

MINNESOTA ECONOMIC

TRENDS

BREAKING DOWN BARRIERS

RACIAL DIVERSITY AND THE
MINNESOTA WORKFORCE



DECEMBER 2015

Minnesota
Department of Employment and Economic Development



Closing the Racial Gap

We chose to focus on a single topic in this issue of Trends for an important reason. Racial disparities in the workforce are a critical challenge that will affect all Minnesotans and the economy.

Why is this topic especially important now? Part of the answer lies in historic forces that will reshape our labor force and economy over the next 15 years. With baby boomers retiring and not enough workers available to replace them, businesses soon will find themselves at a crossroads. They and the economy will be unable to expand without access to skilled workers.

While the problem is complicated and will require a multifaceted approach to resolve, it's clear that populations of color offer a key to the solution. According to the State Demographic Center, Minnesota's minority population will grow 37.3 percent in the next 15 years, while the white population will grow only 4.1 percent.

Breaking down barriers to education and employment for people of color will benefit the economy and make Minnesota a more inclusive and diverse place to live and work.

As Steve Hine concludes in his article that begins on Page 2, closing the racial gap is not only the right thing to do, it is the necessary thing to do if we're to provide our economy and businesses with the workforce necessary for success.

A handwritten signature in black ink that reads "Monte Hanson".

Monte Hanson
Editor

CONTENTS



Eliminating Racial Disparities is Crucial to Our Success2
Steve Hine

Populations of Color Essential to State’s Long-Term Success .. 5
Susan Brower

Stuck in Neutral..... 8
Dave Senf

Diversity in Greater Minnesota 14
Cameron Macht



Workforce Diversity by Industry 17
Candice Cheng

Minority-Owned Firms in Minnesota22
Rachel Vilsack

Racial Disparities in Wage and Employment
After Graduation 26
Alessia Leibert

Relative Incomes of Blacks in Minnesota38
Samuel L. Myers Jr.

Time is of the Essence for American Indians42
Joe Hobot

Eliminating Economic Disparities in Minnesota 44
Bruce Corrie





Eliminating Racial Disparities is Crucial to Our Success

This issue of Trends focuses on the racial disparities that have characterized Minnesota's labor markets for far too long. Despite long-standing awareness that our populations of color generally, and our black community in particular, have failed to benefit fully by an improving economy, these disparities persist and by many measures have worsened.

This was highlighted recently by the release of 2014 American Community Survey data that showed declining household

income and increasing rates of poverty among our black population. But while a lack of improvement in recent years is reason enough to demand action, a glimpse into the future underscores the real threat that these disparities pose to our state's economic vitality.

These persistent racial gaps have as a backdrop another well-documented risk to our future well-being: a dramatically slowing growth in our available workforce. Over the past 60 or more years, our state and

national economies have benefited from a rapidly growing workforce, driven by the entry of baby boomers into their working years and by the dramatic rise in female workforce participation. These forces have provided businesses with an adequate, and often surplus, pool of job seekers from which to draw.

But those conditions are now behind us, and the defining characteristic that will challenge us in the years to come will be quite different. As of July 1, 2014, the U.S. Census

Bureau estimates that there are nearly 50,000 more resident Minnesotans who will reach the age of 65 by 2030 than there are resident youth who will reach 16 by that time. So if we had to rely solely on our existing populace, Minnesota will see its prime working age population fall by 50,000 by 2030. These estimates clearly show that the number of people available through natural growth in our working age population will fall well short of the needs of businesses looking to grow.

Minnesota's State Demographic Center projects that our workforce will expand by an average of just over 4,000 people per year over the next 15 years. That growth is one-tenth what we averaged between 1977 and 2001, and half the rate we have experienced since. But these projections are based on assumptions that participation rates by our older age groups will experience some pretty healthy increases over the next 15 years. If in fact these increases do not occur and instead hold constant at current participation rates for workers 55 and above, our labor force will shrink over the next 10 years by about 11,000 before finally starting to grow by 21,000 between 2025 and 2030.

Over the next 15 years then, under this scenario of steady participation rates among our older Minnesotans, we will see

an average annual increase in our workforce of just over 600. That's about seven additional workers per county per year for the next 15 years. Enough for a hockey team, but not a baseball team, and certainly not enough to staff expanding businesses and grow our state's economy!

Alongside this dramatic slowdown in our state's workforce is another significant change in our state's demographic makeup that has long been under way: increased racial diversity among our working age population. This issue of Trends is devoted to describing the many ways this trend toward greater diversity is changing our economy.

To illustrate the magnitude of these changes, consider that between 2013 and 2014, the number of white Minnesotans between the ages of 18 and 64 fell by 6,875, while the number of black Minnesotans within that age range rose by 10,469 and the number of Minnesotans reporting their race as something other than white alone increased by 27,889.

The reasons for these stark differences by race in growth of working age populations are at least twofold: for one, the white population is "aging out" into its retirement years at a much faster rate than our minority population. Secondly,

there continues to be a significant influx of foreign-born immigrants who are typically in that working age cohort. During this one year, for example, the number of foreign-born blacks of all ages, well over 90 percent of whom come from Africa, increased by 13,729.

This one-year illustration is reflected in population trends and projections by race, as Susan Brower describes in her article in this issue. Her State Demographic Center projects that between now and 2030, our minority population overall will grow by 37.3 percent, while the white alone population will grow



by 4.1 percent, most if not all of which will be 65 and older.

While it is difficult to project the racial breakout of our workforce 15 years from now, especially as much of the growing diversity is driven by foreign immigration, it is clear that what little growth we are likely to see in our workforce will come in large part if not entirely from our minority workers.

And yet we continue to see persistent race-based barriers to entry into the workforce and similarly persistent barriers to employment among those who are in the workforce looking for jobs.

As a simple thought exercise, suppose the black workforce grows at the 33.6 percent rate projected by the State Demographic Center for the black population between now and 2030 (although this is likely a very conservative estimate considering the relatively young age profile of that population). This would increase the number of blacks in our labor force from its current 148,780 to 198,770.

Also suppose we were able to close the gaps between black and white participation rates and unemployment rates so that they are both at current white rates by 2030. This would result in an increase in our annual employment growth by nearly



1,400 over each of the next 15 years. That might not sound like much, but remember we're looking at the real potential for a growth of about 600 per year, so this would more than triple our potential job gains.

The challenges we face over the next 15 years are so great that we'll need to tackle them with a multi-pronged approach to attract and retain workers, of all demographic characteristics.

Retaining older workers beyond traditional retirement age, attracting and retaining young talent, removing barriers faced by workers of all ages, welcoming immigrants from foreign lands, and educating and training the workers we do have are all necessary to overcome these challenges. But when we

recognize the rapidly increasing share of existing workers who are people of color, it becomes obvious that we must solve this problem of persistent racial disparities once and for all.

If, for whatever reasons that underlie them, these disparities continue, disadvantaged groups won't be the only ones who suffer. Businesses and the economic well-being of every resident of our state also will be affected. So working on solutions to close these racial gaps between our state's white population and its populations of color is not only the right thing to do, it's the necessary thing to do if we're to provide our economy and its employers with the workforce necessary for success. **T**

Populations of Color Essential to State's Long-Term Success

Declining growth in the labor force means we cannot afford to waste the potential of our current and up-and-coming workers.

In 2014, Minnesotans of color¹ made up 19 percent of the state's population and jointly reached a major milestone – topping 1 million residents for the first time. Consider these numbers against 1990, when people of color totaled just 274,000 – a mere 6 percent of the state's population.

Minnesota's non-Hispanic white population has grown little over the same period. In 1990, 4.1 million residents identified as non-Hispanic white, compared with 4.4 million today – an increase of fewer than 350,000 people.

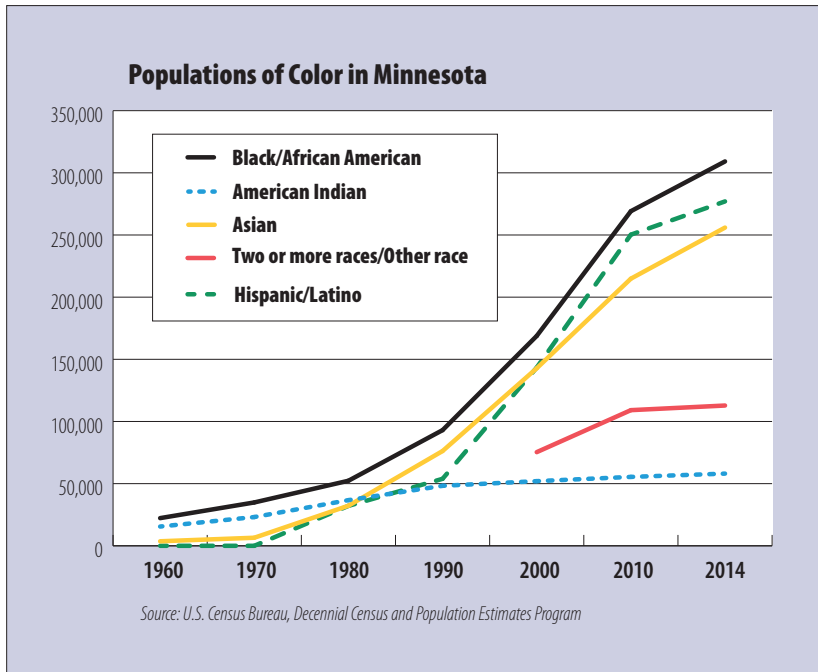
Since 1990, three major race groups have experienced particularly robust growth (see Figure 1). Black Minnesotans now total more than 300,000, while Asian and Latino populations have each grown to more than 250,000. Minnesota residents who identify with two or more race groups surpassed 110,000, up from 75,000 in 2000 when multiple racial identities (categorized as “two or more races”) were first measured by the census.

Growth among American Indians has been modest, totaling about 60,000 today. An additional 35,000 American Indians, however, identify themselves as belonging to more than a single race.



¹“Minnesotans of color” are those who self-identify as Hispanic/Latino, and/or American Indian, Asian, African-American or black, alone or in combination with another race.

FIGURE 1



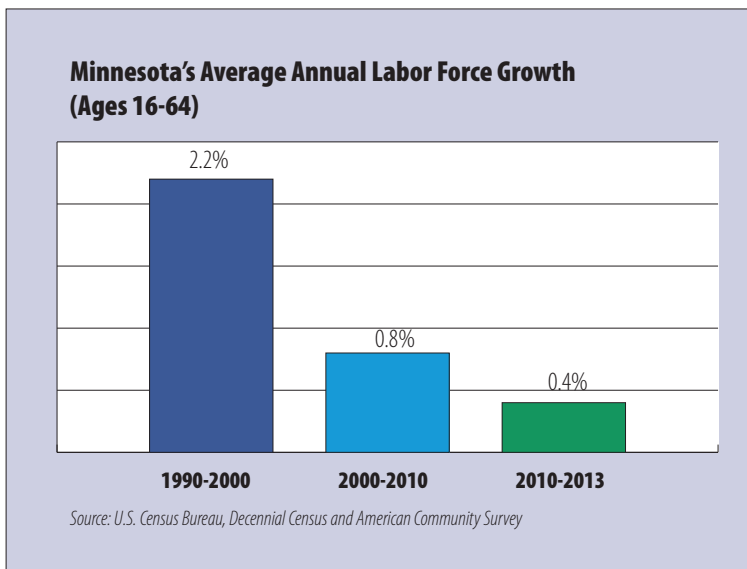
Looking ahead, our state’s populations of color will continue to be the engine of the population and labor force growth, so their success, or lack of it, will increasingly chart the future for Minnesota.

Labor Force Growth Now and in the Future

The growth among racially diverse Minnesotans comes at a critical time for our economy. In the next 15 years, the state is poised to experience a major slowdown in the growth of its labor force as the baby boomers continue to enter their retirement years.

In the 1990s, Minnesota’s labor force (ages 16-64) grew by an average of 2.2 percent each year. By the 2000s, growth had fallen to just 0.8 percent annually, and it has slowed even further since 2010 (see Figure 2).

FIGURE 2

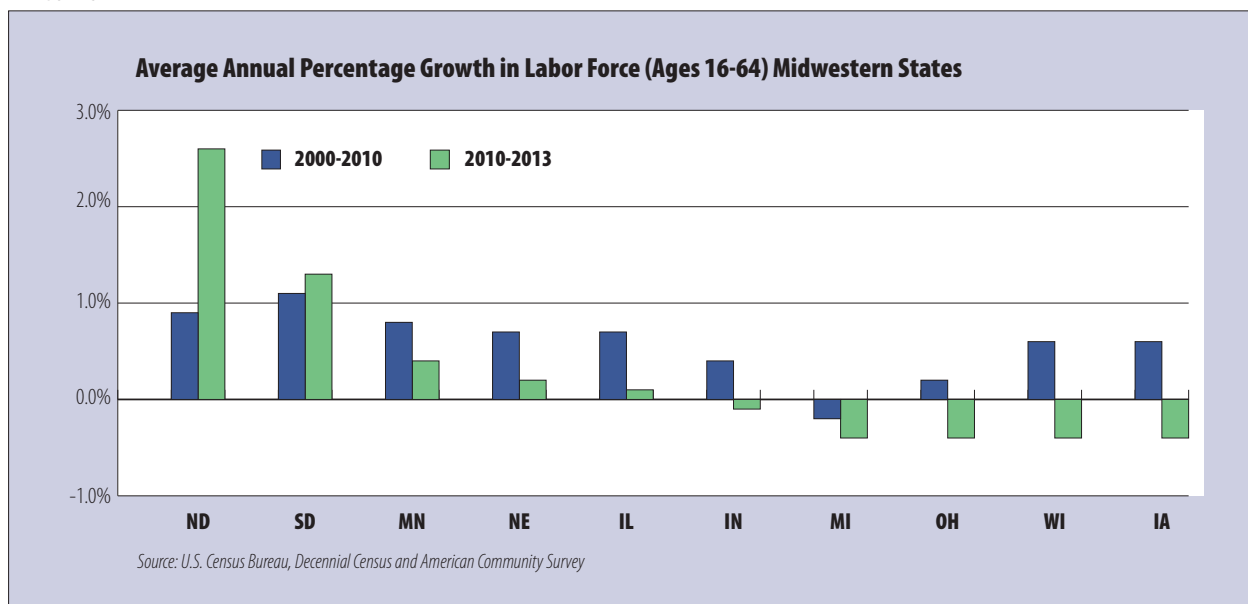


In the next 10 years, as the largest age cohort of Minnesotans – those now in their 50s – moves into retirement, the need for replacement workers to fuel our economy and pay for needed public services will be even greater than it is today.

Minnesota is not alone. The vast majority of states (48) have experienced slower labor force growth rates since 2010 than their average growth in the 2000s. When compared with other Midwestern states², Minnesota competes rather favorably (see Figure 3). Only North Dakota and South Dakota have outpaced Minnesota in percentage terms.

²The Midwestern states, as classified by the Bureau of Labor Statistics, are North Dakota, South Dakota, Minnesota, Nebraska, Illinois, Indiana, Michigan, Ohio, Wisconsin and Iowa.

FIGURE 3



Meanwhile two states (Nebraska and Illinois) have labor forces that have grown more slowly than Minnesota, and the remaining five Midwestern states have seen their workforces actually shrink since 2010.

When we take into account the contribution of workers ages 65 years and older, these numbers are tempered only slightly. Our challenge, then, is widespread and shared across the states, which will serve to intensify the competition for skilled workers. Employers take note: You will have to expend more effort to attract and retain strong candidates.

Put simply, declining growth in the labor force also means we cannot afford to waste any human capital among our

current and up-and-coming workers. For decades we have enjoyed a healthy flow of workers to fill available jobs, even during economic downturns. But demography now has its hand on the spigot. We are quickly moving into a reality where workers will be a scarcer commodity relative to jobs, and the growing ranks of former workers of the boomer generation will mean a larger bulge of our total population will reside among our oldest residents.

The Task at Hand

The large and persistent racial gaps in educational attainment and employment in Minnesota have been well documented and have always been unacceptable in a state that prides itself on

opportunity for all. However, Minnesota's demographic context heightens the economic urgency of addressing racial disparities, to backfill the labor force that the boomers are swiftly exiting. Against a backdrop of prolonged, slow labor force growth, we cannot afford to squander the potential of any labor force participant.

Susan Brower is the Minnesota state demographer and directs the Minnesota State Demographic Center. **T**

Stuck in Neutral

Wage and employment disparities for minority workers have changed little over the last two decades.

While racial employment, earnings and income disparities have existed historically, the gaps have become more visible in recent years. That's because minority workers now account for a higher share of workers in Minnesota and because additional labor market measures allow for detailed comparisons across racial and ethnic groups.

The American Community Survey (ACS), which has looked at economic characteristics by race and ethnicity annually since 2005, provides many of the statistics key to evaluating the progress or lack of progress for Minnesota minorities. The 2014 drop in median black household income and rise in the black poverty rate in Minnesota, as shown in ACS data, is a prime example of how improved data are providing a more accurate and timely picture of how Minnesotans of varying racial and ethnic backgrounds are faring.

Another relatively new source for employment and earnings statistics is the Longitudinal

Employer-Household Dynamics (LEHD) program. Minority employment as measured by LEHD has more than doubled over the last two decades to 386,000 in 2014 from 168,000 in 1995. Minority employment as a share of total employment jumped to 14.2 percent in 2014, almost double the 7.4 share in 1995 (see Figure 1).¹

The increase has been steady over the last two decades, although it slowed slightly during the last recession. Of the 444,000 jobs added between 1995 and 2014, a total of 226,000 were held by non-Hispanic whites. The other 218,000 jobs were held by minorities. The minority share of employment will continue to climb over the next two decades as older non-Hispanic whites retire and are replaced by younger workers who are much more racially diverse.

