opportunity Costs

Either way, these missed employment opportunities may be presenting an even bigger cost to the region. With a tight labor market and an aging population, Southwest Minnesota can't afford either option. Both current and future labor force participants are at a premium in a region of the state that has low unemployment rates, large numbers of unfilled jobs (currently there are just under 6,600 vacancies according to DEED's Job Vacancy Survey), and a pool of workers that is expected to shrink in the next decade.

There were just 1.3 jobseekers per vacancy in Southwest Minnesota in 2016, and the region's labor market demographics are expected to worsen as Baby Boomers start leaving the workforce in higher numbers than new workers will be entering. According to population projections from the Minnesota State Demographic Center, the number of 65 to 74 year olds is expected to jump by over 25,500 people, while the region is expected to see a decline of 3,800 people between the ages of 15 and 24.

Hooked at the Hip

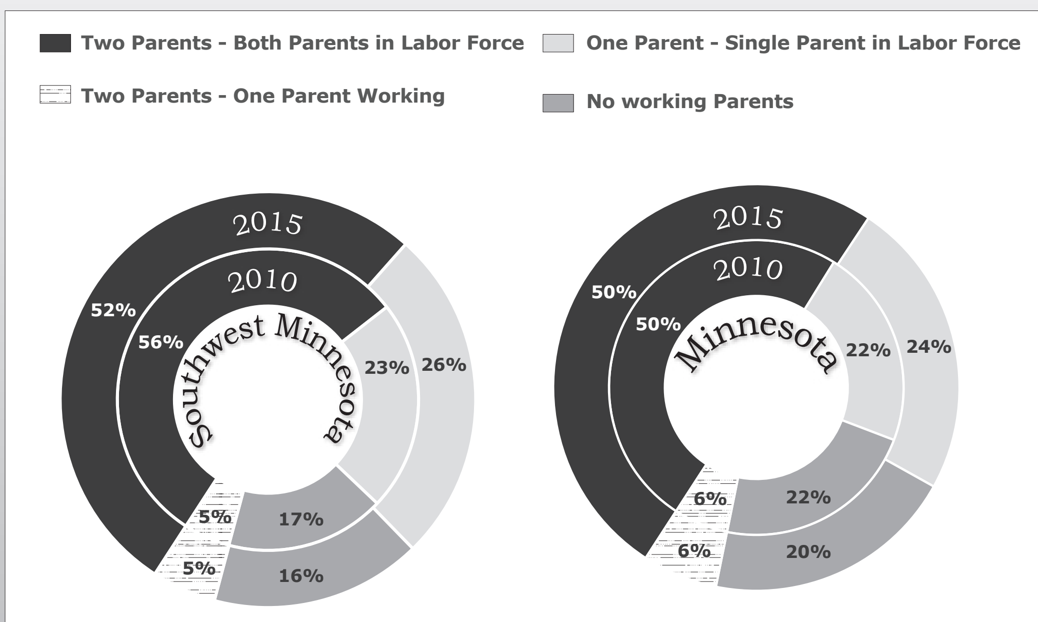
In 2015 the majority of children under six years old in Southwest Minnesota were living with two parents, although the percentage has been going down over time. As described above, two-parent households have the option of having both adults working and increasing the family income or having one parent work part-time or stay at home to take care of the young children. However, that benefit hinges on high enough wages for the single worker to allow the other parent to stay home, or, if both parents are working, the availability of child care.

Census data shows that 52 percent of all children under six years old in Southwest Minnesota live in homes where both parents were in the labor force, although that was a drop from 56 percent in 2010. Still, the share of young children under the age of six with two working parents is higher in Southwest than the state of Minnesota (50 percent). Much like working single parents, families with two parents working depend on childcare in order for both to work.

Although difficulties finding child care might seem dire for families with two working parents, it's more problematic for single parents. Without reliable and affordable child care for single parents, full-time employment and self-sufficient living are likely out of reach since they don't have the option of having one parent stay home. Twenty-six percent of the youngest children in Southwest Minnesota live with a single parent who works, which was up from 23 percent in 2010, changing faster and ending higher than the rest of Minnesota (see Figure 1).

Overall, parents of small children have high labor force participation rates. For two-parent households with young children, the participation rate was 75 percent in 2015, and for single parents with young children, it was even higher at 85 percent – both compared to the 69 percent participation rate for the total population aged 16 years and over in Southwest Minnesota. The participation rates for these parents are on par with all people between the ages of 25 to 44 years, where 89 percent are in the labor force.

Figure 1. Share of Children Under 6 Years by Family Type and Work Status of Parents



Source: U.S. Census Bureau, American Commmunity Survey, 2011-2015

Root Causes

While the economic complications surrounding the cost and availability of child care might be felt by working parents, they are also felt by the employers they either work for or used to work for. The root cause may be found in the child care employers themselves. According to a recent article by Marnie Werner at the Center for Rural Policy and Development that highlighted the issues of child care in Minnesota, "For child care centers, 70% of the cost of operation is in staff."[2]

Ironically, even though labor costs for center-based child care are high, the wages earned by childcare workers are low. Almost 36 percent of all jobs in the child day care services industry are childcare workers, a notoriously low paying occupation with median annual wages in Southwest Minnesota just over $19,000 (see Figure 2).

However, high demand for these workers in the region is starting to push wages up slightly. The median wage offer for childcare workers in Southwest Minnesota rose to $10.04 per hour in the second quarter of 2016. Although that was 89 cents less than the typical starting wage offer for childcare workers in the rest of Minnesota, the offer was actually higher than the median wage earned by those already actually working as childcare workers, which currently rests at $9.25.

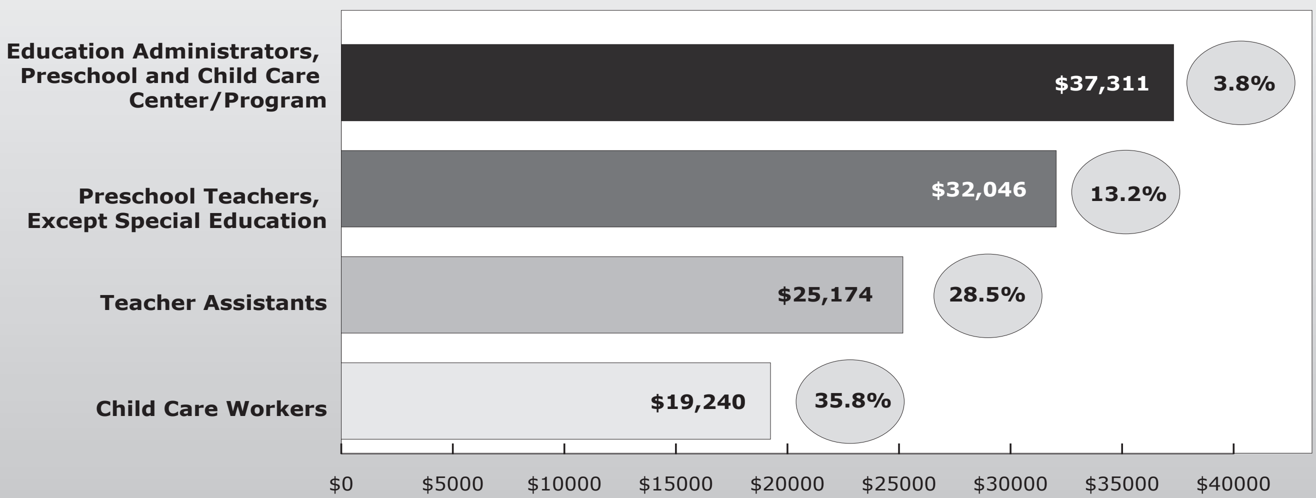
Pre-School Education

Another indicator of the high demand for childcare workers in Southwest Minnesota is the job vacancy rate, a ratio of unfilled openings to total jobs for the occupation. The overall job vacancy rate in the region was 3.7 percent in the second quarter of 2016, but the rate for childcare workers was 18.7 percent. Childcare workers are also among the occupations receiving five stars – the highest demand ranking – in Southwest Minnesota according to DEED's Occupations In Demand tool.

The problem finding childcare workers is probably not because there is a "skills gap" or lack of applicants with enough education. Job Vacancy data shows that previous work experience is not typically required (11 percent of openings), and only 5 percent of openings asked for any type of certificate or license. Instead, low education and prior work experience requirements should help entry into childcare worker positions. In fact, only 2 percent of job openings for child care workers in Southwest Minnesota required any post-secondary education, less than the 8 percent for statewide openings.

However, many workers in the industry decide to pursue postsecondary education. In Minnesota 57.4 percent of childcare workers have attended at least some college, including 11 percent who have associate's degrees and 14 percent who have bachelor's degrees or higher. Data from DEED's Graduate Employment

Figure 2. Median Wages and Share of Employment for Most Common Child Day Care Services Occupations, Southwest Minnesota



Source: DEED, Occupational Employment Statistics; BLS, Industry and Occupation Estimates

[2]Werner, Marnie. "A Quiet Crisis: Minnesota's Child Care Shortage." September 2016. http://www.ruralmn.org/publications/a-quiet-crisis-minnesotas-child-care-shortage/.

Outcomes tool show that the number of graduates in child care-related programs has been increasing in recent years, despite no demonstrated increase in requirements from employers.

An average of 340 graduates earned certificate and associate degrees in human development and family studies (which includes child care provider and support services management programs) in the two most recent years for which data are available, including 2013-2014. That is up from 300 graduates in the 2010-2011 school year. Data show that most of those graduates ended up working in the social assistance industry sector that includes child day care services, but most failed to earn even $13 per hour two years after graduating.

Even six years after graduating with certificates or associate degrees most childcare workers still earned relatively low wages. It's possible that some graduates from child care-related programs find success and promotions, but the wage growth is nominal at best, especially in comparison to their peers who graduated from other programs (see Figure 3).

For the Kids

Interestingly, demand and educational requirements for childcare workers are similar to fast food worker openings in the region. Wages are low for childcare workers, but so are the wages at fast food establishments, yet that hasn't stopped restaurants from finding new workers and opening new businesses. Median hourly wages and typical starting wages offered for childcare workers are actually higher than the combined food preparation and serving worker occupation, the most common job in the fast food industry.

But unlike fast food establishments, child day care centers operate mainly during the time school is in session. As a consequence, only 3 percent of jobs at child day care centers are held by 14 to 18 year olds, compared to 20 percent for eating and drinking establishments. While restaurants can find a lot of high school students to work enough shifts to keep expanding, child day care services are not able to tap into that workforce pipeline.

Without access to teenaged job seekers who have lower wage expectations, child care employers may be finding that they need to adjust their wages to be less in line with fast food workers, and more like industries not staffed by large concentrations of high school students. However higher wages would likely make child care unaffordable for many parents, meaning child care availability and affordability will likely remain a vexing problem for many working families in Southwest Minnesota.

by Luke Greiner and Mark Schultz
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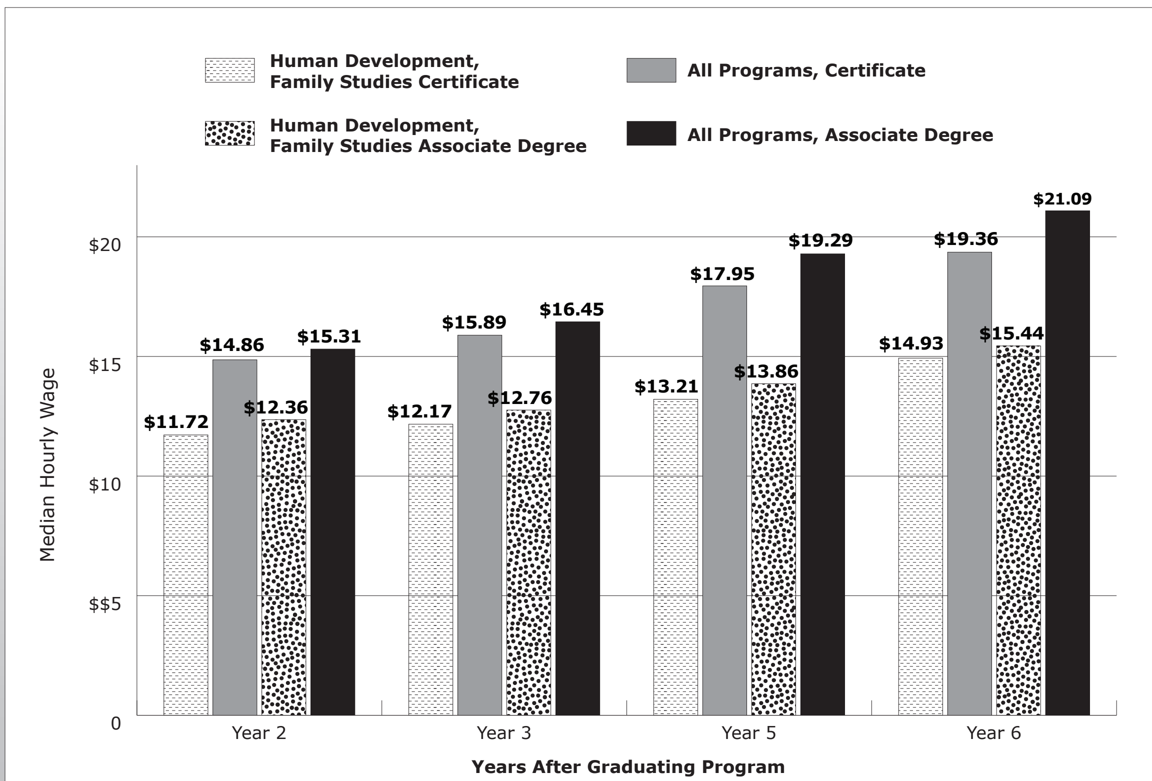
Department of Employment and Economic Development

Figure 3. Median Hourly Wages for Minnesota Graduates, Class of 2010-2011



Source: DEED, Graduate Employment Outcomes Tool

Regional Spotlight Southwest Minnesota

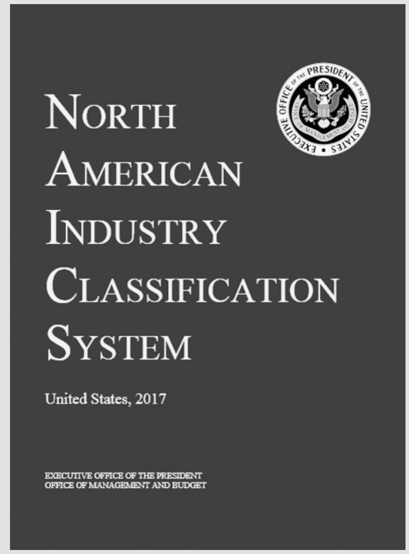
NAICS Primer

Editor's note: I apologize. I switched the January and March articles. Here is the background article to clarify the series.

