EMPLOYMENT AND ECONOMIC DEVELOPMENT

Minnesota Employment Review

Review ONLINE

mn.gov/deed/review

November 2017 Data...December 2017 Issue

Retail Trade in the Twin Cities

With 8,810 establishments supplying nearly 167,200 jobs, Retail Trade in the Seven-County Metro Area is vital to the regional economy and labor market (see Table 1). Retail Trade is the third largest-employing industry in the Metro Area, behind only Health Care and Social Assistance and Manufacturing. If recent employment trends continue, there is the possibility that Retail Trade will overtake Manufacturing as the region's second largest employing industry in the not-too-distant future. Clearly, Retail Trade deserves a special spotlight article.

Photographer: Irma Mercado

What's for sale here?

There's no doubt that Retail Trade is an important, large-employing industry sector. There's a lot to it, much more than one might realize at first glance. According to the Bureau of Labor Statistics (BLS), "The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise."

Table 1. Retail Trade Employment in the Metro Region, Q2 2017

Area	Establishments	Employment	Percent of Area Employment	Average Annual Wage
Minnesota	18,518	298,960	10.4%	$28,912
Metro Region	8,810	167,193	9.6%	$31,460
Hennepin County	4,033	78,414	8.6%	$33,904
Ramsey County	1,560	27,066	8.2%	$31,252
Dakota County	1,180	24,161	12.7%	$30,212
Anoka County	832	15,549	12.6%	$28,340
Washington County	690	13,295	15.7%	$25,844
Scott County	308	5,345	10.0%	$28,860
Carver County	207	3,362	8.6%	$26,624

Source: MN DEED Quarterly Census of Employment and Wages (QCEW)

Features:

Small Business Success

County Snapshots: *Kanabec, Kandiyohi, Kittson, Koochiching*

In this issue:

Regional Spotlight TWIN CITIES AREA

Additionally, the sector comprises two main types of retailers: store and non-store:

- Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of merchandise and use mass-media advertising to attract customers. Store retailers serve the general public for personal or household consumption but may also serve businesses and institutional clients.

- Non-store retailers, on the other hand, reach customers and market merchandise through other methods, such as infomercials, paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls, and through vending machines.[1]

Retail Trade accounts for 9.6 percent of total employment in the Metro Area. This sector and its 167,200 jobs can be broken down further, however. For example, nearly 32,000 retail jobs are found in General Merchandise Stores, of which about half are classified in Department Stores and the other half in Warehouse Clubs and Supercenters. Nearly 30,600 retail jobs are found in Food and Beverage Stores, which can be separated into Grocery Stores, Specialty Food Stores, and Beer, Wine, and Liquor Stores. Rounding out the top three-employing subsectors of Retail Trade, Motor Vehicle and Parts Dealers supplies nearly 18,300 jobs in the Metro Area. Nearly half (48.3 percent) of Retail Trade's employment is in General Merchandise Stores, Food and Beverage Stores, and Motor Vehicle and Parts Dealers. The other half of Retail Trade's employment in the Metro Area is scattered through nine other industry sectors, ranging from gasoline stations to sporting goods stores (see Table 2).

Are we in the black or in the red?

The phrase "in the black" is often used to describe companies that are profitable, while "in the red" is used to describe those that are falling behind. Loosely borrowing these terms to describe positive and negative employment trends would seem appropriate for Retail Trade. During the Great Recession the total economy was definitely in the red, contracting by 5.2 percent between the second quarters of 2007 and 2010. During that same period of time, Retail Trade shed nearly 16,000 jobs, contracting by 9.4 percent.

Table 2. Retail Trade Subsectors in the Metro Region, Q2 2017

Industry	Establishments	Employment	Percent of Total Employment	Average Annual Wage
Total, All Industries	79,710	1,737,532	100.0%	$60,268
Retail Trade	8,810	167,193	9.6%	$31,460
General Merchandise Stores	464	31,940	19.1%	$24,388
Food and Beverage Stores	1,157	30,590	18.3%	$24,388
Motor Vehicle and Parts Dealers	823	18,289	10.9%	$50,076
Building Material and Garden Equipment and Supplies Dealers	440	14,799	8.9%	$31,512
Clothing and Clothing Accessories Stores	1,218	14,326	8.6%	$20,852
Health and Personal Care Stores	1,085	11,650	7.0%	$37,960
Miscellaneous Store Retailers	1,058	10,339	6.2%	$25,688
Gasoline Stations	754	8,501	5.1%	$22,932
Sporting Goods, Hobby, Book, and Music Stores	511	7,625	4.6%	$20,332
Nonstore Retailers	486	7,028	4.2%	$68,952
Furniture and Home Furnishings Stores	441	6,384	3.8%	$37,804
Electronics and Appliance Stores	373	5,719	3.4%	$47,372

Source: MN DEED Quarterly Census of Employment and Wages (QCEW)

[1] "About the Retail Trade Sector." *Industries at a Glance*, Bureau of Labor Statistics, 13 Dec. 2017, https://www.bls.gov/iag/tgs/iag44-45.htm. Accessed 13 Dec. 2017.

Since the nadir of the recession, the total economy is back in the black, expanding by 12.3 percent. As of the second quarter of 2017, the Metro Area is over 100,000 jobs (6.5 percent) above its pre-recessionary peak in 2007. Meanwhile, between the second quarters of 2010 and 2017, Retail Trade has added nearly 14,600 jobs, expanding by 9.6 percent. So while Retail Trade has certainly recovered from the depths of the Great Recession, it has just a bit to go to be "in the black." In other words, Retail Trade is about 0.8 percent or 1,300 jobs shy of its 2007 level of employment (see Figure 1).

Zooming back in on Retail Trade's subsectors reveals how the industry sector has restructured during the economic recovery. For instance, where the total of all Retail Trade employment increased by 9.6 percent between the second quarters of 2010 and 2017, employment in Health and Personal Care Stores shot up by 30.9 percent. Health and Personal Care Stores includes Pharmacies and Drug Stores; Cosmetics, Beauty Supplies, and Perfume Stores; Optical Goods Stores; and Food Supplement Stores. Other subsectors that witnessed rapid growth between the second quarters of 2010 and 2017 include Food and Beverage Stores (up 26.5 percent), Motor Vehicles and Parts Dealers (up 22.1 percent), and Furniture and Home Furnishings Stores (up 21.6 percent).

The phrases "in the black" or "in the red" are generally used to describe the previous accounting period, such as the previous fiscal year. When analyzing employment trends since the nadir of the Great Recession, eight of the 12 Retail Trade subsectors are in the black. Only General Merchandise Stores; Miscellaneous Store Retailers; Sporting Goods, Hobby, Book, and Music Stores; and Clothing and Clothing Accessories Stores are in the red.

Longer-term trends reveal a much different picture. Since the turn of the century, only two Retail Trade subsectors are currently at their highest points of employment: Health and Personal Care Stores and Food and Beverage Stores. Building Material, Garden Equipment, and Supplies Dealers almost joins that exclusive club, only 52 jobs below its peak employment in 2004. Through the past 17 years of available employment data, only two of 12 Retail Trade subsectors are

Figure 1. Retail Trade Employment Trends in the Metro Region, Q2 2000 - Q2 2017

Source: MN DEED Quarterly Census of Employment and Wages (QCEW)

Photographer: Eric Slomanson

in the black. Clearly, Retail Trade has transformed over the past 17 years, buffeted by new technologies, changing consumer preferences, entirely new generations of shoppers (Millennials and Generation Z), a Great Recession, and more.

A changing industry sector

Retail Trade is strongly linked to the success of the economy. When the Great Recession hit, many consumers looked to save money, reducing the demand for products sold, resulting in employment and business contractions. With economic recovery, consumers spend more of their disposable income, more retail workers are hired, and businesses expand.[2] Yet new and emerging factors are also influencing the shape of Retail Trade. Online shopping is the largest of these factors. According to BLS, "the increase in online sales is expected to continue over the next decade, limiting the growth of the number of physical retail stores and moderating the demand for retail sales workers."[3] For retail employers, keeping up with transforming technologies and changing consumer preferences is key. "Retail Trade is a dynamic industry that is always changing. Technology is reshaping how consumers shop. Retailers that resist the changes coming about will not survive. Those that embrace technology and let the consumer be in charge will thrive."[4]

Despite the impact of online sales and slowing Retail Trade employment growth, the need for workers remains high. According to DEED's latest Job Vacancy Survey (JVS) results, Retail Trade employers reported over 11,000 vacancies throughout the Metro Area. Such vacancies were up an incredible 60.9 percent over the year and now represent the most vacancies reported for Retail Trade since the survey began in 2001. The bulk of these vacancies are for Retail Salespersons, Cashiers, and First-Line Supervisors of Retail Sales Workers.

Despite the changing face of Retail Trade, it remains the Metro Area's third largest-employing industry sector, accounting for one in every 10 jobs. With tight labor market conditions persisting into 2018, employers remain on the look-out for qualified and motivated workers to fill current vacancies.

by Tim O'Neill

[2]Rieley, Michael. "The Changing Face of Retail Trade." *Career Outlook*, Bureau of Labor Statistics, Dec. 2014, https://www.bls.gov/careeroutlook/2014/article/retail-trade.htm. Accessed 13 Dec. 2017.
[3]"Occupational Outlook Handbook." *Retail Sales Workers*, Bureau of Labor Statistics, 24 Oct. 2017, https://www.bls.gov/ooh/sales/retail-sales-workers.htm#tab-6. Accessed 13 Dec. 2017.
[4]Loeb, Walter. "The Future of Retailing: The Technology Revolution is Now." Forbes, 9 Aug. 2016, https://www.forbes.com/sites/walterloeb/2016/08/09/the-future-of-retailing-the-revolution-to-technology-is-now/2/. Accessed 19 Dec. 2017.

NAICS 71: Arts, Entertainment, and Recreation

NAICS 71 covers quite a few of the firms that provide for the entertainment needs of its patrons. The range spreads from businesses like museums and orchestras to casinos and ski slopes. In the middle are spectator sports of all sorts. The code does not include, however, businesses that provide both accommodation and recreation combined at one location, movie theaters, and businesses that provide transportation with entertainment such as sightseeing tours.

The largest sector is 713, the Amusement, Gambling, and Recreation industry with 68.5% of the sector 71 average quarterly employment. This is followed by 711, Performing Arts, Spectator Sports, and Related Industries with 25%. The 712 sector, Museums, Historical Sites, and Similar Institutions, has 6.5%. Within these three subsectors, the five six-digit sectors with the most employment in the private sector are displayed in Table 1.

Table 1

NAICS	Industry Name	MN Employment
713950	Fitness and Recreational Sports Centers	11,257
713910	Golf Courses and Country Clubs	7,439
713990	All Other Amusement and Recreation Industries	4,303
713950	Bowling Centers	2,645
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	2,419

Because of population density in the Met Area, it has 72.8% of the total Minnesota employment in the industry. Wages are also higher in the Met Area, $39,000 for an average annual wage, compared to $14,144 in Greater Minnesota:

Table 2. Wages and Employment for NAICS 71, 711, 712, and 713

	Minnesota		Twin Cities Metro		Greater Minnesota	
NAICS	Employment	Wages	Employment	Wages	Employment	Wages
71	42,683	$32,552	31,081	$39,000	11,234	$14,144
711	10,657	$71,344	9,129	$79,508	1,273	$16,224
712	2,776	$33,488	1,965	$39,156	712	$19,240
713	29,249	$18,148	19,986	$20,280	9,160	$13,468

Note: Metro Twin Cities includes seven counties of the Mpls-St Paul area. Wages are annual.

