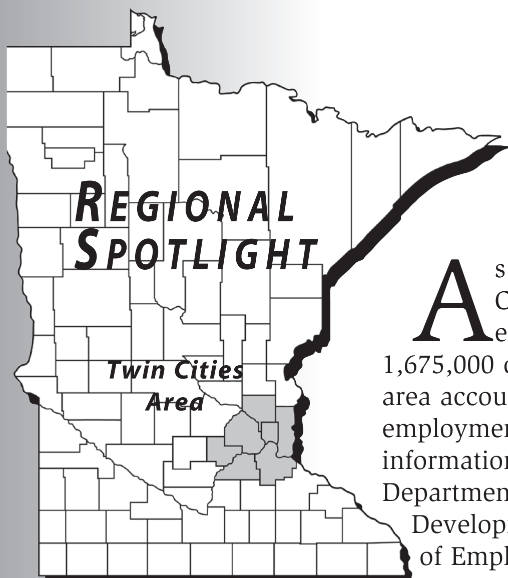
EMPLOYMENT AND ECONOMIC DEVELOPMENT

Minnesota Employment Review

Review ONLINE

mn.gov/deed/review

November 2016 Data...December 2016 Issue



Features:

Minnestoa's Millennial Mobility

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Distinquishing Industries in the Twin Cities

As of annual 2015 the Twin Cities Metro Area had 76,305 establishments supplying over 1,675,000 covered jobs. As such, the metro area accounts for 60 percent of the total employment in the state of Minnesota. This information comes from the Minnesota Department of Employment and Economic Development's (DEED) Quarterly Census of Employment and Wages (QCEW) program. While the sheer size of the metro area comes into focus with just a simple look at total employment, a much greater understanding can be gained by analyzing industry shares and concentration. What are the largest-employing industries in the metro area? What industries make the metro area stand out from Greater Minnesota? Which in-depth sectors of the economy are transforming or emerging? The following will provide answers to these questions, and in turn, provide a greater understanding of what makes the Twin Cities Metro Area distinguishable.

Twin Cities' Industry Employment

Using DEED's QCEW tool, you can discover how the Metro Area's 1,675,000 jobs are distributed among 20 major industry sectors, ranging from Health Care and Social Assistance to Mining. Beyond the 20 major industry sectors, users may also analyze in-depth industry subsectors. For example, Manufacturing is broken down into 21 separate subsectors, ranging from Food Manufacturing to Miscellaneous Manufacturing. Subsectors can be further broken down. Miscellaneous Manufacturing, for example, includes Surgical and Medical Instrument Manufacturing, Sporting and Athletic Goods Manufacturing, and Sign Manufacturing among others. All in all, there are six levels to industry classification, as standardized by the North American Industry Classification System (NAICS).[1] For the sake of brevity, this article will not analyze all six levels of industry classification.

[1]More information on the NAICS codes can be found here: www.census.gov/eos/www/naics/

At the broadest level of industry classification, the largest-employing industry sector in the metro area is Health Care and Social Assistance with over 250,000 jobs. Manufacturing comes in second with over 168,000 jobs, and Retail Trade comes in third with over 163,000 jobs. Altogether, these three industry sectors account for over one-third (34.8 percent) of the region's total employment. One step into the metro area's employment analysis, we can see the importance of three major industry sectors. It's easy to see why occupations such as registered nurses, home health aides, CNC operators, welders, and retail salespersons are in such high demand.

Zooming in on a higher NAICS level, we get a more complete picture of the metro's industry employment. The top three industry subsectors now include Educational Services, with nearly 129,000 jobs; Food Services and Drinking Places, with nearly 118,000 jobs; and Professional, Scientific, and Technical Services, with over 112,000 jobs. Altogether, more than one-fifth (21.4 percent) of the metro area's total jobs are in these three subsectors. Other subsectors at the top include Administrative and Support Services, Ambulatory Health Care Services, Management of Companies, and Public Administration. The top 10 employing industry subsectors account for just over half of the metro area's total employment (see Table 1).

Management of Companies, with over 69,000 jobs located in the Twin Cities, accounts for 88.5 percent of the state's total employment in that industry. Of the top-employing subsectors, Insurance Carriers and Related Activities; Professional, Scientific, and Technical Services; and Administrative and Support Services also account for a significant number of the state's total jobs in those industries. Other examples of industries with significant employment in the Twin Cities region include Air Transportation (95.2 percent of the state's total employment), Performing Arts, Spectator Sports, and Related Industries (84.6 percent), Real Estate (79.9 percent), Museums, Historical Sites, and Similar Institutions (78.5 percent), and Computer and Electronic Product Manufacturing (78.4 percent).

Location Quotients Revisited

Location quotients are often used to analyze employment concentrations of specific industries within local economies. If you are a dedicated reader of Employment Review, you have probably come across location quotients before. If you use the Department of Employment and Economic Development's (DEED) Quarterly Census of Employment and Wages (QCEW) tool, you have the appropriate data readily accessible to determine location quotients at the state, regional, county, and city levels. Luckily, once the employment data are collected, actually performing the calculations is straight forward. Here is the formula:

$$LQ_i = \left(\frac{e_i}{e}\right) / \left(\frac{E_i}{E}\right)$$

Where: e_i = Local employment in industry i
e = Total local employment
E_i = National employment in industry i
E = Total national employment

Table 1. Top-Employing Industry Sectors in the Twin Cities Metro Area, 2015

Industry Subsectors (3-Digit NAICS)			
Industry Subsector	Number of Jobs	Percent of Total Metro Employment	Percent of Total State Employment
Total, All Industries	**1,675,052**	**100.0%**	**60.4%**
Educational Services	128,634	7.7%	58.0%
Food Services and Drinking Places	117,829	7.0%	61.9%
Professional, Scientific, and Technical Services	112,665	6.7%	77.7%
Administrative and Support Services	92,338	5.5%	71.4%
Ambulatory Health Care Services	78,390	4.7%	55.0%
Management of Companies	69,117	4.1%	88.5%
Public Administration	68,837	4.1%	53.7%
Hospitals	61,940	3.7%	51.3%

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

Essentially, a location quotient for a particular industry is a ratio that compares the percentage of employment in that industry in a local economy to the percentage that same industry constitutes in a reference economy, typically the national economy.

Location quotient analysis indicates which industries have a comparatively larger or smaller presence in the local economy. A location quotient of 1.0 means that the share of employment in a particular industry in a local economy is exactly the same as the share of employment in the same industry nationally. If a location quotient is greater than one, the local share of employment in a particular industry exceeds the national share of employment in the same industry. Location quotients greater than 1.2 are generally considered to be significant and indicate relatively high production of a particular good or service.[2]

In-Depth Industry Analysis

Combining employment levels, location quotients, and recent growth, metro area industries can be placed into four different categories: star, mature, emerging, and transforming industries:

- "Star" industries are those with high concentrations of employment in the metro area that witnessed recent employment growth. These are specialized industries within the region, which are becoming even more specialized (see Table 2).

- "Mature" industries are those with high concentrations of employment in the metro area that experienced recent employment losses. These industries are currently specialized, but are at risk of becoming less so (see Table 3).

Table 2. Star Industries in the Twin Cities

Industry	Location Quotient	Q2 2016 Employment	Q2 2014 – Q2 2016 Employment Change
Computer and Electronic Product Manufacturing	2.7	35,954	2.1%
Management of Companies	2.5	69,428	0.2%
Miscellaneous Manufacturing	2.4	17,777	3.4%
Social Assistance	1.4	62,512	10.6%
Fabricated Metal Product Manufacturing	1.4	24,456	1.5%
Machinery Manufacturing	1.2	17,163	1.2%
Nursing and Residential Care Facilities	1.2	51,232	1.1%
Merchant Wholesalers, Durable Goods	1.2	43,884	2.8%

Note: Location Quotients are based on annual 2015 private sector employment data.
All Industries listed account for at least 1 percent of total Metro Area employment.

Table 3. Mature Industries in the Twin Cities

Industry	Location Quotient	Q2 2016 Employment	Q2 2014 – Q2 2016 Employment Change
Printing and Related Support Activities	2.6	14,312	-3.5%
Insurance Carriers and Related Activities	1.8	42,857	-9.2%
Publishing Industries (except Internet)	1.7	14,182	-10.8%
Real Estate	1.3	20,479	-18.8%
Wholesale Electronic Markets, Agents, and Brokers	1.2	13,120	-4.0%
Religious, Grant-making, and Civic Organizations	1.2	19,901	-1.7%

Note: Location Quotients are based on annual 2015 private sector employment data.
All Industries listed account for at least 1 percent of total Metro Area employment.

[2] McLean, Mary L., and Menneth P Voytek. *Understanding Your Economy: Using Analysis to Guide Local Strategic Planning.* Chicago, American Planning Association, 1992, pp. 61-66.

Table 4. Emerging Industries in the Twin Cities

Industry	Location Quotient	Q2 2016 Employment	Q2 2014 – Q2 2016 Employment Change
Professional, Scientific, and Technical Services	1.0	123,899	13.4%
Educational Services	1.0	133,422	1.0%
Amusement, Gambling, and Recreation Industries	1.0	21,422	6.8%
Hospitals	0.9	63,997	3.1%
Ambulatory Health Care Services	0.9	80,567	6.9%
Administrative and Support Services	0.9	91,577	1.5%
Clothing and Clothing Accessories Stores	0.9	14,706	9.5%
Food Services and Drinking Places	0.9	122,429	4.2%
Specialty Trade Contractors	0.9	45,579	14.3%
Construction of Buildings	0.8	14,510	6.9%
Motor Vehicle and Parts Dealers	0.7	17,953	6.3%
Food and Beverage Stores	0.7	27,855	7.8%

Note: Location Quotients are based on annual 2015 private sector employment data.
All Industries listed account for at least 1 percent of total Metro Area employment.

Table 5. Transforming Industries in the Twin Cities

Industry	Location Quotient	Q2 2016 Employment	Q2 2014 – Q2 2016 Employment Change
Paper Manufacturing	1.0	4,553	-3.2%
Miscellaneous Store Retailers	1.0	10,514	-4.7%
Electrical Equipment and Appliance Manufacturing	1.0	4,407	-4.6%
Merchant Wholesalers, Nondurable Goods	0.9	22,937	-1.1%
General Merchandise Stores	0.9	33,115	-0.6%
Telecommunications	0.9	8,206	-13.0%
Primary Metal Manufacturing	0.7	3,378	-3.2%
Food Manufacturing	0.6	11,067	-5.2%
Accommodation	0.5	15,498	-2.0%
Motion Picture and Sound Recording Industries	0.5	2,274	-4.6%

Note: Location Quotients are based on annual 2015 private sector employment data.

- "Emerging" industries have low concentrations of employment in the metro area but have witnessed recent employment growth. These industries are poised to become more specialized in the region (see Table 4).

- "Transforming" industries have low concentrations of employment in the metro area and have experienced recent employment losses. These industries would require significant investments to become more specialized in the region. New technologies and innovations may also be impacting employment in these industries (see Table 5).

While this type of analysis only looks at a snapshot in time, it reveals both the importance and the growth of key industries in the Twin Cities region. Check back with Employment Review often to see how the Twin Cities' distinguishing industries change with time.

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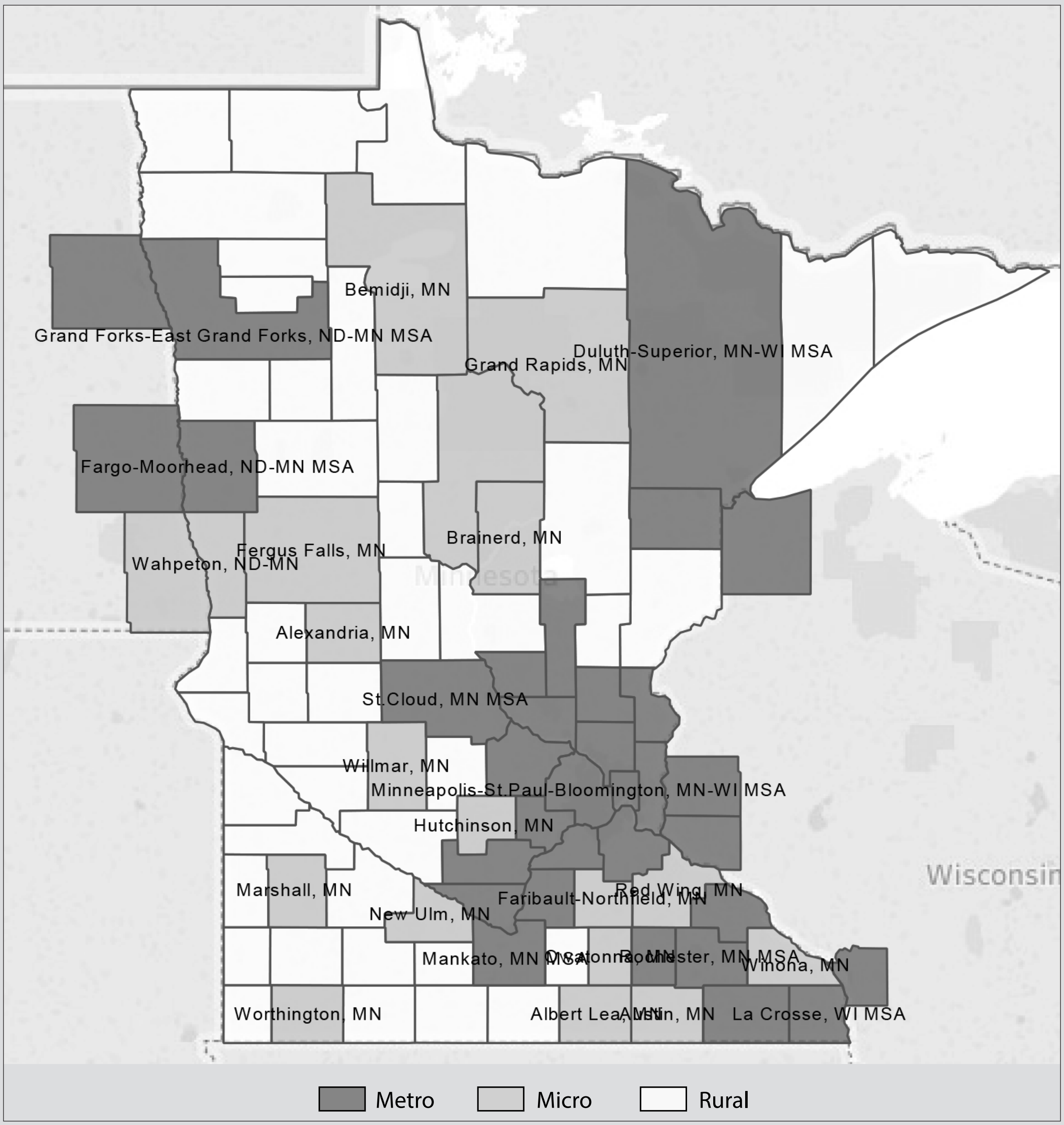
Regional Spotlight TWIN CITIES AREA

Fun With Statistics

by Amanda Rohrer

The U.S. Office of Management and Budget (OMB) maintains a list of county-based geographic areas for which statistics must be published. Their criteria include population and commuting patterns based on Census data, and as new data are released different areas may qualify. In July of 2015 OMB released new area definitions that added counties to the Minneapolis-St. Paul and Rochester MSAs, as well as adding and dropping Micropolitan statistical areas. Subsequently some data programs have had to change the areas for which data are released - Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) in particular. Since most Micropolitan areas (a small urban area) are made up of a single county, sometimes the county-level data are published under the Micropolitan name. Online readers can select an area type to focus on or click on counties in the highlighted areas for detail.

