

# Minnesota Employment Review

Review  
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## Southeast Minnesota's Cost of Living Conundrum

### Current Regional Cost of Living

By now it has become evident that the Southeast region is in the midst of a labor shortage with a current jobseeker per vacancy ratio of 0.6 to 1. For every 10 job openings there are only six unemployed people. In addition, labor force projections show that this current predicament is not going to get any better in the years to come and, in fact, may actually worsen as the labor force is projected to decrease by over 6,200 workers from 2020 to 2030. Many employers are well aware of this issue and have been pro-active in their efforts to hire and retain workers,

including increasing wages, providing transportation to work, and offering more flexible scheduling just to name a few. And while increasing wages may be a step in the right direction, basic cost of living needs require even higher wages than employers may be able to offer and, when combined with occupations that are characterized by part-time hours, the double whammy of lower wages and fewer hours makes it difficult, if not relatively impossible, to afford the basic cost of living needs.

Depending on a variety of elements, including number of adults in the household, work status (i.e., full-time or part-time), and the presence of children, there is significant

variation in the wages people need to earn in order to meet these basic cost of living needs. For example, while each parent in the average family in Minnesota – two parents, one working full-time and the other working part-time, with one child – needs to earn \$16.17 per hour in order to cover these cost of living expenses, a single person with no children only needs to earn \$13.80 while, if that single person had four children, the hourly wage needed would be \$35.36 per hour. However, when there are two parents in the household, both working full-time and having one child, the hourly wage needed rests at a considerably lower \$13.46 per hour (see Table 1).

### Features:

The Experience of American Indian Students in the MN Labor Market

County Snapshots: Renville, Rice, Rock, Roseau

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**Table 1: Cost of Living Requirements, Southeast Minnesota**

Family Composition and Work Status	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
<b>Average Family - 2 Parent/1FT and 1PT/1Child</b>	<b>\$50,460</b>	<b>\$16.17</b>	<b>\$333</b>	<b>\$752</b>	<b>\$417</b>	<b>\$850</b>	<b>\$825</b>	<b>\$468</b>	<b>\$560</b>
Single/FT/No Child	\$28,704	\$13.80	\$0	\$329	\$134	\$634	\$664	\$281	\$350
Single/FT/1 Child	\$46,464	\$22.34	\$666	\$486	\$269	\$850	\$705	\$390	\$506
Single/FT/4 Children	\$73,548	\$35.36	\$1,093	\$1,186	\$428	\$1,117	\$933	\$673	\$699
2 Parents/2 FT/1 Child	\$55,980	\$13.46	\$666	\$752	\$417	\$850	\$825	\$468	\$687
2 Parents/2 FT/4 Children	\$79,872	\$19.20	\$1,093	\$1,446	\$443	\$1,117	\$969	\$749	\$839

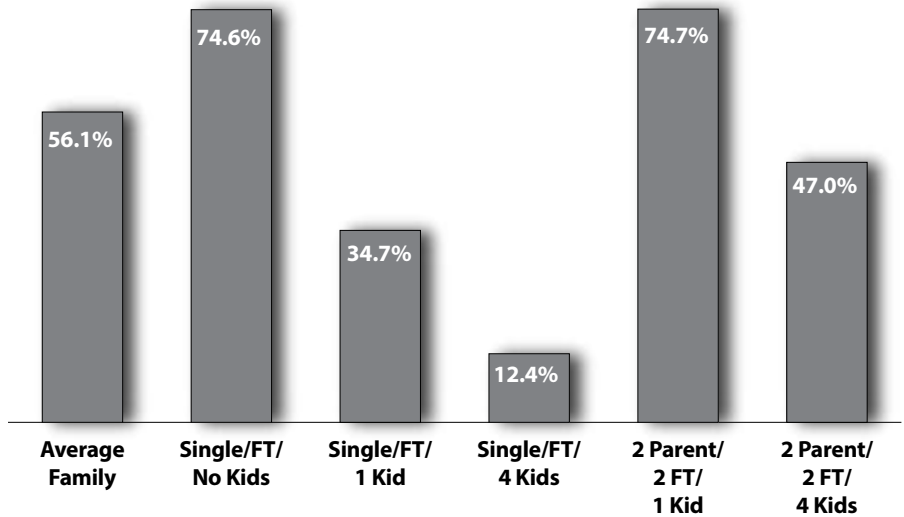
Source: DEED Cost of Living

Of the seven monthly costs included in DEED’s cost of living data, housing and transportation are among the most expensive, while child care and food vary significantly depending on the family structure and work status – both child care and food increase drastically with the addition of children. In fact, when a single person or family has one child and are working full-time, child care jumps 100 percent compared to the cost for the average family. Note the assumption with the average family estimates is that the parent working part-time is caring for the child(ren) when not at work. When there is more than one child present, the cost of child care can jump by 228 percent.

This begs the questions: How many occupations have median wages that meet specific cost of living needs and which occupational groups do they fall into? The answer isn’t so straight forward depending on the family structure and work status of the adults. The percent of current employment that pays enough to meet these needs varies from a low of 12.4 percent of occupations earning median wages that are at or higher than those needed for a single person who is working full-time with four children to almost 75 percent for both a single person with no children and a two-parent family, both working full-time, with one child (see Figure 1).

For jobseekers, current job vacancy data show that nine of the 11 occupational groups with the highest number of vacancies are accompanied by median wage offers that are below the cost of living threshold for the average family in the region, while 12 of the total 22 occupational groups fit this criteria. In fact, the top three occupational groups with the highest vacancies, accounting for over one-third (37.7 percent) of the total job openings, have median wage offers below cost of living requirements for the average family. To further complicate things, many of these occupational groups whose vacancies

**Figure 1. Percentage of Employment With Median Wages That Meet Basic Cost of Living Needs, Southeast Minnesota**



Source: DEED Occupational Employment Statistics

**Table 2. Job Vacancy Characteristics Southeast Minnesota, 4th Qtr. 2017**

Occupational Group	Vacancies	Median Wage Offer	Percent Part-Time
<b>Total, All Occupations</b>	<b>10,820</b>	<b>\$14.01</b>	<b>40%</b>
<b>Top 11</b>			
Sales and Related	1,552	\$14.33	28%
Food Preparation and Serving	1,404	\$10.93	75%
Personal Care and Service	1,118	\$11.49	67%
Healthcare Practitioners and Technical	1,113	\$20.32	33%
Transportation and Material Moving	912	\$14.93	64%
Building and Grounds Cleaning and Maintenance	805	\$13.98	20%
Construction and Extraction	774	\$17.72	0%
Production	727	\$12.62	2%
Installation, Maintenance, and Repair	501	\$13.97	61%
Healthcare Support	394	\$12.98	57%
Office and Administrative Support	364	\$14.59	33%
<b>Bottom 11</b>			
Education, Training, and Library	314	\$16.74	57%
Management	149	\$32.99	1%
Computer and Mathematical	116	\$21.09	3%
Farming, Fishing, and Forestry	114	\$11.77	1%
Business and Financial Operations	103	\$26.39	4%
Community and Social Service	77	\$18.87	14%
Architecture and Engineering	76	\$26.93	1%
Arts/Design/Entertainment/Sports/Media	68	\$16.49	45%
Life, Physical, and Social Science	65	\$23.41	3%
Protective Service	34	\$14.89	64%
Legal	26	\$15.20	0%

Source: DEED Job Vacancy Survey

have wage offers below cost of living requirements have much higher percentages of part-time openings, including 75 percent of the vacancies in food preparation and serving and over 60 percent for personal care and service, transportation and material moving, protective service, and installation, maintenance, and repair occupations. Of course, this also varies based on the family composition. For example, for a single person with no children who works full-time, only five of the occupational groups have vacancies with median wages that wouldn't allow them to afford the basic cost of living needs. In contrast, if that same single person had one child, the median wage offers for 18 of the occupational groups would not make the cut.

### A Brighter Future...Sort Of

Projection data for the Southeast region show that there are projected

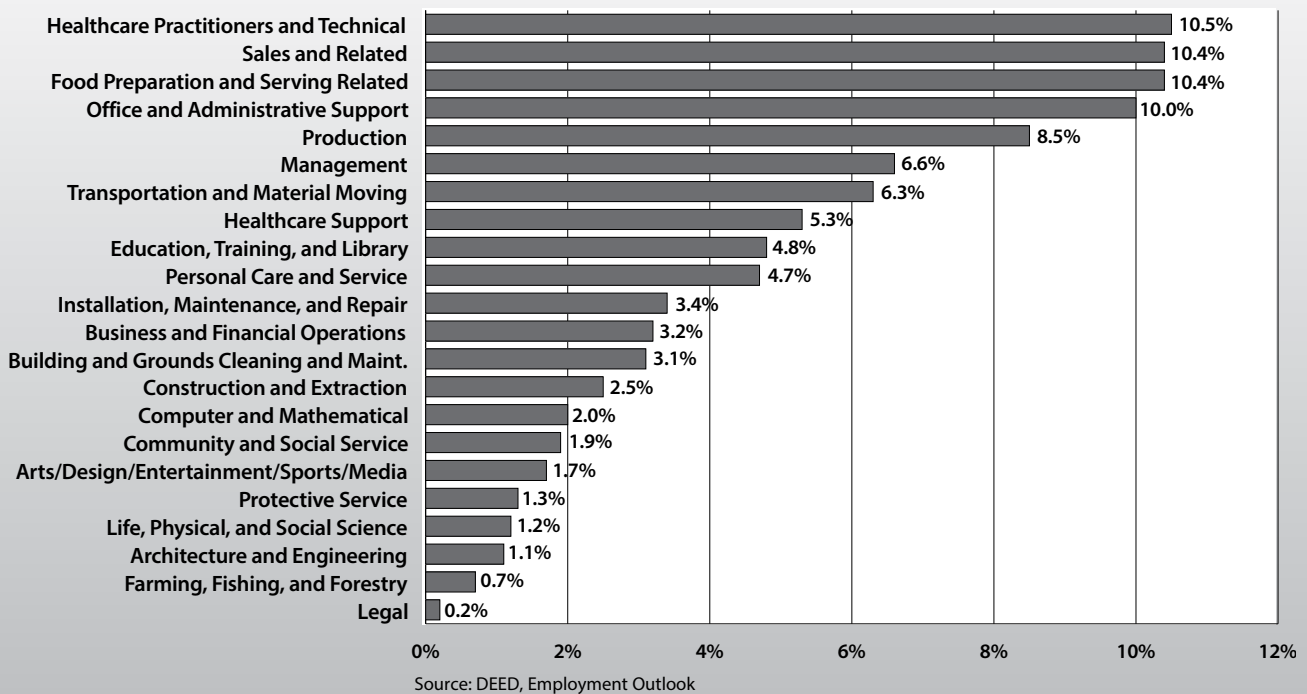
to be 77,700 total openings from job creation and replacement needs for those who leave the workforce. On a bright note, healthcare practitioners and technical occupations are projected so see the highest number of total openings from 2014 to 2024, accounting for 10.5 percent of the total projected openings in the region. Traditionally, this is a higher paying occupational group and, at least based on current vacancy data in Table 1, has a median wage offer (\$20.32) that is higher than that needed for the average family to meet the basic cost of living needs. Unfortunately, the remaining four of the top five occupational groups that are predicted to see the highest number of openings are in lower paying occupational groups which, again based on wage offers for current vacancies, may not meet the cost of living threshold. In all, these five occupations make up half of the projected job openings in the region, and the four lower paying

groups comprise 39.3 of the total projected openings.

Because of the current labor force shortage some employers have been increasing starting wages to attract new talent, and, given the projected tightening of the labor force which is projected to lose over 6,200 participants through 2030, it can be assumed that wage hikes may continue. However, typically the cost of living also increases as time progresses so it may be true that median wage offers for vacancies in these low paying occupational groups may remain below what is needed to meet the basic cost of living needs. Thus, the region is facing a situation with a combination of factors that may hinder an individual's ability to cover cost of living needs based on the current employment and job openings, and also face a future in which residents may continue to feel this crunch.

by Mark Schultz

**Figure 2. Percent of Projected Openings by Occupational Group, Southeast Minnesota, 2014-2024**



## Numbers Abuse

Those of us who work in the Labor Market Information Office of the Department of Employment and Economic Development genuinely like numbers, at least one of us to four decimal places. We also respect them for both the good and the bad they can do. We thought this might be a good time to offer a few caveats about Abuse of Statistics.

You may need to start by realizing that while Minnesota has a Board of Examiners for Barbers (and thank heavens for that), it has none for scientists or, for that matter, economists. A barber you can have confidence has a demonstrated skill set; scientists and economists, not so much.

The first issue is always money. Scientists and economists would have to be independently wealthy to be able to follow something that interests them for years on end. That or work for a university with deep pockets and endless patience. The rest of us need regular paychecks. Are you amused at the assurances passed out recently by scientists that all of us either definitely should or definitely should not have a glass of wine every single day? Could it be that a group of vintners paid for the “should” study? Secondary warning – if the study mentions preventing Alzheimer’s Disease, it’s probably bogus. My personal favorite was a recent study that proved definitively that a wide circle of friends could prevent mortality in later life. Actually, the only thing that prevents mortality in later life is dying young. But I digress.

There are also bar statistics, the sort of thing that starts, “Well, everybody knows that . . .” We may all agree that the sun rises in the east and sets in the west, but you would be amazed how few people realize that “squirrels are the Devil’s oven mitts.”

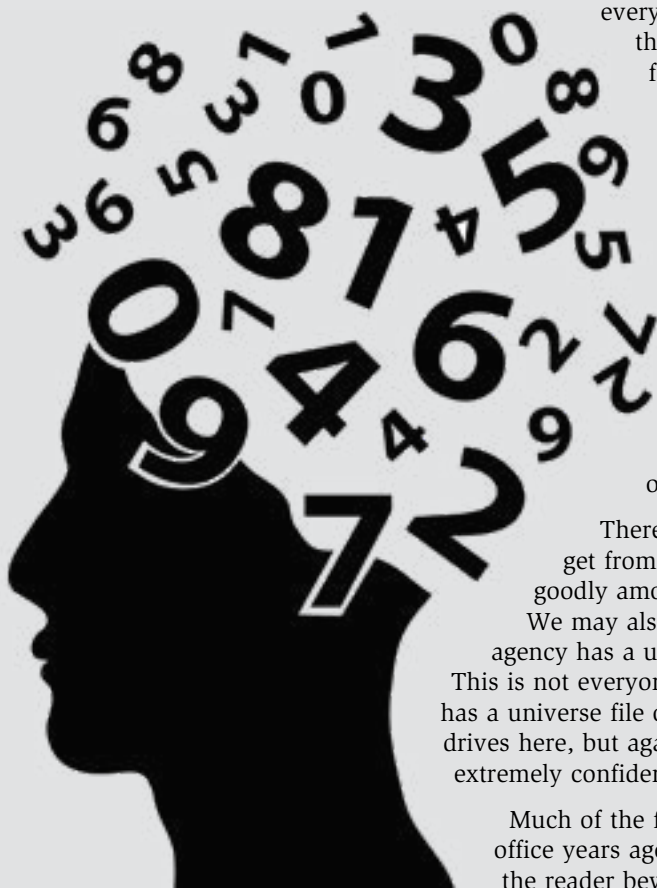
Then we get to technical issues, meat and drink to economists. You might wonder, for example, about the sample size for An Important Study. Can a sample of 200 represent a Minnesota population of 5.58 million (2017)? Suppose they didn’t all reply? Sampling can be tricky, and response rate can damage An Important Study further.

You might also consider that Regression Analysis can actually be Latin for “my sample was inadequate, so I had to fiddle with the data.” And did what you’re reading offer a source other than “scientists”? This publication is quite fierce about source lines under charts and graphs. We’re also big on footnotes which are occasionally where the really good stuff is hiding.

There is at least limited good news here. Statistical Stuff you get from government agencies is limited in scope but tends to get a goodly amount of peer review, admittedly some of it hysterical laughter. We may also have universe data, but again, it’s limited in scope. Our agency has a universe file of everyone working in covered employment. This is not everyone working in Minnesota, but it comes close. Public Safety has a universe file of licensed drivers in Minnesota. This isn’t everyone who drives here, but again it comes close. Note: both of these files are kept extremely confidential. WE DON’T TELL.

Much of the foregoing can be summarized by a saying I heard in a post office years ago (anecdotal evidence): figures don’t lie, but liars figure. Let the reader beware.

*by Mary Benton Hummel*



## NAICS 92

Much of the data for all levels of government administration fall under NAICS 92, Public Administration. The industry spans the many upper level activities of government. It ranges from Executive, Legislative, and Other General Government Support to National Security. The code, however, includes only administration of government programs. What it doesn't include is activities that occur in private industry – industries like road and bridge work, any sort of retail establishments the government might run, and municipal power companies among others. These are coded to the NAICS of their industrial activity but have an ownership code that pulls them into government, so you do not find them appearing in the private industry NAICS codes.

Below are tables showing the important industries in government. Because state law does not extend unemployment insurance to elected officials, they are not included in the figures.

In 2017 NAICS 92 made up 132,026 (4.6%) of Minnesota's 2,853,730 employees.