by Derek Teed

Labor Force Estimates

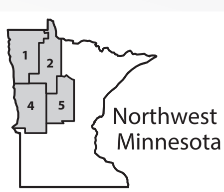
County/Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Nov 2017	Oct 2017	Nov 2016	Nov 2017	Oct 2017	Nov 2016	Nov 2017	Oct 2017	Nov 2016	Nov 2017	Oct 2017	Nov 2016
United States ('000s)												
(Seasonally adjusted)	160,533	160,371	159,544	153,917	153,846	152,126	6,616	6,524	7,419	4.1%	4.1%	4.6%
(Unadjusted)	160,466	160,465	159,451	154,180	154,223	152,385	6,286	6,242	7,066	3.9	3.9	4.4
Minnesota												
(Seasonally adjusted)	3,079,776	3,074,081	3,002,955	2,982,697	2,971,021	2,881,747	97,079	103,060	121,208	3.2	3.4	4.0
(Unadjusted)	3,067,812	3,059,481	2,997,906	2,986,322	2,986,708	2,895,799	81,490	72,773	102,107	2.7	2.4	3.4
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	1,994,774	1,990,577	1,935,389	1,946,499	1,943,638	1,874,115	48,275	46,939	61,274	2.4	2.4	3.2
Duluth-Superior MSA	144,506	143,214	141,896	139,091	138,811	134,791	5,415	4,403	7,105	3.7	3.1	5.0
Rochester MSA	119,463	119,745	118,592	116,840	117,291	115,286	2,623	2,454	3,306	2.2	2.0	2.8
St. Cloud MSA	111,839	111,510	109,702	108,881	108,958	106,061	2,958	2,552	3,641	2.6	2.3	3.3
Mankato-N Mankato MSA	61,517	61,993	60,354	60,344	60,843	58,835	1,173	1,150	1,519	1.9	1.9	2.5
Fargo-Moorhead MSA	140,036	140,176	137,395	137,279	137,985	134,461	2,757	2,191	2,934	2.0	1.6	2.1
Grand Forks MSA	56,757	56,710	57,950	55,486	55,750	56,538	1,271	960	1,412	2.2	1.7	2.4
Region One	**48,376**	**47,858**	**48,862**	**46,598**	**46,662**	**46,784**	**1,778**	**1,196**	**2,078**	**3.7**	**2.5**	**4.3**
Kittson	2,372	2,370	2,405	2,302	2,325	2,319	70	45	86	3.0	1.9	3.6
Marshall	5,690	5,525	5,690	5,332	5,354	5,323	358	171	367	6.3	3.1	6.4
Norman	3,427	3,444	3,478	3,297	3,355	3,354	130	89	124	3.8	2.6	3.6
Pennington	9,113	8,985	8,996	8,825	8,781	8,579	288	204	417	3.2	2.3	4.6
Polk	17,137	17,150	17,552	16,610	16,731	16,968	527	419	584	3.1	2.4	3.3
Red Lake	2,332	2,300	2,372	2,242	2,232	2,216	90	68	156	3.9	3.0	6.6
Roseau	8,305	8,084	8,369	7,990	7,884	8,025	315	200	344	3.8	2.5	4.1
Region Two	**43,612**	**43,103**	**42,580**	**41,453**	**41,710**	**40,304**	**2,159**	**1,393**	**2,276**	**5.0**	**3.2**	**5.3**
Beltrami	24,371	23,990	23,643	23,317	23,261	22,601	1,054	729	1,042	4.3	3.0	4.4
Clearwater	4,778	4,628	4,661	4,417	4,414	4,289	361	214	372	7.6	4.6	8.0
Hubbard	9,752	9,784	9,581	9,213	9,473	8,972	539	311	609	5.5	3.2	6.4
Lake of the Woods	2,369	2,344	2,318	2,241	2,266	2,171	128	78	147	5.4	3.3	6.3
Mahnomen	2,342	2,357	2,377	2,265	2,296	2,271	77	61	106	3.3	2.6	4.5
Region Three	**163,021**	**161,417**	**160,917**	**156,025**	**156,173**	**151,596**	**6,996**	**5,244**	**9,321**	**4.3**	**3.2**	**5.8**
Aitkin	7,181	6,974	6,962	6,758	6,738	6,492	423	236	470	5.9	3.4	6.8
Carlton	17,759	17,558	17,364	17,058	17,030	16,543	701	528	821	3.9	3.0	4.7
Cook	2,840	3,025	2,863	2,723	2,964	2,717	117	61	146	4.1	2.0	5.1
Itasca	21,320	20,923	21,414	20,012	20,009	19,499	1,308	914	1,915	6.1	4.4	8.9
Koochiching	5,917	5,905	6,105	5,499	5,622	5,531	418	283	574	7.1	4.8	9.4
Lake	5,209	5,271	5,241	5,025	5,118	4,960	184	153	281	3.5	2.9	5.4
St. Louis	102,795	101,761	100,968	98,950	98,692	95,854	3,845	3,069	5,114	3.7	3.0	5.1
City of Duluth	45,900	45,768	44,831	44,727	44,610	43,327	1,173	1,158	1,504	2.6	2.5	3.4
Balance of St. Louis County	56,895	55,993	56,137	54,223	54,082	52,527	2,672	1,911	3,610	4.7	3.4	6.4
Region Four	**127,815**	**127,260**	**125,623**	**124,226**	**124,632**	**121,546**	**3,589**	**2,628**	**4,077**	**2.8**	**2.1**	**3.2**
Becker	18,575	18,159	17,953	17,869	17,718	17,234	706	441	719	3.8	2.4	4.0
Clay	36,548	36,631	35,912	35,743	35,915	34,964	805	716	948	2.2	2.0	2.6
Douglas	20,181	20,155	19,820	19,633	19,746	19,190	548	409	630	2.7	2.0	3.2
Grant	3,325	3,279	3,309	3,220	3,213	3,187	105	66	122	3.2	2.0	3.7
Otter Tail	31,337	31,257	30,890	30,288	30,571	29,725	1,049	686	1,165	3.3	2.2	3.8
Pope	6,431	6,376	6,312	6,273	6,259	6,113	158	117	199	2.5	1.8	3.2
Stevens	5,758	5,730	5,734	5,662	5,639	5,590	96	91	144	1.7	1.6	2.5
Traverse	1,815	1,834	1,879	1,762	1,797	1,826	53	37	53	2.9	2.0	2.8
Wilkin	3,845	3,839	3,814	3,776	3,774	3,717	69	65	97	1.8	1.7	2.5
Region Five	**83,543**	**82,857**	**82,031**	**79,717**	**80,551**	**77,740**	**3,826**	**2,306**	**4,291**	**4.6**	**2.8**	**5.2**
Cass	14,361	14,459	14,082	13,533	13,983	13,115	828	476	967	5.8	3.3	6.9
Crow Wing	31,950	31,682	30,985	30,595	30,841	29,460	1,355	841	1,525	4.2	2.7	4.9
Morrison	17,960	17,675	17,741	17,112	17,170	16,846	848	505	895	4.7	2.9	5.0
Todd	13,103	12,970	13,043	12,594	12,668	12,437	509	302	606	3.9	2.3	4.6
Wadena	6,169	6,071	6,180	5,883	5,889	5,882	286	182	298	4.6	3.0	4.8
Region Six East	**65,857**	**65,623**	**65,001**	**64,104**	**64,163**	**62,708**	**1,753**	**1,460**	**2,293**	**2.7**	**2.2**	**3.5**
Kandiyohi	24,424	24,338	24,119	23,833	23,883	23,373	591	455	746	2.4	1.9	3.1
McLeod	19,211	19,284	19,142	18,696	18,812	18,423	515	472	719	2.7	2.4	3.8
Meeker	13,182	13,168	13,069	12,793	12,854	12,593	389	314	476	3.0	2.4	3.6
Renville	9,040	8,833	8,671	8,782	8,614	8,319	258	219	352	2.9	2.5	4.1

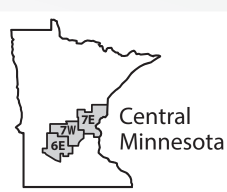
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

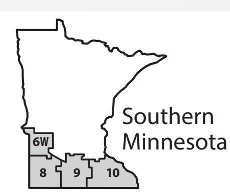
Labor Force Estimates

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

County/Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Nov 2017	Oct 2017	Nov 2016	Nov 2017	Oct 2017	Nov 2016	Nov 2017	Oct 2017	Nov 2016	Nov 2017	Oct 2017	Nov 2016
Region Six West	**23,947**	**23,931**	**24,126**	**23,296**	**23,380**	**23,288**	**651**	**551**	**838**	**2.7%**	**2.3%**	**3.5%**
Big Stone	2,681	2,719	2,709	2,595	2,657	2,598	86	62	111	3.2	2.3	4.1
Chippewa	7,022	7,004	7,054	6,827	6,832	6,813	195	172	241	2.8	2.5	3.4
Lac Qui Parle	3,640	3,648	3,723	3,558	3,569	3,603	82	79	120	2.3	2.2	3.2
Swift	5,126	5,107	5,178	4,982	4,996	4,972	144	111	206	2.8	2.2	4.0
Yellow Medicine	5,478	5,453	5,462	5,334	5,326	5,302	144	127	160	2.6	2.3	2.9
Region Seven East	**87,837**	**86,858**	**85,225**	**84,469**	**84,328**	**81,445**	**3,368**	**2,530**	**3,780**	**3.8**	**2.9**	**4.4**
Chisago	29,590	29,425	28,757	28,711	28,698	27,681	879	727	1,076	3.0	2.5	3.7
Isanti	20,891	20,731	20,237	20,156	20,141	19,439	735	590	798	3.5	2.8	3.9
Kanabec	9,098	8,894	8,825	8,644	8,619	8,334	454	275	491	5.0	3.1	5.6
Mille Lacs	12,963	12,812	12,612	12,378	12,384	11,958	585	428	654	4.5	3.3	5.2
Pine	15,295	14,996	14,794	14,580	14,486	14,033	715	510	761	4.7	3.4	5.1
Region Seven West	**237,019**	**236,246**	**231,271**	**230,710**	**230,701**	**223,546**	**6,309**	**5,545**	**7,725**	**2.7**	**2.3**	**3.3**
Benton	21,949	21,856	21,491	21,291	21,293	20,702	658	563	789	3.0	2.6	3.7
Sherburne	50,950	50,737	49,522	49,537	49,483	47,759	1,413	1,254	1,763	2.8	2.5	3.6
Stearns	89,890	89,654	88,211	87,590	87,665	85,359	2,300	1,989	2,852	2.6	2.2	3.2
Wright	74,230	73,999	72,047	72,292	72,260	69,726	1,938	1,739	2,321	2.6	2.4	3.2
Region Eight	**64,527**	**65,133**	**65,714**	**63,018**	**63,715**	**63,682**	**1,509**	**1,418**	**2,032**	**2.3**	**2.2**	**3.1**
Cottonwood	4,903	5,086	5,470	4,719	4,874	5,164	184	212	306	3.8	4.2	5.6
Jackson	6,008	6,058	6,059	5,869	5,908	5,868	139	150	191	2.3	2.5	3.2
Lincoln	3,342	3,391	3,392	3,273	3,331	3,313	69	60	79	2.1	1.8	2.3
Lyon	15,273	15,271	15,270	14,981	15,002	14,858	292	269	412	1.9	1.8	2.7
Murray	4,840	4,873	4,908	4,699	4,768	4,749	141	105	159	2.9	2.2	3.2
Nobles	11,225	11,330	11,417	10,985	11,088	11,069	240	242	348	2.1	2.1	3.0
Pipestone	4,813	4,850	4,897	4,710	4,768	4,754	103	82	143	2.1	1.7	2.9
Redwood	8,255	8,343	8,383	8,019	8,134	8,100	236	209	283	2.9	2.5	3.4
Rock	5,868	5,931	5,918	5,763	5,842	5,807	105	89	111	1.8	1.5	1.9
Region Nine	**134,437**	**135,071**	**133,128**	**131,155**	**132,139**	**128,986**	**3,282**	**2,932**	**4,142**	**2.4**	**2.2**	**3.1**
Blue Earth	40,607	40,889	39,802	39,787	40,099	38,771	820	790	1,031	2.0	1.9	2.6
Brown	14,805	14,857	14,850	14,445	14,551	14,366	360	306	484	2.4	2.1	3.3
Faribault	7,176	7,291	7,273	6,961	7,100	6,984	215	191	289	3.0	2.6	4.0
Le Sueur	15,941	15,823	15,529	15,371	15,410	14,914	570	413	615	3.6	2.6	4.0
Martin	10,406	10,412	10,454	10,130	10,140	10,105	276	272	349	2.7	2.6	3.3
Nicollet	20,910	21,104	20,552	20,557	20,744	20,064	353	360	488	1.7	1.7	2.4
Sibley	8,595	8,673	8,605	8,398	8,495	8,309	197	178	296	2.3	2.1	3.4
Waseca	9,420	9,470	9,476	9,142	9,237	9,145	278	233	331	3.0	2.5	3.5
Watonwan	6,577	6,552	6,587	6,364	6,363	6,328	213	189	259	3.2	2.9	3.9
Region Ten	**282,996**	**282,411**	**280,064**	**276,699**	**276,507**	**271,913**	**6,297**	**5,904**	**8,151**	**2.2**	**2.1**	**2.9**
Dodge	11,418	11,505	11,434	11,182	11,259	11,098	236	246	336	2.1	2.1	2.9
Fillmore	11,356	11,434	11,447	11,055	11,187	11,068	301	247	379	2.7	2.2	3.3
Freeborn	16,370	16,261	16,290	15,798	15,780	15,668	572	481	622	3.5	3.0	3.8
Goodhue	26,822	26,821	26,677	26,218	26,256	25,855	604	565	822	2.3	2.1	3.1
Houston	10,739	10,697	10,669	10,509	10,485	10,332	230	212	337	2.1	2.0	3.2
Mower	20,566	20,568	20,583	20,162	20,188	20,044	404	380	539	2.0	1.8	2.6
Olmsted	84,706	84,744	83,679	82,929	83,047	81,467	1,777	1,697	2,212	2.1	2.0	2.6
City of Rochester	62,184	62,226	61,447	60,867	60,954	59,794	1,317	1,272	1,653	2.1	2.0	2.7
Rice	36,891	36,848	36,045	36,106	36,120	35,051	785	728	994	2.1	2.0	2.8
Steele	22,651	22,027	21,779	22,169	21,560	21,123	482	467	656	2.1	2.1	3.0
Wabasha	11,983	12,062	12,032	11,674	11,798	11,653	309	264	379	2.6	2.2	3.1
Winona	29,494	29,444	29,429	28,897	28,827	28,554	597	617	875	2.0	2.1	3.0
Region Eleven	**1,704,823**	**1,701,713**	**1,653,366**	**1,664,849**	**1,662,049**	**1,602,261**	**39,974**	**39,664**	**51,105**	**2.3**	**2.3**	**3.1**
Anoka	195,901	195,345	190,237	191,001	190,679	183,895	4,900	4,666	6,342	2.5	2.4	3.3
Carver	56,941	56,878	55,383	55,687	55,675	53,758	1,254	1,203	1,625	2.2	2.1	2.9
Dakota	239,909	239,421	232,735	234,462	234,050	225,731	5,447	5,371	7,004	2.3	2.2	3.0
Hennepin	699,917	698,881	678,176	683,488	682,247	657,329	16,429	16,634	20,847	2.3	2.4	3.1
City of Bloomington	47,707	47,627	46,262	46,570	46,486	44,788	1,137	1,141	1,474	2.4	2.4	3.2
City of Minneapolis	239,227	238,959	231,841	233,522	233,098	224,585	5,705	5,861	7,256	2.4	2.5	3.1
Ramsey	288,608	288,087	279,947	281,578	281,097	270,947	7,030	6,990	9,000	2.4	2.4	3.2
City of St. Paul	158,198	157,943	153,451	154,264	154,000	148,440	3,934	3,943	5,011	2.5	2.5	3.3
Scott	81,743	81,602	79,263	80,034	79,906	77,063	1,709	1,696	2,200	2.1	2.1	2.8
Washington	141,804	141,499	137,625	138,599	138,395	133,538	3,205	3,104	4,087	2.3	2.2	3.0







Industrial Analysis

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

Overview

Minnesota lost 4,000 jobs (0.1 percent) in November on a seasonally adjusted basis. October preliminary estimates, which showed the loss of 4,500 jobs in the state, were revised to reflect losses of only 2,400 for that month. November's losses were concentrated among Service Providers (off 5,200 or 0.2 percent) as Goods Producers added 1,200 jobs (0.3 percent). Both private and public sector employment shrank on the month. Annually the state added 34,566 jobs (1.2 percent). Goods Producers showed larger proportionate growth at 2.1 percent (9,124 jobs), but the larger service providing segment of the economy added more total jobs, up 25,442 or 1 percent. Most of the annual growth was concentrated in the private sector, which was up by 33,988 or 1.4 percent. Government employers added just 578 jobs (0.1 percent) on the year.