U.S.-Defined Statistical Areas of Minnesota



Labor Force Estimates

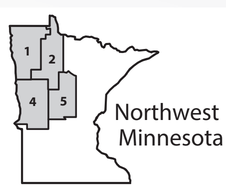
County/Area	Labor Force Nov 2016	Labor Force Oct 2016	Labor Force Nov 2015	Employment Nov 2016	Employment Oct 2016	Employment Nov 2015	Unemployment Nov 2016	Unemployment Oct 2016	Unemployment Nov 2015	Rate of Unemployment Nov 2016	Rate of Unemployment Oct 2016	Rate of Unemployment Nov 2015
United States ('000s)												
(Seasonally adjusted)	159,486	159,712	157,367	152,085	151,925	149,444	7,400	7,787	7,924	4.6%	4.9%	5.0%
(Unadjusted)	159,451	159,783	157,340	152,385	152,335	149,766	7,066	7,447	7,573	4.4	4.7	4.8
Minnesota												
(Seasonally adjusted)	2,981,927	2,986,558	3,019,789	2,867,564	2,868,228	2,909,234	114,363	118,330	110,555	3.8	4.0	3.7
(Unadjusted)	2,970,004	2,975,087	3,016,922	2,873,822	2,878,915	2,923,123	96,182	96,172	93,799	3.2	3.2	3.1
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	1,917,634	1,920,606	1,941,290	1,859,860	1,860,609	1,885,597	57,774	59,997	55,693	3.0	3.1	2.9
Duluth-Superior MSA	139,440	139,246	142,085	132,684	132,865	134,921	6,756	6,381	7,164	4.8	4.6	5.0
Rochester MSA	118,370	118,443	118,727	115,260	115,290	115,828	3,110	3,153	2,899	2.6	2.7	2.4
St. Cloud MSA	110,628	110,599	111,612	107,196	107,185	108,243	3,432	3,414	3,369	3.1	3.1	3.0
Mankato-N Mankato MSA	58,880	59,251	60,159	57,441	57,742	58,862	1,439	1,509	1,297	2.4	2.5	2.2
Fargo-Moorhead MSA	140,051	139,262	133,287	136,286	136,333	130,170	3,765	2,929	3,117	2.7	2.1	2.3
Grand Forks MSA	57,591	57,843	55,217	55,876	56,430	53,691	1,715	1,413	1,526	3.0	2.4	2.8
Region One	**48,406**	**48,193**	**49,415**	**46,455**	**46,576**	**47,505**	**1,951**	**1,617**	**1,910**	**4.0**	**3.4**	**3.9**
Kittson	2,438	2,436	2,510	2,360	2,373	2,416	78	63	94	3.2	2.6	3.7
Marshall	5,700	5,642	5,851	5,359	5,405	5,499	341	237	352	6.0	4.2	6.0
Norman	3,353	3,359	3,460	3,235	3,244	3,337	118	115	123	3.5	3.4	3.6
Pennington	8,997	8,931	9,078	8,601	8,626	8,751	396	305	327	4.4	3.4	3.6
Polk	17,267	17,286	17,768	16,710	16,758	17,199	557	528	569	3.2	3.1	3.2
Red Lake	2,324	2,304	2,371	2,182	2,185	2,238	142	119	133	6.1	5.2	5.6
Roseau	8,327	8,235	8,377	8,008	7,985	8,065	319	250	312	3.8	3.0	3.7
Region Two	**42,323**	**42,337**	**42,958**	**40,188**	**40,497**	**40,761**	**2,135**	**1,840**	**2,197**	**5.0**	**4.3**	**5.1**
Beltrami	23,708	23,636	24,024	22,745	22,733	23,002	963	903	1,022	4.1	3.8	4.3
Clearwater	4,633	4,571	4,696	4,273	4,291	4,317	360	280	379	7.8	6.1	8.1
Hubbard	9,214	9,343	9,387	8,641	8,857	8,814	573	486	573	6.2	5.2	6.1
Lake of the Woods	2,377	2,397	2,381	2,232	2,309	2,265	145	88	116	6.1	3.7	4.9
Mahnomen	2,391	2,390	2,470	2,297	2,307	2,363	94	83	107	3.9	3.5	4.3
Region Three	**159,501**	**159,582**	**163,466**	**150,753**	**151,780**	**154,419**	**8,748**	**7,802**	**9,047**	**5.5**	**4.9**	**5.5**
Aitkin	6,673	6,665	6,842	6,292	6,369	6,447	381	296	395	5.7	4.4	5.8
Carlton	16,989	16,972	17,405	16,219	16,238	16,592	770	734	813	4.5	4.3	4.7
Cook	2,950	3,108	3,003	2,814	3,020	2,874	136	88	129	4.6	2.8	4.3
Itasca	22,583	22,585	22,918	20,759	21,145	21,222	1,824	1,440	1,696	8.1	6.4	7.4
Koochiching	5,969	5,964	6,280	5,435	5,539	5,709	534	425	571	8.9	7.1	9.1
Lake	5,308	5,423	5,478	5,048	5,196	5,231	260	227	247	4.9	4.2	4.5
St. Louis	99,029	98,865	101,540	94,186	94,273	96,344	4,843	4,592	5,196	4.9	4.6	5.1
City of Duluth	43,898	44,146	44,879	42,527	42,567	43,502	1,371	1,579	1,377	3.1	3.6	3.1
Balance of St. Louis County	55,131	54,719	56,661	51,659	51,706	52,842	3,472	3,013	3,819	6.3	5.5	6.7
Region Four	**125,081**	**125,100**	**127,602**	**121,220**	**121,608**	**123,774**	**3,861**	**3,492**	**3,828**	**3.1**	**2.8**	**3.0**
Becker	18,184	18,110	18,670	17,502	17,535	17,935	682	575	735	3.8	3.2	3.9
Clay	35,767	35,637	36,342	34,865	34,737	35,517	902	900	825	2.5	2.5	2.3
Douglas	19,689	19,778	20,042	19,093	19,250	19,470	596	528	572	3.0	2.7	2.9
Grant	3,302	3,306	3,403	3,184	3,200	3,268	118	106	135	3.6	3.2	4.0
Otter Tail	30,235	30,347	30,959	29,134	29,393	29,838	1,101	954	1,121	3.6	3.1	3.6
Pope	6,504	6,496	6,578	6,320	6,341	6,413	184	155	165	2.8	2.4	2.5
Stevens	5,777	5,802	5,883	5,637	5,660	5,762	140	142	121	2.4	2.4	2.1
Traverse	1,817	1,805	1,893	1,770	1,757	1,836	47	48	57	2.6	2.7	3.0
Wilkin	3,806	3,819	3,832	3,715	3,735	3,735	91	84	97	2.4	2.2	2.5
Region Five	**80,403**	**80,670**	**82,250**	**76,340**	**77,468**	**78,093**	**4,063**	**3,202**	**4,157**	**5.1**	**4.0**	**5.1**
Cass	13,397	13,611	13,666	12,475	12,922	12,788	922	689	878	6.9	5.1	6.4
Crow Wing	30,413	30,697	31,093	28,944	29,536	29,542	1,469	1,161	1,551	4.8	3.8	5.0
Morrison	17,564	17,494	17,947	16,731	16,835	17,092	833	659	855	4.7	3.8	4.8
Todd	12,855	12,722	13,159	12,295	12,282	12,622	560	440	537	4.4	3.5	4.1
Wadena	6,174	6,146	6,385	5,895	5,893	6,049	279	253	336	4.5	4.1	5.3
Region Six East	**65,280**	**65,921**	**66,546**	**63,136**	**63,823**	**64,398**	**2,144**	**2,098**	**2,148**	**3.3**	**3.2**	**3.2**
Kandiyohi	23,695	23,772	24,247	23,002	23,106	23,526	693	666	721	2.9	2.8	3.0
McLeod	19,865	20,204	20,155	19,186	19,496	19,517	679	708	638	3.4	3.5	3.2
Meeker	13,151	13,167	13,370	12,710	12,761	12,925	441	406	445	3.4	3.1	3.3
Renville	8,569	8,778	8,774	8,238	8,460	8,430	331	318	344	3.9	3.6	3.9

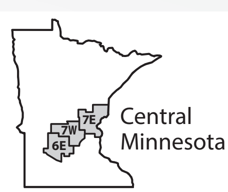
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

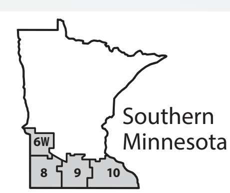
Labor Force Estimates

Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development, Local Area Unemployment Statistics, and North Dakota Job Service, 2016.

