EMPLOYMENT AND ECONOMIC DEVELOPMENT

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Gender Equality in Southeast Minnesota

Gender equality is not a new idea, with efforts being made to bring about equality in educational, social, economic, religious, and political realms. From women's gaining suffrage in 1920 to current efforts made by groups such as the American Association of University Women who seek to "advance equity for women and girls through advocacy, education, philanthropy, and research," progress is being made. However, areas still exist in which women face barriers to equality. One such area is wages paid for work performed.

In 1963 the Equal Pay Act was passed which "prohibits sex-based wage discrimination between men and women in the same establishment who perform jobs that require substantially equal skill, effort, and responsibility under similar working conditions" (https://www.eeoc.gov/laws/statutes/epa.cfm). However, there is still a gender pay gap across all states. According to research conducted by the American Association of University Women, Minnesota ranks 12th in the nation with the earnings ratio for men and women at 83 percent (https://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/). That is to say that women were paid 83 percent of what their male counterparts were earning for full-time, year-round employment.

According to data from DEED's Quarterly Employment Demographics, Southeast Minnesota is not exempt from this earnings pitfall. However, while the most recent data show that the region's gender pay ratio sat at 89.1 percent, meaning that women were making 89.1 percent of what men were across all industries, this is higher than the pay ratio of the state as a whole, which was almost five percentage points lower at 84.4 percent.

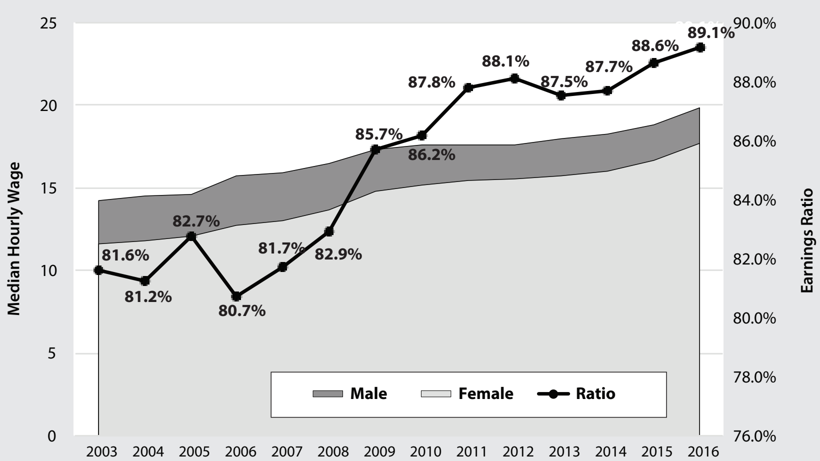
Features:

Feature: Net Earnings Sources Across Minnesota Counties

County Snapshots: *Lincoln, Lyon, Mahnomen, Marshall*

In this issue:

Figure 1. Female Wages as a Percentage of Male Wages, 2016, Southeast Minnesota



Source: DEED, Quarterly Employment Demographics

As shown in Figure 1, median hourly wages across all industries were $19.81 for men and $17.66 for women in Southeast Minnesota. However, certain things need to be considered when examining data on the gender pay gap and wages earned. One of the biggest questions about the analysis of wage earnings by gender is connected to the type of work that is being performed. For instance, according to DEED's Quarterly Employment Demographics (QED) data, within the professional and business services industry supersector a higher percentage of women (59.7 percent) work in jobs that are part of the professional and technical services industry sector earning a median hourly wage of $17.32. Within that same industry supersector there is a higher percentage of males (56.4 percent) earning $25.76 as a median wage working in jobs within the management of companies and enterprises sector. Because QED data is industry-based, not occupation-based, the wages can vary greatly by the occupation of the individual within an industry.

There is evidence that type of job matters, though, as seen in the listings of non-traditional careers for men and women (https://careerwise.minnstate.edu/careers/menandwomen.html). This list shows that for the non-traditional careers for women, median wages range from $10.01 to $88.38 whereas the median wages for non-traditional careers for men only range from $9.97 to $35.26. Additionally, in the list of non-traditional careers for women there are 52 occupations that earn $25 or more per hour, whereas there are only 11 in the list for non-traditional careers for men.

Choice of occupation is a personal decision that also plays a role in subsequent wage differentials between men and women in the region. For example, law enforcement is a male-dominated occupation in Minnesota according to the Minnesota Board of Peace Officer Standards and Training, showing that of the 10,918 peace officers in the state, both full-time and part-time, 88.3 percent are men. On the other hand, the Minnesota Department of Health shows that about 88 percent of licensed social workers are women. When looking at the wages of these two occupations, police officers earn a median hourly wage of $28.36 while social workers make $22.12 for a median wage.

What is promising, though, is that the ratio has seen a fairly steady increase since 2003, meaning that the pay gap between men and women has been narrowing in the region. In fact, the region saw a huge increase in female wages over time and now has a smaller percentage gap and a faster increase in female wages than the state as a whole.

Still, complicating the issue is that women appear to be working fewer hours than their male counterparts. According to Quarterly Employment Demographics data, the median hours that women worked across all industries was 407 per quarter in 2016, while males worked 480.

Table 1. Difference in Male and Female Hours Worked per Quarter, Southeast Minnesota

Industry	Male	Female	Hour Difference	Percent Difference
Total, All Industries	**480**	**407**	**73**	**15.2%**
Agriculture, Forestry, Fishing, and Hunting	478	260	218	45.6%
Mining	450	397	53	11.8%
Utilities	533	528	5	0.9%
Construction	490	472	18	3.7%
Manufacturing	529	520	9	1.7%
Wholesale Trade	520	505	15	2.9%
Retail Trade	336	227	109	32.4%
Transportation and Warehousing	444	411	33	7.4%
Information	528	497	31	5.9%
Finance and Insurance	520	514	6	1.2%
Real Estate and Rental and Leasing	312	320	-8	-2.6%
Professional and Technical Services	494	438	56	11.3%
Management of Companies and Enterprises	520	520	0	0.0%
Administrative and Waste Services	258	204	54	20.9%
Educational Services	346	264	82	23.7%
Health Care and Social Assistance	480	455	25	5.2%
Arts, Entertainment, and Recreation	237	127	110	46.4%
Accommodation and Food Services	193	157	36	18.7%
Other Services, Ex. Public Adminisration	252	167	85	33.7%
Public Administration	483	480	3	0.6%

Source: DEED Quarterly Employment Demographics

Thus, women may be hit with a double-whammy of being paid less and working fewer hours. To put that into context, if a man is making $19.81 per hour and working 480 hours a quarter and a woman is making $17.66 per hour (89.1 percent of the male) at 407 hours per quarter, the quarterly difference is $2,321 in wages or almost $9,300 annually.

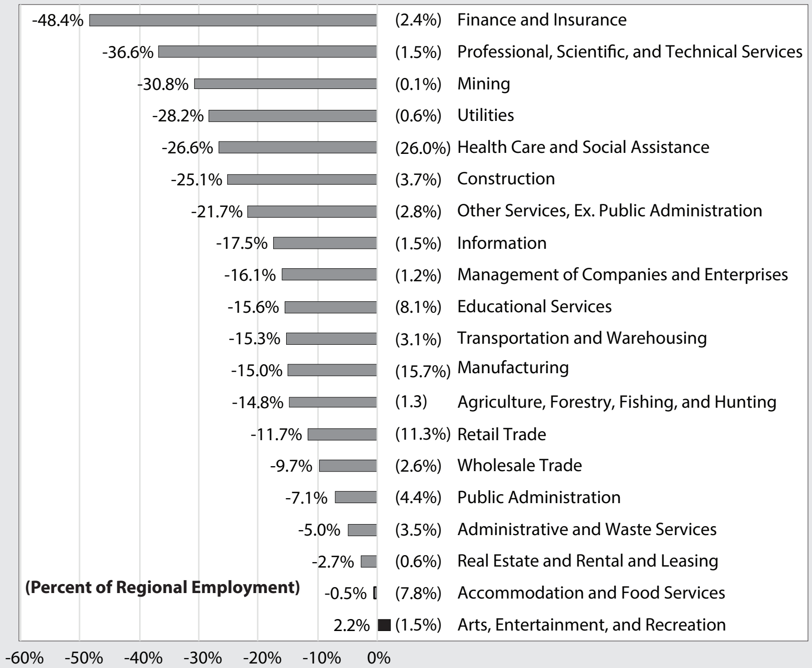
The data also show that the trend of women working fewer hours per quarter than men exists across major industry sectors with the exception of Real Estate and Rental and Leasing where women worked a median eight more hours per quarter, and Management of Companies and Enterprises in which both men and women worked a median of 520 hours per quarter. However, there are large differences in the median number of hours worked in the other industry sectors. For example, while the median number of hours worked by women was only three hours less per quarter in the Public Administration sector, the female median was 218 less hours than their male counterparts in Agriculture, Forestry, Fishing, and Hunting.

When broken down by industry sector, the data show that there is significant variation in the amount less that females make compared to males, with women making only slightly more in Arts, Entertainment, and Recreation. As shown in Figure 2, women made anywhere from 0.5 percent to 48.4 percent less than men in all but one industry sector, with the greatest difference in Finance and Insurance, followed by 36.6 percent less in Professional, Scientific and Technical Services, and 30.8 percent less in Mining.

Again, in these cases it is entirely possible that choice of occupation within the industry plays a role in these wage differences. For example, it is possible that some of the wage gap in Finance and Insurance could be caused by more females taking jobs as bank tellers, who currently earn an hourly median wage of $14.34, versus more males working as securities, commodities, and financial services sales agents, who earn $30.22 for a median wage in Southeast Minnesota.

And while there is one sector in which women earned more than men – Arts, Entertainment, and Recreation – this figure is a bit misleading as overall they still made less when considering the number of hours each gender worked. The data show that women indeed have a higher median hourly wage than men at $13.76 compared to $13.46. However, men had a higher median quarterly hours worked of 237 compared to 127 for women. When both are taken into consideration that equals a quarterly median earnings of $3,190 for men and only $1,747 for women.

Figure 2. Percent Earned by Women by Industry Sector, 2016, Southeast Minnesota



Source: DEED, Quarterly Employment Demographics

Without a doubt there is a pay gap in wages between men and women in the Southeast region, although the data show that this gap is narrowing. There are many implications of this analysis that are worth noting and exploring further, such as:

- what is the impact on single mothers?
- how do we draw more women into non-traditional careers?
- why do women work fewer hours than men?
- what efforts have been successful and what more can be done to narrow the pay gap between the sexes?

by Mark Schultz

Changes in Seasonal Adjustments in the CES Program

Beginning with the January 2018 release, seasonally adjusted Current Employment Statistics (CES) estimates at the state and area level are being generated by a new process as the Bureau of Labor Statistics moves from the traditional method of projecting seasonal adjustment for the upcoming year to a concurrent monthly method.

The CES program produces two types of employment counts for state and metropolitan statistical areas. One is a set of unadjusted, direct estimates, meant to represent the best appraisal of our current job market. The other is a set of seasonally adjusted estimates, which reduce noise in unadjusted estimates by controlling for regularly recurring employment movements. For example, the traditional increases in retail employment over the holiday months are usually so large that they obscure any actual employment trends in the industry groups. By removing the part of a monthly change that is regularly attributable to that recurring seasonal variation, adjusted estimates provide a clearer look at the trends that are currently shaping the job market.

Historically seasonality has been addressed in CES by calculating seasonal factors for each month at the beginning of the calendar year. Those factors are then applied to the unadjusted estimates. For example, the seasonal factor for the retail trade sector in December of 2017 was 1.0287. The unadjusted estimate for retail in December was 312,516. Dividing that by the seasonal factor got us to our original adjusted December estimate of 303,800, which was unchanged for November estimates, controlling for the regular spike in retail jobs for the holiday season. This figure was eventually revised in the benchmark re-estimation process.

Photo: Eric Slomanson

Starting with 2018 estimates BLS will be generating seasonal factors concurrently with the unadjusted estimates. Instead of generating all seasonal factors at the beginning of the year, thereby missing any new data that may indicate changes to seasonal patterns, seasonal factors will now include the most up-to-date estimates available. Factors will be updated for the current month's preliminary estimates as well as the previous month's final estimates. This new method, which has been used for national estimates since 2003, will improve the quality of seasonally adjusted data we provide by assuring that we're using the most timely data available.