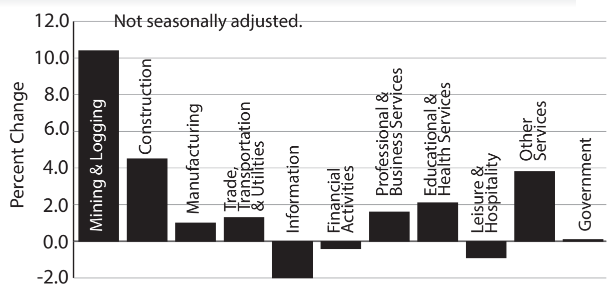
Mining and Logging

Mining and Logging employment was up by 100 (1.4 percent) in November with 7,100 total jobs. Employment in the supersector has remained somewhere between 6,900 and 7,100 in every month since March. Annually the supersector added 684 jobs (10.4 percent). This is an improvement on previous months, as annual growth had been generally declining since it hit 16.5 percent in February, the natural result of stabilizing employment after a tumultuous prior year.

Construction

Employment in the Construction supersector was up by 1,800 (1.5 percent) in November on a seasonally adjusted basis. The increase follows a nearly identical loss of 1,900 in October, suggesting that the supersector underwent its seasonal contraction slightly earlier this year, perhaps caused by weather conditions. Annually Construction employers added 5,384 jobs (4.5 percent). Specialty Trade Contractors spurred the growth, adding 5,292 jobs (6.8 percent). Heavy and Civil Engineering Construction chipped in 623 jobs (3.6 percent) while the third component, Building Construction, lost 531 jobs (2.1 percent).

MN Employment Growth
November 2016 to November 2017



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

Manufacturing

Employment in the Manufacturing supersector was off by 700 (0.2 percent) in November. Non-Durable Goods Manufacturing employment remained flat at 118,900 jobs, while Durable Goods Manufacturers shed 700 (0.2 percent). Annually Manufacturing employment was up by 3,056 (1 percent), with both Durable (up 1,179, 0.9 percent) and Non-Durable (up 1,277, 1.1 percent) contributing to the growth. Food Manufacturing, a component sector of Non-Durable Goods, showed particularly strong growth, adding 2,058 jobs (4.4 percent) on the year.

Trade, Transportation , and Utilities

Trade, Transportation, and Utilities employment was up by 2,300 (0.4 percent) in November. The Wholesale Trade sector led the surge, adding 2,000 jobs (1.5 percent). Retail Trade added 800 jobs of their own (up 0.3 percent), while Transportation, Warehousing, and Utilities lost 500 jobs (0.5 percent). Annually the supersector added 7,002 jobs (1.3 percent). Retail Trade employment was up by 5,775 (1.9 percent) over November of 2016, and Wholesale Trade was up 2,574 (1.9 percent). However, Transportation, Warehousing, and Utilities employment was off by 1,347 jobs (1.3 percent).

Information

Employment in the Information supersector was off by 700 (1.4 percent) in November, on a seasonally adjusted basis. It was the second big decline for the industry group in the past three months, as it also shed 1,600 jobs (3.1 percent) in September. Annually Information employment was down by 1,027 (2 percent). Publishing Industries (Except Internet) lost 822 jobs (4.3 percent), and Telecommunications lost 202 jobs (1.7 percent).

*Over-the-year data are not seasonally adjusted because of small changes in seasonal adjustment factors from year to year. Also, there is no seasonality in over-the-year changes.

Financial Activities

Employment in the Financial Activities supersector was up by 500 (0.3 percent) in November. Real Estate and Rental and Leasing added 400 jobs (1.2 percent) while Finance and Insurance added 100 (0.1 percent). Annually the supersector lost 735 jobs (0.4 percent). Finance and Insurance showed decent growth, adding 1,255 jobs (0.9 percent), but Real Estate and Rental and Leasing continued to struggle (off by 1,990 or 5.8 percent). The component sector has been lagging since April, when over-the-year employment growth plummeted to -2.8 percent from March's +0.2 percent.

Professional and Business Services

Professional and Business Services employment was up by 1,800 (0.5 percent) in November. Likewise, October's preliminary job losses were revised into a slight job bump for the month. November's growth was driven by expansion in Administrative and Support and Waste Management and Remediation Services, which added 2,400 jobs (1.7 percent). Management of Companies and Enterprises lost 1,100 jobs (1.3 percent). Annually the supersector added 5,993 jobs (1.6 percent). A decline in Professional, Scientific, and Technical Services employment (off 3,032 or 1.9 percent) was offset by gains in the other two component sectors. Administrative and Support and Waste Management and Remediation Services employment was up by 7,646 (5.5 percent) on the back of Employment Services, which grew by 5,969 (9.3 percent). Management of Companies and Enterprises, the third component sector, added 1,379 jobs (1.7 percent).

Educational and Health Services

Educational and Health Services employment was up slightly in November, adding 500 jobs (0.1 percent) over October. The previous month's preliminary estimate was also revised up, from a loss of 2,400 to a loss of 1,600. November's growth was concentrated in Educational Services, which added 700 jobs (1.1 percent). Employment in Health Care and Social Assistance was largely flat, down by 200 jobs (0.0 percent). Over the year the supersector added 11,435 jobs (2.1 percent). Health Care and Social Assistance employment was up by 14,556 (3.2 percent), spread among component sectors. Educational Services employment, on the other hand, declined on the year, off by 3,121 (4.3 percent).

Leisure and Hospitality

Leisure and Hospitality continued its volatile seasonally-adjusted performance in November as it lost 7,500 jobs (2.8 percent). The supersector has now had both its largest increase and its largest decrease in 2017 (in June and November, respectively), suggesting that the seasonal effects that dominate the supersector may have shifted for the past year. Annually employment in the supersector was down slightly, off by 2,270 (0.9 percent). Arts, Entertainment, and Recreation was up by 1,114 (3.2 percent), but its growth was overshadowed by the loss of 3,384 jobs (1.6 percent) in Accommodation and Food Services.

Other Services

Other Services employment was off sharply in November, losing 1,500 jobs (1.2 percent) from October estimates. However, October's 400 jobs decrease was revised up to a 500 job increase (0.4 percent). Annually Other Services added 4,466 jobs (3.8 percent). Repair and Maintenance added 1,403 jobs (6.4 percent), while Religious, Grantmaking, Civic, Professional, and Similar Organizations added 2,580 (4 percent).

Government

Government employers lost 600 jobs (0.1 percent) in November. Federal employers lost 500 jobs (1.5 percent), and State employers lost 100 (0.1 percent). Annually Government employment was largely flat, up by 548 (0.1 percent) since November 2016.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	Nov 2017	Oct 2017	Sept 2017
Total Nonagricultural	**2,949.1**	**2,953.1**	**2,955.5**
Goods-Producing	**450.0**	**448.8**	**450.3**
Mining and Logging	128.4	126.5	128.5
Construction	121.3	119.5	121.4
Manufacturing	321.6	322.3	321.8
Service-Providing	**2,499.1**	**2,504.3**	**2,505.2**
Trade, Transportation, and Utilities	542.0	539.7	540.8
Information	49.4	50.1	49.8
Financial Activities	176.3	175.8	176.3
Professional and Business Services	381.0	379.2	379.0
Educational and Health Services	540.1	539.6	541.2
Leisure and Hospitality	260.2	267.7	266.9
Other Services	119.6	121.1	120.6
Government	430.5	431.1	430.6

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

Regional Analysis

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

Employment in the Minneapolis-St. Paul MSA was down by 5,688 (0.3 percent) in November. That's a worse showing than the metro area has historically had in November, but it followed an October where the MSA greatly outperformed the state as a whole. Major job losses came from the expected industries, as Leisure and Hospitality shed 8,929 jobs (4.8 percent), and Mining, Logging, and Construction shed 2,981 (3.5 percent). Trade, Transportation, and Utilities employment grew by 5,884 (1.6 percent) as Retail Trade employers added 5,062 jobs (2.6 percent) in the buildup to the holiday season. Annually the metro area added 41,807 jobs (2.1 percent). November represented the seventh straight month with greater than 2 percent annual employment growth for the MSA, leading Minnesota as a whole and all other MSAs within it. The annual expansion was driven by a broad base of employment growth, as only two supersectors lost jobs - Financial Activities, down 1.2 percent, and Information, down 1.3 percent. Areas with notable growth included Educational and Health Services (up 10,076 or 3.1 percent), Professional and Business Services (up 8,514 or 2.6 percent), Trade, Transportation, and Utilities (up 7,729 or 2.1 percent), and Mining, Logging, and Construction (up 4,580, 5.8 percent). The metro's over-the-year growth percentage has been higher than the statewide percentage for every month in 2017 so far.

Duluth -Superior MSA

The Duluth-Superior MSA lost 198 jobs (0.1 percent) in November. Leisure and Hospitality was the biggest loser, off by 516 or 3.7 percent. Mining, Logging, and Construction employment was also off by 3.7 percent as the supersector shed 399 jobs. Professional and Business Services suffered notable job loss as well, off by 186 or 2.2 percent. The largest employment increase, by both whole jobs and percentage change, came in Trade, Transportation, and Utilities, which added 536 jobs or 2.1 percent. Over the year the Duluth MSA added 2,064 jobs (1.5 percent), slightly outpacing the state's 1.2 percent over the year change. Annual growth was driven in large part by the addition of 1,071 jobs (11.4 percent) to Mining, Logging, and Construction. Other notable growth supersectors included Financial Activities (up 210 or 3.6 percent) and Trade, Transportation, and Utilities (up 388 or 1.5 percent).

Rochester MSA

Employment in the Rochester MSA was off by 432 (0.4 percent). In addition to the usual suspects losing jobs (Mining, Logging, and Construction was off by 3 percent, and Leisure and Hospitality was off by 2.2), Manufacturing employment also contracted, losing 334 jobs or 3.1 percent. Trade, Transportation, and Utilities added 164 jobs (0.9 percent), but Transportation, Warehousing, and Utilities saw slightly stronger proportional growth than Retail Trade, up 1.1 percent and 1 percent, respectively. Annually Rochester added 311 jobs (0.3 percent). Mining, Logging, and Construction had the strongest growth in both real and proportional numbers, adding 304 jobs or 6.7 percent. Educational and Health Services had the steepest decline, both real and proportional, off by 535 jobs or 1.1 percent.

St. Cloud MSA

Employment in the Saint Cloud MSA was off by 152 (0.1 percent) in November. Mining, Logging, and Construction (down 364,or 4.7 percent), Educational and Health Services (down 155 or 0.7 percent), and Other Services (down 29, 0.8 percent) were among the notable contractions in the MSA. Trade, Transportation, and Utilities was the prominent growth industry, adding 355 jobs or 1.6 percent. Annually the Saint Cloud MSA added 1,841 jobs (1.7 percent). Small losses of less than 100 jobs each in five supersectors were counterbalanced by larger gains across the other industry groups. Notable among those were Educational and Health Services (up 1,000 or 4.6 percent) and Mining, Logging, and Construction (up 617 or 9.2 percent).

Mankato-North Mankato MSA

The Mankato-North Mankato MSA lost 415 jobs (0.7 percent) in November. It was the largest proportional over-the-month decline of any MSA in the state. The loss came entirely from Service Providers, which lost 416 jobs (0.8 percent), while Goods Producers went on a hiring spree, adding 1 job (0.0 percent). The declines among service providers were concentrated in the private sector, as public sector employment grew by 123 (1.1 percent) on the month. Annually the MSA added 1,085 jobs (1.9 percent). Goods Producers added 389 (3.9 percent) while Service Providers added 696 (1.4 percent). Both private and public sector employment grew on the year.

Fargo-Moorhead MSA

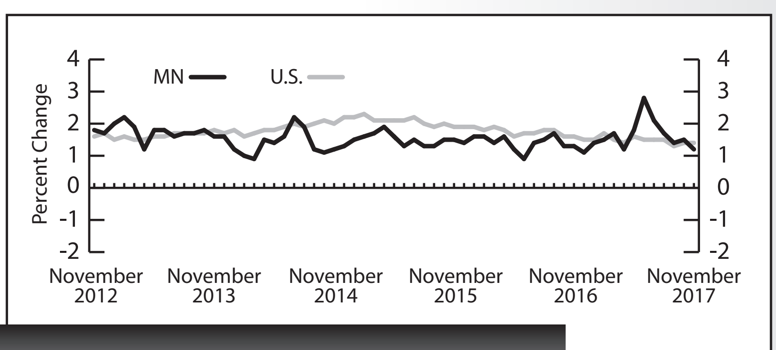
The Fargo-Moorhead MSA lost 655 jobs (0.4 percent) in November. Mining, Logging, and Construction saw the sharpest decline, off by 411 jobs or 3.9 percent. The largest gains came in Trade, Transportation, and Utilities, which added 326 jobs (1.1 percent), almost entirely from the Retail Trade component. Annually the MSA added 1,837 jobs (1.3 percent). The only supersectors to shed jobs were Information (down 104 or 3.2 percent) and Trade, Transportation, and Utilities which lost 447 jobs (1.4 percent) entirely from a steep over-the-year decline of 671 (4 percent) in Retail Trade.