**Table 1. Top Employment in Minnesota Public Administration**

NAICS	Industry Name	MN Employment in Public Administration	Average Annual Wages
92	Public Administration	132,026	\$56,264
921110	Executive Offices	44,594	\$44,876
921140	Combined Executive and Legislative Offices	11,055	\$56,680
923130	Administration of Human Resource Programs	10,861	\$60,580
922140	Correctional Institutions	6,747	\$59,956
924120	Administration of Conservation Programs	6,403	\$53,092

Public Administration jobs in the rural areas, which are usually fulltime, are a boost to the area's average income. Public Administration jobs in Northwest, Northeast, and Central Minnesota are significantly higher than the average private sector wages in those areas (see table below).

**Table 2. Wage Comparison between Minnesota Public Administration and Private Sector**

Rural Area	Average Public Administration Wages	Average Private Sector Wages	PA Wages / Private Wages
Central	\$48,776	\$41,652	+17%
Northeast	\$50,752	\$42,588	+19%
Northwest	\$46,280	\$38,168	+21%
Southeast	\$51,636	\$50,128	+3%
Southwest	\$41,964	\$39,884	+5%
Seven County MPLS St Paul	\$63,232	\$63,336	+0%

*by Derek Teed*

# Labor Force Estimates

## County/ Area

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Jul 2018	Jun 2018	Jul 2017	Jul 2018	Jun 2018	Jul 2017	Jul 2018	Jun 2018	Jul 2017	Jul 2018	Jun 2018	Jul 2017
<b>United States ('000s)</b>												
(Seasonally adjusted)	162,245	162,140	160,467	155,965	155,576	153,511	6,280	6,564	6,956	3.9%	4.0%	4.3%
(Unadjusted)	163,734	163,277	161,911	157,004	156,465	154,470	6,730	6,812	7,441	4.1	4.2	4.6
<b>Minnesota</b>												
(Seasonally adjusted)	3,111,750	3,110,795	3,066,447	3,018,643	3,015,451	2,962,549	93,107	95,344	103,898	3.0	3.1	3.4
(Unadjusted)	3,137,539	3,133,173	3,097,084	3,051,622	3,041,706	2,994,742	85,917	91,467	102,342	2.7	2.9	3.3
<b>Metropolitan Statistical Areas (MSA)*</b>												
Mpls.-St. Paul MSA	2,046,192	2,037,455	2,014,179	1,992,284	1,980,208	1,947,227	53,908	57,247	66,952	2.6	2.8	3.3
Duluth-Superior MSA	145,090	145,178	144,687	139,922	139,578	138,247	5,168	5,600	6,440	3.6	3.9	4.5
Rochester MSA	124,476	123,683	122,602	121,641	120,521	119,050	2,835	3,162	3,552	2.3	2.6	2.9
St. Cloud MSA	113,570	113,358	110,708	110,642	110,099	107,063	2,928	3,259	3,645	2.6	2.9	3.3
Mankato-N Mankato MSA	61,312	62,288	58,481	59,905	60,674	56,723	1,407	1,614	1,758	2.3	2.6	3.0
Fargo-Moorhead MSA	138,252	138,558	139,637	135,231	134,896	136,707	3,021	3,662	2,930	2.2	2.6	2.1
Grand Forks MSA	55,210	56,510	55,579	53,634	54,753	53,954	1,576	1,757	1,625	2.9	3.1	2.9
<b>Region One</b>	<b>46,938</b>	<b>47,768</b>	<b>47,549</b>	<b>45,185</b>	<b>45,948</b>	<b>45,493</b>	<b>1,753</b>	<b>1,820</b>	<b>2,056</b>	<b>3.7</b>	<b>3.8</b>	<b>4.3</b>
Kittson	2,389	2,413	2,370	2,313	2,336	2,278	76	77	92	3.2	3.2	3.9
Marshall	5,409	5,552	5,516	5,179	5,323	5,261	230	229	255	4.3	4.1	4.6
Norman	3,421	3,409	3,441	3,259	3,269	3,279	162	140	162	4.7	4.1	4.7
Pennington	8,696	8,930	9,140	8,455	8,648	8,815	241	282	325	2.8	3.2	3.6
Polk	17,035	17,218	16,636	16,326	16,502	15,828	709	716	808	4.2	4.2	4.9
Red Lake	2,227	2,289	2,310	2,133	2,180	2,210	94	109	100	4.2	4.8	4.3
Roseau	7,761	7,957	8,136	7,520	7,690	7,822	241	267	314	3.1	3.4	3.9
<b>Region Two</b>	<b>44,457</b>	<b>44,518</b>	<b>44,138</b>	<b>42,722</b>	<b>42,654</b>	<b>42,070</b>	<b>1,735</b>	<b>1,864</b>	<b>2,068</b>	<b>3.9</b>	<b>4.2</b>	<b>4.7</b>
Beltrami	24,001	24,088	24,145	23,107	23,117	23,048	894	971	1,097	3.7	4.0	4.5
Clearwater	4,630	4,691	4,683	4,365	4,405	4,391	265	286	292	5.7	6.1	6.2
Hubbard	11,114	10,982	10,435	10,738	10,571	9,992	376	411	443	3.4	3.7	4.2
Lake of the Woods	2,380	2,384	2,473	2,272	2,285	2,361	108	99	112	4.5	4.2	4.5
Mahnomen	2,332	2,373	2,402	2,240	2,276	2,278	92	97	124	3.9	4.1	5.2
<b>Region Three</b>	<b>167,236</b>	<b>167,401</b>	<b>164,814</b>	<b>161,042</b>	<b>160,787</b>	<b>156,965</b>	<b>6,194</b>	<b>6,614</b>	<b>7,849</b>	<b>3.7</b>	<b>4.0</b>	<b>4.8</b>
Aitkin	7,368	7,459	7,215	7,068	7,147	6,881	300	312	334	4.1	4.2	4.6
Carlton	17,959	17,975	17,632	17,328	17,254	16,917	631	721	715	3.5	4.0	4.1
Cook	4,029	3,842	3,272	3,958	3,763	3,192	71	79	80	1.8	2.1	2.4
Itasca	22,207	22,469	22,025	21,175	21,362	20,617	1,032	1,107	1,408	4.6	4.9	6.4
Koochiching	6,243	6,301	6,258	5,856	5,919	5,862	387	382	396	6.2	6.1	6.3
Lake	6,166	6,125	5,537	6,016	5,956	5,347	150	169	190	2.4	2.8	3.4
St. Louis	103,264	103,230	102,875	99,641	99,386	98,149	3,623	3,844	4,726	3.5	3.7	4.6
City of Duluth	46,631	46,636	46,138	45,237	45,121	44,365	1,394	1,515	1,773	3.0	3.2	3.8
Balance of St. Louis County	56,633	56,594	56,737	54,404	54,265	53,784	2,229	2,329	2,953	3.9	4.1	5.2
<b>Region Four</b>	<b>131,914</b>	<b>131,876</b>	<b>128,959</b>	<b>128,499</b>	<b>128,204</b>	<b>125,005</b>	<b>3,415</b>	<b>3,672</b>	<b>3,954</b>	<b>2.6</b>	<b>2.8</b>	<b>3.1</b>
Becker	19,303	19,533	18,709	18,757	18,947	18,035	546	586	674	2.8	3.0	3.6
Clay	36,135	36,065	35,849	35,148	34,974	34,711	987	1,091	1,138	2.7	3.0	3.2
Douglas	21,868	21,676	20,937	21,375	21,149	20,376	493	527	561	2.3	2.4	2.7
Grant	3,373	3,382	3,317	3,257	3,276	3,211	115	106	106	3.4	3.1	3.2
Otter Tail	33,560	33,521	32,552	32,685	32,591	31,555	875	930	997	2.6	2.8	3.1
Pope	6,556	6,600	6,433	6,424	6,455	6,262	132	145	171	2.0	2.2	2.7
Stevens	5,602	5,588	5,645	5,490	5,453	5,504	112	135	141	2.0	2.4	2.5
Traverse	1,859	1,874	1,821	1,818	1,827	1,774	41	47	47	2.2	2.5	2.6
Wilkin	3,659	3,637	3,696	3,545	3,532	3,577	114	105	119	3.1	2.9	3.2
<b>Region Five</b>	<b>88,779</b>	<b>89,454</b>	<b>86,132</b>	<b>86,043</b>	<b>86,538</b>	<b>82,963</b>	<b>2,736</b>	<b>2,916</b>	<b>3,169</b>	<b>3.1</b>	<b>3.3</b>	<b>3.7</b>
Cass	16,766	16,647	15,582	16,207	16,070	14,928	559	577	654	3.3	3.5	4.2
Crow Wing	34,743	35,274	33,466	33,779	34,225	32,318	964	1,049	1,148	2.8	3.0	3.4
Morrison	17,900	17,955	17,848	17,342	17,359	17,150	558	596	698	3.1	3.3	3.9
Todd	13,658	13,771	13,019	13,241	13,347	12,604	417	424	415	3.1	3.1	3.2
Wadena	5,712	5,807	6,217	5,474	5,537	5,963	238	270	254	4.2	4.6	4.1
<b>Region Six East</b>	<b>68,155</b>	<b>68,361</b>	<b>65,960</b>	<b>66,275</b>	<b>66,326</b>	<b>63,685</b>	<b>1,880</b>	<b>2,035</b>	<b>2,275</b>	<b>2.8</b>	<b>3.0</b>	<b>3.4</b>
Kandiyohi	25,580	25,671	24,662	24,939	24,997	23,970	641	674	692	2.5	2.6	2.8
McLeod	19,730	19,806	19,653	19,205	19,199	18,946	525	607	707	2.7	3.1	3.6
Meeker	13,488	13,524	13,351	13,109	13,127	12,874	379	397	477	2.8	2.9	3.6
Renville	9,357	9,360	8,294	9,022	9,003	7,895	335	357	399	3.6	3.8	4.8

\*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.



# Industrial Analysis

## Overview

Minnesota employers added 11,200 jobs (0.4 percent) in July on a seasonally adjusted basis although we actually lost a similar number of jobs on an unadjusted basis, as July tends to see sharp employment declines. It was the third consecutive month of gains for the state as summer employment continued to exceed seasonal expectations. The gains were spread across a number of supersectors, with private sector employers adding 8,800 jobs (0.3 percent) while the public sector added 2,400 (0.6 percent). Goods Producers added 1,900 jobs (0.4 percent), and Service Providers added 9,300 (0.4 percent). Over the year the state added 59,931 jobs (2 percent). Goods Producers added 14,971 jobs (3.2 percent), and Service Providers added 44,960 (1.8 percent). Private sector employment was up by 54,917 while public sector employers added 5,014 jobs (1.3 percent).

## Mining and Logging

Employment in the Mining and Logging supersector was off by 100 (1.5 percent) in July, down to 6,400. It was the first time that employment in the supersector dipped below 6,500 since August of 2017, as it oscillated between 6,500 and 6,600 in the intervening months. Over the year the supersector added 21 total jobs or 0.3 percent. It was the first month of over-the-year job growth in Mining and Logging since December of 2017.

## Construction

The Construction supersector added 500 jobs (0.4 percent) in July on a seasonally adjusted basis. June's estimate was also revised upward from 1.2 percent to a

1.5 percent over-the-month growth. July was the fourth consecutive month of over-the-month growth for the supersector. Annually Construction employment was up by 5,509 (4.1 percent), one of the stronger over-the-year performances in the state for a supersector. Specialty Trade Contractors led the way, adding 4,342 jobs or 5.1 percent. The component sector with the next largest over-the-year change was Construction of Buildings which was up by 840 jobs or 3 percent. With the exception of April 2018, which had unseasonably cold and wet weather that delayed the start of the construction season, the supersector has shown over-the-year growth consistently since April of 2013.

## Manufacturing

Employment in the Manufacturing supersector was up by 1,500 (0.5 percent) in July. Non-Durable Goods Manufacturers added 900 jobs (0.7 percent) while Durable Goods Manufacturers added 600 (0.3 percent). The supersector has shown seasonally adjusted growth in every month of 2018. Over the year, Manufacturers added 9,441 jobs (2.9 percent). Non-Durable Goods Manufacturers added 4,348 jobs (3.6 percent), with 2,086 of those jobs coming in Food Manufacturing. Durable Goods Manufacturers added 5,093 jobs (2.5 percent).

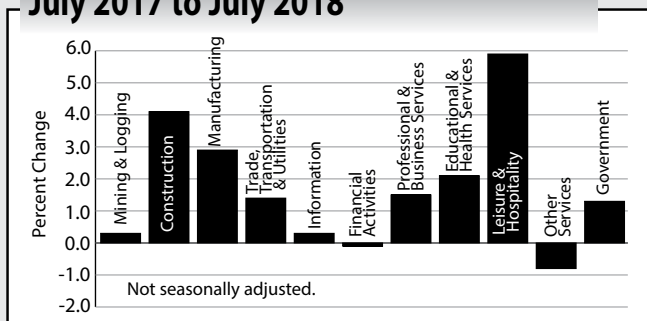
## Trade, Transportation, and Utilities

Trade, Transportation, and Utilities employment was up by 2,200 jobs (0.4 percent) in July. Wholesale Trade led the growth, adding 1,100 jobs (0.8 percent), although all three component sectors contributed. Transportation, Warehousing, and Utilities added 800 jobs (0.7 percent), and Retail Trade added 300 (0.1 percent). On an annual basis the supersector added 7,477 jobs (1.4 percent). Wholesale Trade added 2,408 jobs (1.8 percent) thanks to 2,298 new jobs among Durable Goods Wholesalers. Retail Trade added 2,692 jobs (0.9 percent) while Transportation, Warehousing, and Utilities added 2,377 (2.3 percent), almost all of it in Transportation and Warehousing.

## Information

Employment in the Information supersector was up by 200 (0.4 percent) in July. It was the second consecutive month of over-the-month growth in the supersector. Annually Information employment was up by 174 jobs (0.3 percent), in spite of both published component sectors losing jobs on the year.

### MN Employment Growth July 2017 to July 2018



Source: Department of Employment and Economic Development, Current Employment Statistics, 2018.

\*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.



# Industrial Analysis

## Financial Activities

Financial Activities employment was flat in July, remaining at 180,500 jobs. Finance and Insurance lost 800 jobs (0.5 percent) while their counterparts in Real Estate and Rental and Leasing added 800 jobs (2.3 percent). Annually the supersector lost 212 jobs (0.1 percent). It was one of only two supersectors to lose jobs on the year. Real Estate and Rental and Leasing added 371 jobs (1 percent), but Finance and Insurance lost 583 (0.4 percent). That loss was driven by a decline of 1,459 (2.3 percent) in Credit Intermediation and Related Activities including Central Banks.

## Professional and Business Services

Employment in Professional and Business Services was up by 1,400 (0.4 percent). Professional, Scientific, and Technical Services added 800 jobs (0.5 percent), and Administrative and Support and Waste Management and Remediation Services added 800 (0.6 percent) while Management of Companies and Enterprises shed 200 jobs (0.2 percent). Annually the supersector added 5,561 jobs (1.5 percent). Professional, Scientific, and Technical Services led the way, both proportionally and in total jobs added, up by 3,271 or 2 percent. Administrative and Support and Waste Management and Remediation Services added 1,376 jobs (1 percent), thanks to an increase of 3,212 (5.6 percent) in the bellwether Employment Services component sector.

## Educational and Health Services

Employment in the Educational and Health Services supersector was up by 2,900 (0.5 percent) on a seasonally adjusted basis in July. Educational Services drove the increase, up 1,900 (2.8 percent), while Health Care and Social Assistance added 1,000 jobs (0.2 percent). Over the year the supersector added 10,836 jobs (2.1 percent). Educational Services employment was up by 5,583 (9.7 percent). Health Care and Social Assistance added 5,253 (1.1 percent) with growth spread across a number of component sectors.

## Leisure and Hospitality

Leisure and Hospitality Employment was up by 400 (0.1 percent) in July. Accommodation and Food Services added 1,400 jobs (0.6 percent) while Arts, Entertainment, and Recreation lost 1,000 (2.2 percent).

Annually the supersector added 17,023 jobs (5.9 percent). This was the highest proportional over-the-year growth of any supersector in the state. Both component sectors fared well, as Accommodation and Food Services added 13,409 jobs (5.7 percent), and Arts, Entertainment, and Recreation added 3,614 (6.9 percent).

## Other Services

The Other Services supersector lost 200 jobs (0.2 percent) in July. The decline broke a streak of four consecutive months of over-the-month job growth in the supersector. Annually Other Services employment was off by 913 (0.8 percent). It was the largest decrease of any supersector, and one of only two supersectors to show over-the-year job losses at all. Employment in all three published component sectors shrank on the year.

## Government

Government employment was up by 2,400 (0.6 percent) in July. All three levels of government added jobs, with the most significant gains coming from State Government which added 1,800 jobs (1.8 percent). Annually Government employers added 5,014 jobs (1.3 percent). Both State and Local governments added jobs although Federal employment shrank slightly on the year.

by Nick Dobbins

## Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	Jul 2018	Jun 2018	May 2018
<b>Total Nonagricultural</b>	<b>2,976.8</b>	<b>2,965.6</b>	<b>2,955.7</b>
<b>Goods-Producing</b>	<b>457.4</b>	<b>455.5</b>	<b>451.8</b>
Mining and Logging	6.4	6.5	6.5
Construction	123.8	123.3	121.5
Manufacturing	327.2	325.7	323.8
<b>Service-Providing</b>	<b>2,519.4</b>	<b>2,510.1</b>	<b>2,503.9</b>
Trade, Transportation, and Utilities	543.9	541.7	541.4
Information	50.6	50.4	49.7
Financial Activities	180.5	180.5	180.9
Professional and Business Services	378.1	376.7	375.9
Educational and Health Services	541.2	538.3	536.6
Leisure and Hospitality	279.0	278.6	274.4
Other Services	116.7	116.9	116.8
Government	429.4	427.0	428.2

Source: Department of Employment and Economic Development  
Current Employment Statistics, 2018.