Concurrent seasonal adjustment is considered a superior estimation method to projected adjustment. However, time and resource constraints and a preference among some for pre-publishing seasonal factors have delayed its implementation for CES at the state and area level. To confirm the effectiveness of the new method, extensive testing was done for the CES data series, comparing concurrent and non-concurrent seasonal adjustment with the final sample data estimates as well as the more complete 'universe' Unemployment Insurance data to gauge accuracy. The testing showed that estimates are more accurate when seasonal factors are generated concurrently. However, the differences between concurrent and projected estimates were generally very small, with estimated gain or loss from concurrent adjustment measuring less than 0.1 percent in 92 percent of cases. In those cases where the gain or loss was greater than 0.1 percent, concurrent adjustment was more likely to produce a better result. In series where concurrent adjustment moved the estimation by 1 percent or more, the change was an improvement in 80% of cases. Smoothness of the series was also shown to improve. While not a direct measure of accuracy, less volatility in monthly estimates is a positive side effect on what would otherwise be unavoidable revisions to the CES data eliminated preemptively by the inclusion of more up-to-date information.1

A short release from the Bureau of Labor Statistics addressing the change can be found here: https://www.bls.gov/sae/saeconcurrent.htm

by Nick Dobbins

[1]Steve Mance, Bureau of Labor Statistics, https://www.bls.gov/osmr/pdf/st150110.pdf

Labor Force Estimates

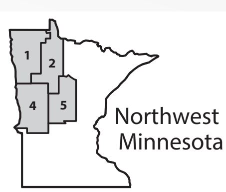
County/Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Jan 2018	Dec 2017	Jan 2017	Jan 2018	Dec 2017	Jan 2017	Jan 2018	Dec 2017	Jan 2017	Jan 2018	Dec 2017	Jan 2017
United States ('000s)												
(Seasonally adjusted)	161,115	160,597	159,718	154,430	154,021	152,076	6,684	6,576	7,642	4.1%	4.1%	4.8%
(Unadjusted)	160,037	159,880	158,676	152,848	153,602	150,527	7,189	6,278	8,149	4.5	3.9	5.1
Minnesota												
(Seasonally adjusted)	3,076,674	3,069,832	3,053,201	2,975,997	2,968,202	2,937,135	100,677	101,630	116,066	3.3	3.3	3.8
(Unadjusted)	3,089,011	3,061,445	3,040,215	2,964,976	2,957,587	2,896,721	124,035	103,858	143,494	4.0	3.4	4.7
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	2,003,867	1,990,904	1,928,416	1,936,012	1,933,296	1,846,661	67,855	57,608	81,755	3.4	2.9	4.2
Duluth-Superior MSA	145,776	144,118	141,816	138,507	137,885	132,395	7,269	6,233	9,421	5.0	4.3	6.6
Rochester MSA	121,733	119,391	118,764	117,360	115,992	113,736	4,373	3,399	5,028	3.6	2.8	4.2
St. Cloud MSA	113,622	111,726	110,195	108,465	107,751	104,252	5,157	3,975	5,943	4.5	3.6	5.4
Mankato-N Mankato MSA	62,415	61,052	59,946	60,413	59,524	57,606	2,002	1,528	2,340	3.2	2.5	3.9
Fargo-Moorhead MSA	138,686	137,092	137,452	134,191	133,678	132,934	4,495	3,414	4,518	3.2	2.5	3.3
Grand Forks MSA	56,488	56,018	56,957	54,560	54,468	54,906	1,928	1,550	2,051	3.4	2.8	3.6
Region One	**47,855**	**48,968**	**49,544**	**44,653**	**46,387**	**45,267**	**3,202**	**2,581**	**4,277**	**6.7**	**5.3**	**8.6**
Kittson	2,343	2,390	2,401	2,232	2,294	2,255	111	96	146	4.7	4.0	6.1
Marshall	5,592	5,811	5,771	4,994	5,323	5,083	598	488	688	10.7	8.4	11.9
Norman	3,355	3,436	3,515	3,130	3,263	3,269	225	173	246	6.7	5.0	7.0
Pennington	9,047	9,432	9,194	8,306	8,825	8,289	741	607	905	8.2	6.4	9.8
Polk	17,187	17,075	17,592	16,323	16,369	16,573	864	706	1,019	5.0	4.1	5.8
Red Lake	2,268	2,410	2,405	2,076	2,248	2,120	192	162	285	8.5	6.7	11.9
Roseau	8,063	8,414	8,666	7,592	8,065	7,678	471	349	988	5.8	4.1	11.4
Region Two	**44,123**	**43,570**	**43,199**	**40,868**	**40,989**	**39,533**	**3,255**	**2,581**	**3,666**	**7.4**	**5.9**	**8.5**
Beltrami	24,075	24,422	23,649	22,582	23,200	21,962	1,493	1,222	1,687	6.2	5.0	7.1
Clearwater	4,946	4,883	4,941	4,255	4,414	4,211	691	469	730	14.0	9.6	14.8
Hubbard	10,266	9,603	9,684	9,468	8,938	8,758	798	665	926	7.8	6.9	9.6
Lake of the Woods	2,437	2,326	2,505	2,320	2,214	2,366	117	112	139	4.8	4.8	5.5
Mahnomen	2,399	2,336	2,420	2,243	2,223	2,236	156	113	184	6.5	4.8	7.6
Region Three	**166,744**	**162,531**	**160,632**	**157,169**	**154,387**	**148,492**	**9,575**	**8,144**	**12,140**	**5.7**	**5.0**	**7.6**
Aitkin	7,445	7,327	7,051	6,752	6,753	6,309	693	574	742	9.3	7.8	10.5
Carlton	18,207	17,797	17,518	17,124	16,907	16,227	1,083	890	1,291	5.9	5.0	7.4
Cook	3,381	2,672	2,852	3,204	2,515	2,652	177	157	200	5.2	5.9	7.0
Itasca	22,111	21,326	21,398	20,382	19,894	19,139	1,729	1,432	2,259	7.8	6.7	10.6
Koochiching	6,043	5,745	6,034	5,630	5,367	5,478	413	378	556	6.8	6.6	9.2
Lake	5,643	5,129	5,020	5,375	4,896	4,687	268	233	333	4.7	4.5	6.6
St. Louis	103,914	102,535	100,759	98,702	98,055	94,000	5,212	4,480	6,759	5.0	4.4	6.7
City of Duluth	46,420	45,648	44,529	44,811	44,322	42,489	1,609	1,326	2,040	3.5	2.9	4.6
Balance of St. Louis County	57,494	56,887	56,230	53,891	53,733	51,511	3,603	3,154	4,719	6.3	5.5	8.4
Region Four	**128,511**	**128,465**	**125,769**	**122,262**	**123,410**	**118,420**	**6,249**	**5,055**	**7,349**	**4.9**	**3.9**	**5.8**
Becker	19,040	18,895	18,285	17,941	17,969	17,043	1,099	926	1,242	5.8	4.9	6.8
Clay	36,125	36,414	35,772	34,637	35,302	34,034	1,488	1,112	1,738	4.1	3.1	4.9
Douglas	20,855	20,194	19,876	19,996	19,450	18,835	859	744	1,041	4.1	3.7	5.2
Grant	3,283	3,390	3,304	3,073	3,235	3,048	210	155	256	6.4	4.6	7.7
Otter Tail	32,067	31,474	31,080	30,175	29,942	28,892	1,892	1,532	2,188	5.9	4.9	7.0
Pope	6,365	6,509	6,274	6,092	6,285	5,930	273	224	344	4.3	3.4	5.5
Stevens	5,445	5,845	5,586	5,258	5,686	5,334	187	159	252	3.4	2.7	4.5
Traverse	1,818	1,837	1,862	1,721	1,745	1,749	97	92	113	5.3	5.0	6.1
Wilkin	3,513	3,907	3,730	3,369	3,796	3,555	144	111	175	4.1	2.8	4.7
Region Five	**86,641**	**83,755**	**82,944**	**80,416**	**78,605**	**75,943**	**6,225**	**5,150**	**7,001**	**7.2**	**6.1**	**8.4**
Cass	15,303	14,094	14,128	14,018	13,061	12,688	1,285	1,033	1,440	8.4	7.3	10.2
Crow Wing	33,482	31,950	31,157	31,389	30,147	28,783	2,093	1,803	2,374	6.3	5.6	7.6
Morrison	18,181	18,271	18,082	16,635	17,008	16,406	1,546	1,263	1,676	8.5	6.9	9.3
Todd	13,829	13,177	13,312	13,017	12,521	12,373	812	656	939	5.9	5.0	7.1
Wadena	5,846	6,263	6,265	5,357	5,868	5,693	489	395	572	8.4	6.3	9.1
Region Six East	**67,682**	**66,456**	**65,256**	**64,388**	**63,887**	**61,244**	**3,294**	**2,569**	**4,012**	**4.9**	**3.9**	**6.1**
Kandiyohi	25,223	24,593	24,159	24,091	23,698	22,794	1,132	895	1,365	4.5	3.6	5.7
McLeod	19,567	19,224	19,160	18,651	18,493	17,985	916	731	1,175	4.7	3.8	6.1
Meeker	13,429	13,268	13,221	12,710	12,705	12,356	719	563	865	5.4	4.2	6.5
Renville	9,463	9,371	8,716	8,936	8,991	8,109	527	380	607	5.6	4.1	7.0

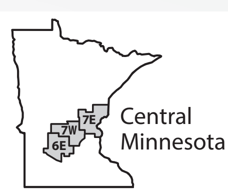
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

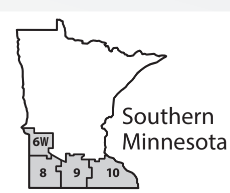
Labor Force Estimates

Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development, Local Area Unemployment Statistics, and North Dakota Job Service, 2018.

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Jan 2018	Dec 2017	Jan 2017	Jan 2018	Dec 2017	Jan 2017	Jan 2018	Dec 2017	Jan 2017	Jan 2018	Dec 2017	Jan 2017
Region Six West	**23,497**	**24,284**	**24,069**	**22,180**	**23,284**	**22,576**	**1,317**	**1,000**	**1,493**	**5.6%**	**4.1%**	**6.2%**
Big Stone	2,684	2,681	2,761	2,506	2,548	2,541	178	133	220	6.6	5.0	8.0
Chippewa	6,902	7,104	6,988	6,537	6,814	6,561	365	290	427	5.3	4.1	6.1
Lac Qui Parle	3,520	3,696	3,694	3,316	3,565	3,481	204	131	213	5.8	3.5	5.8
Swift	5,100	5,241	5,177	4,786	4,996	4,829	314	245	348	6.2	4.7	6.7
Yellow Medicine	5,291	5,562	5,449	5,035	5,361	5,164	256	201	285	4.8	3.6	5.2
Region Seven East	**89,705**	**88,746**	**86,839**	**83,642**	**84,042**	**80,018**	**6,063**	**4,704**	**6,821**	**6.8**	**5.3**	**7.9**
Chisago	30,109	29,722	29,090	28,582	28,521	27,273	1,527	1,201	1,817	5.1	4.0	6.2
Isanti	21,467	20,986	20,516	20,204	20,011	19,139	1,263	975	1,377	5.9	4.6	6.7
Kanabec	9,391	9,294	9,164	8,476	8,620	8,169	915	674	995	9.7	7.3	10.9
Mille Lacs	13,349	13,153	13,001	12,249	12,293	11,775	1,100	860	1,226	8.2	6.5	9.4
Pine	15,389	15,591	15,068	14,131	14,597	13,662	1,258	994	1,406	8.2	6.4	9.3
Region Seven West	**241,369**	**237,254**	**232,665**	**230,375**	**228,722**	**219,934**	**10,994**	**8,532**	**12,731**	**4.6**	**3.6**	**5.5**
Benton	22,512	22,040	21,807	21,238	21,078	20,364	1,274	962	1,443	5.7	4.4	6.6
Sherburne	52,388	51,108	49,916	49,878	49,175	47,010	2,510	1,933	2,906	4.8	3.8	5.8
Stearns	91,110	89,686	88,388	87,227	86,673	83,888	3,883	3,013	4,500	4.3	3.4	5.1
Wright	75,359	74,420	72,554	72,032	71,796	68,672	3,327	2,624	3,882	4.4	3.5	5.4
Region Eight	**64,027**	**64,525**	**65,784**	**61,051**	**62,426**	**61,952**	**2,976**	**2,099**	**3,832**	**4.6**	**3.3**	**5.8**
Cottonwood	5,395	4,776	5,362	5,138	4,575	4,970	257	201	392	4.8	4.2	7.3
Jackson	5,707	6,041	6,300	5,477	5,857	5,827	230	184	473	4.0	3.0	7.5
Lincoln	3,327	3,373	3,441	3,151	3,246	3,233	176	127	208	5.3	3.8	6.0
Lyon	14,931	15,377	15,156	14,300	14,934	14,381	631	443	775	4.2	2.9	5.1
Murray	4,912	4,879	4,944	4,568	4,648	4,525	344	231	419	7.0	4.7	8.5
Nobles	11,400	11,195	11,492	10,941	10,887	10,871	459	308	621	4.0	2.8	5.4
Pipestone	4,982	4,815	4,832	4,729	4,661	4,538	253	154	294	5.1	3.2	6.1
Redwood	7,435	8,241	8,367	7,003	7,913	7,897	432	328	470	5.8	4.0	5.6
Rock	5,938	5,828	5,890	5,744	5,705	5,710	194	123	180	3.3	2.1	3.1
Region Nine	**135,856**	**134,421**	**133,296**	**129,565**	**129,803**	**126,189**	**6,291**	**4,618**	**7,107**	**4.6**	**3.4**	**5.3**
Blue Earth	41,265	40,286	39,558	39,885	39,239	37,955	1,380	1,047	1,603	3.3	2.6	4.1
Brown	14,723	14,814	14,918	13,925	14,308	13,996	798	506	922	5.4	3.4	6.2
Faribault	7,335	7,142	7,289	6,940	6,843	6,820	395	299	469	5.4	4.2	6.4
Le Sueur	16,358	16,195	15,918	15,106	15,258	14,671	1,252	937	1,247	7.7	5.8	7.8
Martin	10,309	10,512	10,553	9,884	10,145	9,922	425	367	631	4.1	3.5	6.0
Nicollet	21,150	20,766	20,388	20,528	20,285	19,651	622	481	737	2.9	2.3	3.6
Sibley	8,617	8,646	8,649	8,192	8,316	8,134	425	330	515	4.9	3.8	6.0
Waseca	9,659	9,432	9,359	9,022	9,036	8,826	637	396	533	6.6	4.2	5.7
Watonwan	6,440	6,628	6,664	6,083	6,373	6,214	357	255	450	5.5	3.8	6.8
Region Ten	**282,732**	**283,818**	**279,042**	**272,069**	**275,536**	**266,494**	**10,663**	**8,282**	**12,548**	**3.8**	**2.9**	**4.5**
Dodge	11,708	11,454	11,559	11,173	11,090	10,930	535	364	629	4.6	3.2	5.4
Fillmore	11,599	11,352	11,568	11,016	10,959	10,879	583	393	689	5.0	3.5	6.0
Freeborn	16,220	16,426	16,219	15,485	15,776	15,399	735	650	820	4.5	4.0	5.1
Goodhue	27,214	26,938	26,885	26,079	26,097	25,522	1,135	841	1,363	4.2	3.1	5.1
Houston	10,728	10,714	10,592	10,215	10,375	9,920	513	339	672	4.8	3.2	6.3
Mower	20,642	20,556	20,475	19,921	20,025	19,659	721	531	816	3.5	2.6	4.0
Olmsted	86,308	84,587	83,574	83,600	82,364	80,462	2,708	2,223	3,112	3.1	2.6	3.7
City of Rochester	63,572	62,074	61,211	61,658	60,452	59,056	1,914	1,622	2,155	3.0	2.6	3.5
Rice	37,155	36,903	36,112	35,772	35,813	34,500	1,383	1,090	1,612	3.7	3.0	4.5
Steele	19,968	23,319	20,904	19,093	22,649	19,902	875	670	1,002	4.4	2.9	4.8
Wabasha	12,118	11,998	12,063	11,571	11,579	11,465	547	419	598	4.5	3.5	5.0
Winona	29,072	29,571	29,091	28,144	28,809	27,856	928	762	1,235	3.2	2.6	4.2
Region Eleven	**1,710,270**	**1,700,094**	**1,643,871**	**1,656,341**	**1,653,422**	**1,578,396**	**53,929**	**46,672**	**65,475**	**3.2**	**2.7**	**4.0**
Anoka	196,784	195,688	189,844	189,634	189,642	181,089	7,150	6,046	8,755	3.6	3.1	4.6
Carver	57,619	56,816	55,170	55,798	55,288	52,922	1,821	1,528	2,248	3.2	2.7	4.1
Dakota	240,933	239,356	231,646	233,134	232,780	222,269	7,799	6,576	9,377	3.2	2.7	4.0
Hennepin	701,127	697,414	672,833	680,461	678,994	647,831	20,666	18,420	25,002	2.9	2.6	3.7
City of Bloomington	46,904	47,600	45,929	45,418	46,264	44,141	1,486	1,336	1,788	3.2	2.8	3.9
City of Minneapolis	239,331	238,256	230,012	232,250	231,987	221,340	7,081	6,269	8,672	3.0	2.6	3.8
Ramsey	288,677	287,725	278,311	279,460	279,666	266,940	9,217	8,059	11,371	3.2	2.8	4.1
City of St. Paul	158,302	157,708	152,559	153,174	153,216	146,244	5,128	4,492	6,315	3.2	2.8	4.1
Scott	82,847	81,728	79,071	80,171	79,467	75,891	2,676	2,261	3,180	3.2	2.8	4.0
Washington	142,283	141,367	136,996	137,683	137,585	131,454	4,600	3,782	5,542	3.2	2.7	4.0