The Quarterly Census of Employment and Wages (QCEW) is a program managed by the Bureau of Labor Statistics. Every quarter analysts with the Minnesota Department of Employment and Economic Development (DEED), working on the QCEW program, use employment and wage information reported to the State of Minnesota's Unemployment Insurance (UI) program to produce a comprehensive summary of wage and employment information. Wage and employment data are also collected and tabulated on federal employees covered under the Unemployment Compensation for Federal Employees (UCFE) program. This information is made available to the public and includes data on the number of establishments, monthly employment, and quarterly wages by NAICS industry sector, by county and community, and by ownership sector for the entire state. The ability of the QCEW program to provide this detailed and accurate information rests partly on the program's reliance on the North American Industry Classification System (NAICS).

NAICS is the standard used by federal and state statistical agencies to classify business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy (**http://www.census.gov/eos/www/naics/**). NAICS relies on numerical codes to classify establishments. There are a total of 20 NAICS sectors (see table below). Within the 20 NAICS sectors, there are 1,170 6-digit subsectors. The first two digits designate the economic sector, the third digit designates the subsector, the fourth digit designates the industry group, the fifth digit designates the NAICS industry, and the sixth digit designates the national industry (**https://www.census.gov/eos/www/naics/**).

Over the course of 2017 the Minnesota Employment Review will spotlight each of the NAICS sectors and provide a detailed description of all 20 sectors for the reader. The goal is to help readers understand how industry classifications are structured and what each industry sector includes both in Minnesota and across the nation.



Code	NAICS Sectors	Code	NAICS Sectors
11	Agriculture, Forestry, Fishing, and Hunting	53	Real Estate and Rental and Leasing
21	Mining	54	Professional, Scientific, and Technical Services
22	Utilities	55	Management of Companies and Enterprises
23	Construction	56	Administrative and Support and Waste Management and Remediation Services
31-33	Manufacturing	61	Educational Services
42	Wholesale Trade	62	Health Care and Social Assistance
44-45	Retail Trade	71	Arts, Entertainment, and Recreation
48-49	Transportation and Warehousing	72	Accommodation and Food Services
51	Information	81	Other Services (except Public Administration)
52	Finance and Insurance	92	Public Administration

by Chloe Campbell

Labor Force Estimates

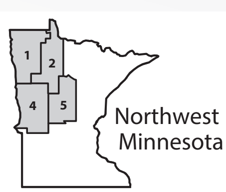
County/Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Feb 2017	Jan 2017	Feb 2016	Feb 2017	Jan 2017	Feb 2016	Feb 2017	Jan 2017	Feb 2016	Feb 2017	Jan 2017	Feb 2016
United States ('000s)												
(Seasonally adjusted)	160,056	159,716	158,890	152,528	152,081	151,074	7,528	7,635	7,815	4.7%	4.8%	4.9%
(Unadjusted)	159,482	158,676	158,279	151,594	150,527	150,060	7,887	8,149	8,219	4.9	5.1	5.2
Minnesota												
(Seasonally adjusted)	3,012,927	3,007,272	2,992,380	2,892,536	2,886,202	2,876,269	120,391	121,070	116,111	4.0	4.0	3.9
(Unadjusted)	2,999,305	2,992,912	2,987,047	2,856,690	2,844,458	2,851,893	142,615	148,454	135,154	4.8	5.0	4.5
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	1,942,461	1,928,416	1,926,833	1,861,272	1,846,661	1,850,690	81,189	81,755	76,143	4.2	4.2	4.0
Duluth-Superior MSA	142,750	141,816	143,797	133,715	132,395	134,341	9,035	9,421	9,456	6.3	6.6	6.6
Rochester MSA	118,421	118,764	118,564	113,594	113,736	113,917	4,827	5,028	4,647	4.1	4.2	3.9
St. Cloud MSA	110,477	110,195	109,682	104,753	104,252	104,350	5,724	5,943	5,332	5.2	5.4	4.9
Mankato-N Mankato MSA	60,644	59,946	61,081	58,296	57,606	58,968	2,348	2,340	2,113	3.9	3.9	3.5
Fargo-Moorhead MSA	139,230	137,991	134,400	134,683	133,286	130,100	4,547	4,705	4,300	3.3	3.4	3.2
Grand Forks MSA	58,216	58,235	55,937	56,186	56,189	54,056	2,030	2,136	1,891	3.5	3.7	3.4
Region One	**48,500**	**49,544**	**48,349**	**44,779**	**45,267**	**45,101**	**3,721**	**4,277**	**3,248**	**7.7**	**8.6**	**6.7**
Kittson	2,324	2,401	2,391	2,195	2,255	2,251	129	146	140	5.6	6.1	5.9
Marshall	5,567	5,771	5,601	4,966	5,083	5,036	601	688	565	10.8	11.9	10.1
Norman	3,416	3,515	3,408	3,175	3,269	3,194	241	246	214	7.1	7.0	6.3
Pennington	9,159	9,194	9,066	8,325	8,289	8,449	834	905	617	9.1	9.8	6.8
Polk	17,338	17,592	17,036	16,377	16,573	16,198	961	1,019	838	5.5	5.8	4.9
Red Lake	2,357	2,405	2,317	2,096	2,120	2,104	261	285	213	11.1	11.9	9.2
Roseau	8,339	8,666	8,530	7,645	7,678	7,869	694	988	661	8.3	11.4	7.7
Region Two	**42,970**	**43,199**	**42,529**	**39,599**	**39,533**	**39,371**	**3,371**	**3,666**	**3,158**	**7.8**	**8.5**	**7.4**
Beltrami	23,715	23,649	23,397	22,128	21,962	21,937	1,587	1,687	1,460	6.7	7.1	6.2
Clearwater	4,830	4,941	4,822	4,162	4,211	4,196	668	730	626	13.8	14.8	13.0
Hubbard	9,572	9,684	9,420	8,739	8,758	8,623	833	926	797	8.7	9.6	8.5
Lake of the Woods	2,460	2,505	2,512	2,342	2,366	2,398	118	139	114	4.8	5.5	4.5
Mahnomen	2,393	2,420	2,378	2,228	2,236	2,217	165	184	161	6.9	7.6	6.8
Region Three	**160,987**	**160,632**	**163,348**	**149,706**	**148,492**	**151,353**	**11,281**	**12,140**	**11,995**	**7.0**	**7.6**	**7.3**
Aitkin	7,016	7,051	7,027	6,334	6,309	6,387	682	742	640	9.7	10.5	9.1
Carlton	17,576	17,518	17,627	16,367	16,227	16,486	1,209	1,291	1,141	6.9	7.4	6.5
Cook	2,815	2,852	2,863	2,634	2,652	2,689	181	200	174	6.4	7.0	6.1
Itasca	21,247	21,398	21,959	19,172	19,139	19,828	2,075	2,259	2,131	9.8	10.6	9.7
Koochiching	5,973	6,034	6,147	5,474	5,478	5,627	499	556	520	8.4	9.2	8.5
Lake	5,053	5,020	5,253	4,743	4,687	4,696	310	333	557	6.1	6.6	10.6
St. Louis	101,307	100,759	102,472	94,982	94,000	95,640	6,325	6,759	6,832	6.2	6.7	6.7
City of Duluth	45,018	44,529	45,044	42,933	42,489	43,231	2,085	2,040	1,813	4.6	4.6	4.0
Balance of St. Louis County	56,289	56,230	57,428	52,049	51,511	52,409	4,240	4,719	5,019	7.5	8.4	8.7
Region Four	**124,808**	**125,769**	**124,555**	**117,920**	**118,420**	**118,109**	**6,888**	**7,349**	**6,446**	**5.5**	**5.8**	**5.2**
Becker	18,124	18,285	18,290	16,969	17,043	17,175	1,155	1,242	1,115	6.4	6.8	6.1
Clay	35,911	35,772	35,554	34,226	34,034	33,995	1,685	1,738	1,559	4.7	4.9	4.4
Douglas	19,751	19,876	19,866	18,786	18,835	18,945	965	1,041	921	4.9	5.2	4.6
Grant	3,225	3,304	3,244	2,987	3,048	3,019	238	256	225	7.4	7.7	6.9
Otter Tail	30,722	31,080	30,467	28,688	28,892	28,593	2,034	2,188	1,874	6.6	7.0	6.2
Pope	6,157	6,274	6,130	5,842	5,930	5,824	315	344	306	5.1	5.5	5.0
Stevens	5,491	5,586	5,593	5,265	5,334	5,392	226	252	201	4.1	4.5	3.6
Traverse	1,777	1,862	1,746	1,675	1,749	1,652	102	113	94	5.7	6.1	5.4
Wilkin	3,650	3,730	3,665	3,482	3,555	3,514	168	175	151	4.6	4.7	4.1
Region Five	**82,085**	**82,944**	**81,636**	**75,664**	**75,943**	**75,504**	**6,421**	**7,001**	**6,132**	**7.8**	**8.4**	**7.5**
Cass	14,007	14,128	13,699	12,669	12,688	12,445	1,338	1,440	1,254	9.6	10.2	9.2
Crow Wing	31,012	31,157	30,781	28,810	28,783	28,659	2,202	2,374	2,122	7.1	7.6	6.9
Morrison	17,786	18,082	17,800	16,284	16,406	16,383	1,502	1,676	1,417	8.4	9.3	8.0
Todd	13,055	13,312	12,975	12,216	12,373	12,166	839	939	809	6.4	7.1	6.2
Wadena	6,225	6,265	6,381	5,685	5,693	5,851	540	572	530	8.7	9.1	8.3
Region Six East	**64,407**	**65,256**	**65,026**	**60,636**	**61,244**	**61,455**	**3,771**	**4,012**	**3,571**	**5.9**	**6.1**	**5.5**
Kandiyohi	23,842	24,159	23,726	22,587	22,794	22,495	1,255	1,365	1,231	5.3	5.7	5.2
McLeod	19,051	19,160	19,628	17,921	17,985	18,615	1,130	1,175	1,013	5.9	6.1	5.2
Meeker	13,091	13,221	13,208	12,260	12,356	12,412	831	865	796	6.3	6.5	6.0
Renville	8,423	8,716	8,464	7,868	8,109	7,933	555	607	531	6.6	7.0	6.3

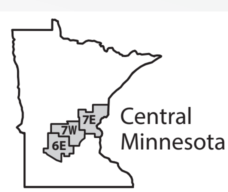
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

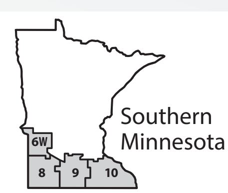
Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development, Local Area Unemployment Statistics, and North Dakota Job Service, 2017.