# Regional Analysis

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

Employment in the Minneapolis-St. Paul MSA was down by 7,838 (0.4 percent) in July. Declines are not uncommon this time of year. This was the smallest job loss for the month going back to when our records start in 1990 save for one month, July of 2016. The recent shrinking of the usual over-the-month job losses in July suggests that a shift in the seasonal pattern may be emerging. July's declines were driven in large part by Government employment, which was off by 13,524 (5.4 percent), entirely from the Local Government Educational Services subsector (down 15,747 or 16.8 percent). Mining, Logging, and Construction employment was up by 2,157 (2.4 percent), the largest over-the-month growth of any supersector in the metro. Over the year the MSA added 43,595 jobs (2.2 percent). It was the highest over-the-year growth since July of 2014. Mining, Logging, and Construction had the largest proportional growth, up 4.8 percent (4,246 jobs) from a year prior. Leisure and Hospitality added the most new jobs, up by 9,058 (4.6 percent), with notable growth in both component sectors as Arts, Entertainment, and Recreation added 1,523 jobs (3.7 percent), and Accommodation and Food Services added 7,535 (4.8 percent). Information was the only supersector to lose jobs on the year, down 542 or 1.4 percent.

## Duluth-Superior MSA

The Duluth-Superior MSA lost 1,387 jobs (1 percent) in July. While every MSA in the state lost jobs on the month, Duluth's decline was the sharpest. Government employers led the declines, shedding 1,722 jobs (6.6 percent) thanks to a drop of 1,919 (10.8 percent) in Local Government. Leisure and Hospitality had the most growth of any supersector, adding 433 jobs (2.7 percent). Annually the Duluth MSA added 1,964

jobs (1.4 percent) in July, marking two full years of consistent over-the-year growth in the region. Manufacturers added 212 jobs (2.8 percent), Government added 611 (2.6 percent), and Other Services added 261 (3.9 percent). The only supersectors to shrink on the year were Information (down 29 jobs or 2.2 percent) and Professional and Business Services (down 66 or 0.8 percent).

## Rochester MSA

The Rochester metro area lost 429 jobs (0.3 percent) in July. This was actually the best over-the-month performance of any MSA in the state. Losses in Government (down 604 or 4.5 percent) and Educational and Health Services (down 362, 0.7 percent) were mitigated in part by the addition of 297 jobs (2.5 percent) in Leisure and Hospitality and 120 jobs (2.5 percent) in Mining, Logging, and Construction, both of which outperformed statewide growth on the month. On an over-the-year basis, however, Rochester turned in the worst performance for a Minnesota MSA, adding just 424 jobs (0.3 percent). Leisure and Hospitality added 667 jobs (5.7 percent), but the vitally important Educational and Health Services supersector shed 778 jobs (1.6 percent) on the year. The supersector has lost jobs on an over-the-year basis every month in 2018, although that loss comes in comparison to a strong early 2017. Mining, Logging, and Construction also posted notable declines, down by 123 (2.4 percent) over the previous 12 months.

## St. Cloud MSA

Employment in the Saint Cloud MSA was down by 854 jobs (0.8 percent) in July. As expected, Government employment led the decline, off by 1,150 (7.8 percent) thanks to sharp drops in Local Government. Leisure and Hospitality, which was strong across the state in July, also contracted, down by 172 jobs (1.8 percent). St. Cloud was the only

MSA primarily in Minnesota in which the usually strong summer supersector lost jobs. Grand Forks-East Grand Forks also lost jobs in the supersector. On an over-the-year basis the MSA added 2,068 jobs (1.9 percent). Strong performances from Manufacturing and Educational and Health Services led the way, up 861 jobs (5.6 percent) and 881 jobs (4.2 percent), respectively. A number of supersectors lost jobs on the year, but only one, Professional and Business Services, lost more than 100 (158, 1.7 percent).

## Mankato-North Mankato MSA

The Mankato-North Mankato MSA lost 325 jobs (0.5 percent) in July. As was the case across the state, the monthly losses were largely driven by declines in Government employment, which was off by 673 (6.7 percent). Private sector employers added 348 jobs (0.7 percent). Annually the MSA added 3,808 jobs (6.9 percent). This was the largest proportional over-the-year growth in the state, although it was driven in large part by an increase of 2,046 (27.9 percent) in Government employment which is likely to be revised downward significantly in final estimates.

## Fargo-Moorhead MSA

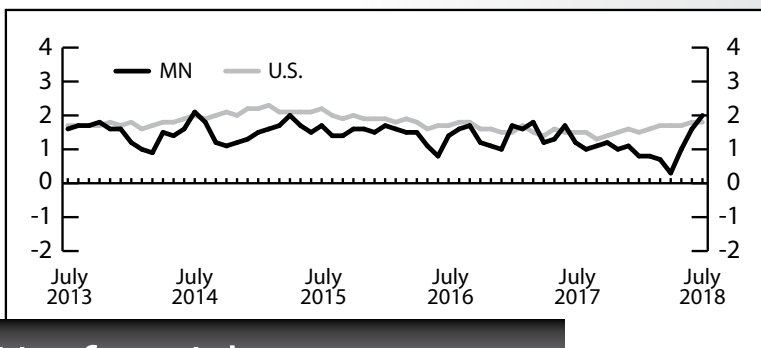
Employment in the Fargo-Moorhead MSA was down by 577 (0.4 percent) in July. The loss came entirely from the Government (down 2,356 or 12.7 percent), as every other supersector added jobs on the month. The largest gain came in Leisure and Hospitality (up 721 or 5.2 percent). Annually the Fargo-Moorhead MSA added 2,008 jobs (1.4 percent). Trade, Transportation, and Utilities was the lone job loser, off by 188 (0.6 percent) on the year. Notable increases occurred in Educational and Health Services (up 862 or 3.6 percent) and Manufacturing (up 281 or 2.9 percent).

## Grand Forks-East Grand Forks MSA

The Grand Forks-East Grand Forks MSA lost 1,840 jobs (3.2 percent) in July, by far the steepest decline of any MSA in Minnesota. Government employers led the decline, but they were joined by Other Services, Financial Activities, Educational and Health Services, and Leisure and Hospitality. Annually the MSA added 786 jobs (1.4 percent). Leisure and Hospitality added 331 jobs (5.6 percent), and Manufacturing added 241 (5.6 percent).

by Nick Dobbins

Source: Department of Employment and Economic Development, Current Employment Statistics, 2018; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2018.



## 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

Industry	Jobs* (Thousands)			Percent Change: From**		Production Workers Hours and Earnings					
	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
						Jul 2018	Jul 2017	Jul 2018	Jul 2017	Jul 2018	Jul 2017
<b>TOTAL NONFARM WAGE AND SALARY</b>	<b>3,007.4</b>	<b>3,018.5</b>	<b>2,947.5</b>	<b>-0.4%</b>	<b>2.0%</b>	—	—	—	—	—	—
<b>GOODS-PRODUCING</b>	<b>478.4</b>	<b>473.4</b>	<b>463.4</b>	<b>1.0</b>	<b>3.2</b>	—	—	—	—	—	—
<b>Mining, Logging, and Construction</b>	<b>145.4</b>	<b>143.0</b>	<b>139.9</b>	<b>1.7</b>	<b>4.0</b>	—	—	—	—	—	—
<b>Mining and Logging</b>	<b>6.8</b>	<b>6.7</b>	<b>6.8</b>	<b>1.4</b>	<b>0.3</b>	—	—	—	—	—	—
<b>Construction</b>	<b>138.6</b>	<b>136.3</b>	<b>133.1</b>	<b>1.7</b>	<b>4.1</b>	—	—	—	—	—	—
Specialty Trade Contractors	89.5	88.0	85.1	1.7	5.1	\$1,311.38	\$1,327.54	40.4	40.4	\$32.46	\$32.86
<b>Manufacturing</b>	<b>332.9</b>	<b>330.5</b>	<b>323.5</b>	<b>0.7</b>	<b>2.9</b>	<b>868.06</b>	<b>844.15</b>	<b>40.3</b>	<b>40.8</b>	<b>21.54</b>	<b>20.69</b>
Durable Goods	209.4	208.4	204.3	0.5	2.5	916.34	881.28	40.6	40.8	22.57	21.60
Wood Product Manufacturing	11.8	11.8	11.7	0.2	1.5	—	—	—	—	—	—
Fabricated Metal Production	43.3	42.9	42.7	0.8	1.3	—	—	—	—	—	—
Machinery Manufacturing	33.2	33.2	33.3	-0.2	-0.5	—	—	—	—	—	—
Computer and Electronic Product	45.9	45.8	45.8	0.2	0.1	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	26.6	26.6	26.9	0.0	-1.2	—	—	—	—	—	—
Transportation Equipment	10.9	10.9	10.7	0.1	1.7	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	16.5	16.4	16.3	0.3	1.2	—	—	—	—	—	—
Nondurable Goods	123.5	122.1	119.2	1.2	3.6	793.61	787.73	39.9	40.9	19.89	19.26
Food Manufacturing	50.4	49.8	48.3	1.1	4.3	—	—	—	—	—	—
<b>SERVICE-PROVIDING</b>	<b>2,529.1</b>	<b>2,545.1</b>	<b>2,484.1</b>	<b>-0.6</b>	<b>1.8</b>	—	—	—	—	—	—
<b>Trade, Transportation, and Utilities</b>	<b>546.9</b>	<b>546.0</b>	<b>539.4</b>	<b>0.2</b>	<b>1.4</b>	—	—	—	—	—	—
Wholesale Trade	136.8	135.5	134.4	0.9	1.8	1,053.41	952.00	38.9	40.0	27.08	23.80
Retail Trade	304.4	304.1	301.7	0.1	0.9	480.25	436.74	29.7	29.0	16.17	15.06
Motor Vehicle and Parts	36.1	36.2	35.7	-0.3	1.3	—	—	—	—	—	—
Building Material and Garden Equipment	27.9	28.7	28.1	-2.8	-1.0	—	—	—	—	—	—
Food and Beverage Stores	58.2	58.8	57.8	-1.0	0.7	—	—	—	—	—	—
Gasoline Stations	25.6	25.5	25.6	0.5	-0.1	—	—	—	—	—	—
General Merchandise Stores	61.0	60.2	59.8	1.4	2.1	419.53	397.13	30.6	30.2	13.71	13.15
Transportation, Warehouse, Utilities	105.7	106.4	103.3	-0.6	2.3	—	—	—	—	—	—
Transportation and Warehousing	93.3	93.9	90.9	-0.7	2.6	752.75	734.40	32.9	34.0	22.88	21.60
<b>Information</b>	<b>50.7</b>	<b>51.0</b>	<b>50.6</b>	<b>-0.5</b>	<b>0.3</b>	<b>1,098.88</b>	<b>1,090.08</b>	<b>36.1</b>	<b>36.0</b>	<b>30.44</b>	<b>30.28</b>
Publishing Industries	18.9	19.0	19.5	0.0	-3.0	—	—	—	—	—	—
Telecommunications	13.0	13.1	13.2	-1.0	-1.9	—	—	—	—	—	—
<b>Financial Activities</b>	<b>182.9</b>	<b>181.9</b>	<b>183.1</b>	<b>0.6</b>	<b>-0.1</b>	—	—	—	—	—	—
Finance and Insurance	146.4	146.4	147.0	0.0	-0.4	1,189.57	1,138.86	37.8	38.0	31.47	29.97
Credit Intermediation	63.2	63.1	64.7	0.2	-2.3	795.00	816.51	37.5	36.5	21.20	22.37
Securities, Commodity Contracts, and Other	19.8	19.9	19.7	-0.6	0.4	—	—	—	—	—	—
Insurance Carriers and Related	63.4	63.4	62.6	0.0	1.3	—	—	—	—	—	—
Real Estate and Rental and Leasing	36.5	35.4	36.1	2.9	1.0	—	—	—	—	—	—
<b>Professional and Business Services</b>	<b>383.9</b>	<b>381.2</b>	<b>378.4</b>	<b>0.7</b>	<b>1.5</b>	—	—	—	—	—	—
Professional, Scientific, and Technical Services	164.1	162.3	160.8	1.1	2.0	—	—	—	—	—	—
Legal Services	18.6	18.5	18.5	0.2	0.4	—	—	—	—	—	—
Accounting, Tax Preparation	15.2	15.3	14.6	-1.2	3.7	—	—	—	—	—	—
Computer Systems Design	35.6	34.9	37.1	1.9	-4.2	—	—	—	—	—	—
Management of Companies and Enterprises	81.7	81.9	80.8	-0.2	1.1	—	—	—	—	—	—
Administrative and Support Services	138.1	137.0	136.7	0.8	1.0	—	—	—	—	—	—
<b>Educational and Health Services</b>	<b>537.8</b>	<b>538.2</b>	<b>527.0</b>	<b>-0.1</b>	<b>2.1</b>	—	—	—	—	—	—
Educational Services	62.9	65.8	57.3	-4.4	9.7	—	—	—	—	—	—
Health Care and Social Assistance	475.0	472.4	469.7	0.5	1.1	—	—	—	—	—	—
Ambulatory Health Care	155.4	153.4	153.9	1.3	1.0	1,292.21	1,364.37	36.7	36.5	35.21	37.38
Offices of Physicians	75.6	75.3	74.0	0.4	2.2	—	—	—	—	—	—
Hospitals	113.8	113.5	111.3	0.3	2.3	—	—	—	—	—	—
Nursing and Residential Care Facilities	107.5	107.8	108.8	-0.3	-1.2	503.67	476.42	29.3	29.3	17.19	16.26
Social Assistance	98.2	97.7	95.8	0.5	2.5	—	—	—	—	—	—
<b>Leisure and Hospitality</b>	<b>306.5</b>	<b>303.2</b>	<b>289.4</b>	<b>1.1</b>	<b>5.9</b>	—	—	—	—	—	—
Arts, Entertainment, and Recreation	56.3	55.9	52.7	0.7	6.9	—	—	—	—	—	—
Accommodation and Food Services	250.2	247.3	236.8	1.2	5.7	—	—	—	—	—	—
Food Services and Drinking Places	214.8	213.2	204.1	0.7	5.2	286.44	276.25	21.0	20.6	13.64	13.41
<b>Other Services</b>	<b>116.9</b>	<b>116.9</b>	<b>117.8</b>	<b>0.0</b>	<b>-0.8</b>	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	65.4	65.4	65.6	0.0	-0.4	—	—	—	—	—	—
<b>Government</b>	<b>403.5</b>	<b>426.9</b>	<b>398.5</b>	<b>-5.5</b>	<b>1.3</b>	—	—	—	—	—	—
Federal Government	32.4	32.1	32.4	0.7	-0.2	—	—	—	—	—	—
State Government	91.5	89.7	88.6	2.0	3.3	—	—	—	—	—	—
State Government Education	50.6	48.9	48.0	3.5	5.5	—	—	—	—	—	—
Local Government	279.6	305.0	277.5	-8.3	0.8	—	—	—	—	—	—
Local Government Education	123.2	149.4	122.0	-17.5	1.0	—	—	—	—	—	—

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, 2018.