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Nov 2016	Oct 2016	Nov 2015	Nov 2016	Oct 2016	Nov 2015	Nov 2016	Oct 2016	Nov 2015	Nov 2016	Oct 2016	Nov 2015
Region Six West	**23,790**	**23,777**	**24,480**	**22,990**	**23,017**	**23,652**	**800**	**760**	**828**	**3.4%**	**3.2%**	**3.4%**
Big Stone	2,659	2,678	2,726	2,554	2,590	2,628	105	88	98	3.9	3.3	3.6
Chippewa	6,772	6,753	6,990	6,550	6,532	6,756	222	221	234	3.3	3.3	3.3
Lac Qui Parle	3,766	3,750	3,870	3,653	3,639	3,762	113	111	108	3.0	3.0	2.8
Swift	5,087	5,090	5,253	4,891	4,909	5,018	196	181	235	3.9	3.6	4.5
Yellow Medicine	5,506	5,506	5,641	5,342	5,347	5,488	164	159	153	3.0	2.9	2.7
Region Seven East	**84,470**	**84,311**	**85,782**	**80,888**	**81,086**	**82,314**	**3,582**	**3,225**	**3,468**	**4.2**	**3.8**	**4.0**
Chisago	28,570	28,551	28,971	27,549	27,569	27,979	1,021	982	992	3.6	3.4	3.4
Isanti	20,182	20,181	20,414	19,435	19,444	19,735	747	737	679	3.7	3.7	3.3
Kanabec	8,526	8,456	8,666	8,038	8,081	8,189	488	375	477	5.7	4.4	5.5
Mille Lacs	12,627	12,541	12,823	12,004	12,013	12,192	623	528	631	4.9	4.2	4.9
Pine	14,565	14,582	14,908	13,862	13,979	14,219	703	603	689	4.8	4.1	4.6
Region Seven West	**230,950**	**230,943**	**233,626**	**223,665**	**223,709**	**226,506**	**7,285**	**7,234**	**7,120**	**3.2**	**3.1**	**3.0**
Benton	21,780	21,718	22,068	21,037	21,037	21,244	743	681	824	3.4	3.1	3.7
Sherburne	49,131	49,091	49,824	47,469	47,482	48,191	1,662	1,609	1,633	3.4	3.3	3.3
Stearns	88,848	88,881	89,544	86,159	86,148	86,999	2,689	2,733	2,545	3.0	3.1	2.8
Wright	71,191	71,253	72,190	69,000	69,042	70,072	2,191	2,211	2,118	3.1	3.1	2.9
Region Eight	**66,034**	**66,356**	**67,629**	**64,105**	**63,994**	**65,764**	**1,929**	**2,362**	**1,865**	**2.9**	**3.6**	**2.8**
Cottonwood	5,859	5,962	6,038	5,564	5,402	5,783	295	560	255	5.0	9.4	4.2
Jackson	6,191	6,280	6,352	6,007	6,045	6,166	184	235	186	3.0	3.7	2.9
Lincoln	3,344	3,374	3,445	3,265	3,293	3,357	79	81	88	2.4	2.4	2.6
Lyon	15,037	15,103	15,443	14,651	14,691	15,059	386	412	384	2.6	2.7	2.5
Murray	5,121	5,169	5,221	4,970	4,992	5,053	151	177	168	2.9	3.4	3.2
Nobles	11,470	11,476	11,734	11,143	11,099	11,429	327	377	305	2.9	3.3	2.6
Pipestone	4,980	4,966	5,084	4,854	4,840	4,963	126	126	121	2.5	2.5	2.4
Redwood	8,098	8,100	8,303	7,828	7,825	8,048	270	275	255	3.3	3.4	3.1
Rock	5,934	5,926	6,009	5,823	5,807	5,906	111	119	103	1.9	2.0	1.7
Region Nine	**130,607**	**131,280**	**133,832**	**126,682**	**127,274**	**130,052**	**3,925**	**4,006**	**3,780**	**3.0**	**3.1**	**2.8**
Blue Earth	38,839	39,086	39,682	37,865	38,061	38,801	974	1,025	881	2.5	2.6	2.2
Brown	14,371	14,401	14,756	13,905	13,944	14,277	466	457	479	3.2	3.2	3.2
Faribault	7,280	7,415	7,560	7,005	7,141	7,288	275	274	272	3.8	3.7	3.6
Le Sueur	15,541	15,491	15,763	14,972	14,985	15,209	569	506	554	3.7	3.3	3.5
Martin	10,270	10,250	10,559	9,937	9,905	10,261	333	345	298	3.2	3.4	2.8
Nicollet	20,041	20,165	20,477	19,576	19,681	20,061	465	484	416	2.3	2.4	2.0
Sibley	8,611	8,603	8,738	8,332	8,341	8,465	279	262	273	3.2	3.0	3.1
Waseca	9,418	9,596	9,847	9,103	9,254	9,504	315	342	343	3.3	3.6	3.5
Watonwan	6,236	6,273	6,450	5,987	5,962	6,186	249	311	264	4.0	5.0	4.1
Region Ten	**276,608**	**276,814**	**280,375**	**268,926**	**268,990**	**273,050**	**7,682**	**7,824**	**7,325**	**2.8**	**2.8**	**2.6**
Dodge	11,457	11,455	11,532	11,143	11,148	11,205	314	307	327	2.7	2.7	2.8
Fillmore	11,445	11,434	11,500	11,081	11,092	11,157	364	342	343	3.2	3.0	3.0
Freeborn	15,946	15,909	16,417	15,359	15,394	15,843	587	515	574	3.7	3.2	3.5
Goodhue	26,401	26,449	27,008	25,617	25,669	26,247	784	780	761	3.0	2.9	2.8
Houston	10,528	10,447	10,697	10,210	10,131	10,374	318	316	323	3.0	3.0	3.0
Mower	20,301	20,219	20,679	19,801	19,683	20,169	500	536	510	2.5	2.7	2.5
Olmsted	83,369	83,460	83,502	81,268	81,269	81,617	2,101	2,191	1,885	2.5	2.6	2.3
City of Rochester	61,074	61,137	61,378	59,663	59,663	59,919	1,411	1,474	1,459	2.3	2.4	2.4
Rice	35,131	35,172	35,707	34,178	34,177	34,739	953	995	968	2.7	2.8	2.7
Steele	20,946	21,147	21,465	20,337	20,522	20,911	609	625	554	2.9	3.0	2.6
Wabasha	12,099	12,094	12,193	11,768	11,781	11,849	331	313	344	2.7	2.6	2.8
Winona	28,985	29,028	29,675	28,164	28,124	28,939	821	904	736	2.8	3.1	2.5
Region Eleven	**1,636,557**	**1,639,804**	**1,658,959**	**1,588,477**	**1,589,096**	**1,612,836**	**48,080**	**50,708**	**46,123**	**2.9**	**3.1**	**2.8**
Anoka	188,695	188,931	191,151	182,718	182,769	185,502	5,977	6,162	5,649	3.2	3.3	3.0
Carver	54,535	54,642	55,222	53,004	53,031	53,822	1,531	1,611	1,400	2.8	2.9	2.5
Dakota	231,210	231,653	234,446	224,612	224,665	228,027	6,598	6,988	6,419	2.9	3.0	2.7
Hennepin	671,141	672,575	680,451	651,545	651,869	661,596	19,596	20,706	18,855	2.9	3.1	2.8
City of Bloomington	46,052	46,154	46,707	44,737	44,759	45,427	1,315	1,395	1,280	2.9	3.0	2.7
City of Minneapolis	229,155	229,759	232,519	222,605	222,715	226,039	6,550	7,044	6,480	2.9	3.1	2.8
Ramsey	276,730	277,410	280,631	268,259	268,370	272,378	8,471	9,040	8,253	3.1	3.3	2.9
City of St. Paul	151,498	151,890	153,925	146,893	146,954	149,149	4,605	4,936	4,776	3.0	3.2	3.1
Scott	78,060	78,211	79,169	76,000	76,024	77,161	2,060	2,187	2,008	2.6	2.8	2.5
Washington	136,186	136,382	137,889	132,339	132,368	134,350	3,847	4,014	3,539	2.8	2.9	2.6







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

Overview

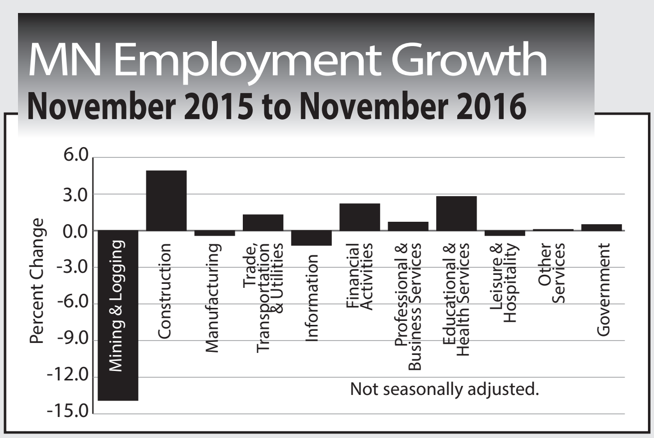
Minnesota added 5,000 jobs (0.2 percent) in November on a seasonally adjusted basis, and October's preliminary estimate of a loss of 12,500 jobs was revised up to a loss of 10,900 as the most recent estimates allayed some of last month's problems. Goods producers added 3,200 jobs (0.7 percent), and service providers added 1,800 (0.1 percent). The private sector added 5,800 jobs (0.2 percent), countering the loss of 800 jobs (0.2 percent) in the public sector. Over the year Minnesota added 31,978 jobs (1.1 percent). This growth marks a stabilization of the October rate, although it still represents a notable drop from the 1.5 percent over-the-year growth we saw in July and August. Most of November's growth came from service providers, which added 28,221 jobs (1.2 percent), while goods producers added 3,757 (0.8 percent). Private sector employers added 29,970 jobs (1.2 percent), and public sector employers added 2,008 (0.5 percent).

Mining and Logging

Employment in the Mining and Logging supersector was flat in November, holding at 5,600 jobs, while October's estimate was revised upward from 5,500 to 5,600 jobs. Over the year, employment in the supersector was off by 937 jobs (13.9 percent). The industry group has been showing a large negative over-the-year growth since December of 2015, which suggests that the rate may level off with next month's estimates.

Construction

Employment in the Construction supersector was up on a seasonally adjusted basis in November, adding 3,400 jobs (2.9 percent). This growth counters some of the losses the industry group suffered earlier in the year, as it lost 1,700 jobs in each of August and September. Annually Construction employers added 5,840 jobs (4.9 percent). Heavy and Civil Engineering Construction added 2,569 jobs (14.9 percent), making it the fastest growing subsector, while Specialty Trade Contractors added 2,518 (3.3 percent).



Source: Department of Employment and Economic Development, Current Employment Statistics, 2016.

Manufacturing

Minnesota Manufacturers lost 200 jobs (0.1 percent) in November on a seasonally adjusted basis. Non-Durable Goods Manufacturers lost 200 jobs (0.2 percent) while employment in Durable Goods Manufacturing was flat. Annually the Manufacturing supersector lost 1,156 jobs (0.4 percent). While Non-Durable Goods Manufacturing was actually up on the year, adding 901 jobs (0.8 percent) on the strength of an additional 1,777 jobs (3.8 percent) in Food Manufacturing, it was not enough to overcome the losses elsewhere. Durable Goods Manufacturing shed 2,057 jobs (1 percent) with Fabricated Metal Product Manufacturing (down 1,136 or 2.7 percent) and Transportation Equipment Manufacturing (down 426 or 3.8 percent) driving much of that contraction.

Trade, Transportation, and Utilities

Employment in Trade, Transportation, and Utilities was unmoved in November, sticking at 530,800 after October's estimate was revised up to that level from the initial estimate of 529,700. Gains in Wholesale Trade (up 1,600 or 1.2 percent) and Retail Trade (up 1,100 or 0.4 percent) were balanced by a loss of 2,700 (2.6 percent) in Transportation, Warehousing, and Utilities. Annually the supersector added 6,701 jobs (1.3 percent) with Retail Trade driving much of that growth (up 7,379 or 2.5 percent). Transportation, Warehousing, and Utilities added 1,303 jobs (1.3 percent) while Wholesale Trade lost 1,981 jobs (1.5 percent) as Durable Goods Merchant Wholesalers shed 1,129 jobs (1.7 percent).

Information

The Information supersector added 200 jobs (0.4 percent) in November on a seasonally adjusted basis. Annually the supersector lost 617 jobs (1.2 percent). Publishing Industries (except Internet) lost 830 jobs (4.2 percent) while Telecommunications lost 250 jobs (2 percent).

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

Financial Activities

The Financial Services supersector added 1,300 jobs (0.7 percent) in November. Finance and Insurance added 900 jobs (0.6 percent) while Real Estate and Rental and Leasing added 400 (1 percent). Over the year the supersector added 3,974 jobs (2.2 percent). Finance and Insurance added 2,762 jobs (1.9 percent) with growth in Securities, Commodity Contracts, and Other Financial Investments and Related Activities (up 902 or 4.7 percent) and Insurance Carriers and Related Activities (up 2,507 or 3.8 percent). Real Estate and Rental and Leasing kicked in an additional 1,185 new jobs, representing annual growth of 3 percent.

Professional and Business Services

Professional and Business Services shed 3,000 jobs (0.8 percent) in November. Administrative and Support and Waste Management and Remediation Services spurred the decline, losing 3,700 jobs (2.7 percent). It was the second straight month of losses of more than 1 percent for the sector. This may be a natural correction to earlier estimates, following a September in which the sector unexpectedly added 7,200 jobs (5.5 percent) on a seasonally adjusted basis. Annually the supersector added 2,589 jobs (0.7 percent). All three component sectors grew on the year, with Professional, Scientific, and Technical Services adding 926 jobs (0.6 percent), Management of Companies and Enterprises adding 1,415 (1.8 percent), and Administrative and Support and Waste Management and Remediation Services adding 248 (0.2 percent).

Educational and Health Services

Educational and Health Services added 2,500 jobs (0.5 percent) in November. Most of that came from Health Care and Social Assistance, which added 2,400 jobs (0.5 percent), while Educational Services added 100 jobs, growth of 0.2 percent from October's estimate. Annually Educational and Health Services added 14,609 jobs (2.8 percent). While this isn't the fastest over-the-year annual growth for a supersector, it is by far the largest growth in actual jobs. Educational Services lost 1,427 jobs (2 percent), and the supersector's growth was entirely centered in Health Care and Social Assistance, which added 16,036 jobs (3.6 percent). Those 16,036 would represent more than half of the 31,978 total jobs gained in Minnesota since November 2015, even though the sector itself currently contains less than 16 percent of the actual jobs in the state.

Leisure and Hospitality

Leisure and Hospitality added 1,800 jobs (0.7 percent) in November. Arts, Entertainment, and Recreation added 1,700 jobs (4.6 percent) while Accommodation and Food Services added 100 (0.0 percent). Annually the supersector lost 1,087 jobs (0.4 percent). Arts, Entertainment and Recreation lost 2,770 (7.7 percent) while Accommodation and Food Services added 1,683 (0.8 percent).

Other Services

Employment in the Other Services supersector was down by 200 (0.2 percent) in November. Over the year Other Services added 71 jobs (0.1 percent). Religious, Grantmaking, Civic, Professional, and Similar Organizations added 216 jobs (0.3 percent), and Repair and Maintenance added 36 (0.2 percent) while Personal and Laundry Services lost 181 jobs (0.6 percent).

Government

Government employers lost 800 jobs (0.2 percent) in November, with State Government leading that decline, down 800 (0.8 percent) with offsetting gains and losses in Federal and Local government. Annually Government added 2008 jobs (0.5 percent). State Government added 2,119 jobs (2 percent) with 2,023 of that coming in State Educational Services.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	November 2016	October 2016	September 2016
Total Nonagricultural	**2,899.7**	**2,894.7**	**2,905.6**
Goods-Producing	**442.3**	**439.1**	**441.0**
Mining and Logging	5.6	5.6	5.7
Construction	121.3	117.9	118.2
Manufacturing	315.4	315.6	317.1
Service-Providing	**2,457.4**	**2,455.6**	**2,464.6**
Trade, Transportation, and Utilities	530.8	530.8	532.2
Information	51.3	51.1	51.4
Financial Activities	186.0	184.7	183.3
Professional and Business Services	361.9	364.9	367.0
Educational and Health Services	529.3	526.8	529.0
Leisure and Hospitality	258.9	257.1	261.7
Other Services	115.7	115.9	115.9
Government	423.5	424.3	424.1

Source: Department of Employment and Economic Development Current Employment Statistics, 2016.

