

# Employers Get Creative

*With the labor market tightening up, businesses are increasing wages, offering sign-on bonuses, reimbursing tuition and lowering hiring requirements to attract workers.*

The Twin Cities Metro is a driving force for growth in Minnesota, accounting for more than 60 percent of the jobs in the state. In fact, the Metro accounted for two-thirds of the state's employment growth between 2009 and 2016, equal to nearly 180,000 jobs.<sup>1</sup>

The Metro shed nearly 96,000 jobs during the Great Recession between 2007 and 2009. From 2009 to 2010, the region was still finding its feet, adding just

over 11,000 jobs. Since 2010, however, employment has grown like clockwork, averaging over 28,000 jobs annually.

Geographically, employment growth within the Metro has been uneven. In a tale of two counties, Hennepin has led the charge, accounting for 60 percent of the region's new jobs between 2009 and 2016. That isn't surprising, since Hennepin makes up over half of the region's total employment.

Ramsey County, at one-fifth of the region's total employment, accounted for only 7 percent of employment growth between 2009 and 2016. Why might this be the case? Watch for future Trends and Employment Review articles to find out.

The fastest job expansion has occurred in Scott and Washington counties, particularly in the last year (see Table 1).

Employment growth by industry sector also has been uneven in the region. Far and away, health care and social assistance has been the largest-growing sector since 2009, gaining over 44,700 jobs. Professional, scientific and technical services comes in a solid second, gaining nearly 29,400 jobs during that time. In a virtual tie for third place, the accommodation and food services sector and construction each gained about 16,000 jobs.

Out of 20 major industry sectors, those four sectors accounted for 60 percent of employment growth between 2009 and 2016.

TABLE 1

**Twin Cities Metro Employment Trends, Q3 2009 – Q3 2016**

Area	Number of Establishments	Number of Jobs	2015-2016 Employment Change		2015-2016 Employment Change	
			Numeric	Percent	Numeric	Percent
Minnesota	162,359	2,835,325	43,705	1.6%	272,869	10.6%
Twin Cities Metro	75,969	1,709,539	28,934	1.7%	179,346	11.7%
Hennepin County	36,648	903,772	17,987	2.0%	107,107	13.4%
Ramsey County	12,705	328,628	278	0.1%	12,788	4.0%
Dakota County	9,448	186,986	3,242	1.8%	18,387	10.9%
Anoka County	6,765	120,228	2,217	1.9%	13,358	12.5%
Washington County	5,238	82,585	2,391	3.0%	13,055	18.8%
Scott County	2,917	49,507	2,860	6.1%	8,663	21.2%
Carver County	2,248	37,831	-40	-0.1%	5,988	18.8%

Source: DEED Quarterly Census of Employment and Wages

<sup>1</sup>All Quarterly Census of Employment and Wages data within this article refer to the third quarter of that respective year.

Transforming industries, or those witnessing employment losses between 2009 and 2016, include information; real estate, rental and leasing; and agriculture, forestry, fishing and hunting.