# 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*			Percent Change		Production Workers Hours and Earnings					
	(Thousands)			From**		Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017	Jul 2018	Jul 2017	Jul 2018	Jul 2017	Jul 2018	Jul 2017
<b>TOTAL NONFARM WAGE AND SALARY</b>	<b>2,042.7</b>	<b>2,050.5</b>	<b>1,999.1</b>	<b>-0.4%</b>	<b>2.2%</b>	—	—	—	—	—	—
<b>GOODS-PRODUCING</b>	<b>297.5</b>	<b>294.2</b>	<b>287.1</b>	<b>1.1</b>	<b>3.6</b>	—	—	—	—	—	—
<b>Mining, Logging, and Construction</b>	<b>92.3</b>	<b>90.1</b>	<b>88.0</b>	<b>2.4</b>	<b>4.8</b>	—	—	—	—	—	—
Construction of Buildings	18.7	18.3	18.6	2.2	0.9	—	—	—	—	—	—
Specialty Trade Contractors	60.8	59.6	58.9	2.0	3.2	\$1,357.20	\$1,390.80	40	40	\$33.93	\$34.77
<b>Manufacturing</b>	<b>205.3</b>	<b>204.1</b>	<b>199.1</b>	<b>0.6</b>	<b>3.1</b>	<b>914.30</b>	<b>897.65</b>	<b>41</b>	<b>42</b>	<b>22.30</b>	<b>21.63</b>
Durable Goods	139.2	138.4	135.4	0.6	2.8	954.60	919.08	41	41	23.17	22.20
Fabricated Metal Production	30.2	29.9	29.9	0.9	1.2	—	—	—	—	—	—
Machinery Manufacturing	20.4	20.4	20.2	0.0	1.1	—	—	—	—	—	—
Computer and Electronic Product	37.8	37.6	37.3	0.4	1.3	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	25.2	25.1	25.3	0.4	-0.4	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	15.7	15.7	15.1	0.1	3.8	—	—	—	—	—	—
Nondurable Goods	66.1	65.7	63.7	0.6	3.7	833.09	856.10	41	42	20.57	20.53
Food Manufacturing	16.0	15.9	15.2	0.5	5.1	—	—	—	—	—	—
Printing and Related	14.4	14.3	14.7	0.3	-1.9	—	—	—	—	—	—
<b>SERVICE-PROVIDING</b>	<b>1,745.2</b>	<b>1,756.4</b>	<b>1,712.0</b>	<b>-0.6</b>	<b>1.9</b>	—	—	—	—	—	—
<b>Trade, Transportation, and Utilities</b>	<b>371.8</b>	<b>372.1</b>	<b>363.4</b>	<b>-0.1</b>	<b>2.3</b>	—	—	—	—	—	—
Wholesale Trade	102.2	101.2	98.8	1.0	3.4	1,025.66	944.72	38	39	26.71	24.10
Merchant Wholesalers - Durable Goods	51.8	51.0	49.8	1.5	3.9	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	29.1	29.0	29.1	0.3	0.0	—	—	—	—	—	—
Retail Trade	194.6	195.2	191.9	-0.3	1.4	510.54	455.34	31	30	16.63	15.28
Food and Beverage Stores	36.1	36.3	35.8	-0.6	0.7	—	—	—	—	—	—
General Merchandise Stores	39.2	38.6	37.0	1.6	6.0	407.18	381.28	31	31	13.35	12.46
Transportation, Warehouse, Utilities	75.1	75.7	72.6	-0.8	3.3	—	—	—	—	—	—
Utilities	7.5	7.5	7.5	-0.2	-0.5	—	—	—	—	—	—
Transportation and Warehousing	67.6	68.2	65.1	-0.9	3.8	799.56	752.60	35	36	22.91	20.79
<b>Information</b>	<b>37.6</b>	<b>37.5</b>	<b>38.1</b>	<b>0.2</b>	<b>-1.4</b>	—	—	—	—	—	—
Publishing Industries	15.2	15.2	15.5	0.3	-1.7	—	—	—	—	—	—
Telecommunications	8.2	8.3	8.5	-0.9	-3.9	—	—	—	—	—	—
<b>Financial Activities</b>	<b>148.7</b>	<b>148.7</b>	<b>147.5</b>	<b>0.0</b>	<b>0.8</b>	—	—	—	—	—	—
Finance and Insurance	119.3	119.6	118.9	-0.3	0.3	1,223.96	1,229.28	38	38	32.38	32.18
Credit Intermediation	47.0	46.9	48.4	0.2	-2.9	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	17.5	17.7	17.6	-1.6	-1.1	—	—	—	—	—	—
Insurance Carriers and Related	54.8	55.0	52.8	-0.3	3.8	—	—	—	—	—	—
Real Estate and Rental and Leasing	29.4	29.1	28.6	1.2	2.8	—	—	—	—	—	—
<b>Professional and Business Services</b>	<b>330.8</b>	<b>328.2</b>	<b>324.4</b>	<b>0.8</b>	<b>2.0</b>	—	—	—	—	—	—
Professional, Scientific, and Technical Services	144.4	141.8	140.9	1.9	2.5	—	—	—	—	—	—
Legal Services	16.0	15.9	15.9	0.4	0.7	—	—	—	—	—	—
Architectural, Engineering, and Related	20.0	19.7	19.5	1.2	2.5	—	—	—	—	—	—
Computer Systems Design	33.6	32.8	34.2	2.6	-1.6	—	—	—	—	—	—
Management of Companies and Enterprises	73.7	73.8	74.0	-0.1	-0.4	—	—	—	—	—	—
Administrative and Support Services	112.7	112.7	109.5	0.0	2.9	—	—	—	—	—	—
Employment Services	48.7	48.2	48.4	0.9	0.6	—	—	—	—	—	—
<b>Educational and Health Services</b>	<b>329.6</b>	<b>330.9</b>	<b>327.2</b>	<b>-0.4</b>	<b>0.7</b>	—	—	—	—	—	—
Educational Services	40.8	42.9	39.3	-4.9	3.7	—	—	—	—	—	—
Health Care and Social Assistance	288.8	288.0	287.9	0.3	0.3	—	—	—	—	—	—
Ambulatory Health Care	90.1	89.3	91.1	0.9	-1.1	—	—	—	—	—	—
Hospitals	67.9	67.8	66.3	0.1	2.4	—	—	—	—	—	—
Nursing and Residential Care Facilities	59.7	60.3	60.7	-1.0	-1.7	—	—	—	—	—	—
Social Assistance	71.1	70.6	69.8	0.7	1.9	—	—	—	—	—	—
<b>Leisure and Hospitality</b>	<b>206.7</b>	<b>206.6</b>	<b>197.6</b>	<b>0.0</b>	<b>4.6</b>	—	—	—	—	—	—
Arts, Entertainment, and Recreation	42.4	43.5	40.8	-2.6	3.7	—	—	—	—	—	—
Accommodation and Food Services	164.3	163.1	156.8	0.7	4.8	312.78	294.13	23	21	13.84	13.94
Food Services and Drinking Places	149.1	148.5	141.7	0.4	5.3	309.62	286.18	22	21	14.01	13.96
<b>Other Services</b>	<b>83.1</b>	<b>81.9</b>	<b>81.9</b>	<b>1.5</b>	<b>1.5</b>	—	—	—	—	—	—
Repair and Maintenance	14.9	14.7	14.7	1.7	1.4	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	44.5	43.9	43.8	1.2	1.6	—	—	—	—	—	—
<b>Government</b>	<b>236.9</b>	<b>250.4</b>	<b>231.9</b>	<b>-5.4</b>	<b>2.2</b>	—	—	—	—	—	—
Federal Government	21.4	21.2	21.5	0.7	-0.5	—	—	—	—	—	—
State Government	61.3	59.9	58.4	2.4	5.0	—	—	—	—	—	—
State Government Education	34.1	32.8	31.5	3.9	8.0	—	—	—	—	—	—
Local Government	154.2	169.4	152.0	-8.9	1.5	—	—	—	—	—	—
Local Government Education	77.9	93.7	76.0	-16.8	2.5	—	—	—	—	—	—

Note: Not all industry subgroups are shown for every major industry category.

\* Totals may not add because of rounding.

\*\* Percent change based on unrounded numbers.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2018.

# Employer Survey

## Industry

	Duluth-Superior MSA					Rochester MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017
<b>TOTAL NONFARM WAGE AND SALARY</b>	<b>137,756</b>	<b>139,143</b>	<b>135,792</b>	<b>-1.0%</b>	<b>1.4%</b>	<b>122,428</b>	<b>122,857</b>	<b>122,004</b>	<b>-0.3%</b>	<b>0.3%</b>
<b>GOODS-PRODUCING</b>	<b>17,410</b>	<b>17,609</b>	<b>17,153</b>	<b>-1.1</b>	<b>1.5</b>	<b>15,887</b>	<b>15,699</b>	<b>15,917</b>	<b>1.2</b>	<b>-0.2</b>
Mining, Logging, and Construction	9,507	9,787	9,462	-2.9	0.5	4,954	4,834	5,077	2.5	-2.4
Manufacturing	7,903	7,822	7,691	1.0	2.8	10,933	10,865	10,840	0.6	0.9
<b>SERVICE-PROVIDING</b>	<b>120,346</b>	<b>121,534</b>	<b>118,639</b>	<b>-1.0</b>	<b>1.4</b>	<b>106,541</b>	<b>107,158</b>	<b>106,087</b>	<b>-0.6</b>	<b>0.4</b>
Trade, Transportation, and Utilities	25,353	25,109	24,976	1.0	1.5	18,101	18,042	17,990	0.3	0.6
Wholesale Trade	3,243	3,249	3,298	-0.2	-1.7	2,756	2,760	2,713	-0.1	1.6
Retail Trade	15,868	15,542	15,355	2.1	3.3	12,332	12,315	12,572	0.1	-1.9
Transportation, Warehouse, Utilities	6,242	6,318	6,323	-1.2	-1.3	3,013	2,967	2,705	1.6	11.4
Information	1,311	1,324	1,340	-1.0	-2.2	1,916	1,910	1,920	0.3	-0.2
Financial Activities	6,083	6,035	6,056	0.8	0.4	2,826	2,812	2,844	0.5	-0.6
Professional and Business Services	8,231	8,255	8,297	-0.3	-0.8	5,696	5,701	5,616	-0.1	1.4
Educational and Health Services	31,627	31,716	31,302	-0.3	1.0	48,601	48,963	49,379	-0.7	-1.6
Leisure and Hospitality	16,252	15,819	16,051	2.7	1.3	12,384	12,087	11,717	2.5	5.7
Other Services	6,956	7,021	6,695	-0.9	3.9	4,059	4,081	3,969	-0.5	2.3
Government	24,533	26,255	23,922	-6.6	2.6	12,958	13,562	12,652	-4.5	2.4

# Employer Survey

## Industry

	St. Cloud MSA					Mankato MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017
<b>TOTAL NONFARM WAGE AND SALARY</b>	<b>111,026</b>	<b>111,880</b>	<b>108,958</b>	<b>-0.8%</b>	<b>1.9%</b>	<b>59,059</b>	<b>59,384</b>	<b>55,251</b>	<b>-0.5</b>	<b>6.9%</b>
<b>GOODS-PRODUCING</b>	<b>23,999</b>	<b>23,621</b>	<b>22,868</b>	<b>1.6</b>	<b>4.9</b>	<b>10,923</b>	<b>10,862</b>	<b>10,502</b>	<b>0.6</b>	<b>4.0</b>
Mining, Logging, and Construction	7,718	7,569	7,448	2.0	3.6	--	--	--	--	--
Manufacturing	16,281	16,052	15,420	1.4	5.6	--	--	--	--	--
<b>SERVICE-PROVIDING</b>	<b>87,027</b>	<b>88,259</b>	<b>86,090</b>	<b>-1.4</b>	<b>1.1</b>	<b>48,136</b>	<b>48,522</b>	<b>44,749</b>	<b>-0.8</b>	<b>7.6</b>
Trade, Transportation, and Utilities	22,247	22,171	22,280	0.3	-0.1	--	--	--	--	--
Wholesale Trade	4,885	4,907	4,705	-0.4	3.8	--	--	--	--	--
Retail Trade	13,351	13,094	13,732	2.0	-2.8	--	--	--	--	--
Transportation, Warehouse, Utilities	4,011	4,170	3,843	-3.8	4.4	--	--	--	--	--
Information	1,524	1,520	1,578	0.3	-3.4	--	--	--	--	--
Financial Activities	5,507	5,473	5,597	0.6	-1.6	--	--	--	--	--
Professional and Business Services	8,972	8,994	9,130	-0.2	-1.7	--	--	--	--	--
Educational and Health Services	21,954	21,929	21,073	0.1	4.2	--	--	--	--	--
Leisure and Hospitality	9,199	9,371	9,068	-1.8	1.4	--	--	--	--	--
Other Services	4,016	4,043	3,928	-0.7	2.2	--	--	--	--	--
Government	13,608	14,758	13,436	-7.8	1.3	9,378	10,051	7,332	-6.7	27.9

# Employer Survey

## Industry

	Fargo-Moorhead MSA					Grand Forks-East Grand Forks MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017	Jul 2018	Jun 2018	Jul 2017	Jun 2018	Jul 2017
<b>TOTAL NONFARM WAGE AND SALARY</b>	<b>142,098</b>	<b>142,675</b>	<b>140,090</b>	<b>-0.4%</b>	<b>1.4%</b>	<b>55,170</b>	<b>57,010</b>	<b>54,384</b>	<b>-3.2%</b>	<b>1.5%</b>
<b>GOODS-PRODUCING</b>	<b>20,358</b>	<b>20,126</b>	<b>19,906</b>	<b>1.2</b>	<b>2.3</b>	<b>8,077</b>	<b>7,906</b>	<b>7,757</b>	<b>2.2</b>	<b>4.1</b>
Mining, Logging, and Construction	10,249	10,055	10,078	1.9	1.7	3,518	3,382	3,439	4.0	2.3
Manufacturing	10,109	10,071	9,828	0.4	2.9	4,559	4,524	4,318	0.8	5.6
<b>SERVICE-PROVIDING</b>	<b>121,740</b>	<b>122,549</b>	<b>120,184</b>	<b>-0.7</b>	<b>1.3</b>	<b>47,093</b>	<b>49,104</b>	<b>46,627</b>	<b>-4.1</b>	<b>1.0</b>
Trade, Transportation, and Utilities	29,746	29,681	29,934	0.2	-0.6	11,382	11,322	11,437	0.5	-0.5
Wholesale Trade	9,064	9,062	9,055	0.0	0.1	1,816	1,816	1,864	0.0	-2.6
Retail Trade	15,039	14,929	15,400	0.7	-2.3	7,364	7,294	7,478	1.0	-1.5
Transportation, Warehouse, Utilities	5,643	5,690	5,479	-0.8	3.0	2,202	2,212	2,095	-0.5	5.1
Information	3,110	3,087	3,138	0.8	-0.9	557	554	573	0.5	-2.8
Financial Activities	11,520	11,418	11,283	0.9	2.1	1,916	1,933	1,899	-0.9	0.9
Professional and Business Services	16,353	16,043	16,101	1.9	1.6	3,352	3,335	3,216	0.5	4.2
Educational and Health Services	24,910	24,575	24,048	1.4	3.6	9,792	9,855	9,595	-0.6	2.1
Leisure and Hospitality	14,478	13,757	14,090	5.2	2.8	6,284	6,333	5,953	-0.8	5.6
Other Services	5,502	5,511	5,495	-0.2	0.1	1,948	1,980	1,958	-1.6	-0.5
Government	16,121	18,477	16,095	-12.8	0.2	11,862	13,792	11,996	-14.0	-1.1

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2018.

# Minnesota Economic Indicators

## Highlights

The **Minnesota Index** roared back in July, advancing 0.6 percent for the second time in three months. The acceleration in the index was fueled by another month of strong wage and salary employment growth and another drop in the unemployment rate. The index is designed to produce monthly estimates of how fast the state's GDP is expanding.

Minnesota's index outpaced the U.S. index, which increased 0.3 percent in July for the third straight month. Minnesota's index was up 3.8 percent from a year ago while the U.S. index was 2.8 percent higher over the same period. Minnesota's over-the-year increase has been higher than the U.S. for the last 17 months. Minnesota's index has increased 5.2 percent during the last 17 months while the U.S. index advanced by 3.8 percent.

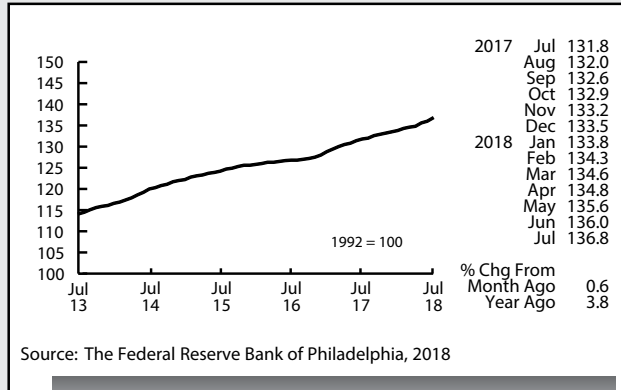
Minnesota's adjusted **Wage and Salary Employment** recorded its third straight month of robust growth. Employers added 11,200 jobs in July as the private sector employers added 8,000 new workers while public sector payrolls expanded by 2,400. Private sector payroll numbers increased the most in Educational and Health Services, Trade, Transportation and Utilities, and Manufacturing. Eight of the 11 supersectors expanded their workforces in July. Manufacturing has added jobs every month this year. Employment in this sector is still short of pre-recession levels as July's employment was 4.8 percent short of the pre-recession peak reached in February 2007.

Minnesota's unadjusted over-the-year job growth spiked again in July to 2.0 percent, the highest over-the-year percent increase since April 2015. Minnesota's over-the-year job growth was higher than the U.S.'s rate (1.7 percent) in July for the first time since June 2017.

**Online Help-Wanted Ads** inched up in July to 130,800. Minnesota's 2.2 percent increase was below the 3.8 percent gain nationally. The state's unemployed workers-to-online help-wanted ads ratio in July, as reported by the Conference Board, was 0.71, second lowest to North Dakota's 0.63. The ratio is now below 1.0 in 11 states including Iowa (0.77) and Wisconsin (0.91). Minnesota's share of nationwide online help-wanted postings continues to run at 2.8 percent compared to the 2.0 percent share of national employment.

Minnesota's **Purchasing Managers' Index (PMI)** slipped for the second month in a row in July, falling to 55.8, the lowest reading since January. Minnesota's PMI has averaged 54.1 since first being published in 1994, so the indicator is pointing towards faster than average long-term growth in Manufacturing over the next few months. Any reading above 50 signals that manufacturing activity is expected to advance over the next three to six months.

Adjusted average weekly **Manufacturing Hours** inched down for the second consecutive month, dipping to 40.6 hours. The factory workweek hasn't been this low since February. Average weekly factory hours usually increase when manufacturing activity accelerates as employers add overtime. Average weekly **Manufacturing Earnings**, adjusted for inflation and seasonality, rose 1.0 percent in July to \$878.98. Factory earnings, however, were only 0.5 percent higher than a year ago which is the



Source: The Federal Reserve Bank of Philadelphia, 2018

## Minnesota Index

smallest over-the-year real increase in manufacturing earnings since January 2017.