Regional Analysis

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

Employment in the Minneapolis-St Paul MSA decreased by 10,557 (0.5 percent) in December. The largest employment declines were found in Mining, Logging, and Construction which shed 7,428 jobs (down 9.2 percent), and Leisure and Hospitality which lost 4,063 (2.3 percent). The next largest over-the-month changes were in Other Services, which added 511 jobs (up 0.6 percent) and in Government, which lost 1,460 (down 0.6 percent) largely from the loss of 1,573 jobs (3.4 percent) from State Government Educational Services. Employment declines are normal for the area in December. 2005 was the last time the MSA didn't lose jobs for the month. Annually the Minneapolis-St. Paul area added 27,693 jobs (1.4 percent). The largest sources of job growth remained the Professional and Business Services supersector (up 12,783 or 4.2 percent) and the Education and Health Services supersector (up 12,974 or 4 percent). Growth in Educational and Health Services was spurred primarily by Health Care and Social Assistance, which added 12,244 jobs (4.5 percent) on the back of an additional 8,384 jobs (9.5 percent) in component Ambulatory Health Care Services. The most notable loss came from Leisure and Hospitality, which shed 5,263 jobs (3 percent) since December of 2015. This is a fairly large change from November's over-the-year estimate, which had the supersector losing just 1,416 jobs (0.8 percent) over the prior year.

Duluth-Superior MSA

The Duluth-Superior MSA lost 1,769 jobs (1.3 percent) in December. Mining, Logging, and Construction lost 306 jobs (3.5 percent), Professional and Business Services lost 389 (4.6 percent), Educational and Health Services lost 450 (1.4 percent), Leisure and Hospitality lost 316 (2.4 percent), and Government employers lost 202 (0.8 percent). Growth was modest in Other Services which added 43 jobs (0.7 percent), Financial Activities which added 42 (0.7 percent), and Information which added two jobs (0.1 percent). Over the year, employment in the Duluth area was generally relatively flat as the MSA added 254 jobs (0.2 percent), a markedly slower growth rate than the state's 1.3 percent.

Rochester MSA

Employment in the Rochester MSA was down by 529 (0.4 percent) in December, the fourth straight month of job losses for the area. Notable losses came in Mining, Logging, and Construction (down 473 or 9.8 percent), Trade, Transportation, and Utilities (down 173 or 0.9 percent), and Professional and Business Services (down 70 or 1.2 percent). Government employers had the most over-the-month growth, adding 136 jobs or 1.1 percent. Annually the Rochester MSA added 3,031 jobs (2.6 percent). Educational and Health Services accounted for 1,533 new jobs (up 3.3 percent). Over-the-year growth also occurred in Leisure and Hospitality (up 430 or 4.6 percent), Professional and Business Services (up 241 or 4.3 percent), and Trade, Transportation, and Utilities (up 626 or 3.4 percent). Only three supersectors had negative job growth for the year, and their losses were generally small. Financial Activities lost 28 jobs (1 percent), Other Services lost 35 (0.9 percent), and Manufacturing lost 25 (0.2 percent).

St. Cloud MSA

Employment in the St. Cloud MSA was flat in December, as the area lost just 20 jobs (0 percent) in a month where employment declines are common. Mining, Logging, and Construction shed 455 jobs (6.3 percent), and Professional and Business Services lost 216 (2.4 percent). These losses were largely countered by a gain of 511 jobs (2.2 percent) in Educational and Health Services, as well as a gain of 157 jobs (1.1 percent) in Trade, Transportation, and Utilities. Annually the St. Cloud area added 2,491 jobs (2.3 percent). The largest number of new jobs appeared in Educational and Health Services, which added 1,715 jobs (8 percent).

Mankato-North Mankato MSA

Employment in the Mankato-North Mankato MSA was down by 477 (0.8 percent) in December. Goods Producers lost 200 jobs (2 percent) while Service Providers lost 247 (0.5 percent). Most of the monthly losses were concentrated in the private sector, (0.2 percent). Annually the Mankato MSA added 56 jobs (0.1 percent). This was the slowest annual growth rate of any of the seven Minnesota MSAs covered here. Service Providing industries added 112 jobs (0.2 percent), but that growth was undercut by a loss of 56 jobs (0.6 percent) in Goods Producing industries.

Fargo-Moorhead MSA

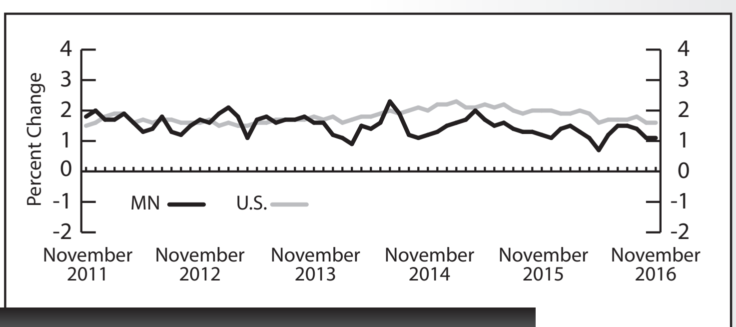
Employment in the Fargo-Moorhead MSA was down by 1,193 (0.8 percent) in December. Mining, Logging, and Construction lost 1,284 jobs (12.3 percent), making it the area's biggest job loser by a large margin. Other supersectors with notable losses included Finance and Insurance (down 254 or 1.5 percent) and Educational and Health Services (down 234, 1 percent). Annually the Fargo-Moorhead MSA added 515 jobs (0.4 percent). Mining, Logging, and Construction added 274 jobs (3.1 percent), and Financial Activities added 304 (2.8 percent).

Grand Forks-East Grand Forks MSA

Employment in the Grand Forks-East Grand Forks MSA was down by 972 (1.7 percent) in December. Mining, Logging, and Construction lost 363 jobs (9.6 percent), Professional and Business Services lost 137 (4.5 percent), and Educational and Health Services lost 147 (1.5 percent). Annually the area added 122 jobs (0.2 percent). Manufacturing had the most notable increase, adding 410 jobs (10.3 percent), while Leisure and Hospitality had the biggest losses (down 516 or 8.2 percent).

by Nick Dobbins

Source: Department of Employment and Economic Development, Current Employment Statistics, 2016; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2016.



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

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings: Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Nov 2016	Oct 2016	Nov 2015	Oct 2016	Nov 2015	Nov 2016	Nov 2015	Nov 2016	Nov 2015	Nov 2016	Nov 2015
TOTAL NONFARM WAGE AND SALARY	**2,918.6**	**2,924.5**	**2,886.6**	**-0.2%**	**1.1%**	—	—	—	—	—	—
						—	—	—	—	—	—
GOODS-PRODUCING	**446.0**	**453.3**	**442.2**	**-1.6**	**0.8**	—	—	—	—	—	—
Mining, Logging, and Construction	**130.6**	**136.5**	**125.7**	**-4.3**	**3.9**	—	—	—	—	—	—
Mining and Logging	**5.7**	**5.9**	**6.7**	**-1.7**	**-13.9**	—	—	—	—	—	—
Construction	**124.9**	**130.6**	**119.1**	**-4.4**	**4.9**						
Specialty Trade Contractors	78.5	80.4	76.0	-2.3	3.3	$1,280.79	$1,169.51	39.9	38.7	$32.10	$30.22
Manufacturing	**315.3**	**316.9**	**316.5**	**-0.5**	**-0.4**	**825.77**	**824.18**	**40.9**	**40.6**	**20.19**	**20.30**
Durable Goods	199.9	200.6	202.0	-0.3	-1.0	850.63	824.97	40.7	39.7	20.90	20.78
Wood Product Manufacturing	11.3	11.2	11.1	0.1	1.1	—	—	—	—	—	—
Fabricated Metal Production	41.5	41.7	42.6	-0.5	-2.7	—	—	—	—	—	—
Machinery Manufacturing	32.5	32.6	32.9	-0.2	-1.2	—	—	—	—	—	—
Computer and Electronic Product	46.0	45.8	46.0	0.3	0.0	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	25.9	25.9	25.7	0.1	0.8	—	—	—	—	—	—
Transportation Equipment	10.8	10.9	11.3	-0.4	-3.8	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	16.0	16.1	15.9	-0.1	0.8						
Nondurable Goods	115.4	116.3	114.5	-0.7	0.8	782.54	822.36	41.1	42.0	19.04	19.58
Food Manufacturing	48.4	49.4	46.6	-1.9	3.8	—	—	—	—	—	—
Paper Manufacturing	31.3	31.2	32.2	0.3	-2.6	—	—	—	—	—	—
Printing and Related	22.3	22.3	22.9	0.1	-2.6						
						—	—	—	—	—	—
SERVICE-PROVIDING	**2,472.6**	**2,471.2**	**2,444.4**	**0.1**	**1.2**						
						—	—	—	—	—	—
Trade, Transportation, and Utilities	**539.8**	**533.0**	**533.1**	**1.3**	**1.3**						
Wholesale Trade	129.8	129.2	131.8	0.5	-1.5	882.49	904.04	39.1	38.9	22.57	23.24
Retail Trade	307.3	299.7	299.9	2.5	2.5	418.05	425.73	28.4	29.1	14.72	14.63
Motor Vehicle and Parts	35.3	34.4	34.0	2.5	3.8	—	—	—	—	—	—
Building Material and Garden Equipment	25.6	25.9	25.5	-1.1	0.6	—	—	—	—	—	—
Food and Beverage Stores	53.3	52.8	52.8	1.0	1.0	—	—	—	—	—	—
Gasoline Stations	25.4	25.2	25.0	0.8	1.6						
General Merchandise Stores	65.4	61.8	64.9	5.9	0.8	341.31	337.84	28.9	29.2	11.81	11.57
Transportation,Warehouse, Utilities	102.7	104.2	101.4	-1.4	1.3						
Transportation and Warehousing	89.5	90.8	88.6	-1.5	1.0	732.65	723.60	35.6	36.0	20.58	20.10
Information	**51.2**	**50.9**	**51.8**	**0.5**	**-1.2**	**967.27**	**1,011.00**	**32.7**	**37.5**	**29.58**	**26.96**
Publishing Industries	19.2	19.3	20.0	-0.6	-4.2	—	—	—	—	—	—
Telecommunications	12.2	12.2	12.5	0.1	-2.0	—	—	—	—	—	—
Financial Activities	185.0	185.3	181.1	-0.1	2.2						
Finance and Insurance	144.5	144.3	141.8	0.2	1.9	1,057.42	908.28	36.4	36.1	29.05	25.16
Credit Intermediation	53.9	54.0	54.7	-0.3	-1.4	749.69	747.62	34.5	34.5	21.73	21.67
Securities, Commodity Contracts, and Other	20.1	20.0	19.2	0.2	4.7	—	—	—	—	—	—
Insurance Carriers and Related	69.3	69.1	66.8	0.4	3.8	—	—	—	—	—	—
Real Estate and Rental and Leasing	40.5	41.0	39.3	-1.3	3.0	—	—	—	—	—	—
Professional and Business Services	**363.8**	**368.6**	**361.2**	**-1.3**	**0.7**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	150.0	150.3	149.1	-0.2	0.6	—	—	—	—	—	—
Legal Services	17.9	18.0	18.1	-0.3	-1.1	—	—	—	—	—	—
Accounting, Tax Preparation	16.1	16.0	16.1	0.6	-0.3	—	—	—	—	—	—
Computer Systems Design	37.8	37.4	36.5	1.1	3.5	—	—	—	—	—	—
Management of Companies and Enterprises	78.7	78.5	77.3	0.3	1.8	—	—	—	—	—	—
Administrative and Support Services	135.1	139.8	134.9	-3.3	0.2	—	—	—	—	—	—
Educational and Health Services	**534.3**	**530.9**	**519.7**	**0.6**	**2.8**	—	—	—	—	—	—
Educational Services	71.1	69.8	72.5	2.0	-2.0	—	—	—	—	—	—
Health Care and Social Assistance	463.2	461.2	447.2	0.4	3.6						
Ambulatory Health Care	157.7	157.7	145.7	0.0	8.2	1,305.98	1,293.89	35.8	36.8	36.48	35.16
Offices of Physicians	71.2	71.2	69.8	0.1	2.0	—	—	—	—	—	—
Hospitals	106.7	106.5	106.4	0.2	0.3						
Nursing and Residential Care Facilities	107.0	106.6	107.3	0.3	-0.3	476.95	—	—	—	—	—
Social Assistance	91.8	90.3	87.7	1.7	4.6	—	—	—	—	—	—
Leisure and Hospitality	**249.4**	**256.1**	**250.5**	**-2.6**	**-0.4**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	33.2	37.1	36.0	-10.5	-7.7	—	—	—	—	—	—
Accommodation and Food Services	216.2	219.0	214.6	-1.3	0.8						
Food Services and Drinking Places	191.9	193.4	189.8	-0.7	1.1	272.06	268.59	20.8	21.0	13.08	12.79
Other Services	**115.9**	**116.2**	**115.8**	**-0.3**	**0.1**						
Religious, Grantmaking, Civic, Professional Organizations	65.0	65.1	64.8	-0.2	0.3						
Government	**433.1**	**430.1**	**431.1**	**0.7**	**0.5**						
Federal Government	32.0	31.9	31.5	0.3	1.7						
State Government	107.1	107.1	105.0	0.1	2.0						
State Government Education	68.5	68.1	66.5	0.6	3.0						
Local Government	294.0	291.1	294.6	1.0	-0.2						
Local Government Education	148.8	146.8	149.1	1.4	-0.2						

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, 2016.

