

## Seasonal Employment in Northwest Minnesota

There is a common saying in Minnesota that there are two seasons: winter and road construction. This statement couldn't ring more true in Northwest Minnesota. With the beginning of October, the fourth quarter of 2013, numerous industry sectors will begin to lay off workers and downsize temporarily as they prepare for the long winter season. As seasonal work is highly cyclical in nature, the shifts in employment from one quarter to the next and from one season to the next can be analyzed historically, allowing

for a better understanding of how regional economies will be affected.

### Cyclical In Nature

Historical unemployment rates show just how punctuated seasonal changes are in Northwest Minnesota. Both Minnesota and Northwest Minnesota tend to reach their lowest unemployment rates of the year in October and quickly spike to their highest rates in January. The difference in these rates, however, is much more significant in Northwest Minnesota. For example, between October 2012 and

January 2013, unemployment statewide rose from 148,696 people to 195,602 people, an increase of 31.5 percent. Northwest Minnesota, on the other hand, witnessed a jump from 14,468 unemployed persons in October 2012, to 24,909 unemployed persons in January 2013. This represents an increase of 72.2 percent over three months. While this represents a large jump in unemployment over a short period of time, it is to be expected in Northwest Minnesota's regional economy. In fact, this stark change in unemployment has gone down in recent years. For example, between 2002 and 2009, the jump in unemployment between the months of October and January averaged 110 percent. Between 2010 and 2013, however, this seasonal jump in unemployment has averaged just 56 percent. Figure 1 shows historical unemployment rates for Minnesota and Northwest Minnesota. Note the much higher spikes in unemployment during the winter months in Northwest Minnesota.

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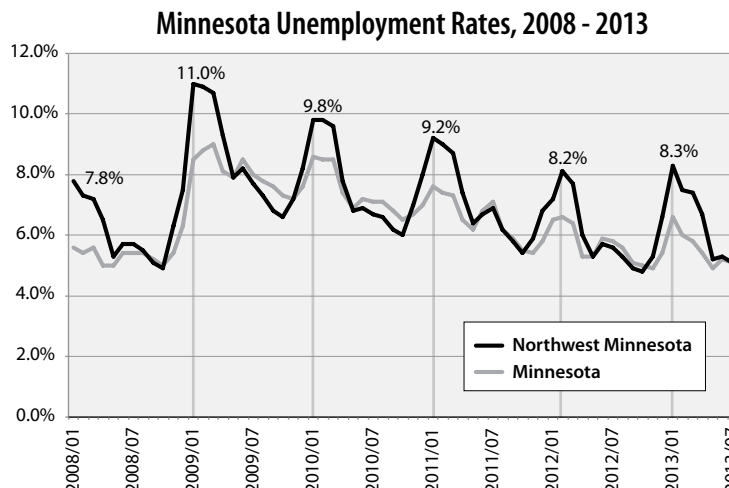
DisABILITY Employment in Minnesota

Training for the Future

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Figure 1



## Identifying Seasonal Industries

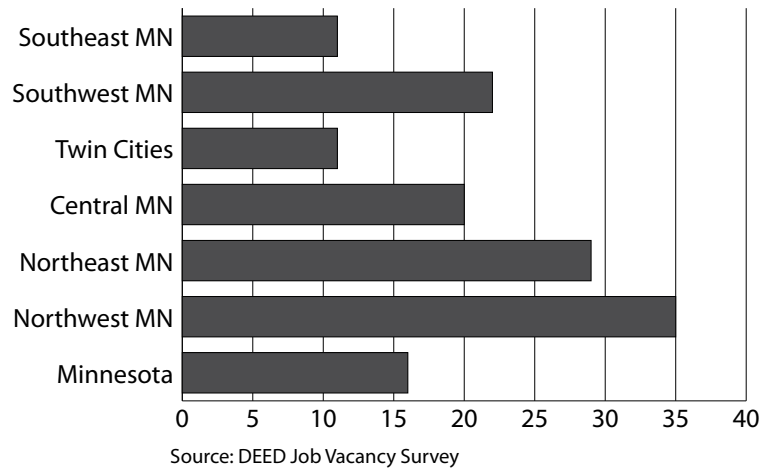
As of the second quarter of 2013, 16 percent of statewide vacancies were for temporary or seasonal work. In Northwest Minnesota 35 percent of vacancies reported were for temporary or seasonal work, the highest rate for all regions in the state (Figure 2).