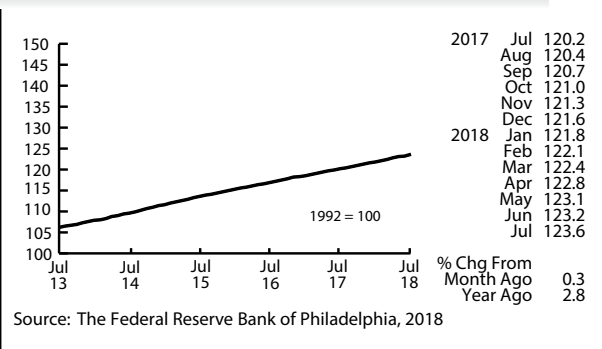
The **Minnesota Leading Index** dropped a notch to 2.3 in July but remained significantly elevated from the 1.5 average recorded over the last 36 years. Minnesota's leading index was higher than the national leading index for the third consecutive month. This suggests that Minnesota's economy will be expanding at a quicker rate than the U.S. economy over the next six months.

Adjusted **Residential Building Permits** climbed to 2,337 in July, the second highest monthly total of the year. Home-building permits have recovered over the last few months after a slow start at the beginning of the year. Home-building permits through July are 6.0 percent higher than the same period last year. July's residential building permits accounted for 2.3 percent of the U.S. total. Minnesota has 1.7 percent of the nation's population and 1.6 percent of nationwide residential building construction employment.

Adjusted **Initial Claims for Unemployment Benefits (UB)** hardly changed in July, coming in at 15,733 versus June's 15,799. The level of initial claims in Minnesota, as is true nationally, has reached four-decade lows when viewed using the ratio of initial claims to employment. Minnesota's job growth is likely to slow slightly from the fast pace of the last few months but will remain in the 1.5 percent neighborhood for the rest of the year given the low rate of workers filing initial claims for unemployment benefits.

by Dave Senf

## United States Index

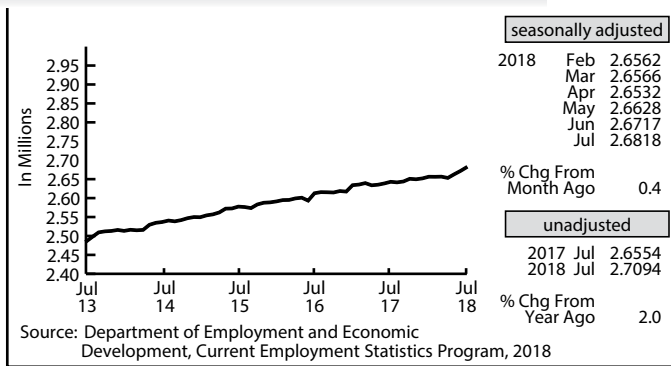


Source: The Federal Reserve Bank of Philadelphia, 2018

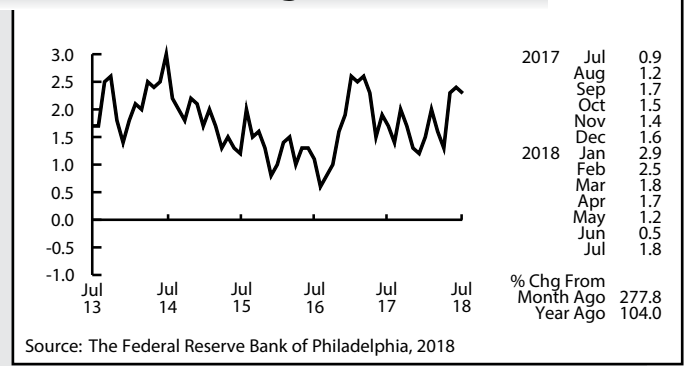
Note: All data except for Minnesota's PMI have been seasonally adjusted. See the feature article in the Minnesota Employment Review, May 2010, for more information on the Minnesota Index.

# Minnesota Economic Indicators

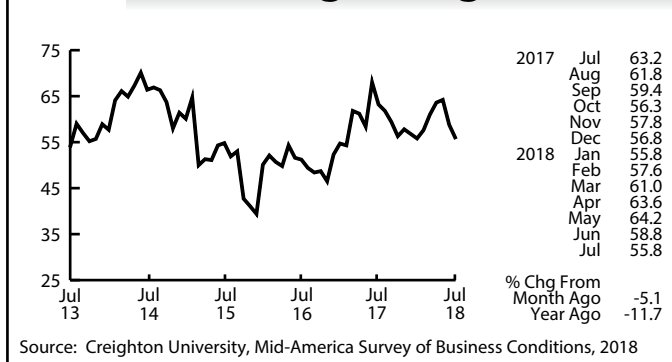
## Wage and Salary Employment



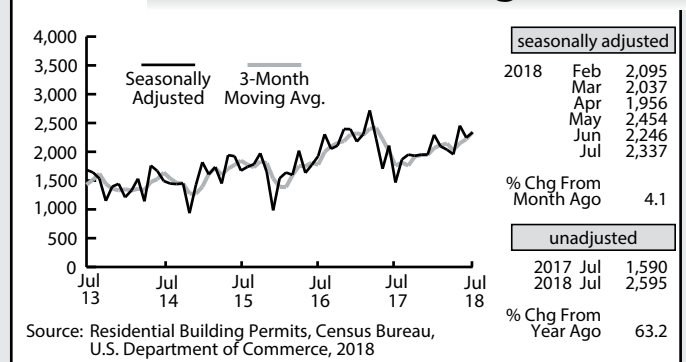
## Minnesota Leading Index



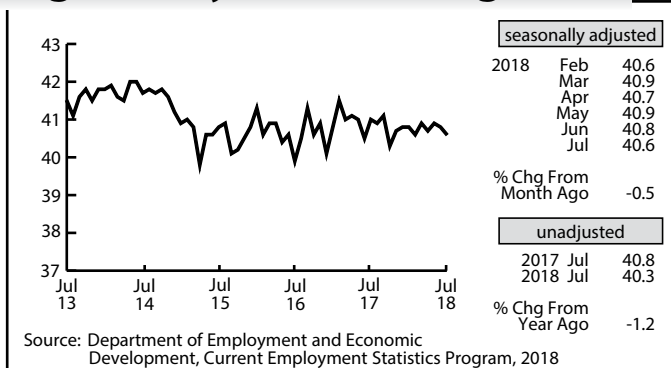
## Purchasing Managers' Index



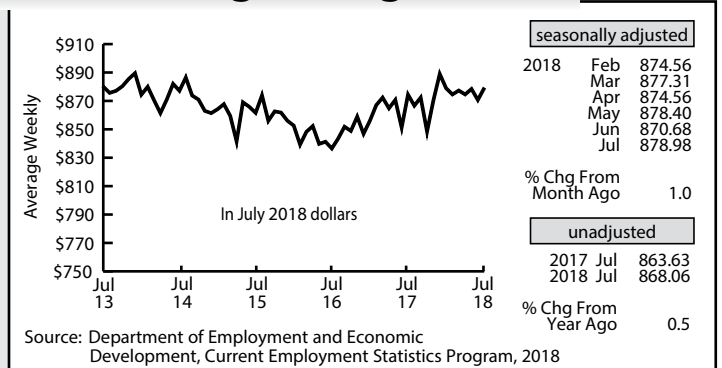
## Residential Building Permits



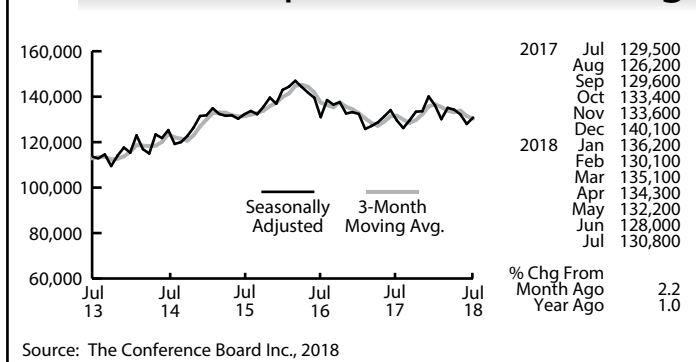
## Average Weekly Manufacturing Hours



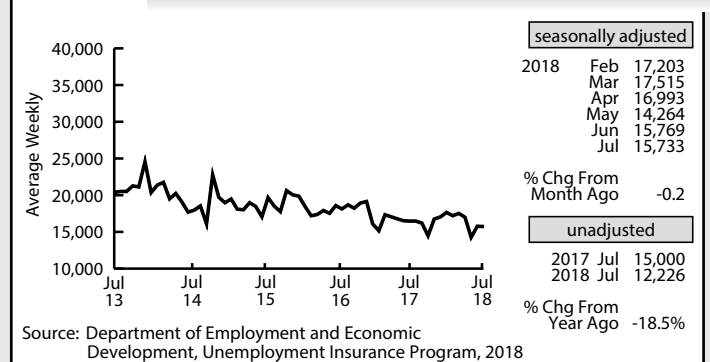
## Manufacturing Earnings



## Online Help-Wanted Advertising



## Initial UB Claimants



# Review

Minnesota Employment



## DEED

### Labor Market Information Office

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332 Minnesota Street, Suite E200  
St. Paul, MN 55101-1351  
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mn.gov/deed/lmi

### Labor Market Information

#### Help Line:

651.259.7384

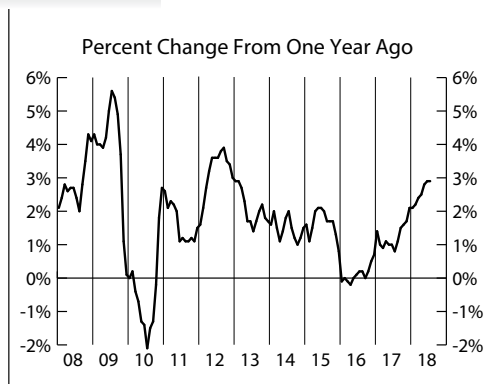
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## U.S. Consumer Price Index for All Urban Consumers (CPI-U)

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in July on a seasonally adjusted basis after rising 0.1 percent in June the U.S. Bureau of Labor Statistics reported today. The index for shelter rose 0.3 percent in July and accounted for nearly 60 percent of the seasonally adjusted monthly increase in the all items index.

The all items index rose 2.9 percent for the 12 months ending July, the same increase as for the period ending June. The index for all items less food and energy rose 2.4 percent for the 12 months ending July; this was the largest 12-month increase since the period ending September 2008. The food index increased 1.4 percent over the last 12 months, and the energy index rose 12.1 percent.



For more information  
on the U.S. CPI  
or the semi-annual  
Minneapolis-St. Paul CPI, call:  
651.259.7384  
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## The Last Word

### Resources for Spanish-speaking Job Seekers

Sponsored by the U.S. Department of Labor, CareerOneStop provides numerous employment-related tools to help job seekers, students, and career professionals. The entire site is available in Spanish. Find the world icon at the top of the webpage and select 'Español' for translation.

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# The Experience of American Indian Students in the Minnesota Labor Market

American Indians have the lowest educational attainment rates of any population group in the United States, and Minnesota is no exception. Moreover, American Indians with a college degree have lower post-college earnings relative to other groups.

This study compares American Indian post-secondary students to their white peers with the aim of identifying (1) what educational and socio-economic characteristics set them apart from the majority race group, (2) how these background characteristics contribute to the observed employment and wage disparities relative to whites, (3) how geographic location, especially living and working in rural counties, negatively affects earnings, and (4) potential implications of the findings.

## Demographics and high school characteristics

This study is based on a very large dataset – 653,367 records – of students who enrolled in a post-secondary school in Minnesota from July 2006 to June 2016 and reported being either American Indian or white. Before delving into the data, it is important to clarify that the race definitions used in this study are based on self-reporting, and American Indians have a tendency to report their race inconsistently. Nearly 20 percent of American Indian students in our dataset reported being American Indian or white depending on the timing and context of data collection,<sup>1</sup> indicating a mixed heritage and a fluid identification with both cultures. At one end of the spectrum are individuals who qualify as members of federally recognized tribes.<sup>2</sup> At the other end



of the spectrum are multi-race individuals with American Indian ancestors who predominantly identify as white. These inconsistencies were resolved by determining race based on frequency of responses.

American Indians have experienced significant progress in educational outcomes over the last decade. College attendance rates are on the rise, and the number of credentials awarded to American Indians nearly doubled from school years 2007-08 to 2014-15. But despite these gains, differences persist between American Indians and students of other racial/ethnic groups on key indicators of educational performance. As shown in Table 1, of 12,050 American Indian post-secondary students, 23.3 percent, nearly one in four, were high school dropouts, some of whom completed a General Educational Development

<sup>1</sup>Since data collection forms do not allow students to check more than one race category, a person of mixed white/American-Indian race might report one race at the time of enrollment and a different race at the time of graduation.

<sup>2</sup>As sovereign nations, tribal governments define the criteria for membership or citizenship as well as the membership enrollment process.

(GED) credential. Such a high incidence, six times higher than whites at 4.2 percent, partly explains why American Indian students' median age of enrollment was higher than whites, 24 versus 21. That is, white students tend to enter college straight after high school while American Indians are much more likely to delay entry, either because they don't graduate from high school on time or for other reasons, such as inability to afford college without first finding a job.

Racial differences in post-secondary educational outcomes are just as stark. Only 37.2 percent of American Indian college-goers earned a credential versus 64.9 percent of whites, meaning that two out of three white students made it to graduation while an almost identical share of American Indian students did not. Finally, 8.8 percent of American Indian students came from out of state, primarily Wisconsin and the Dakotas, and the majority (60.9 percent) enrolled in a post-secondary school located outside the Twin Cities Metro versus 49.8 percent of whites.

Although our dataset does not include measures of socio-economic status, we can infer this information from the characteristics of the high school that students attended. This information is available for entering undergraduate students from

Minnesota, representing about 40 percent of our dataset. Of particular relevance is the percentage of students receiving free or reduced-price lunches, a commonly used indicator of school poverty. The results, displayed in Figure 1, reveal dramatic differences in socio-economic status.

A staggering 41.5 percent of American Indian undergraduate students came from a high poverty secondary school – with all tribal schools falling into this category – compared to 9.2 percent among white students who were overwhelmingly more likely (55 percent) to have attended a low poverty high school.<sup>3</sup>

These socio-economic differences are not surprising given that, between 2012 and 2016, an estimated 31.4 percent of American Indians lived in poverty compared to 10.8 percent of the general population in Minnesota.<sup>4</sup>

Despite the lack of information on the socio-economic characteristics of students attending private and out-of-state high schools, the large size of the dataset used for this analysis allows us to reach the conclusion that high school experiences, as well as the circumstances of entry into higher education, are considerably more challenging for American Indians than for whites. These disparities

**Table 1. High School and Post-Secondary School Characteristics, 2006-2016**

Race*	Number of Students Enrolled from 2006 to 2016	Women	With Permanent Residence Outside Minnesota**	Median Age at Enrollment	Percent Who Dropped Out of High School (including GED Completers)	Enrolled in a Post-Secondary School Outside the Twin Cities***	Completed a Post-Secondary Credential
American Indian Alone or with other races except Hispanic/Latino	12,050	59.1%	8.8%	24	23.3%	60.9%	37.2%
White non-Hispanic	641,317	55.6%	11%	21	4.2%	49.8%	64.9%

\* Mixed-race individuals who reported being American Indian in combination with Black, Asian, or Pacific Islander were excluded from the definition of American Indian in this analysis. Individuals who predominantly self-identified as American Indian and occasionally also reported being white or Latino, with Latino being a race category, not an ethnicity category, in our datasets, were for the most part included.  
 \*\* International students who were not yet naturalized U.S. citizens at the time of enrollment were excluded.  
 \*\*\* Includes three tribally run colleges and universities

Source: Statewide Longitudinal Education Data System

<sup>3</sup>Low-poverty in this study is defined as having less than 30 percent of students eligible for free or reduced-price lunch. Although the socio-economic characteristics of a school as a whole do not necessarily represent individual student characteristics nor school quality, schools in low-income communities tend to have fewer resources than those serving predominantly wealthy communities, Differences in the education and/or income level of parents also influence learning experiences.

<sup>4</sup> Source: American Community Survey 5-year Estimates 2012-2016, Poverty Status in the Past 12 Months, Minnesota

probably stem from the history of residential and socio-economic segregation experienced by American Indian communities in Minnesota.

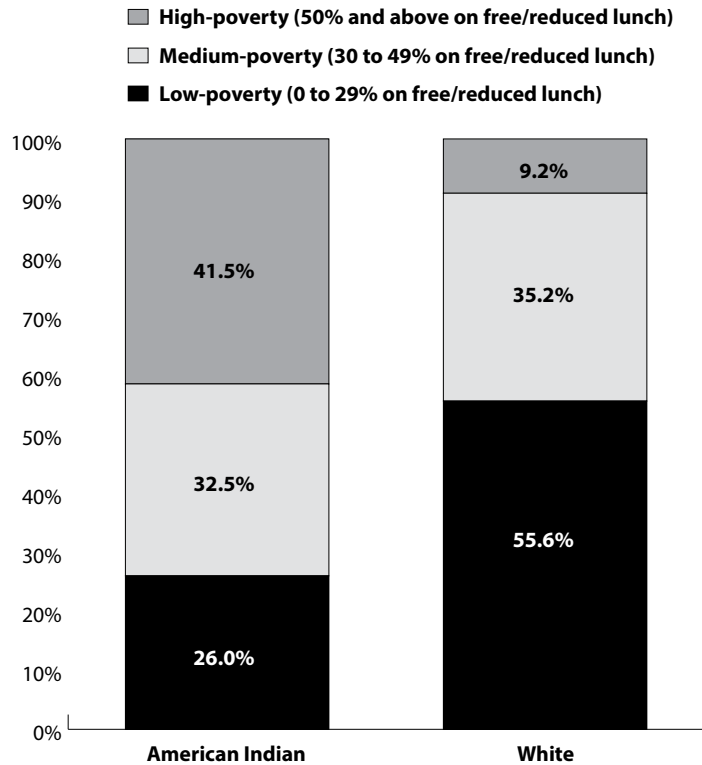
## Post-secondary school experience

Figure 2 provides further details of the striking gaps in post-secondary educational attainment between American Indian and white post-secondary students. As shown, 62.8 percent of American Indians did not earn a credential, compared to whites at 35 percent.