Labor Force Estimates

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Feb 2017	Jan 2017	Feb 2016	Feb 2017	Jan 2017	Feb 2016	Feb 2017	Jan 2017	Feb 2016	Feb 2017	Jan 2017	Feb 2016
Region Six West	**23,441**	**24,069**	**23,710**	**22,102**	**22,576**	**22,270**	**1,339**	**1,493**	**1,440**	**5.7%**	**6.2%**	**6.1%**
Big Stone	2,638	2,761	2,654	2,459	2,541	2,474	179	220	180	6.8	8.0	6.8
Chippewa	6,919	6,988	6,943	6,523	6,561	6,502	396	427	441	5.7	6.1	6.4
Lac Qui Parle	3,548	3,694	3,627	3,359	3,481	3,416	189	213	211	5.3	5.8	5.8
Swift	5,019	5,177	5,026	4,712	4,829	4,686	307	348	340	6.1	6.7	6.8
Yellow Medicine	5,317	5,449	5,460	5,049	5,164	5,192	268	285	268	5.0	5.2	4.9
Region Seven East	**86,817**	**86,839**	**86,084**	**80,331**	**80,018**	**80,159**	**6,486**	**6,821**	**5,925**	**7.5**	**7.9**	**6.9**
Chisago	29,226	29,090	28,905	27,438	27,273	27,319	1,788	1,817	1,586	6.1	6.2	5.5
Isanti	20,598	20,516	20,405	19,266	19,139	19,169	1,332	1,377	1,236	6.5	6.7	6.1
Kanabec	9,115	9,164	9,217	8,186	8,169	8,351	929	995	866	10.2	10.9	9.4
Mille Lacs	12,959	13,001	12,824	11,828	11,775	11,774	1,131	1,226	1,050	8.7	9.4	8.2
Pine	14,919	15,068	14,733	13,613	13,662	13,546	1,306	1,406	1,187	8.8	9.3	8.1
Region Seven West	**233,484**	**232,665**	**231,624**	**221,207**	**219,934**	**220,223**	**12,277**	**12,731**	**11,401**	**5.3**	**5.5**	**4.9**
Benton	21,798	21,807	21,687	20,486	20,364	20,413	1,312	1,443	1,274	6.0	6.6	5.9
Sherburne	50,147	49,916	49,652	47,362	47,010	47,103	2,785	2,906	2,549	5.6	5.8	5.1
Stearns	88,679	88,388	87,995	84,267	83,888	83,937	4,412	4,500	4,058	5.0	5.1	4.6
Wright	72,860	72,554	72,290	69,092	68,672	68,770	3,768	3,882	3,520	5.2	5.4	4.9
Region Eight	**64,017**	**65,784**	**64,853**	**60,780**	**61,952**	**61,611**	**3,237**	**3,832**	**3,242**	**5.1**	**5.8**	**5.0**
Cottonwood	5,154	5,362	5,494	4,865	4,970	5,156	289	392	338	5.6	7.3	6.2
Jackson	5,964	6,300	6,090	5,700	5,827	5,814	264	473	276	4.4	7.5	4.5
Lincoln	3,308	3,441	3,326	3,117	3,233	3,152	191	208	174	5.8	6.0	5.2
Lyon	14,946	15,156	14,836	14,245	14,381	14,156	701	775	680	4.7	5.1	4.6
Murray	4,779	4,944	4,938	4,397	4,525	4,576	382	419	362	8.0	8.5	7.3
Nobles	11,171	11,492	11,454	10,693	10,871	10,912	478	621	542	4.3	5.4	4.7
Pipestone	4,710	4,832	4,768	4,410	4,538	4,498	300	294	270	6.4	6.1	5.7
Redwood	8,225	8,367	8,146	7,762	7,897	7,714	463	470	432	5.6	5.6	5.3
Rock	5,760	5,890	5,801	5,591	5,710	5,633	169	180	168	2.9	3.1	2.9
Region Nine	**132,729**	**133,296**	**132,612**	**125,992**	**126,189**	**126,468**	**6,737**	**7,107**	**6,144**	**5.1**	**5.3**	**4.6**
Blue Earth	40,053	39,558	40,333	38,449	37,955	38,885	1,604	1,603	1,448	4.0	4.1	3.6
Brown	14,645	14,918	14,281	13,821	13,996	13,527	824	922	754	5.6	6.2	5.3
Faribault	7,113	7,289	7,219	6,642	6,820	6,816	471	469	403	6.6	6.4	5.6
Le Sueur	15,877	15,918	15,663	14,678	14,671	14,619	1,199	1,247	1,044	7.6	7.8	6.7
Martin	10,224	10,553	10,299	9,756	9,922	9,808	468	631	491	4.6	6.0	4.8
Nicollet	20,591	20,388	20,748	19,847	19,651	20,083	744	737	665	3.6	3.6	3.2
Sibley	8,496	8,649	8,432	7,997	8,134	7,971	499	515	461	5.9	6.0	5.5
Waseca	9,277	9,359	9,389	8,739	8,826	8,888	538	533	501	5.8	5.7	5.3
Watonwan	6,453	6,664	6,248	6,063	6,214	5,871	390	450	377	6.0	6.8	6.0
Region Ten	**278,123**	**279,042**	**278,039**	**266,158**	**266,494**	**266,591**	**11,965**	**12,548**	**11,448**	**4.3**	**4.5**	**4.1**
Dodge	11,459	11,559	11,469	10,853	10,930	10,884	606	629	585	5.3	5.4	5.1
Fillmore	11,337	11,568	11,367	10,699	10,879	10,737	638	689	630	5.6	6.0	5.5
Freeborn	15,967	16,219	16,181	15,213	15,399	15,470	754	820	711	4.7	5.1	4.4
Goodhue	26,623	26,885	26,717	25,360	25,522	25,505	1,263	1,363	1,212	4.7	5.1	4.5
Houston	10,575	10,592	10,582	9,990	9,920	9,983	585	672	599	5.5	6.3	5.7
Mower	20,415	20,475	20,307	19,601	19,659	19,529	814	816	778	4.0	4.0	3.8
Olmsted	83,745	83,574	83,788	80,736	80,462	80,948	3,009	3,112	2,840	3.6	3.7	3.4
City of Rochester	61,328	61,211	61,401	59,257	59,056	59,413	2,071	2,155	1,988	3.4	3.5	3.2
Rice	36,281	36,112	35,646	34,694	34,500	34,142	1,587	1,612	1,504	4.4	4.5	4.2
Steele	20,726	20,904	20,791	19,805	19,902	19,924	921	1,002	867	4.4	4.8	4.2
Wabasha	11,880	12,063	11,940	11,306	11,465	11,348	574	598	592	4.8	5.0	5.0
Winona	29,115	29,091	29,251	27,901	27,856	28,121	1,214	1,235	1,130	4.2	4.2	3.9
Region Eleven	**1,656,937**	**1,643,871**	**1,644,688**	**1,591,815**	**1,578,396**	**1,583,682**	**65,122**	**65,475**	**61,006**	**3.9**	**4.0**	**3.7**
Anoka	191,241	189,844	189,588	182,633	181,089	181,647	8,608	8,755	7,941	4.5	4.6	4.2
Carver	55,435	55,170	55,029	53,220	52,922	52,960	2,215	2,248	2,069	4.0	4.1	3.8
Dakota	233,473	231,646	231,745	224,200	222,269	222,968	9,273	9,377	8,777	4.0	4.0	3.8
Hennepin	678,413	672,833	673,831	653,487	647,831	650,334	24,926	25,002	23,497	3.7	3.7	3.5
City of Bloomington	46,303	45,929	46,058	44,526	44,141	44,311	1,777	1,788	1,747	3.8	3.9	3.8
City of Minneapolis	231,856	230,012	230,228	223,272	221,340	222,195	8,584	8,672	8,033	3.7	3.8	3.5
Ramsey	280,630	278,311	278,564	269,225	266,940	267,868	11,405	11,371	10,696	4.1	4.1	3.8
City of St. Paul	153,867	152,559	152,809	147,496	146,244	146,753	6,371	6,315	6,056	4.1	4.1	4.0
Scott	79,647	79,071	79,059	76,525	75,891	76,117	3,122	3,180	2,942	3.9	4.0	3.7
Washington	138,098	136,996	136,872	132,525	131,454	131,788	5,573	5,542	5,084	4.0	4.0	3.7







Industrial Analysis

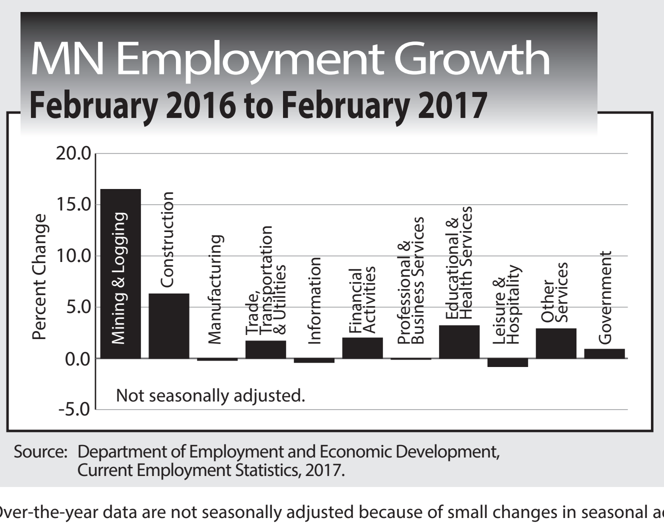
Monthly analysis is based on ***seasonally adjusted*** employment data; yearly analysis is based on ***unadjusted*** employment data.*

Overview

Minnesota added 3,800 jobs (0.1 percent) in February on a seasonally adjusted basis. January's estimate was also revised upward by 4,400, from 2,913,100 to 2,917,500. Goods producing industries spurred the growth, adding 5,700 jobs (1.3 percent), while service providers lost 1,900 jobs (0.1 percent). Private sector employers added 6,200 jobs (0.2 percent), and public sector employers lost 2,400 (1.2 percent). Over the year Minnesota added 39,564 jobs (1.4 percent). January's unadjusted estimate was also revised up to 1.4 percent growth over the year. February's annual growth was spread among most industry groups. Service providers added 33,325 jobs (1.4 percent) while goods producers added 6,239 jobs (1.5 percent). Likewise, both private and public sector employers grew over the year, with private employers adding 35,853 jobs (1.5 percent) and government employers adding 3,711 (0.9 percent).

Mining and Logging

Employment in the Mining and Logging supersector was up in February as the group added 100 jobs (1.5 percent). January estimates were also adjusted upward from 6,400 to 6,500. Over the year Mining and Logging added 886 jobs (16.5 percent), while January's estimate was also revised upward to show a 12.6 percent over-the-year increase. While these estimates seem to show dramatic growth in the supersector, it's important to note that at this time last year, Mining and Logging was showing an annual job loss of over 20 percent following highly-publicized layoffs in the industry group.



Source: Department of Employment and Economic Development, Current Employment Statistics, 2017.

Construction

Employment in the Construction supersector was up by 4,500 (3.8 percent) in February, more than making up for the 1,300 job decline in January. Annually the supersector added 6,101 jobs (6.3 percent). Specialty Trade Contractors added 6,639 jobs (10.4 percent) while Heavy and Civil Engineering Construction added 585 (6.1 percent). On the other side of the ledger, Construction of Buildings was off by 1,123 (4.8 percent).

Manufacturing

Manufacturers in Minnesota added 1,100 jobs (0.3 percent) in February, more than recouping January's loss of 900 jobs. Durable Goods Manufacturers accounted for most of February's growth, as they added 900 jobs (0.5 percent) while Non-Durable Goods employers added 200 (0.2 percent). Annually Minnesota Manufacturing shrank, as the supersector lost 748 jobs (0.2 percent). While Non-Durable Goods Manufacturers added 1,671 jobs (1.5 percent), Durable Goods Manufacturers gave back all of those gains and then some, losing 2,419 (1.2 percent).

Trade, Transportation , and Utilities

Trade, Transportation, and Utilities employment showed significant improvement in February, adding 5,700 jobs (1.1 percent) and seeing their January estimate revised up by 3,100 (to 534,600). February's gains came primarily from Retail Trade (up 4,100 or 1.4 percent), but Wholesale Trade (up 1,100, 0.8 percent), and Transportation, Warehousing, and Utilities (up 500, 0.5 percent) also showed some growth. Annually the supersector added 8,706 jobs (1.7 percent). Retail Trade was responsible for most of that growth, up 7,353 (2.5 percent). Transportation, Warehousing, and Utilities added 1,290 jobs (1.3 percent) while employment in Wholesale Trade was essentially flat.

Information

The Information supersector lost 700 jobs (1.4 percent) in February, its fourth straight month with zero or negative growth. Annually employment in Information is down by 185 (0.4 percent). Publishing Industries (except Internet) shed 506 jobs (2.6 percent), and Telecommunications lost 240 (2 percent).

*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

The Financial Activities supersector lost 200 jobs (0.1 percent) in February, its second straight month of minor job loss. Finance and Insurance lost 300 jobs (0.2 percent) while Real Estate and Rental and Leasing added 100 (0.3 percent). Annually, the supersector added 3,465 jobs (2 percent). Finance and Insurance was responsible for most of that increase, adding 3,220 jobs (2.3 percent), with Credit Intermediation and Related Activities (including Central Banks) adding 1,553 jobs (2.5 percent) and Insurance Carriers and Related Activities adding 1,594 (2.7 percent).

Professional and Business Services

Professional and Business Services lost 3,100 jobs (0.8 percent) in February. It was the second straight month in which the supersector lost more than 3,000 jobs. February's decline came largely from Administrative and Support and Waste Management and Remediation Services, which lost 2,500 jobs (1.8 percent), although all three component sectors had negative growth. The supersector lost 286 jobs (0.1 percent) over the year. It was the first time since 2010 that Professional and Business Services had shrunk on an annual basis. Employment Services (down 3,597 or 6.8 percent) was a notable driver of the decline, although that sector had been showing over-the-year job losses for most of 2016 as well.

Educational and Health Services

Educational and Health Services added 800 jobs (0.1 percent) in February. Health Care and Social Assistance added 2,700 (0.6 percent) while Educational Services lost 1,900 (2.6 percent). Over the year the supersector added 16,534 jobs (3.2 percent). Health Care and Social Assistance added 13,733 (3.1 percent), and Educational Services chipped in 2,801 (4 percent growth).

Leisure and Hospitality

Leisure and Hospitality employers lost 2,800 jobs (1.1 percent) in February. Accommodation and Food Services lost 2,600 jobs (1.2 percent), and Arts, Entertainment, and Recreation lost 200 (0.5 percent). Over the year the supersector lost 1,966 jobs (0.8 percent). Accommodation and Food Services lost 1,850 (0.9 percent) thanks to a decline of 1,939 (7.9 percent) in the Accommodation sector. Employment in Food Services and Drinking Places was flat over the year.

Other Services

Employment in the Other Services supersector was up by 800 (0.7 percent) in February, the second straight month of solid growth in the industry group. Annually, Other Services added 3,346 jobs (2.9 percent), with all three published component sectors showing growth. Repair and Maintenance added 875 jobs (4.1 percent), Personal and Laundry Services added 984 (3.5 percent), and Religious, Grantmaking, Civic, Professional, and Similar Organizations added 1,487 (2.3 percent).

Government

Government employers lost 2,400 jobs (0.6 percent) in February. All three levels of government shed jobs, with Federal down 200 (0.6 percent), State down 500 (0.5 percent), and Local down 1,700 (0.6 percent). Over the year public sector employers added 3,711 jobs (0.9 percent). Local Government showed the most notable movement, adding 4,681 jobs or 1.6 percent.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	February 2017	January 2017	December 2016
Total Nonagricultural	**2,921.3**	**2,917.5**	**2,921.4**
Goods-Producing	**446.8**	**441.1**	**443.2**
Mining and Logging	6.6	6.5	6.4
Construction	122.1	117.6	118.9
Manufacturing	318.1	317.0	317.9
Service-Providing	**2,474.5**	**2,476.4**	**2,478.2**
Trade, Transportation, and Utilities	540.3	534.6	535.6
Information	49.7	50.4	50.9
Financial Activities	177.1	177.3	177.5
Professional and Business Services	368.8	371.9	375.8
Educational and Health Services	534.3	533.5	531.2
Leisure and Hospitality	261.8	264.6	261.6
Other Services	117.9	117.1	115.9
Government	424.6	427.0	429.7

Source: Department of Employment and Economic Development Current Employment Statistics, 2017.