Grand Forks-East Grand Forks MSA

The Grand Forks-East Grand Forks MSA lost 63 jobs (0.1 percent) in November. Mining, Logging, and Construction saw the largest declines, off by 197 jobs or 5.5 percent. Annually the MSA lost 1,633 jobs (2.7 percent). It remained the only MSA in the state to lose jobs over the year. The struggles continued to stem from the over-the-year loss of 1,113 (24.7 percent) in Mining, Logging, and Construction.

by Nick Dobbins

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



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

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Nov 2017	Oct 2017	Nov 2016	Oct 2017	Nov 2016	Nov 2017	Nov 2016	Nov 2017	Nov 2016	Nov 2017	Nov 2016
TOTAL NONFARM WAGE AND SALARY	**2,966.7**	**2,978.1**	**2,932.1**	**-0.4%**	**1.2%**	—	—	—	—	—	—
GOODS-PRODUCING	**454.2**	**461.3**	**445.1**	**-1.5**	**2.1**	—	—	—	—	—	—
Mining, Logging, and Construction	**132.8**	**137.9**	**126.7**	**-3.7**	**4.8**	—	—	—	—	—	—
Mining and Logging	**7.2**	**7.3**	**6.6**	**-1.2**	**10.4**	—	—	—	—	—	—
Construction	**125.6**	**130.6**	**120.2**	**-3.9**	**4.5**	—	—	—	—	—	—
Specialty Trade Contractors	82.9	84.6	77.6	-2.1	6.8	$1,285.81	$1,285.58	39.6	39.9	$32.47	3$2.22
Manufacturing	**321.4**	**323.4**	**318.3**	**-0.6**	**1.0**	**868.72**	**834.36**	**40.9**	**40.9**	**21.24**	**20.40**
Durable Goods	203.0	204.1	201.2	-0.5	0.9	899.39	867.00	40.9	40.8	21.99	21.25
Wood Product Manufacturing	11.6	11.5	11.3	0.3	2.2	—	—	—	—	—	—
Fabricated Metal Production	41.9	42.1	41.8	-0.5	0.1	—	—	—	—	—	—
Machinery Manufacturing	31.8	31.6	32.6	0.8	-2.3	—	—	—	—	—	—
Computer and Electronic Product	45.5	45.4	45.6	0.2	-0.1	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	26.6	26.5	26.4	0.1	0.9	—	—	—	—	—	—
Transportation Equipment	10.6	10.6	10.8	0.3	-2.0	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	16.3	16.3	16.1	-0.1	1.3	—	—	—	—	—	—
Nondurable Goods	118.4	119.3	117.1	-0.7	1.1	818.00	782.13	40.9	41.1	20.00	19.03
Food Manufacturing	48.4	48.9	46.4	-1.0	4.4	—	—	—	—	—	—
SERVICE-PROVIDING	**2,512.5**	**2,516.8**	**2,487.1**	**-0.2**	**1.0**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**550.6**	**541.6**	**543.6**	**1.7**	**1.3**	—	—	—	—	—	—
Wholesale Trade	135.1	133.3	132.5	1.4	1.9	919.99	883.57	38.9	39.2	23.65	22.54
Retail Trade	312.2	304.8	306.5	2.4	1.9	446.02	424.37	29.0	28.5	15.38	14.89
Motor Vehicle and Parts	36.2	36.2	35.4	0.2	2.4	—	—	—	—	—	—
Building Material and Garden Equipment	25.8	26.1	25.9	-0.9	-0.1	—	—	—	—	—	—
Food and Beverage Stores	55.9	55.2	55.7	1.2	0.4	—	—	—	—	—	—
Gasoline Stations	25.8	25.6	25.2	0.9	2.3	—	—	—	—	—	—
General Merchandise Stores	64.7	61.0	65.0	6.0	-0.5	413.72	369.41	31.8	29.6	13.01	12.48
Transportation,Warehouse, Utilities	103.2	103.6	104.6	-0.4	-1.3	—	—	—	—	—	—
Transportation and Warehousing	90.8	91.2	92.1	-0.4	-1.3	748.99	736.05	35.7	35.1	20.98	20.97
Information	**49.9**	**50.0**	**50.9**	**-0.2**	**-2.0**	**1,077.36**	**981.09**	**34.3**	**33.0**	**31.41**	**29.73**
Publishing Industries	18.3	18.3	19.1	-0.3	-4.3	—	—	—	—	—	—
Telecommunications	11.8	11.8	12.0	0.0	-1.7	—	—	—	—	—	—
Financial Activities	**175.4**	**175.9**	**176.1**	**-0.3**	**-0.4**	—	—	—	—	—	—
Finance and Insurance	142.9	143.3	141.6	-0.3	0.9	1,128.38	1,059.96	37.5	36.3	30.09	29.20
Credit Intermediation	63.0	63.1	62.4	-0.2	1.0	828.00	741.88	36.3	34.0	22.81	21.82
Securities, Commodity Contracts, and Other	19.3	19.3	19.5	-0.3	-1.2	—	—	—	—	—	—
Insurance Carriers and Related	60.6	60.8	59.8	-0.3	1.5	—	—	—	—	—	—
Real Estate and Rental and Leasing	32.5	32.6	34.5	-0.4	-5.8	—	—	—	—	—	—
Professional and Business Services	**381.5**	**383.9**	**375.5**	**-0.6**	**1.6**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	153.9	155.3	156.9	-0.9	-1.9	—	—	—	—	—	—
Legal Services	18.1	18.2	18.2	-0.1	-0.4	—	—	—	—	—	—
Accounting, Tax Preparation	16.4	16.3	16.5	0.4	-0.7	—	—	—	—	—	—
Computer Systems Design	37.3	37.8	37.8	-1.3	-1.4	—	—	—	—	—	—
Management of Companies and Enterprises	80.4	80.9	79.0	-0.6	1.7	—	—	—	—	—	—
Administrative and Support Services	147.2	147.7	139.6	-0.3	5.5	—	—	—	—	—	—
Educational and Health Services	**544.6**	**541.6**	**533.1**	**0.5**	**2.1**	—	—	—	—	—	—
Educational Services	69.4	68.1	72.5	1.9	-4.3	—	—	—	—	—	—
Health Care and Social Assistance	475.2	473.5	460.6	0.3	3.2	—	—	—	—	—	—
Ambulatory Health Care	158.5	157.7	151.5	0.5	4.7	1,378.31	1,302.09	37.7	35.9	36.56	36.27
Offices of Physicians	75.0	74.7	72.5	0.4	3.3	—	—	—	—	—	—
Hospitals	109.3	109.3	107.6	0.0	1.6	—	—	—	—	—	—
Nursing and Residential Care Facilities	108.5	109.1	107.4	-0.6	1.0	464.54	466.74	28.8	28.9	16.13	16.15
Social Assistance	98.8	97.4	94.1	1.5	5.0	—	—	—	—	—	—
Leisure and Hospitality	**250.3**	**264.6**	**252.5**	**-5.4**	**-0.9**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	35.8	42.4	34.7	-15.6	3.2	—	—	—	—	—	—
Accommodation and Food Services	214.5	222.2	217.9	-3.5	-1.6	—	—	—	—	—	—
Food Services and Drinking Places	192.3	198.1	192.9	-2.9	-0.3	274.43	274.21	19.8	20.9	13.86	13.12
Other Services	**120.9**	**121.6**	**116.4**	**-0.6**	**3.8**	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	67.4	67.5	64.8	-0.2	4.0	—	—	—	—	—	—
Government	**439.5**	**437.5**	**438.9**	**0.4**	**0.1**						
Federal Government	32.0	32.3	32.1	-0.8	-0.1						
State Government	104.5	104.9	105.6	-0.3	-1.0						
State Government Education	65.3	65.3	66.9	0.0	-2.4						
Local Government	302.9	300.4	301.3	0.9	0.6						
Local Government Education	155.5	153.4	154.4	1.4	0.7						

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

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

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

Employer Survey of Twin Cities Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Nov 2017	Oct 2017	Nov 2016	Oct 2017	Nov 2016	Nov 2017	Nov 2016	Nov 2017	Nov 2016	Nov 2017	Nov 2016
TOTAL NONFARM WAGE AND SALARY	**2,026.0**	**2,031.7**	**1,984.2**	**-0.3%**	**2.1%**	—	—	—	—	—	—
GOODS-PRODUCING	**284.8**	**288.8**	**275.9**	**-1.4**	**3.3**	—	—	—	—	—	—
Mining, Logging, and Construction	**82.9**	**85.9**	**78.4**	**-3.5**	**5.8**	—	—	—	—	—	—
Construction of Buildings	17.2	17.6	17.0	-1.9	1.3	—	—	—	—	—	—
Specialty Trade Contractors	56.7	58.2	53.4	-2.5	6.2	$1,332.87	$1,373.97	38.5	39.1	$34.62	$35.14
Manufacturing	**201.9**	**202.8**	**197.5**	**-0.5**	**2.2**	**915.32**	**897.86**	**41.7**	**41.8**	**21.95**	**21.48**
Durable Goods	138.1	139.5	134.7	-1.0	2.5	935.23	914.78	41.4	41.6	22.59	21.99
Fabricated Metal Production	29.7	29.9	29.3	-0.5	1.4	—	—	—	—	—	—
Machinery Manufacturing	19.7	19.5	20.1	0.6	-2.2	—	—	—	—	—	—
Computer and Electronic Product	37.0	36.9	37.0	0.1	-0.2	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	24.9	24.9	24.7	0.1	0.6	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	14.9	14.9	14.7	-0.3	0.8	—	—	—	—	—	—
Nondurable Goods	63.8	63.3	62.8	0.8	1.6	873.50	865.52	42.3	42.2	20.65	20.51
Food Manufacturing	15.4	15.3	15.2	0.5	1.1	—	—	—	—	—	—
Printing and Related	14.7	14.6	14.9	0.2	-1.5	—	—	—	—	—	—
SERVICE-PROVIDING	**1,741.2**	**1,743.0**	**1,708.4**	**-0.1**	**1.9**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**369.7**	**363.9**	**362.0**	**1.6**	**2.1**	—	—	—	—	—	—
Wholesale Trade	99.8	98.2	97.0	1.6	2.9	916.42	851.82	38.2	39.2	23.99	21.73
Merchant Wholesalers - Durable Goods	50.2	49.4	48.5	1.7	3.6	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	28.5	28.4	28.0	0.3	1.8	—	—	—	—	—	—
Retail Trade	197.7	192.6	193.4	2.6	2.2	455.71	441.91	30.1	29.5	15.14	14.98
Food and Beverage Stores	34.8	34.2	34.6	1.7	0.7	—	—	—	—	—	—
General Merchandise Stores	39.3	37.4	39.7	5.1	-1.0	433.93	369.94	32.7	30.7	13.27	12.05
Transportation, Warehouse, Utilities	72.3	73.1	71.6	-1.1	0.9	—	—	—	—	—	—
Utilities	7.6	7.6	7.5	0.7	1.0	—	—	—	—	—	—
Transportation and Warehousing	64.7	65.5	64.1	-1.3	0.9	797.34	720.90	38.5	35.2	20.71	20.48
Information	**37.7**	**37.8**	**38.2**	**-0.1**	**-1.3**						
Publishing Industries	14.4	14.4	15.0	-0.2	-4.4	—	—	—	—	—	—
Telecommunications	8.7	8.7	8.7	0.0	-0.6	—	—	—	—	—	—
Financial Activities	**141.0**	**141.6**	**142.7**	**-0.4**	**-1.2**	—	—	—	—	—	—
Finance and Insurance	114.6	115.2	114.5	-0.5	0.2	1,203.93	1,132.93	37.8	36.7	31.85	30.87
Credit Intermediation	46.3	46.7	46.3	-0.8	0.1	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	17.0	17.2	17.5	-0.9	-2.8	—	—	—	—	—	—
Insurance Carriers and Related	51.3	51.3	50.6	-0.1	1.3	—	—	—	—	—	—
Real Estate and Rental and Leasing	26.3	26.4	28.2	-0.1	-6.7	—	—	—	—	—	—
Professional and Business Services	**333.6**	**334.7**	**325.0**	**-0.4**	**2.6**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	139.8	140.7	140.7	-0.6	-0.7	—	—	—	—	—	—
Legal Services	15.5	15.5	15.6	-0.1	-0.4	—	—	—	—	—	—
Architectural, Engineering, and Related	19.1	19.0	18.5	0.1	2.9	—	—	—	—	—	—
Computer Systems Design	34.1	34.6	35.0	-1.5	-2.8	—	—	—	—	—	—
Management of Companies and Enterprises	73.4	74.0	71.4	-0.7	2.9	—	—	—	—	—	—
Administrative and Support Services	120.3	120.1	112.9	0.2	6.5	—	—	—	—	—	—
Employment Services	59.2	58.6	54.8	1.1	8.0	—	—	—	—	—	—
Educational and Health Services	**339.8**	**337.9**	**329.7**	**0.6**	**3.1**	—	—	—	—	—	—
Educational Services	46.1	45.7	48.3	1.1	-4.4	—	—	—	—	—	—
Health Care and Social Assistance	293.6	292.2	281.4	0.5	4.3	—	—	—	—	—	—
Ambulatory Health Care	94.2	94.1	89.8	0.1	4.9	—	—	—	—	—	—
Hospitals	64.1	64.1	62.9	0.1	1.9	—	—	—	—	—	—
Nursing and Residential Care Facilities	61.2	61.1	60.2	0.2	1.6	—	—	—	—	—	—
Social Assistance	74.1	73.0	68.5	1.5	8.2	—	—	—	—	—	—
Leisure and Hospitality	**177.4**	**186.3**	**174.4**	**-4.8**	**1.7**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	31.6	35.6	30.1	-11.2	5.2	—	—	—	—	—	—
Accommodation and Food Services	145.8	150.7	144.4	-3.3	1.0	301.89	296.57	21.2	21.6	14.24	13.73
Food Services and Drinking Places	131.4	135.5	131.7	-3.0	-0.2	297.65	289.47	20.8	21.3	14.31	13.59
Other Services	**81.9**	**81.7**	**79.7**	**0.2**	**2.8**	—	—	—	—	—	—
Repair and Maintenance	15.4	15.4	14.9	-0.1	3.4	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	42.6	42.4	41.8	0.4	1.8	—	—	—	—	—	—
Government	**260.2**	**259.2**	**256.6**	**0.4**	**1.4**						
Federal Government	21.4	21.5	21.3	-0.6	0.2						
State Government	68.7	68.6	68.3	0.2	0.5						
State Government Education	42.9	42.7	42.6	0.5	0.8						
Local Government	170.1	169.1	166.9	0.6	1.9						
Local Government Education	98.0	97.1	95.6	0.9	2.6						