Industrial Analysis

Overview

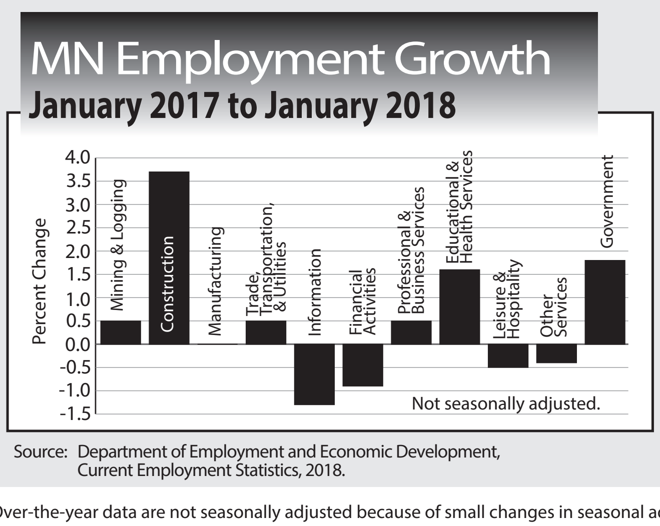
Minnesota added 2,500 jobs (0.1 percent) on a seasonally adjusted basis in January. However, this growth is relative to December's estimate of 2,943,700, which was revised downward in year-end re-estimation from a preliminary 2,958,700. The growth came from public sector employment as total private employment declined by 200 (0.0 percent) on the month. Goods producers added 400 jobs (0.1 percent), and service providers added 2,100 (0.1 percent). Annually Minnesota added 20,116 jobs (0.7 percent) over January 2017's 2,866,364, which itself was revised upward by nearly 8,300 in end-of-year benchmarking. Goods producers added 3,702 jobs (0.9 percent) while service providers added 16,414 (0.7 percent). Private sector employment was up 12,535 (0.5 percent), and public sector employment was up 7,581 (1.8 percent).

Mining and Logging

Mining and Logging employment was flat in January, holding at 6,500 jobs. Following year-end benchmarking, the supersector showed steady employment of between 6,400 and 6,600 for every month in 2017 as well. Over the year, Mining and Logging employers added 33 jobs (0.5 percent). The supersector had annual growth for every month in 2017 as well, averaging 5 percent over-the-year growth on the year, although much of that growth was concentrated in the first half of 2017.

Construction

Employment in Construction was up by 100 (0.1 percent) in January on a seasonally adjusted basis. It was the fifth consecutive month of over-the-month job growth for the supersector, during which time it has added 3,000 jobs. Annually the supersector added 3,731 jobs (3.7 percent). All three major components grew, as Building Construction added 377 jobs (1.5 percent), Heavy and Civil Engineering added 634 (6.8 percent), and Specialty Trade Contractors added 2,720 (4.1 percent).



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

Manufacturing

Employment in the Manufacturing supersector was up slightly in January, adding 600 jobs (0.1 percent) to reach 318,200. Durable Goods Manufacturers accounted for all of the growth, adding 600 jobs (0.3 percent) while Non-Durable Goods Manufacturers shed 300 jobs (0.3 percent). Annually Manufacturing employment was mostly flat, as the supersector lost 62 jobs (0.0 percent) from January 2017. Roles were flipped from the monthly growth, as Durable Goods Manufacturers shed jobs (off by 1,390 or 0.7 percent) while Non-Durable Goods added jobs, up 1,328 or 1.2 percent, thanks to the addition of 2,039 jobs in Food Manufacturing.

Trade, Transportation, and Utilities

Employment in Trade, Transportation, and Utilities was up by 400 (0.1 percent) in January. The gains came entirely from Trade, as Wholesale added 100 jobs (0.1 percent), and Retail added 300 (0.1 percent). Transportation, Warehousing, and Utilities employment held steady at 107,800, the smallest of the three component sectors. Annually employment in the supersector was up by 2,854 (0.5 percent). Wholesale Trade provided most of the growth, adding 1,585 jobs (1.2 percent), with Durable Goods Wholesalers contributing 1,253 of those jobs. Retail Trade added 295 jobs (0.1 percent) while Transportation, Warehousing, and Utilities added 974 (0.9 percent).

Information

The Information supersector lost 100 jobs (0.2 percent) in January. Annually Information employment was off by 662 (1.3 percent). It was the seventh consecutive month of over-the-year declines in the supersector.

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

Financial Activities

Employment in the Financial Activities supersector was down by 1,400 (0.8 percent) in January. Finance and Insurance drove the losses, off by 1,500 (1 percent). The sector has not seen a month of over-the-month job growth since adding 300 jobs in July. Annually Financial Activities employment was off by 1,518 (0.9 percent). Finance and Insurance drove the annual losses as well, off by 1,419 (1 percent), while Real Estate and Rental and Leasing lost 99 jobs (0.3 percent).

Professional and Business Services

Professional and Business Services employment was up by 500 (0.1 percent) in January. Professional, Scientific, and Technical Services had a strong month, adding 1,600 jobs (1 percent), but those gains were countered by losses of 700 (0.9 percent) and 400 (0.3 percent) in Management of Companies and Enterprises and Administrative and Support and Waste Management and Remediation Services, respectively. Annually the supersector added 1,749 jobs (0.5 percent). Professional, Scientific, and Technical Services added 2,167 (1.4 percent), accounting for the lion's share of the growth. Administrative and Support and Waste Management and Remediation Services added 1,028 jobs (0.8 percent), and Management of Companies and Enterprises lost 1,446 (1.8 percent).

Educational and Health Services

Educational and Health Services employment was off by 1,700 seasonally adjusted jobs in January (0.3 percent) from declines in Health Care and Social Assistance (down 3,000 or 0.6 percent). Educational Services employers added 1,300 jobs (1.9 percent). Over the year the supersector added 8,236 jobs (1.6 percent). Educational Services employers added 3,030 (4.7 percent). Health Care and Social Assistance added 5,206 (1.1 percent) with growth across its component sectors. Ambulatory Health Care Services added 1,652 (1.1 percent), Hospitals added 1,011 (0.9 percent), and Social Assistance added 2,261 (2.4 percent).

Leisure and Hospitality

Leisure and Hospitality employment was up by 1,200 (0.4 percent) in January. Accommodation and Food Services added 2,500 (1.1 percent), while its counterpart in Arts, Entertainment, and Recreation lost 1,300 jobs (2.7 percent). Annually the supersector lost 1,322 jobs (0.5 percent). Arts, Entertainment, and Recreation added 1,118 jobs (2.9 percent), but that growth was erased by the loss of 2,440 (1.1 percent) in Accommodation and Food Services.

Other Services

Other Services employment was up by 500 (0.4 percent) in January. It was the first over-the-month job growth in the supersector since September. Annually Other Services employers shed 504 jobs (0.4 percent). Repair and Maintenance lost 190 jobs (0.9 percent), and Religious, Grantmaking, Civic, Professional, and Similar Organizations lost 264 (0.4 percent).

Government

Government employers added 2,700 jobs (0.6 percent) in January. State Government led the way, adding 2,100 jobs (2.1 percent). Annually Government employment was up by 7,581 (1.8 percent), with all three levels of government adding jobs. Local Government added 4,039 (1.5 percent), and State added 3,486 (3.5 percent) with the larger share of both coming from their respective Educational Services components.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	Jan 2018	Dec 2017	Nov 2017
Total Nonagricultural	**2,946.2**	**2,943.7**	**2,941.2**
Goods-Producing	**447.3**	**446.9**	**446.0**
Mining and Logging	6.5	6.5	6.6
Construction	122.6	122.5	120.9
Manufacturing	318.2	317.9	318.5
Service-Providing	**2,498.9**	**2,496.8**	**2,495.2**
Trade, Transportation, and Utilities	540.5	540.1	537.8
Information	49.5	49.6	50.0
Financial Activities	178.0	179.4	179.5
Professional and Business Services	376.6	376.1	376.1
Educational and Health Services	538.6	540.3	538.9
Leisure and Hospitality	270.4	269.2	269.5
Other Services	115.6	115.1	115.4
Government	429.7	427.0	428.0

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

Monthly analysis is based on ***unadjusted*** employment data.

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

Employment in the Minneapolis-St Paul MSA was down by 37,347 (1.9 percent) in January. Job losses of this magnitude and greater are common in January, as the holiday season ends and related jobs disappear. Trade, Transportation, and Utilities lost 11,419 jobs (3.1 percent) with the component Retail Trade sector losing 6,870 (3.5 percent). The largest proportional decline came in another seasonal industry. Mining, Logging, and Construction, lost 6,638 jobs (8.7 percent). Also worth noting, the Professional and Business Services supersector lost 9,254 jobs (2.9 percent), with losses coming in all three component sectors. Every single supersector in the MSA lost jobs on the month. Annually the metro area added 12,979 jobs (0.7 percent). It was the first time that over-the-year job growth in the metro dipped below 1 percent since June of 2016. Three supersectors shed jobs on the year: Professional and Business Services (down 3588 or 1.1 percent), Leisure and Hospitality (down 49, 0 percent), and the long-struggling Information supersector (down 686, 1.8 percent). The largest growth industry in both total and proportional employment was Government (up 6,001 jobs or 2.4 percent).