Regional Analysis

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

Employment in the Minneapolis-St. Paul-Bloomington MSA increased by 8,038 (0.4 percent) in February. Mining, Logging, and Construction added 2,826 jobs (4.3 percent), Educational and Health Services added 4,993 (1.5 percent), and Government employers added 3,508 (1.4 percent) as those three supersectors combined to account for most of the MSA's monthly expansion. Notable supersectors to see negative growth included Leisure and Hospitality (down 2,098 jobs or 1.2 percent) and Trade, Transportation, and Utilities (down 1,504 jobs, 0.4 percent). On an annual basis the metro area added 31,224 jobs (1.6 percent). Four of the last five months showed an over-the-year change of 1.5 or 1.6 percent with December having just 1.2 percent growth. Only one supersector, Leisure and Hospitality, saw over-the-year job losses (down 3,532 or 2.1 percent). It marked the fifth straight month of negative job growth for the supersector with all of those losses driven by the Accommodation and Food Services sector, which was off by 4,582 jobs (3.2 percent), while the Arts, Entertainment, and Recreation sector added 1,050 jobs (3.6 percent). Annual growth in the metro area continues to be driven by Educational and Health Services, which added 11,368 jobs (3.6 percent). Mining, Logging, and Construction also saw notable growth, adding 2,767 jobs (4.2 percent), including 3,900 jobs in Specialty Trade Contractors as spring construction seemed to get an early start.

Duluth-Superior MSA

The Duluth-Superior MSA added 955 jobs (0.7 percent) in February. Government employers were the largest driver of growth, adding 789 jobs (2.9 percent). Educational and Health Services added 234 jobs (0.7 percent), and Manufacturing added 101 (1.4 percent). The biggest job losses, both proportionally and overall, came from the Trade, Transportation, and Utilities supersector, which shed 297 jobs (1.2 percent). Annually the Duluth MSA added 442 jobs (0.3 percent). The moderate growth belies the more dramatic movement in the supersector level. Mining, Logging, and Construction added 1,110 jobs (14.5 percent), the largest proportional and actual growth of any supersector in the area, while Leisure and Hospitality shed 673 jobs (5.1 percent). Other supersectors to see notable changes included Other Services (up 212 or 3.5 percent), Financial Services (up 169 or 3 percent), and Trade, Transportation, and Utilities (down 308 jobs or 1.2 percent).

Rochester MSA

Employment in the Rochester MSA was up slightly in February, adding 104 jobs (0.1 percent). Government employers added 139 jobs (1.1 percent) at the State and Local levels. Trade, Transportation, and Utilities lost jobs over the same period, off by 183 (1 percent) on the month. Annually the Rochester MSA added 928 jobs (0.8 percent). Educational and Health Services continued to drive the area's employment growth, adding 1,356 jobs (2.9 percent). Notable areas of job loss included Professional and Business Services (down 228 or 4.1 percent) and Mining, Logging, and Construction (down 206 jobs or 5.5 percent).

St. Cloud MSA

Employment in the St. Cloud MSA was up by 806 (0.8 percent) in February. Steep losses in Trade, Transportation, and Utilities (down 418 jobs or 1.9 percent) were offset by gains of 410 jobs (2.7 percent) in Government employment and 420 jobs (1.9 percent) in Educational and Health Services, among others. Annually the St. Cloud MSA added 1,571 jobs (1.5 percent). This represented the strongest over-the-year growth of any MSA fully within the Minnesota borders. Educational and Health Services added 997 jobs (4.6 percent), and Mining, Logging, and Construction added 844 (16.6 percent). Notable declines appeared in the Leisure and Hospitality supersector, which lost 374 jobs (4.4 percent).

Mankato-North Mankato MSA

Employment in the Mankato-North Mankato MSA was up by 897 (1.6 percent) in February. Private sector employers added 394 jobs (0.8 percent) while Government employers added 503 jobs (4.9 percent). Goods Producers added 134 (1.4 percent), and Service Providers added 763 (1.6 percent). Annually the Mankato MSA lost 120 jobs (0.2 percent). It was once again the only MSA in the state to lose jobs on an over-the-year basis. Goods Producers showed strong growth, adding 243 jobs (2.6 percent), but that was overcome by the loss of 363 jobs among Service Providing industries. That loss was concentrated further among private sector service providers, who lost 547 jobs (1.4 percent).

Fargo-Moorhead MSA

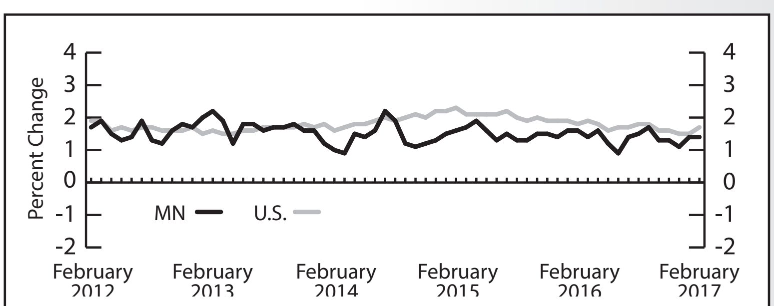
Employment in the Fargo-Moorhead MSA was up by 1,095 (0.8 percent) in February. Government employment in particular spiked, adding 850 jobs (or 4.6 percent), the largest numerical and proportional increases of any supersector in the area. The gains were tempered by a loss of 334 jobs (1.1 percent) in Trade, Transportation, and Utilities and, more specifically, a loss of 356 jobs (2.2 percent) in Retail Trade. Annually the Fargo-Moorhead MSA added 2,528 jobs (1.8 percent). Only two supersectors shed jobs on the year: Leisure and Hospitality (down 30 jobs or 0.2 percent) and Trade, Transportation, and Utilities (down 26 jobs or 0.1 percent).

Grand Forks-East Grand Forks MSA

Employment in the Grand Forks-East Grand Forks MSA was up by 33 jobs (0.1 percent) in January. Government employment at least partially drove the growth (up 235 jobs or 1.6 percent). Annually the MSA added 1,440 jobs (2.6 percent), giving it the distinction of having both the lowest over-the-month growth and the highest over-the-year growth of any MSA in Minnesota. Mining, Logging, and Construction propelled the annual growth, adding 998 jobs (36.4 percent) on the year.

by Nick Dobbins

Source: Department of Employment and Economic Development, Current Employment Statistics, 2017; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2017.



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

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

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

Industry	Jobs* (Thousands) Jan 2017	Jobs* (Thousands) Dec 2016	Jobs* (Thousands) Jan 2016	Percent Change From** Dec 2016	Percent Change From** Jan 2016	Production Workers Average Weekly Earnings Jan 2017	Average Weekly Earnings Jan 2016	Average Weekly Hours Jan 2017	Average Weekly Hours Jan 2016	Average Hourly Earnings Jan 2017	Average Hourly Earnings Jan 2016
TOTAL NONFARM WAGE AND SALARY	**2,867.5**	**2,858.1**	**2,828.0**	**0.3%**	**1.4%**	—	—	—	—	—	—
GOODS-PRODUCING	**422.1**	**419.5**	**415.8**	**0.6**	**1.5**	—	—	—	—	—	—
Mining, Logging, and Construction	**108.8**	**106.4**	**101.8**	**2.3**	**6.9**	—	—	—	—	—	—
Mining and Logging	**6.3**	**6.2**	**5.4**	**1.9**	**16.5**	—	—	—	—	—	—
Construction	**102.6**	**100.3**	**96.5**	**2.3**	**6.3**						
Specialty Trade Contractors	70.3	67.6	63.6	4.0	10.4	$1,240.82	$1,158.53	38.8	38.4	$31.98	$30.17
Manufacturing	**313.2**	**313.1**	**314.0**	**0.0**	**-0.2**	**840.08**	**797.09**	**41.1**	**40.4**	**20.44**	**19.73**
Durable Goods	197.7	197.4	200.2	0.2	-1.2	876.32	798.18	41.2	39.3	21.27	20.31
Wood Product Manufacturing	10.7	10.8	10.7	-0.9	0.1	—	—	—	—	—	—
Fabricated Metal Production	41.3	41.5	42.1	-0.4	-1.9	—	—	—	—	—	—
Machinery Manufacturing	32.6	32.7	33.4	-0.4	-2.5	—	—	—	—	—	—
Computer and Electronic Product	45.7	45.6	45.8	0.0	-0.3	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	26.4	26.4	25.9	0.0	1.9	—	—	—	—	—	—
Transportation Equipment	10.9	10.8	11.3	0.9	-3.7	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	16.2	16.1	15.6	0.3	3.8	—	—	—	—	—	—
Nondurable Goods	115.5	115.7	113.8	-0.2	1.5	783.51	795.05	41.0	42.2	19.11	18.84
Food Manufacturing	45.3	45.7	45.1	-0.7	0.6	—	—	—	—	—	—
SERVICE-PROVIDING	**2,445.5**	**2,438.5**	**2,412.2**	**0.3**	**1.4**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**527.2**	**528.9**	**518.5**	**-0.3**	**1.7**	—	—	—	—	—	—
Wholesale Trade	130.0	129.7	129.9	0.2	0.0	874.79	871.88	37.4	37.5	23.39	23.25
Retail Trade	296.1	298.6	288.7	-0.8	2.5	404.25	424.65	27.5	28.5	14.70	14.90
Motor Vehicle and Parts	35.3	35.6	34.2	-0.9	3.2	—	—	—	—	—	—
Building Material and Garden Equipment	24.5	24.4	24.4	0.5	0.4	—	—	—	—	—	—
Food and Beverage Stores	54.3	55.0	51.9	-1.3	4.5	—	—	—	—	—	—
Gasoline Stations	24.7	24.8	24.3	-0.7	1.5	—	—	—	—	—	—
General Merchandise Stores	59.3	61.6	59.4	-3.7	-0.2	363.51	320.65	28.6	27.5	12.71	11.66
Transportation,Warehouse, Utilities	101.2	100.6	99.9	0.5	1.3	—	—	—	—	—	—
Transportation and Warehousing	88.9	88.3	87.5	0.7	1.7	730.51	706.10	35.6	35.5	20.52	19.89
Information	**50.0**	**50.6**	**50.2**	**-1.3**	**-0.4**	**1,015.16**	**1,064.17**	**34.6**	**37.3**	**29.34**	**28.53**
Publishing Industries	18.7	18.8	19.2	-0.4	-2.6	—	—	—	—	—	—
Telecommunications	11.9	11.8	12.1	0.2	-2.0	—	—	—	—	—	—
Financial Activities	**176.4**	**176.1**	**172.9**	**0.1**	**2.0**	—	—	—	—	—	—
Finance and Insurance	142.9	142.8	139.7	0.1	2.3	1,111.54	936.86	37.3	36.2	29.80	25.88
Credit Intermediation	63.0	63.1	61.5	-0.1	2.5	783.78	734.65	35.1	35.0	22.33	20.99
Securities, Commodity Contracts, and Other	19.6	19.5	19.5	0.1	0.4	—	—	—	—	—	—
Insurance Carriers and Related	60.4	60.2	58.8	0.3	2.7	—	—	—	—	—	—
Real Estate and Rental and Leasing	33.4	33.3	33.2	0.5	0.7	—	—	—	—	—	—
Professional and Business Services	**362.5**	**362.8**	**362.8**	**-0.1**	**-0.1**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	157.9	156.0	156.8	1.2	0.7	—	—	—	—	—	—
Legal Services	18.0	18.0	18.0	0.1	0.0	—	—	—	—	—	—
Accounting, Tax Preparation	19.6	18.7	18.9	4.4	3.7	—	—	—	—	—	—
Computer Systems Design	37.3	36.7	36.8	1.8	1.5	—	—	—	—	—	—
Management of Companies and Enterprises	78.5	78.7	77.8	-0.3	0.9	—	—	—	—	—	—
Administrative and Support Services	126.2	128.1	128.3	-1.5	-1.6	—	—	—	—	—	—
Educational and Health Services	**535.2**	**530.6**	**518.7**	**0.9**	**3.2**	—	—	—	—	—	—
Educational Services	73.4	69.6	70.6	5.4	4.0	—	—	—	—	—	—
Health Care and Social Assistance	461.8	460.9	448.1	0.2	3.1	—	—	—	—	—	—
Ambulatory Health Care	152.0	152.0	146.6	0.0	3.7	1,367.78	1,294.41	36.3	36.7	37.68	35.27
Offices of Physicians	72.8	72.7	69.8	0.2	4.4	—	—	—	—	—	—
Hospitals	107.7	107.7	106.5	0.0	1.1	—	—	—	—	—	—
Nursing and Residential Care Facilities	108.4	108.3	106.3	0.1	2.0	463.51	450.45	28.7	28.6	16.15	15.75
Social Assistance	93.7	92.8	88.7	0.9	5.6	—	—	—	—	—	—
Leisure and Hospitality	**246.2**	**248.1**	**248.1**	**-0.8**	**-0.8**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	36.5	36.1	36.6	0.9	-0.3	—	—	—	—	—	—
Accommodation and Food Services	209.7	212.0	211.5	-1.1	-0.9	—	—	—	—	—	—
Food Services and Drinking Places	187.2	188.3	187.1	-0.6	0.0	275.57	259.09	20.1	20.1	13.71	12.89
Other Services	**117.2**	**116.1**	**113.8**	**0.9**	**2.9**	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	65.3	64.7	63.8	0.9	2.3	—	—	—	—	—	—
Government	**430.8**	**425.3**	**427.1**	**1.3**	**0.9**						
Federal Government	32.0	32.2	31.4	-0.7	1.9						
State Government	102.5	98.0	104.0	4.6	-1.5						
State Government Education	63.6	59.4	66.2	7.2	-3.8						
Local Government	296.3	295.1	291.7	0.4	1.6						
Local Government Education	152.6	150.8	148.4	1.2	2.9						

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, 2017.