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

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

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

Employer Survey

Industry	Duluth-Superior MSA Jobs Nov 2017	Jobs Oct 2017	Jobs Nov 2016	% Chg. From Oct 2017	% Chg. From Nov 2016	Rochester MSA Jobs Nov 2017	Jobs Oct 2017	Jobs Nov 2016	% Chg. From Oct 2017	% Chg. From Nov 2016
TOTAL NONFARM WAGE AND SALARY	**139,161**	**139,359**	**137,097**	**-0.1%**	**1.5%**	**119,697**	**120,129**	**119,386**	**-0.4%**	**0.3%**
GOODS-PRODUCING	**17,861**	**18,234**	**16,751**	**-2.0**	**6.6**	**15,350**	**15,835**	**14,967**	**-3.1**	**2.6**
Mining, Logging, and Construction	10,455	10,854	9,384	-3.7	11.4	4,859	5,010	4,555	-3.0	6.7
Manufacturing	7,406	7,380	7,367	0.4	0.5	10,491	10,825	10,412	-3.1	0.8
SERVICE-PROVIDING	**121,300**	**121,125**	**120,346**	**0.1**	**0.8**	**104,347**	**104,294**	**104,419**	**0.1**	**-0.1**
Trade, Transportation, and Utilities	26,005	25,469	25,617	2.1	1.5	18,380	18,216	18,483	0.9	-0.6
Wholesale Trade	3,287	3,255	3,212	1.0	2.3	2,732	2,724	2,840	0.3	-3.8
Retail Trade	16,274	15,913	16,046	2.3	1.4	12,763	12,639	12,703	1.0	0.5
Transportation, Warehouse, Utilities	6,444	6,301	6,359	2.3	1.3	2,885	2,853	2,940	1.1	-1.9
Information	1,365	1,364	1,391	0.1	-1.9	1,869	1,871	1,872	-0.1	-0.2
Financial Activities	6,083	6,037	5,873	0.8	3.6	2,727	2,737	2,656	-0.4	2.7
Professional and Business Services	8,250	8,436	8,304	-2.2	-0.7	5,730	5,756	5,568	-0.5	2.9
Educational and Health Services	32,310	32,129	32,392	0.6	-0.3	48,385	48,393	48,920	0.0	-1.1
Leisure and Hospitality	13,259	13,775	13,038	-3.7	1.7	10,320	10,556	10,236	-2.2	0.8
Other Services	6,217	6,269	6,098	-0.8	2.0	4,129	4,085	3,986	1.1	3.6
Government	27,811	27,646	27,633	0.6	0.6	12,807	12,680	12,698	1.0	0.9

Employer Survey

Industry	St. Cloud MSA Jobs Nov 2017	Jobs Oct 2017	Jobs Nov 2016	% Chg. From Oct 2017	% Chg. From Nov 2016	Mankato MSA Jobs Nov 2017	Jobs Oct 2017	Jobs Nov 2016	% Chg. From Oct 2017	% Chg. From Nov 2016
TOTAL NONFARM WAGE AND SALARY	**111,268**	**111,420**	**109,427**	**-0.1%**	**1.7%**	**59,606**	**60,021**	**58,521**	**-0.7%**	**1.9%**
GOODS-PRODUCING	**22,390**	**22,791**	**21,685**	**-1.8**	**3.3**	**10,348**	**10,347**	**9,959**	**0.0**	**3.9**
Mining, Logging, and Construction	7,343	7,707	6,726	-4.7	9.2	--	--	--	--	--
Manufacturing	15,047	15,084	14,959	-0.2	0.6	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**88,878**	**88,629**	**87,742**	**0.3**	**1.3**	**49,258**	**49,674**	**48,562**	**-0.8**	**1.4**
Trade, Transportation, and Utilities	22,653	22,298	22,743	1.6	-0.4	--	--	--	--	--
Wholesale Trade	5,051	4,977	4,779	1.5	5.7	--	--	--	--	--
Retail Trade	13,752	13,480	13,934	2.0	-1.3	--	--	--	--	--
Transportation, Warehouse, Utilities	3,850	3,841	4,030	0.2	-4.5	--	--	--	--	--
Information	1,584	1,596	1,625	-0.8	-2.5	--	--	--	--	--
Financial Activities	4,935	4,953	4,969	-0.4	-0.7	--	--	--	--	--
Professional and Business Services	8,674	8,715	8,742	-0.5	-0.8	--	--	--	--	--
Educational and Health Services	22,847	23,002	21,847	-0.7	4.6	--	--	--	--	--
Leisure and Hospitality	8,597	8,685	8,293	-1.0	3.7	--	--	--	--	--
Other Services	3,835	3,864	3,749	-0.8	2.3	--	--	--	--	--
Government	15,753	15,516	15,774	1.5	-0.1	10,900	10,777	10,716	1.1	1.7

Employer Survey

Industry	Fargo-Moorhead MSA Jobs Nov 2017	Jobs Oct 2017	Jobs Nov 2016	% Chg. From Oct 2017	% Chg. From Nov 2016	Grand Forks-East Grand Forks MSA Jobs Nov 2017	Jobs Oct 2017	Jobs Nov 2016	% Chg. From Oct 2017	% Chg. From Nov 2016
TOTAL NONFARM WAGE AND SALARY	**146,040**	**146,695**	**144,203**	**-0.5%**	**1.3%**	**58,041**	**58,104**	**59,674**	**-0.1%**	**-2.7%**
GOODS-PRODUCING	**20,356**	**20,847**	**19,740**	**-2.4**	**3.1**	**7,814**	**8,005**	**8,695**	**-2.4**	**-10.1**
Mining, Logging, and Construction	10,156	10,567	9,840	-3.9	3.2	3,407	3,604	4,520	-5.5	-24.6
Manufacturing	10,200	10,280	9,900	-0.8	3.0	4,407	4,401	4,175	0.1	5.6
SERVICE-PROVIDING	**125,684**	**125,848**	**124,463**	**-0.1**	**1.0**	**50,227**	**50,099**	**50,979**	**0.3**	**-1.5**
Trade, Transportation, and Utilities	30,986	30,660	31,433	1.1	-1.4	11,953	11,753	12,231	1.7	-2.3
Wholesale Trade	9,213	9,227	9,101	-0.2	1.2	1,861	1,862	1,880	-0.1	-1.0
Retail Trade	16,023	15,684	16,694	2.2	-4.0	7,877	7,704	8,010	2.3	-1.7
Transportation, Warehouse, Utilities	5,750	5,749	5,638	0.0	2.0	2,215	2,187	2,341	1.3	-5.4
Information	3,121	3,136	3,225	-0.5	-3.2	578	575	595	0.5	-2.9
Financial Activities	11,552	11,527	11,224	0.2	2.9	1,864	1,869	1,833	-0.3	1.7
Professional and Business Services	16,840	17,143	16,065	-1.8	4.8	3,026	3,008	3,055	0.6	-1.0
Educational and Health Services	24,144	24,105	23,839	0.2	1.3	9,954	9,956	9,859	0.0	1.0
Leisure and Hospitality	13,906	14,235	13,724	-2.3	1.3	5,986	6,161	6,336	-2.8	-5.5
Other Services	5,574	5,562	5,531	0.2	0.8	1,943	1,948	1,968	-0.3	-1.3
Government	19,561	19,480	19,422	0.4	0.7	14,923	14,829	15,102	0.6	-1.2

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

Minnesota Economic Indicators

Highlights

The record monthly increase in the **Minnesota Index** in October was revised down to a still strong 0.7 percent. November's gain topped October's, coming in at a 0.9 percent gain. The index increase over the last two months is the highest two-month jump since late 1983. The index's advance was again fueled by a decline in the unemployment rate which fell from 3.4 percent to 3.1 percent in November, the lowest level since July 2000.

Minnesota's index was up 4.5 percent over the year which was the highest increase since February 2015. The U.S. index was up 2.6 percent from a year ago. Minnesota's economy continues to expand at a robust rate, adding jobs at a solid rate and driving the unemployment rate downwards. Minnesota was tied with Tennessee for the 9th lowest state unemployment rate in November.

A consistent gauge of Minnesota's monthly unemployment rate has been available since 1976. Only 36 months or 7 percent of the 503 months since 1976 have recorded 3.1 percent or below unemployment rates. All the other sub 3.1 percent months were between 1997 and 2000. Extremely tight labor markets like those experienced in the late 1990s seem to be headed to Minnesota in 2018.

Minnesota's adjusted **Wage and Salary Employment** declined for the second month in a row, falling by 4,000 jobs. Most of the job loss was in the private sector which cut 3,400 jobs while public sector payrolls fell by 600 positions. Job loss was heaviest in Leisure and Hospitality and Other Services. Job gains in Trade, Transportation, and Utilities, Professional and Business Services, and Construction helped to offset job loss in other sectors.

Minnesota's unadjusted over-the-year job growth dropped to 1.2 percent in November which ties April for the lowest over-the-year gain. Unadjusted U.S. job growth was 1.4 percent. Minnesota's annual average job growth has averaged 1.7 percent through November which is slightly higher than the U.S. 1.5 percent rate.

Minnesota's 1.7 annual average job growth through November tops all neighboring states which, like Minnesota, are experiencing low unemployment. Annual average job growth through November is 1.1 percent in Wisconsin, 1.0 percent in South Dakota, 0.9 percent in Iowa, and 0.7 percent in North Dakota.

Online Help-Wanted Ads inched up in November to 133,600. Online job postings for Minnesota rose 0.1 compared to 3.0 percent nationwide. Minnesota's share of U.S. online job ads declined from 2.9 percent last month to 2.8 percent in November.

Minnesota's **Purchasing Managers' Index (PMI)**, after tailing off for four straight months, climbed in November to a solid 57.8. A reading above 50 indicates expansion in Minnesota's manufacturing sector while a reading below 50 suggest the sector is contracting. The corresponding national index declined to 58.2 from 58.7 while the Mid-American index dipped to 57.2 from 58.8.

Adjusted **Manufacturing Hours** rose to 40.8 in November. Annual average manufacturing hours in 2017 will be slightly higher than 2016, a sign that Minnesota manufacturing has been on the upswing this year. Average weekly **Manufacturing Earnings** bounced upwards to $862.85, a 2.2 percent real increase from a year ago. Annual average factory paychecks in 2017 will be up 2.4 percent from last year after accounting for inflation. Factory paychecks declined in real terms the previous two years.

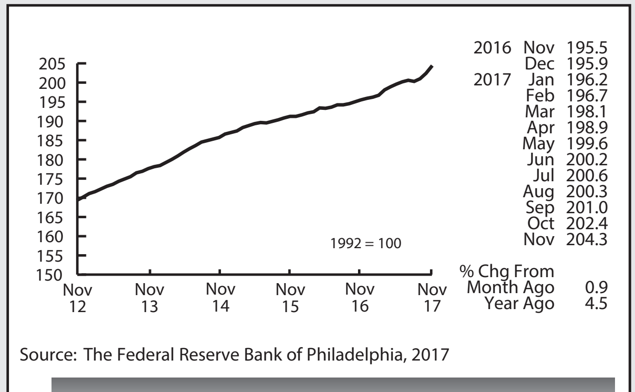
The **Minnesota Leading Index** surged for the third straight month, reaching 3.5 in November. That is the highest reading since September 2011 and more than double the 35-year monthly average of 1.5. Minnesota's leading index was the seventh highest, squeezed between California and Utah.

Adjusted **Residential Building Permits** edged up slightly to 1,928 in November. After averaging 2,202 permits during the first half of the year, permits have averaged only 1,846 during the second half of the year. Home-building permits will be up from last year for the year, but the increase will be down from the 2015-2016 increase.

Adjusted **Initial Claims for Unemployment Benefits (UB)** unexpectedly spiked in November to 16,609. The level of initial claims, which is a proxy for the layoff rate, however, remains very low by historical standards. Unadjusted initial claims were down 9.1 percent from last November.