LEHD employment increased 20 percent over the last 20 years, with non-Hispanic white employment growing by just 11 percent. The next-slowest growing group was American Indian, which grew by 54

percent. Hispanic employment grew the fastest (up 161 percent), followed by Asian (up 135 percent), black (up 131 percent), and two or more races (up 127 percent).

Minority worker wages in Minnesota have grown as employment has climbed, but the growth rate of wage income has lagged behind employment growth. Wage growth lower than job growth is another way of saying the increase in minority employment has occurred disproportionately in lower-paid jobs over the last two decades.

Figure 2 compares the percent of Minnesota's total employment and total wage payments across Minnesota's largest minority groups since 1995.

Asians are the only minority group that has seen its share of wage income increase significantly faster than its employment share. Asians held 2 percent of jobs in 1995 and received 1.7 percent of wages, implying that the average wage for a job held by an Asian was below the overall average wage.

¹LEHD employment data is broken out into six racial groups (White Alone, Black or African American Alone, American Indian or Alaska Native Alone, Asian Alone, Native Hawaiian or Other Pacific Islander Alone, Two or More Race Groups) and two ethnicity groups (Hispanic or Latino and Not Hispanic or Latino). All racial group employment except White Alone is combined with White Hispanic or Latino employment to calculate minority employment.

Asians held 3.8 percent of jobs in 2014 and received 3.8 percent of wage payments, which means that over the last two decades the mix of Asian-held jobs shifted from more lower-paid jobs to a mix roughly in line with the wage mix for all workers, regardless of race or ethnicity.

The annual average wage for jobs held by Asians jumped from 86 percent of Minnesota’s average annual wage in 1995 to just slightly above the average in 2014 (see Table 1). Table 1 is another way of viewing the trends shown in Figure 2.

Employment has grown fastest among white Hispanics, jumping from 1.4 to 3 percent of all jobs over the last 20 years. Wage income for white Hispanic workers has increased at about the same rate, doubling from 1 to 2 percent of all wage income. As a result, white Hispanic average annual wage relative to the overall annual wage has changed little over the last 20 years. White Hispanic annual wage was 69.7 percent of the overall average wage in 1995 and was 69.9 percent of overall average wage in 2014. The wage mix of jobs held by white Hispanic workers hasn’t changed much since 1995, remaining skewed toward low-paying jobs.

Relative pay has declined for black, American Indian, and two or more race workers. Black workers have fared the worst

FIGURE 1

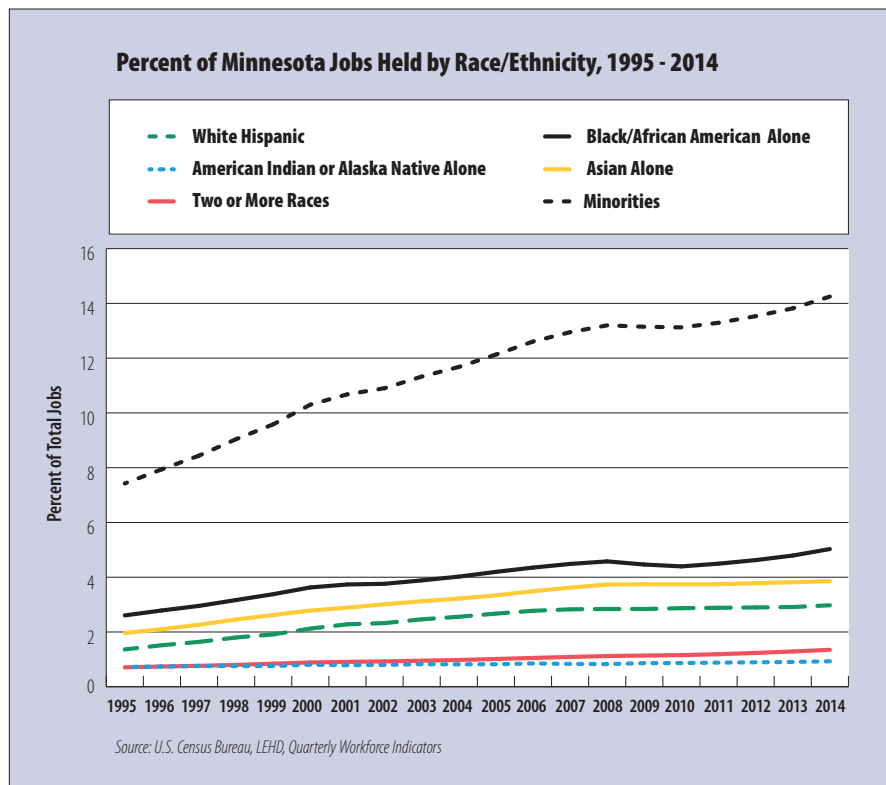
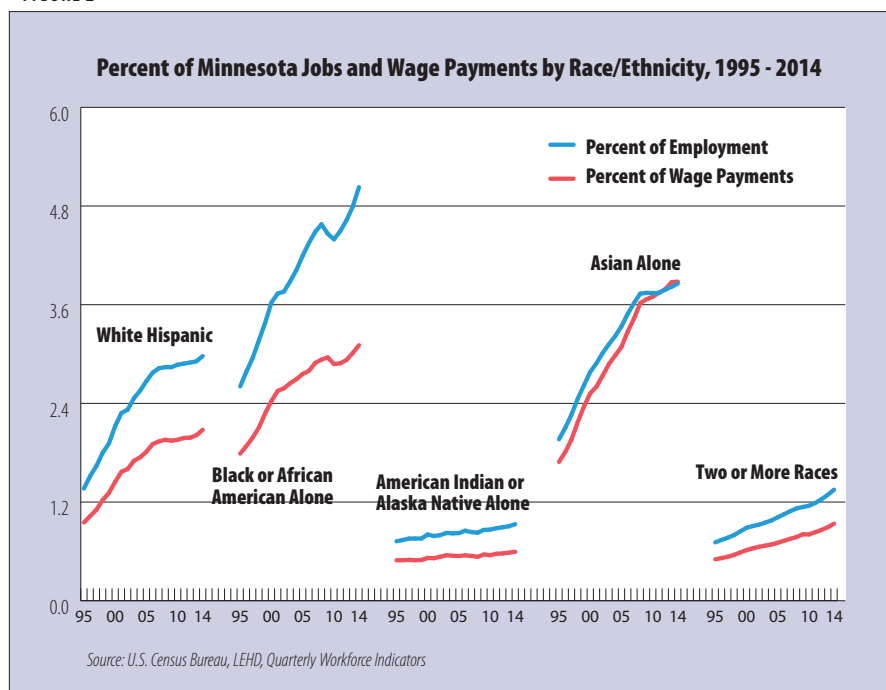


FIGURE 2



over the last 20 years as their average annual wages have fallen from 68.6 percent of the overall average to 61.8 percent in 2014.

While black employment accounted for 5 percent of jobs in 2014, black wage income accounted for only 3 percent of total wage income. The wage mix of jobs held by blacks has deteriorated over the last 20 years, with low-paying jobs making up a higher share of black employment in 2014 than in 1995. Average pay of American Indians and two or more races has also dropped relative to overall average pay, but not as much as the wages of black workers.

When all non-white groups are combined, the average annual pay of minorities in Minnesota relative to the overall average has increased minimally over the

last 20 years, inching up from 73.6 to 74.9 percent. The slight improvement is due primarily to pay gains made by Asian workers.

The minimal improvement shows that there hasn't been much change in the wage mix of jobs held by minorities over the last two decades. While the share of all jobs held by minority workers increased 92 percent from 7.4 percent two decades ago to 14.2 percent in 2014, the share of total wage income paid to minority workers increased by 95 percent, from 5.5 to 10.7 percent. In other words, there has been almost no decline in the wage income gap for minority groups in Minnesota since 1995 despite the minority workforce accounting for an expanding share of Minnesota workers.

Labor market differences,

such as these racial and ethnic earnings differences, arise from many factors, including differences among the groups in age distribution, educational attainment, occupational and industrial mix of jobs held, and the degree of discrimination encountered in the workplace. These factors interact, leading to the existing labor market disparities.

Where different groups tend to be employed (in terms of industry) can be analyzed using the LEHD data set. Employment and earnings data are available in the LEHD database across 300 industries in Minnesota. The industries can be grouped into four wage levels – very high, high, low and very low – based on 2014 average industry wages. The wage level brackets were set so that 2014 employment was distributed

TABLE 1 Average Annual Wages by Race/Ethnicity, 1995 and 2014

	1995 Annual Average Wage	2014 Annual Average Wage	Percent of 1995 Overall Average Wage	Percent of 2014 Overall Average Wage
Overall	26,587	48,733		
White Non Hispanic	27,028	50,200	101.7	103.0
White Hispanic	18,533	34,042	69.7	69.9
Black or African American Alone	18,248	30,116	68.6	61.8
American Indian or Alaska Native Alone	18,082	31,171	68.0	64.0
Asian Alone	22,861	49,028	86.0	100.6
Native Hawaiian or Other Pacific Islander Alone	19,691	36,189	74.1	74.3
Two or More Races	18,842	33,850	70.9	69.5
Minorities	19,572	36,524	73.6	74.9

Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

equally across all four wage levels.

Minnesota's annual average wage in 2014 was \$48,700 in the LEHD data set, ranging from \$288,000 in the oil and gas extraction industry (NAICS 2111 with 42 jobs in 2014) to \$10,700 in the fruit and nut farming industry (NAICS 1113 with 318 jobs in 2014). Each industry's annual average wage is total wages paid by the industry over the year divided by the annual average number of jobs, with no adjustment for hours worked or for seasonality. Industries with low annual average wages not only have low hourly wages but also tend to rely on a part-time and sometimes seasonal workforce.

Very high wage (VHW) industries had annual average wages above \$64,900 in 2014, while high wage (HW) industries paid between \$64,900 and \$44,200 annually. Low wage (LW) industries averaged annual pay between \$44,000 and \$23,600, while industries with average annual wages below \$23,000 were classified as very low wage (VLW) industries.

Racial groups with higher annual wages, not surprisingly, are more likely to be employed in industries with higher pay, while racial groups with lower annual wages are more likely to work in low-paying industries.

Asian workers had the second-highest annual average wage in 2014, due in large part to having the highest concentration of jobs in VHW industries. The Asian workforce had 31 percent of job holders in VHW industries and 23 percent in HW industries. The annual average wage for Asians, however, was held down by 27 percent of Asian employment in VLW industries.

Black employment is concentrated in VLW industries (41 percent) and LW industries (27 percent). American Indian employment is concentrated in LW industries (40 percent) and VLW industries (32 percent). The concentration of black and American Indian employment in lower-paying industries leads to these racial groups having the lowest annual average earnings.

The average annual wage for minority workers in Minnesota in 2014 was 75 percent of the state's average annual wage. That's a result of 27 percent

About the Data

The Longitudinal Employer-Household Dynamics (LEHD) program at the U.S. Census Bureau combines data on individual wages and employment records with demographic information (such as sex, race, birth date, place of residence and citizenship). The wages and employment records come from state unemployment insurance programs. Demographic data come from information the Census Bureau has collected from various sources, including Social Security records. Wages and employment information is linked to each individual's demographic information, and the data are aggregated by geography and industry to prevent any disclosure of individual information.

The aggregated data are used to produce Quarterly Workforce Indicators (QWI) and an online Web-tool called On-the-Map.¹ QWI provides local labor market statistics by industry, worker demographics, employer age, and size. QWI data are available for Minnesota from 1994 to 2014.

Self-employed workers are not included in QWI, nor are some wage and salary jobs that are not covered by unemployment insurance. Minnesota's average annual QWI total in 2014 was 2,712,281. The 2014 Quarterly Census of Employment and Wages (QCEW) total was 2,729,679. LAUS (Local Area Unemployment Statistics) annual average estimate of Minnesotans employed (which includes self-employed) in 2014 was 2,852,478. The jobs included in QWI data account for approximately 90 percent of all jobs in Minnesota.

¹More information on the LEHD program and access to QWI can be found at <http://lehd.ces.census.gov/>.

of minority workers being employed in LW industries and 34 percent in VLW industries.

Table 2 is another way of displaying Minnesota's wage gap using the four categories

of industry wages. White non-Hispanic workers hold 85.7 percent of all jobs in Minnesota, but they hold a slightly higher share of VHW industry jobs (88.6 percent) and HW industry jobs (88.9 percent). White Hispanic workers hold 3 percent of all jobs in the state yet hold 3.8 and 3.9 percent of LW industry and VLW industry jobs, respectively.

Asian workers hold a disproportionately large share of VHW industry jobs (4.8 percent) compared to their share of the workforce (3.9 percent). Black workers hold a disproportional share of VLW industry jobs (8.1 percent) relative to their share of all jobs (5 percent). Minority workers hold 14.2 percent of all jobs in the state but only 11.4 percent of VHW industry jobs. They hold 19.4 percent of VLW industry jobs.

Of the 300 industries covered

by LEHD data, 130 are LW or VLW industries employing half of Minnesota workers. The largest LW and VLW industries, in terms of number of employees, are listed in Table 3 across racial/ethnic groups. Six industries are leading employers for all groups. The industries are —

- NAICS 6111 Elementary and Secondary Schools
- NAICS 5613 Employment Services (primarily temp help)
- NAICS 6241 Individual and Family Services
- NAICS 6231 Nursing Care Facilities
- NAICS 7225 Restaurants and Other Eating Places
- NAICS 7211 Traveler Accommodation

These industries combined employ almost one out of every five workers (514,000

people) in Minnesota. Minority employment is even more concentrated in these six industries and other large LW and VLW industries. The top 10 largest industries with low or very low wages account for 34.1 percent of all minority jobs. Fifty percent of jobs held by American Indian workers are in one of the top 10 LW and VLW industries. Roughly 40 percent of jobs held by black workers are in the top 10 industries that have either low or very low wages. The rate in those industries is 37.2 percent for white Hispanic workers and 24.4 percent for white non-Hispanic workers.

The LEHD data clearly show the extent of Minnesota’s racial gaps, how little the gaps have changed over the last 20 years, and in which industries the gaps exist. Any progress on reducing these gaps will quickly show up in future LEHD data. **T**

TABLE 2 Wage Mix of Racial/Ethnic Groups, Minnesota, 2014

	Total Jobs	Very High Wage Industry Jobs	High Wage Industry Jobs	Low Wage Industry Jobs	Very Low Wage Industry Jobs
	Percent of Employment				
White Non Hispanic	85.7	88.6	88.9	84.8	80.6
White Hispanic	3.0	1.9	2.3	3.8	3.9
Black or African American Alone	5.0	3.1	3.4	5.4	8.1
American Indian or Alaska Native Alone	0.9	0.4	0.6	1.5	1.2
Asian Alone	3.9	4.8	3.6	3.0	4.1
Native Hawaiian or Other Pacific Islander Alone	0.1	0.1	0.1	0.1	0.2
Two or More Races	1.5	1.1	1.1	1.5	2.4
Minorities	14.2	11.4	11.0	15.1	19.4

Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

TABLE 3 Largest Low and Very Low Wage Industries by Race/Ethnicity, Minnesota, 2014

White Hispanic				White Non-Hispanic			
NAICS	Total	Jobs	Average Annual Wage	NAICS	Total	Jobs	Average Annual Wage
		80,698	34,042			2,325,817	50,200
7225	Restaurants and Other Eating Places	9,352	15,019	6111	Elementary and Secondary Schools	143,568	41,401
3116	Animal Slaughtering and Processing	4,535	37,265	7225	Restaurants and Other Eating Places	125,811	14,118
5613	Employment Services	3,887	16,798	9211	Executive, Legislative, and Other General Government Support	64,078	43,267
5617	Services to Buildings and Dwellings	3,116	21,273	6241	Individual and Family Services	40,158	21,477
6111	Elementary and Secondary Schools	2,327	36,369	6231	Nursing Care Facilities	39,957	26,467
7211	Traveler Accommodation	1,728	20,040	5613	Employment Services	39,223	28,393
6241	Individual and Family Services	1,593	19,359	4451	Grocery Stores	35,722	20,509
6231	Nursing Care Facilities	1,417	20,809	6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	28,905	22,874
4451	Grocery Stores	1,139	15,790	4529	Other General Merchandise Stores	27,158	21,724
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing	958	27,771	7211	Traveler Accommodation	23,996	21,909
	Top 10 Total Jobs	30,051			Top 10 Total Jobs	568,575	
	Top 10 Percent of Total Jobs	37.2			Top 10 Percent of Total Jobs	24.4	
Black or African American Alone				American Indian or Alaska Native Alone			
NAICS	Total	Jobs	Average Annual Wage	NAICS	Total	Jobs	Average Annual Wage
		136,387	30,116			25,246	31,171
7225	Restaurants and Other Eating Places	9,819	12,271	9211	Executive, Legislative, and Other General Government Support	3,020	31,973
6241	Individual and Family Services	9,421	18,659	7132	Gambling Industries	2,082	24,274
5613	Employment Services	8,302	15,298	7225	Restaurants and Other Eating Places	1,847	12,756
6231	Nursing Care Facilities	6,719	26,330	6241	Individual and Family Services	1,354	24,717
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	5,203	20,109	5613	Employment Services	1,160	16,789
6216	Home Health Care Services	4,658	17,323	7211	Traveler Accommodation	1,160	22,918
6111	Elementary and Secondary Schools	4,227	37,209	6111	Elementary and Secondary Schools	871	36,218
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	2,535	20,557	6231	Nursing Care Facilities	426	22,290
5617	Services to Buildings and Dwellings	2,466	18,057	4451	Grocery Stores	367	16,036
7211	Traveler Accommodation	2,245	18,723	6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	350	19,871
	Top 10 Total Jobs	55,592			Top 10 Total Jobs	12,636	
	Top 10 Percent of Total Jobs	40.8			Top 10 Percent of Total Jobs	50.1	
Asian Alone				Minorities			
NAICS	Total	Jobs	Average Annual Wage	NAICS	Total	Jobs	Average Annual Wage
		104,625	49,028			386,463	36,524
7225	Restaurants and Other Eating Places	7,629	16,557	7225	Restaurants and Other Eating Places	33,175	14,175
6241	Individual and Family Services	5,121	19,989	5613	Employment Services	19,364	18,058
5613	Employment Services	4,605	23,904	6241	Individual and Family Services	18,863	19,599
6111	Elementary and Secondary Schools	2,576	42,764	6111	Elementary and Secondary Schools	11,341	38,473
6216	Home Health Care Services	1,588	17,976	6231	Nursing Care Facilities	10,962	25,016
6231	Nursing Care Facilities	1,587	25,504	3116	Animal Slaughtering and Processing	8,073	36,644
8121	Personal Care Services	1,498	19,318	6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	7,919	20,003
7211	Traveler Accommodation	1,363	23,989	6216	Home Health Care Services	7,600	17,589
3116	Animal Slaughtering and Processing	1,282	36,678	5617	Services to Buildings and Dwellings	7,431	19,802
4521	Department Stores	1,142	17,151	7211	Traveler Accommodation	7,240	20,840
	Top 10 Total Jobs	28,391			Top 10 Total Jobs	131,966	
	Top 10 Percent of Total Jobs	27.1			Top 10 Percent of Total Jobs	34.1	

Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

Diversity in Greater Minnesota

The number of jobs held by minority workers in Greater Minnesota has more than doubled over the past two decades.