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 2017	Jan 2017	Feb 2016	Jan 2017	Feb 2016	Feb 2017	Feb 2016	Feb 2017	Feb 2016	Feb 2017	Feb 2016
TOTAL NONFARM WAGE AND SALARY	**1,945.4**	**1,937.3**	**1,914.1**	**0.4%**	**1.6%**	—	—	—	—	—	—
GOODS-PRODUCING	**264.0**	**261.3**	**260.4**	**1.0**	**1.4**	—	—	—	—	—	—
Mining, Logging, and Construction	**69.0**	**66.2**	**66.2**	**4.3**	**4.2**	—	—	—	—	—	—
Construction of Buildings	15.7	15.9	15.7	-1.5	0.0	—	—	—	—	—	—
Specialty Trade Contractors	48.9	46.5	45.0	5.1	8.7	$1,308.33	$1,221.11	38.3	38.1	$34.16	$32.05
Manufacturing	**195.0**	**195.1**	**194.1**	**-0.1**	**0.4**	**903.84**	**868.91**	**42.0**	**41.2**	**21.52**	**21.09**
Durable Goods	133.0	132.7	132.4	0.2	0.4	923.58	860.26	42.0	41.2	21.99	20.88
Fabricated Metal Production	28.8	28.8	29.3	-0.2	-1.9	—	—	—	—	—	—
Machinery Manufacturing	20.2	20.3	20.4	-0.5	-0.9	—	—	—	—	—	—
Computer and Electronic Product	37.1	37.1	36.9	0.0	0.5	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	24.8	24.8	24.2	0.0	2.3	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	14.7	14.6	14.2	0.2	3.3	—	—	—	—	—	—
Nondurable Goods	62.0	62.4	61.7	-0.7	0.4	868.10	883.65	42.1	41.1	20.62	21.50
Food Manufacturing	14.8	15.0	14.7	-1.1	0.8	—	—	—	—	—	—
Printing and Related	14.8	14.9	15.0	-0.7	-1.3	—	—	—	—	—	—
SERVICE-PROVIDING	**1,681.4**	**1,676.0**	**1,653.8**	**0.3**	**1.7**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**352.0**	**353.5**	**346.9**	**-0.4**	**1.5**	—	—	—	—	—	—
Wholesale Trade	95.5	95.9	95.7	-0.3	-0.1	865.63	878.90	38.1	37.4	22.72	23.50
Merchant Wholesalers - Durable Goods	47.7	47.9	48.0	-0.4	-0.7	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	27.6	27.6	27.5	0.1	0.2	—	—	—	—	—	—
Retail Trade	186.5	188.5	183.1	-1.0	1.9	418.84	456.07	28.3	29.5	14.80	15.46
Food and Beverage Stores	33.7	34.0	31.2	-1.0	7.9	—	—	—	—	—	—
General Merchandise Stores	36.6	38.1	37.1	-4.2	-1.5	341.91	323.47	29.0	28.3	11.79	11.43
Transportation, Warehouse, Utilities	69.9	69.2	68.1	1.1	2.7	—	—	—	—	—	—
Utilities	7.4	7.4	7.5	0.5	-0.8	—	—	—	—	—	—
Transportation and Warehousing	62.5	61.8	60.6	1.2	3.1	685.91	743.54	34.8	36.7	19.71	20.26
Information	**37.6**	**37.8**	**37.5**	**-0.6**	**0.1**						
Publishing Industries	14.8	14.8	15.2	-0.4	-2.9	—	—	—	—	—	—
Telecommunications	8.7	8.6	8.7	0.4	0.1	—	—	—	—	—	—
Financial Activities	**142.8**	**142.3**	**139.5**	**0.4**	**2.4**	—	—	—	—	—	—
Finance and Insurance	115.0	115.0	112.5	0.1	2.3	1,194.93	939.25	37.4	34.8	31.95	26.99
Credit Intermediation	46.8	46.8	45.6	0.0	2.7	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	17.4	17.4	17.5	0.0	-0.4	—	—	—	—	—	—
Insurance Carriers and Related	50.8	50.7	49.4	0.1	2.7	—	—	—	—	—	—
Real Estate and Rental and Leasing	27.8	27.4	27.0	1.7	3.0	—	—	—	—	—	—
Professional and Business Services	**314.0**	**314.4**	**311.8**	**-0.1**	**0.7**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	140.7	139.4	137.0	1.0	2.7	—	—	—	—	—	—
Legal Services	15.4	15.4	15.3	0.1	0.4	—	—	—	—	—	—
Architectural, Engineering, and Related	18.2	18.3	17.7	-0.2	3.1	—	—	—	—	—	—
Computer Systems Design	34.5	34.2	34.2	0.7	0.8	—	—	—	—	—	—
Management of Companies and Enterprises	70.8	71.2	70.6	-0.5	0.4	—	—	—	—	—	—
Administrative and Support Services	102.4	103.8	104.2	-1.4	-1.7	—	—	—	—	—	—
Employment Services	47.6	48.0	50.0	-0.9	-4.8	—	—	—	—	—	—
Educational and Health Services	**331.4**	**326.4**	**320.0**	**1.5**	**3.6**	—	—	—	—	—	—
Educational Services	48.7	46.0	47.0	6.0	3.7	—	—	—	—	—	—
Health Care and Social Assistance	282.7	280.4	273.0	0.8	3.5	—	—	—	—	—	—
Ambulatory Health Care	91.3	90.8	88.1	0.6	3.6	—	—	—	—	—	—
Hospitals	62.9	62.8	62.2	0.2	1.1	—	—	—	—	—	—
Nursing and Residential Care Facilities	60.4	60.1	59.0	0.5	2.4	—	—	—	—	—	—
Social Assistance	68.1	66.8	63.8	1.9	6.8	—	—	—	—	—	—
Leisure and Hospitality	**168.7**	**170.7**	**172.2**	**-1.2**	**-2.1**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	30.0	29.9	29.0	0.5	3.6	—	—	—	—	—	—
Accommodation and Food Services	138.6	140.9	143.2	-1.6	-3.2	300.68	290.11	21.1	21.3	14.25	13.62
Food Services and Drinking Places	127.2	128.2	130.1	-0.8	-2.2	293.32	276.14	20.7	20.7	14.17	13.34
Other Services	**80.2**	**79.7**	**77.9**	**0.7**	**3.0**	—	—	—	—	—	—
Repair and Maintenance	15.1	14.9	14.7	1.0	2.6	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	41.9	41.6	41.1	0.7	1.9	—	—	—	—	—	—
Government	**254.8**	**251.3**	**248.0**	**1.4**	**2.7**						
Federal Government	21.4	21.5	20.8	-0.6	2.8						
State Government	67.8	65.1	66.3	4.2	2.3						
State Government Education	42.1	39.3	41.1	7.1	2.3						
Local Government	165.6	164.7	160.9	0.6	2.9						
Local Government Education	95.4	94.3	91.8	1.1	3.9						

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, 2017.

Employer Survey

Industry	Duluth-Superior MSA Jobs Feb 2017	Jan 2017	Feb 2016	% Chg. From Jan 2017	Feb 2016	Rochester MSA Jobs Feb 2017	Jan 2017	Feb 2016	% Chg. From Jan 2017	Feb 2016
TOTAL NONFARM WAGE AND SALARY	**134,212**	**133,257**	**133,770**	**0.7%**	**0.3%**	**117,064**	**116,960**	**116,136**	**0.1%**	**0.8%**
GOODS-PRODUCING	**16,005**	**15,972**	**14,929**	**0.2**	**7.2**	**14,057**	**14,131**	**14,133**	**-0.5**	**-0.5**
Mining, Logging, and Construction	8,774	8,842	7,664	-0.8	14.5	3,512	3,522	3,718	-0.3	-5.5
Manufacturing	7,231	7,130	7,265	1.4	-0.5	10,545	10,609	10,415	-0.6	1.2
SERVICE-PROVIDING	**118,207**	**117,285**	**118,841**	**0.8**	**-0.5**	**103,007**	**102,829**	**102,003**	**0.2**	**1.0**
Trade, Transportation, and Utilities	24,358	24,655	24,666	-1.2	-1.2	17,779	17,962	17,905	-1.0	-0.7
Wholesale Trade	3,189	3,205	3,190	-0.5	0.0	2,666	2,664	2,766	0.1	-3.6
Retail Trade	15,123	15,323	15,168	-1.3	-0.3	12,323	12,510	12,346	-1.5	-0.2
Transportation, Warehouse, Utilities	6,046	6,127	6,308	-1.3	-4.2	2,790	2,788	2,793	0.1	-0.1
Information	1,379	1,394	1,368	-1.1	0.8	1,882	1,887	1,948	-0.3	-3.4
Financial Activities	5,881	5,874	5,712	0.1	3.0	2,708	2,643	2,627	2.5	3.1
Professional and Business Services	8,113	8,050	8,109	0.8	0.0	5,329	5,337	5,557	-0.1	-4.1
Educational and Health Services	32,112	31,878	32,432	0.7	-1.0	48,791	48,562	47,435	0.5	2.9
Leisure and Hospitality	12,596	12,516	13,269	0.6	-5.1	9,867	9,933	10,040	-0.7	-1.7
Other Services	6,186	6,125	5,974	1.0	3.5	3,983	3,976	3,876	0.2	2.8
Government	27,582	26,793	27,311	2.9	1.0	12,668	12,529	12,615	1.1	0.4

Employer Survey

Industry	St. Cloud MSA Jobs Feb 2017	Jan 2017	Feb 2016	% Chg. From Jan 2017	Feb 2016	Mankato MSA Jobs Feb 2017	Jan 2017	Feb 2016	% Chg. From Jan 2017	Feb 2016
TOTAL NONFARM WAGE AND SALARY	**107,664**	**106,858**	**106,093**	**0.8%**	**1.5%**	**57,789**	**56,892**	**57,909**	**1.6**	**-0.2%**
GOODS-PRODUCING	**20,938**	**20,809**	**20,067**	**0.6**	**4.3**	**9,608**	**9,474**	**9,365**	**1.4**	**2.6**
Mining, Logging, and Construction	5,926	5,849	5,082	1.3	16.6	--	--	--	--	--
Manufacturing	15,012	14,960	14,985	0.3	0.2	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**86,726**	**86,049**	**86,026**	**0.8**	**0.8**	**48,181**	**47,418**	**48,544**	**1.6**	**-0.7**
Trade, Transportation, and Utilities	21,661	22,079	21,606	-1.9	0.3	--	--	--	--	--
Wholesale Trade	4,728	4,733	4,548	-0.1	4.0	--	--	--	--	--
Retail Trade	13,162	13,543	13,106	-2.8	0.4	--	--	--	--	--
Transportation, Warehouse, Utilities	3,771	3,803	3,952	-0.8	-4.6	--	--	--	--	--
Information	1,593	1,601	1,619	-0.5	-1.6	--	--	--	--	--
Financial Activities	4,850	4,848	4,996	0.0	-2.9	--	--	--	--	--
Professional and Business Services	8,415	8,296	8,511	1.4	-1.1	--	--	--	--	--
Educational and Health Services	22,546	22,126	21,549	1.9	4.6	--	--	--	--	--
Leisure and Hospitality	8,212	8,089	8,586	1.5	-4.4	--	--	--	--	--
Other Services	3,766	3,737	3,710	0.8	1.5	--	--	--	--	--
Government	15,683	15,273	15,449	2.7	1.5	10,723	10,220	10,539	4.9	1.7

Employer Survey

Industry	Fargo-Moorhead MSA Jobs Feb 2017	Jan 2017	Feb 2016	% Chg. From Jan 2017	Feb 2016	Grand Forks-East Grand Forks MSA Jobs Feb 2017	Jan 2017	Feb 2016	% Chg. From Jan 2017	Feb 2016
TOTAL NONFARM WAGE AND SALARY	**140,321**	**139,226**	**137,793**	**0.8%**	**1.8%**	**57,955**	**57,922**	**56,515**	**0.1%**	**2.6%**
GOODS-PRODUCING	**17,833**	**17,703**	**17,305**	**0.7**	**3.1**	**7,947**	**7,936**	**6,836**	**0.1**	**16.3**
Mining, Logging, and Construction	7,930	7,899	7,653	0.4	3.6	3,739	3,769	2,741	-0.8	36.4
Manufacturing	9,903	9,804	9,652	1.0	2.6	4,208	4,167	4,095	1.0	2.8
SERVICE-PROVIDING	**122,488**	**121,523**	**120,488**	**0.8**	**1.7**	**50,008**	**49,986**	**49,679**	**0.0**	**0.7**
Trade, Transportation, and Utilities	30,279	30,613	30,305	-1.1	-0.1	11,873	11,985	12,052	-0.9	-1.5
Wholesale Trade	9,017	9,010	8,976	0.1	0.5	1,812	1,839	1,918	-1.5	-5.5
Retail Trade	15,684	16,040	15,880	-2.2	-1.2	7,823	7,899	7,829	-1.0	-0.1
Transportation, Warehouse, Utilities	5,578	5,563	5,449	0.3	2.4	2,238	2,247	2,305	-0.4	-2.9
Information	3,222	3,218	3,220	0.1	0.1	585	590	608	-0.9	-3.8
Financial Activities	11,229	11,209	10,852	0.2	3.5	1,829	1,842	1,822	-0.7	0.4
Professional and Business Services	15,475	15,386	15,358	0.6	0.8	2,965	2,970	2,985	-0.2	-0.7
Educational and Health Services	23,691	23,559	22,594	0.6	4.9	9,791	9,693	9,600	1.0	2.0
Leisure and Hospitality	13,608	13,444	13,638	1.2	-0.2	5,998	6,187	6,015	-3.1	-0.3
Other Services	5,514	5,474	5,385	0.7	2.4	1,947	1,934	1,983	0.7	-1.8
Government	19,470	18,620	19,136	4.6	1.8	15,020	14,785	14,614	1.6	2.8

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2017.