Duluth -Superior MSA

The Duluth MSA lost 2,291 jobs (1.7 percent) in January. As was the case in the Minneapolis-St. Paul metro, every published supersector lost jobs on the month. Mining, Logging, and Construction had the steepest decline, off by 4.7 percent (416 jobs) from January estimates. Trade, Transportation, and Utilities lost the most jobs, down 706 (2.8 percent). Over the year the Duluth MSA added 1,715 jobs (1.3 percent). After lagging behind the statewide rate since June of 2016, over-the-year growth in the MSA has now outpaced statewide growth for two consecutive months. Mining, Logging, and Construction added 482 jobs (6.1 percent), Educational and Health Services added 442 (1.4 percent), and Government employers added 432 (1.6 percent). Information had the sharpest decline (down 5.5 percent). In spite of being the smallest supersector in the MSA with just 1,326 jobs, it also had the area's largest number of actual jobs lost, 77.

Rochester MSA

Employment in the Rochester MSA was down by 3,218 (2.7 percent) in January. This was the largest proportional over-the-month decline in the State, tied with St. Cloud. However, two supersectors added jobs in January, Manufacturing (up 221 jobs or 2.1 percent) and Information (which added one job). Mining, Logging, and Construction lost 511 jobs or 11.7 percent, while Educational and Health Services lost 1,760 or 3.5 percent. Over the year the Rochester area added 336 jobs (0.3 percent). Gains were driven in large part by the increase in Leisure and Hospitality (up 588 jobs or 6 percent). The next largest increase came in Government employment, which added 240 jobs or 1.9 percent. The most noteworthy losses came in Educational and Health Services, which also shed 516 jobs or 1.1 percent.

St. Cloud MSA

The Saint Cloud MSA lost 2,967 jobs (2.7 percent) in January, tying it with Rochester for the largest over-the-month decline in the state. As was the case in multiple MSAs, employment in every published supersector declined on the month. Mining, Logging, and Construction lost 684 jobs (11 percent), Trade, Transportation, and Utilities lost 923 (4.1 percent), and Professional and Business Services lost 882 (9.9 percent). Annually the Saint Cloud MSA added 262 jobs (0.2 percent). Educational and Health Services added 675 jobs (3.1 percent), and Manufacturing added 404 (2.7 percent), but gains were offset by losses in Trade, Transportation, and Utilities (down 553 or 2.5 percent) and Professional and Business Services (off by 594 or 6.9 percent).

Mankato-North Mankato MSA

The Mankato-North Mankato MSA lost 773 jobs (1.3 percent) in January. Public sector employers added 88 jobs (0.9 percent), but this was more than made up for with a loss of 1,353 jobs (2.9 percent) in the private sector. The Mankato area added 1,636 jobs or 2.9 percent on the year. This was the largest proportional over-the-year increase in Minnesota. Private sector employers added 1,353 jobs (2.9 percent), and public sector employers added 283 (3 percent). Goods producers added 321 jobs (3.3 percent), and service providers added 1,315 (2.8 percent).

Fargo-Moorhead MSA

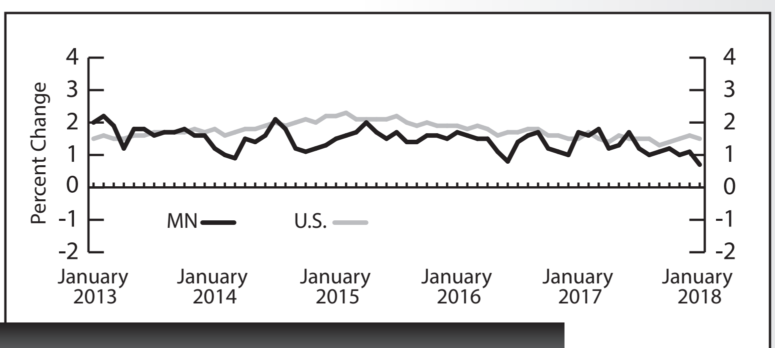
The Fargo-Moorhead MSA lost 3,261 jobs (2.3 percent) in January. Trade, Transportation, and Utilities lost 728 jobs (2.4 percent), and Mining, Logging, and Construction lost 646 (7.9 percent). Every published supersector in the MSA lost jobs on the month. Annually the MSA lost 274 jobs (0.2 percent). Educational and Health Services added 821 jobs (3.5 percent). Leisure and Hospitality lost 630 jobs (4.7 percent), and Trade, Transportation, and Utilities lost 397 jobs (1.3 percent). Fargo-Moorhead and Grand Forks-East Grand Forks were the only MSAs in Minnesota to have negative over-the-year employment growth.

Grand Forks-East Grand Forks MSA

The Grand Forks-East Grand Forks MSA lost 1,013 jobs (1.8 percent) in January. Mining, Logging, and Construction shed 2223 jobs (8.1 percent), and Trade, Transportation, and Utilities lost 465 (3.9 percent). Annually the Grand Forks-East Grand Forks MSA lost 572 jobs (1 percent). That represents the largest over-the-year decrease in the state, as most metros added jobs on the year. Leisure and Hospitality drove the losses, off by 702 jobs (11.2 percent).

by Nick Dobbins

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



Total Nonfarm Jobs

U.S. and MN over-the-year percent change

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jan 2018	Dec 2017	Jan 2017	Dec 2017	Jan 2017	Dec 2017	Jan 2017	Dec 2017	Jan 2017	Dec 2017	Jan 2017
TOTAL NONFARM WAGE AND SALARY	**2,886.5**	**2,941.5**	**2,866.4**	**-1.9%**	**0.7%**	—	—	—	—	—	—
GOODS-PRODUCING	**424.5**	**437.6**	**420.8**	**-3.0**	**0.9**	—	—	—	—	—	—
Mining, Logging, and Construction	**110.6**	**121.0**	**106.8**	**-8.6**	**3.5**	—	—	—	—	—	—
Mining and Logging	**6.1**	**6.3**	**6.1**	**-3.2**	**0.5**	—	—	—	—	—	—
Construction	**104.5**	**114.7**	**100.8**	**-8.9**	**3.7**	—	—	—	—	—	—
Specialty Trade Contractors	69.6	75.7	66.9	-8.0	4.1	$1,231.01	$1,198.67	38.1	37.4	$32.31	$32.05
Manufacturing	**313.9**	**316.7**	**313.9**	**-0.9**	**0.0**	**862.29**	**826.61**	**40.2**	**40.5**	**21.45**	**20.41**
Durable Goods	197.5	199.5	198.8	-1.0	-0.7	900.32	856.08	40.5	40.4	22.23	21.19
Wood Product Manufacturing	11.0	11.6	11.0	-4.5	0.6	—	—	—	—	—	—
Fabricated Metal Production	42.2	42.1	42.2	0.2	-0.1	—	—	—	—	—	—
Machinery Manufacturing	32.6	32.9	32.7	-1.0	-0.3	—	—	—	—	—	—
Computer and Electronic Product	45.2	45.1	44.9	0.4	0.7	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	26.3	26.3	26.0	0.0	1.2	—	—	—	—	—	—
Transportation Equipment	10.2	10.3	10.5	-1.2	-2.9	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	16.0	16.2	15.9	-1.0	0.6	—	—	—	—	—	—
Nondurable Goods	116.4	117.2	115.1	-0.7	1.2	801.54	777.49	39.7	40.6	20.19	19.15
Food Manufacturing	48.0	48.0	45.9	-0.1	4.4	—	—	—	—	—	—
SERVICE-PROVIDING	**2,462.0**	**2,503.9**	**2,445.6**	**-1.7**	**0.7**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**534.7**	**551.6**	**531.9**	**-3.1**	**0.5**	—	—	—	—	—	—
Wholesale Trade	132.1	132.8	130.5	-0.5	1.2	919.32	887.04	37.6	38.5	24.45	23.04
Retail Trade	295.9	307.3	295.6	-3.7	0.1	421.30	406.91	27.5	27.7	15.32	14.69
Motor Vehicle and Parts	34.9	35.4	34.7	-1.5	0.5	—	—	—	—	—	—
Building Material and Garden Equipment	24.7	25.8	24.4	-4.3	1.4	—	—	—	—	—	—
Food and Beverage Stores	57.9	58.4	55.4	-0.8	4.7	—	—	—	—	—	—
Gasoline Stations	24.9	25.3	24.8	-1.5	0.2	—	—	—	—	—	—
General Merchandise Stores	62.0	65.1	61.5	-4.9	0.8	371.28	355.73	28.0	28.3	13.26	12.57
Transportation,Warehouse, Utilities	106.7	111.5	105.7	-4.3	0.9	—	—	—	—	—	—
Transportation and Warehousing	94.5	99.1	93.5	-4.7	1.1	731.90	756.28	33.9	36.5	21.59	20.72
Information	**49.8**	**50.3**	**50.4**	**-1.1**	**-1.3**	**1,093.03**	**938.55**	**34.2**	**33.7**	**31.96**	**27.85**
Publishing Industries	18.9	19.2	19.3	-1.4	-1.8	—	—	—	—	—	—
Telecommunications	13.0	13.2	13.3	-1.5	-2.2	—	—	—	—	—	—
Financial Activities	**176.8**	**179.5**	**178.3**	**-1.5**	**-0.9**	—	—	—	—	—	—
Finance and Insurance	142.9	145.2	144.4	-1.6	-1.0	1,121.10	1,102.50	37.0	37.5	30.30	29.40
Credit Intermediation	62.5	63.6	63.8	-1.8	-2.0	794.73	776.06	35.4	35.1	22.45	22.11
Securities, Commodity Contracts, and Other	19.3	19.6	19.5	-1.4	-0.7	—	—	—	—	—	—
Insurance Carriers and Related	61.1	62.0	61.1	-1.4	0.0	—	—	—	—	—	—
Real Estate and Rental and Leasing	33.9	34.3	34.0	-1.3	-0.3	—	—	—	—	—	—
Professional and Business Services	**367.9**	**376.9**	**366.1**	**-2.4**	**0.5**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	160.4	159.8	158.2	0.4	1.4	—	—	—	—	—	—
Legal Services	18.1	18.4	18.1	-1.7	0.3	—	—	—	—	—	—
Accounting, Tax Preparation	17.1	15.5	16.7	10.1	2.1	—	—	—	—	—	—
Computer Systems Design	35.2	35.7	36.9	-1.4	-4.6	—	—	—	—	—	—
Management of Companies and Enterprises	78.0	79.4	79.4	-1.8	-1.8	—	—	—	—	—	—
Administrative and Support Services	129.5	137.8	128.5	-6.0	0.8	—	—	—	—	—	—
Educational and Health Services	**533.6**	**541.5**	**525.3**	**-1.5**	**1.6**	—	—	—	—	—	—
Educational Services	66.8	68.2	63.8	-1.9	4.7	—	—	—	—	—	—
Health Care and Social Assistance	466.7	473.3	461.5	-1.4	1.1	—	—	—	—	—	—
Ambulatory Health Care	153.0	155.9	151.4	-1.9	1.1	1,362.71	1,346.76	37.0	36.0	36.83	37.41
Offices of Physicians	74.4	74.8	72.8	-0.5	2.2	—	—	—	—	—	—
Hospitals	111.5	112.4	110.5	-0.8	0.9	—	—	—	—	—	—
Nursing and Residential Care Facilities	107.3	109.0	107.0	-1.6	0.3	489.60	482.92	29.3	29.5	16.71	16.37
Social Assistance	94.9	96.0	92.6	-1.2	2.4	—	—	—	—	—	—
Leisure and Hospitality	**252.6**	**254.7**	**253.9**	**-0.8**	**-0.5**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	39.9	41.8	38.8	-4.6	2.9	—	—	—	—	—	—
Accommodation and Food Services	212.7	212.9	215.1	-0.1	-1.1	—	—	—	—	—	—
Food Services and Drinking Places	187.1	187.3	189.8	-0.1	-1.4	262.96	267.26	19.0	19.9	13.84	13.43
Other Services	**114.6**	**115.6**	**115.1**	**-0.8**	**-0.4**	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	64.3	64.3	64.5	0.0	-0.4	—	—	—	—	—	—
Government	**432.1**	**433.8**	**424.5**	**-0.4**	**1.8**						
Federal Government	32.3	32.3	32.2	0.0	0.2						
State Government	103.7	100.7	100.2	3.0	3.5						
State Government Education	64.4	61.2	61.3	5.1	5.1						
Local Government	296.2	300.9	292.2	-1.6	1.4						
Local Government Education	151.1	152.0	148.8	-0.6	1.5						

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

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

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

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

Numbers are unadjusted.

