

WorkForce Centers Reaching More Customers

The percentage of unemployed Minnesotans using resources at some of the state's WorkForce Centers exceeded 20 percent in 2013.



Helping people learn new work skills and find jobs is among the many missions of the Minnesota Department of Employment and Economic Development (DEED). Though delivered in various ways at various locations, the first step in accessing many of the agency's job programs and services is at a Minnesota WorkForce Center (WFC). DEED has nearly 50 of these facilities scattered around the state.

This article examines the average monthly share of unemployed Minnesotans who attended a workshop or used a resource room computer at a WFC between 2011 and 2013.

Various factors might have influenced the percentage of jobless people using the centers during that period. The steady decrease in unemployment following the Great Recession, for example, likely increased the percentage of unemployed workers using the centers. Similarly, changes to DEED policy requiring people receiving unemployment insurance (UI) benefits to use WFC resources had the potential to increase the percent of unemployed customers.

Conversely, geography might have lowered the percent of unemployed Minnesotans using WFC resources in some areas of the state. We'll explain why later in this article.

We unfortunately can't know how center usage by the unemployed today compares with usage before and during the Great Recession. Records on people visiting a WFC are not retained indefinitely, so we cannot utilize data on all WFC customers from more than three years ago. In the case of this article, we are limited to beginning in calendar year 2011.

What we do know from our records is that the average

monthly share of unemployed people using Minnesota WorkForce Center services has increased statewide since 2011, rising from about 8 percent three years ago to about 13 percent in 2013. We also know that several WFCs now serve more than 20 percent of unemployed workers in their areas.

Impact of Unemployment

The unemployment rate in Minnesota reached an average

monthly high of 8 percent (236,676 people) in 2009, nearly doubling from the average monthly rate of 4.7 percent in 2007. This rise in unemployment can be seen across all 16 Workforce Service Areas (WSA) in Minnesota.

Since that time, the average monthly unemployment rate has steadily decreased, dropping to 5.1 percent in 2013 (see Table 1). Assuming the number of people visiting WFCs remains

TABLE 1

Average Monthly Percent of Unemployment by Work Force Service Area (WSA)

Workforce Service Area	2007	2008	2009	2010	2011	2012	2013
WSA 1 - Northwest Minnesota	6.0%	5.9%	7.7%	6.9%	6.4%	5.6%	5.2%
WSA 2 - Rural Minnesota CEP	5.5%	6.3%	8.6%	7.7%	7.1%	6.1%	5.7%
WSA 3 - Northeast Minnesota	6.3%	7.0%	10.2%	8.6%	7.9%	7.0%	6.9%
WSA 4 - City of Duluth	5.0%	5.7%	7.9%	7.7%	7.0%	6.1%	5.6%
WSA 5 - Central Minnesota	5.6%	6.5%	9.7%	8.7%	7.6%	6.6%	5.9%
WSA 6 - Southwest Minnesota	4.1%	4.8%	6.3%	5.8%	5.3%	4.6%	4.5%
WSA 7 - South Central Minnesota	4.6%	5.3%	7.8%	7.0%	6.0%	5.3%	4.9%
WSA 8 - Southeast Minnesota	4.4%	5.1%	7.5%	6.9%	6.0%	5.2%	4.7%
WSA 9 - Hennepin/Carver	4.0%	4.8%	7.5%	6.9%	5.9%	5.1%	4.6%
WSA 10 - City of Minneapolis	4.3%	5.0%	7.5%	7.1%	6.3%	5.5%	4.9%
WSA 12 - Anoka County	4.6%	5.4%	8.6%	7.9%	6.7%	5.8%	5.1%
WSA 14 - Dakota/Scott	4.1%	4.9%	7.4%	7.1%	6.1%	5.2%	4.7%
WSA 15 - Ramsey County	4.5%	5.2%	7.9%	7.4%	6.6%	5.7%	5.0%
WSA 16 - Washington County	4.0%	5.0%	7.5%	6.9%	6.2%	5.3%	4.6%
WSA 17 - Stearns/Benton	4.7%	5.6%	8.2%	7.5%	6.5%	5.6%	5.2%
WSA 18 - Winona County	4.2%	4.8%	7.9%	6.8%	5.9%	5.0%	4.6%
State of Minnesota	4.7%	5.4%	8.0%	7.4%	6.5%	5.6%	5.1%

Source: DEED, Local Area Unemployment Statistics (LAUS) and MinnesotaWorks.net

relatively constant, a decrease in the unemployment rate would immediately raise the percent of jobless people visiting a WFC.