Minnesota Economic Indicators

Highlights

*The **Minnesota Index, U.S. Index**, and **Minnesota Leading Index** are generated by the Philadelphia Federal Reserve Bank. At the beginning of each year the indices are delayed by two months as revised component numbers are used to recalibrate the indices. Updated coincident indices are scheduled for release on April 3 (https://www.philadelphiafed.org/research-and-data/regional-economy/indexes/coincident) while leading indexes will be released April 6 (https://www.philadelphiafed.org/research-and-data/regional-economy/indexes/leading/)*

Minnesota's adjusted **Wage and Salary Employment** has been flat so far this year after January's steep decline was revised to a loss of 3,900 jobs and 3,800 jobs were added in February. The private sector added 5,700 jobs which was the highest monthly uptick since April 2004. Construction, spurred by the mild weather, hired 4,500 while Manufacturing added 1,100 jobs. The 4,500 Construction bump was also the largest since April 2004. The Manufacturing job jump was the largest since December 2014.

The biggest job adder was Trade, Transportation, and Utilities with 5,700 new jobs. That is the largest monthly increase since October 1998. Mild weather is probably behind the unusually strong Retail, Transportation, and Utilities hiring just as with the robust Construction hiring. Job losses were steepest in Professional and Business Services, Leisure and Hospitality, and Government.

Minnesota's unadjusted over-the-year job growth was 1.4 percent in both January and February. Corresponding national numbers were 1.5 and 1.7 percent. Minnesota has now trailed U.S. job growth since August 2014.

Minnesota added 39,700 jobs in 2016 on an annual average basis. Private sector job expansion (34,800) accounted for 87.7 percent of job growth with public sector jobs growth (4,900) accounting for 12.3 percent. Total wage and salary employment in the state in 2016 was 85.4 percent private and 14.6 percent public. Nine of the 11 super sectors added jobs last year. Mining and Logging and Information were the two sectors that saw payrolls decline. Educational and Health Services added the most jobs followed by Trade, Transportation, and Utilities and then Professional and Business Services.

Online Help-Wanted Ads reversed directions in February, falling to their lowest level, 125,100, in over two years. Online job advertising slipped by 6.2 percent in Minnesota and 7.4 percent nationally. Job advertising in Minnesota and nationally has been below last year's level for about a year now, implying that labor demand is tailing off. Survey-based job openings data, like the national Job Openings and Labor Turnover Survey (JOLTS) and Minnesota's Job Vacancy Survey, however, are not showing the same decline. The Conference Board, which produces the job posting numbers, announced that they are reviewing their methodology to insure their accuracy and alignment with broader job market trends. Other researchers point out that the recent drop in online job advertising may be related to increasing prices charged by some of the Internet job posting boards. Labor demand is most likely still strong but online help-wanted postings may have slipped in response to higher listing costs.

United States Index

INA

Minnesota's **Purchasing Managers' Index (PMI)**, unlike the corresponding national and Mid-American index, inched down in February, falling to 54.3.

Minnesota Index

INA

The national index rose to 57.7, and the Mid-American index climbed to 60.5, its highest level in two years. Minnesota's Manufacturing sector appears to be gaining some traction but at a rate below manufacturers in other parts of the country.

Adjusted **Manufacturing Hours** increased for the second straight month to 41.2 hours, the highest level since last September. The two-month increase in the factory workweek is consistent with an improving Manufacturing sector in Minnesota. Average weekly **Manufacturing Earnings** also jumped for the second straight month, climbing to $846.16. That is the highest real factory earnings since August 2015 but still below the average reached three years ago in 2014.

Although adjusted **Residential Building Permits** dipped slightly to 2,890 in February, home-building permits are off to a roaring start in 2017. It may be the mild weather pushing home building activity up a few months early but, as of now, 2017 is on pace to push activity above the historical norm for the first time in over a decade.

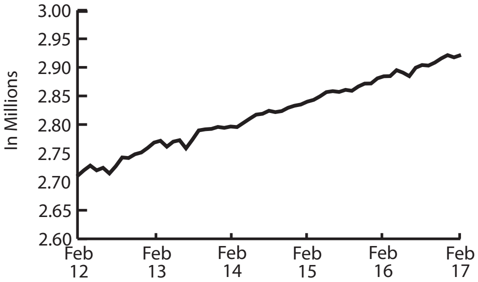
Adjusted **Initial Claims for Unemployment Benefits (UB)** dropped significantly for the second consecutive month in February, declining to 15,048, the lowest level since May 2000. As the labor market tightens employers seem to be hanging on to employees. The mild winter weather may also be playing a role in low initial claim numbers, but the drop is across almost all sectors of the economy. Initial claims are up from a year ago only in Agriculture, Forestry, Fishing, and Hunting and in Utilities. Claims are down significantly in the other 18 sectors.

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

2016	Sep	2.9031
	Oct	2.9084
	Nov	2.9156
	Dec	2.9214
2017	Jan	2.9175
	Feb	2.9213

% Chg From Month Ago 0.1

unadjusted

2016	Feb	2.8280
2017	Feb	2.8675

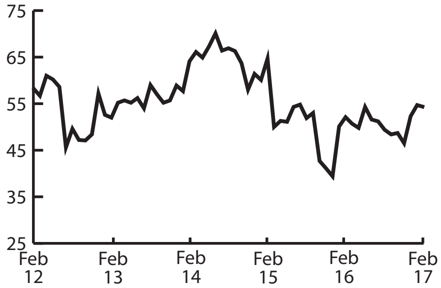
% Chg From Year Ago 1.4

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2017

Minnesota Leading Index

INA

Purchasing Managers' Index

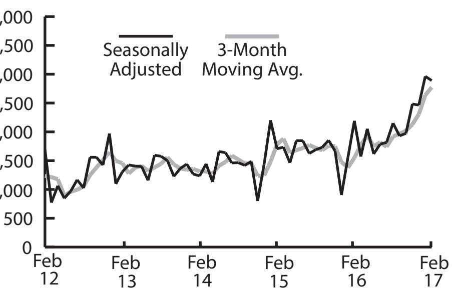


2016	Feb	52.1
	Mar	50.7
	Apr	49.8
	May	54.3
	Jun	51.6
	Jul	51.2
	Aug	49.4
	Sep	48.4
	Oct	48.7
	Nov	46.5
	Dec	52.3
2017	Jan	54.7
	Feb	54.3

% Chg From Month Ago -0.7
Year Ago 4.2

Source: Creighton University, Mid-America Survey of Business Conditions, 2017

Residential Building Permits



seasonally adjusted

2016	Sep	1,931
	Oct	1,973
	Nov	2,483
	Dec	2,465
2017	Jan	2,963
	Feb	2,890

% Chg From Month Ago -2.5

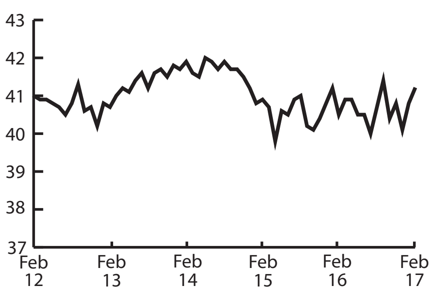
unadjusted

2016	Feb	1,076
2017	Feb	1,433

% Chg From Year Ago 33.2%

Source: Residential Building Permits, Census Bureau, U.S. Department of Commerce, 2017

Average Weekly Manufacturing Hours



seasonally adjusted

2016	Sep	41.4
	Oct	40.4
	Nov	40.8
	Dec	40.1
2017	Jan	40.8
	Feb	41.2

% Chg From Month Ago 0.9

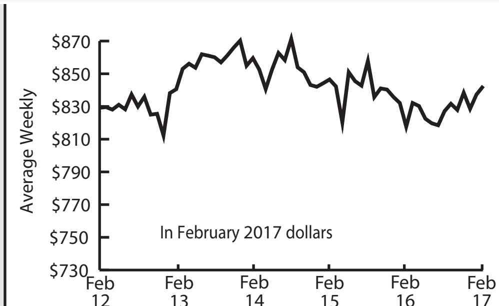
unadjusted

2016	Feb	40.4
2017	Feb	41.4

% Chg From Year Ago 2.5

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2017

Manufacturing Earnings



seasonally adjusted

2016	Sep	831.67
	Oct	827.89
	Nov	838.40
	Dec	828.57
2017	Jan	837.30
	Feb	842.16

% Chg From Month Ago 0.6

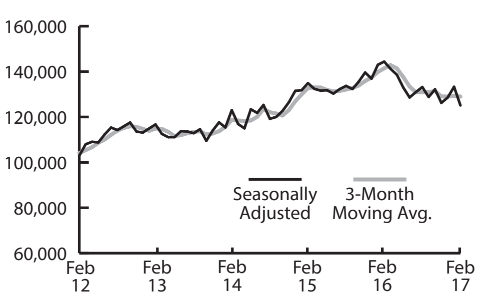
unadjusted

2016	Feb	815.23
2017	Feb	840.08

% Chg From Year Ago 3.0%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2017

Online Help-Wanted Advertising

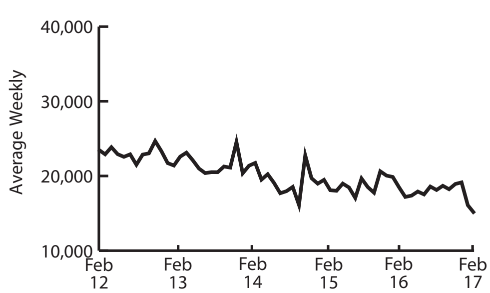


2016	Feb	144,400
	Mar	141,200
	Apr	138,600
	May	133,000
	Jun	128,600
	Jul	131,000
	Aug	133,200
	Sep	128,800
	Oct	132,200
	Nov	126,200
	Dec	128,600
2017	Jan	133,300
	Feb	125,100

% Chg From Month Ago -6.2
Year Ago -13.4

Source: The Conference Board Inc., 2017

Initial UB Claimants



seasonally adjusted

2016	Sep	18,687
	Oct	18,226
	Nov	18,927
	Dec	19,142
2017	Jan	16,082
	Feb	15,048

% Chg From Month Ago -6.4

unadjusted

2016	Feb	17,987
2017	Feb	13,742

% Chg From Year Ago -23.6%

Source: Department of Employment and Economic Development, Unemployment Insurance Program, 2017

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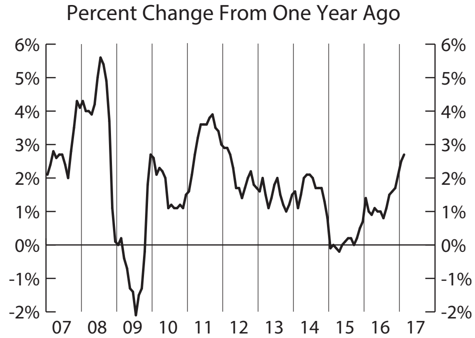
U.S. Consumer Price Index for All Urban Consumers (CPI-U)

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1 percent in February on a seasonally adjusted basis the U.S. Bureau of Labor Statistics reported today. The indices for shelter, recreation, apparel, airline fares, motor vehicle insurance, education, and medical care were among those that increased in February. Indices that declined include communication, used cars and trucks, new vehicles, and household furnishings and operations.

Percent Change From One Year Ago



The all items index rose 2.7 percent for the 12 months ending February. The index for all items less food and energy rose 2.2 percent over the last 12 months.

https://www.bls.gov/news.release/pdf/cpi.pdf

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.

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What's Going On?

Child Care Grants focused on Greater Minnesota

Lack of affordable child care can be a major barrier to work, especially for low-income workers. Eight grants from the Greater Minnesota Childcare Grants Program totaling $500,000 have been awarded to groups that will work to increase child care options in communities that have a shortage of providers.

The groups approved for funding are:

Northland Foundation, Duluth, $125,000
West Central Initiative, Fergus Falls, $50,000
Tri-Valley Opportunity Council, Crookston, $51,500
Lake of the Woods Economic Development Authority, Baudette, $31,000
Southwest Initiative, Hutchinson, $110,000
Lakes and Pines Community Action Council Inc., Mora, $110,000
United Way New Ulm, New Ulm, $21,000
Lake Crystal School District, Lake Crystal, $1,500

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Youth Summer Employment 2017

With the tulips peeking out and spring break come and gone, thoughts of summer aren't far behind. Teens and young adults may be deciding how to spend their free months and looking for summer jobs. They may wonder which industries to look in and whether they'll earn enough to make it worth their while. Will jobs be scarce? Will they lose out to more experienced workers? Every year we attempt to estimate how labor market conditions will affect their chances. This year we have a new data source that may be particularly useful.