The high share of whites with a bachelor's degree, 30 percent, represents a large pipeline of people who can access master's and doctoral degrees. In comparison, the American Indian educational pipeline is much thinner. However, the presence of 5.9 percent advanced degree completers suggests that American Indians are a heterogeneous group that defies stereotypes. Low educational attainment is not necessarily representative of the American Indian experience.

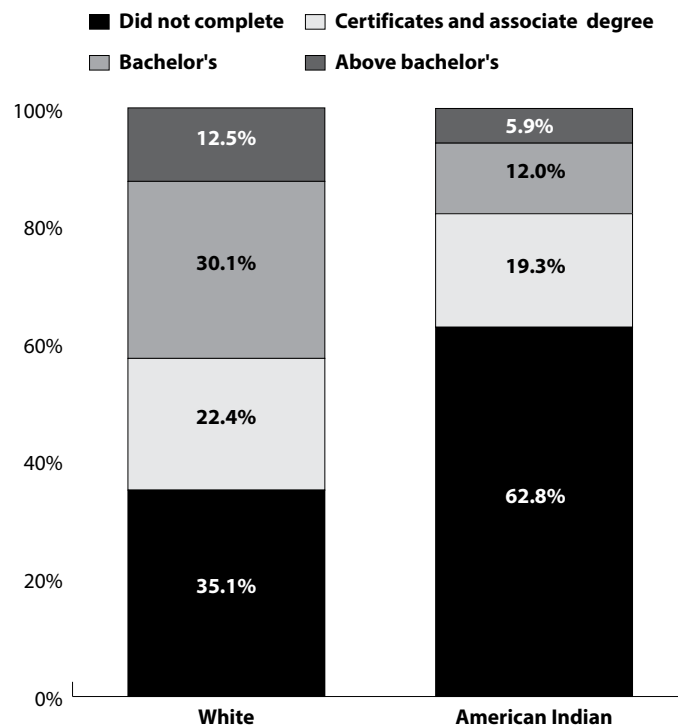
What are the reasons for high college drop-out rates among American Indian students? A well-known risk indicator for dropping out is placement in remedial classes. Students are placed in supplemental instruction in core subjects like math and reading when they are unprepared to take college-level courses. American Indians are more likely than whites to be placed in educational remediation, 33 percent versus 18 percent. Addressing the problem of weak college readiness appears critical to improving American Indian students' chances of success in higher education.

**Figure 1. Poverty Level of Minnesota Public High School of Attendance, Valid Reported Cases: 255,928**



Source: Statewide Longitudinal Education Data System

**Figure 2. Educational Attainment by Race/Ethnicity, School Years 2006-2016**



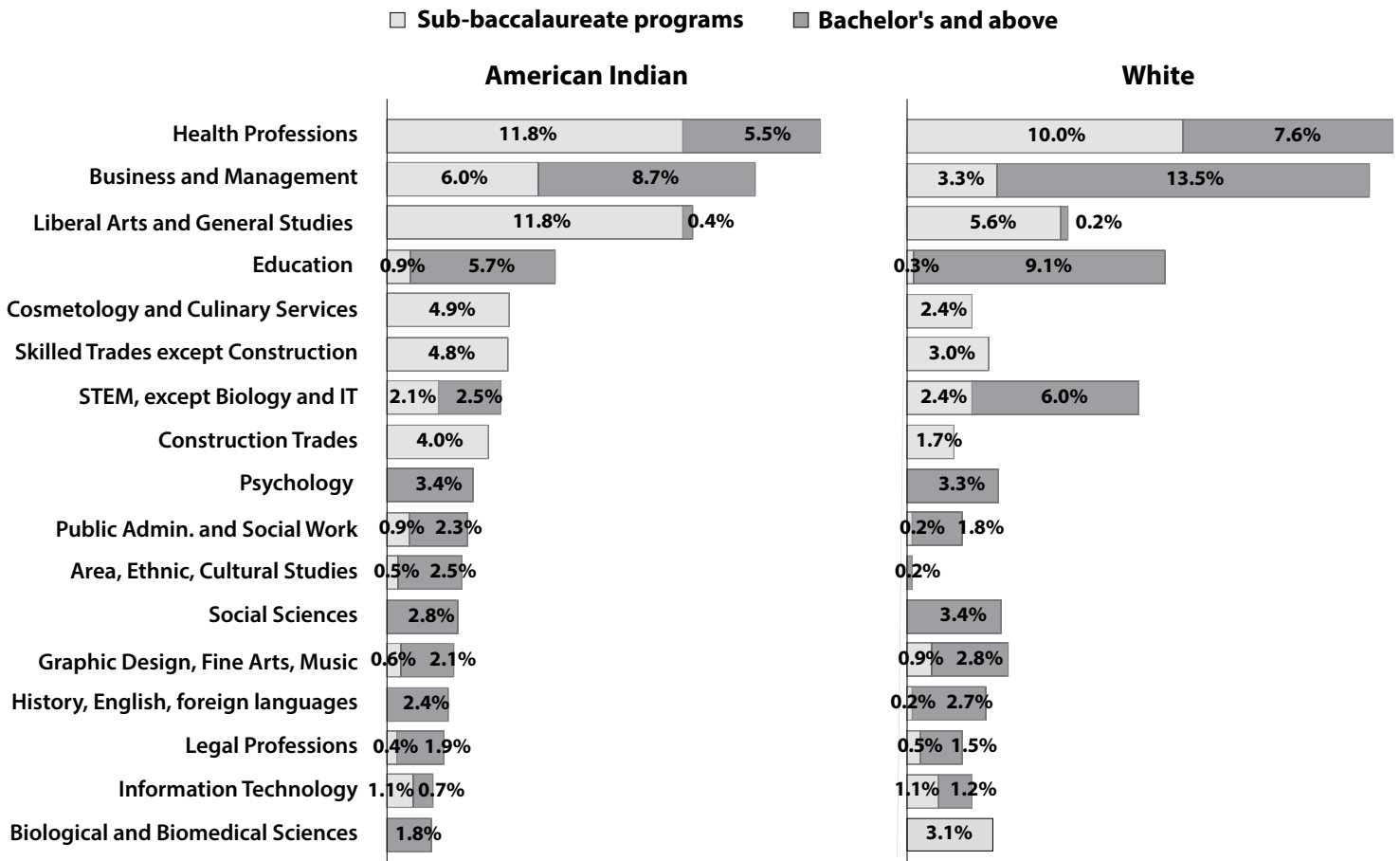
Source: Statewide Longitudinal Education Data System



## Majors matter

Choice of major strongly determines the payoffs from higher education. Figure 3 displays the top 17 most popular majors for American Indian graduates and shows the share of white students in these same majors. The chart also distinguishes between sub-baccalaureate credentials (light bars) and bachelor's and above (dark bars). Despite similar shares of graduates at the top of the lists (health care, business, and education) the types of programs pursued by American Indians are of shorter duration than those pursued by whites. For example, 13.4 percent of whites earned a bachelor's or master's degree in business versus 8.7 percent of American Indians. These differences have significant implications for career outcomes, giving whites better chances of qualifying for higher paid business-related careers. Health care and education are other fields where degree level matters greatly to occupational outcomes. A bachelor's or higher credential is required to become licensed as a

**Figure 3. Top Majors for American Indians with Comparison to Whites, Graduates in School Years 2007-2016**



Source: Statewide Longitudinal Education Data System

teacher, and over the last decade only 5.7 percent of American Indians earned these credentials versus 9.1 percent of whites. Also, a higher share of whites pursued health care programs that qualify for highly paid licensed occupations such as registered nurses, physical therapist, and radiation therapists.

Differences by race in choice of major are evident on three important dimensions. First, American Indians were twice as likely to pursue a two-year degree in liberal arts as their highest degree compared to whites (12.2 versus 5.8 percent). This does not mean less interest in liberal arts among whites, but a greater probability for whites to continue on to a four-year degree in a non-liberal arts field, while most American Indians with a two-year liberal arts degree stop at that point. Second, American Indians are under-represented in STEM fields including biological and medical sciences, IT, engineering, math, architecture, and physical sciences. Altogether, 8 percent of American Indian graduates completed a STEM credential versus 14 percent of whites.<sup>5</sup> As a consequence, American Indians are under-represented in the medical field and in high-tech industries such as Professional and Technical Services and Advanced Manufacturing.<sup>6</sup> Third, American Indians are over-represented in short-term programs such as culinary arts and cosmetology, which generally lead to low-paying occupations.

As a result of these differences, both in terms of major and degree level completed, American Indians have lower chances of entering licensed and high-paid careers than whites. Furthermore, American Indians were more than twice as likely as whites (21 versus 9 percent) to enroll at two-year for-profit institutions that cater predominantly to low-income students but generally did not produce good outcomes, both in terms of completion rates and in terms of earnings.

These results also highlight a few bright spots. First is the strong presence of American Indians in construction programs, which are less than four years in length and offer well paid, stable jobs.<sup>7</sup> The second is the cultural relevance of many majors pursued by American Indians. Ethnic studies, social work, public administration, law

## About the Data

This research relies on post-secondary student records and Minnesota wage records from the Statewide Longitudinal Education Data System (SLEDS). Student records cover all for-credit public and private programs in Minnesota.

The dataset has 653,367 individuals ages 17 to 50 at the time of school exit who were either U.S. citizens or naturalized U.S. citizens and had an employment record in the state after leaving college. These selection criteria mitigate the risk of treating as dropouts students who left the state and continued their education elsewhere. Graduates who earned more than one degree were classified according to the highest degree obtained.

Employment and earnings outcomes are only for graduates who work in Minnesota as identified in administrative records of the state's Unemployment Insurance program. Although 97 percent of Minnesota businesses report wages, people who are self-employed or employed out of state are not covered by Minnesota's UI laws and are therefore not captured in our wage results.

enforcement, and legal studies are evidently appealing to American Indian students, leading to careers in cultural preservation, tribal government, and legal/social services where they can make a difference in the American Indian community.

However, there is also some evidence of American Indians aspiring toward other educational paths and facing barriers to completion. For example, rates of completion of registered nursing programs were 57 percent versus 81 percent among whites. Similarly, in the field of education the rates of completion were 58 percent among American Indians and 77 percent among whites. American Indians' completion rates in registered nursing and education have improved over the last five years, signaling some progress in academic preparation and outcomes, but still lag behind those of whites.

<sup>5</sup>Furthermore, the STEM degrees awarded to American Indians were more skewed towards forestry/natural resource conservation and production technicians programs and less towards engineering, biomedical, and hard sciences.

<sup>6</sup>For detailed information on industries of employment in Minnesota by race see the Graduate Outcomes Dashboard [mn.gov/deed/data/data-tools/graduate-employment-outcomes/race-geo.jsp](http://mn.gov/deed/data/data-tools/graduate-employment-outcomes/race-geo.jsp)

<sup>7</sup>Differences in choice of major relative to whites do not appear attributable to differences in the gender composition, because females make up about 60 percent of graduates both among whites and among American Indians.

## Disparities in employment outcomes

The most consequential gap between American Indian students and their white peers as they transition from school into the labor market is in the ability to find a job. As shown in Table 2, 28.6 percent of American Indians did not have an employment record in the second year after school exit compared to 20.8 percent among whites. This is the largest employment gap observed in any racial group among Minnesota’s post-secondary students. This measure is not equivalent to joblessness. Some people might hold jobs not captured by Minnesota wage records, especially self-employment. It is likely that some individuals on reservations were self-employed in activities like construction, repair, or family farming, and therefore were not found in wage records. However, the high concentration of American Indians in this category casts light on the challenges facing American Indians in the labor market. To determine how much of this result is influenced by the economic cycle, Table 2 breaks down the figures into three smaller time snapshots: pre-recession, recession, and full economic recovery.

During the Great Recession significantly fewer American Indians found jobs after college than their white peers (66.6 versus 76.6 percent). American Indians were hit particularly hard by the collapse of the timber industry which affected Logging, Construction, and Furniture Manufacturing. They are in general more

vulnerable to job losses during economic downturns because of low educational attainment. Since the 2013-2015 economic recovery American Indians’ employment rate returned to pre-recession levels but still lags behind that of whites (80.9 percent).

Besides being influenced by the economic cycle, these employment disparities are also driven by socio-economic status. Figure 4 examines the relationship between school poverty, post-secondary completion rates, and the lack of employment records. School poverty is measured in three categories just as in Figure 1: low, medium, and high poverty based on the percentage of students eligible for free or reduced-price lunch. The chart also displays results for GED completers as a separate category to give an idea of the devastating effect that not finishing high school on time can have on educational attainment and job prospects.

Among American Indians, school poverty has a negative effect on both completion rates and employability prospects. Credential completion rates were almost twice as high among American Indians attending low-poverty schools as among those attending high-poverty schools (47.8 percent versus 27.7 percent), and the risk of not finding work was lower for those attending low-poverty schools, 19.8 percent, and higher for those attending high-poverty schools at 23.1 percent.

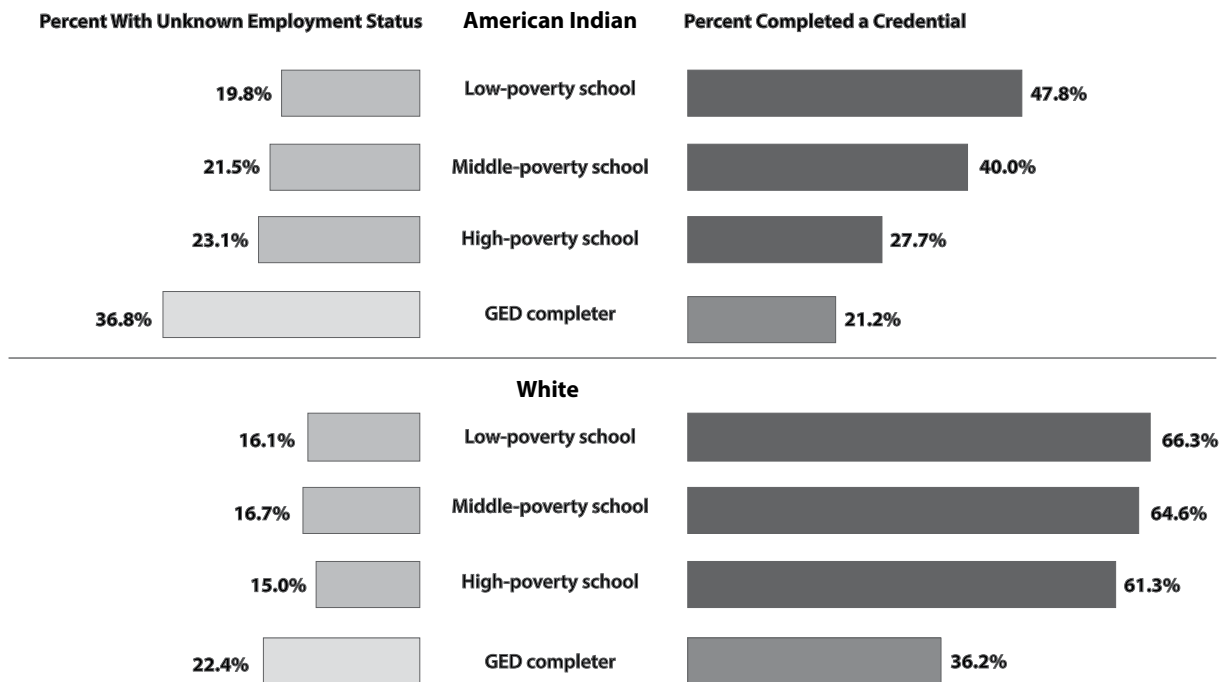
**Table 2. Employment Status of Individuals Who Exited School Between the Ages of 17 and 45 by Race/Ethnicity**

	Year of School Exit	Number of Students Aged <=45 at the Time of School Exit	% Employed in Minnesota During 2nd Year	Not Found in Minnesota Employment Records*
<b>American Indian</b>	<b>Total 2006-2016</b>	10,453	71.4%	28.6%
	Exited Before the Recession (2007)	1,229	75.9%	24.1%
	Exited During Recession (2008-09)	2,107	66.6%	33.4%
	Exited During Full Recovery (2013-15)	3,448	75.0%	25.0%
<b>White</b>	<b>Total 2006-2016</b>	614,078	79.2%	20.8%
	Exited Before the Recession (2007)	90,942	80.1%	19.9%
	Exited During Recession (2008-09)	118,007	76.6%	23.4%
	Exited During Full Recovery (2013-15)	202,443	80.9%	19.9%

\* People employed by federal agencies, self-employed, or employed in other states are not represented in Minnesota wage records. Therefore, not having an employment record in Minnesota does not necessarily mean being without a job. Despite these caveats, the trends in this table are consistent with American Community Survey statistics showing that the unemployment rate among American Indians was highest in 2010 at 19.4 and continues to be the highest of any racial group in 2016 at 12.8 percent (see 2016 and 2010 American Community Survey 1-Year Estimates, Minnesota).