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) Nov 2016	Oct 2016	Nov 2015	Percent Change From** Oct 2016	Nov 2015	Production Workers Hours and Earnings: Average Weekly Earnings Nov 2016	Nov 2015	Average Weekly Hours Nov 2016	Nov 2015	Average Hourly Earnings Nov 2016	Nov 2015
TOTAL NONFARM WAGE AND SALARY	**1,981.1**	**1,983.6**	**1,953.8**	**-0.1%**	**1.4%**	—	—	—	—	—	—
GOODS-PRODUCING	**274.5**	**278.3**	**273.7**	**-1.4**	**0.3**	—	—	—	—	—	—
Mining, Logging, and Construction	***80.4***	***83.8***	***79.3***	***-4.0***	***1.4***	—	—	—	—	—	—
Construction of Buildings	17.7	18.0	17.2	-1.8	2.8	—	—	—	—	—	—
Specialty Trade Contractors	55.4	56.8	52.9	-2.4	4.9	$1,366.15	$1,280.59	39.1	39.5	$34.94	$32.42
Manufacturing	**194.0**	**194.5**	**194.4**	**-0.2**	**-0.2**	**890.84**	**875.24**	**42.1**	**41.5**	**21.16**	**21.09**
Durable Goods	132.1	132.6	133.6	-0.4	-1.1	890.51	861.92	41.4	41.8	21.51	20.62
Fabricated Metal Production	29.3	29.4	29.7	-0.5	-1.4	—	—	—	—	—	—
Machinery Manufacturing	19.7	19.7	19.9	-0.2	-1.0	—	—	—	—	—	—
Computer and Electronic Product	36.7	36.6	37.0	0.4	-0.6	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	24.0	24.0	23.9	0.3	0.6	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	14.8	14.8	14.5	-0.2	2.1	—	—	—	—	—	—
Nondurable Goods	61.9	61.9	60.9	0.0	1.7	890.57	902.25	43.4	40.9	20.52	22.06
Food Manufacturing	15.1	15.1	14.7	-0.1	2.9	—	—	—	—	—	—
Printing and Related	14.8	14.8	15.1	0.2	-1.9	—	—	—	—	—	—
SERVICE-PROVIDING	**1,706.6**	**1,705.3**	**1,680.1**	**0.1**	**1.6**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**354.1**	**351.2**	**353.5**	**0.9**	**0.2**	—	—	—	—	—	—
Wholesale Trade	95.7	95.8	96.9	-0.1	-1.2	847.69	886.01	39.1	39.1	21.68	22.66
Merchant Wholesalers - Durable Goods	47.4	47.3	47.8	0.3	-0.8	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	27.4	27.4	27.4	0.1	0.0	—	—	—	—	—	—
Retail Trade	191.7	187.9	188.8	2.0	1.5	438.96	452.70	29.5	30.2	14.88	14.99
Food and Beverage Stores	32.8	32.4	32.1	1.3	2.2	—	—	—	—	—	—
General Merchandise Stores	40.4	38.1	41.3	6.1	-2.3	350.36	347.66	30.1	30.1	11.64	11.55
Transportation, Warehouse, Utilities	66.7	67.5	67.8	-1.1	-1.5	—	—	—	—	—	—
Utilities	7.6	7.7	7.6	-0.7	0.1	—	—	—	—	—	—
Transportation and Warehousing	59.1	59.8	60.1	-1.2	-1.7	724.46	773.06	35.6	37.6	20.35	20.56
Information	**38.9**	**38.9**	**39.2**	**0.0**	**-0.6**						
Publishing Industries	15.6	15.7	16.0	-0.7	-2.6	—	—	—	—	—	—
Telecommunications	9.0	8.9	9.1	1.0	-1.1	—	—	—	—	—	—
Financial Activities	**150.2**	**150.4**	**147.5**	**-0.2**	**1.8**	—	—	—	—	—	—
Finance and Insurance	116.5	116.3	114.9	0.2	1.4	1,123.99	902.70	36.6	34.0	30.71	26.55
Credit Intermediation	39.1	39.1	39.5	-0.1	-1.0	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	17.6	17.7	17.3	-0.4	1.6	—	—	—	—	—	—
Insurance Carriers and Related	58.7	58.4	57.8	0.4	1.5	—	—	—	—	—	—
Real Estate and Rental and Leasing	33.7	34.1	32.6	-1.3	3.3	—	—	—	—	—	—
Professional and Business Services	**315.9**	**317.0**	**308.3**	**-0.3**	**2.5**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	131.2	130.3	129.4	0.7	1.4	—	—	—	—	—	—
Legal Services	15.4	15.4	15.4	-0.2	-0.5	—	—	—	—	—	—
Architectural, Engineering, and Related	16.5	16.5	17.5	0.1	-6.1	—	—	—	—	—	—
Computer Systems Design	35.1	34.9	33.7	0.5	3.9	—	—	—	—	—	—
Management of Companies and Enterprises	72.0	71.8	70.2	0.2	2.5	—	—	—	—	—	—
Administrative and Support Services	112.8	115.0	108.6	-1.9	3.9	—	—	—	—	—	—
Employment Services	50.6	50.5	51.5	0.1	-1.8	—	—	—	—	—	—
Educational and Health Services	**332.9**	**330.4**	**320.8**	**0.7**	**3.8**	—	—	—	—	—	—
Educational Services	48.7	48.3	48.2	1.0	1.1	—	—	—	—	—	—
Health Care and Social Assistance	284.2	282.2	272.6	0.7	4.3	—	—	—	—	—	—
Ambulatory Health Care	95.4	95.4	86.7	0.0	10.0	—	—	—	—	—	—
Hospitals	62.7	62.5	62.7	0.4	0.0	—	—	—	—	—	—
Nursing and Residential Care Facilities	59.5	59.1	59.1	0.7	0.8	—	—	—	—	—	—
Social Assistance	66.5	65.2	64.1	2.0	3.8	—	—	—	—	—	—
Leisure and Hospitality	**174.8**	**178.3**	**175.0**	**-2.0**	**-0.2**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	28.4	31.1	29.5	-8.8	-3.7	—	—	—	—	—	—
Accommodation and Food Services	146.4	147.2	145.6	-0.5	0.6	296.21	299.68	21.7	22.1	13.65	13.56
Food Services and Drinking Places	135.5	136.2	132.8	-0.5	2.1	287.98	284.57	21.3	21.3	13.52	13.36
Other Services	**82.6**	**83.3**	**80.8**	**-0.8**	**2.2**	—	—	—	—	—	—
Repair and Maintenance	15.6	15.7	15.1	-0.8	3.2	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	43.3	43.6	42.5	-0.7	1.8	—	—	—	—	—	—
Government	**257.1**	**255.8**	**255.0**	**0.5**	**0.8**						
Federal Government	21.4	21.3	20.8	0.4	2.8						
State Government	72.3	72.3	70.8	0.0	2.1						
State Government Education	46.4	46.3	44.7	0.2	4.0						
Local Government	163.4	162.2	163.4	0.8	0.0						
Local Government Education	93.0	92.0	93.5	1.1	-0.5						

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, 2016.

Employer Survey

Industry	Duluth-Superior MSA					Rochester MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Nov 2016	Oct 2016	Nov 2015	Oct 2016	Nov 2015	Nov 2016	Oct 2016	Nov 2015	Oct 2016	Nov 2015
TOTAL NONFARM WAGE AND SALARY	**135,365**	**135,608**	**134,560**	**-0.2%**	**0.6%**	**120,198**	**120,294**	**117,148**	**-0.1%**	**2.6%**
GOODS-PRODUCING	**15,501**	**16,026**	**15,931**	**-3.3**	**-2.7**	**15,462**	**15,972**	**15,591**	**-3.2**	**-0.8**
Mining, Logging, and Construction	8,827	9,350	9,128	-5.6	-3.3	4,813	5,000	4,744	-3.7	1.5
Manufacturing	6,674	6,676	6,803	0.0	-1.9	10,649	10,972	10,847	-2.9	-1.8
SERVICE-PROVIDING	**119,864**	**119,582**	**118,629**	**0.2**	**1.0**	**104,736**	**104,322**	**101,557**	**0.4**	**3.1**
Trade, Transportation, and Utilities	25,787	25,330	26,239	1.8	-1.7	19,154	18,737	18,314	2.2	4.6
Wholesale Trade	3,308	3,274	3,358	1.0	-1.5	3,000	2,951	2,883	1.7	4.1
Retail Trade	15,949	15,590	16,275	2.3	-2.0	13,128	12,818	12,631	2.4	3.9
Transportation, Warehouse, Utilities	6,530	6,466	6,606	1.0	-1.2	3,026	2,968	2,800	2.0	8.1
Information	1,468	1,458	1,463	0.7	0.3	1,998	1,999	1,989	-0.1	0.5
Financial Activities	5,732	5,688	5,599	0.8	2.4	2,640	2,634	2,671	0.2	-1.2
Professional and Business Services	8,412	8,670	8,211	-3.0	2.4	5,902	5,875	5,727	0.5	3.1
Educational and Health Services	32,379	32,050	31,652	1.0	2.3	48,641	48,610	47,036	0.1	3.4
Leisure and Hospitality	13,298	13,745	12,588	-3.3	5.6	9,866	10,005	9,438	-1.4	4.5
Other Services	5,990	6,041	5,957	-0.8	0.6	3,773	3,788	3,727	-0.4	1.2
Government	26,798	26,600	26,920	0.7	-0.5	12,762	12,674	12,655	0.7	0.8

Employer Survey

Industry	St. Cloud MSA					Mankato MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Nov 2016	Oct 2016	Nov 2015	Oct 2016	Nov 2015	Nov 2016	Oct 2016	Nov 2015	Oct 2016	Nov 2015
TOTAL NONFARM WAGE AND SALARY	**111,598**	**111,672**	**109,384**	**-0.1%**	**2.0%**	**57,405**	**57,781**	**57,191**	**-0.7%**	**0.4%**
GOODS-PRODUCING	**21,919**	**22,208**	**21,586**	**-1.3**	**1.5**	**9,961**	**9,988**	**10,038**	**-0.3**	**-0.8**
Mining, Logging, and Construction	7,265	7,608	6,560	-4.5	10.7	--	--	--	--	--
Manufacturing	14,654	14,600	15,026	0.4	-2.5	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**89,679**	**89,464**	**87,798**	**0.2**	**2.1**	**47,444**	**47,793**	**47,153**	**-0.7**	**0.6**
Trade, Transportation, and Utilities	23,024	22,658	22,495	1.6	2.4	--	--	--	--	--
Wholesale Trade	4,924	4,901	4,921	0.5	0.1	--	--	--	--	--
Retail Trade	13,938	13,611	13,368	2.4	4.3	--	--	--	--	--
Transportation, Warehouse, Utilities	4,162	4,146	4,206	0.4	-1.0	--	--	--	--	--
Information	1,646	1,664	1,649	-1.1	-0.2	--	--	--	--	--
Financial Activities	5,137	5,123	4,988	0.3	3.0	--	--	--	--	--
Professional and Business Services	9,041	8,937	8,859	1.2	2.1	--	--	--	--	--
Educational and Health Services	22,714	22,704	21,455	0.0	5.9	--	--	--	--	--
Leisure and Hospitality	8,305	8,644	8,486	-3.9	-2.1	--	--	--	--	--
Other Services	3,681	3,708	3,637	-0.7	1.2	--	--	--	--	--
Government	16,131	16,026	16,229	0.7	-0.6	9,416	9,377	9,400	0.4	0.2

Employer Survey

Industry	Fargo-Moorhead MSA					Grand Forks-East Grand Forks MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Nov 2016	Oct 2016	Nov 2015	Oct 2016	Nov 2015	Nov 2016	Oct 2016	Nov 2015	Oct 2016	Nov 2015
TOTAL NONFARM WAGE AND SALARY	**143,906**	**143,423**	**142,428**	**0.3%**	**1.0%**	**58,202**	**58,388**	**58,315**	**-0.3%**	**-0.2%**
GOODS-PRODUCING	**20,469**	**20,690**	**19,764**	**-1.1**	**3.6**	**8,009**	**8,238**	**7,591**	**-2.8**	**5.5**
Mining, Logging, and Construction	10,433	10,825	9,834	-3.6	6.1	3,775	3,945	3,685	-4.3	2.4
Manufacturing	10,036	9,865	9,930	1.7	1.1	4,234	4,293	3,906	-1.4	8.4
SERVICE-PROVIDING	**123,437**	**122,733**	**122,664**	**0.6**	**0.6**	**50,193**	**50,150**	**50,724**	**0.1**	**-1.1**
Trade, Transportation, and Utilities	31,263	30,895	31,316	1.2	-0.2	12,293	12,182	12,403	0.9	-0.9
Wholesale Trade	9,201	9,212	9,138	-0.1	0.7	1,859	1,879	1,907	-1.1	-2.5
Retail Trade	16,629	16,262	16,680	2.3	-0.3	8,090	8,000	8,189	1.1	-1.2
Transportation, Warehouse, Utilities	5,433	5,421	5,498	0.2	-1.2	2,344	2,303	2,307	1.8	1.6
Information	3,143	3,134	3,119	0.3	0.8	618	619	624	-0.2	-1.0
Financial Activities	11,098	11,058	10,863	0.4	2.2	1,830	1,816	1,800	0.8	1.7
Professional and Business Services	16,660	16,542	16,745	0.7	-0.5	3,059	3,080	3,088	-0.7	-0.9
Educational and Health Services	22,854	22,742	22,619	0.5	1.0	9,724	9,737	9,728	-0.1	0.0
Leisure and Hospitality	14,384	14,562	14,245	-1.2	1.0	5,843	6,045	6,318	-3.3	-7.5
Other Services	5,309	5,279	5,239	0.6	1.3	2,198	2,203	2,155	-0.2	2.0
Government	18,726	18,521	18,518	1.1	1.1	14,628	14,468	14,608	1.1	0.1

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2016.

Highlights

The **Minnesota Index** surged in November, signaling that Minnesota's economy has picked up some speed after four months of lackluster growth. The 0.5 percent spike in the index, the largest since May 2014, was fueled by increases in all four components of the index. Wage and salary employment rebounded from a steep drop in October, the state's unemployment rate declined for the first time since March 2015, average weekly manufacturing climbed, and inflation-adjusted wage and salary distributions rose.