Though still less diverse than the Twin Cities, Greater Minnesota is seeing greater diversity in its workforce. In fact, the number of jobs filled by minority workers increased faster in the 80 counties of Greater Minnesota than the seven-county Twin Cities metro area over the past 20 years.

The Twin Cities is home to just over 60 percent of the state's jobs and more than 75 percent of the jobs held by minority workers. There are pockets of diversity, however, in Greater Minnesota.

Mahnomen County in northwestern Minnesota has the highest percentage of jobs filled by minorities, followed by Nobles and Watonwan counties in the southwest, and Cass County in the northwest.

Hennepin and Ramsey County have 237,599 of the 386,437 jobs held by minority workers in the state. Hennepin has 173,094 of those jobs and Ramsey County has 64,505 of those jobs. Together, that is 61.5% of the state's jobs held by minority workers.



Data clearly show that minority workers continue to make up an expanding piece of the employment puzzle in Greater Minnesota. According to the U.S. Census Bureau's Quarterly Workforce Indicators program (QWI), the number of jobs held by minority workers in Greater Minnesota more than doubled over the past two decades, rising from about 35,000 jobs in 1995 to just over 88,000 jobs in 2014, a 149 percent increase.

In sum, 8.3 percent of the jobs in Greater Minnesota are now filled by people who identify their race as something other than white alone or white with a Hispanic or Latin origin.

By comparison, 18 percent of the jobs in the Twin Cities and 14.2 percent of the jobs statewide fall into that category. Every region in the state saw an increase in the number of jobs held by minorities over the past 20 years,

with Greater Minnesota seeing a faster increase than the Twin Cities. Outside the Twin Cities, the most diverse workforces are found in the southeast and southwest, while the northeast has the least diverse workforce overall (see Table 1).

Jobs by Race or Origin

More than 85 percent of the jobs in the state that are filled by African American and Asian workers are located in the Twin Cities.

Black workers hold almost 117,000 jobs in the Twin Cities, accounting for over 7 percent of total jobs. But they hold just 1.8 percent of the jobs (19,500) in Greater Minnesota. Likewise, the Twin Cities had just over 91,000 jobs filled by Asians in 2014, about 5.5 percent of total jobs. That compares with 1.5 percent of jobs in Greater Minnesota filled by Asians (see Table 2).

In contrast, Greater Minnesota accounts for 57 percent of the jobs held by American Indians in the state. With just 25,247 jobs statewide, however, American Indians hold the smallest number of jobs of any race group in the state, and the second smallest in Greater Minnesota, ahead of workers of two or more race groups.

TABLE 1

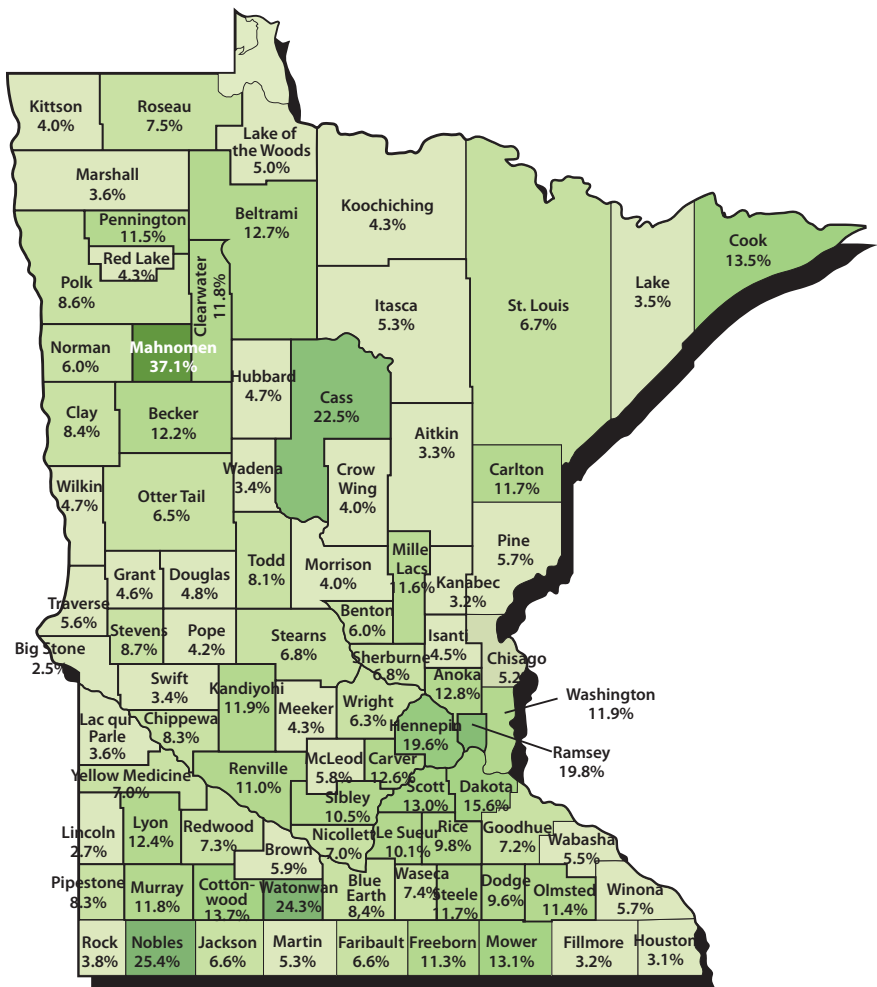
Percentage of Jobs Held by Minorities by Region, 1995-2014

	1995	2014	1995-2014
Twin Cities	9.5%	18.0%	8.5%
Greater Minnesota	4.1%	8.3%	4.2%
Southeast	4.4%	9.8%	5.4%
Southwest	4.3%	9.4%	5.1%
Northwest	4.6%	8.4%	3.8%
Central	3.3%	7.0%	3.7%
Northeast	3.9%	6.8%	2.9%
State of Minnesota	7.4%	14.2%	6.8%

Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

Map 1

Percentage of Jobs Held by Minority Workers by County, 2014



Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

People of Latino origin are the largest minority group of job holders in Greater Minnesota, with just over 35,000 jobs. That is about half the number of jobs held by Latino workers in the Twin Cities. Latino workers also saw the biggest increase in jobs in Greater Minnesota over the past 20 years.

A Healthy Dose of Diversity

Health care and social assistance is the largest industry in the state, with more than 455,000 jobs in 2014. It is also one of the most diverse industries.

Statewide, health care and social assistance accounted for 16.8 percent of total jobs but 31.8 percent of the jobs held by black workers. In fact, it was the highest-employing industry for black workers in the state, providing more than 42,000 jobs in 2014. More than 37,000 of those jobs, however, were in the

TABLE 2

Number and Percentage of Jobs Held by Workers by Race or Origin, 2014

Race or Origin Category	Twin Cities		Greater Minnesota	
	Number	Percent	Number	Percent
Total, All Jobs	1,654,055	100.0%	1,058,227	100.0%
White Alone	1,408,957	85.2%	997,559	94.3%
Black or African American	116,891	7.1%	19,498	1.8%
American Indian or Alaska Native	10,941	0.7%	14,306	1.4%
Asian or Other Pacific Islander	91,197	5.5%	16,320	1.5%
Two or More Races	26,070	1.6%	10,549	1.0%
Hispanic or Latino Origin	69,289	4.2%	35,131	3.3%

Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

Twin Cities metro area, while the remaining 5,000 were in Greater Minnesota.

Blacks accounted for 15 percent of the health care and social assistance workforce in the Twin Cities, but they held just 2.3 percent of health care jobs in Greater Minnesota. Nonetheless, the sector was still the largest-employing industry for blacks outside the Twin Cities.

In the Twin Cities, health care and social assistance was also the

largest-employing industry for whites, American Indians, and workers of two or more races. It was the second largest for Asians and the third largest for Latinos.

Greater Minnesota health care facilities rely more heavily on Latino workers. Regardless of location, every race group gained huge numbers of jobs in health care and social assistance over the past 20 years, with most minority groups more than doubling from 1995 to 2014 (see Table 3).

TABLE 3

Health Care and Social Assistance Jobs by Race or Origin, 1995-2014

	Twin Cities			Greater Minnesota		
	Jobs, 1995	Jobs, 2014	Change from 1995-2014	Jobs, 1995	Jobs, 2014	Change from 1995-2014
All Races	139,870	242,620	73.5%	131,509	212,581	61.6%
White Alone	125,153	183,386	46.5%	128,388	199,429	55.3%
Black or African American	9,244	37,164	302.0%	528	4,933	834.3%
American Indian or Alaska Native	1,033	1,732	67.7%	823	2,264	175.1%
Asian or Other Pacific Islander	3,250	16,081	394.8%	1,100	3,887	253.4%
Two or More Races	1,189	4,256	257.9%	668	2,068	209.6%
Hispanic or Latino	2,482	8,753	252.7%	1,281	5,080	296.6%

Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

Workforce Diversity by Industry

Candice Cheng

People of color held 11.3 percent of the jobs in Minnesota in 2014 (see Figure 1).

By industry sector, people of color were most likely to hold jobs in administrative and support services (19.8 percent of the total jobs), health care and social assistance (15.9 percent), and accommodation and food services (15.2 percent).

Within administrative and support services, people of color were most likely to be found in employment services, where they held 26.4 percent of jobs statewide, and investigation and security services, where they held almost 25 percent of the jobs.

In health care and social assistance, people of color held 24.9 percent of the jobs in social assistance, 19.4 percent of the jobs in nursing and residential care facilities, 12 percent of the jobs in ambulatory care facilities and 10.2 percent of the jobs in hospitals.

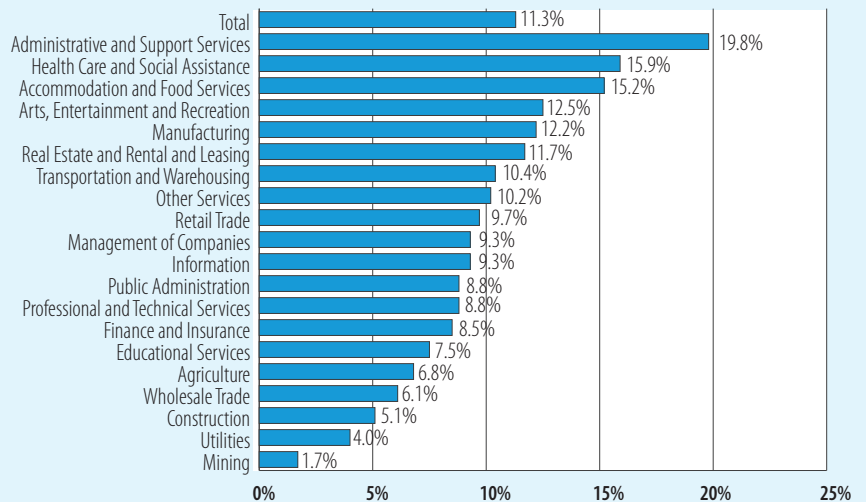
People of color were underrepresented in mining, utilities, construction, wholesale trade, agriculture, education services, finance and insurance, public administration, professional and technical services, management of companies and information (see Figure 1).

By ethnicity, 3.8 percent of the state's jobs were held by Latinos in 2014. The top employing industries for Latinos were agriculture, primarily animal production and crop production, (12.4 percent of the total jobs), administrative and support services, primarily employment services and services to buildings and dwellings (8.1 percent), and accommodation and food services (7.2 percent).

Latinos were underrepresented in mining, utilities, finance and insurance, educational services, information, public administration and professional and technical services (see Figure 2).

FIGURE 1

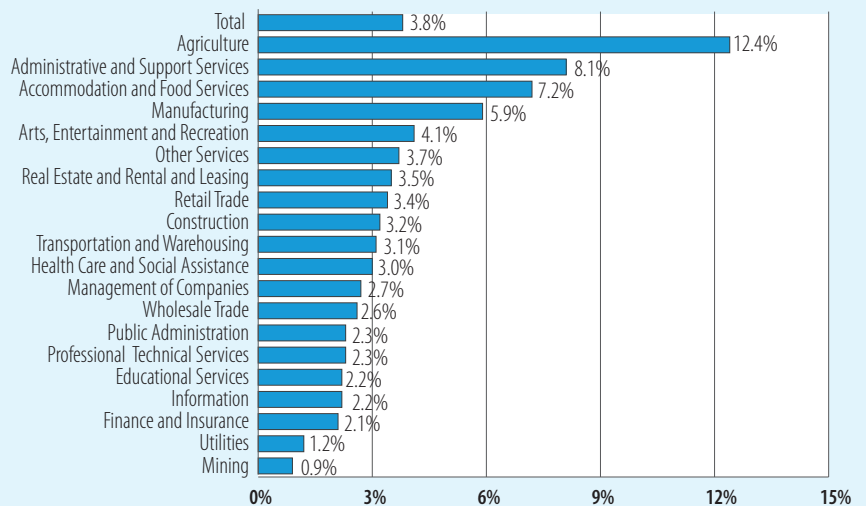
Percent of Non-White Employees by Industry in Minnesota, 2014



Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

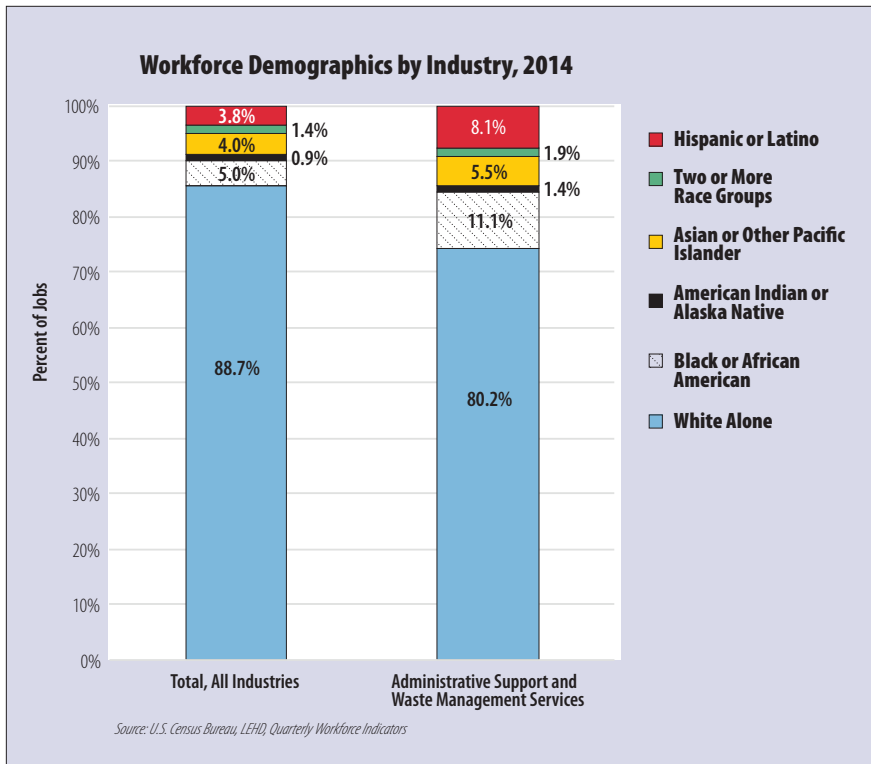
FIGURE 2

Percent of Hispanic or Latino Employees by Industry in Minnesota, 2014



Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

FIGURE 1



Mixing Things Up

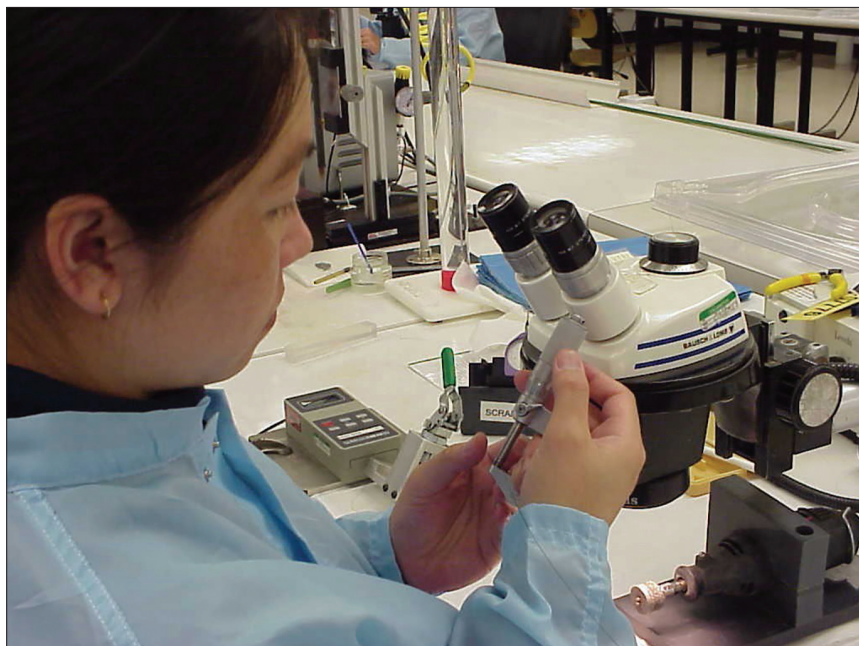
The second-largest employing industry in the state is manufacturing, with about 310,000 jobs in 2014. But it was the largest source of jobs for Asians, providing more than 21,500 jobs statewide, and for workers of Latino origin, accounting for 18,420 jobs.