Source: Statewide Longitudinal Education Data System

**Figure 4. Relationship Between High School Poverty\*, College Completion, and Employment Status\*\* by Race/Ethnicity, 2006-2016, Minnesota**  
Valid Responses: 282,901



Source: Statewide Longitudinal Education Data System

\*Poverty of the high school is measured by the percentage of students eligible for free or reduced-price lunch. Low-poverty in this study is defined as having less than 30 percent of students on free or reduced-price lunch, middle-poverty as 30 to 49 percent, and high-poverty as 50 percent or higher.

\*\*Unknown employment status represents the share of graduates who did not have any record of employment in Minnesota during the 2nd year after graduation. Individuals who are self-employed, employed out of state, unemployed and actively seeking work, or voluntarily not seeking work are not represented in Minnesota wage records.

Interestingly, school poverty does not appear to have an impact on employability prospects among whites. The incidence of unknown employment status was 16 percent for whites who attended a low-poverty school, 16.7 percent for those who attended a middle-poverty school, and 15 percent for those who attended a high-poverty school. The non-linearity of the relationship suggests that among whites, differences in school poverty are not strong enough to impact employability. It is also important to recall that the group of white students in high-poverty schools makes up only 9 percent of the white population for whom these data are available.

The effects of dropping out of high school and earning a GED were also more pronounced for American Indians than for whites: 36.8 percent of American Indian GED holders had no employment records in Minnesota the second year after graduation and only 21.2 percent of them completed a credential. In contrast, white GED holders were more likely to earn a credential (36.2

percent) and had less difficulties finding work.

There are multiple possible reasons for stronger effects among American Indians. For example, high poverty schools in American Indians communities may experience deeper poverty than those in predominantly white communities. Second, in high-poverty schools, it may be that American Indian students are more likely to be the ones eligible for free/reduced price lunch, while whites might attend a high-poverty school without their family being in poverty. Third, the types of public high schools attended by American Indians are likely to differ from those attended by whites in other educationally relevant dimensions besides poverty, such as size, remoteness, governance, funding streams, or attractiveness to talented teachers.

Regardless of the reasons for these differences, a key takeaway from this analysis is that American Indians who attended low-poverty high schools fared significantly better, especially in terms of

college graduation rates. The worrisome fact is that high-poverty schools are often the norm for American Indian children in Minnesota (see Figure 1). This childhood disadvantage hurts their chances of earning a post-secondary credential and of finding employment, which in turn results in more poverty in their communities and schools. This is, in over-simplified terms, the vicious cycle that can entrench generations of American Indians in poverty.

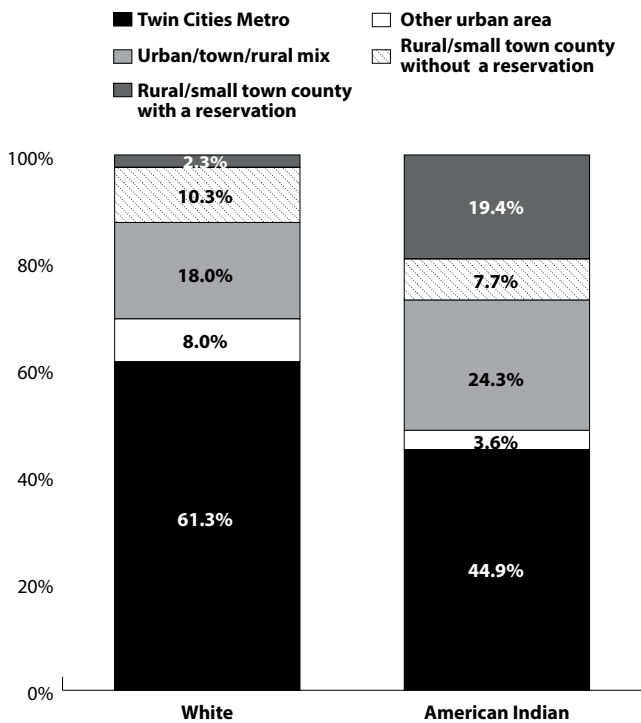
## Disparities in geographic location and types of jobs held

As shown in Figure 5, a minority of American Indians (44.9 percent) worked in the Twin Cities versus 61.3 percent of whites. Only 12.6 percent of whites were employed in rural areas of the state, broken down into 2.3 percent in rural counties containing reservation boundaries and 10.3 percent in counties not containing reservation boundaries. In contrast, one out of five or 19.4 percent of American Indians were employed in rural counties

containing reservation boundaries: Beltrami, Cass, Clearwater, Cook, Hubbard, Itasca, Koochiching, Mahnomon, and Yellow Medicine.<sup>8</sup> The types of jobs held by these individuals are very different from those held by American Indians in the Metro. As shown in Figure 6, only 42.2 percent of American Indians in rural counties were employed in private-sector jobs. The majority held public sector jobs, primarily in the Local Government of their tribe (22 percent), followed by casino-related activities, Education, Social Assistance, Health Care, and Public Administration. In contrast, only 19 percent of whites employed in rural areas held public sector jobs.

It is important to point out that American Indians employed in the Metro were just as likely as whites to hold private-sector jobs (88 percent). American Indian's above-average reliance on public sector jobs is predominantly a rural phenomenon. A large percentage of American Indians in Minnesota identify with tribes controlling remote reservations in sparsely populated northern areas where high-paying private sector jobs are scarce.

**Figure 5. Geography of Employment in the 2nd Year After School Exit, School Years 2006-2016**  
N=488,352



Source: Statewide Longitudinal Education Data System

The high concentration of public sector employment in these reservation communities represents both a weakness and a strength. On the one hand, it reflects a key challenge facing rural reservations: a relative scarcity of private sector employers and small-business ownership that hampers the development of diversified economies.<sup>9</sup> On the other hand, participation in the tribe's economy enables American Indians to maintain sizeable reservation communities that affirm their traditions and cultural values, which are also important measures of success. Furthermore, even if we were to measure success through earnings, the wages earned in the public sector in rural counties by both American Indians and whites are higher than those earned in the private-sector. American Indians who wish to live close to their community may not have much to gain from taking jobs outside the reservation at wages that cannot even cover the cost of transportation and/or child care. Good quality private sector jobs are sorely needed in rural Minnesota, and this economic development challenge disproportionately affects American Indian communities.

<sup>8</sup>The other four Minnesota counties containing reservations - Becker, Carlton, Goodhue, and St. Louis - are not classified as small town/rural.

<sup>9</sup>These characteristics of employer establishments in reservations have also been observed in Akee, Mykerezi, Todd (2018) Reservation Nonemployer and Employer Establishments: Data from U.S. Census Longitudinal Business Databases [www.minneapolisfed.org/indiancountry/research-and-articles/cicd-working-paper-series/201801-reservation-nonemployer-and-employer-establishments-data](http://www.minneapolisfed.org/indiancountry/research-and-articles/cicd-working-paper-series/201801-reservation-nonemployer-and-employer-establishments-data)



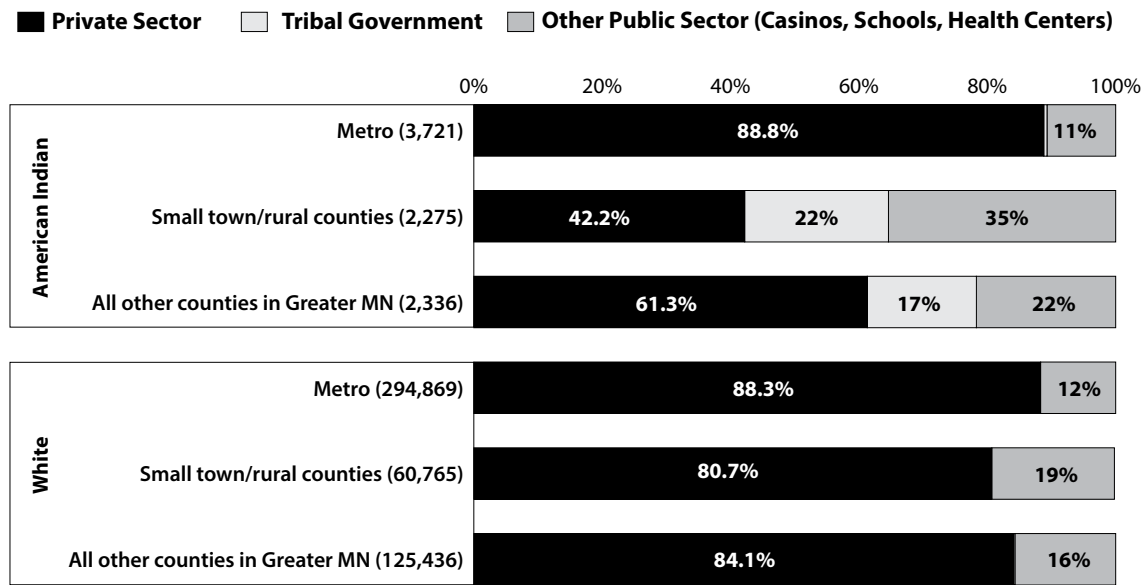
# Disparities in earnings

In the second year after leaving school, American Indian student median hourly wages were already lower than their white peers. Table 3 presents these findings by age group and education level, distinguishing between non-completers, completers of credentials through bachelor's, and completers of advanced degrees. Without accounting for educational differences, the median hourly wage for the youngest cohorts of American Indians, \$13.29, represented 78 percent of the median hourly wage of whites of the same age group

(\$16.97). That is, the racial wage gap is 22 percent. Accounting for education level shows a substantial reduction in the gap. The reduction is slightly more pronounced for undergraduate credential completers (earnings ratio of 90 percent) than for advanced degree completers (earnings ratio 87 percent) meaning that white advanced degree holders tend to have access to higher paid jobs than equally qualified American Indians.

Wage gaps by race are substantially more pronounced among older students. Overall, the earnings ratio is 67 percent corresponding to a gap

**Figure 6. Sector of Employment During the 2nd Year After School Exit by Region and Race/Ethnicity**



Source: Statewide Longitudinal Education Data System

**Table 3. Wages by Education Level, Age, and Race/Ethnicity**

Race	Number of Students	Total		Non-Completers		Completers through Bachelor's		Completers of Advanced Degrees	
		Hourly Median Wage	Earnings Ratio	Hourly Median Wage	Earnings Ratio	Hourly Median Wage	Earnings Ratio	Hourly Median Wage	Earnings Ratio
<b>Age at School Exit 18-30, Statewide</b>									
White	369,775	\$16.97	100%	\$13.94	100%	\$17.60	100%	\$30.44	100%
American Indian	5,466	\$13.29	78%	\$11.88	85%	\$15.82	90%	\$26.61	87%
<b>Age at School Exit 31-45, Statewide</b>									
White	102,214	\$25.10	100%	\$21.01	100%	\$22.18	100%	\$39.40	100%
American Indian	2,556	\$16.89	67%	\$14.85	71%	\$17.80	80%	\$31.47	80%

All wages are inflation-adjusted and standardized to 2017 U.S. dollars.

Source: Statewide Longitudinal Education Data System

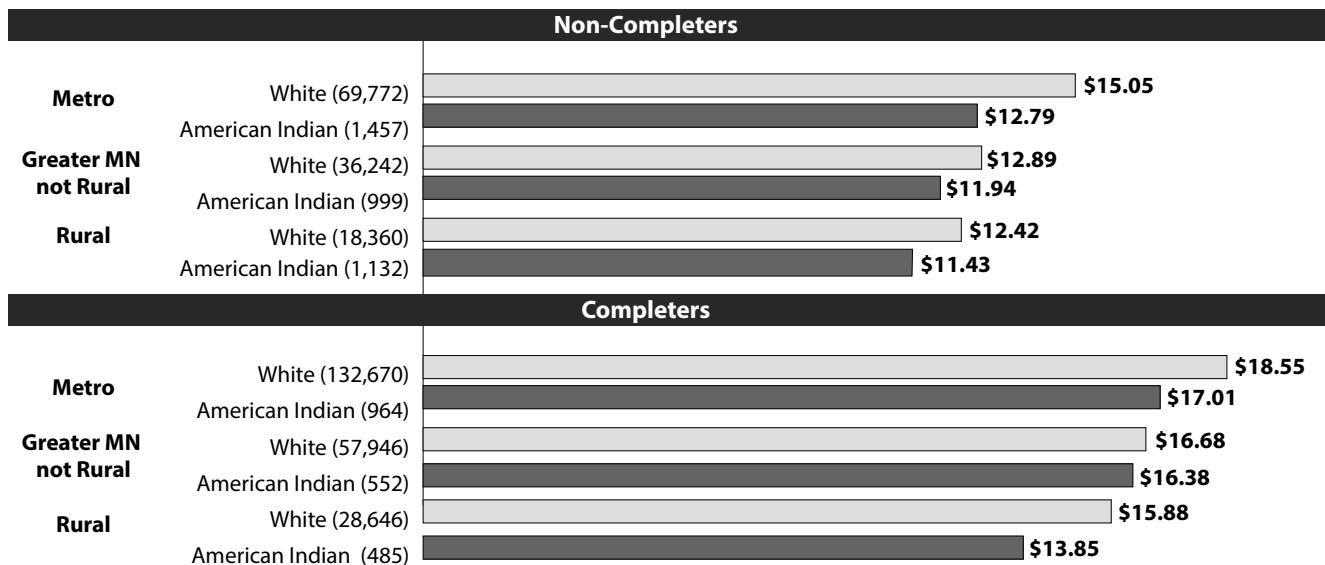
of 33 percent. Completing a credential, whether at the undergraduate or graduate level, increases the earnings ratio from 67 to 80 percent, meaning that educational attainment can bridge some of the gap also at an older age but wage disadvantages accumulated in the labor market are already too large to achieve the kind of improvement we see among young cohorts. This evidence demonstrates that completion of a college credential reduces racial wage disparities, but not enough to eliminate them altogether, and investments in higher education are most effective before age 30.

To examine whether differences in geographic location play a role in explaining wage gaps we created three geographic categories: (1) Twin Cities Metro, (2) rural counties, (3) all other non-rural counties in Greater Minnesota.<sup>10</sup> Earnings results are displayed in Figure 7. Controlling for geography reduces gaps but does not eliminate them. Wages were highest in the Metro area and lowest in rural areas, but whites earned more in every geography. Among non-completers, whites in the Metro earned \$15.05 and American Indians

earned \$12.79, a gap of 15 percent; whites in rural areas earned \$12.42 while American Indians earned \$11.43. Among completers we see substantially more equitable outcomes except in rural areas. In the Metro, whites earned \$18.55 and American Indians earned \$17.01, a gap of 8.4 percent, which is one of the smallest observed in this study. In non-rural areas of Greater Minnesota American Indians earned a wage of \$16.38, closely trailing the \$16.68 earned by whites. The only place where credential completion did not help reduce gaps was rural Minnesota, where American Indians earned only \$13.85 relative to \$15.88 among whites, a gap of 12.7 percent.

Let's now zoom into the rural area category to explore whether proximity to a reservation<sup>11</sup> makes a difference in earnings outcomes (see Figure 8). Among non-completers, American Indians in rural areas actually earned more near a reservation than further away, \$11.66 compared to \$11.15. This raises the possibility that reservation jobs are the best available option in rural areas for American Indians without a college credential.

**Figure 7. Median Hourly Wages Earned in the 2nd Year After Exiting School by Region of Employment and Educational Level, Age at Exit 18-32**



Source: Statewide Longitudinal Education Data System

<sup>10</sup>This category includes Metropolitan Statistical Areas and counties classified as urban/town/rural mix. We did not break down non-rural areas into reservation/non reservation employment because non-rural reservations are very small and small datasets yield volatile results.

<sup>11</sup>Proximity to a reservation in this study does not mean residing in a county with a reservation. It means being employed in a sub-county area including tribal lands. In rural areas these tribal lands are White Earth, Leech Lake, Bois Forte, Red Lake, and Grand Portage (all Anishinaabe/Ojibwe) as well as the Upper and Lower Sioux reservations. We also included the township of Bemidji.

American Indians even slightly out-earned whites in reservation areas, although very few whites were found in that geography.