The U.S. Index climbed 0.2 percent for the 12th month in a row in November. Minnesota's monthly gauge of economic growth hasn't outpaced the national rate by this wide a margin since September 2011. Minnesota's index was up 2.6 percent from a year ago while the U.S. index was up 2.9 percent from 12 months ago.

Minnesota's adjusted **Wage and Salary Employment**, after dropping by 10,900 jobs in October, partially rebounded in November, adding 5,000 jobs. Private sector employment climbed 5,800 positions while government payrolls declined by 800 jobs. More jobs were added on the goods-producing side than on the service providing side as Construction payrolls jump by 3,400 workers. November's unseasonably warm weather looks to have extended construction work this year. The Educational and Health Services, Leisure and Hospitality, and Financial Activates sectors also picked up their hiring pace. Job loss was concentrated in the Professional and Business Services sector.

Minnesota's unadjusted wage and salary employment in November was 1.1 percent higher than a year ago compared to the U.S. 1.6 percent gain. Job growth in Minnesota hasn't been higher than the nation's since 2013. The state's annual average job growth trailed U.S. growth by 0.5 percent points in 2014, 0.6 percent in 2015, and looks likely to end 2016 with job growth 0.4 percentage points behind national growth in 2016. Minnesota's potential pool of workers from which to hire has been smaller than the nation's over the last few years as the state's unemployment rate has been below 5 percent since early 2013 while the U.S. rate dropped below 5 percent at the beginning of 2016.

Online Help-Wanted Ads reversed directions in November, falling to 126,200, the lowest level since September 2014. Minnesota's 4.6 decline in November was steeper than the 2.4 drop nationally, but the state still records a disproportionately high share of national online job adverting. Minnesota accounted for 2.0 percent of national wage and salary employment in November while accounting for 2.7 percent of U.S. online help-wanted ads.

Minnesota's **Purchasing Managers' Index (PMI)** continues to signal that Minnesota's manufacturing sector is struggling to gain any momentum. Minnesota's PMI dropped to 46.5 in November, its lowest level since last December. Manufacturing employment in the state is down 0.4 percent over the last 12 months, reflecting the manufacturing pullback. The Mid-American Business Conditions Index, a leading economic indicator for nine states including Minnesota, climbed to 46.5 while the corresponding national index rose to 53.2.

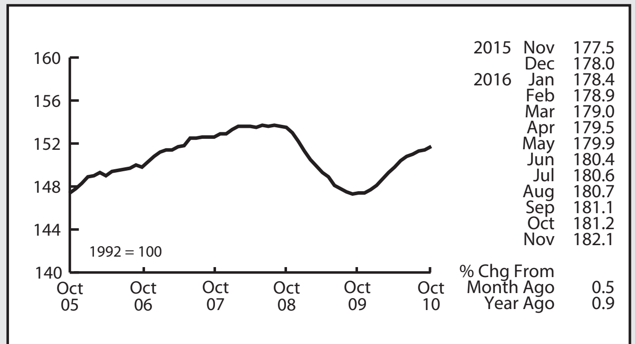
Adjusted **Manufacturing Hours** regained some lost ground in November, ticking up to 40.9 hours. The factory workweek has been shrinking over the last two years, however, after a record high in 2014. Average weekly **Manufacturing Earnings** also rose in November climbing to $823.16, but factory paychecks have followed the same downward drift as manufacturing hours over the last few years. The highest average annual manufacturing paycheck was in 2013 at an inflation-adjusted $849.37. The average for 2016 will be roughly 4 percent below that level.

The **Minnesota Leading Index** rocketed up in November, increasing from .86 in October to 1.86. November's huge jump, if it holds, is encouraging as it signals state GDP growth over the next six month will be twice as fast as predicted just in October. Several more months of strong leading index values are needed before taking November's spike seriously.

Adjusted **Residential Building Permits** also surged in November, spiking to 2,410. That was the highest monthly number since June 2006 and only the fourth month where building permits topped 2,000 since 2006. Over half of the permits were for apartment building, however. Single-family home building permits remain below average historical levels.

Adjusted **Initial Claims for Unemployment Benefits (UB)** zigzagged up in November to 18,875 but remain down 5.0 percent from last November. Initial claims over the last six months, however, have gradually increased, suggesting that Minnesota's slower-than-national job growth may not be totally blamed on a tighter labor market.

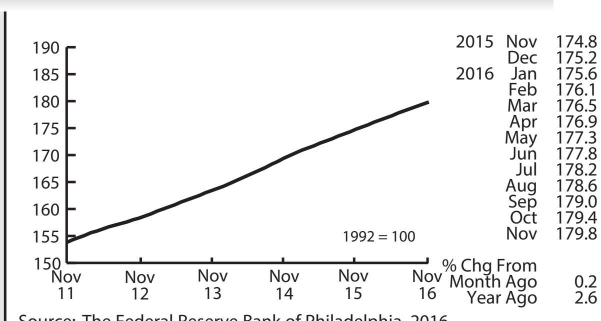
by Dave Senf



Source: The Federal Reserve Bank of Philadelphia, 2016

Minnesota Index

United States Index

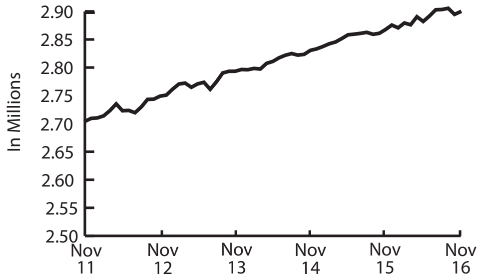


Source: The Federal Reserve Bank of Philadelphia, 2016

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

2016	Jun	2.8918
	Jul	2.9029
	Aug	2.9034
	Sept	2.9056
	Oct	2.8947
	Nov	2.8997

% Chg From Month Ago 0.2

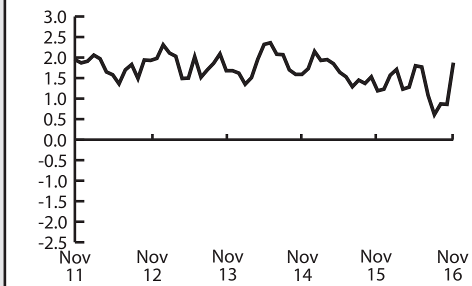
unadjusted

2015	Nov	2.8866
2016	Nov	2.9186

% Chg From Year Ago 1.1%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2016

Minnesota Leading Index

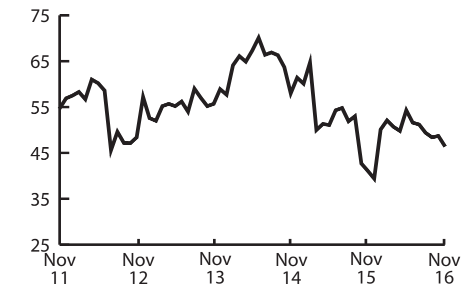


2015	Nov	1.19
	Dec	1.23
2016	Jan	1.57
	Feb	1.71
	Mar	1.23
	Apr	1.28
	May	1.80
	Jun	1.77
	Jul	1.08
	Aug	0.61
	Sep	0.87
	Oct	0.86
	Nov	1.86

% Chg From Month Ago 116.3
Year Ago 1.1

Source: The Federal Reserve Bank of Philadelphia, 2016

Purchasing Managers' Index

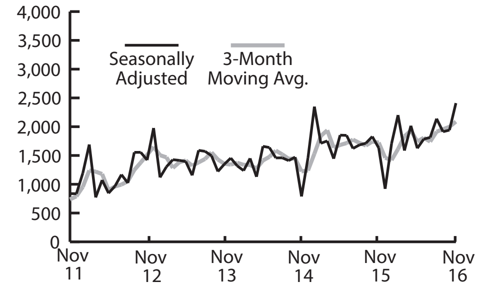


2015	Nov	41.1
	Dec	39.4
2016	Jan	50.1
	Feb	52.1
	Mar	50.7
	Apr	49.8
	May	54.3
	Jun	51.6
	Jul	51.2
	Aug	49.4
	Sep	48.4
	Oct	48.7
	Nov	46.5

% Chg From Month Ago -4.5
Year Ago -8.5

Source: Creighton University, Mid-America Survey of Business Conditions, 2016

Residential Building Permits



seasonally adjusted

2016	Jun	1,784
	Jul	1,814
	Aug	2,139
	Sept	1,913
	Oct	1,941
	Nov	2,410

% Chg From Month Ago 24.1

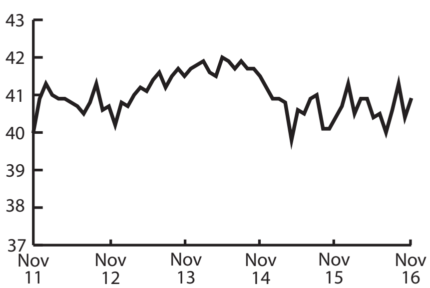
unadjusted

2015	Nov	1,543
2016	Nov	2,361

% Chg From Year Ago 53.0%

Source: Residential Building Permits, Census Bureau, U.S. Department of Commerce, 2016

Average Weekly Manufacturing Hours



seasonally adjusted

2016	Jun	40.5
	Jul	40.0
	Aug	40.6
	Sept	41.3
	Oct	40.4
	Nov	40.9

% Chg From Month Ago 1.1

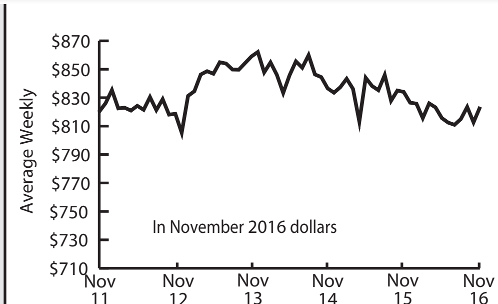
unadjusted

2015	Nov	40.6
2016	Nov	40.9

% Chg From Year Ago 0.7%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2016

Manufacturing Earnings



seasonally adjusted

2016	Jun	812.47
	Jul	810.92
	Aug	814.97
	Sept	823.49
	Oct	812.66
	Nov	823.16

% Chg From Month Ago 1.3

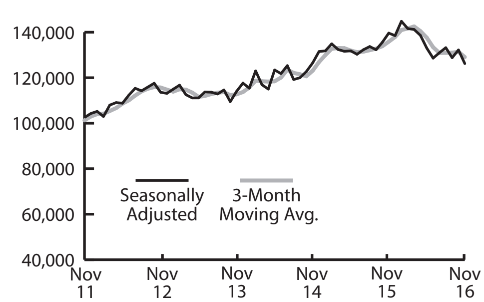
unadjusted

2015	Nov	824.18
2016	Nov	825.77

% Chg From Year Ago 0.2%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2016

Online Help-Wanted Advertising

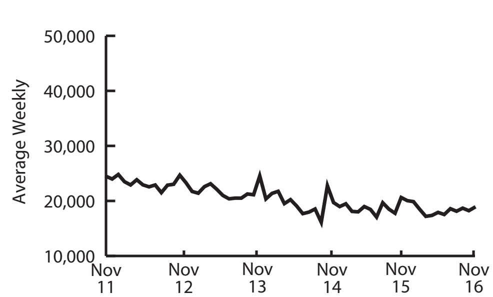


2015	Nov	139,600
	Dec	138,500
2016	Jan	144,800
	Feb	141,600
	Mar	141,200
	Apr	138,600
	May	133,000
	Jun	128,600
	Jul	131,000
	Aug	133,200
	Sep	128,800
	Oct	132,200
	Nov	126,200

% Chg From Month Ago -4.5
Year Ago -1.3

Source: The Conference Board Inc., 2016

Initial UB Claimants



seasonally adjusted

2016	Jun	17,529
	Jul	18,587
	Aug	18,126
	Sept	18,687
	Oct	18,226
	Nov	18,875

% Chg From Month Ago 3.6

unadjusted

2015	Nov	31,194
2016	Nov	31,029

% Chg From Year Ago -0.5%

Source: Department of Employment and Economic Development, Unemployment Insurance Program, 2016

Minnesota Employment Review

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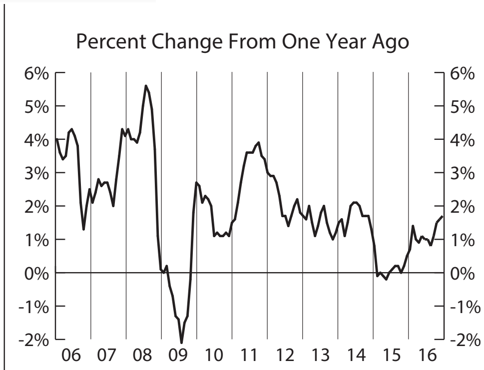
U.S. Consumer Price Index
for All Urban Consumers (CPI-U)



The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent in December on a seasonally adjusted basis the U.S. Bureau of Labor Statistics has reported. Continuing their recent trends, the shelter and gasoline indices increased in December and were largely responsible for the seasonally adjusted all items increase. The indices for apparel and communication declined in December.

The all items index rose 2.1 percent for the 12 months ending December. The index for all items less food and energy rose 2.2 percent for the 12 months ending December, and the energy index increased 5.4 percent. In contrast, the food index declined 0.2 percent over the last 12 months.

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

The employment and unemployment data in this publication were produced in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.
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What's Going On?