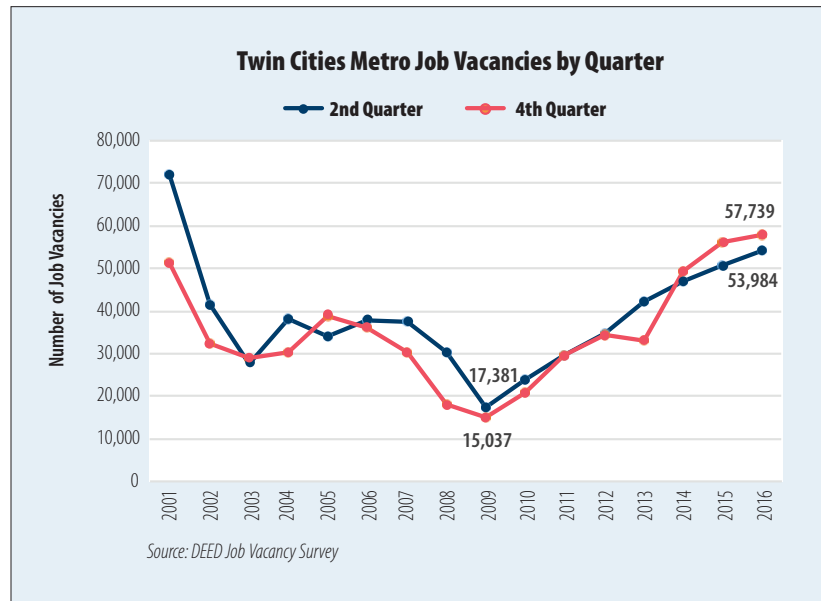
### Supply and Demand

As employment has grown in the Metro, demand for workers has increased. This has led to very low unemployment rates across the region. Unemployment in the Twin Cities sat at 3.5 percent in 2016, representing approximately 57,300 people. To get some perspective, unemployment spiked at 7.4 percent in 2009, which represented approximately 119,200 people. Essentially, the available supply of workers in the region has been halved within seven years.

At the same time, the Metro population is becoming older. According to the U.S. Census Bureau’s American Community Survey, the region’s population increased by 12 percent between 2005 and 2015, or about 323,800 people. During that same period, however, those 65 and older grew by 49.5 percent, or about 126,200 people. As the population ages, more people will retire, opening up even more jobs in the region.

Like many other regions in Minnesota, steady economic growth, low unemployment and an aging population have

FIGURE 1



combined to create a tight labor market in the Metro. As of fourth quarter 2016, there were only 0.9 unemployed persons for each job vacancy in the region. What’s more, the 57,739 vacancies reported during the quarter were the second highest on record (see Figure 1).

See Table 2 to get a sense of which fields have the most demand in the Metro.

### Education and Training Requirements

With an ever-tightening labor market, Metro employers are becoming more creative with hiring. Beyond increasing wages and benefits, offering sign-on bonuses and tuition reimbursement, and targeting non-traditional labor market

sources, many employers are starting to adjust hiring requirements. These shifts are beginning to reveal themselves in the data.

DEED’s most recent Job Vacancy Survey showed that only 36 percent of vacancies required postsecondary education. During the height of the Great Recession in 2009, 53 percent of vacancies required postsecondary education.

As labor market conditions tighten, the percentage of vacancies requiring postsecondary education may continue to fall, with more employers turning to on-the-job-training, apprenticeships, and closer relationships with K-12 institutions to find and retain workers.

The trick for job seekers in the Metro is knowing which occupations require postsecondary education and whether that means an associate degree, bachelor's degree or advanced degree. Vocational training and certificates are also important to consider, especially in sectors such as manufacturing and construction.

Recently, data from DEED's Occupational Employment Statistics program has been combined with the state's new educational requirements for occupations. Analyzing these data can provide a better idea of what educational routes job seekers should consider when setting their sights on particular occupations.

Overall, 60.5 percent of all jobs in the Metro require a high school diploma or less. This is equivalent to over 1 million jobs, largely in such fields as retail trade, accommodation and food services, construction, and transportation and warehousing. Altogether, these industries account for one-third of total vacancies in the region, with the vast majority requiring only a