QED: Promise and Caveats

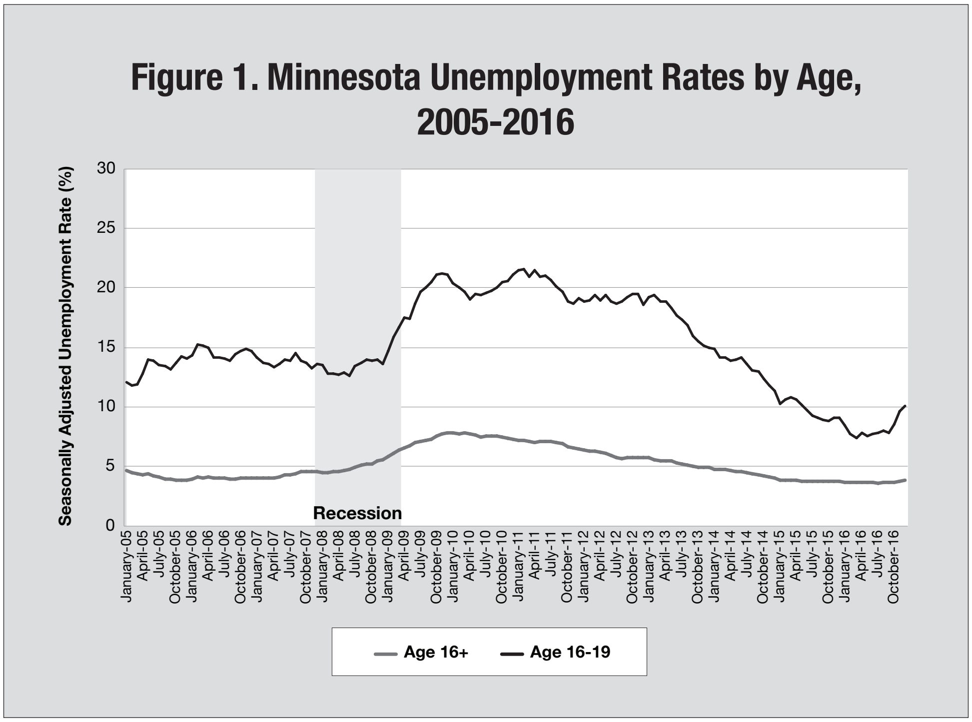
In 2015 the Minnesota State Legislature approved a bill allowing limited sharing of Drivers' License data with the Department of Employment and Economic Development (DEED). This allows us to connect the wages reported to each individual at each job to the basic demographic data (date of birth, gender) collected for their licenses and state IDs. The matched wage record and driver's license data are known as Quarterly Employment Demographics (QED).

We previously could get no detailed demographic information about individuals from UI tax records and had to rely on the American Community Survey (ACS) for that sort of analysis. While the ACS is robust, industry, occupation, and income are self-reported and subject to errors of memory or definition. For very granular analysis ACS data uses a 5-year roll-up released at a lag of a year, meaning data are dated and can't capture seasonal trends.

QED solves many of these problems; it's much more current, it's reported quarterly so seasonal trends can be observed, and data from UI and licenses are verified and less dependent on survey respondents. That said, it's not without limitations.

Limitations

- First, QED is derived from program data – while intended to be accurate for each individual it's not static as errors are corrected and late data are added. Applicants can contest the accuracy of records or petition for changes. The match process is a point-in-time procedure and may not perfectly reflect current data.
- Second, it doesn't cover everyone. Estimates are that UI covered employment includes 96 percent of jobs in the state, but matching against license data narrows the included field. Although most adults need legal IDs, teens may delay getting a license and college students and other new residents may be licensed elsewhere. Commuters – people who live in one state and work in another – are not included in one or the other data source and so don't appear in the matched whole. About 90%of the wage records matched a driver's license Social Security Number.
- Third, QED is a count of jobs – relationships between an employer and an employee. A person may have several jobs at different employers in a quarter. There are two major results of this in terms of analysis: total employment counts will be higher than other data sources and it's impossible to determine if 200 hours worked in the quarter is part-time all quarter long or full-time with a mid-quarter transition to or from the job.
- Finally, there are also geographic concerns. While employers are required to report the physical location of their employees' job sites, in practice companies sometimes don't report that directly to UI. Employers with multiple locations may report everyone to a single site. Construction, employment services, home health care or other firms that have changeable job sites may not keep them current. While this type of error is corrected as part of the QCEW program, the raw wage records used by QED may not have the correct location. We hope to improve our methods and correct the locations of worksites based on QCEW data but this analysis uses the unrevised wage records. It may not be perfectly replicable going forward.



How many teens will get jobs?

Predicting employment is a tricky business. Seasonal variations and market events can change the trajectory of even the firmest trend. In the years following the recession unemployment rates for young workers spiked. Not only were jobs harder to come by for all demographics, but many older, more experienced workers were forced into entry-level positions which previously may have gone to teenagers. However, that situation has since turned around. As "Minnesota Unemployment Rates by Age" below illustrates, in recent years the labor market in Minnesota has recovered to the point that unemployment is no longer the serious issue it once was with rates for 16 to 19 year olds falling below 10 percent last year. By the end of 2015 the unemployment rate for this age group reached its lowest point since the summer of 2002, well before the recession hit in 2007. This trend coincides with a wider labor force tightening in the state. Unemployment for all workers in Minnesota reached 3 percent in late 2015.

Toward the end of 2016 unemployment rates increased for teens once again. Following an extended period of labor market improvements including a continued low overall unemployment rate, this more likely reflects optimism by teens and their parents that jobs are available and indicates a higher rate of job seeking rather than greater difficulty getting a job.

While unemployment rates are important for understanding a labor market, looking at labor force participation for that particular market as well provides a much more complete picture as the two can exert influence on each other. For example, if having a job became less desirable for teens and large numbers of them decided they didn't want to work, more jobs would be available than there would be teens to fill them, and it's likely that unemployment rates would drop. But that would be less indicative of a high demand for teenaged employees and more indicative of a shifting supply and demand relationship.

Nationally labor force participation among teens plateaued and began a slow if steady decline in the 1970s. This decline became even more precipitous over the past decade plus. In Minnesota the labor force participation rate for 16 to 19 year-olds plummeted from 63.5 percent at the end of 2001 to 45.1 percent at the end of 2012. That trend is mirrored at the national level with more and more young people choosing to enter the workforce later in life as they pursued higher education in greater numbers. However, the past couple of years have brought a marked departure from the trend of declining participation among young people. As Figure 2 illustrates, Minnesota youths' participation in the labor market has been steadily increasing since 2013, a rather dramatic change from the long-term trend of declining participation, but still has not achieved pre-recession rates.

Along with solid gains in labor force participation rates, employment to population ratios are also increasing. For teens who often have parental support employment may be more optional than for other groups – they may not even look for work if they perceive their chances of finding employment to be low. Labor force participation is therefore more highly correlated to teen optimism than real employment prospects than it may be for other groups. Employment to population ratio may better reflect teen employment prospects. The abrupt increase in EPR indicates that many more teens are finding jobs than in recent years.

The improving unemployment rates and labor force participation rates and the market conditions that cause them are reflected in the number of employed teens according to QED. The total number of jobs held by teens 19 and under plummeted from 249,225 in the summer of 2007 to 181,353 in the summer of 2010. Since 2010 there has been a steady increase in the number of employed teens, although employment remains well below pre-recession levels. By

Figure 2: Minnesota Teen Labor Force Participation Rate and Employment to Population Ratio

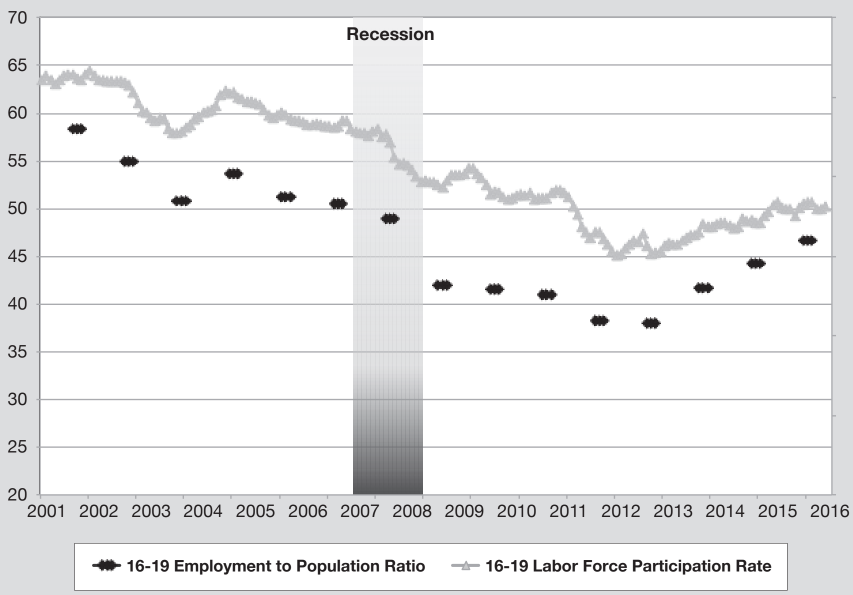
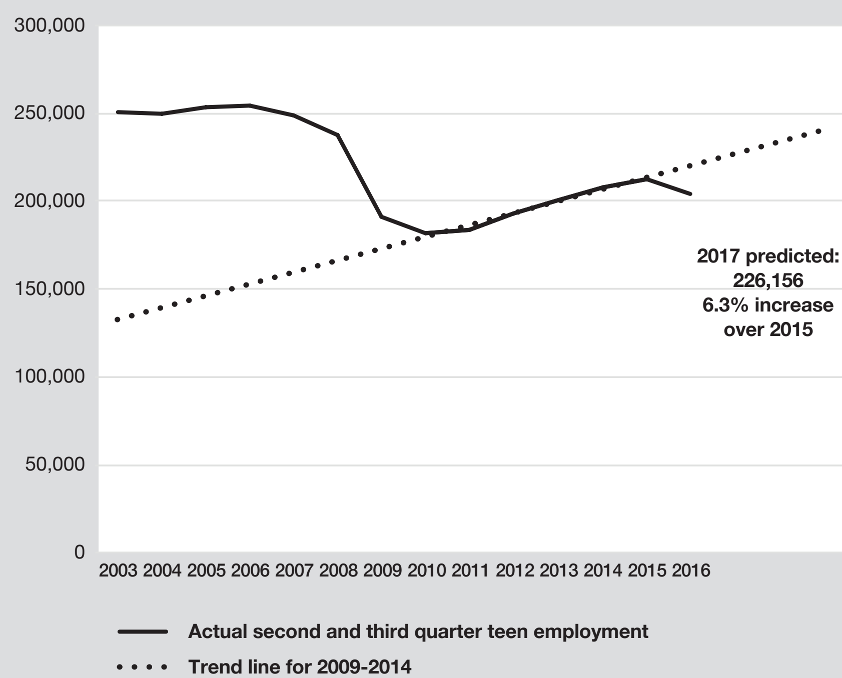
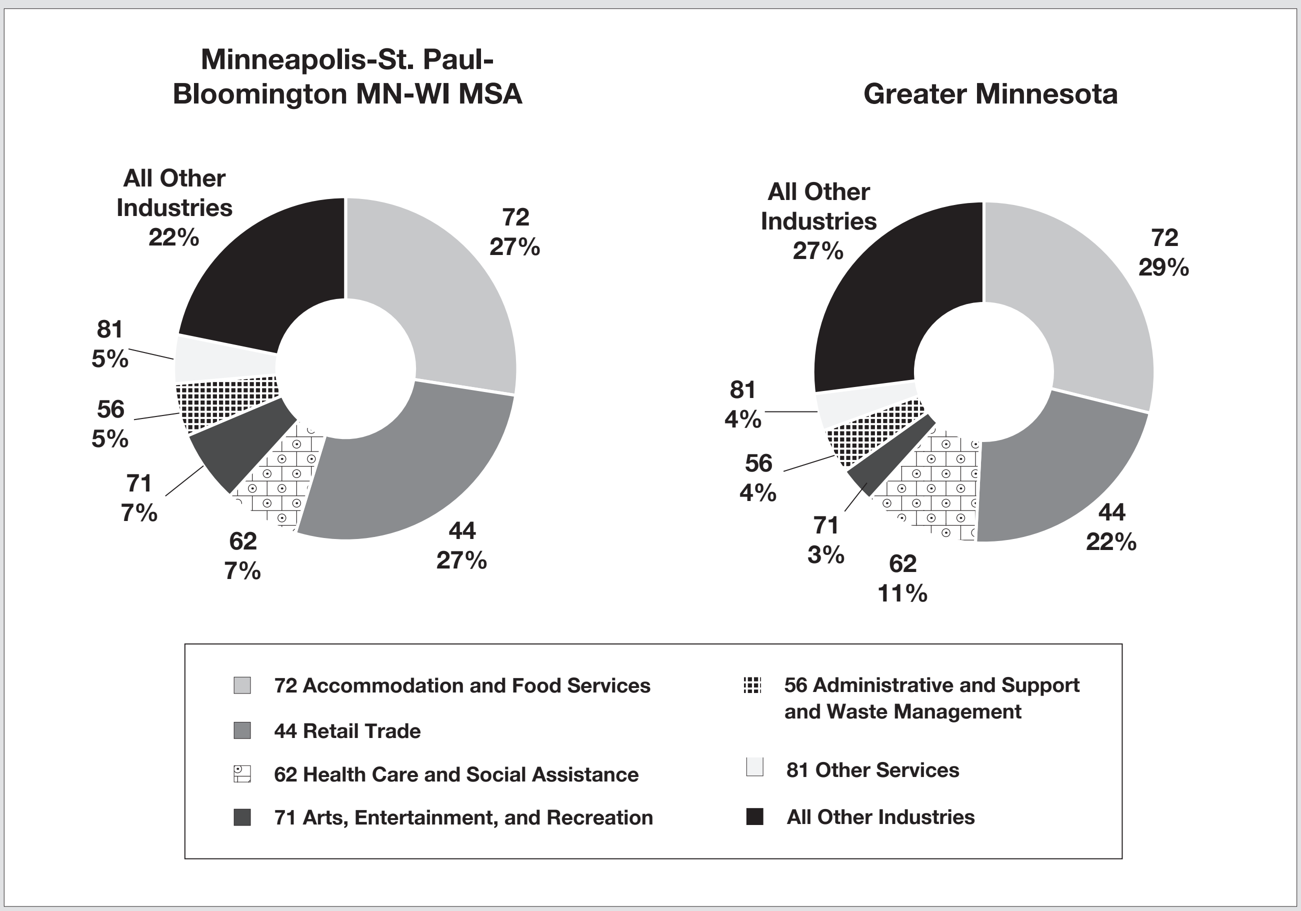


Figure 3. Teen Summer Employment 2003-2015



calculating the post-recession trend line (denoted by the dotted line) and applying it to future years, we get a 2017 summer teen employment of 226,156 – a 6.3 percent increase over 2015 employment levels but still below peak employment. One thing to note is that this data source counts jobs, not people. Teens may be more apt to jump from job to job in a short time period, and therefore may be more likely to be counted at multiple employers than other demographics. If a teen is employed at several different companies for the summer, even if they're not concurrent, each of those employee-employer relationships will be counted as a separate job.