Greatly affected by the last two recessions, manufacturing employment dropped from about 380,000 jobs in 1995 to 290,000 jobs in 2010, before rebounding and adding about 20,000 jobs in the past five years.

The number of manufacturing jobs fell twice as fast in the Twin Cities as in Greater Minnesota over the past 20 years, resulting in declines for both whites and American Indians in this sector. But all other minority groups gained jobs in manufacturing over the period, with growth occurring faster in outstate areas.

About one in nine manufacturing jobs in the Twin Cities was held by Asians, making it the largest-employing industry for that race group in the metro area.

The number of Latinos in manufacturing jobs more than doubled from 1995 to 2014. Greater Minnesota had more manufacturing jobs held by Latinos than the Twin Cities,



with the largest concentrations in southeastern, southwestern and central Minnesota.

A Temporary Fix

As the economy has recovered, manufacturing and other industries have relied heavily on temporary staffing agencies for workers. Temp help agencies are included in the administrative support and waste management services sector. This sector has one of the fastest-growing and most diverse workforces in the state, employing higher than average concentrations of workers of every race other than whites. The most minority held jobs were held by black workers, followed by Latinos and Asians (see Figure 1).

The administrative support and waste management services workforce is much larger and more diverse in the Twin Cities, but diversity has been increasing much faster in Greater Minnesota over the past 20 years. The number of jobs held by workers of every race group other than white or Asian more than tripled in Greater Minnesota from 1995 to 2014.

Eat, Drink and Be Merry

Job holders in the retail trade, the accommodation and food services, and the arts, entertainment and recreation industries are also relatively

diverse. Not only do those industries tend to have much higher numbers of young workers, but they also employ large numbers of workers of other races and origins.

In the Twin Cities, the retail trade and the accommodation and food services industries together employ more than 22,000 blacks, 15,000 Asians and 7,000 workers of two or more races.

While retail trade is less diverse in Greater Minnesota, accommodation and food services is the second-largest employing industry for people of two or more races, the third-largest for blacks, Asians and workers of Latino origin, and the fourth-largest source of jobs for American Indians.

Accommodation and food services provides about 12 percent of jobs held by American Indians in the state, compared with 8 percent of all workers. Though arts, entertainment and recreation (which includes casinos) provides just 1.8 percent of total jobs in Greater Minnesota, the industry accounts for 15.1 percent of jobs held by American Indians.

In addition, public administration is the largest-employing industry for American Indians in Greater Minnesota, often in tribal



governments. That makes it the largest minority group working in public administration, just ahead of blacks.

From the Ground Up

The natural resources and mining sectors offer a stark contrast in diversity. On one hand, the agriculture, forestry, fishing and hunting sector has a relatively diverse workforce, with just over 12 percent of jobs held by workers of Latino origin in Greater Minnesota. On the other hand, over 98 percent of mining jobs are held by whites. Of the 7,000 jobs in mining across the state, fewer than 180 of those jobs were filled by minorities in 2014.

TABLE 4

Change in Jobs by Industry by Race or Origin in Greater Minnesota, 1995 to 2014

	All Races	White Alone	Black or African American	American Indian or Alaska Native	Asian or Other Pacific Islander	Two or More Races	Hispanic or Latino
Total, All Industries	+22.3%	+18.7%	+310.9%	+85.7%	+95.3%	+133.4%	+157.0%
Agriculture, Forestry and Fishing	+94.0%	+85.8%	+1,017.9%	+143.9%	+454.9%	+427.5%	+204.0%
Admin. Support and Waste Mgmt.	+81.9%	+72.3%	+450.7%	+270.7%	+50.2%	+214.9%	+214.5%
Health Care and Social Assistance	+61.6%	+55.3%	+834.3%	+175.1%	+253.4%	+209.6%	+296.6%
Management of Companies	+61.3%	+55.6%	+2,600.0%	+75.0%	+258.3%	+213.3%	+339.5%
Professional and Technical Services	+56.6%	+52.6%	+470.3%	+105.6%	+414.7%	+209.8%	+224.8%
Transportation and Warehousing	+48.9%	+46.8%	+117.1%	+59.1%	+137.2%	+188.9%	+176.3%
Construction	+42.9%	+41.3%	+330.4%	+43.7%	+163.4%	+170.3%	+262.0%
Public Administration	+38.3%	+32.6%	+177.9%	+222.9%	+146.0%	+161.7%	+170.0%
Educational Services	+24.5%	+23.2%	+158.2%	+18.3%	+120.4%	+93.6%	+132.8%
Accommodation and Food Services	+20.7%	+15.0%	+304.5%	+200.4%	+50.0%	+177.0%	+196.1%
Arts, Entertainment and Recreation	+20.4%	+16.3%	+191.7%	+36.4%	+40.0%	+106.3%	+56.1%
Wholesale Trade	+16.4%	+15.0%	+167.2%	+64.4%	+138.3%	+121.6%	+145.7%
Real Estate, Rental and Leasing	+13.8%	+12.1%	+257.1%	+6.3%	+93.1%	+45.5%	+51.3%
Other Services	+13.6%	+12.9%	+230.6%	-55.7%	+134.2%	+62.7%	+66.3%
Finance and Insurance	+10.4%	+10.2%	-30.8%	+63.8%	+39.3%	+106.2%	+117.4%
Retail Trade	+4.4%	+1.7%	+194.2%	+76.0%	+82.3%	+115.8%	+139.7%
Manufacturing	-11.0%	-14.1%	+303.4%	+23.2%	+37.2%	+62.5%	+118.2%
Information	-15.5%	-17.1%	+57.3%	+10.0%	+106.9%	+60.0%	+42.3%
Utilities	-17.4%	-17.6%	-30.0%	-26.5%	0.0%	+27.6%	+34.4%
Mining	-18.4%	-18.9%	+42.9%	-7.1%	+50.0%	+33.3%	+48.5%

Source: U.S. Census Bureau, LEHD, Quarterly Workforce Indicators

Other industries that have lower concentrations of minority job holders include construction, wholesale trade, educational services, finance and insurance, and professional and technical services. All of those industries, however, saw huge jumps in the number of jobs held by minorities over the past 20 years,

with many of them doubling or tripling the number of minority workers from 1995 to 2014 (see Table 4).

Utilities was the only industry in the state to see a decline in the number of jobs held by minorities over the past two decades. The industry also saw a

decline in jobs overall, including white workers. Every other industry enjoyed a rapid increase in workforce diversity over time, especially in Greater Minnesota. **T**

Case Study: Morningside Heights Care Center

Morningside Heights Care Center, a 76-bed long-term care facility that is part of Avera Marshall Regional Medical Center in Marshall, has doubled the diversity of its workforce in recent years.

Avera's Kimberly Torkelson said 27 percent of the care center's workforce is now of a race or origin other than white alone. Five years ago that figure was at 13 percent.

When fully staffed, the care center employs more than 100 direct care employees, including registered nurses (RNs), licensed practical nurses (LPNs), neighborhood coordinators, certified nursing assistants (CNAs), trained medication assistants (TMAs) and dietary aides. Currently, Morningside Heights has openings for CNAs, TMAs and LPNs.

In an effort to reach out to new workers, Avera has held question-and-answer sessions with community members and leaders of different races and cultures. Attendees toured the facility and had a chance to ask questions.

"One of the things we learned was that there was a need for more than CNA positions here, as many people do not have their certifications right away," Torkelson said. "So, we redesigned our scheduling and created two dietary aide positions. These positions do not require a CNA certification and can be used as a stepping stone to a CNA position. It helps the individual gain a working knowledge of how our facility operates and a bigger glimpse of what CNA work looks like."

Avera also has been working with DEED WorkForce Center partners, including the Southwest Minnesota Private Industry Council and Adult Basic Education.

One particularly effective program has been Minnesota FastTRAC (now known as Pathways to

Prosperity), which helps under-prepared adults learn basic job skills and career-specific expertise in high-demand occupations. The program has helped applicants develop their skills as dietary aides.

"We have hired many of these students, and it has been wonderful watching them grow into their new roles here at Avera," remarked Torkelson. "Many of the employees of other cultures that we have employed here have come from these programs."

Employee referrals have also played a large role in attracting a diverse workforce. "Employees like it here, and they encourage their friends and relatives to seek positions here as well," Torkelson said.

Morningside Heights has a couple of residents who speak only Spanish. Having Latino staff members who can communicate with them leads to more comfort and satisfaction for residents, she said.

"It is enjoyable watching the staff and residents learn more about the cultures of the staff and residents we have here. They feel comfortable asking questions and sharing about their individual backgrounds," she added.

Avera knows that it is competing in a tight labor market where many businesses are looking for help. Torkelson's advice is to talk with employees and seek their opinions on hiring and retention, because some of the best ideas come from current staff.

"We are tasked with making our positions and organizations look attractive and different from the rest. This can be a difficult thing in today's world," Torkelson said. "I would suggest to have an open mind and to think outside of the box. Be creative with your staffing. Just because something has worked for the last five to 10 years, does not mean that it will work today. Change things up."

Minority-Owned Firms in Minnesota

Minority-owned firms grew by 53.1 percent in Minnesota between 2007 and 2012, with revenue up 57.9 percent over that period.



For many Minnesotans of color, starting a small business enables them to step out of a traditional job and pursue their career passion.

Likewise, many immigrant families see businesses as a way to become self-sufficient and provide a necessary – and often missing – service to their community. Whether it’s a small employer or an entrepreneur, their contribution can be significant.

In all, 47,565 businesses in Minnesota (nearly 10 percent of the state’s 489,494 firms) were minority-owned in 2012, according to the national Survey of Business Owners conducted every five years by the U.S. Census Bureau.¹

Minority-owned firms in Minnesota² generated more than \$8.7 billion in sales. The vast majority (88 percent) had no paid employees (see Table 1).

Nationally, nearly three times as many firms as in Minnesota were minority-owned (28.9 percent). Just 1.8 percent of firms in Minnesota were owned by Hispanics in 2012, compared with 12 percent of U.S. firms. Black-owned firms (19,964) and Asian-owned firms (15,553) accounted for seven out of 10 minority-owned firms in Minnesota.

Nationally, Minnesota and other Midwestern states rank near the bottom in the percentage of minority-owned firms. That is not surprising since Minnesota is less racially diverse than many other states and the nation as a whole. In 2012, minorities accounted for 17.7 percent of Minnesota’s total population.

About one in 20 people of color in Minnesota (5 percent) owned a business. That puts us in the lower one-third of states on this measure. Florida (11.2 percent), New York (8.5 percent) and Georgia (8.4 percent) ranked as the top three states in the proportion of minority-owned firms. South Dakota (3.1

Characteristics of Minnesota Businesses, 2012

TABLE 1

	All Firms		Firms with Paid Employees				Firms without Paid Employees	
	Total Number of Firms	Total Sales of Firms (\$1,000s)	Number of Firms	Sales of Firms (\$1,000s)	Number of Paid Employees	Annual Payroll (\$1,000)	Number of Firms	Sales of Firms (\$1,000s)
All Firms	489,494	694,788,651	109,736	677,657,170	2,422,065	113,609,544	379,758	17,131,480
Minority-owned Firms	47,565	8,722,470	5,651	7,619,296	63,360	1,765,131	41,913	1,103,174
Black or African American	19,964	1,729,430	1,155	1,324,500	21,261	515,770	18,809	404,930
American Indian or Alaska Native	4,152	724,233	456	638,316	6,402	206,312	3,696	85,907
Asian	15,553	4,163,621	2,995	3,774,405	27,255	720,977	12,558	389,216
Native Hawaiian and Other Pacific Islander	328	65,151	44	57,161	407	7,239	284	8,000
Some other race	3,806	502,498	340	397,280	2,194	67,020	3,465	105,218
Hispanic-owned Firms	8,865	1,940,095	1,009	1,687,202	8,174	296,089	7,856	252,893

In some instances, detailed categories may not add to total due to rounding or because a Hispanic firm may be of any race. Moreover, each owner had the option of selecting more than one race and therefore is included in each race selected.

Source: U.S. Census Bureau, Survey of Business Owners, 2012

percent), North Dakota (3.8 percent), and Idaho and Iowa (tied at 4 percent) ranked among the bottom of states.

Industry

More than half of all minority-owned firms in Minnesota were in the following industries: other services (8,195), health care and social assistance (6,886), professional and technical services (5,920), and

transportation and warehousing (5,392) (see Figure 1).³

The largest share of minority-owned firms with paid employees, however, was in the accommodation and food services sector. With 1,335 firms and 18,195 employees in 2012, this sector accounted for 29 percent of minority-owned firms with employees in Minnesota. Professional and technical services was second with 855

firms with paid employees, followed by health care and social assistance with 817 firms.

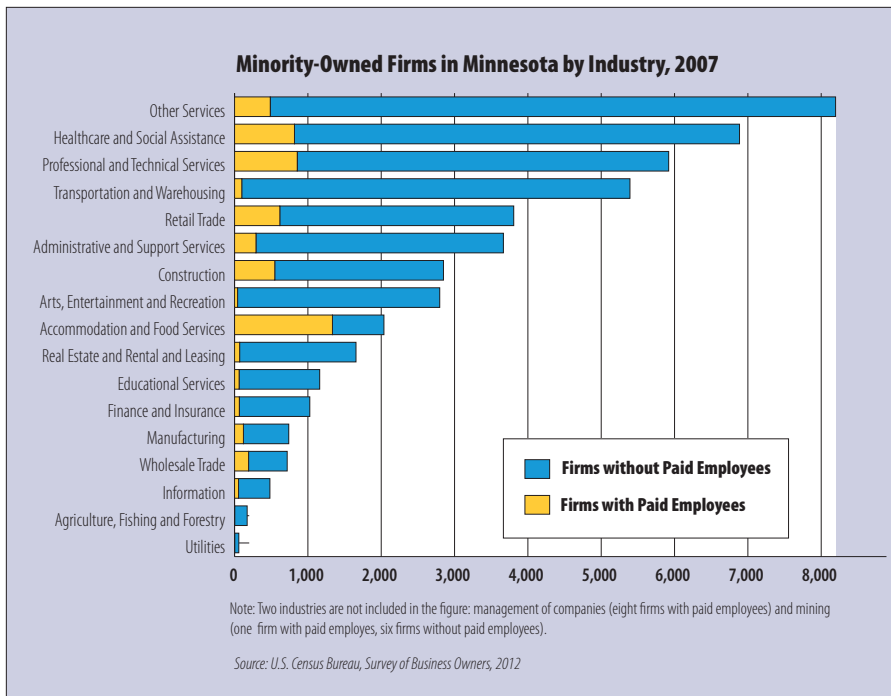
Another way to look at these data is to focus on the concentration of minority-owned firms. Nearly 23 percent of all transportation and warehousing firms in Minnesota were minority-owned in 2012. One in six (16.3 percent) accommodation and food services firms and one in

¹Preliminary estimates from the 2012 Survey of Business Owners were released in August 2015. More expanded data will be released in December 2015.

²Ethnicity and race are treated as separate concepts in the federal statistical system. Respondents are instructed to treat both the Hispanic origin and race questions as separate categories. Minority-owned firms include Hispanics, blacks or African Americans, American Indians and Alaska Natives, Asians, Native Hawaiians and Other Pacific Islanders, and/or persons of some other race not classified as "non-Hispanic White" who own 51 percent or more of the equity, interest or stock of the business.

³The other services industry includes repair and maintenance (automotive, electronic, equipment, commercial, machinery and household goods); personal and laundry services (hair, nail and skin care, death care services, drycleaning and laundry services, pet care, photofinishing and parking lots and garages); religious, grantmaking, civic, professional and similar organizations; and private households.

FIGURE 1



seven (15.2 percent) of other services firms in Minnesota were minority-owned.

When an expanded data set is released in December 2015, we will be able to see more detail on the types of other services, health care, and professional and technical service firms that are owned by minorities. What determines the type of business that someone chooses to start could involve many factors, like a personal passion, work experiences, or an observed unmet need or service in one’s community.

Growing Presence

The number of firms in Minnesota – those with and

without paid employees – declined between 2007 and 2012. This finding is not surprising, given that the Great Recession and an economic recovery lasting several years occurred during this period.

Despite this setback, firms owned by Minnesota minorities are growing. Minority-owned firms grew by 53.1 percent in Minnesota between 2007 and 2012, with revenue up 57.9 percent over the period (see Table 2).