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jan 2018	Dec 2017	Jan 2017	Dec 2017	Jan 2017	Dec 2017	Jan 2017	Dec 2017	Jan 2017	Dec 2017	Jan 2017
TOTAL NONFARM WAGE AND SALARY	**1,960.9**	**1,998.4**	**1,948.0**	**-1.9%**	**0.7%**	—	—	—	—	—	—
GOODS-PRODUCING	**264.3**	**271.3**	**263.1**	**-2.6**	**0.5**	—	—	—	—	—	—
Mining, Logging, and Construction	**69.4**	**76.0**	**69.0**	**-8.7**	**0.6**	—	—	—	—	—	—
Construction of Buildings	16.7	17.6	16.7	-4.9	0.0	—	—	—	—	—	—
Specialty Trade Contractors	47.2	52.4	47.1	-9.8	0.2	$1,267.50	$1,268.09	37.5	36.2	$33.80	$ 35.03
Manufacturing	**194.9**	**195.3**	**194.1**	**-0.2**	**0.4**	**907.71**	**890.43**	**41.6**	**41.3**	**21.82**	**21.56**
Durable Goods	132.0	132.4	132.3	-0.3	-0.3	948.51	902.00	42.1	41.0	22.53	22.00
Fabricated Metal Production	29.4	29.2	29.5	0.6	-0.5	—	—	—	—	—	—
Machinery Manufacturing	19.9	20.1	20.0	-1.2	-0.7	—	—	—	—	—	—
Computer and Electronic Product	37.0	36.7	36.5	0.7	1.4	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	24.8	24.8	24.4	0.1	1.6	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	15.0	15.0	14.8	-0.1	1.2	—	—	—	—	—	—
Nondurable Goods	63.0	63.0	61.8	0.0	1.9	826.62	865.68	40.6	41.8	20.36	20.71
Food Manufacturing	15.2	15.3	14.4	-0.6	5.6	—	—	—	—	—	—
Printing and Related	14.4	14.4	14.7	-0.6	-2.4	—	—	—	—	—	—
SERVICE-PROVIDING	**1,696.6**	**1,727.1**	**1,684.9**	**-1.8**	**0.7**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**360.5**	**372.0**	**358.2**	**-3.1**	**0.7**	—	—	—	—	—	—
Wholesale Trade	96.7	98.3	96.3	-1.6	0.4	894.83	874.94	37.3	39.2	23.99	22.32
Merchant Wholesalers - Durable Goods	48.8	49.4	48.4	-1.3	0.7	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	28.2	28.5	28.3	-1.1	-0.5	—	—	—	—	—	—
Retail Trade	189.4	196.3	188.0	-3.5	0.8	438.08	412.61	28.3	28.3	15.48	14.58
Food and Beverage Stores	35.2	35.9	34.1	-2.1	3.2	—	—	—	—	—	—
General Merchandise Stores	38.2	40.6	38.1	-6.0	0.2	362.65	329.19	28.2	28.6	12.86	11.51
Transportation, Warehouse, Utilities	74.4	77.4	73.9	-3.8	0.7	—	—	—	—	—	—
Utilities	7.3	7.4	7.3	-0.9	0.0	—	—	—	—	—	—
Transportation and Warehousing	67.1	70.0	66.6	-4.1	0.8	761.02	731.60	35.2	36.2	21.62	20.21
Information	**37.4**	**37.6**	**38.1**	**-0.6**	**-1.8**						
Publishing Industries	15.1	15.3	15.2	-1.2	-0.9	—	—	—	—	—	—
Telecommunications	8.2	8.5	8.8	-3.9	-7.3	—	—	—	—	—	—
Financial Activities	**144.8**	**145.0**	**144.0**	**-0.1**	**0.6**	—	—	—	—	—	—
Finance and Insurance	116.7	117.0	116.6	-0.3	0.1	1,192.31	1,197.76	37.4	38.0	31.88	31.52
Credit Intermediation	47.3	47.4	47.7	-0.3	-0.8	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	17.5	17.5	17.4	0.1	0.4	—	—	—	—	—	—
Insurance Carriers and Related	51.9	52.1	51.5	-0.4	0.8	—	—	—	—	—	—
Real Estate and Rental and Leasing	28.1	28.0	27.4	0.4	2.7	—	—	—	—	—	—
Professional and Business Services	**313.1**	**322.3**	**316.7**	**-2.9**	**-1.1**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	138.2	138.5	138.5	-0.2	-0.2	—	—	—	—	—	—
Legal Services	15.6	15.8	15.4	-1.6	0.8	—	—	—	—	—	—
Architectural, Engineering, and Related	18.9	19.1	18.4	-1.0	2.7	—	—	—	—	—	—
Computer Systems Design	32.4	32.6	34.0	-0.7	-4.9	—	—	—	—	—	—
Management of Companies and Enterprises	70.7	72.3	72.6	-2.2	-2.7	—	—	—	—	—	—
Administrative and Support Services	104.2	111.5	105.5	-6.6	-1.3	—	—	—	—	—	—
Employment Services	47.1	51.9	50.2	-9.1	-6.0	—	—	—	—	—	—
Educational and Health Services	**328.9**	**335.9**	**323.4**	**-2.1**	**1.7**	—	—	—	—	—	—
Educational Services	44.0	46.5	41.3	-5.4	6.4	—	—	—	—	—	—
Health Care and Social Assistance	284.9	289.3	282.1	-1.5	1.0	—	—	—	—	—	—
Ambulatory Health Care	90.6	92.0	90.0	-1.5	0.6	—	—	—	—	—	—
Hospitals	66.5	67.1	65.4	-0.8	1.7	—	—	—	—	—	—
Nursing and Residential Care Facilities	59.5	60.9	59.6	-2.2	-0.2	—	—	—	—	—	—
Social Assistance	68.4	69.5	67.0	-1.6	2.0	—	—	—	—	—	—
Leisure and Hospitality	**177.1**	**178.9**	**177.1**	**-1.0**	**0.0**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	31.2	33.0	30.7	-5.2	1.8	—	—	—	—	—	—
Accommodation and Food Services	145.8	145.9	146.5	0.0	-0.4	286.64	287.00	20.3	20.5	14.12	14.00
Food Services and Drinking Places	133.6	133.6	132.6	0.0	0.7	278.76	279.77	19.7	20.2	14.15	13.85
Other Services	**80.6**	**80.9**	**79.2**	**-0.4**	**1.8**	—	—	—	—	—	—
Repair and Maintenance	14.6	14.6	14.5	-0.3	0.6	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	43.1	43.2	42.2	-0.3	1.9	—	—	—	—	—	—
Government	**254.2**	**254.5**	**248.2**	**-0.1**	**2.4**						
Federal Government	21.5	21.5	21.5	-0.3	0.0						
State Government	67.5	66.7	64.3	1.3	5.1						
State Government Education	41.1	40.2	38.3	2.2	7.4						
Local Government	165.2	166.3	162.4	-0.7	1.7						
Local Government Education	94.8	95.2	92.8	-0.4	2.2						

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

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

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

Employer Survey

Industry	Duluth-Superior MSA Jobs Jan 2018	Jobs Dec 2017	Jobs Jan 2017	% Chg. From Dec 2017	% Chg. From Jan 2017	Rochester MSA Jobs Jan 2018	Jobs Dec 2017	Jobs Jan 2017	% Chg. From Dec 2017	% Chg. From Jan 2017
TOTAL NONFARM WAGE AND SALARY	**135,469**	**137,760**	**133,754**	**-1.7%**	**1.3%**	**117,370**	**120,588**	**117,034**	**-2.7%**	**0.3%**
GOODS-PRODUCING	**15,883**	**16,455**	**15,239**	**-3.5**	**4.2**	**14,104**	**14,394**	**14,013**	**-2.0**	**0.6**
Mining, Logging, and Construction	8,436	8,852	7,954	-4.7	6.1	3,857	4,368	3,793	-11.7	1.7
Manufacturing	7,447	7,603	7,285	-2.1	2.2	10,247	10,026	10,220	2.2	0.3
SERVICE-PROVIDING	**119,586**	**121,305**	**118,515**	**-1.4**	**0.9**	**103,266**	**106,194**	**103,021**	**-2.8**	**0.2**
Trade, Transportation, and Utilities	24,792	25,498	24,655	-2.8	0.6	17,675	18,309	17,705	-3.5	-0.2
Wholesale Trade	3,194	3,224	3,214	-0.9	-0.6	2,608	2,696	2,598	-3.3	0.4
Retail Trade	15,273	15,580	15,331	-2.0	-0.4	12,229	12,661	12,347	-3.4	-1.0
Transportation, Warehouse, Utilities	6,325	6,694	6,110	-5.5	3.5	2,838	2,952	2,760	-3.9	2.8
Information	1,326	1,346	1,403	-1.5	-5.5	1,858	1,857	1,842	0.1	0.9
Financial Activities	5,884	5,953	5,844	-1.2	0.7	2,754	2,771	2,768	-0.6	-0.5
Professional and Business Services	7,732	7,961	7,790	-2.9	-0.7	5,158	5,259	5,196	-1.9	-0.7
Educational and Health Services	32,449	32,595	32,007	-0.4	1.4	48,216	49,976	48,732	-3.5	-1.1
Leisure and Hospitality	13,371	13,539	13,147	-1.2	1.7	10,457	10,617	9,869	-1.5	6.0
Other Services	6,547	6,586	6,616	-0.6	-1.0	3,962	4,013	3,963	-1.3	0.0
Government	27,485	27,827	27,053	-1.2	1.6	13,186	13,392	12,946	-1.5	1.9

Employer Survey

Industry	St. Cloud MSA Jobs Jan 2018	Jobs Dec 2017	Jobs Jan 2017	% Chg. From Dec 2017	% Chg. From Jan 2017	Mankato MSA Jobs Jan 2018	Jobs Dec 2017	Jobs Jan 2017	% Chg. From Dec 2017	% Chg. From Jan 2017
TOTAL NONFARM WAGE AND SALARY	**107,814**	**110,781**	**107,552**	**-2.7%**	**0.2%**	**58,138**	**58,911**	**56,502**	**-1.3**	**2.9%**
GOODS-PRODUCING	**20,950**	**21,682**	**20,445**	**-3.4**	**2.5**	**9,926**	**10,354**	**9,605**	**-4.1**	**3.3**
Mining, Logging, and Construction	5,545	6,229	5,444	-11.0	1.9	--	--	--	--	--
Manufacturing	15,405	15,453	15,001	-0.3	2.7	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**86,864**	**89,099**	**87,107**	**-2.5**	**-0.3**	**48,212**	**48,557**	**46,897**	**-0.7**	**2.8**
Trade, Transportation, and Utilities	21,859	22,782	22,412	-4.1	-2.5	--	--	--	--	--
Wholesale Trade	4,664	4,760	4,566	-2.0	2.1	--	--	--	--	--
Retail Trade	13,214	13,938	13,849	-5.2	-4.6	--	--	--	--	--
Transportation, Warehouse, Utilities	3,981	4,084	3,997	-2.5	-0.4	--	--	--	--	--
Information	1,517	1,552	1,575	-2.3	-3.7	--	--	--	--	--
Financial Activities	5,233	5,247	5,193	-0.3	0.8	--	--	--	--	--
Professional and Business Services	8,018	8,900	8,612	-9.9	-6.9	--	--	--	--	--
Educational and Health Services	22,207	22,283	21,532	-0.3	3.1	--	--	--	--	--
Leisure and Hospitality	8,638	8,720	8,848	-0.9	-2.4	--	--	--	--	--
Other Services	3,872	3,899	3,813	-0.7	1.5	--	--	--	--	--
Government	15,520	15,716	15,122	-1.2	2.6	9,796	9,708	9,513	0.9	3.0

Employer Survey

Industry	Fargo-Moorhead MSA Jobs Jan 2018	Jobs Dec 2017	Jobs Jan 2017	% Chg. From Dec 2017	% Chg. From Jan 2017	Grand Forks-East Grand Forks MSA Jobs Jan 2018	Jobs Dec 2017	Jobs Jan 2017	% Chg. From Dec 2017	% Chg. From Jan 2017
TOTAL NONFARM WAGE AND SALARY	**138,406**	**141,667**	**138,680**	**-2.3%**	**-0.2%**	**55,820**	**56,833**	**56,392**	**-1.8%**	**-1.0%**
GOODS-PRODUCING	**17,187**	**18,040**	**16,846**	**-4.7**	**2.0**	**6,829**	**7,085**	**6,748**	**-3.6**	**1.2**
Mining, Logging, and Construction	7,500	8,146	7,405	-7.9	1.3	2,526	2,749	2,536	-8.1	-0.4
Manufacturing	9,687	9,894	9,441	-2.1	2.6	4,303	4,336	4,212	-0.8	2.2
SERVICE-PROVIDING	**121,219**	**123,627**	**121,834**	**-2.0**	**-0.5**	**48,991**	**49,748**	**49,644**	**-1.5**	**-1.3**
Trade, Transportation, and Utilities	29,856	30,584	30,253	-2.4	-1.3	11,460	11,925	11,668	-3.9	-1.8
Wholesale Trade	8,853	8,946	8,924	-1.0	-0.8	1,777	1,821	1,822	-2.4	-2.5
Retail Trade	15,359	15,837	15,860	-3.0	-3.2	7,475	7,814	7,635	-4.3	-2.1
Transportation, Warehouse, Utilities	5,644	5,801	5,469	-2.7	3.2	2,208	2,290	2,211	-3.6	-0.1
Information	2,993	3,094	3,211	-3.3	-6.8	574	585	602	-1.9	-4.7
Financial Activities	11,225	11,340	11,214	-1.0	0.1	1,937	1,934	1,853	0.2	4.5
Professional and Business Services	15,170	15,284	15,401	-0.8	-1.5	3,378	3,315	3,035	1.9	11.3
Educational and Health Services	24,389	24,521	23,568	-0.5	3.5	9,735	9,809	9,592	-0.8	1.5
Leisure and Hospitality	12,921	13,306	13,551	-2.9	-4.7	5,579	5,708	6,281	-2.3	-11.2
Other Services	5,464	5,512	5,329	-0.9	2.5	1,966	1,997	1,992	-1.6	-1.3
Government	19,201	19,986	19,307	-3.9	-0.6	14,362	14,475	14,621	-0.8	-1.8

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

Minnesota Economic Indicators

Highlights

The recently revised **Minnesota Index,** after having increased 0.2 percent in each of the last two months of 2017, increased 0.1 percent in January. The U.S. index advanced 0.2 percent. Minnesota's index is up 3.7 percent over the year compared to 2.8 percent for the nation.