A Guide to Starting a Business in Minnesota Now Available

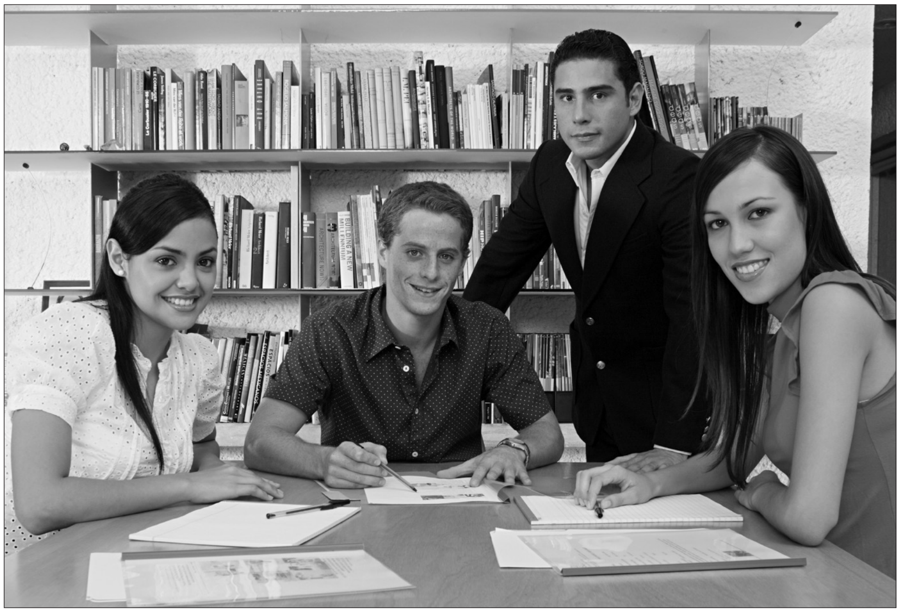
The 2017 edition of "A Guide to Starting a Business in Minnesota" is available from the Small Business Assistance Office at the Minnesota Department of Employment and Economic Development in St. Paul. The free guide summarizes the major issues faced by anyone starting a business in Minnesota and contains three major sections:

- Narrative text
- Resource Directory
- Directory of Licenses and Permits

Copies are available in hard copy or on CD-ROM from the DEED Small Business Assistance Office, First National Bank Building, 332 Minnesota Street, Suite E200, St. Paul, MN 55101-1351. Phone 651-259-7476 or 1-800-310-8323.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Minnesota's Millennial Mobility



Discussion surrounding the millennial generation is widespread and multi-faceted, largely because it is set to become the largest segment of Minnesota's workforce in the next decade. But what makes millennial impact even more important to employers, policy-makers, and educational institutions is the context of their arrival. Even as millennials enter the labor force in droves, the previous generation to dominate the workforce, the baby boomers, are exiting even faster. Consequently, not only are values and norms in the workplace changing, but the ensuing workforce shortage has created a simultaneous challenge. By 2025 both metro and rural areas alike will be facing at best a plateau in labor force growth like never before (see Table 1). Many areas will see their labor forces shrink. The ability of local employers to withstand a shortage will depend on where millennials chose to plant their roots and the extent to which communities prioritizes their livelihood.

In Minnesota the supply of millennial workers varies by region, and whether an employer is looking to attract more or live without them, their relative size in the workforce and mobility patterns matter. These sizable demographic shifts are leading employers to examine generational context in their management and hiring strategies more and more.

Generational identity is often based more on social acceptance than definite timelines, and specific boundaries of the millennial generation remain somewhat unsettled. If for no other reason, demographic starting and ending points need to be established to provide macro-level quantitative analysis. Most efforts to pin down the boundaries of the millennial generation range between 1977 and 2002, but both the floor and ceiling vary.

The generational boundaries for this analysis are set parallel to the data sources utilized. In 2015 estimates from the American Community Survey (ACS), millennials would have been between the ages of 13 and 38 at the widest range. ACS population estimates, however, are organized by five-year age groups (i.e., 0-4 years, 5-9 years, etc.), and trend analysis benefits from age ranges that follow suit. The youngest age limit can easily be increased to 15 since most people do not enter the workforce until at least that age anyway. In addition, most estimates of the millennial

Table 1. Labor Force Projections, 2015-2025

	2015	2025	2015-2025 Change	
Planning Area	Labor Force Projection	Labor Force Projection	Numeric	Percent
Central MN	402,204	418,831	16,627	4.10%
Northwest MN	293,520	288,888	-4,632	-1.60%
Northeast MN	163,514	153,806	-9708	-5.90%
Southeast MN	279,963	282,768	2,804	1.00%
Southwest MN	218,045	217,428	-617	-0.30%
Twin Cities Metro	1,647,550	1,668,839	21,289	1.30%
Minnesota	3,004,113	3,027,364	23,251	0.80%

Source: calculated from Minnesota State Demographic Center population projections and 2011-2015 American Community Survey 5-Year Estimates generation do not exceed 20 years in length, which would put the upper age limit at 34 years of age in 2015. By that estimation, millennials researched here would have been born from 1981 to 2000.

Regional Differences

Based on this, the millennial generation – people between 15 and 34 years of age in 2015 – accounted for more than a quarter of Minnesota's statewide population. As they come of age, millennials will have a significant impact on Minnesota's culture, economic demands, and workforce supply. However, the extent of millennial influence varies by region and will continue to change over time. Population projections from the Minnesota State Demographer's Office estimate that millennials will hold a shrinking share of the state's population over the next two decades. Twenty-somethings often migrate away from their home towns for other opportunities, particularly young adults who originate from rural areas.

In Greater Minnesota the southwest region is projected to have the most millennial out-migration from 2015-2035 and the fastest population decline overall (see Table 2). Future migration patterns may be the contributing factor to actual outcomes, as many millennials are still in high school and have yet to decide whether they will leave their home towns.

A Simplified Cohort Analysis helps demonstrate how age groups shift over time: people who were in the 15 to 19 year old age group in 2010 will be in the 20 to 24 group in 2015. If no one moves in and no one moves out, the count of people in that age group in 2010 would provide an "Expected" count of people in the next age group in the next five year time period. However, "Actual" numbers are oftentimes different, showing in- or out-migration.

For example, a large portion of the millennial generation aged into their 20s from 2010 to 2015, and over 7,500 more of these 20-somethings vacated Southwest Minnesota than moved in (see Chart 1). Based on the population projections in Table 1, it appears millennial out-migration will continue as those who are teenagers now begin to test other markets from 2015-2025.

Labor Force Change

While the number of millennials in Greater Minnesota is likely to decline in the next decade, their impact in the regional workforce may still increase. Throughout Minnesota the labor force participation of millennials is likely to increase when the entire generation comes of age. Historically, the highest labor force participation rates are among those 25 to 44 years of age – the approximate age of millennials in Minnesota by 2025 (see Chart 3).

Like migration patterns, labor force participation rates also vary by region. For example, teenagers tend to have higher labor force participation rates in Greater Minnesota than in the seven-county Metro Area. The number of millennials in a regional labor force varies by their population and participation rate, but the proportion of the labor force they encapsulate also depends on the activity of other age groups. In Northeast Minnesota the labor force participation rate of those 25 to 44 years of age was nearly 24 percent higher than those 54 to 65. Naturally then, the proportion of millennials in the regional workforce will grow, even as their numbers decrease overall. Indeed, the proportion of millennials in the Northeast labor force is projected to grow by over 4 percent by 2035 (see Table 3).

The percent of millennials is projected to increase in almost every regional labor force of nearly every region of Minnesota by 2025. The only exception, Central Minnesota,

Table 2. 2015-2035 Millennial Population Projections

	2015		2025		2035	
	Number	Percent	Number	Percent	Number	Percent
Northwest	143,349	24.7%	131,018	21.6%	130,720	21.1%
Northeast	83,370	25.1%	69,245	20.5%	69,106	20.8%
Central	196,499	26.6%	185,623	23.1%	185,465	21.7%
7-County Metro	785,528	26.8%	758,154	24.2%	742,590	22.6%
Southeast	134,667	26.2%	125,800	23.0%	124,426	21.8%
Southwest	107,494	26.8%	91,424	22.0%	89,889	21.2%
Minnesota	1,450,907	26.4%	1,361,264	23.3%	1,342,196	22.0%

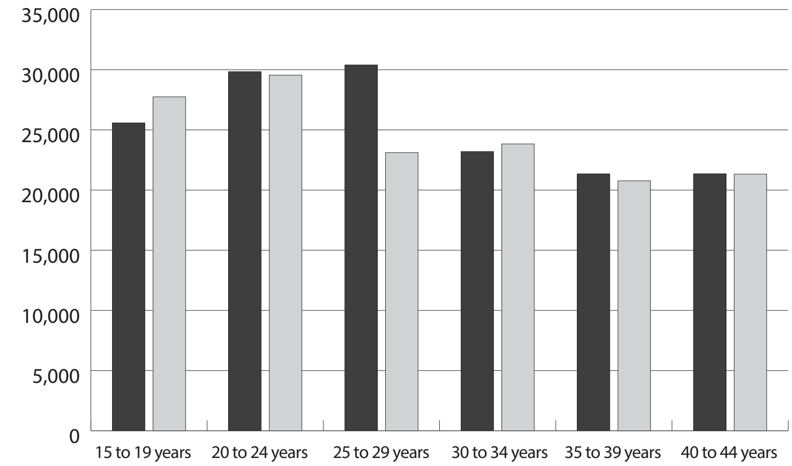
Source: MN State Demographer's Office

currently has the highest percentage of millennials in its workforce, and, despite a slight decrease in the proportion of millennials projected there in 2025, the number of working millennials is likely to increase by more than 5,000 in that time (see Table 3).

The labor force in the seven-county Metro Area is set to have the largest infusion of millennials workers over the next 10 years. Close to 90,000 more millennial workers are projected to inhabit the metro by 2025, the result of heavy metro-migration by those in their late 20s (see Chart 3). From 2010-2015 there were 18 percent more 25-29 years olds than expected, trending in stark contrast with the migration patterns of 25 to 29 years olds in every other region of the state. By 2025 the youngest millennials will fall into this age category.

The migration patterns of the oldest millennials, who will be in their early forties by 2025, will also have significant effects on the composition of regional labor markets. To varying degrees, every region of the state attracts more people ages 30 to 34 than they lose, but the same cannot be said about age groups 35 to 39 and 40 to 44. From 2010-2015 Northwest Minnesota was the only region to attract more people from both of these age groups than it lost.

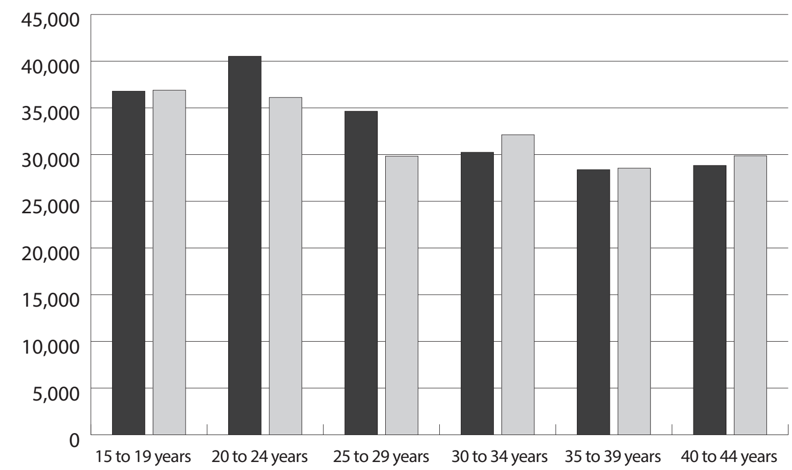
Chart 1. 2010-2015 Migration by Age Cohort, Southwest Minnesota Planning Area



	15 to 19 years	20 to 24 years	25 to 29 years	30 to 34 years	35 to 39 years	40 to 44 years
Expected	25,579	29,843	30,399	23,202	21,351	21,357
Actual	27,747	29,551	23,114	23,834	20,773	21,326

Source: American Community Survey, 2006-2010 and 2011-2015 five-year estimates

Chart 2. 2010-2015 Migration by Age Cohort, Northwest Minnesota Planning Area



	15 to 19 years	20 to 24 years	25 to 29 years	30 to 34 years	35 to 39 years	40 to 44 years
Expected	36,788	40,527	33,640	30,245	28,384	28,837
Actual	26,894	36,115	29,829	32,119	28,545	29,869

Source: American Community Survey, 2006-2010 and 2011-2015 five-year estimates

Table 3. 2015-2035 Labor Force Projections by Region, Minnesota

	2015		2025		2035	
	Millennial Labor Force	Percent of Total	Millennial Labor Force	Percent of Total	Millennial Labor Force	Percent of Total
Northwest	103,808	35.4%	114,772	39.7%	113,629	40.0%
Northeast	58,243	35.6%	58,235	37.9%	57,631	39.9%
Central	157,394	39.1%	163,163	39.0%	163,292	39.0%
Southwest	79,326	36.4%	81,276	37.4%	79,429	37.5%
Southeast	100,596	35.9%	110,201	39.0%	109,789	39.0%
7-county metro	582,929	35.4%	670,966	40.2%	652,695	39.6%

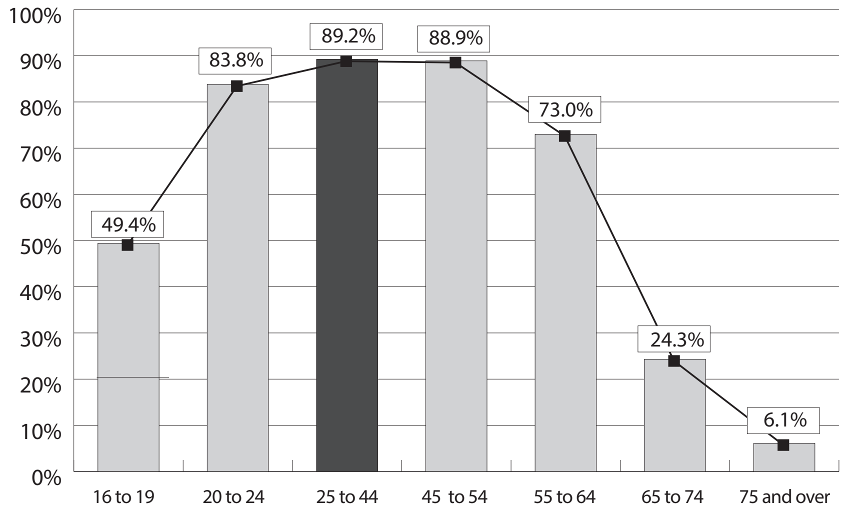
Source: MN State Demographer, ACS 2011-2015 five-year estimates

Based on current trends, millennials in Northwest Minnesota's labor force are projected to account for almost 40 percent by 2025 (see Table 3).