Identifying which industries are seasonal is fairly intuitive. With winter present industries such as construction, agriculture, and arts, entertainment, and recreation will slow down, while educational services will ramp up. As Northwest Minnesota's economy also relies significantly on tourism, accommodation and food services also proves to have a strong seasonal component. DEED's Job Vacancy Survey (JVS) Program shows the degree to which each industry is seasonal, as surveyed employers are asked to report how many current vacancies are considered temporary/seasonal.

Of those industries reporting seasonal vacancies, the highest percentage are found within administration and waste services, other services, public administration, construction, accommodation and food

Figure 2

### Seasonal Vacancies Second Quarter, 2013



services, and arts, entertainment, and recreation (Table 1).

### Winter versus Summer Employment

Another method of identifying which industries are seasonal and to what degree they are seasonal is to analyze the changes in quarterly employment. An effective way to do this is to create 'summer' seasonal

employment, which averages second and third quarter employment figures, and 'winter' seasonal employment, which averages first and fourth quarter employment figures. Analyzing historical changes in employment from winter to summer reveals which industries are the most susceptible to seasonal changes. Since 2003, for example, employment in mining jumped by an average of 59 percent from winter to summer in Northwest

Table 1  
**Temporary/Seasonal Vacancies in NW Minnesota, Second Quarter, 2013**

NAICS Code	Industry Title	Temporary and Seasonal Percentage	Vacancies	Vacancy Rate	Median Wage	MN Temporary and Seasonal Percentage
<b>0</b>	<b>Total, All Industries</b>	<b>35%</b>	<b>7,900</b>	<b>3.7</b>	<b>\$10.94</b>	<b>16%</b>
56	Administrative and Support Services	88%	328	10.1	\$11.82	22%
81	Other Services, Ex. Public Administration	79%	181	3.0	\$14.26	11%
92	Public Administration	76%	909	6.2	\$9.99	50%
23	Construction	67%	575	5.6	\$15.40	40%
72	Accommodation and Food Services	54%	1,240	5.9	\$7.56	18%
71	Arts, Entertainment, and Recreation	45%	113	2.3	\$8.92	80%
31	Manufacturing	31%	548	2.0	\$15.84	16%
11	Agriculture, Forestry, Fishing, and Hunting	30%	122	2.8	\$9.46	52%
61	Educational Services	30%	481	2.2	\$21.10	21%
53	Real Estate and Rental and Leasing	24%	19	1.3	\$9.04	64%

Source: DEED Job Vacancy Survey (JVS) Program

Table 2

## Northwest Minnesota Industries Exhibiting High Winter-Summer Seasonal Employment Change, 2003-2013

Industry	NW	Central	NE	7-County Metro Area	SE	SW	MN
<b>Total, All Industries</b>	<b>3.6%</b>	<b>1.7%</b>	<b>2.3%</b>	<b>0.7%</b>	<b>1.3%</b>	<b>0.2%</b>	<b>1.2%</b>
Mining	59.0%	36.5%	-3.4%	31.7%	35.9%	13.8%	5.2%
Arts, Entertainment, and Recreation	24.4%	14.5%	12.3%	17.9%	16.4%	27.1%	18.0%
Accommodation and Food Services	21.9%	5.7%	13.7%	3.9%	6.1%	2.9%	6.4%
Construction	21.9%	19.2%	17.2%	11.3%	13.9%	19.5%	14.4%
Administrative and Support Services	14.8%	6.7%	4.5%	3.0%	3.6%	5.5%	3.7%
Agriculture, Forestry, Fishing, and Hunting	6.2%	15.4%	-6.2%	53.6%	4.7%	1.2%	12.9%
Public Administration	5.4%	3.5%	5.3%	3.2%	6.0%	6.4%	4.2%
Educational Services	-13.8%	-13.0%	-12.3%	-7.0%	-10.3%	-16.1%	-11.1%

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

Minnesota. Other Northwest Minnesota industries witnessing large employment jumps from winter to summer include arts, entertainment, and recreation, accommodation and food services, construction, and administrative and support services. Not surprisingly, educational services witnesses a decrease in employment between the winter and summer seasons.

These industries within Northwest Minnesota are, overall, much more seasonal than in all other regions of the state. Between the winter and summer seasons, employment within accommodation and food services in Northwest Minnesota increases by an average of 21.9 percent. This is a much more significant jump than any other region, including Northeast Minnesota, which witnesses an average seasonal jump of 13.7 percent.