TABLE 2

**Twin Cities Metro Job Vacancy Survey Results, Qtr. 4 2016**

Industry	Number of Job Vacancies	Percent of Job Vacancies	Percent Part-Time	Requiring Post-Secondary Education	Requiring 1+ Years Experience	Median Wage Offer	Change in Vacancies Q4 2011 – Q4 2016
<b>Total, All Industries</b>	<b>57,739</b>	<b>100.0%</b>	<b>41%</b>	<b>36%</b>	<b>50%</b>	<b>\$15.00</b>	<b>95%</b>
Health Care and Social Assistance	11,249	19.5%	53%	47%	41%	\$14.40	152%
Retail Trade	8,262	14.3%	67%	6%	18%	\$11.31	81%
Accommodation and Food Services	8,143	14.1%	61%	0%	34%	\$11.71	201%
Manufacturing	4,782	8.3%	18%	37%	71%	\$15.87	91%
Administrative and Support Services	4,741	8.2%	41%	36%	44%	\$14.98	333%
Finance and Insurance	3,131	5.4%	5%	47%	80%	\$24.22	26%
Professional and Technical Services	2,706	4.7%	4%	91%	84%	\$29.67	44%
Educational Services	2,562	4.4%	51%	59%	51%	\$18.14	34%
Wholesale Trade	1,751	3.0%	4%	42%	75%	\$18.53	92%
Management of Companies	1,678	2.9%	22%	68%	87%	\$25.44	4%
Construction	1,621	2.8%	9%	23%	49%	\$19.46	170%
Transportation and Warehousing	1,588	2.8%	40%	15%	40%	\$15.42	100%
Real Estate, Rental and Leasing	1,537	2.7%	0%	61%	100%	\$29.84	*4,558%
Public Administration	1,352	2.3%	36%	53%	68%	\$22.30	138%
Arts, Entertainment and Recreation	1,060	1.8%	73%	20%	65%	\$14.81	62%
Other Services	1,043	1.8%	34%	40%	26%	\$11.97	-42%
Information	452	0.8%	1%	84%	91%	\$29.60	-53%
Utilities	40	0.1%	0%	75%	96%	\$28.72	-5%
Agriculture	36	0.1%	66%	10%	33%	\$11.43	6%

\*Real Estate vacancies were uncharacteristically low during 4th quarter 2011, while reaching a near-record high in 2016.  
Source: DEED Job Vacancy Survey

high school diploma or less (see Figure 2).

The Metro, however, is distinct from the rest of the state in terms of vacancies requiring postsecondary education. For example, over 92 percent of statewide real estate, rental and leasing vacancies are located in the Metro. The majority of these vacancies require higher education and offer higher median hourly wages. Similarly, over 87 percent of the state's management of companies vacancies are in the Metro. They also require more postsecondary education.

Vacancies within finance and insurance and in professional, scientific and technical services are also highly concentrated in the Metro, making up about 85 percent and 83 percent of their respective state vacancy totals. A higher percentage of vacancies within these industries also require postsecondary education, with median hourly wage offers reaching near \$30.

To get a sense of educational requirements for specific occupations in the Metro, see Table 3. It should be noted that while higher education correlates strongly with increased wages, numerous occupations buck this trend at lower educational levels. For instance, electricians, an occupation that typically requires vocational training, make a median hourly wage of \$32.19 in the Metro.

People looking for jobs in the Metro should keep an open mind about occupations at all educational levels and within all industries. Employers hoping to hire and retain workers should keep in mind the tightening labor supply and be creative.

And as the Metro continues to grow, check back with DEED labor market information for more up-to-date data, trends and projections (see Table 4). **T**