Impact of UI and REA Program

State unemployment insurance provides temporary partial wage replacement when workers lose their jobs. Although not all unemployed people qualify for UI benefits, those who do may receive up to 50 percent of their average weekly wage for 26 weeks.

During the recession, Minnesota received additional federal funding to extend the benefits period, but UI claimants had to

attend workshops and seek job search assistance at a Minnesota WorkForce Center in order to qualify. That program is now called the Reemployment Eligibility Assessment program (REA).

Since the REA program requires some UI claimants to use WFC resources, we would expect the percent of unemployed people going to centers to increase, particularly as the capacity of the program increased during the post-recessionary period.

Impact of Geography

Distance likely served to lower the percentage of unemployed workers using the

centers, particularly in Greater Minnesota. While some WFCs are in geographically small and densely populated Workforce Service Areas, others are assigned to large WSAs that span multiple counties.

WorkForce Center Usage

We would expect the steady decrease in unemployed workers, along with the change in UI policy requiring recently unemployed workers to use WFC services, to increase usage during this period. Conversely, we would also expect the varying geography of the WorkForce Service Areas to drive down the usage rate in some areas of the state.

Possibly as a result of these influences, we saw a steady rise in the share of unemployed workers using WFC resources since 2011.

We also see the anticipated differences in WFC usage rates by Workforce Service Area. Smaller WSAs in more densely populated areas of the state tend to have higher rates of usage. The top three in 2013 were WSA 4 (Duluth, 25.5 percent), WSA 10 (Minneapolis, 20.6 percent) and WSA 18 (Winona, 20.6 percent) (see Table 2).



This relationship between population density and high WFC usage holds true for more than these three WSAs. With the exception of the Hennepin/Carver WSA, the seven-county metro area reaches more of its unemployed population than does Greater Minnesota. A possible explanation for the Hennepin/Carver WSA is the absence of a WorkForce Center in Carver County. Each of the other metro counties have their own facility.

WSA 1 (northwestern Minnesota) is the only area of the state that continues to serve less than 5 percent of the unemployed through workshops or the resource room computers. Geography is likely a significant factor here, as WSA 1 is the only multicounty WSA with one WorkForce Center. WSA1 is also the only area whose percent of unemployed served has dropped back below 2011 levels.

Conclusion

Over the past three years, the average monthly percentage of unemployed people attending a workshop or using a resource room computer at a Minnesota WorkForce Center has steadily increased. Encouragingly, several WSAs are now reaching 20 percent or more of the unemployed in their area, and

TABLE 2

Average Monthly Percent of Unemployed Using WFC Resources by WSA			
Workforce Service Area	2011	2012	2013
WSA 1 - Northwest Minnesota	4.7%	5.4%	3.6%
WSA 2 - Rural Minnesota CEP	10.8%	14.6%	13.6%
WSA 3 - Northeast Minnesota	8.3%	10.3%	10.1%
WSA 4 - City of Duluth	17.1%	23.6%	25.5%
WSA 5 - Central Minnesota	6.4%	8.8%	8.8%
WSA 6 - Southwest Minnesota	6.4%	9.5%	9.7%
WSA 7 - South Central Minnesota	7.4%	10.1%	11.2%
WSA 8 - Southeast Minnesota	8.5%	10.7%	11.0%
WSA 9 - Hennepin/Carver	5.2%	8.9%	9.0%
WSA 10 - City of Minneapolis	13.5%	18.3%	20.6%
WSA 12 - Anoka County	12.4%	17.5%	18.8%
WSA 14 - Dakota/Scott	10.3%	15.9%	17.7%
WSA 15 - Ramsey County	8.1%	12.4%	14.7%
WSA 16 - Washington County	7.6%	12.8%	15.7%
WSA 17 - Stearns/Benton	9.9%	12.5%	11.5%
WSA 18 - Winona County	13.0%	18.0%	20.6%
State of Minnesota	8.5%	11.9%	12.7%

Source: DEED, Local Area Unemployment Statistics and MinnesotaWorks.net

these gains appear to be holding for the majority of WorkForce Service Areas. Only a few have seen a decrease since 2012.

These are important steps in the right direction for DEED. Each additional person served by a WorkForce Center is another person whose economic future can be improved. ■