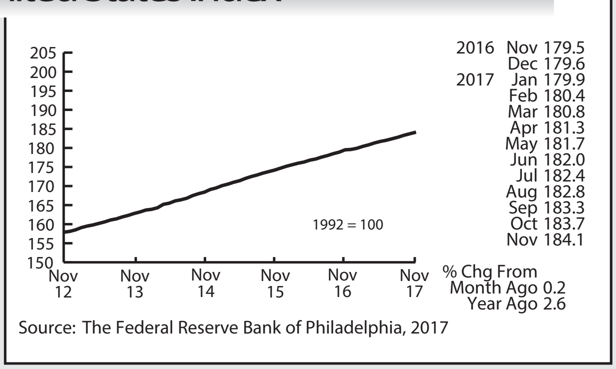
Initial claims, which peaked at 43,750 in May 2009, have been dropping throughout the slow-but-steady economic expansion which began in June 2009. The expansion is now the third longest on record and will become the second longest in mid-2018, passing the 1961-69 expansion.

by Dave Senf



Minnesota Index

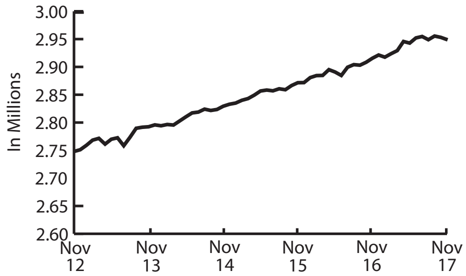
United States Index



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

Minnesota Economic Indicators

Wage and Salary Employment



seasonally adjusted

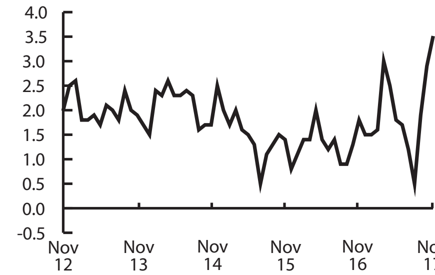
2017	Jun	2.9521
	Jul	2.9547
	Aug	2.9489
	Sept	2.9555
	Oct	2.9531
	Nov	2.9491
% Chg From Month Ago		-0.1

unadjusted

2016	Nov	2.9321
2017	Nov	2.9667
% Chg From Year Ago		1.2%

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

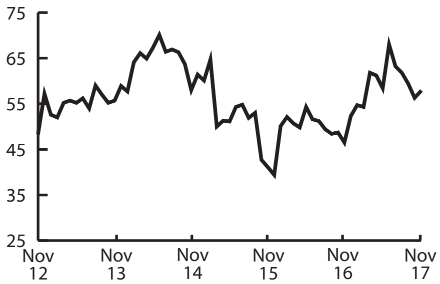
Minnesota Leading Index



2016	Nov	1.8
	Dec	1.5
2017	Jan	1.5
	Feb	1.6
	Mar	3.0
	Apr	2.5
	May	1.8
	Jun	1.7
	Jul	1.2
	Aug	0.5
	Sep	1.9
	Oct	2.9
	Nov	3.5
% Chg From Month Ago		19.8
Year Ago		100.3

Source: The Federal Reserve Bank of Philadelphia, 2017

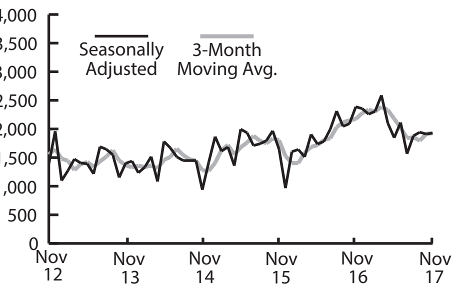
Purchasing Managers' Index



2016	Nov	46.5
	Dec	52.3
2017	Jan	54.7
	Feb	54.3
	Mar	61.8
	Apr	61.2
	May	58.4
	Jun	68.0
	Jul	63.2
	Aug	61.8
	Sep	59.4
	Oct	56.3
	Nov	57.8
% Chg From Month Ago		2.7
Year Ago		24.3

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

Residential Building Permits



seasonally adjusted

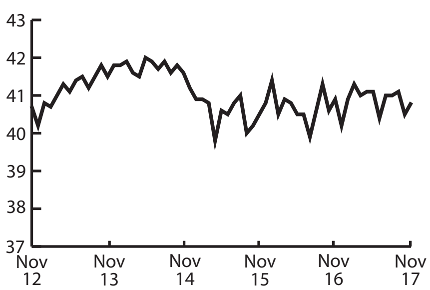
2017	Jun	2,113
	Jul	1,566
	Aug	1,880
	Sept	1,943
	Oct	1,912
	Nov	1,928
% Chg From Month Ago		0.9

unadjusted

2016	Nov	2,361
2017	Nov	1,865
% Chg From Year Ago		-21.0%

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

Average Weekly Manufacturing Hours



seasonally adjusted

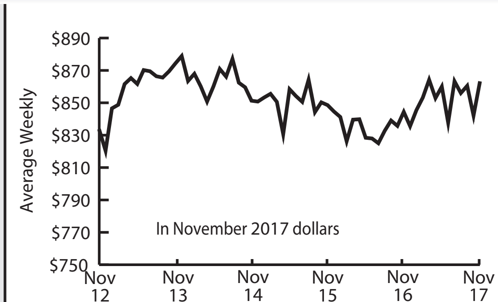
2017	Jun	40.4
	Jul	41.0
	Aug	41.0
	Sept	41.1
	Oct	40.5
	Nov	40.8
% Chg From Month Ago		0.8

unadjusted

2016	Nov	40.9
2017	Nov	40.9
% Chg From Year Ago		0.0%

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

Manufacturing Earnings



seasonally adjusted

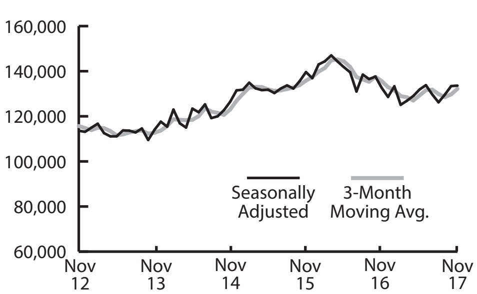
2017	Jun	837.71
	Jul	863.29
	Aug	856.00
	Sept	860.48
	Oct	842.11
	Nov	862.85
% Chg From Month Ago		2.5

unadjusted

2016	Nov	849.1
2017	Nov	868.7
% Chg From Year Ago		2.3%

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

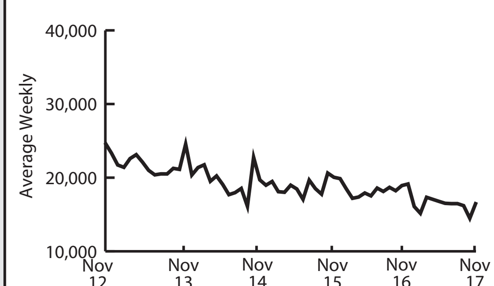
Online Help-Wanted Advertising



2016	Nov	132,600
	Dec	128,600
2017	Jan	133,300
	Feb	125,100
	Mar	126,900
	Apr	129,000
	May	131,900
	Jun	133,800
	Jul	129,700
	Aug	126,200
	Sep	129,600
	Oct	133,400
	Nov	133,600
% Chg From Month Ago		0.1
Year Ago		0.8

Source: The Conference Board Inc., 2017

Initial UB Claimants



seasonally adjusted

2017	Jun	16,518
	Jul	16,472
	Aug	16,475
	Sept	16,197
	Oct	14,481
	Nov	16,609
% Chg From Month Ago		14.7

unadjusted

2016	Nov	31,029
2017	Nov	28,211
% Chg From Year Ago		-9.1%

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

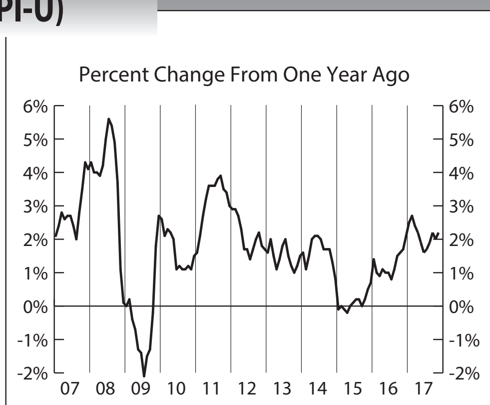
Minnesota Employment Review

DEED
Labor Market Information Office
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351
651.259.7400 (voice)
1.888.234.1114 (toll free)
651.296.3900 (TTY)
1.800.657.3973 (TTY toll free)
e-mail :
DEED.lmi@state.mn.us
Internet :
mn.gov/deed/lmi

Labor Market Information Help Line:
651.259.7384

PRE-SORTED
FIRST-CLASS MAIL
POSTAGE & FEES
PAID
PERMIT NO. 8717

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



The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4 percent in November on a seasonally adjusted basis the U.S. Bureau of Labor Statistics reported today. The energy index rose 3.9 percent and accounted for about three-fourths of the all items increase.

The all items index rose 2.2 percent for the 12 months ending November. The index for all items less food and energy rose 1.7 percent, the energy index rose 9.4 percent over the last 12 months, and the food index rose 1.4 percent.

https://www.bls.gov/cpi/#news

For more information on the U.S. CPI or the semi-annual Minneapolis-St. Paul CPI, call: 651.259.7384 or toll free 1.888.234.1114.

The Last Word

Two Minnesota Records Upended: Statewide Unemployment and Black Unemployment

Minnesota's 3.1 unemployment rate for December 2017 is at its lowest level in 17 years. But even more noteworthy is the unemployment rate for black Minnesotans, a measure DEED has tracked since 2001. The 12-month average unemployment rate for Minnesota's black population fell to 7.5 percent, its lowest rate on record. The unemployment rate for the state's black population was 8.0 in November 2017.

You can examine the unemployment rate by race, age, and gender and look at alternative measures of unemployment, which provides a more complete picture of the labor market by using the following website: https://mn.gov/deed/data/current-econ-highlights/alternative-unemployment.jsp

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Small Business Success

According to the Small Business Administration, a small business employs fewer than 500 employees. However, over 94 percent of businesses in Minnesota are much smaller, employing less than 50 employees. But these were just the businesses with employees. In addition, the U.S. Census Bureau reports that Minnesota is also home to over 397,000 non-employer businesses or those residents who are self-employed. Together, there are over 500,000 businesses in Minnesota with 0-499 employees, the vast majority. To say they are vital to Minnesota's economy is a major understatement. In 2016 small businesses were responsible for 52 percent of private jobs overall and nearly 60 percent of those in Greater Minnesota. It's important to understand how small businesses, the bread and butter of the state's economy, were affected by the Great Recession and their subsequent makeup today.

Regional Differences

In Minnesota small businesses drive the economy. While large employers also play a pivotal role, they often started out as small businesses themselves. But in Greater Minnesota small businesses are even more crucial to the economy, where 99.7 percent of all businesses fit the definition in 2015 that is based on number of employees. But the number of small businesses changed dramatically during the Great Recession. This change is evident in regional trends from 2005, four years before the recession, to 2015, four years after the recession.

From 2005-2015 the number of small businesses decreased in every part of the state, including the Seven-County Metro Area. Central Minnesota was the only region in Greater Minnesota with a slower loss in small businesses than the metro area during that stretch. But while the Metro Area added non-employers at a 13.1 percent rate, Central Minnesota lost non-employers. Outside the Metro Area Southeast Minnesota was the only region to add non-employers from 2005-2015. At the same time Southeast Minnesota was shedding other small businesses, those with employees, at 4.2%, the second fastest rate of loss in the state. Northeast Minnesota suffered the fastest loss of small businesses from 2005-2015, both in terms of those with employees and without.

Table 1. Employers by Size Class, 2015

Number of Employees	Minnesota		Greater Minnesota	
	Number of Firms	Percent of Firms	Number of Firms	Percent of Firms
1-4	79,797	53.7%	35,526	53.9%
5-9	26,348	17.7%	12,952	19.7%
10-19	19,740	13.3%	8,854	13.4%
20-49	13,847	9.3%	5,470	8.3%
50-99	4,828	3.2%	1,705	2.6%
100-249	2,870	1.9%	973	1.5%
250-499	789	0.5%	282	0.4%
500 or more	447	0.3%	139	0.2%
Total Firms	**148,666**	**100.0%**	**65,901**	**100.0%**

Source: U.S. Census, County Business Patterns

Table 2. Percent Change in Small Business Establishments, 2005-2015

Business Size	Minnesota	Northwest Minnesota	Northeast Minnesota	Central Minnesota	Southwest Minnesota	Southeast Minnesota	Twin Cities Metro
Small Businesses	-1.1%	-2.5%	-5.0%	-0.1%	-3.3%	-4.2%	-0.4%
Large Businesses	16.7%	-13.0%	0.0%	32.1%	-5.3%	6.9%	15.8%
Non-Employers	6.4%	-0.8%	-7.3%	-1.2%	-0.2%	0.4%	13.1%

Source: U.S. Census Bureau: 2005-2015 County Business Patterns; 2005-2015 Non-Employer Statistics

While the loss of small businesses is detrimental to any region, not all small business loss is caused by closings. In some cases businesses move out of the state or grow out of the small businesses categorization. In fact, Minnesota businesses with more than 500 employees increased by 17 percent from 2005-2015 (see Table 2), as the state added a total of 64 'large businesses'.

Employment and Wages

The loss of small businesses in Minnesota has not translated to less employment at such establishments. Not including non-employers, employment at businesses with less than 500 employees actually increased by 5.0 percent from 2005-2015. In effect, the number of employees per small businesses increased in Minnesota from 12.9 in 2005 to 13.7 in 2015 (see Figure 1).

The rate of job growth at small businesses has been similar in all regions of the state, ranging from a 3.5 percent increase in Northeast Minnesota to a 5.9 percent increase in Southeast Minnesota. Small businesses throughout the state added nearly 60,000 jobs from 2005-2015, and almost two-thirds of those were added in the Twin Cities Metro Area. However, businesses in Greater Minnesota increased employee wages faster than their metro area counterparts (see Table 3). From 2005-2015 average monthly wages per employee rose in three of the five regions of Greater Minnesota at a higher rate than in the metro area. In both Northwest and Southwest Minnesota average monthly wages increased by one-third over the 10-year period.