What may be equally important to future migration patterns, however, is the qualitative nature of the millennial generation in the workplace, and whether parts of Greater Minnesota have the cultural flexibility to accommodate the new economic and technological norms millennials practice. After all, most migration to Greater Minnesota regions generates from the metro area, and millennials may not be as eager to move in their 30s and 40s as others are today. Fortunately, employers throughout Minnesota still have time to prepare for possible changes or even influence labor force trends. Cultural differences notwithstanding, the potential for a labor force shortage in the near future has employers looking to maximize their talent and attract workers. Employers who chooses not to upgrade their technological capabilities or stay competitive with their wages will have a hard time accomplishing either. But just as important may be the influence industry leaders have on local culture – creating communities that millennials are excited to be a part of can have a major impact. As the numbers indicate, there will be real opportunities to generate mobility to rural parts of Minnesota over the next 10-20 years.

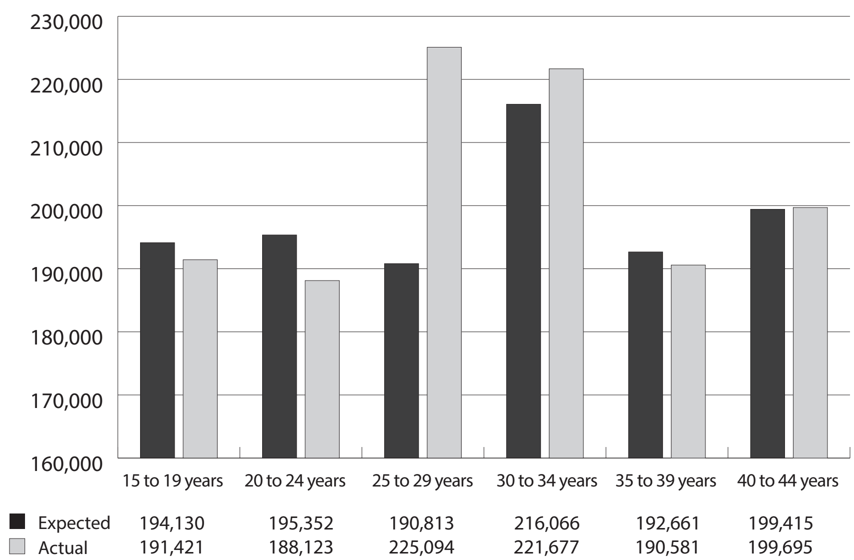
For More Information contact Chet Bodin at 218-825-2183 or email chet.bodin@state.mn.us.

Chart 3. Labor Force Participation Rates by Age Group, State of Minnesota



Source: American Community Survey, 2006-2010 and 2011-2015 five-year estimates

Chart 4. 2010-2015 Migration by Age Cohort, Seven-County Metro Area MN



Source: American Community Survey, 2006-2010 and 2011-2015 five-year estimates

by Chet Bodin
Regional Analyst, Northwest Minnesota
Department of Employment and Economic Development

EMPLOYMENT AND ECONOMIC DEVELOPMENT

S is for Surgeon

About Surgeons

Employment is flat or even contracting in many industries in Minnesota's ever-shifting labor market. The medical field, however, is experiencing strong employment growth, buoyed at least in part by the aging baby boomers. Within the medical and social services industry group, there are a wide range of occupations with projected 10 year employment growth. These range from home health aides up through nurses and, at the top of the earnings ladder, highly trained physicians including surgeons.

Surgeons, along with other doctors, are among the most highly-educated and well-compensated workers in Minnesota and the country as a whole. In fact, medical professionals of various stripes make up the nine highest-paid professions in America by annual mean wage, and Surgeons come in at number two, just behind Anesthesiologists as of the second quarter 2015. Chief Executives, coming in at number 10 on the list, is the highest-paid occupation in the country not to require a post-graduate medical degree.

Requiring four years of undergraduate education followed by four more years of doctoral studies and anywhere from three to eight years of residency, usually on the higher end of that scale for surgeons, doctors in general and surgeons in particular invest more time, money, and effort in their training than almost any other occupation in the country. And there is good reason for the occupation to require such a large time investment. The job of a surgeon is both complex and vitally important. They act as supervisors for a team of nurses and assistants, they examine patients, analyze medical histories, and at the end of the process, perform operations on living people, in situations that are very often literally life-or-death. Their average workday can involve higher stakes than many of us will ever face in our careers, as a single mistake could easily end up costing patients their lives. With this level of stress, it's also no surprise that surgeons face higher

Table 1.
U.S. Occupational Employment and Wages by Annual Mean Wage

Occupation	National Employment	Annual Mean Wage
Anesthesiologists	29,220	$258,100
Surgeons	41,600	$247,520
Oral and Maxillofacial Surgeons	5,000	$233,900
Obstetricians and Gynecologists	20,090	$222,400
Orthodontists	5,410	$221,390
Physicians and Surgeons, All Other	322,740	$197,700
Internists, General	48,920	$196,520
Psychiatrists	24,060	$193,680
Family and General Practitioners	127,430	$192,120
Chief Executives	238,940	$185,850

Source: National Occupational Employment and Wage (OES) Estimates, May 2015 http://www.bls.gov/oes/current/oes_nat.htm rates of alcoholism than the general population[1] and consider suicide at a higher rate.[2]

As Table 2 illustrates, just under 1,300 total surgeons worked in Minnesota as of the first quarter of 2016. Given the highly specialized nature of their work and their relative rarity it is unsurprising that surgeons are highly concentrated in the Twin Cities, while general medical practitioners and working Minnesotans in general are more evenly spread around the state. Unlike, for example, for accountants or hairdressers, people who need the services of a surgeon are often more willing to travel to a population center to receive that specialized, and often vitally important, care.

Advances in the Field

Although surgeons are among the most thoroughly trained, highly specialized, and best-paid workers in the country, as in other fields there is still always room for improvement. In recent years improvement in the operating room seems to be coming more and more from a place few would have expected it just a few years ago: automated technology.

While blue-collar workers, such as those in the manufacturing industry, have been losing jobs to automation for decades, people long assumed that more complex and highly-paid occupations that require years of schooling, such as pharmacists, financial analysts, and surgeons, were unlikely to lose much if any of the market to robotic competition. However, these exact occupations are already starting to feel the pressure from machines that can do at least some of their jobs more cheaply and more effectively than the professionals themselves. Robot-assisted surgery has been in place in our hospitals for years, and tests are currently being conducted with entirely autonomous robotic surgeons that can function better than humans at some aspects of the job. For example, while procedures generally take longer with robots holding the knife, automated surgeons can make smaller, more precise cuts and completely eliminate some human flaws such as hand tremors that may complicate delicate procedures.

What a surgeon's job will entail in the future is an open question. But at this point there is little doubt that it will be different than it is now and will include more and more technology.

Table 2. Geographic Distribution of Surgeons in Minnesota

Geography	Employment
Minnesota (Statewide)	1,280
Seven County Met Area	880
Central Minnesota	120
Southeast Minnesota	70
Northwest Minnesota	50
Northeast Minnesota	40
Southwest Minnesota	N/A

Source: Minnesota Occupational Employment and Wage estimates, First Quarter 2016

https://apps.deed.state.mn.us/lmi/projections/detail.asp?code=291067&geog=2709CENT00Central Minnesota

1 "Prevalence of Alcohol Use Disorders among American Surgeons," Oreskovich et al, *Archives of Surgery*, February 2012 (https://www.ncbi.nlm.nih.gov/pubmed/22351913)

2 "Suicidal Ideation among American Surgeons" Shanafelt et al, *Archives of Surgery*, January 2011 (http://jamanetwork.com/journals/jamasurgery/fullarticle/406577)

by Nick Dobbins
Labor Market Information Office
Minnesota Department of Employment and Economic Development

T *is for Truck Driver*

With both a low barrier to entry and high demand for their services, Heavy and Tractor Trailer Truck Driver is one of the most popular occupations in Minnesota. Truck drivers are differentiated from other professional drivers by the fact that they operate a truck with a capacity of more than three tons. They transport materials, maintain their vehicle, and keep a log of their actions and deliveries. Truck drivers are responsible for moving all types of goods, from home appliances to livestock to fuel, across the state and country. Their work is, in many ways, to act as the life blood of our economy, hauling the components that keep our system working.

Where doctors and other white collar workers are often exhaustively trained and very highly paid, heavy and tractor-trailer truck drivers are in many ways the polar opposite. As is the case with many driving occupations, becoming a professional truck driver requires little to no occupation-specific education save a few weeks of driving classes, and even that is optional in some places. Working as a truck driver does, however, require a commercial driver's license, for which the applicant must take a battery of tests. Additionally, there are a number of endorsements that a driver might seek out if they wished to drive more specialized vehicle. For example, specific endorsements are necessary for someone who wishes to drive a school bus or a vehicle hauling hazardous materials. Those endorsements require additional tests and may include some mandatory training.

Many who pursue driving as a career do not have the time, resources, or desire to put in long years of training. In spite of the relatively low bar for entry, the occupation generally pays a good wage. As such, it's a career that attracts a large number of workers who are looking to earn a decent wage without years of waiting and student loans.

As Table 1 shows, the median hourly wage for Heavy and Tractor-Trailer Truck Drivers is $20.13, and there are over 34 thousand truck drivers in the state, representing more than 1.2 percent of *all workers* in Minnesota. Unlike more highly paid, highly specialized professions like surgeons or chemical engineers, truck drivers are not concentrated in the metro area, but work all over the state. They are actually spread out geographically more evenly than the population as a whole. Truck driving is an occupation that is open to many if not most Minnesotans, regardless of education level or place of residence. Its practitioners come from all walks of life and live all over the state.

Table 1. Employment, Wage, and Location for Heavy and Tractor-Trailer Truck Drivers

Geography	Employment	Median Hourly Wage
Minnesota (Statewide)	34,550	$20.13
Seven County Met Area	14,980	$21.09
Central Minnesota	5,130	$20.76
Southwest Minnesota	3,850	$17.67
Southeast Minnesota	3,550	$20.93
Northwest Minnesota	3,120	$17.79
Northeast Minnesota	2,060	$18.39

Source: Minnesota Occupational Employment and Wage estimates, First Quarter 2016

https://apps.deed.state.mn.us/lmi/projections/detail.asp?code=533032&geog=2709CENT00Central Minnesota

Looking forward

Judging entirely from official occupational projections, the outlook in for truck drivers looks modestly encouraging. Table 2 shows that the occupation is expected to add over 1,500 new positions between 2014 and 2024, representing growth of 4 percent. Additionally, there are projected to be over 6,000 replacement openings as current truck drivers leave the occupation. Overall, 7,920 openings are projected. There is, however, a new variable to consider which does not lend itself easily to precise projections. The trucking industry appears set to absorb technological changes in the coming years, so the very idea of what it will mean to drive a vehicle in the near future is being called into question.

The changing technology could affect more than just the heavy and tractor-trailer truck driver occupation in the state. As Table 3 shows, many Minnesotans hold similar jobs driving light trucks or buses, as well as other occupations centered heavily on specialized vehicle operation. While 34,550 Minnesotans are employed as heavy truck drivers, another 36,490 work in other occupations where operating a vehicle is the primary responsibility. Combined, these account for 2.6 percent of all jobs in Minnesota and 2.5percent of all jobs in the United States.

While laws, customs, and technology would need to continue to change, occupations focused on driving a vehicle could see dramatic changes in coming years. Given the rapid advancement of autonomous automobile technology, one could argue that the question is no longer whether goods and people will ever use self-driving vehicles as a primary mode of transportation, but rather how long will it take until that future arrives, and how our culture and industries will adapt to this burgeoning technology. But as of the Second Quarter of 2016, there were 2,006 jobs available for Heavy and Tractor-Trailer Truck Drivers with an average wage of $16.16/hour. This is a vacancy rate of 5.8 percent which is better than the statewide rate for all occupations which is 3.6 percent.

Table 2: Long Term Occupation Projections

Occupation	Estimated 2014 Employment	Projected 2024 Employment	Percent Change 2014-2024	Numeric Change 2014-2024	Replacement Openings	Total Openings
Heavy and Tractor-Trailer Truck Drivers	37,673	39,186	4%	1,513	6,410	7,920

Source: Minnesota Occupation Projections, Minnesota Department of Employment and Economic Development

Table 3: Minnesota and U.S. Employment in Vehicle Operation Occupations

Occupation	Minnesota Employment	United States Employment
Total, All Occupations	2,772,240	137,896,660
Heavy and Tractor-Trailer Truck Drivers	34,550	1,678,280
Bus Drivers, School or Special Client	15,130	505,560
Light Truck or Delivery Services Drivers	14,140	826,510
Taxi Drivers and Chauffeurs	4,320	180,960
Bus Drivers, Transit and Intercity	2,830	168,620
Ambulance Drivers and Attendants, Except Emergency Medical Technicians	70	19,950

Source: Minnesota Occupational Employment and Wage estimates, First Quarter 2016

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