Minnesota's adjusted **Wage and Salary Employment** rose for the second month in a row increasing by 2,500 jobs. December's gain was revised from 8,900 to 2,500. All job growth in January was in the public sector which added 2,700 positions. State government payroll expansion accounted for most of the government job growth. Private sector employment decreased by 200 jobs. While six supersectors added workers only Leisure and Hospitality added more than 1,000 positions. Job loss topped 1,000 in Educational and Health Services and Financial Activities.

Minnesota's unadjusted over the year job growth dropped to 0.7 percent, the lowest rate since October 2010. Over-the-year U.S. job growth in January was 1.5 percent. The 0.7 to 1.5 percent monthly gap was the largest for the state since June 2016. Minnesota's annual average job growth for 2017 was revised significantly downwards during annual benchmarking to 1.3 percent, the same rate as in 2016. Minnesota added 38,300 jobs in 2016, and 38,200 in 2017. The December to December growth for 2016 and 2017 was 29,700 and 30,600, respectively. Over the year job growth slowed during last six months of 2017 tailing off from a monthly average of 1.6 percent during the first half year to 1.1 percent during the second half.

Minnesota's annual average job growth lagged national job growth for the fourth straight year but by less than in previous years. Minnesota annual average job growth was 1.4, 1.6, 1.3 and 1.3 percent 2014, 2015, 2016 and 2017 compared to 1.9, 2.1, 1.8, and 1.6 percent for the U.S. Minnesota trailed U.S. job growth by 0.3 percentage points in 2017 down from 0.5 percentage points in 2016 as Minnesota's job growth rate was the same in 2016 and 2017, 1.3 percent, while U.S. job growth slipped from 1.8 percent to 1.6 percent in 2017.

The recently revised **Minnesota Leading Index** bounced back a tad in January, advancing to 1.3 in January from December's 1.1 reading. The index reached 2.0 last September before dropping for three months in a row. The 1.3 reading suggest that Minnesota's economy will expand by 1.3 percent over the next six months.

Online Help-Wanted Ads fell off in January sliding to 136,000. Online job postings declined 2.8 percent in Minnesota while nationwide postings remained flat from December. Minnesota's share of U.S. online help-wanted ads inched down to 2.8 percent from 2.9 percent. Minnesota's wage and salary employment in January continued to represent 2.0 percent of U.S. wage and salary employment. Minnesota's share of nationwide online help-wanted ads continues to be disproportionately higher than its share of national employment.

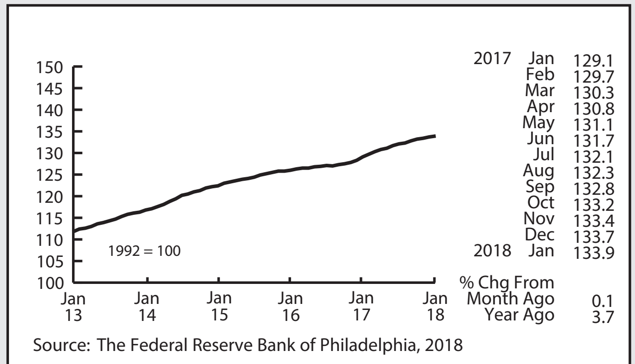
Minnesota's **Purchasing Managers' Index (PMI)** dipped for the second month in a row to 55.8, the lowest reading since last February. The index peaked last June and has been tailing off since. Minnesota manufacturers, after gaining momentum during the first half of 2017, have apparently shifted down a gear or two during the last few months. The corresponding national index increased to 59.1 while the Mid-American index fell to 57.3.

Adjusted average weekly **Manufacturing Hours** crept down to 40.7 in December. The factory workweek, after annual revisions, averaged 40.9 hours for 2017 which was up slightly from 40.7 in 2016. Average weekly **Manufacturing Earnings** retreated in December to $871.12. Seasonally and inflation adjusted factory earnings were up 2.6 percent from last year. Revised 2017 annual average manufacturing earnings were up 2.5 percent in real terms from 2016.

Adjusted **Residential Building Permits,** after having been flat over the last half of 2017, spiked upwards in January to 2,266. That's the highest level since last March. January's spike was from a large bump in building permits for apartments. Construction employment grew by 3.0 percent in 2017 which was an improvement over the 0.9 percent in 2016. The 119,600 average annual construction employment in 2017 was roughly 7.5 percent short of the all-time high of 129,400 during the housing boom days in 2005.

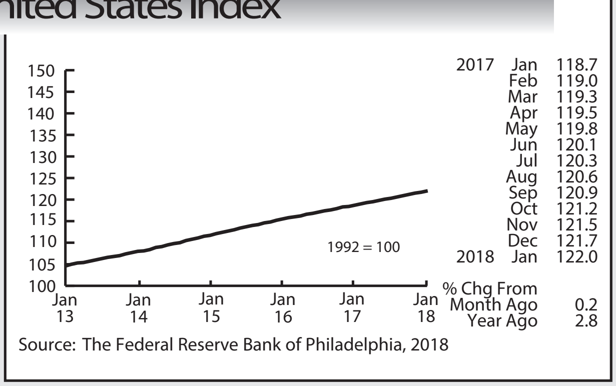
Adjusted **Initial Claims for Unemployment Benefits (UB)** rose for the third consecutive month in January, climbing to 17,670, the highest total since December 2016. Unadjusted initial claims were up 14.2 percent from last January, the first over-the-year increase since August 2016. Despite the moderate uptick in initial claims over the last few months the level of initial claims, a proxy for layoff rate, remains near historical lows. January's seasonally adjusted unemployment rate remained at 3.3 percent for the fifth straight month. Unemployment in the state is at a 17-year low.

by Dave Senf



Minnesota Index

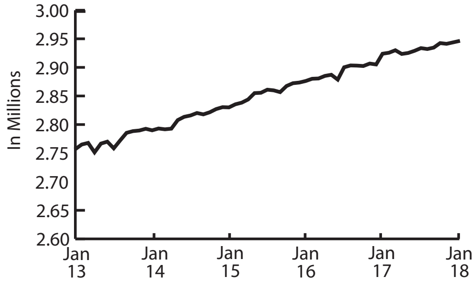
United States Index



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

Minnesota Economic Indicators

Wage and Salary Employment



seasonally adjusted

2017	Aug	2.9321
	Sep	2.9346
	Oct	2.9425
	Nov	2.9412
	Dec	2.9437
2018	Jan	2.9462

% Chg From Month Ago 0.1

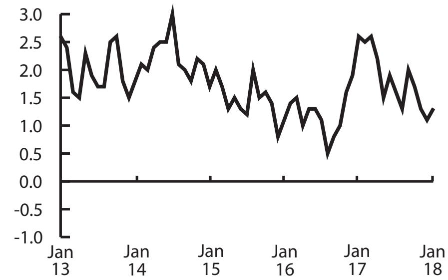
unadjusted

2017	Jan	2.8664
2018	Jan	2.8865

% Chg From Year Ago 0.7%

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

Minnesota Leading Index

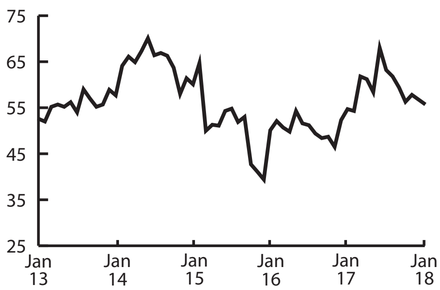


2017	Jan	2.6
	Feb	2.5
	Mar	2.6
	Apr	2.2
	May	1.5
	Jun	1.9
	Jul	1.6
	Aug	1.3
	Sep	2.0
	Oct	1.7
	Nov	1.3
	Dec	1.1
2018	Jan	1.3

% Chg From Month Ago 18.8
Year Ago -51.0

Source: The Federal Reserve Bank of Philadelphia, 2018

Purchasing Managers' Index

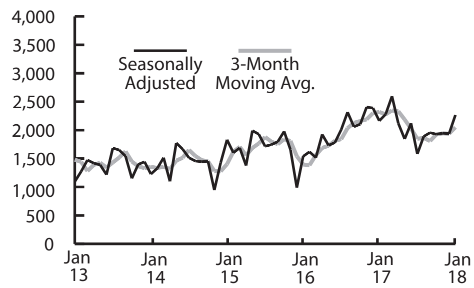


2017	Jan	54.7
	Feb	54.3
	Mar	61.8
	Apr	61.2
	May	58.4
	Jun	68.0
	Jul	63.2
	Aug	61.8
	Sep	59.4
	Oct	56.3
	Nov	57.8
	Dec	56.8
2018	Jan	55.8

% Chg From Month Ago -1.8
Year Ago 2.0

Source: Creighton University, Mid-America Survey of Business Conditions, 2018

Residential Building Permits



seasonally adjusted

2017	Aug	1,889
	Sep	1,955
	Oct	1,928
	Nov	1,946
	Dec	1,938
2018	Jan	2,266

% Chg From Month Ago 16.9

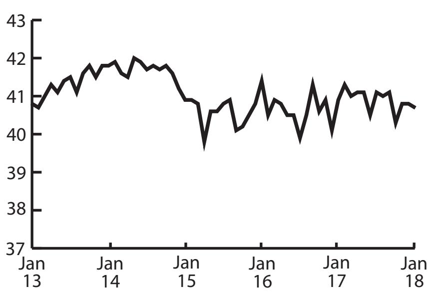
unadjusted

2017	Jan	1,521
2018	Jan	1,706

% Chg From Year Ago 12.2%

Source: Residential Building Permits, Census Bureau, U.S. Department of Commerce, 2018

Average Weekly Manufacturing Hours



seasonally adjusted

2017	Aug	41.0
	Sep	41.1
	Oct	40.3
	Nov	40.8
	Dec	40.8
2018	Jan	40.7

% Chg From Month Ago -0.2

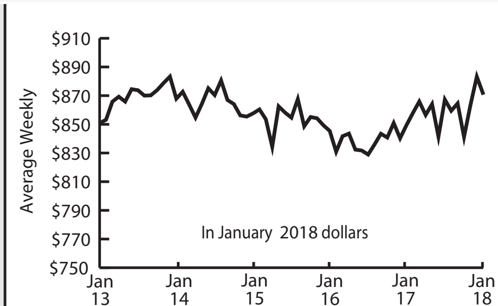
unadjusted

2017	Jan	40.5
2018	Jan	40.2

% Chg From Year Ago -0.7%

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

Manufacturing Earnings



seasonally adjusted

2017	Aug	859.45
	Sep	864.58
	Oct	841.20
	Nov	863.31
	Dec	883.23
2018	Jan	871.12

% Chg From Month Ago -1.4

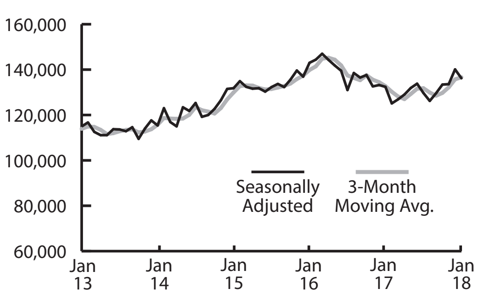
unadjusted

2017	Jan	826.6
2018	Jan	862.3

% Chg From Year Ago 4.3%

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

Online Help-Wanted Advertising

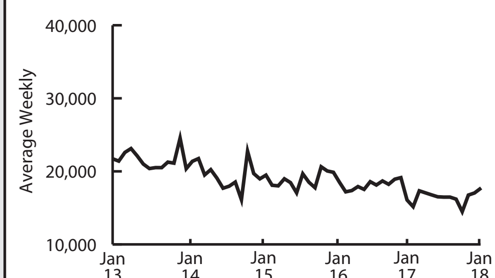


2017	Jan	132,400
	Feb	125,100
	Mar	126,900
	Apr	129,000
	May	131,900
	Jun	133,800
	Jul	129,700
	Aug	126,200
	Sep	129,600
	Oct	133,400
	Nov	133,600
	Dec	140,100
2018	Jan	136,200

% Chg From Month Ago -2.8
Year Ago 2.9

Source: The Conference Board Inc., 2018

Initial UB Claimants



seasonally adjusted

2017	Aug	16,475
	Sep	16,197
	Oct	14,481
	Nov	16,753
	Dec	17,040
2018	Jan	17,670

% Chg From Month Ago 3.7

unadjusted

2017	Jan	22,143
2018	Jan	25,291

% Chg From Year Ago 14.2%

Source: Department of Employment and Economic Development, Unemployment Insurance Program, 2018

Minnesota Employment **Review**

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

Labor Market Information
Help Line:
651.259.7384

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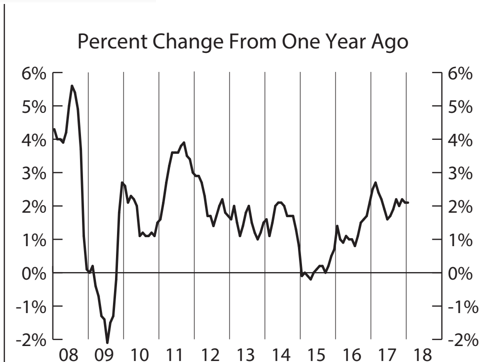
U.S. Consumer Price Index
for All Urban Consumers (CPI-U)



The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.5 percent in January on a seasonally adjusted basis the U.S. Bureau of Labor Statistics reported today. The seasonally adjusted increase in the all items index was broad-based, with increases in the indices for gasoline, shelter, apparel, medical care, and food all contributing. The indices for airline fares and new vehicles were among those that declined over the month.