FIGURE 2

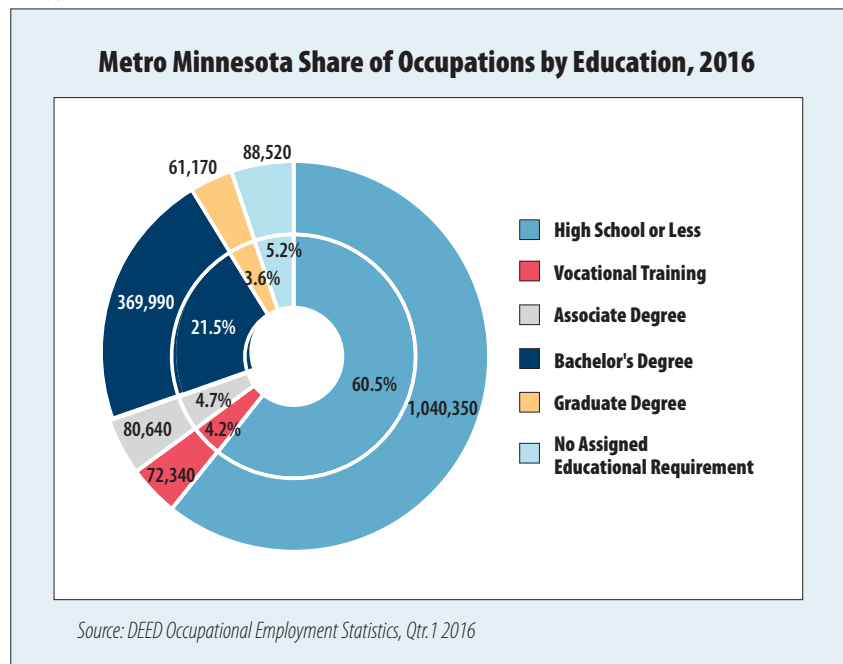


TABLE 3

**Largest Occupations by Educational Requirements in the Twin Cities Metro**

Top 5 Occupations Requiring High School or Less	Estimated Employment	Median Wage	Top 5 Occupations With No Clear Educational Requirements	Estimated Employment	Median Wage
Retail Salespersons	55,850	\$10.36	Business Operation Specialists, All Other	22,410	\$31.21
Personal and Home Care Aides	40,480	\$11.32	Sales Reps., Services, All Other	15,890	\$26.61
Customer Service Representatives	39,340	\$18.54	Managers, All Other	10,640	\$56.42
Food Prep and Serving Workers	32,960	\$9.12	Computer Occupations, All Other	6,380	\$36.90
Office Clerks, General	32,210	\$16.79	Office Support Workers, All Other	4,790	\$16.20
Top 5 Occupations Requiring Vocational Training	Estimated Employment	Median Wage	Top 5 Occupations Requiring Associate Degree	Estimated Employment	Median Wage
Nursing Assistants	15,030	\$14.75	Registered Nurses	33,160	\$37.69
Licensed Practical Nurses	8,280	\$21.73	Computer User Support Specialists	10,950	\$25.74
Hairdressers and Cosmetologists	6,970	\$11.87	Police and Sheriff's Patrol Officers	4,550	\$33.63
Machinists	6,830	\$23.45	Paralegals and Legal Assistants	4,190	\$26.88
Electricians	6,230	\$32.19	Dental Hygienists	3,010	\$35.56
Top 5 Occupations Requiring Bachelor's Degree	Estimated Employment	Median Wage	Top 5 Occupations Requiring Graduate Degree	Estimated Employment	Median Wage
General and Operations Managers	24,430	\$48.23	Lawyers	8,860	\$57.28
Accountants and Auditors	20,970	\$32.25	Child/Family/School Social Workers	3,530	\$29.36
Elementary School Teachers	14,630	\$64,360	Pharmacists	3,150	\$60.89
Computer Systems Analysts	13,340	\$43.62	Postsecondary Health Specialties Teachers	3,040	\$81,621
Financial Managers	11,490	\$61.37	Physicians and Surgeons, All Other	2,690	>\$100.00

Source: DEED Occupational Employment Statistics, Qtr. 1 2016

TABLE 4

**Twin Cities Metro Employment Projections by Educational Requirements**

	2014 Employment Estimates		2024 Employment Projections		Projected Job Change, 2014-2024		
	Number of Jobs	Percent of Jobs	Number of Jobs	Percent of Jobs	New Jobs	Percent Growth	Total Openings
<b>Total, All Occupations</b>	<b>1,809,309</b>	<b>100.0%</b>	<b>1,889,240</b>	<b>100.0%</b>	<b>79,931</b>	<b>4.4%</b>	<b>517,536</b>
High School or Less	1,110,102	61.4%	1,147,031	60.7%	36,929	3.3%	322,619
Vocational Training	75,920	4.2%	81,959	4.3%	6,039	8.0%	23,855
Associate Degree	79,151	4.4%	86,442	4.6%	7,291	9.2%	24,622
Bachelor's Degree	386,536	21.4%	406,112	21.5%	19,576	5.1%	106,136
Graduate Degrees	61,947	3.4%	67,426	3.6%	5,479	8.8%	18,865
No Clear Education Requirements	95,653	5.3%	100,270	5.3%	4,617	4.8%	21,439

Source: DEED Employment Outlook, Educational Requirements for Occupations