Figure 4. Major Industries for Teen Employment



What industries will they work in?

According to wage records, at least half of all teen-held jobs were in Accommodation and Food Service (industry 72) and Retail Trade (industry 44). The proportion in those two industries is slightly higher in the Twin Cities metro than in Greater Minnesota. In Greater Minnesota Health Care and Social Assistance and all other industries also make up a disproportionate share of employment relative to the metro, but for all teens about a quarter of employment opportunities fall within Health Care and Social Assistance, Arts, Entertainment, and Recreation, Administrative and Support and Waste Management Services, and Other Services combined. All other industries make up 22 percent of metro teen jobs and 27 percent of Greater Minnesota teen jobs. Many teens may look first to retail and restaurant jobs because they're fun – full of young people and with hours that appeal to teens – but other industries may also be hiring for the summer even if they're less visible.

Those other industries are sometimes less subject to the economic trends. In the Teen Summer Employment by Industry chart below the two largest industries by teen employment are denoted by wide dashed lines and are on the right axis. Some industries – Arts, Entertainment, and Recreation (71) and Administrative and

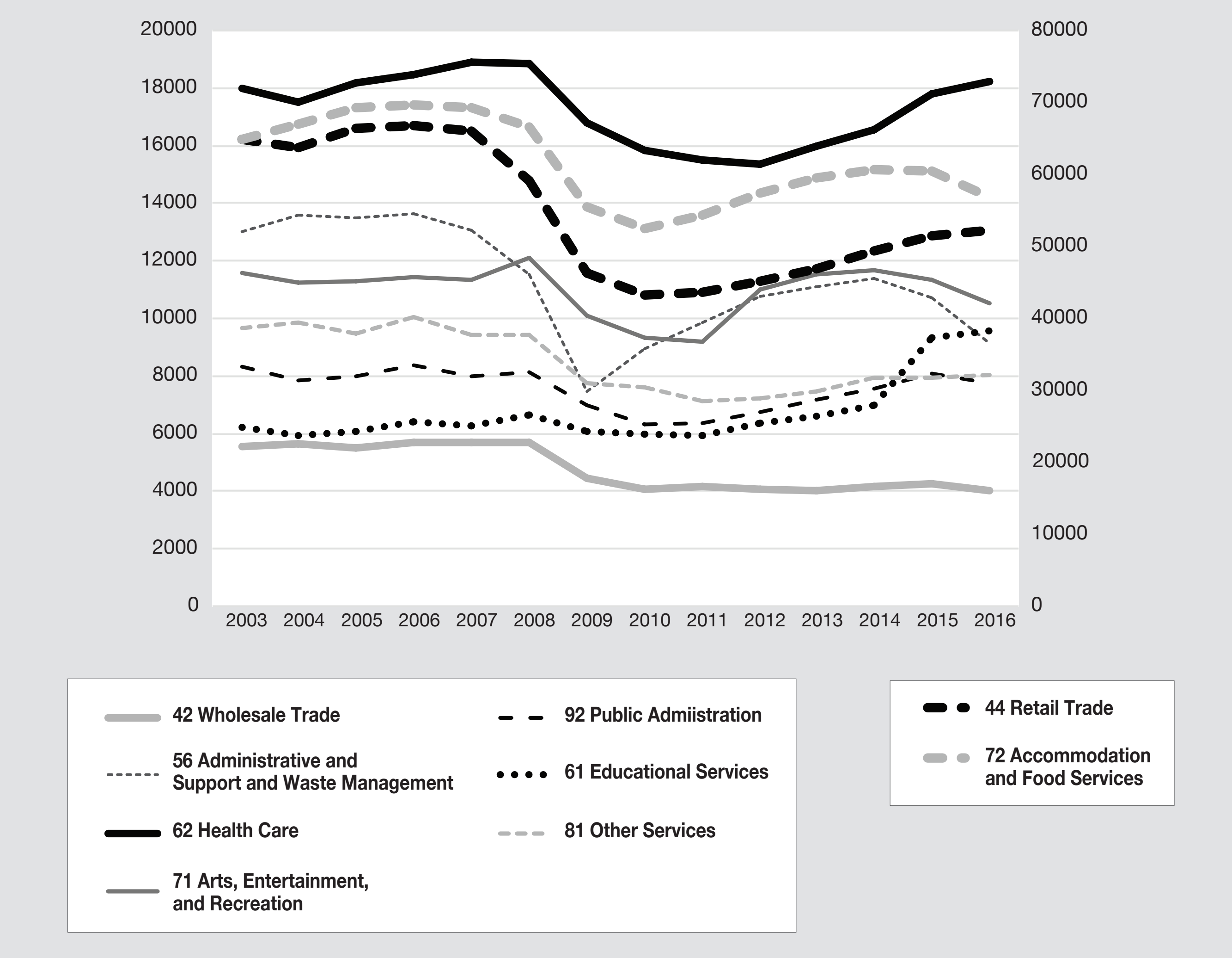


Figure 5. Teen Summer Employment by Industry

and Support and Waste Management Services (56) – recovered very quickly post-recession but are dropping off a bit. Public Administration (92) never really declined during the recession and Wholesale Trade (42), Educational Services (61), and Other Services (81) have remained a bit more stable. Health Care (62) is the only industry to be back nearly to its pre-recession peak. Teens looking for short term employment may not care much about the long term trends in the industry of their choice. Teens seem to work in Retail and Food Service by choice – when those industries weren't hiring, they sought out jobs in industries that were not as hard hit by the recession, and now that those industries are returning teens are going back to them.

How will they compete?

Teens hold between 6 and 8 percent of jobs in the state during the summer months. Of the people newly hired in the summer, though, teens were 15.7 percent for second quarter 2016.

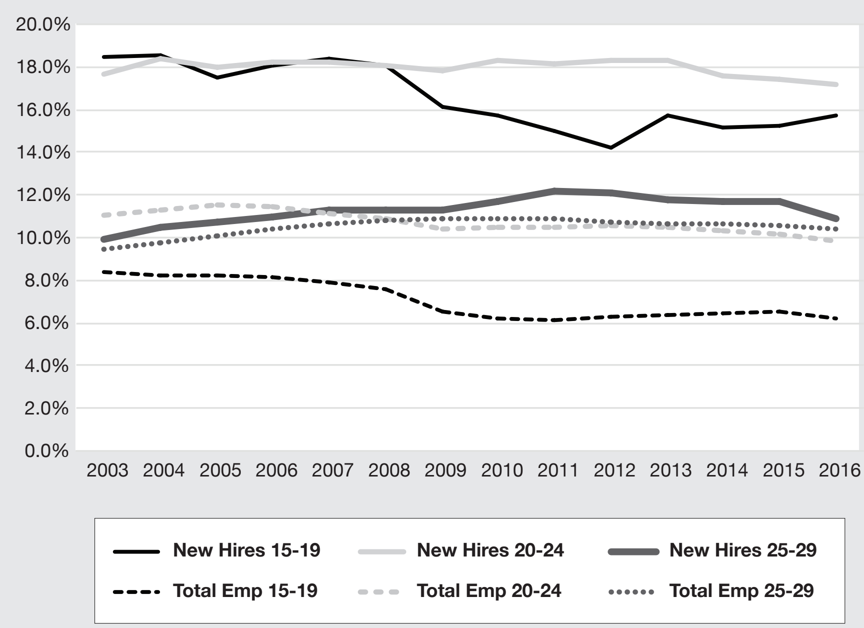
Teens were strongly affected by the recession. Overall share of employment went down at a time when employment was falling, suggesting teens had a harder time during the recession than adult workers. This trend is even more apparent for new hires. Pre-recession, teens made up 18.5 percent of hiring in the summer but that bottomed out at 14.2 percent in 2012. Some recovery is occurring but nowhere near pre-recession levels.

The economy remains stable and more experienced workers can get less seasonal work. Teens are competitive for these positions, and their share of the total has been going up since the post-recession drop-off.

What kind of wages should they expect?

Teen wages are the most likely to be impacted by the minimum wage. After a decade of consistent teen wages in the range of $7.00-8.00 per hour, the recent minimum wage hikes have had a dramatic effect on teen wages – more so than most other age groups. Median wage for teens has stayed just ahead of minimum wage rates the last few years, and with another increase scheduled for this summer, wages are likely to follow that and have a median of around $9.50 per hour in the summer of 2017.

Figure 6. Proportion of Employment by Age Group and Tenure, 2003-2016

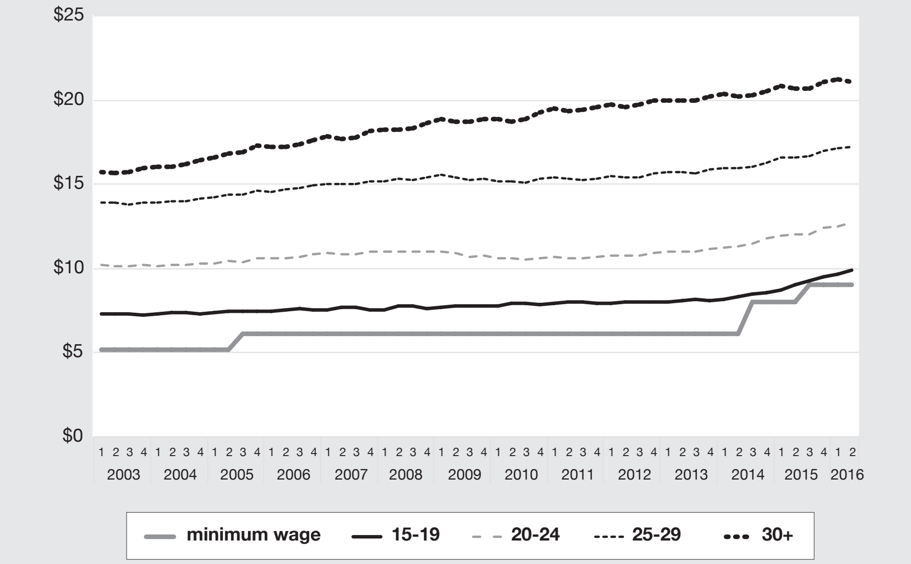


Help for Teens Entering the Job Market

Summer jobs offer young Minnesotans a chance to learn the basic job skills that employers will look for as the teens move forward in their careers. For young people who aren't pursuing additional education, they represent their first full-time job and the vital income and experience that come with it. These early jobs help teens develop connections with employers, bolster their resumes for future job and college applications, and begin to understand the working world, setting the foundation for adult life as productive citizens of Minnesota.

There are a number of organizations in the state that strive to help young Minnesotans find suitable jobs. Many have a specific focus, such as sales, environmental stewardship, or carpentry. In addition to the programs listed below, DEED provides avenues of assistance for people who come from low income families or have other barriers to employment. The MN Youth Program, Youthbuild Program, and Workforce Investment Act Youth Programs all provide services to young job seekers. You can find more information on these programs, including searchable lists of service providers, at: mn.gov/deed/job-seekers/find-a-job/targeted-services/youth-employment.

Figure 7. Median Wage by Age Group, 2003-2016



Selected Minnesota Youth Employment Programs and Services

This is a partial list of Minnesota youth employment programs and services. Many available opportunities are not listed here so please do your own research on what may be available in your community.

Cookie Cart: bakery operations (paid), career readiness, workforce skills, and customer service, North Minneapolis
cookiecart.org/youth-program

Elpis Enterprises: woodworking, screen printing, and experiential workshops, St. Paul
elpisenterprises.org

EMERGE StreetWerks: summer employment program and youth services, Minneapolis
emerge-mn.org/OurServices/YouthPrograms.aspx

Minnesota Conservation Corps: environmental services, statewide
conservationcorps.org

Minnesota Landscape Arboretum, Urban Garden Youth Employment: entrepreneurship and leadership jobs in a variety of programs for youth age 12 to 19, Metro
arboretum.umn.edu/urbangardenyouthemployment.aspx

Right Track: paid internships and career development opportunities for low-income students, St. Paul
righttrack.stpaul.gov

STEP-UP Youth Employment Program: paid internships and career development opportunities for low-income students ages 14-21 in Minneapolis
www.stepupmpls.org

Tree Trust Youth Summer Employment Program: paid work in a variety of positions in the Twin Cities metro area
treetrust.org/programs/employment-programs

Youth Express: Saint Paul area program that includes a 15-session "Urban Apprentice" class and paid internship opportunities at a bike shop or clothing store
keystonecommunityservices.org/our-services/youth-express

Youth Farm & Market Project: personal development and farming, Minneapolis and St. Paul
youthfarmmn.org/about-youth-farm/our-programs

YouthLead: services for low-income Ramsey County youth ages 14-21. Includes skill training and employment opportunities.
www.ramseycounty.us/residents/assistance-support/youth-resources

by Amanda Rohrer
Labor Market Information Office
Minnesota Department of Employment and Economic Development