The strong growth in minority-owned firms between 2007 and 2012 reflects a long-term trend. Between 2002 and 2012, minority-owned businesses in Minnesota increased by more

than 25,800 firms, a 118 percent growth rate that far surpasses the modest 10.3 percent rise in all firms.

There are many reasons for this growth. Certainly the minority population has grown in Minnesota, so more minority-owned firms is a natural consequence of a more diverse population. Between 2000 and 2012, Minnesota’s minority population grew 64 percent, compared with a 9.4 percent increase in the population as a whole. This is likely true for many Midwestern states, which had smaller proportions of minority-owned firms in 2012 but strong growth among those firms between 2007 and 2012.

While minority populations are growing in the state, Minnesota remains less racially and ethnically diverse than the rest of the country. Recent data from the Census Bureau’s American Community Survey show that 15.6 percent of Minnesota’s population in 2012 was people of color, compared with 26.6 percent of the U.S. population.

We also have seen significant growth in Minnesota in the number of minority-owned, self-employed businesses (that is, firms without paid employees) and the value of their sales. While this growth is strong and these businesses add to the economic strength

of Minnesota, it is unknown if these self-employed businesses constitute a stable and full-time job for the owner or if they function primarily to generate supplemental income. Firms with employees have an added economic benefit because staff members generate payroll taxes.

More Timely Data

With data on minority-owned businesses available only twice a decade, the outcome of policy changes aimed at increasing minority businesses aren't known

at this point. Nor do the data allow us to more closely link changes in business ownership with the business climate, economic cycle or local economic conditions.

This year a public-private partnership was created to address this need. The Census Bureau, the Ewing Marion Kauffman Foundation and the Minority Business Development Agency have partnered and begun data collection for the first Survey on Entrepreneurs.

This new annual survey will create more timely data on entrepreneurs and industries in the United States. Data collection also will be expanded to include more details on barriers to growth, financing and firm demographics.⁴ These timely data should allow us to track minority-owned business trends – and policy changes aimed at increasing minority-owned businesses – more closely. **T**

TABLE 2

Changes in Minnesota Business Ownership, 2007 to 2012

	Growth in Total Number of Firms, 2007-2012	Growth in Total Sales of Firms, 2007-2012	Firms with Paid Employees		Firms without Paid Employees	
			Growth in Number of Firms, 2007-2012	Growth in Sales of Firms, 2007-2012	Growth in Number of Firms, 2007-2012	Growth in Sales of Firms, 2007-2012
All Firms	-1.4%	16.4%	-5.4%	16.5%	-0.2%	11.5%
Minority-owned Firms	53.1%	57.9%	29.5%	57.0%	137.2%	163.0%
Black or African American	60.3%	88.5%	87.2%	94.4%	58.9%	71.3%
American Indian or Alaska Native	43.7%	34.6%	20.0%	33.8%	47.3%	40.5%
Asian	36.8%	76.7%	14.3%	80.5%	43.5%	46.6%
Native Hawaiian and Other Pacific Islander	NA	NA	NA	NA	NA	NA
Some other race	931.4%	483.8%	309.6%	383.4%	NA	NA
Hispanic-owned Firms	77.2%	20.5%	36.7%	13.2%	84.2%	112.5%

Source: U.S. Census Bureau, Survey of Business Owners, 2007 & 2012

⁴"Kauffman and Census Announce Major Expansion of Annual Data on American Entrepreneurs," Jan. 27, 2015, www.kauffman.org/blogs/data-maven/2015/01/kauffman-and-census-announce-major-expansion-of-annual-data-on-american-entrepreneurs.

Racial Disparities in Wage and Employment After Graduation

Getting a post-secondary degree helps people find better-paying jobs, but race and gender are factors in how much they earn.



The Great Recession marked a transformation in student demographics. Job losses, combined with a slack labor market that allowed employers to increase minimum job requirements, pushed some people to seek retraining who might otherwise not have chosen to attend college. Among these “nontraditional students” were people who enrolled in college over the age of 30 or were first-generation college students.

One important result of this push toward enrollment was an increase in racial diversity in the

classroom. The share of blacks who enrolled in a post-secondary institution in Minnesota grew from 5.9 percent in school year 2007 to 14 percent in school year 2013, while the share of Latinos grew from 2 percent to 4.2 percent. The share of white students, on the other hand, dropped from 85 percent to 73 percent over the period.

Despite the narrowing of racial gaps in college enrollments, racial disparities are evident when it comes to completing college. Table 1 describes the racial profile of post-secondary

graduates between 2011 and 2013, and breaks down these graduates by educational level. More than 60 percent of white and Asian students obtained a bachelor’s degree or higher as their terminal degree, while only 46 percent of blacks and American Indians and 51 percent of Latinos received a BA or higher.

This article explores a variety of educational outcomes in the context of racial disparity research, including the following questions:

- Are there differences by race in earnings after completion of a post-secondary credential?
- Are there differences by race in the ability to find a good job after college that uses the skills and knowledge gained in college?
- What policies can reduce racial disparities in post-secondary education outcomes?

TABLE 1 **Post-secondary Completers by Race, Graduation Years 2011-2013***

	White	Asian	Black/African American	Hispanic/Latino	American Indian or Alaska Native	Other*	Race not reported
All Graduates (percent)	82.2%	4.2%	5.1%	2.7%	0.7%	2.1%	3.0%
All Graduates (number)	177,090	9,072	10,907	5,886	1,597	4,506	6,358
Distribution Across Education Level by Race							
Certificates, Less Than One Year	3.4%	3.6%	11.0%	7.4%	11.9%	6.0%	3.1%
Awards of One to Three Years in Length (Including Certificates and Associate Degree)	36.1%	33.7%	42.6%	41.6%	43.3%	45.7%	28.8%
Bachelor's Degree	42.7%	44.4%	32.0%	37.0%	29.8%	36.5%	25.9%
Graduate Degrees and Certificates	17.7%	18.2%	14.4%	14.0%	15.0%	9.3%	42.3%
	100%	100%	100%	100%	100%	100%	100%

*Includes Native Hawaiian or Other Pacific Islander and Two or More races.
Source: DEED, Workforce Data Quality Initiative (WDQI)

This study uses administrative data compiled and linked under the Workforce Data Quality Initiative (WDQI) of the U.S. Department of Labor for the purposes of research and evaluation. See the “About the Data” sidebar for more details.

Comparing Similar Groups

Racial disparities in educational outcomes are particularly hard to measure because they often interact with socio-economic factors such as family income, family educational background and quality of prior schooling. Disparities in the labor market can manifest themselves in the form of wages, earnings, employment and the risk of unemployment. This article focuses on wages and industry of employment.

In order to compare wage outcomes by race, we will look only at people who are similar in every way except race. We will use three criteria to isolate the effect of race.

First, we include only the pool of people who were in the labor market three years before graduation and again two years after graduation. Looking at wages before and after, rather than only after graduation, helps identify wage disparities that pre-date school enrollment and influence long-term earnings outcomes.

Second, we look separately at completers of bachelor's degrees versus sub-baccalaureate programs of one to three years, including associate degrees. We expect different market values for different award levels.

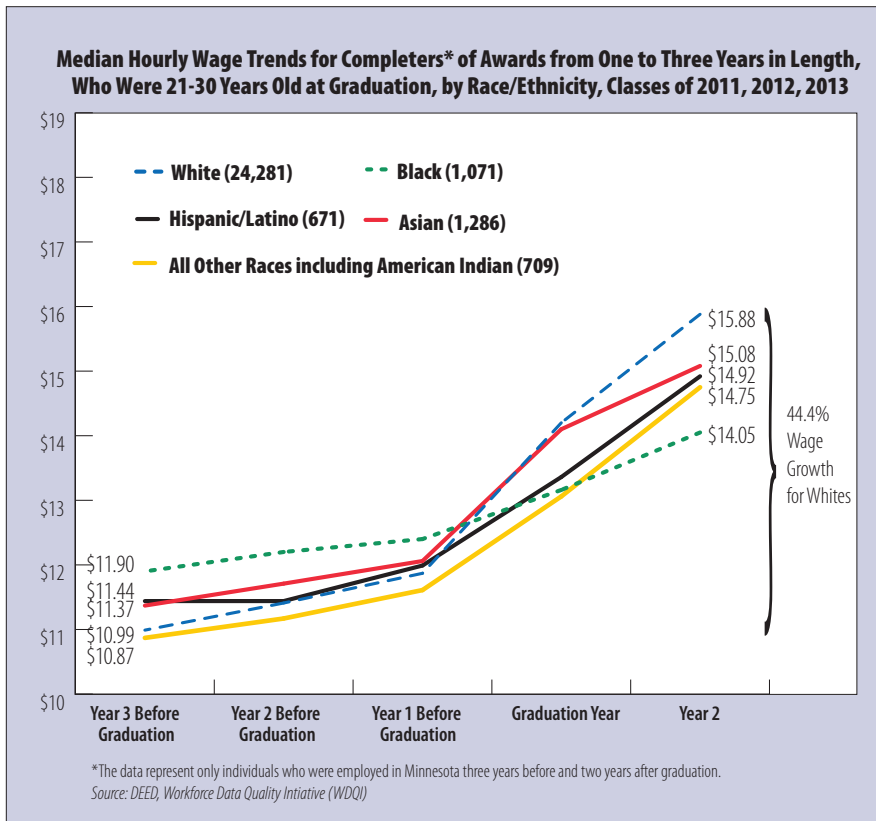
About the Data

The sources for all data in this article are DEED unemployment insurance wage records and Minnesota Office of Higher Education post-secondary graduation records. Graduates who earned more than one degree were classified according to the highest degree obtained. All post-secondary institutions in Minnesota are represented in these data.

Combining three academic years, from July 2010 to June 2013, allows greater reliability in reporting while at the same time maintaining confidentiality. Wage data throughout the article have been adjusted for inflation based on the federal Consumer Price Index, with the purpose of allowing comparisons over time.

In parts of this analysis, some racial groups are rolled together in order to preserve data confidentiality and to have enough data points to present reliable findings.

FIGURE 1

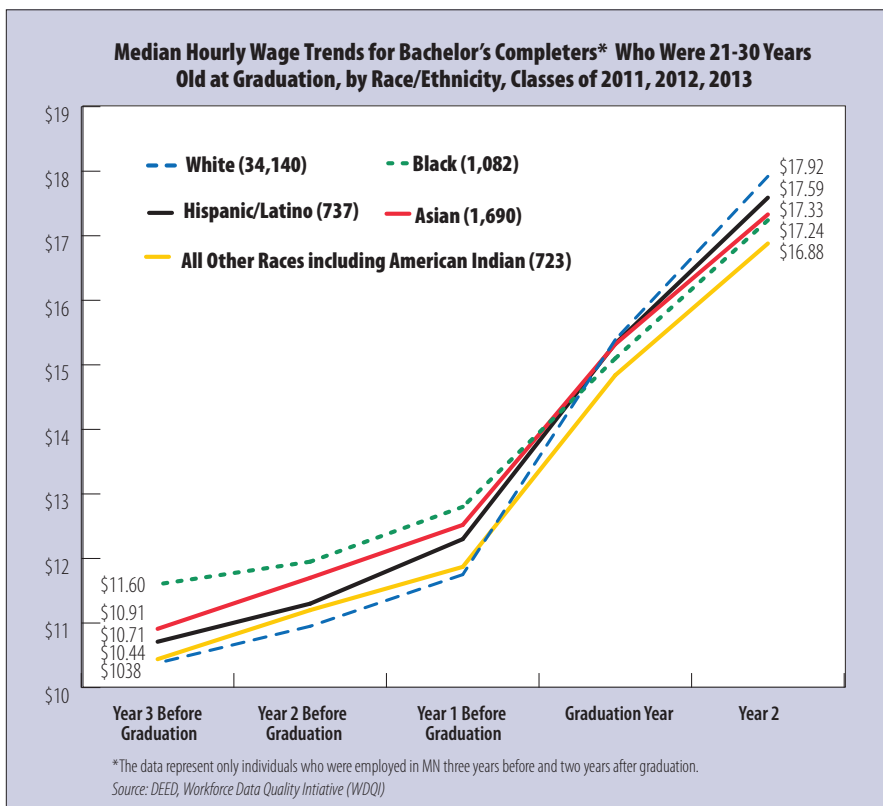


Third, we divide the group by age: those who completed between the ages of 21 and 30 and between the ages of 31 and 45. We expect older students to have higher wages after graduation because they had more time to accumulate work experience.

Wage Outcomes by Race: Ages 21 to 30

Figure 1 shows findings for graduates between the ages of 21 and 30 who completed a degree of one to three years. Even when controlling for age and degree, wage differences by race are observed. Among sub-baccalaureate graduates between 21 and 30 years old, blacks had higher median wages three years before graduation relative to other races, but their wage advantage did not persist after graduation.

FIGURE 2



Higher initial wages among blacks might be partially explained by the older age at graduation, which allowed them to spend more time in the labor market. The average graduation age of this group was 25 among blacks and 24 for all other races. The difference is bigger when we look at all completers in this award category rather than just those who were 21 to 30 years old. Average age of completion for blacks was 31 compared to 28 for whites and Latinos and 27 for Asians.

Wages after program completion grew at different rates within racial groups. Over a six-year period that extended two years after graduation, wages grew 44 percent for whites, 36 percent for the “all other races” category (which includes Native Americans and those who reported two or more races), 33 percent for Asians, 30 percent for Latinos and only 18 percent for blacks.

Figure 2 shows findings for bachelor’s degree completers between ages 21 and 30. Much like we saw for sub-baccalaureate completers, wages among whites started lower but quickly surpassed others at graduation, growing 73 percent in six years, from \$10.38 to \$17.92. Wages for blacks grew from \$11.60 to \$17.24 per hour (up 49 percent). Other wage increases were 62 percent for all other races, 64 percent for Latinos and 59 percent for Asians.

Wage Outcomes by Race: Ages 31 to 45

As we look at an older age cohort (31 to 45 years old), we must consider that these people have had more time and experience in the labor force than their younger counterparts. This may well mean that wage disparities have had more time to accumulate, partly because of different employment participation patterns and work

experience characteristics, which can be both gender and race related. For example, women might spend less time in the labor market than men due to competing family responsibilities, and this phenomenon might be more pronounced in some race groups than in others. Therefore we’ll present findings for men and women separately.

Unlike younger program completers, wage trajectories for older workers before graduation tended to be flat or even declining, possibly because some enrolled in school to retrain after a job loss or moved into

part-time, lower-paying jobs to attend school. Among female completers (see Figure 3), Asians, whites and Latinos had higher starting wages than blacks and all other races, and they maintained that advantage after graduation. Black women experienced the largest wage increase (18 percent) relative to their starting wage levels. But while credential attainment helped reduce the initial wage gap, it was not enough to eliminate it.

Similar results are found among the older male cohorts, as shown in Figure 4. Black men had a significant wage disadvantage

FIGURE 3

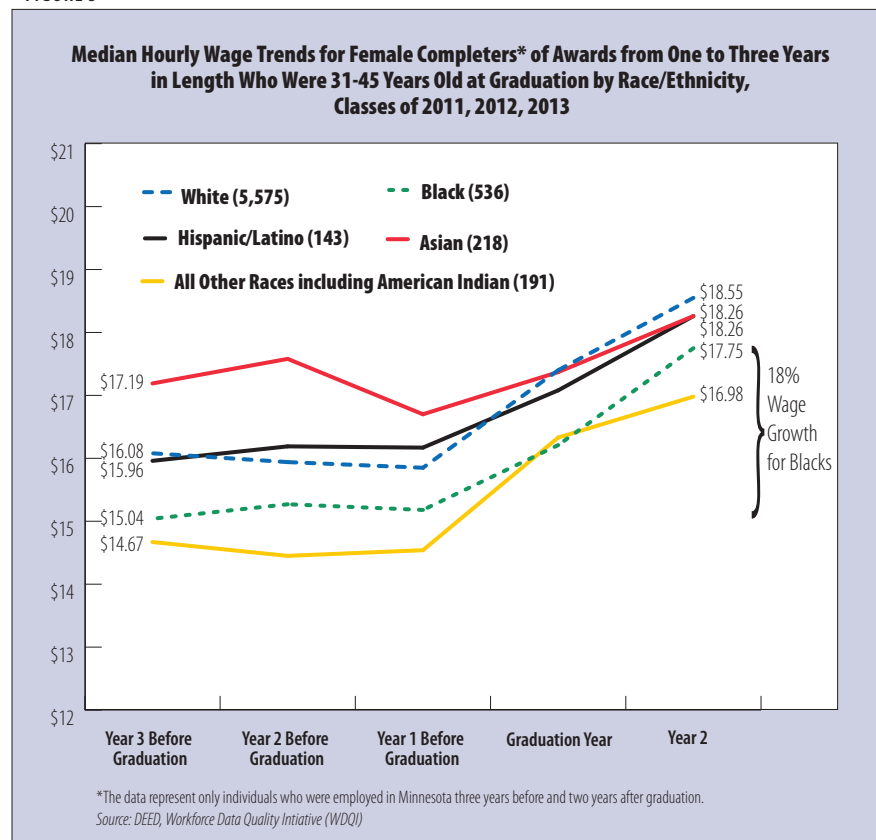
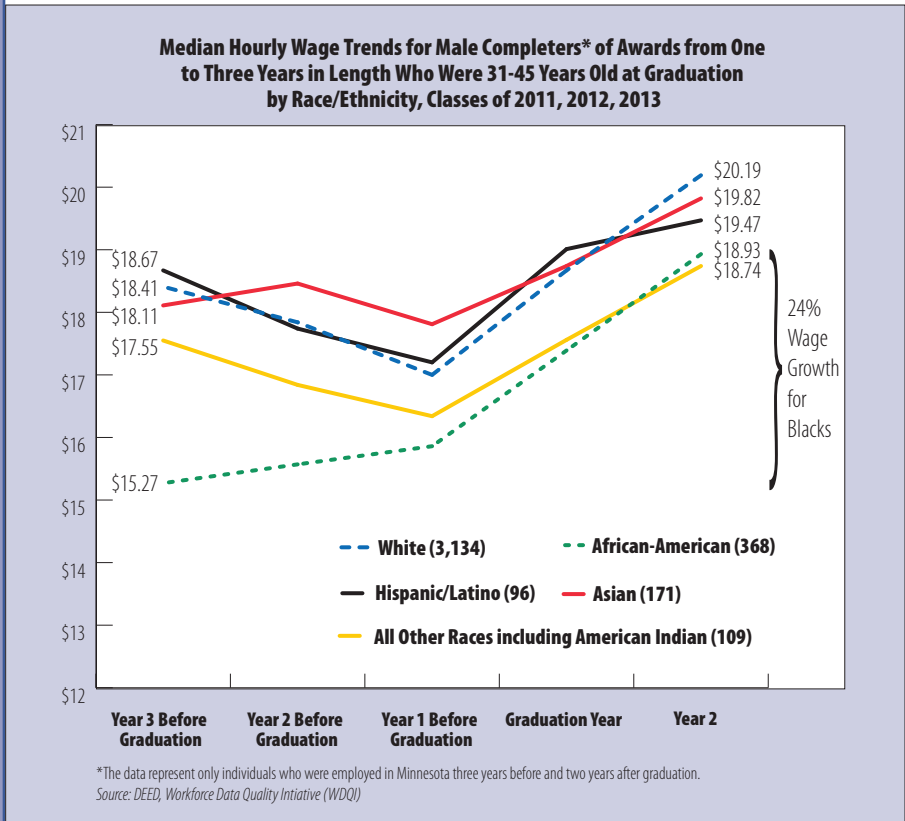


FIGURE 4



three years prior to graduation, but completion of a post-secondary degree of one to three years gave a substantial boost of 24 percent to wages among black men, compared with 9.7 percent among whites, 9.5 percent among Asians, 4.3 percent among Latinos and 6.8 percent among other races.