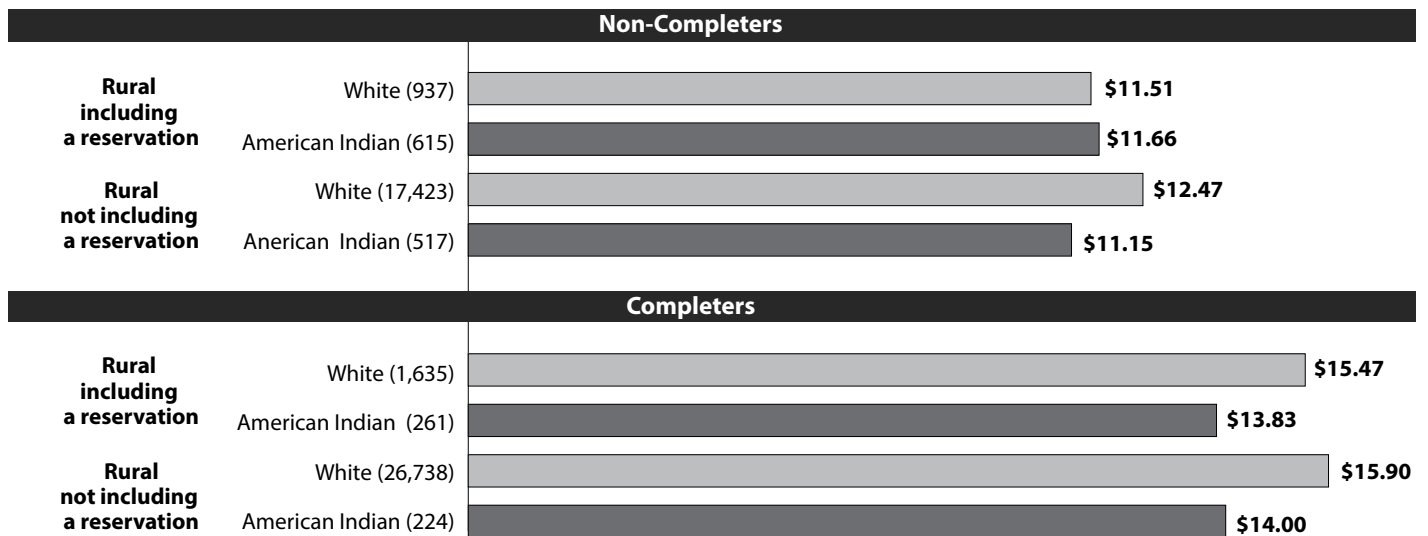
Among completers, American Indians near reservations earned slightly lower wages than those further away (\$13.83 compared to \$14.00) but not to the point of offering incentives to move or commute elsewhere for work. White graduates had higher earnings both in proximity to reservations and further away. The reasons for the persisting gaps are partially educational: whites are more likely to hold bachelor’s degrees. However, differences in education do not entirely explain these disparities.

The fact that white non-completers found high quality jobs despite the lack of a credential while American Indian non-completers did not points to the possibility of racial discrimination in the labor market. Are white students better connected to the job market so that they were able to land good jobs even without formal credentials? Are American Indians less likely to enter industries

that offer opportunities for on-the-job training and career advancement? Do employers discriminate in recruiting and hiring based on race? All of these potential factors could cause inequality in opportunities to develop valuable skills and work experience regardless of education level.

These results have two important policy implications. First, the characteristics of local economies surrounding reservations play a large role in driving statewide wage disparities between American Indians and other race groups. Policies aimed at mitigating the rural/urban divide, for example through infrastructure investments, would help American Indians access a wider range of job opportunities. Second, American Indians experience lower returns on their post-secondary education investments and might take longer to repay student loans especially in rural areas. Targeted initiatives such as grants, scholarships, and loan relief programs might be needed to increase American Indians’ incentive to invest in education.

**Figure 8. Median Hourly Wages Earned in the 2nd Year After Exiting School, Rural Counties by Education Level, Age at Exit 18-32**



Source: Statewide Longitudinal Education Data System

## Conclusions

For deeply rooted historical reasons, American Indians are the poorest population group in the nation. They have also been damaged by abysmally flawed federal educational policies that have emphasized either excessive segregation or excessive assimilation. American Indian communities must strike a delicate balance between reclaiming their cultural identity and integrating into the sectors of the Minnesota economy that offer the most labor market success. Because these are difficult goals to reconcile, it is important to support young adults as they transition from high school into higher education and into the workforce.

This study has documented various challenges faced by American Indians in these transitions. Here is a summary of findings:

1. Almost one out of four American Indian post-secondary students is a high school dropout or GED holder, and of those who complete high school in Minnesota, 41.5 percent attended a high-poverty school. These characteristics stack the deck against them in their childhood, hurting their chances of entering and completing higher education and of getting high-quality jobs.
2. Two out of three American Indians who enter higher education fail to complete a credential, including short-term certificates. This educational gap prevents them from finding stable employment resulting in negative consequences for the economic security of families and tribes.
3. The factor that does the most to decrease wage gaps relative to whites is higher education. Completing a post-secondary credential, especially before age 30, has a strong equalizing effect, while the largest wage disparities are among those who do not complete a credential.
4. American Indians are earning degrees in a variety of fields but are under-represented in STEM and in programs that qualify for licensing in the medical and teaching fields.
5. Despite the obvious role of education in driving wage gaps, disparities cannot be resolved just by increasing post-secondary

graduation rates among American Indians. The types of jobs they have access to limit their ability to accumulate marketable work experience and advance in a career.

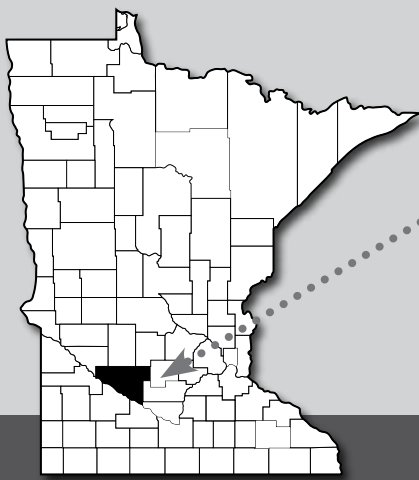
6. The story of American Indians in Minnesota is intertwined with the growing social and economic disparities between rural and urban America. While earnings of American Indian graduates in proximity to reservations tend to be lower than earnings in rural areas further away from reservations, rural employment status is more important than reservation employment status in explaining wages. Over-reliance on public-sector jobs, lack of transportation options, and lack of connections to local employers might be the reasons for low wage levels and large wage gaps relative to whites in rural areas.

7. American Indians are a heterogeneous group, not reducible to stereotypes of poverty and low educational attainment. We found evidence of high educational achievement and high earnings especially for American Indians employed in the Twin Cities.

Higher education is not necessarily the answer to improving the economic conditions of low-income American Indians, but as the group with the least access to higher education financially, geographically, and academically, they are vulnerable to hiring bias and career advancement bias in the labor market. Missing the chance to complete some kind of post-secondary education, even a vocational certificate, decreases their economic leverage in an era when qualification inflation gives employers the ability to use credentials as a screening mechanism.

Any progress we as a society can make toward filling educational achievement gaps among all population groups but particularly for American Indians can reduce the role of racial bias by giving employers skills benchmarks based on objective qualifications. Last but not least, policies aimed at mitigating the rural/urban economic divide in Minnesota would go a long way toward promoting economic mobility and could change the lives of low-income American Indians.

by Alessia Leibert



# County Snapshot Renville

## Past

Renville County was named after a somewhat famous pioneer and fur trader, Joseph Renville, who became a leader helping maintain peace between white settlers and the Sioux Indian tribe. Joseph Renville was sent to Canada at the age of 10 to learn the French language and the Catholic religion, after which he returned to Minnesota and established a trade outpost at Lac qui Parle. Today Renville County is known for its agricultural innovation, including seed crop breeding and research.

## Future

Like Many counties in the southwestern portion of Minnesota the continual population decline has had some negative effects for the residents of Renville County. With an increasingly tight labor market it might prove difficult to keep or attract new businesses to the county. However, as wages continue to rise it's possible that a larger share of residents will stay in the county to benefit from lower costs of living and solid wage growth.

## Economy

2017 Estimates	Renville County	Minnesota
Population	14,645	5,576,606
Labor Force	8,527	3,046,697
Average Unemployment	4.7%	3.6%
Median Household Income (2016)	\$54,824	\$63,217
Cost of Living, Individual	\$27,088	\$31,656
Cost of Living, Average Family	\$45,944	\$57,624

Source: U.S. Census Bureau, DEED LAUS, American Community Survey, DEED Cost of Living

## Industry

Top Employing Industries	2017			2012 - 2017	
	Number of Firms	Number of Jobs	Average Wage	Change in Jobs	Change in Wages
<b>Total, All Industries</b>	<b>579</b>	<b>5,999</b>	<b>\$39,572</b>	<b>469</b>	<b>\$3,536</b>
Education and Health Services	52	1,273	\$34,424	6	\$6,396
Trade, Transportation, and Utilities	153	1,279	\$39,156	61	\$3,952
Leisure and Hospitality	35	849	\$23,868	575	\$15,964
Professional and Business Services	38	213	\$55,432	-26	\$12,740

Source: DEED, Quarterly Census of Employment and Wages

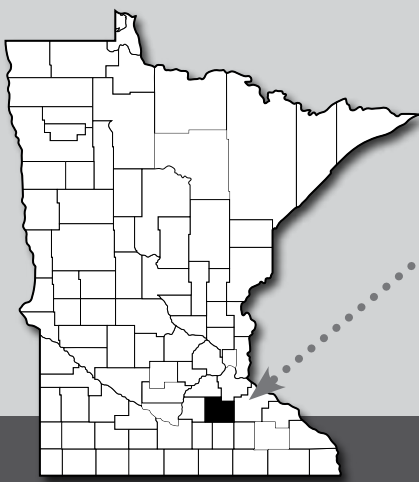
## Trends

Renville County has been in population decline for the better part of a century at this point, yet employment has been able to grow since plummeting during the last recession. By 2017 employment in Renville County was just 100 jobs less than the pre-recession peak.

Growth in employment has been a bit inconsistent, with an ebb and flow occurring in many of the larger industry sectors like Manufacturing, Retail Trade, Public Administration, and very notably in Construction.

The chart below shows the major industries in Renville county, their number of jobs, and the average wage.

Average annual wages are healthy in particular industries, at more than \$50,000 in Financial Activities, Professional and Business Services, and Manufacturing. In the last five years average annual wages have outpaced inflation by 3 percent.



# County Snapshot

# Rice

## Past

Rice County is named after Henry M. Rice, a fur trader who first came to Minnesota from Vermont in 1839. Henry Rice helped the government work with American Indians to negotiate treaties. He came to what is now Rice County in 1844 with General Sumner and a pack of mules that carried provisions. The county seat is Faribault, also the largest city in the county. The city of Northfield is also noteworthy for the Jesse James Gang bank robbery of 1876, where the final heist of this notorious band of outlaws took place.

## Future

Despite a steady population growth trend (18th fastest of 87 counties) since 2000, the county's population is expected to stagnate and decline less than 1 percent through 2030. This population projection creates a negative labor force projection out to 2030, mainly from the further aging of an already older-than-typical labor force with fewer young workers to replace them. However, Rice County's proximity to the urban centers of Minneapolis and St. Paul and access to I-35 could help stave off problematic population declines.

## Economy

2017 Estimates	Rice County	Minnesota
Population	65,968	5,576,606
Labor Force	36,863	3,063,604
Average Unemployment	3.2%	3.6%
Median Household Income (2016)	\$61,683	\$63,217
Cost of Living, Individual	\$30,493	\$31,656
Cost of Living, Average Family	\$53,785	\$57,624

Source: U.S. Census Bureau, DEED LAUS, American Community Survey, DEED Cost of Living

## Industry

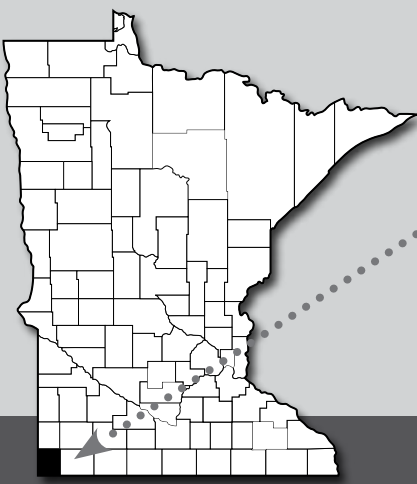
Top Employing Industries	2017			2012 - 2017	
	Number of Firms	Number of Jobs	Average Wage	Change in Jobs	Change in Wages
<b>Total, All Industries</b>	<b>1,545</b>	<b>24,831</b>	<b>\$44,928</b>	<b>1,975</b>	<b>\$5,824</b>
Education and Health Services	233	7,244	\$45,708	-18	\$3,016
Trade, Transportation, and Utilities	325	4,908	\$39,416	561	\$4,680
Manufacturing	82	4,569	\$61,412	809	\$7,384
Leisure and Hospitality	153	2,233	\$16,276	-130	\$3,796

Source: DEED, Quarterly Census of Employment and Wages

## Trends

With nearly 66,000 people in 2017, Rice County is now the 14th largest county in the state. As a result, the labor force expanded to nearly 37,000 workers, which was 3,900 more workers in 2017 than in 2002. The tightening labor force combined with an expanding economy to create a decreasing unemployment rate, dropping to just 3.2 percent in 2017.

Despite some job declines in 2008, 2009, and 2010, the county had 1,650 more jobs in 2017 than it did leading into the last recession. The chart below shows the major industries in Rice county, their number of jobs, and the average wage.



# County Snapshot Rock

## Past

Located in the far southwestern corner of the state, Rock County borders both Iowa and South Dakota. Established in 1857 by the Original Act, the county's name comes from the vast quantity of rock within its borders. Population peaked at 11,864 people in 1960 and has since leveled off at 9,490 residents.

## Future

Like many counties in Southwest Minnesota, Rock is expected to have little or no population growth in the future. By 2040 the projected population is 9,490, the exact same estimate of the population in 2017. Although no net growth is expected, growth within certain age groups should occur, specifically for people 75 years or older and those 25 to 44 year olds. Historically low unemployment rates combined with a projected 3.3 percent labor force decline by 2030 means employers should expect current tight labor market conditions to persist into the foreseeable future.

### Trends

Despite declining population over the last decade, the county's labor force continues to grow, albeit relatively slowly. With an annual unemployment rate just over 2 percent in 2017, the labor market is tight, possibly explaining some of the mostly unchanged employment levels over the past four years. By 2017 the annual average wage reached \$38,549. While employment grew by a meager 0.4 percent from 2016 to 2017, the average annual wage grew by 9.5 percent or 7.8 percent after adjusting for inflation. The chart below shows the major industries in Rock county, their number of jobs, and the average wage.

## Economy

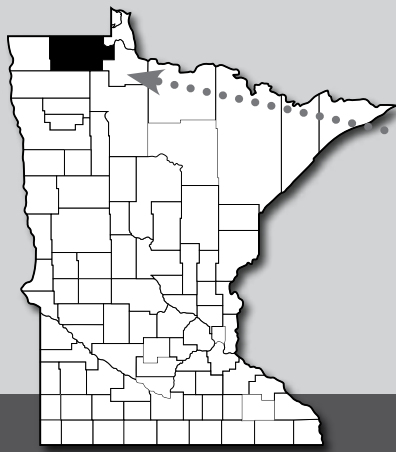
2017 Estimates	Rock County	Minnesota
Population	9,490	5,576,606
Labor Force	5,857	3,063,604
Average Unemployment	2.2%	3.6%
Median Household Income (2016)	\$52,835	\$63,217
Cost of Living, Individual	\$26,381	\$31,656
Cost of Living, Average Family	\$44,854	\$57,624

Source: U.S. Census Bureau, DEED LAUS, American Community Survey, DEED COL

## Industry

Top Employing Industries	2017			2012 - 2017	
	Number of Firms	Number of Jobs	Average Wage	Change in Jobs	Change in Wages
<b>Total, All Industries</b>	<b>296</b>	<b>3,593</b>	<b>\$38,532</b>	<b>406</b>	<b>\$7,748</b>
Education and Health Services	26	1,108	\$36,140	38	\$5,408
Trade, Transportation, and Utilities	74	727	\$34,684	67	\$5,408
Financial Activities	29	401	\$68,484	147	\$28,704
Manufacturing	14	366	\$43,316	50	\$3,484

Source: DEED, Quarterly Census of Employment and Wages



# County Snapshot Roseau

## Past

Bordering Canada, Roseau County is the birthplace of snowmobiling. Established in 1894 by Governor Knute Nelson, the area was previously the eastern portion of Kittson County. The tax roll in 1894 listed all of 228 settlers scattered about the area. Almost 40 percent of the county is open access state or county parks, forests, or wildlife areas.

## Future

Despite the last few decades of population loss, the most worrisome trend could be the decline in Manufacturing employment. Since half of all jobs in the county are provided by Manufacturers – easily the highest concentration of any county in the state – Roseau County’s economy is highly dependent on conditions in the Manufacturing sector.

## Economy

2017 Estimates	Roseau County	Minnesota
Population	15,327	5,576,606
Labor Force	8,180	3,063,604
Average Unemployment	5.0%	3.6%
Median Household Income (2016)	\$54,827	\$63,217
Cost of Living, Individual	\$25,571	\$31,656
Cost of Living, Average Family	\$43,148	\$57,624

Source: U.S. Census Bureau, DEED LAUS, American Community Survey, DEED Cost of Living

## Trends

The county’s population has been up and down over the last 70 years, declining to a low of 11,569 people in 1970, then peaking at 16,338 people in 2000, before declining to the current population of 15,327. Similar to population trends of late, the labor force has also been slowly declining since 2003. Interestingly, the last few years have found higher than normal rates of unemployment, despite the county’s enduring the recession and remaining below the statewide average between 2008 and 2013.

The rocky employment levels look to be a contributing factor to the inconsistency. Employment in Roseau County expanded after the recession, yet failed to recover fully to prerecession levels and by 2015 started to show weakness again. From 2014 to 2017 more than 800 jobs disappeared from the county. The chart below shows the major industries in Roseau county, their number of jobs, and the average wage.

## Industry

Top Employing Industries	2017			2012 - 2017	
	Number of Firms	Number of Jobs	Average Wage	Change in Jobs	Change in Wages
Total, All Industries	455	8,047	\$44,824	-331	\$4,212
Manufacturing	26	3,964	\$55,952	-300	\$4,836
Education and Health Services	42	1,382	\$38,792	38	\$4,680
Trade, Transportation and Utilities	119	987	\$28,392	-38	\$3,172
Leisure and Hospitality	52	539	\$17,940	15	\$1,404

Source: DEED, Quarterly Census of Employment and Wages

by Luke Greiner