Generally speaking an increase in wages is often meant to draw more workers to a region. Although small businesses in the metro added more employment than Greater Minnesota from 2005-2015, they also suffered greater losses during the recessionary period. For example, from 2007-2009 small business employment decreased 6.2 percent in the metro compared to only 3.7 percent in Greater Minnesota (see Figure 2). It appears small employers in Greater Minnesota succeeded in building their workforce at least temporarily. Despite the employment losses both in and out of the metro during the recession, the percent of statewide jobs in Greater Minnesota increased by 1.1 percent during this time.

Industry Shifts

Small businesses weathered significant economic fluctuation from 2005 to 2015, but distinct trends emerged before and after the recession. In both the Metro Area and Greater Minnesota small business employment decreased from 2005-2010, but rebounded dramatically from 2010-2015. Again, the economic

Table 3. Percent Change in Employment and Wages, Small Businesses (<500 employees) 2005-2015

Subject	Minnesota	Northwest Minnesota	Northeast Minnesota	Central Minnesota	Southwest Minnesota	Southeast Minnesota	Twin Cities Metro
Employment	5.0%	4.0%	3.5%	4.2%	3.0%	5.9%	5.6%
Average Monthly Wages	21.8%	33.7%	27.5%	11.4%	34.2%	18.4%	20.3%

Source: U.S. Census Bureau, Quarterly Workforce Indicator (QWI) Explorer

Table 4. Minnesota Small Business Employment 2005-2010 and 2010-2015

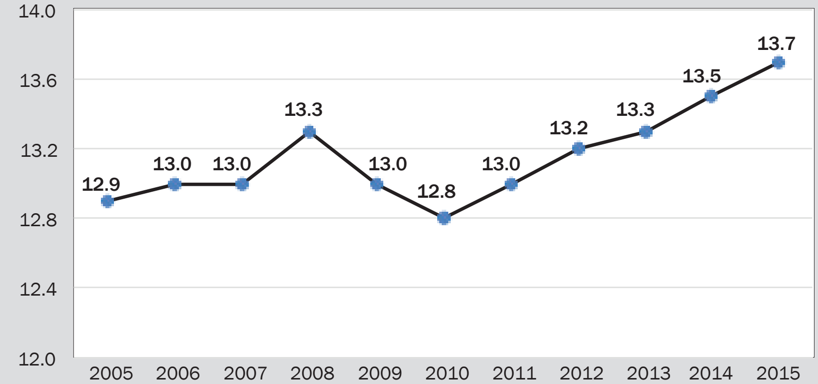
	2005	2010	Percent Change 2005-2010	2015	Percent Change 2010-2015	Percent Change 2005-2015
Twin Cities Metro	684,385	637,779	-6.8%	722,911	13.3%	5.6%
Greater MN	500,066	486,737	-2.7%	520,940	7.0%	4.2%
State of Minnesota	1,184,451	1,124,516	-5.1%	1,243,851	10.6%	5.0%

Source: U.S. Census Bureau, Quarterly Workforce Indicators fluctuation was more pronounced in the Metro Area (see Table 4).

With some exceptions the back and forth trends were evident in most major industries as well. Small businesses shed employment in 11 of the 19 private industry sectors from 2005-2010. But from 2010-2015, each of these industries had positive employment gains (see Figure 3). Small businesses in Construction and Manufacturing dealt with the largest employment swings over this time. Small businesses statewide lost over 36,500 Construction jobs from 2005-2010 but added almost 24,500 back from 2010-2015. Similarly, small Manufacturers shed over 17,600 workers from 2005-2010 then added almost 14,000 the next five years.

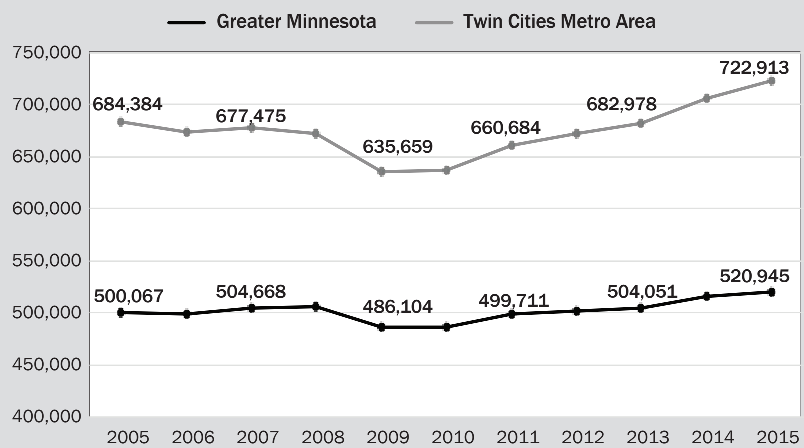
In other industries small businesses managed to add employment during the recession and recovery periods. Agriculture and Forestry, Transportation and Warehousing, Management of Companies and Enterprises, Health Care and Social Assistance, Arts, Entertainment and Recreation, and Accommodation and Food Services each added employment from 2005-2010 and 2010-2015. Small businesses in Health Care and Social Assistance led the way by adding 41,200 jobs over the 10-year period, a 26.5 percent increase.

Figure 1.
Employees per Establishment, Minnesota Small Businesses, 2005-2015



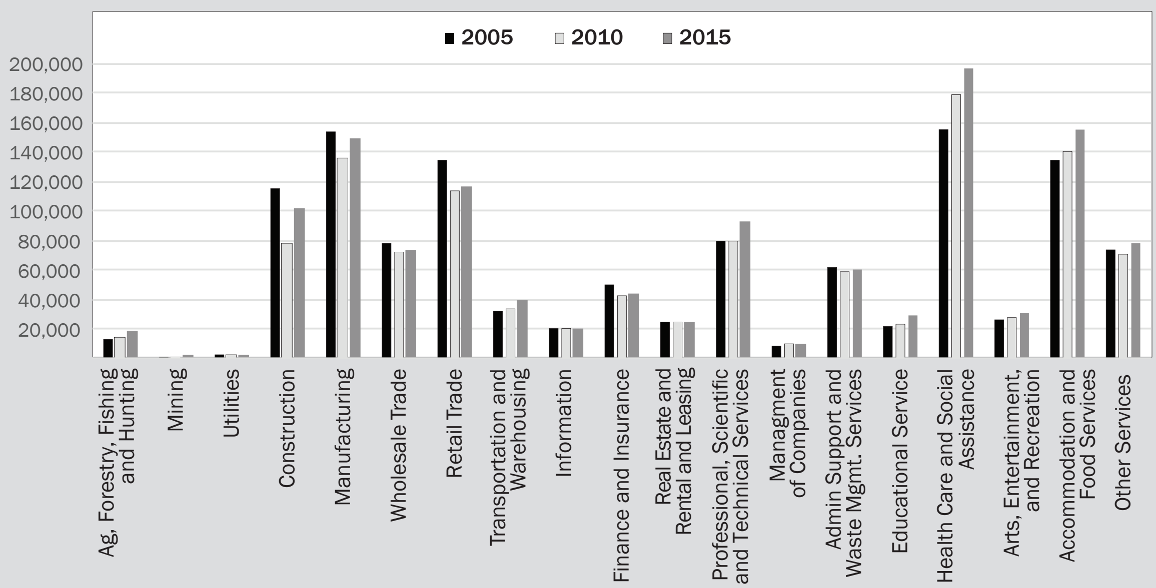
Source: U.S. Census Bureau, County Business Patterns

Figure 2. Small Business Employment, 2005-2015



Source: U.S. Census Bureau, Quarterly Workforce Indicator

Figure 3. Small Business Employment Levels by Industry, Minnesota



Source: U.S. Census Bureau, Quarterly Workforce Indicator

Four of these industries demonstrate how employment in small businesses shifted geographically in Minnesota from 2005-2015: Management of Companies, Manufacturing, Healthcare and Social Assistance, and Accommodation and Food Services. In the case of both Management of Companies and Manufacturing the percentage of jobs in Greater Minnesota provided by small businesses was higher in 2015 (see Figure 4). This amounted to an additional 717 Management jobs and 1,268 Manufacturing jobs in Greater Minnesota compared to before the recession. However, the regional shift in Manufacturing resulted more from large employment losses in the metro area, whereas small businesses in Greater Minnesota added jobs at a higher rate than the metro, but both regions saw growth.

By 2015 the Metro Area captured a higher percentage of small business employment in Health Care and Social Assistance and Accommodation and Food Services. In 2015 these were two of the top three industries in terms of small business employment statewide, but growth during and after the recession was concentrated in the Twin Cities.

Small Businesses in Health Care and Social Assistance added over 28,800 jobs in the Twin Cities Metro Area from 2005-2015, compared to an addition of nearly 12,400 in Greater Minnesota. Interestingly, small businesses in Health Care grew faster in Greater Minnesota from 2005-2010, but stalled from 2010-2015 while employment in the Metro Area continued to grow. Because of this, 57 percent of industry jobs provided by small businesses were in the Metro by 2015.

Accommodation and Food Services, which was the third largest industry in Greater Minnesota for small business employment in 2015, exploded in the Metro Area from 2005-2015. Over that stretch, small business employers added almost 16,000 jobs in the metro area compared to approximately 5,300 in Greater Minnesota. Small businesses in both areas added more jobs in 2010-2015, but the Metro Area boom resulted in its containing more than half the state's small business jobs in Accommodation and Food by 2015 (see Figure 5).

Conclusion

The economic fluctuation from 2005-2015 had significant effects on small businesses statewide. Notably, the number of small businesses in the state has decreased, but on average those which exist today have more employees. The recession hit some industries more than others, but small businesses added employment in nearly every industry during the recovery. However, the losses and subsequent gains were not geographically synchronized in Minnesota, and has led to a change in the regional distribution of small business employment in the state.

Small businesses have, however, continued to grow in Minnesota. Statewide, small business added another 14,361 jobs in 2016, although the vast majority were in the Twin Cities Metro Area. While Greater Minnesota was not affected by the recession as much, small businesses will need to continue to find ways to attract workers. In 2016 average monthly wages again increased in Greater Minnesota by $48 to $2,967, but unlike past years, wage growth in the etro outpaced them, growing by $87 to $4,401. Given that wages in the metro exceed those in Greater Minnesota by so much to begin with, small businesses outside the metro will have to keep pace to keep up.

by Chet Bodin

Figure 4. Percent of Employment by Region, 2005-2015

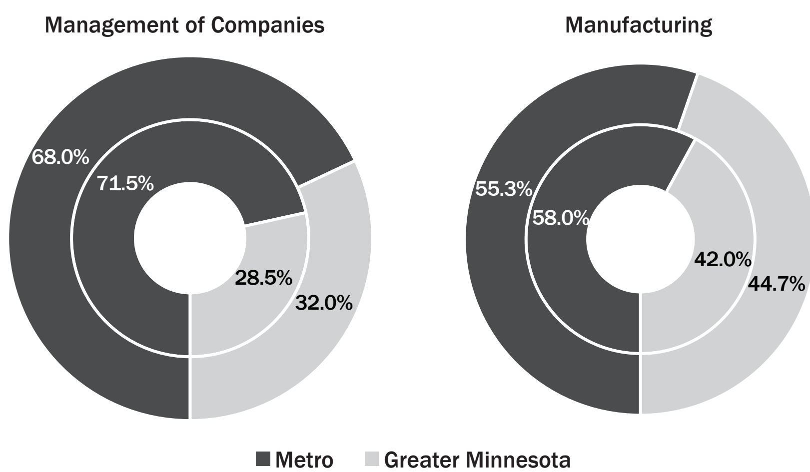
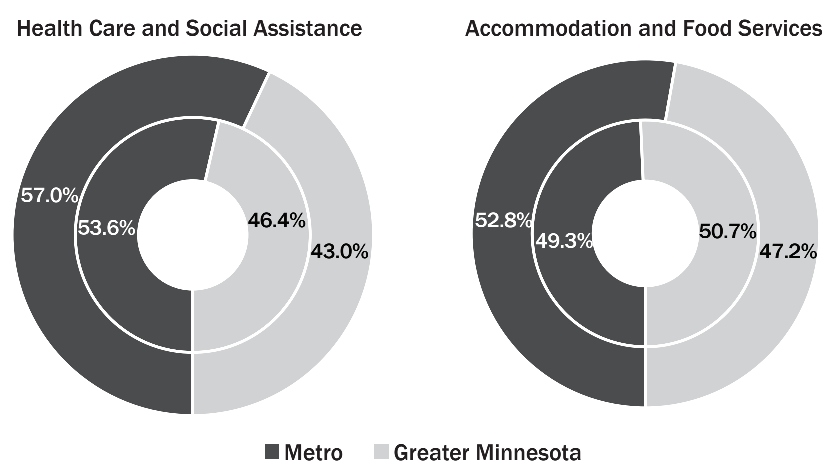
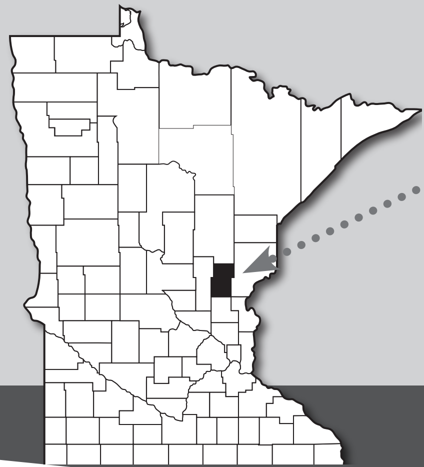


Figure 5. Percent of Employment by Region, 2005-2015





CountySnapshot Kanabec

(ka-NAY-bik)

We start our tour of Minnesota counties that begin with a letter "K" with some controversy. Kanabec County, located in east central Minnesota, is named after the Ojibwe word for snake, a reference to the Snake River that flows through the county. However, the Ojibwe word is spelled Ginebig, and these two words sound very similar when spoken.[1]

Kanabec County also owes its beginning as a county to the Ojibwe people as well as the 1837 treaty which granted the U.S. government a large swath of land in east central Minnesota, including present-day Kanabec County, to western Wisconsin in return for monetary payments. Informally known as the "White Pine Treaty", the treaty covered land that was sought by the timber industry for its stands of White Pine trees and easy transportation routes using the Snake and St. Croix Rivers to meet the burgeoning demand of westward expansion by European settlers. By the turn of the 20th century, the white pine forests were gone, the lumberjacks had moved on, the county seat had been moved to Mora where the railroad was,and agriculture had become the dominant industry.[2]

Today 15,820 people live in the county, an increase of more than 6,000 people since 1970. There are also nearly 300 business establishments that employ about 3,900 people, and the county is a net exporter of labor as there are more workers in the county than there are jobs with people commuting to St. Cloud, Duluth, and the Twin-Cities, as well as Hinckley and Cambridge for work.