The difference in median wages between white and black men dropped from \$3.14 three years before graduation to \$1.26 two years after graduation. Black men started with wages that were 17 percent below those of whites and ended with wages that were 6.3 percent below those of whites. The disparity still existed but was reduced by completion of a sub-baccalaureate degree.



Industry Outcomes by Race

Industry of employment indicates the skill level of a job and the opportunity for career advancement for post-secondary graduates. Although the top industries of employment for graduates of one- to three-year programs are the same across race groups – hospitals, offices of physicians and dentists, temp help agencies, restaurants, nursing care facilities, and residential mental health facilities – we see differences in the proportion of graduates by race employed within each.

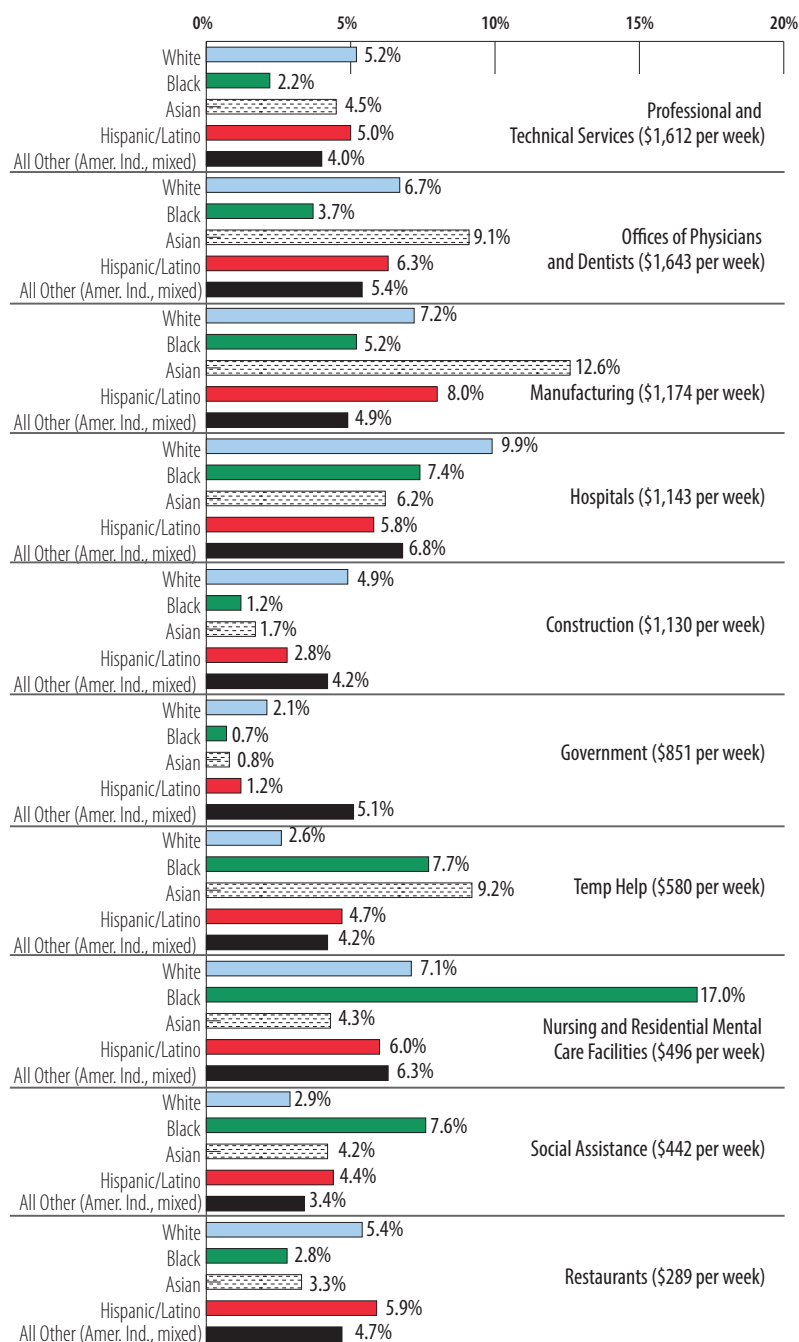
As illustrated in Figure 5, white graduates tend to be more highly represented in high-skill, high-pay industries such as professional and technical services (5.2 percent), offices of physicians and dentists (6.7 percent), manufacturing (7.2 percent), hospitals (almost 10 percent) and construction (4.9 percent). Asians are also highly concentrated in manufacturing (12.6 percent) and offices of physicians and dentist (9.1 percent).

On the other hand, black completers are extremely concentrated in nursing and residential care facilities (17 percent), where skill and pay levels are lower compared with hospitals and offices of physicians, and in social assistance (7.6 percent), where wages are lower than in health care. Latino graduates are spread out across many of the same industries as whites, but are uniquely concentrated in restaurants (5.9 percent). The category all other races, which includes American Indians and people of more than one race, are uniquely concentrated in government (5.1 percent) reflecting American Indian employment in tribal government and particularly at tribal casinos.

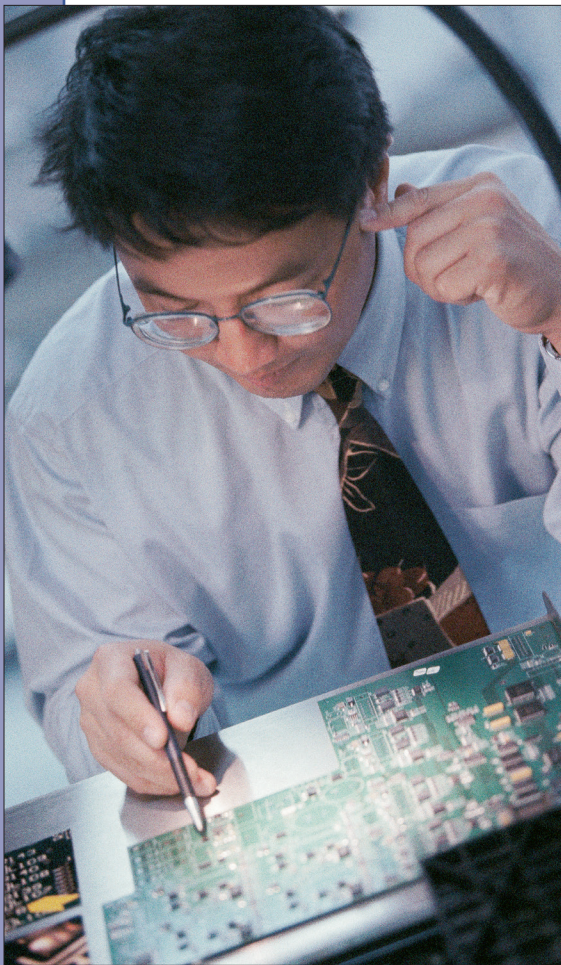
The industry where whites are least represented is temp help, which employs 9.2 percent of

FIGURE 5

Shares of Graduates by Race/Ethnicity in the Top 10 Industries of Employment During the Second Year After Graduation, Awards From One to Three Years in Length, Ranked by Average Weekly Wages Earned in the Industry by All Workers in 2014*



*Source: DEED, Workforce Data Quality Initiative (WDQI) and Quarterly Census of Employment and Wages (QCEW) for industry weekly wage.



Asian, 7.7 percent of black, 4.7 percent of Latino, 4.2 percent all other and only 2.6 percent of white graduates. This industry primarily offers temporary job opportunities that rarely translate into a continuous career path. Surprisingly, this industry also has a high concentration of racial minorities who earned a bachelor's degree. It is impossible to know from these data whether employment in this industry was a voluntary choice or an

example of underemployment. The prevalence, however, of part-time employment and the relatively low wages in this industry signal difficulty finding stable employment that rewards academic skills and knowledge.

Can Choice of Major Help Eliminate Racial Disparities?

We demonstrated that racial wage disparities develop before age 30. Do they exist even for cohorts who majored in the same field? Are some educational pathways more successful than others at minimizing racial disparities in wages?

For the sake of simplicity, we'll limit the analysis to people who graduated between ages 21 and 30, belong to one of the largest race groups and majored in fields with a large number of graduates. Table 2 displays the breakdown of graduates by major and race, including median wages during the second year after graduation by gender.

We observe that, even after correcting for age of completion, education level, major and graduation period, there is still evidence of race- and gender-related differences in earnings. As early as two years after graduation men were earning more than women, with Asian women being the exception, and

whites were earning consistently more than blacks. Earnings for Asians typically ranked in the middle between whites and blacks.

First we notice disparities in college major selection by race. Whites are under-represented in personal and culinary services and liberal arts and over-represented in engineering and business-related majors, which tend to lead to jobs in higher-paying careers. Across majors, the median earnings of black (\$13.93) and Asian men (\$14.66) were 87.7 and 91.3 percent, respectively, of the earnings of white men (\$16.06). If graduates were more equally represented across majors, we might see fewer differences by race in industries of employment after graduation and thus less wage disparity.

Some factors that impact choice of major are preparation, prior exposure, interests, availability of role models, and perception of hiring practices and workplace acceptance within the sector. Traditionally low representation of women and minorities in some sectors can discourage women and minority students from pursuing degrees in fields where they see little chance of being hired.

Secondly, however, we cannot ignore that two years after

**Earnings by Demographic Characteristics of Completers, Awards from One to Three Years in Length,
Ages 21 to 30 at Graduation, by Selected Fields of Study**

TABLE 2

Majors	Race	Share of Completers by Major and Race	Median Wages, Females	Median Wages, Males
Health Care	White	28.0%	\$18.28	\$20.95
	Black	29.1%	\$17.22	\$20.90
	Asian	26.7%	\$16.73	\$16.14
Liberal Arts	White	21.2%	\$12.97	\$12.75
	Black	25.0%	\$12.82	\$12.27
	Asian	26.5%	\$12.60	\$12.85
Personal and Culinary Services (Culinary Arts and Cosmetology)	White	4.8%	\$11.99	\$12.20
	Black	14.7%	\$11.07	\$11.88
	Asian	5.9%	\$11.35	\$13.18
Engineering and Engineering Technologies	White	3.7%	\$16.18	\$18.81
	Black	1.4%	Suppressed - Only one individual	\$15.62
	Asian	2.9%	\$18.95	\$16.60
Construction	White	3.8%	\$17.65	\$18.82
	Black	1.4%	No Graduates	\$15.21
	Asian	1.6%	Suppressed - Only two individuals	\$17.10
Mechanic and Repair Technologies /Technicians	White	5.1%	\$13.22	\$15.99
	Black	2.3%	No Graduates	\$13.71
	Asian	3.5%	Suppressed - Only one individual	\$13.75
Business	White	8.8%	\$14.88	\$16.19
	Black	6.7%	\$13.51	\$14.30
	Asian	9.1%	\$16.10	\$14.54
IT	White	3.4%	\$15.76	\$17.72
	Black	2.5%	Suppressed - Only one individual	\$16.60
	Asian	5.2%	\$13.74	\$16.03
All Majors	White	100.0%	\$15.38	\$16.06
	Black	100.0%	\$13.44	\$13.93
	Asian	100.0%	\$14.77	\$14.66

Source: DEED, Workforce Data Quality Initiative (WDQI)

TABLE 3

Main Industries of Employment for Male Engineering and Engineering Technologies Graduates, Awards from One to Three Years in Length, Ages 21 to 30 at Graduation

Industries of Employment in 2nd Year After Graduation	Race	Percent Employed in the Industry	Median Wage During the Year
Manufacturing	White	32.2%	\$20.26
	Black	27.8%	\$23.10
	Asian	36.7%	\$18.22
Professional and Technical Services	White	12.2%	\$19.03
	Black	5.6%	Suppressed - Only one individual
	Asian	16.3%	\$16.40
Construction	White	7.9%	\$19.22
	Black	None	None
	Asian	2.0%	Suppressed - Only one individual
Temp Help	White	6.4%	\$17.50
	Black	22.2%	\$17.28
	Asian	20.4%	\$14.31
Total, All Industries	White	100%	\$18.81
	Black	100%	\$15.62
	Asian	100%	\$16.60

Source: DEED, Workforce Data Quality Initiative (WDQI)

graduation wage disparities within the same major are very pronounced, especially among men in fields related to construction or engineering. In engineering, whites earned \$18.81 versus blacks at \$15.62. In construction, whites earned \$18.82 versus blacks at \$15.21. In mechanic and repair technologies, whites earned \$15.99 versus blacks at \$13.71. The sections below explore these within-major disparities.

Wage and Industry Outcomes: Male Engineering Graduates

Table 3 illustrates the effects of industry of employment on wages among men who majored in engineering. Of those who completed a one- to three-year award in engineering from July 2010 to June 2013, only 23 were black and 55 were Asian, while

1,257 were white. Despite the fact that blacks earned more than whites in manufacturing, an industry where engineering majors are in high demand, relatively more whites and Asians found employment in the sector than blacks.

Furthermore, blacks were almost absent from professional and technical services, a high-skill industry where white men were employed at \$19.03 an hour and Asian men were employed at \$16.40 an hour, two years after graduation. Not a single black engineering graduate was employed in the construction industry, while 22.2 percent were employed in temp help. Partially as a consequence of being under-represented in industries where engineering skills are highly rewarded, black engineering graduates overall ended up earning considerably less than whites and Asians.

In general, regardless of race, graduates who find employment in a related industry earn more than those who do not. If some racial groups are less successful than others at breaking into higher-paying industries related to their degree, disparities will inevitably emerge. Wage gaps that begin at the start of a career can accumulate dramatically over a 40-year work life.

Wage and Industry Outcomes: Male Business Graduates

Table 4 offers another example. Despite the fact that black men with a degree in business earned more than white men with the same degree in industries such as retail, manufacturing, and finance and insurance, their uniquely high concentration in temp help (15.6 percent) leads to aggregate wage levels that are lower than those of whites and Asians.



Wage and Industry Outcomes: Female Registered Nurse Graduates

Despite the unquestionable existence of racial disparities in the labor market, success stories are not completely lacking. As shown in Table 5, black female graduates in registered nursing had highly competitive wages across industries. However, most of them (52.9 percent) found jobs in nursing and residential care facilities compared with 27.9 percent of whites and 20 percent of Asians, while the most prevalent industry for white and Asian graduates was hospitals.

Being under-represented in higher-paying sectors creates a risk of wage disparities as careers mature, because pay rates in nursing and residential care facilities tend to have a lower cap compared with hospitals and

TABLE 4

Main Industries of Employment for Male Business Graduates, Completers of Awards from One to Three Years in Length, Ages 21 to 30 at Graduation

Industries of Employment in Second Year after Graduation	Race	Percent Employed in the Industry	Median Wage During the Year
Retail	White	17.5%	\$13.86
	Black	14.6%	\$17.69
	Asian	13.9%	\$11.54
Manufacturing	White	11.3%	\$17.59
	Black	10.4%	\$18.75
	Asian	18.5%	\$19.81
Finance and Insurance	White	9.2%	\$18.26
	Black	6.3%	\$19.98
	Asian	7.7%	\$14.77
Temp Help	White	4.1%	\$14.77
	Black	15.6%	\$11.85
	Asian	10.8%	\$13.32
Total, all industries	White	100%	\$16.18
	Black	100%	\$14.30
	Asian	100%	\$14.54

Source: DEED, Workforce Data Quality Initiative (WDQI)

ambulatory services. Although wage disparities do not exist at this initial stage, the segregation by industry might later lead to disparities as some industries offer more opportunities for skills development and earnings growth than others.

Conclusions and Policy Implications

The intent of this study is to document racial disparities in labor market returns to post-secondary education and examine how they develop, with the aim of informing policies to address the problem. We found that the economic reward to educational attainment varies

by gender and race. Women tend to earn less than men, and most racial minorities, especially blacks, Latinos, and American Indians or mixed race people, tend to earn less than whites after graduation at every level of educational attainment. We find that completion of a college degree does reduce racial wage disparities, but not enough to eliminate them altogether.