The all items index rose 2.1 percent for the 12 months ending January, the same increase as for the 12 months ending December. The index for all items less food and energy rose 1.8 percent over the past year, while the energy index increased 5.5 percent, and the food index advanced 1.7 percent.

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

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

The Last Word

A good time to look for a job is – now

When you're looking for a job, the more information and tools you have, the better. LMI's Job Vacancy Survey data tool (**MN.gov/deed/jvs**) shows the number of job openings, wage offers, and education requirements by occupation and industry, by region, and statewide. Look at the "Findings" tab of the Job Vacancy Survey. As of the fourth quarter of 2017, there were about 114,000 job vacancies across Minnesota and about 101,500 unemployed persons to fill them – that's less than one unemployed person for every job vacancy. So this is definitely a good time to be in the job market, because employers are looking for workers to fill their job openings. And if you're looking in Health Care and Social Assistance, that industry had the most.

The employment and unemployment data in this publication were produced in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Net Earnings Sources Across Minnesota Counties

Last year household incomes across Minnesota counties, as estimated by the American Community Survey (ACS), were examined in *Review*.[1] Household income, which is more commonly referred to as money income, is one of two widely used measure of income. Personal income, as estimated by the Bureau of Economic Analysis, is the other commonly used income measure. Its main component, net earnings, is explored in this article by examining net earnings differences across Minnesota counties. Net earnings, like personal income data for counties, is available starting in 1969 but only 2001 - 2016 data are presented here.

Personal income data, unlike the ACS money income data which come from household surveys, are based primarily on administration records, such as income tax and unemployment insurance records.[2] Total personal income in Minnesota was $287.3 billion in 2016 or $52,000 per capita. That compares to the 2016 total money income estimate from ACS of $185.7 billion and $34,500 per capita.

The substantial difference between the two incomes measures arises primarily from noncash benefits, such as Medicaid and Medicare, being counted in personal income but not in money income. The ACS money income estimate is designed to exclude transfer payments while personal income calculations include most transfer payments.[3]

Of interest here is income earned from work which is captured in the BEA's net earnings component of personal income. Net earnings totaled $189.4 billion in 2016, accounting for 65.6 percent of Minnesota's $287.2 billion personal income total that year. Dividends, interest, and rents ($53.3 billion) and personal current transfer receipts ($45.6 billion) are the two other major components that when summed with net earnings yield total state personal income.

The net earnings estimate from the BEA is adjusted to subtract earnings from workers who commute into Minnesota for work and to add earnings by Minnesotans who work outside the state. Minnesota is a net loser when it comes to interstate work related commuting as the adjustment in 2016 was roughly a loss of $1.4 billion in earnings. In other words Minnesota's earnings were reduced by roughly 0.8 percent by residents from other states working in Minnesota and taking their paychecks home.

Work commuting patterns play a much large role in determining net earnings at the county level since there is a lot more intercounty commuting than interstate commuting. Table 1 lists the counties that gain the most and lose the most earnings in percentage terms as a result of workers commuting across county lines. The largest net gainers are counties that form a circle around Hennepin and Ramsey counties in the metro area.

Washington County (Stillwater and Woodbury) leads the state as county earnings increase 34.6 percent from residence working outside the county. Ramsey County (St. Paul) is the biggest loser with 30.6 percent of earnings earned in the county leaking out of the county. Plenty of jobs in Thief River Falls (Pennington), Morris (Stevens), and Marshall (Lyon) relative to the surrounding counties explain the leakage of paychecks earned in those counties to surrounding counties. More than 10 percent of earnings for 48 counties in Minnesota are earned outside the counties. Ten counties

[1]Household Income Sources Across Minnesota Counties, Minnesota Employment Review, August 2017 - https://mn.gov/deed/newscenter/publications/review/august-2017/household-income-counties.jsp.
[2]For more information on personal income sources see - https://www.bea.gov/regional/pdf/lapi2016.pdf. State and county level personal income data can be downloaded from https://www.bea.gov/regional/index.htm.
[3]For more information on alternative measures of income see - https://www.bea.gov/about/pdf/AlternativemeasuresHHincomeFESAC121404.pdf

see more than 10 percent of earnings transferred out of the county through workers' commuting in from nearby counties.

The wages and salaries and self-employment income components of ACS money income are in theory the same as BEA's net earnings. The 2016 ACS estimates of work related earnings of $152 billion, however, is roughly 20 percent short of the $188.4 billion BEA reported using administration records. Minnesotans apparently make a lot more money than the ACS survey captures. The earnings discrepancy is most likely caused both by underreporting by ACS survey responders and by problems with the survey's methodology.

Table 4 breaks downs Minnesota's 2016 BEA earnings into eight categories that are discussed here and presented graphically at Tableau Public.[4] BEA estimates that within Minnesota workers and self-employed individuals earned $214.6 billion which was 1.9 percent of the $11.3 trillion earned nationwide. Contributions for government social insurance programs like Social Security and Medicare are subtracted as is net earnings by commuters, Adjustment for Residence (see Table 1).

The majority of earnings are generated in the private nonfarm sector where 76.7 percent of all earnings generated in 2016 came from wages and salaries, also known as private nonfarm compensation.

Private sector self-employed income accounted for 9.1 percent of earnings, and farm earnings accounted for 1.8 percent. The other 13.2 percent of Minnesota earnings are generated as public sector worker earnings. State and local government pay accounted for 11.4 percent of earnings while federal workers' pay accounts for 1.8 percent of earnings.

Minnesota's per capita net earnings in 2016 was $34,124 which was 9.6 percent higher than the U.S. average. All but seven counties had per capita net earnings below the state average (see Table 2). All of the counties with per capita net earnings above the Minnesota average were metropolitan statistics area counties except for Kittson County. The counties with the lowest per capita

Table 1. Adjustments for Residency/ Commuting

Percent Gain in County Earnings		
1	Washington	34.6
2	Houston	34.1
3	Sherburne	33.7
4	Chisago	32.8
5	Scott	32.1
6	Wright	31.7
7	Carver	31.5
8	Isanti	31.5
9	Sibley	29.2
10	Dodge	29.1
	Minnesota	**-0.8**
Percent Loss in County Earnings		
78	Cook	-10.4
79	Lyon	-11.9
80	Olmsted	-13.2
81	Stearns	-13.6
82	Stevens	-16.4
83	Blue Earth	-17.1
84	Wadena	-19.2
85	Pennington	-24.6
86	Hennepin	-27.0
87	Ramsey	-30.6

Source : Author's calculations using BEA Personal Income data.

Table 2. 2016 Per Capita Net Earnings

1	Carver	49,485
2	Hennepin	44,384
3	Washington	42,479
4	Scott	41,227
5	Dakota	39,557
6	Olmsted	36,850
7	Kittson	35,171
	Minnesota	**34,124**
8	Wright	33,430
9	Wilkin	33,355
10	Kandiyohi	32,418
78	Todd	20,296
79	Beltrami	20,188
80	Hubbard	20,064
81	Itasca	19,314
82	Cass	19,024
83	Pine	18,686
84	Faribault	18,397
85	Koochiching	18,187
86	Wadena	17,811
87	Mahnomen	16,957

Source : Author's calculations using BEA Personal Income data.

Table 3. 2016 Farm Earnings (Million Dollars)

1	Renville	100.9
2	Polk	97.0
3	Stearns	96.5
4	Murray	72.9
5	Redwood	69.3
6	Rock	67.8
7	Nobles	65.8
8	Kandiyohi	65.4
9	Lac qui Parle	62.3
10	Stevens	61.7
Farm Earnings as a Percent of County Net Earnings		
78	Kittson	32.3
79	Pipestone	30.1
80	Norman	28.4
81	Big Stone	27.0
82	Cottonwood	25.1
83	Kittson	24.3
84	Grant	22.0
85	Aitkin	19.6
86	Lac qui Parle	19.6
87	Traverse	18.9

Source : Author's calculations using BEA Personal Income data.

[4] County level earnings data are graphically presented four ways. First by actual value, then as a percent of state total, percent of total county earnings, and on a per capita basis. See – https://public.tableau.com/profile/magda.olson#!/vizhome/NetEarningsMinnesotaCounties/Sheet1?publish=yes

earnings are concentrated in the north central part of the state.

Kittson County borders North Dakota and Canada and is one of the state's least populated counties. The county has lost 4.8 percent of its population since 2010 while farm earnings have been strong since 2011. In 2011 the county ranked 21st in per capita earnings but zoomed up to second in 2013 as farm earnings tripled. About 97 percent of the ag production in Kittson County is crops such as spring wheat and sugar beets. Kittson County is the most farm dependent county in the state when measured by percent of 2016 county net earnings generated by ag production (see Table 3).

State and local government compensation as a percent of net earnings averages 12.9 across Minnesota. State and local government compensation consists of the paychecks to public employees such as public school teachers, county highway workers, state patrol officers, and faculty and staff at Minnesota public community and tech colleges, four-year colleges, and the University. Also included in local government compensation is the pay received by employees of American Indian tribal governments including casino employees.

That is why Mahnomen County leads the state in percent of net earnings arising from state and local government compensation. The entire county is within the White Earth Indian Reservation, and its workforce is the main reason 62.5 percent of 2016 net earnings in Mahnomen County are generated in the form of state and local government compensation. American Indian reservations are located in six of the top 10 state and local government compensation dependent counties (see Table 5). Ramsey County with its concentration of state employees at the State Capital and surrounding state buildings also ranks high when it comes to percent of net earnings accounted for by state and local government compensation.

Figure 1 provides a sample, using Stearns County, of the county-level data that are available to examine graphically. The data behind the various graphs available can also be

Table 4. Minnesota 2016 Net Earnings (Income from Work)

Earnings by Souce	Billions of Dollars	Percent of Earnings by Place of Work	Earnings Included
Earnings by place of work	214.6		Earnings by place of work- Consists of compensation of employees and proprietors' income.
Less: Contributions for government social insurance 3/	24.8	11.6	Contributions for government social insurance- Consists of all contributions for government social insurance (by employers, employees, self-employed persons, and by other individuals).
Private nonfarm compensation	164.6	76.7	Consists of compensation of employees in non farm private industries.
State and local government compensation	24.4	11.4	Consists of compensation of employees in state and local government.
Nonfarm proprietors' earnings	19.5	9.1	Non farm proprietors' income with inventory valuation and capital consumption adjustments is the current-production income (including income in kind) of sole proprietorships, partnerships, and tax-exempt cooperatives.
Federal government compensation	3.9	1.8	Consists of compensation of employees in the federal government.
Farm Earnings	2.1	1.0	Farm proprietors' income and farm workers compmentation. Farm proprietors' income consists of the income that is received by the sole proprietorships and the partnerships that operate farms. It excludes the income that is received by corporate farms.
Adjustment for residence	-1.4	-0.8	An adjustment made to those components of earnings and employee contributions to social insurance programs (income subject to adjustment) that are reported on a place-of-work basis to convert them to a place-of-residence basis reflecting the net flow of income of interarea commuters.
Net earnings by place of residence	188.4	87.8	Consists of earnings by place of work less contributions for government social insurance plus the adjustment for residence.

Source: Bureau of Economic Analysis (BEA)
https://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=6#reqid=70&step=24&isuri=1&7022=2&7023=0&7001=42&7090=70

downloaded. In addition to actual earnings data, the data can be viewed on a per capita, percent of Minnesota total, and percent of county total. The most important source of earnings in Stearns County is by far private nonfarm compensation.[5] The Great Recession's effect on private nonfarm compensation can be seen by the decline in 2009. Nonfarm private compensation is the leading earnings source in all counties except Mahnomen as discussed above.

State and local government compensation is the second largest earnings source in Stearns County in part from St. Cloud State University's payroll. State and local payrolls are the second largest source of earnings for 28 counties. A sizable amount of earnings become contributions to government social programs (Social Security and Medicare) and is subtracted in deriving county net earnings. Nonfarm proprietors' earnings ranks fourth in Stearns County but is the second largest earnings source in 11 counties. All of these counties are rural counties where a greater share of employment is self-employment. Federal government compensation is the smallest piece of the earning pie in most counties. Koochiching and Cook counties are places in the state where the federal government payroll contribution to earnings is significant.

Stearns County, as shown in Table 3, had farm earnings of $96.5 million in 2016. That was the third highest county farm earnings, but unlike most other counties with large farm earnings Stearns County has a diverse economy centered in St. Cloud. Farm earnings in Stearns County, as is true in all counties, is highly variable. Farm earnings in the county, just like statewide, spiked between 2010 and 2014, helping to offset some of the economic damage in other sectors during the Great Recession. Farm prices, however, have declined over the last few years as have farm earnings.

Knowing the sources of income in a county is one of the keys to understanding what economic engines drive a county's economy. The county earnings reviewed here represent a large share of income in a county and provide insights on how a county's economy is powered and how the sources of fuel have changed overtime.