The largest sector of employment is Education and Health Services as it employs 1,318 people, increasing by 20.0 percent since 2006. Overall employment in the county has increased by 4.2 percent since 2006, with an additional 156 jobs added. Kanabec County also has a strong Manufacturing presence with nearly 500 people employed in this industry that has nearly grown by 10 percent during the past 10 years as well as through the recession.

Economy

2016 Estimates	Kanabec County	Minnesota
Population	15,820	5,519,952
Labor Force	8,895	3,058,874
Average Unemployment	3.1% (275 people)	2.4% (72,447 people)
Median Annual Earnings	$26,970	$33,527
Cost of Living, Individual	$30,808 ($14.81 per hour)	$29,856 ($14.35 per hour)
Cost of Living, Average Family	$53,610 ($17.18 per hour)	$55,200 ($17.69 per hour)

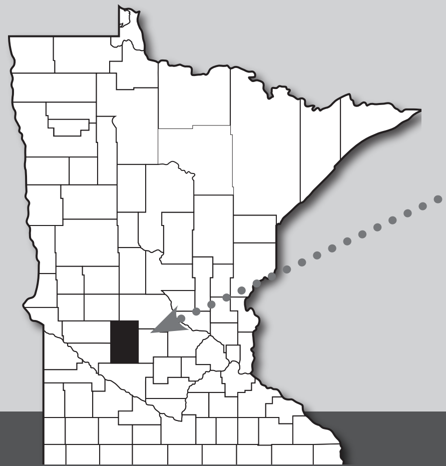
Source: DEED Local Area Unemployment Statistics Oct 2017; DEED Cost of Living in Minnesota 2017; U.S. Census Bureau, 2011-2015 American Community Survey Estimates

Industry

	2016 Annual Data			2006 – 2016 Percent Change	
Top Industries of Employment	Number of Firms	Number of Jobs	Average Wage	Employment	Average Wage
Total, All Industries	296	3,899	$36,400	4.2%	34%
Education and Health Services	39	1,318	$41,080	20.0%	51%
Trade, Transportation, and Utilities	63	665	$25,740	-2.3%	30%
Manufacturing	18	476	$38,116	9.4%	16%

Source: DEED Quarterly Census of Employment and Wages

[1]*The Ojibwe People's Dictionary*. University of Minnesota. Retrieved from https://ojibwe.lib.umn.edu/
[2]*History of Kanabec County*. Kanabec History Center. Retrieved from http://kanabechistory.weebly.com/history-of-kanabec-county.html



CountySnapshot Kandiyohi

(kan-dee-YOH-hy)

To get to our next county, Kandiyohi, we could travel west on Highway 23 for about 110 miles. Or those more adventurous who also have access to a time machine could travel on a steam locomotive on the Great Northern Railroad, a system of rails that connected the Great Lakes to the Pacific Ocean with its transcontinental project completed in 1893, by getting on at a stop in Mora and getting off at Willmar, the county seat of Kandiyohi.[3]

Kandiyohi County, like Kanabec, is named after an American Indian word. Kandiyohi in the Dakota language translates to, "where the buffalo fish comes" and illustrates the location of the county where prairie and lake country meet. The county was established in 1858 but the current boundary wasn't established until 12 years later when Kandiyohi and Monongalia counties merged.[4]

According to the U.S. Census Bureau's American Community Survey, there are nearly 5,000 Hispanics or Latinos in Kandiyohi County, constituting 11.6 percent of the total population. This is one of the greater concentration of Hispanics or Latinos in the state and is due in large part to the Jennie-O processing plant located in Wilmar and the economic opportunities provided by this turkey producing plant. During the last decade or so, a wave of immigrants from West Africa has relocated to Kandiyohi County for the economic opportunities provided. The county has more than 6 percent of its population that was born in a foreign country, highlighting its diversity.

There are 23,329 jobs in Kandiyohi County. Education and Health Services is the largest sector of employment with 30.7 percent of employment in the county. Total employment has grown by 3.5 percent since 2006, and the unemployment rate for the county was 1.8 percent in October 2017. Manufacturing has a strong role in the county. It employs about 3,500 people and has grown by 14 percent since 2006, with a gain of 429 jobs. Not only has it gained jobs and attracted new residents, Manufacturing also provides a considerably higher wage with an average annual wage of $47,528, nearly $10,000 more than the average job in the county.

Economy

2016 Estimates	Kandiyohi County	Minnesota
Population	42,495	5,519,952
Labor Force	24,336	3,058,874
Average Unemployment	1.8% (450 people)	2.4% (72,447 people)
Median Annual Earnings	$27,762	$33,527
Cost of Living, Individual	$24,704 ($11.88 per hour)	$29,856 ($14.35 per hour)
Cost of Living, Average Family	$43,594 ($13.97 per hour)	$55,200 ($17.69 per hour)

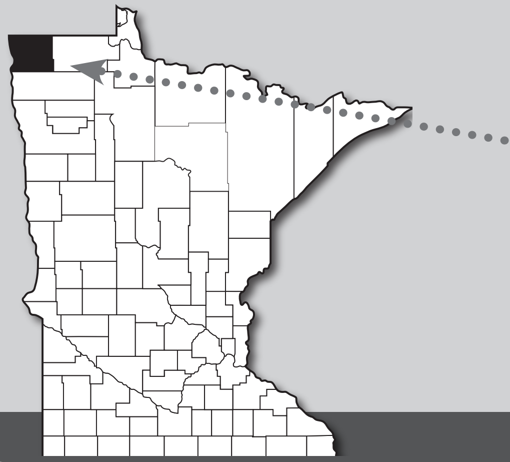
Source: DEED Local Area Unemployment Statistics Oct 2017; DEED Cost of Living in Minnesota 2017; U.S. Census Bureau, 2011-2015 American Community Survey Estimates

Industry

	2016 Annual Data			2006 – 2016 Percent Change	
Top Industries of Employment	Number of Firms	Number of Jobs	Average Wage	Employment	Average Wage
Total, All Industries	1,315	23,329	$37,648	3.5%	27%
Education and Health Services	149	7,183	$35,932	8.4%	15%
Trade, Transportation and Utilities	341	4,376	$35,100	-6.0%	27%
Manufacturing	71	3,476	$47,528	14.1%	33%
Leisure and Hospitality	94	1,742	$15,184	-1.1%	46%

Source: DEED Quarterly Census of Employment and Wages

[3]GN History. Great Northern Railroad Historical Society. Retrieved from https://www.gnrhs.org/gn_history.htm
[4]Kandiyohi County History. Kandiyohi County. Retrieved from http://www.co.kandiyohi.mn.us/about_us.php



CountySnapshot
Kittson

Again, we could take the Great Northern Railroad from Kandiyohi County up to the northwest corner of the state traveling through lake country and the Red River Valley where our next county is located along the border of North Dakota and Canada. Kittson County, named after fur trader and railroad entrepreneur Norman Kittson, is one of the least populated counties in the state with only 4,333 residents. With more than 1,000 square miles of land, Kittson County is also one of the least densely populated counties in the state with about 4 persons per square mile.[5]

With its sparse population and its location in the fertile Red River Valley, farming and agriculture is an important industry for the county. According to the U.S. Census of Agriculture there were 544 farms in the county in 2012, with crops such as soy beans, spring wheat, barley, oil sunflowers, and sugar beets grown and harvested. Over 180 million dollars of market value products was generated in 2012, a 71.4 percent increase from market value sold in 2007.

There are 180 business firms in Kittson County that provide covered employment for 1,462 people. Again, the top industry for the county is Education and Health Services which has 467 jobs with an average annual wage of $35,308. Total employment in the county has declined by 2.9 percent since 2006 following the population trend. Since 2000 the county has declined by 952 people and has been steadily losing population since its high-water mark in 1940, when the population was estimated to be 10,717.

Economy

2016 Estimates	Kittson County	Minnesota
Population	4,333	5,519,952
Labor Force	2,324	3,058,874
Average Unemployment	1.9% (44 people)	2.4% (72,447 people)
Median Annual Earnings	$29,904	$33,527
Cost of Living, Individual	$25,267 ($12.15 per hour)	$29,856 ($14.35 per hour)
Cost of Living, Average Family	$43,624 ($13.98 per hour)	$55,200 ($17.69 per hour)

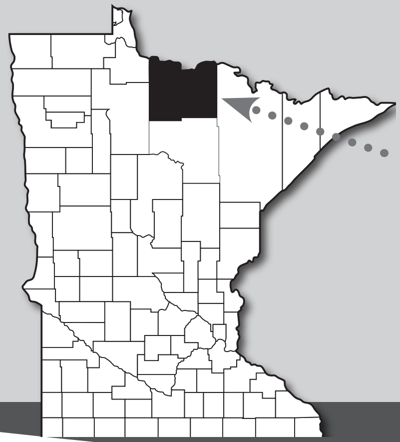
Source: DEED Local Area Unemployment Statistics Oct 2017; DEED Cost of Living in Minnesota 2017; U.S. Census Bureau, 2011-2015 American Community Survey Estimates

Industry

	2016 Annual Data			2006 – 2016 Percent Change	
Top Industries of Employment	Number of Firms	Number of Jobs	Average Wage	Employment	Average Wage
Total, All Industries	180	1,462	$36,608	-2.9%	39.7%
Education and Health Services	16	467	$35,308	-5.3%	45.7%
Trade, Transportation and Utilities	56	393	$33,644	4.0%	33.7%
Public Administration	15	149	$48,100	-2.6%	22.7%

Source: DEED Quarterly Census of Employment and Wages

[5] Kittson County History. Visit Northwest Minnesota. Retrieved from http://www.visitnwminnesota.com/Kittsonhistory.htm



CountySnapshot

Koochiching

(KOO-chitch-ing)

To end our journey of counties that begin with a "K", we'll take Highway 11 east from Hallock and travel through the towns of Roseau, Warroad, and Baudette, tracing the northern border of the state along the Rainy River until we reach Koochiching County.

Koochiching County is the second largest county of the state, behind only St. Louis County, with more than 3,000 square miles of land, and is where the "icebox of the nation" is located, in International Falls (a.k.a. Frostbite Falls [6]), the county seat. The county also provides access to the state's only national park, Voyageurs National Park.

Habitation of Koochiching County dates back to before the Common Era, with evidence of the Laurel Indian tribe through their burial mounds found alongside the Rainy River. 1700 years later fur traders from both France and Great Britain began traveling through the county in their pursuit of beaver to meet the overseas demand for the fashionable hats they could be made into. However, the county was not incorporated until 1906, after splitting with Itasca County, making it the second youngest county in the state, older only than Lake of the Woods County.[7]

While the county is sparsely populated like Kittson County, agriculture has never been a significant industry for the county because most of the county was covered by former Lake Agassiz, a very large glacial lake, creating the swamps and peat bogs that still permeate throughout the county even though the lake receded nearly 10,000 years ago. However, timber harvesting has been important to the county which is home to a wide variety of lowland species trees-including the Tamarack, a pine tree that loses its needles in the winter but takes on a beautiful orange coloration beforehand.

Manufacturing is a key industry for Koochiching County with over 700 people employed, offering a median annual wage of more than $70,000. However, the manufacturing of paper has been on the downturn for the last decade, resulting in over 300 jobs lost since 2006. Overall employment in the county has decreased by 15 percent in that same time frame, so there are currently 4,524 jobs in the county. Education and Health Services and Leisure and Hospitality are important industries in the county with 967 and 640 people employed in them, respectively, but both recordied losses in the past 10 years.

Economy

2016 Estimates	Koochiching County	Minnesota
Population	12,628	5,519,952
Labor Force	5,623	3,058,874
Average Unemployment	4.7% (280 people)	2.4% (72,447 people)
Median Annual Earnings	$25,741	$33,527
Cost of Living, Individual	$23,491 ($11.29 per hour)	$29,856 ($14.35 per hour)
Cost of Living, Average Family	$41,428 ($13.28 per hour)	$55,200 ($17.69 per hour)

Source: DEED Local Area Unemployment Statistics Oct 2017; DEED Cost of Living in Minnesota 2017; U.S. Census Bureau, 2011-2015 American Community Survey Estimates

Industry

	2016 Annual Data			2006 – 2016 Percent Change	
Top Industries of Employment	Number of Firms	Number of Jobs	Average Wage	Employment	Average Wage
Total, All Industries	412	4,524	$38,896	-15.4%	12.1%
Education and Health Services	52	967	$39,936	-17.9%	33.3%
Trade, Transportation and Utilities	118	960	$26,156	3.4%	12.8%
Manufacturing	14	721	$70,512	-33.7%	32.6%
Leisure and Hospitality	55	640	$16,640	-4.9%	24.0%

Source: DEED Quarterly Census of Employment and Wages

[6] Just Google it!

[7] Koochiching County History. Koochiching County. Retrieved from http://www.co.koochiching.mn.us/206/History

by Erik White