A variety of factors help explain post-college wage disparities by race. We presented quantitative evidence on four of these factors.

First, white and Asian students are more likely to major in high earning fields such as

engineering, IT, and business, while black students are more represented in low-paying fields such as personal and culinary services (see Table 2). Choice of major strongly determines the payoffs from higher education.

Second, after graduation, racial minorities are more likely to work in lower-wage industries unrelated to their degree (see Figure 5 and Table 3). The high concentration of racial minorities, particularly blacks, in temp help and other low-wage industries explains a large part of the wage disparities by race. It also deprives these graduates of opportunities to advance their careers and wages after graduation and deprives the labor market of fully benefiting from these degrees. Where racial minorities, particularly blacks, were able to find jobs in industries related to their majors, wage disparities essentially disappeared.

Third, there are racial differences in the time of degree completion, with blacks completing later than other racial groups. This means that blacks have fewer years to benefit from that degree.¹

Last but not least, for those who graduate after age 30, minorities, particularly blacks, tend to have lower incomes three years before completing school (see Figure 3 and 4). Low income status puts them at a disadvantage in the labor market by impacting how

TABLE 5

Main Industries of Employment for Women Who Majored in Registered Nursing, Associate Degree, Ages 21 to 30 at Graduation

Industries of Employment in Second Year after Graduation	Race	Percent Employed in the Industry	Median Wage During the Year
Hospitals	White	40.4%	\$31.16
	Black	20.0%	\$33.48
	Asian	36.0%	\$30.24
Nursing and Residential Care Facilities	White	27.9%	\$24.94
	Black	52.9%	\$26.64
	Asian	20.0%	\$24.82
Ambulatory Services	White	21.2%	\$26.65
	Black	11.4%	\$25.74
	Asian	28.0%	\$26.74
Total, All Industries	White	100%	\$27.11
	Black	100%	\$27.16
	Asian	100%	\$26.56

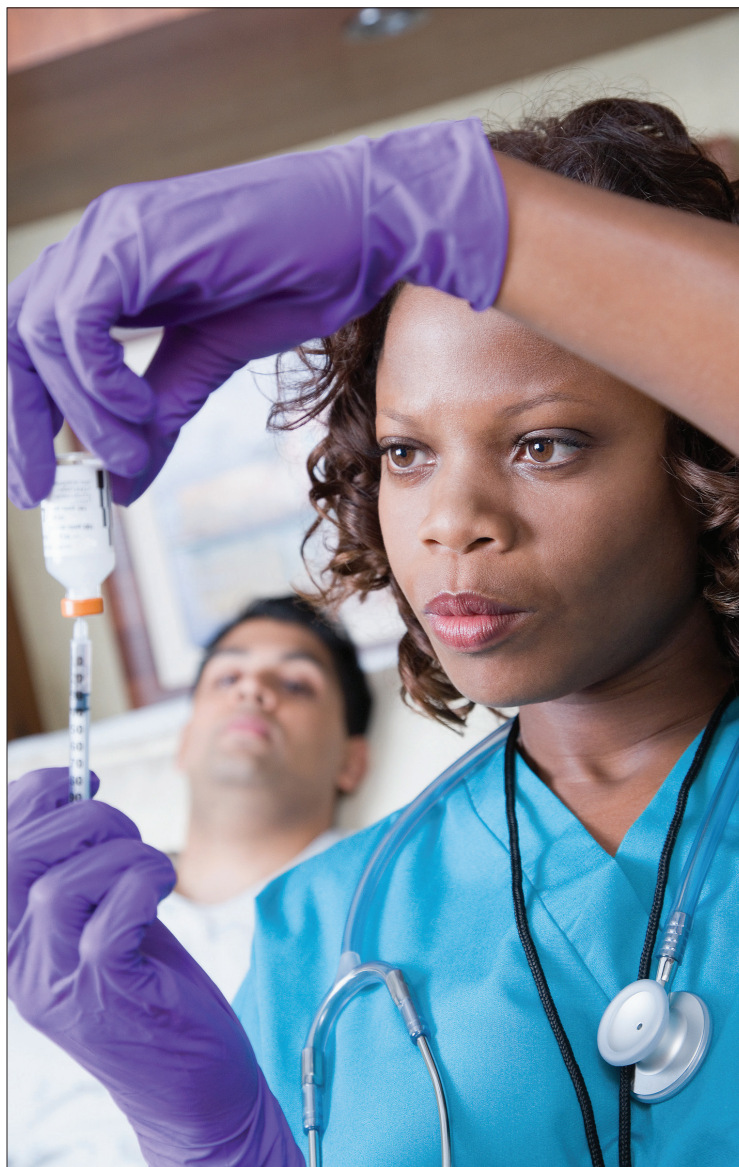
Source: DEED, Workforce Data Quality Initiative (WDQI)

much effort they can dedicate to academics and how selective they can be in their job search after graduation.

As racial minorities make up an increasing share of Minnesota's labor force, it is essential to ensure their full and equitable integration into the economy. Access to career information and counseling before choosing a major is critical to ensuring minority students choose high-demand, high-pay fields where their educational investments are valued. Moreover, job search support is critical to ensuring racial minorities benefit from their education. Job search support could help to insulate against the tendency to end up in temp help and other low-paying industries that do not provide as many opportunities for professional development and career advancement.

Other in-school support services should be geared toward helping racial minorities, and in particular blacks, complete a credential soon after high school so that they can start utilizing marketable skills and building a career at as young an age as possible.

Finally, and of critical importance, the business community must start recruiting and hiring qualified racial minorities, particularly blacks. The skills and knowledge of blacks and other racial minorities are clearly being underutilized in Minnesota's labor market, and employers are one of the groups losing out as a result. A more equal representation across industries would, in turn, encourage more minorities to pursue higher education and in-demand majors, improve their participation in higher-paying fields, and ultimately contribute to the competitiveness of our state's economy. **T**



¹For additional information on this topic see the feature article by A. Leibert in *Minnesota Employment Review*, January 2015, pp.5-7.



Samuel L. Myers Jr. is Roy Wilkins Professor of Human Relations and Social Justice at the Humphrey Institute of Public Affairs at the University of Minnesota and directs the Roy Wilkins Center for Human Relations and Social Justice.

Relative Incomes of Blacks in Minnesota

Recent news reports cite findings from the 2014 American Community Survey (ACS) that show blacks are worse off in Minnesota than in Mississippi. The Minneapolis Star Tribune reported:

From 2013 to 2014, the median income for black households in the state fell 14 percent. In constant dollars, that was a decline from about \$31,500 to \$27,000 – or \$4,500 in a single year. ... The median black household in Minnesota is now worse off than its counterpart in Mississippi. Among the 50 states, along with Puerto Rico and Washington, D.C., Minnesota ranked 45th in median black household income. Mississippi ranked 44th.¹

The problem with these claims, and conclusions drawn from them, is that the statistics reference one-year changes that do not tell the full story

about underlying shifts in the distribution of income among blacks in Minnesota. Elsewhere, we have documented that there are year-to-year fluctuations in various measures of income for blacks in Minnesota and in Mississippi.² We argue in our policy brief that over the past 13 years there have been both increases and decreases in black incomes in Minnesota, justifying an examination of longer-term trends rather than year-to-year fluctuations.

Are Blacks Worse Off?

We looked at two different measures of economic well-being of blacks: wage and salary incomes and household incomes using the Current Population Survey (CPS). We found that wage and salary incomes and the household incomes for blacks in the 2014 survey were higher than the wage and salary incomes

and the household incomes in the 2013 survey. The median household income for blacks rose from \$29,780 to \$30,020 from 2013 to 2014. This increase is not statistically significant. Mean wage and salary income for blacks rose from \$28,980.91 to \$30,198.60; median wage and salary income rose from \$21,000 to \$24,000. Mean household income rose from \$41,142.64 to \$44,639.72. None of these changes are statistically significant.

We conclude that the claim that black income declined in Minnesota from 2013 to 2014 is not robust across alternative data sets or alternative measures of income.

We also examined the past 13 years of annual ACS Public Use Microdata Sample (PUMS) data and found that in six of the past 13 years there were declines

¹Reinan, John, and MaryJo Webster. "Black household income plunges in one year in Minnesota." Star Tribune (Minneapolis, Minn.), Sept. 17, 2015.

²Myers, Samuel, and Man Xu, "Are Blacks Better Off in Mississippi than in Minnesota?" Research brief revised and updated, Roy Wilkins Center, University of Minnesota, Nov. 10, 2015. <http://www.hhh.umn.edu/news/roy-wilkins-center-research-brief-disputes-reports-income-disparity-minnesota>.

in median black incomes in Minnesota. In seven of the past 13 years there were increases. None of these year-to-year changes is statistically significant. This suggests to us that there are wide fluctuations from year to year in black median incomes and thus one should be very careful in drawing policy implications from these abrupt changes.

Are Blacks Worse off in Minnesota than in Mississippi?

Using the five-year, 5 percent sample of the population from the American Community Survey-PUMS (2009-2013), we computed the mean and median wage and salary incomes and mean and median household incomes for blacks and whites in Minnesota vs. Mississippi. On each of these measures the black income in Minnesota exceeds the black income in Mississippi. These differences are all statistically significant. White income in Mississippi, however, is uniformly lower than white income in Minnesota. The result is that on one measure, the median household income, the black-white ratio is higher in Mississippi than in Minnesota (.57 vs. .51). On other measures the black-to-white ratio is higher in Minnesota than in Mississippi. The ratios of black-to-white mean and median wage and salary incomes are higher in

Minnesota than in Mississippi (.65 vs. .63) and the ratio of black-to-white mean household income is higher in Minnesota than in Mississippi (.62 vs. .57).

We conclude that it is premature to claim that blacks are worse off in Minnesota than in Mississippi.

recession and recession vs. the post-recession. Unmistakably, the ratio of black-to-white household incomes declined between the two time periods. Whether measured by means or medians, the declines are statistically significant. The black-white ratio of mean household incomes in Minnesota



COURTESY: METRO TRANSIT

Are Blacks Worse off Relative to Whites in Minnesota?

At the Summit on Black Income, hosted by Congressman Keith Ellison on Nov. 10, 2015, at the Franklin Middle School, we reported findings comparing the incomes of blacks and whites in Minnesota in 2005-2009 vs. 2009-2013 using the ACS-PUMS. This comparison is useful because it shows two distinct time periods: the pre-

dropped from .54 in 2005-2009 to .50 in 2009-2013. Or put differently, for every dollar that a white household earned in total income, black households received 54 cents in 2005-2009; this dropped to 50 cents in 2009-2013. These drops are statistically significant and are largely attributable to white household incomes recovering after the recession but black household incomes remaining stagnant.

We also computed the black-white ratios of wage and salary incomes for the two periods. This ratio dropped from .67 to .65, barely statistically significant on conventional grounds. The black-white ratio among native-born residents dipped insignificantly from .66 to .65, while the black-white ratio among foreign-born residents dropped from .67 to .65. Thus, the relative size and statistical significance of the drop in household incomes is of a greater magnitude than the drop in wage and salary incomes. To be sure, the comparison of wage and salary incomes is for people who worked, and persistent unemployment differentials may help explain the difference.

Explaining the Deterioration in Relative Household Incomes

There is no dispute that the ratio of black-to-white household incomes declined from 2005-2009 to 2009-2013. But little of the gap can be explained by changes in black-white wage and salary incomes. If labor market processes are behind these household gaps, then the problem of widening income disparities is more likely to be rooted in differential hiring than in differential wages and salaries. This is not to discount the fact that blacks earn less than whites in Minnesota. Rather it is to say that the cause of the widening gap in household incomes might

rest in the entry points of labor markets rather than in the wage setting.

Another important component of household incomes is transfer payments. One unintended impact of welfare reforms in Minnesota and elsewhere is the drop in the portion of total income coming from public assistance payments. Coming out of the recession, many black households face a double whammy: higher unemployment and lower transfers.

Not to be discounted is the role of self-employment in explaining the widening gap in black and white household incomes. There has been a non-trivial growth in the share of black households with foreign-born heads. Foreign-born blacks disproportionately rely on self-employment income. But even native-born blacks have turned to self-employment as a cushion from unemployment. In the absence of vigorous implementation of public agency goals for minority business enterprises and in the presence of discrimination against these business enterprises in the private sector, self-employment incomes lag and contribute to lower household incomes. Coupled with documented lending discrimination, market barriers persist to make it difficult for these emerging small businesses to succeed.

Undoubtedly, low wages for black immigrant workers and heavy concentrations of black workers in low-wage industries contribute to the low ratio of black-to-white incomes in Minnesota. But the widening gap in household incomes belies the smaller disparity in wage and salary incomes pointing to factors other than labor market disparities as the culprit. In short, the real and persistent black-white disparity in household incomes in Minnesota is widening and the policy response requires examination of each of the different components of the decline in black economic well-being.

Policy Recommendations

It is tempting to conclude a discussion about black-white differences in household incomes by lamenting the dire circumstances facing African Americans in local labor markets. Conventional human capital explanations for these unequal outcomes focus on deficits that blacks themselves face in educational attainment and job readiness. But such policy perspectives ignore some important positive trends and potential remedies that go beyond focusing on human capital deficiencies. What some authors call the behavioral deficit approach also ignores recent evidence of structural impediments that African Americans face in Minnesota.

Positive Trends and Policy Options

Underappreciated in policy discussions about lagging black incomes is the significant growth in black business ownership in Minnesota. Calculations from the ACS-PUMS 5 percent samples for 2005-2009 and 2009-2013 reveal that black self-employment rates grew from 2.88 percent in 2005-2009 to 4.25 percent in 2009-2013. Even more dramatic is the growth in self-employment among non-native-born African Americans. The rate for this group increased from 2.7 percent to 5.59 percent over the time span. The self-employment rates of native-born blacks rose from 2.97 percent to 3.56 percent. Although the mean self-employed earnings of non-native-born blacks rose from \$16,140 to \$29,520, the self-employment earnings of native-born African Americans dropped from \$29,497 to \$15,256. Thus, there is a growing supply of black-owned businesses, but these businesses are not participating uniformly in the opportunities available in the Minnesota marketplace.

Recent reports from the Minnesota Department of Transportation provide a clue regarding impediments that black businesses face in contracting with the state. Despite the significant growth in the number of black businesses, federal disadvantaged

business enterprise (DBE) goals have not been attained, nor have black businesses been proportional recipients of contracts or subcontracts awarded. Similar findings show that black businesses are severely underrepresented among participants in the state's Targeted Group Business Program. This suggests a need for more vigorous implementation of these programs and dedicated efforts to expand participation among qualified black business owners. The benefit of focusing attention on expansion of state contracting opportunities to black firms is that these firms, like other minority small businesses, are known to disproportionately hire minority workers. In short, through bidding on government contracts, black-owned businesses contribute to the solution of the problem of racial income disparities.

Structural Impediments and Policy Options

The dramatic growth in minority-owned businesses in Minnesota might have been even larger had there not been a major housing crisis in the second half of the last decade. Home equity is a major funding source for the formation of small businesses. Although the overall housing market is slowly recovering, recent reports point to wide racial disparities in loan

denial rates even among the top lenders in the area. These lending disparities affect minority business growth and thereby curb the growth in minority employment. The federal enforcement efforts regarding the Equal Credit Opportunity Act have been lackluster at best in Minnesota. There is a need for strengthened and more energetic identification of lenders whose racial disparities in loan denial rates cannot be explained by legally and economically relevant factors. Increasing access to both home loans and to business loans will help boost the already impressive growth in African American businesses in the local area and afford the opportunity for the creation of many new jobs for minority workers.

Together, these policy options of vigorous enforcement of the anti-discrimination laws and aggressive outreach to the emerging small businesses in black communities will stimulate growth and expansion of black firms. This will help generate new jobs and help to reduce the overall racial disparity in household incomes. **T**



Joe Hobot is president and CEO of the American Indian Opportunities Industrialization Center, a Minneapolis-based community organization focused on workforce development and education.

Time is of the Essence for American Indians

For the American Indian community in Minnesota, massive disparities undermine the ability of our people to thrive within the state economy. The preeminent problem is our extraordinarily high unemployment rate (13.1 percent) and the shocking number of our people who are no longer considered part of the Minnesota labor force (40 percent).

This problem is related to historical and systemic shortcomings that go beyond the mere availability of jobs. From strong public education to proper health care, affordable housing to adequate chemical dependency treatment, to the very treaty rights protecting indigenous sovereignty, the “problem” has persistently plagued our people for over 150 years in a multitude of manifestations. All of these issues contribute directly to the economic disparities that the American Indian community is forced to face every day. These disparities cannot be solved quickly, easily or cheaply.

How can over 150 years of systemic failures be eliminated quickly in order to hasten the improvement of our people’s fortunes now? The reality is that it cannot. This will take time. Properly addressing this problem will require a persistent application of effort and resources. Our community members need long-term care and ongoing development.

Unfortunately, what we have encountered at the American Indian OIC over the past two decades is a requirement by federal government entities to focus on narrow job placement based outcomes that align with short government funding cycles, rather than on the proper development of the communities that they have been elected to serve. Grants and contracts continue to be issued with a short amount of time for execution. The grantee must enroll, train, place and then follow up with retention data within the established timeline of the grant or contract.

While these opportunities have a powerful effect on those with few barriers, they are, alas, merely superficial in their impact on our overall community. A candidate must already possess a high degree of aptitude and base knowledge in order to successfully complete one of these fast-paced programs.

In order for these programs to meet performance standards, an unspoken “creaming process” has to occur. Only those people in the community who are the most ready and capable of achieving the prescribed program outcomes within the time limits can break free from poverty. In such a paradigm, those who are most in need are the first to be left behind.