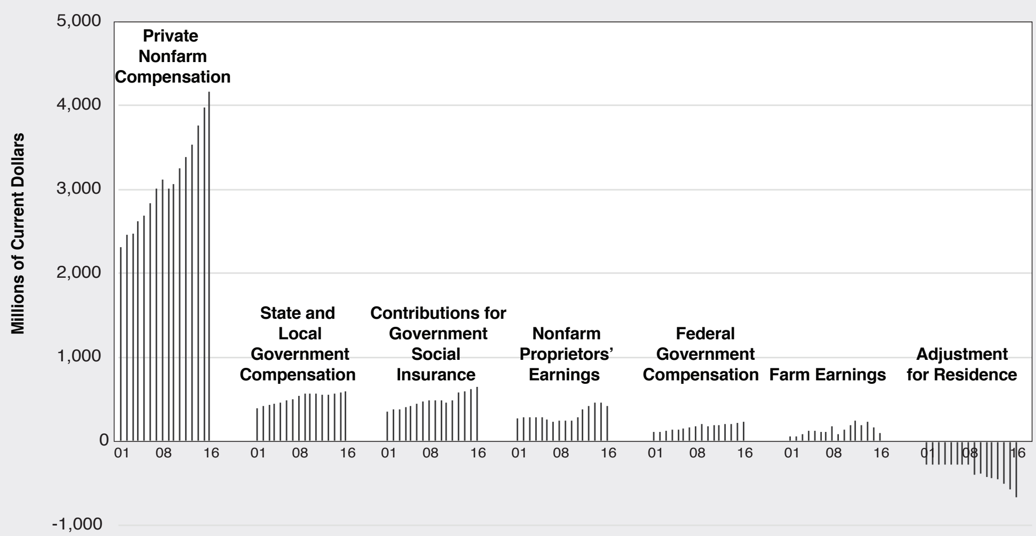
by Dave Senf

Table 5. State and Local Government Compensation as a Percent of County Net Earnings

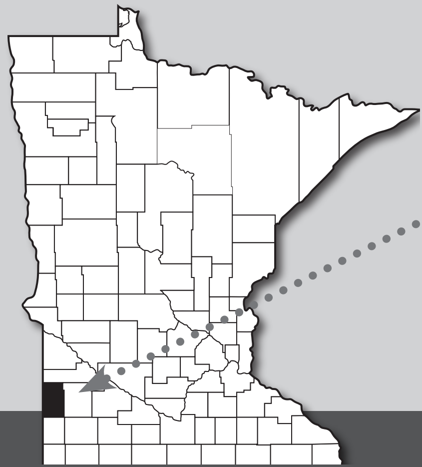
1	Mahnomen	62.5
2	Carlton	33.2
3	Beltrami	31.9
4	Cass	31.6
5	Cook	31.5
6	Mille Lacs	30.5
7	Wadena	26.9
8	Ramsey	26.3
9	Pine	26.1
10	Big Stone	23.1
	Minnesota	**12.9**
78	Anoka	8.9
79	Benton	8.8
80	Chisago	8.8
81	Sibley	8.5
82	Dakota	7.8
83	Le Sueur	7.7
84	Wright	7.7
85	Lincoln	7.3
86	Washington	6.6
87	Carver	5.9

Source : Author's calculations using BEA Personal Income data.

Figure 1. Stearns County Net Earnings by Source, 2001 - 2016



[5]Private compensation is available at industry level from BEA.



CountySnapshot

Lincoln

Past

Lincoln County, named to honor Abraham Lincoln, was established in 1873 in Southwestern Minnesota with Ivanhoe as the county seat, after some debate, since 1904. The Icelandic, Danish, and Norwegian people were the main settlers in the 1800s because they were more suited for the intense cold winter, farming methods, and weather variations. Agriculture and agribusiness has been the main industry for a century. Total farm revenue has increased from $77.3 million in 2000 to $216.7 million in 2013. The county has five incorporated cities and 15 townships.

Future

Lincoln County has lost 25% of its population since the 1970s, and we might see this trend continue. Education and Health Services jobs are likely to continue to decline because of population decreases. However, total construction jobs have increased 43%, and the wages for those jobs increased 84% since 2006. If the trend continues, total crop production will continue growing into the future.

Present Overview

The population of Lincoln County is 5,771, 80th of the 87 counties in Minnesota. The unemployment is similar to the state's. The median household income is about 22% lower than the state, and the cost of living is 20% lower than the state. There is no notable industry or Manufacturing within the County.

Economy

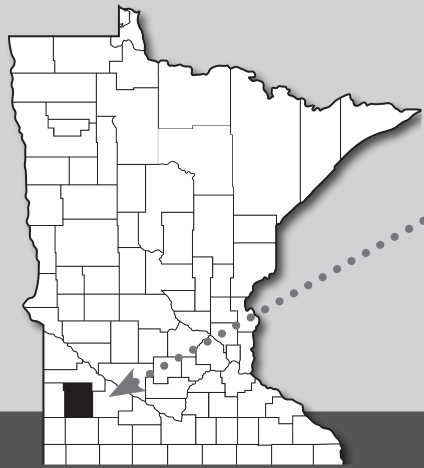
Estimates	Lincoln County	Minnesota
Population 2015	5,771	5,576,606
Labor Force 2017	3,373	2,959,248
Average Unemployment	3.8%	3.3%
Median Household Income	$49,438	$63,217
Cost of Living, Individual	$25,355	$29,856
Cost of Living, Average Family	$44,156	$55,200

Source: DEED Local Area Unemployment Statistics, Cost of Living; U.S. Census Bureau, 2016 American Community Survey

Industry

	Top Industries of Employment	Total 2016 Employment	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	**1,710**	**-2.3%**	**$33,852**	**45.6%**
1	Education and Health Services	554	-18.6%	$32,864	29.2%
2	Trade, Transportation, and Utilities	411	-1.2%	$35,880	60.1%
3	Construction	185	43.4%	$55,952	84.6%
4	Public Administration	124	-6.8%	$30,940	43.0%

Source: DEED Quarterly Census of Employment and Wages 2006-2015



CountySnapshot
Lyon

Past

Lyon County, named for General Nathaniel Lyon who was killed in the Civil War, was established in 1868 in Southwestern Minnesota as the railroad lines were first built through the county. Marshall is the county seat. Lyon County's employment over the century was mainly in farming. The population has been steady at 25,000 since 1970. The Education and Health Services jobs have seen the only major job increases in the last decade, all of that increase was in Health Services jobs. The Trade, Transportation, and Utilities, Manufacturing, and Professional and Business Services industries have all seen modest decreases in employment over the last decade.

Future

Education employment is likely to stay the same while the Healthcare and Social Assistance industry continues to increase in employment as the population ages. The long term trend in Manufacturing portends increasing wages and decreasing employment.

Present Overview

It is common for Education and Health Services to be the largest employer in a rural Minnesota county. However, it is less common for Manufacturing to be the #3 industry. Manufacturing is the third largest industry and pays wages 26% over the average family's cost of living. The fourth largest employer Professional and Business Services is 32% above the average family's cost of living. These both represent the best places to work based on wages.

Economy

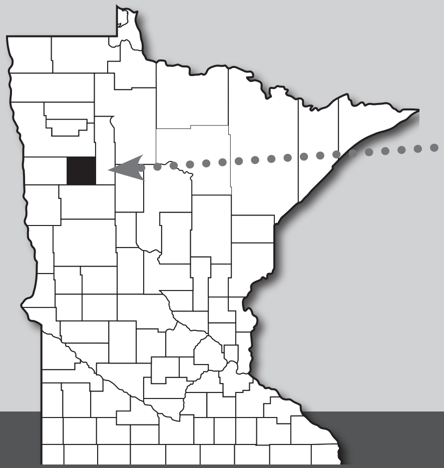
2016 Estimates	Lyon County	Minnesota
Population	25,673	5,576,606
Labor Force	15,377	2,959,248
Average Unemployment	2.9%	3.3%
Median Household Income	$51,920	$63,217
Cost of Living, Individual	$23,588	$29,856
Cost of Living, Average Family	$41,259	$55,200

Source: DEED Local Area Unemployment Statistics, Cost of Living; U.S. Census Bureau, 2016 American Community Survey

Industry

	Top Industries of Employment	Total 2016 Employment	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	**14,590**	**-2.5%**	**$40,508**	**28.3%**
1	Education and Health Services	3,623	18.8%	$40,612	40.2%
2	Trade, Transportation, and Utilities	3,013	-13.9%	$33,020	11.5%
3	Manufacturing	2,150	-4.2%	$51,168	48.6%
4	Professional and Business Services	1,456	-13.6%	$54,444	23.4%

Source: DEED Quarterly Census of Employment and Wages 2006-2015



CountySnapshot

Mahnomen

Present Overview

The entire county is still within the White Earth Indian Reservation. Leisure and Hospitality make up the largest employer and total wages for the county. The Gambling Industries make up a large majority of that employment and total wages. Education and Health Services are a distance second in employment for the County. Public Administration, which is primarily tribal officials, pays the best wages.

Past

The White Earth Indian Reservation was created by an 1867 treaty. Mahnomen County was established in 1907, just after the railroad lines were built through Mahnomen city. Mahnomen is the Ojibwe word for wild rice, a major crop in the county.   The reservation makes up the entirety of the Mahnomen County. The land has been rich in soil and timber. Bonanza farms, large farms mostly for wheat, were built in the early 1900s. The county is also noted for Red River Ox Carts used to move animal hides from the northwest part of the state to Saint Paul for shipping to the East Coast. The carts had no grease on the axel and could be heard for a considerable distance.

Future

The Gaming Industry is set to maintain its leading position as the largest employer and distributor of wages for Mahnomen County

Economy

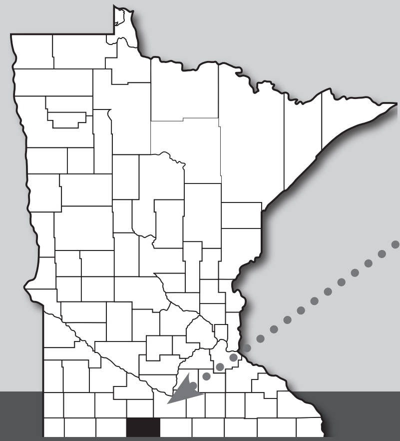
2016 Estimates	Mahnomen County	Minnesota
Population	5,457	5,576,606
Labor Force	2,336	2,959,248
Average Unemployment	4.8%	3.3%
Median Household Income	$41,597	$63,217
Cost of Living, Individual	$25,724	$29,856
Cost of Living, Average Family	$44,458	$55,200

Source: DEED Local Area Unemployment Statistics, Cost of Living; U.S. Census Bureau, 2016 American Community Survey

Industry

	Top Industries of Employment	Total 2016 Employment	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	**1,935**	**-7.1%**	**$33,800**	**31.3%**
1	Leisure and Hospitality	990	-7.2%	$29,380	28.4%
2	Education and Health Services	343	-7%	$40,300	32.3%
3	Trade, Transportation, and Utilities	256	-5.2%	$39,988	35.4%
4	Public Administration	143	7.5%	$47,929	61.4%

Source: DEED Quarterly Census of Employment and Wages 2006-2015



CountySnapshot
Marshall

Past

Marshall County, named for William R. Marshall, fifth governor of Minnesota who also served in the Civil War as a Brigadier General, was established in 1879. There were few white settlements in this area until railroad lines were built in 1872 and 1873. The railroads brought a wave of immigration, and in about 10 years nearly all the land was taken by homestead and preemption claims. Capitalists bought land and created Bonanza farms of up to 40,000 acres to produce spring wheat to be transported to Minneapolis for milling.[1] Agriculture has been the main industry since the 1800s. Since 1970 the population had decreased from approximately 13,000 people to less than 10,000.

Future

Manufacturing industry wages, if they follow the state trend, will continue to rise and the employment continue to decrease. It is also likely for employment in Educational Services to keep decreasing while the Healthcare and Social Services keeps increasing. This will continue if the population continues to decrease as the Baby Boomers get older.

Present Overview

It is common for rural counties to have Education and Health Services as the main industry and Public Administration in the top five industries. Trade, Transportation, and Utilities make up the bulk of the total wages. Agriculture and the agribusiness are still the base of the economy.

Economy

2016 Estimates	Marshall County	Minnesota
Population	9,423	5,576,606
Labor Force	5,811	2,959,248
Average Unemployment	8.4%	3.3%
Median Household Income	$56,340	$63,217
Cost of Living, Individual	$26,758	$29,856
Cost of Living, Average Family	$45,557	$55,200

Source: DEED Local Area Unemployment Statistics, Cost of Living; U.S. Census Bureau, 2016 American Community Survey

Industry

	Top Industries of Employment	Total 2016 Employment	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	**2,214**	**-5.3%**	**$40,352**	**45.9%**
1	Education and Health Services	582	1.2%	$35,308	32.4%
2	Trade, Transportation, and Utilities	456	-16%	$48,100	69.1%
3	Public Administration	284	2.2%	$44,460	43.0%
4	Manufacturing	265	-24.1%	$41,236	26.9%

Source: DEED Quarterly Census of Employment and Wages 2006-2015

[1]http://www.visitnwminnesota.com/Marshallhistory.htm

by Erik White