In a community that is trying to overcome 150 years of chronic disparities that were authored by the very same government systems now trying to help them, the likelihood that huge numbers of our people will be transformed in a mere 12 months is pure fantasy.

What we have come to learn at the American Indian OIC is that meaningful change within our communities will require multi-dimensional investment over a period of years. We are not talking about decades, but rather something beyond the mandated adherence to the short timelines and narrowly focused outcome measures that we are forced to contend with. Additional time will help people develop in multiple areas (education, personal and emotional well-being, stabilized housing, etc.) and will enable more of our community members to participate in the economic rehabilitation process.

Additionally, the “work first” model of immediate job placement – a particular outcome that theoretically can be achieved in a short time – continues to fail many of our people. And so we disavow it as nothing more than economic triage. In the interests of expediency, this model has placed our adults in dead-end service jobs at minimum wage. Community members are forced to hold down three of four of these “positions” in order to achieve a meaningful income for their families – all while preventing them from seeing their families because of oppressive work schedules. The loss of family time creates new problems across generations, serving to exacerbate and perpetuate the chronic disparities.

What is needed is the proper development of skill sets and capabilities that will enable candidates to enter solid career pathways. Unfortunately, the structure of many grants require direct-service providers in our community to utilize these inadequate “work first” methods as a means of honoring contracts.

Finally, we know that many of our community’s adults need further remedial education, not only to obtain basic educational credentials (such as the GED), but to make up for the historic failures of a K-12 system that did not provide them with a quality education. Many of our 30- and 40-somethings are reading at a third-grade level and performing mathematics at the second-grade level. What meaningful career pathway can be secured and retained with such skills? Remediation, along with the development of career-oriented skills, cannot occur in 12 months. More time is needed to further develop our people in a meaningful way.

An adequate investment of resources for longer periods and broader, more flexible outcome measures, is the solution. Government officials need to consider the nature of the problem – how direct service providers like the American Indian OIC are desperately trying to undo 150 years of failure now, while simultaneously preventing more of our younger

people from slipping away. Only with more time and resources to develop our people can we penetrate deeper within the community to engage more people and transform more lives. This is how meaningful change will occur.

Until such reforms are implemented, until a more nuanced understanding of the nature of our community’s disparities is brought forward with the adequate means to address them, government agency programs will have only a surface-level impact, and the chronic economic disparities afflicting our people will continue. How long must we wait for wisdom to enlighten the powers-that-be to implement the broad changes needed to better serve our community?

The truth is the state of Minnesota cannot afford to wait any longer, because the acute needs of the American Indian people, the emerging needs of the state’s labor force and current events will surely overtake the discussion before long. Perhaps the state of Minnesota is uninterested in such investments. This would then foster different questions for a wholly different type of discussion. After more than 150 years of chronic disparities, change is needed now. **■**



Bruce Corrie is the associate vice president of university relations and international programs at Concordia University in St. Paul. In this role, he works to build community and governmental relationships for the university and helps develop Concordia's international programs.

Eliminating Economic Disparities in Minnesota



Minnesota is facing a demographic squeeze as baby boomers retire from the labor force and a smaller group enters. The group entering is composed of a much higher share of African, Latino, Asian and Native American (ALANA) populations than the group that is retiring.

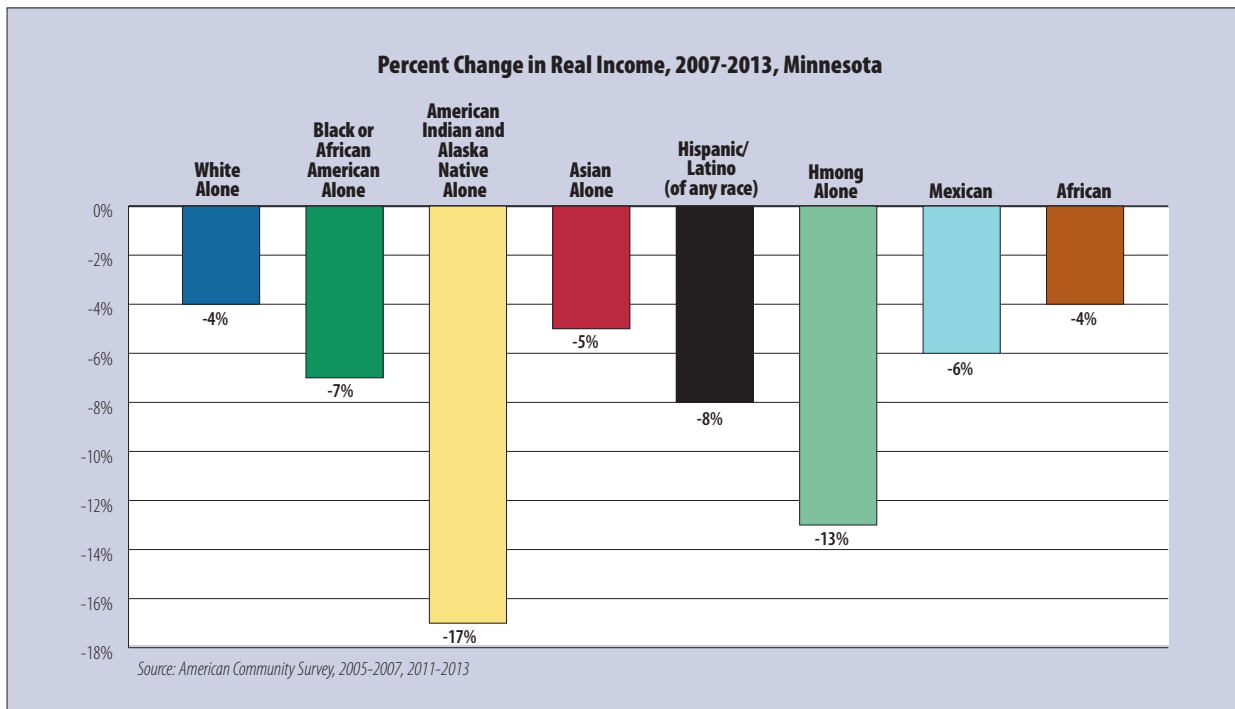
ALANA communities have

experienced a decline in their economic assets, such as income and homeownership, below that of 2007 levels. There is a need for policies and programs to grow these assets. For example, Figure 1 shows both the decline in real income during the period 2007-13 as well as important differences between and within ALANA communities.

The combined economic assets of the ALANA communities (including income, homes and businesses) are well over \$20 billion, making them a key player in the Minnesota economy. This article offers some strategies to grow the economic assets of the ALANA communities. They draw on over three decades of my work as an economist, as well as numerous policy conversations and studies in the ALANA communities.

Before getting to specific proposals, it is important to recognize that our ALANA communities are positive “assets” that contribute to the region’s future economic vitality. They are not communities that have “deficits” that need to be overcome. Changing policy perspectives from “deficit” to “asset” in relating to ALANA communities would shift the discourse from one tied to systems of oppression that devalue individual worth to one

FIGURE 1



that emphasizes the promise and potential that these communities bring to our society.

Moreover, all too often policy discussions assume “one size fits all.” Considering the ethnic and cultural diversity across ALANA communities and the varied background of their members, that assumption is a recipe for failure.

Successful policy actions must operate with cultural intelligence to be aware of differences within communities. For example within the South Asian community one will find people with advanced degrees from India and new immigrants from Myanmar who might not even have a high school education. Or we might assume that all small

businesses face the same issues with lack of access to capital, but we fail to understand the diverse historical and institutional barriers to capital that ALANA firms face.

While success demands customized policies, a comprehensive, long-term and coordinated ALANA business and workforce strategy also is crucial.

Figure 2 provides a template to think about Minnesota’s economic development infrastructure. Currently, Minnesota’s economic development efforts for ALANA communities are all too often in the “giving a fish” or “teaching how to fish”

areas. More attention is needed to develop strategies further downstream, including enabling ALANA business startups, entrepreneurship and expansion of existing businesses.

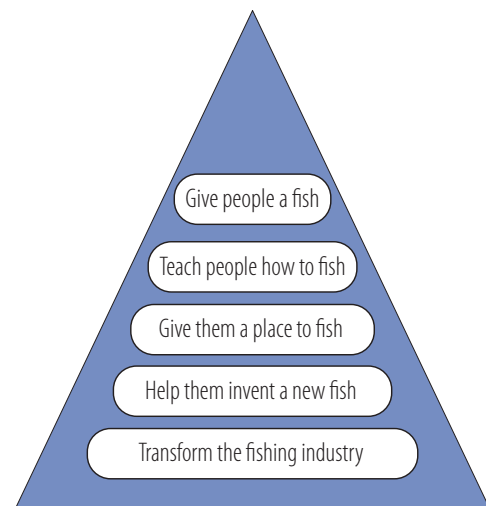


FIGURE 2

Finally, while these thoughts focus on the ALANA community, we cannot ignore the disenfranchisement of low-income, low-skilled and poorly-educated Minnesotans in other communities. Their success is also critical for Minnesota's future.

Below are some suggested strategies.

Growing Financial Assets

Financial assets are critical to large segments of the community that are either unbanked or have negligible financial assets. This in turn impacts household survival in tough times and the capital needed for business formation or skill development.

I offer some strategies in Figure 3 to grow these financial assets.

Education

There is a lot of policy discourse on closing the educational achievement gap. A recent report by the National Research Council points to the importance of "deeper learning" methods to improve STEM (science, technology, engineering and mathematics) education and develop 21st century skills.

Large percentages of ALANA students are coming out of school poorly prepared to work in the new economy where STEM skills will determine job and career success. Deeper learning strategies that engage

students through interactive, applied and team learning have been shown to be successful and should be built upon.

The learning environment of the ALANA child is not always culturally intelligent, and this serves as a barrier to educational success. So also is the absence of ALANA teachers and professors in the classroom. Finally, affordable post-secondary education is a top priority. The strategies in Figure 4 are aimed at meeting these challenges.

Workforce Development

Minnesota needs to provide resources that allow people stuck in low-paying, low-skilled jobs to retool and transition into higher-paying jobs that pay at least a living wage. This is not an insurmountable challenge and can be developed through a flexible skill-building program based at the community level and delivered with community partners, such as the Emerging Workforce Coalition. At the same time we need to focus on retaining high-skilled workers and to develop policies to recruit and retain foreign workers.

We are also plagued by underemployment of immigrants with foreign credentials that are not appropriately recognized in Minnesota. There are ways, however, to overcome this challenge, such as through

FIGURE 3

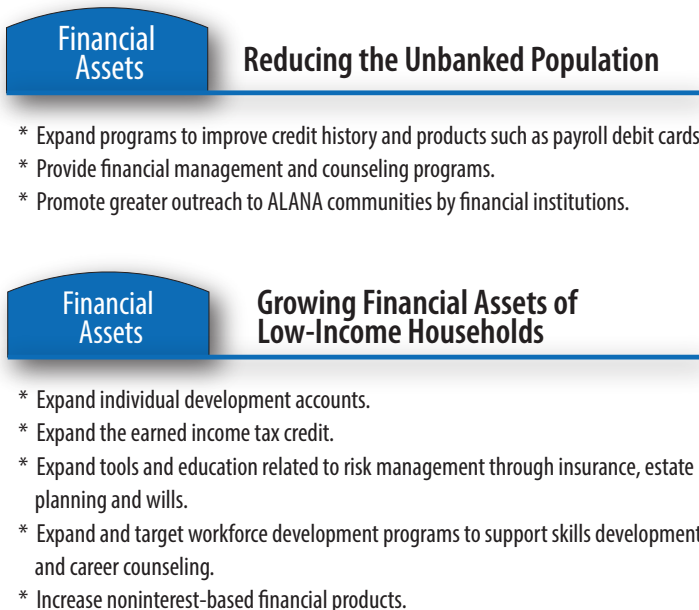


FIGURE 4

Education

Improve Middle and High School Outcomes

- * Promote innovative approaches to teaching STEM subjects by establishing math, science and writing applied-learning labs at middle and high schools.
- * Provide tax credits for businesses and individuals investing in schools in low-income areas to bring in new revenue sources.
- * Create learning environments in the classroom that are culturally intelligent and welcoming.
- * Expand apprenticeships.



Education

Improve College Access and Affordability

- * Expand the state grant program and federal student aid program for higher education and tie them to improved graduation outcomes.
- * Provide loan forgiveness for ALANA teachers working in schools with a high achievement gap.



FIGURE 5

Workforce Development

Improve Skills of Low-Skilled and Hard-to-Employ Workers

- * Expand community-based workforce training programs to retool low-skilled workers to higher-skilled occupations.
- * Map data at the local ZIP code level to match the job and skill needs of employers with the skills of ALANA workers.
- * Restructure state on-the-job training programs to be accessible to small and micro businesses.
- * Restructure dislocated worker programs to work better for ALANA workers.
- * Expand programs for former felons, people with disabilities and veterans to help them achieve economic stability.
- * Ensure workers with an approved identification can obtain a driver's license to enable them to get to work.
- * Allocate 0.5 percent of all public projects to build worker and business capacity in project areas.
- * Focus on placing and training women (especially those with children) in low-income households into living-wage jobs.



Workforce Development

Remove Barriers to Success for High-Skilled and Professional Workers

- * Support immigration reform that increases the number of foreign skilled workers in needed occupations.
- * Help workers with foreign credentials get their credentials accepted in their area of training.
- * Remove barriers and adopt policies to increase the number of ALANA professionals in executive positions in the public and private sector.
- * Implement policies and programs to retain ALANA professionals in Minnesota.

credential verification services. ALANA workers also face what is termed the glass or bamboo ceiling. They are not represented in the top leadership positions within organizations even though they have advanced degrees and credentials. The strategies in Figure 5 will help solve these challenges.

Business

Finally, there is a vibrant entrepreneurial energy in ALANA communities. This is reflected in the latest data from the Survey of Business Owners (2012), which shows ALANA firms grew faster in number, sales, jobs and payroll than firms in Minnesota overall. But despite this growth, the average size of these firms remains much lower than other firms in Minnesota. There is a need to grow these businesses so that they strengthen the ALANA community and overall economy, especially because they tend to employ ALANA workers and build the community's economic base. Figure 6 offers some strategies to grow these firms.

Minnesota's vibrant and diverse ALANA population is a strong asset as we enter a period of workforce challenges. But we need strategies that allow us to tap this asset more effectively than we have in the past. The above strategies will move us in that direction and help build a state economy that is vibrant, inclusive and globally competitive. **T**

FIGURE 6



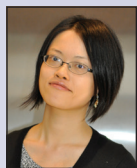
Meet

THE WRITERS



SUSAN BROWER

Brower is the Minnesota state demographer and directs the Minnesota State Demographic Center. In those capacities, she travels the state talking with Minnesotans about the new social and economic realities that are brought about by recent demographic shifts. Brower earned her Ph.D. in sociology at the University of Michigan, specializing in demography and family sociology. She also holds a master's degree in public policy from Humphrey School of Public Affairs at the University of Minnesota.



CANDICE CHENG

Cheng is an intern with the Performance Management Office at DEED. She is currently a master's of public policy student at the Humphrey School of Public Affairs at the University of Minnesota, focusing on demographic and economic issues. She has a bachelor's degree in journalism from the University of Hong Kong.



STEVE HINE

Hine is the director of the Labor Market Information Office at DEED. He has a master's degree and Ph.D. in economics from Washington State University in Pullman and a bachelor's degree from Bemidji State University.



ALESSIA LEIBERT

Leibert is a research project manager at DEED. She has a bachelor's and master's degree in history from the University of Rome, Italy, and a master's degree in public affairs from the Humphrey Institute at the University of Minnesota.



CAMERON MACHT

Macht is the regional analysis and outreach manager at DEED. He has a bachelor's degree in organizational management and marketing from the University of Minnesota-Duluth. Before joining DEED, he worked for a corporate training company and a market research consulting firm, both in the Twin Cities.



DAVE SENF

Senf is a labor market analyst at DEED. He has a bachelor's degree in economics from the University of Montana in Missoula and a master's degree in regional economics from Colorado State University in Fort Collins.



RACHEL VILSACK

Vilsack is DEED's agency performance manager. She has a bachelor's degree in economics from the College of Saint Benedict in St. Joseph and a master's degree in economics from Miami University in Oxford, Ohio.

MINNESOTA ECONOMIC TRENDS

MINNESOTA ECONOMIC TRENDS is published by the Labor Market Information (LMI) Office of the Minnesota Department of Employment and Economic Development (DEED).

©2015 by the Minnesota Department of Employment and Economic Development, Labor Market Information Office.

An equal opportunity employer and service provider. Upon request, MINNESOTA ECONOMIC TRENDS can be made available in alternative formats for people with disabilities by calling 651-259-7406

DEED COMMISSIONER **Katie Clark Sieben**; LABOR MARKET INFORMATION DIRECTOR **Steve Hine**; ASSISTANT DIRECTOR AND CONTENT MANAGER **Oriane Casale**; EDITOR **Monte Hanson**; GRAPHICS/LAYOUT AND WEBSITE PREPARATION **Mary Moe**; DISTRIBUTION **Debbie Morrison**.

MINNESOTA ECONOMIC

TRENDS

Minnesota

Department of Employment and Economic Development

LABOR MARKET INFORMATION

1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351

LMI HELPLINE: 651-259-7384

LMI RECEPTIONIST: 651-259-7400 • 1-888-234-1114

LMI FAX: 651-282-5429

LMI E-MAIL: DEED.lmi@state.mn.us

WEB SITE: <http://mn.gov/deed/lmi>

PRESORTED
STANDARD MAIL
U.S. POSTAGE PAID
ROCHESTER, MN
PERMIT NO. 289