Since 2003 the average employment for all industries increases by an average of 3.6 percent between the winter and summer seasons. This is significantly higher than all other regions of the state and Minnesota overall (Table 2).

### Seasonal Occupations

Those occupations with a high percentage of temporary/seasonal vacancies can be found in such Northwest Minnesota industry areas as construction, accommodation and food services, and arts, entertainment, and recreation. For instance, within construction 98 percent of highway maintenance worker vacancies and 85 percent of operating engineers and other construction equipment operator vacancies are considered temporary or seasonal. Within accommodation and food services, 82 percent of waiter and waitress vacancies and 66 percent of hotel and resort desk clerk vacancies are considered temporary or seasonal. Within arts, entertainment, and recreation, 94 percent of recreational protective service worker vacancies and 83 percent of coaching vacancies are temporary or seasonal (Table 3).

The high vacancy rates for occupations within construction, accommodation and food services, and arts, entertainment, and recreation also reinforce the seasonal nature of these positions. The job vacancy rate is defined as an estimate of the percent of job vacancies relative

to all filled jobs in the occupation. Essentially, with high turnover in these positions, more openings are going to be available. There were 42.5 job openings per 100 jobs for coaches and scouts in the second quarter of 2013 indicating an extremely high demand for coaches and scouts during the summer months.



Photo: Minnesota Office of Tourism

Table 3

## Northwest Minnesota Job Vacancy Survey, Second Quarter, 2013 Sorted by Occupations with High Temporary/Seasonal Vacancies

Occupation	Vacancies	Vacancy Rate	Temporary/ Seasonal Percentage	Hourly Median Wage
<b>Total, All Occupations</b>	<b>7,900</b>	<b>3.7%</b>	<b>35%</b>	<b>\$10.94</b>
Stationary Engineers and Boiler Operators	10	5.1%	100%	\$21.85
Highway Maintenance Workers	72	9.1%	98%	\$9.78
Landscaping and Grounds-keeping Workers	279	23.8%	97%	\$10.20
Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers	155	55.3%	94%	\$7.77
Dishwashers	62	21.2%	87%	\$7.27
Operating Engineers and Other Construction Equipment Operators	82	8.3%	85%	\$19.40
Coaches and Scouts	89	42.5%	83%	\$11.85
Waiters and Waitresses	211	23.7%	82%	\$7.34
Human Resources Assistants, Except Payroll and Timekeeping	11	3.9%	79%	\$8.00
Mail Clerks and Mail Machine Operators	6	5.4%	79%	\$17.54
Bookkeeping, Accounting, and Auditing Clerks	36	1.0%	78%	\$10.25
Meat, Poultry, and Fish Cutters and Trimmers	14	11.9%	70%	\$9.55
Heavy and Tractor-Trailer Truck Drivers	463	11.7%	69%	\$15.79
Laborers and Freight, Stock, and Material Movers, Hand	134	5.4%	67%	\$13.36
Hotel, Motel, and Resort Desk Clerks	64	10.3%	66%	\$9.12

Source: DEED Job Vacancy Survey (JVS) Program

### Entering the Winter Season

As 2013 rolls into the fourth quarter, Northwest Minnesota employers will begin to end summer seasonal employment. Those industries expected to witness the largest employment declines will be accommodation and food services, construction, and arts, entertainment, and recreation. In fact, going back to 2008, these three industries account for more than 90 percent of seasonal employment loss from quarters two and three (summer) to quarters one and four (winter) (Table 4). While these industries certainly decline in the winter months, they bounce back every summer as tourists stream north to visit the region's lakes and the construction season roars back from hibernation.

Table 4

### Northwest Minnesota Summer to Winter Employment Change, 2008-2012

Industry	Summer to Winter Employment Change, 2008-2012 Average	
	Numeric	Percent
Accommodation and Food Services	-3,925	-21.9%
Arts, Entertainment, and Recreation	-1,015	-24.4%
Construction	-1,976	-21.9%
Total, All Industries	-7,455	-3.6%

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

by Tim O'Neill  
Labor Market Information Office  
Minnesota Department of Employment and Economic Development

# Minnesota Business Developments

## Northern

**Enbridge Energy**, the Canadian petroleum pipeline developer, intends to create 90 new jobs in its Duluth facility in addition to the 110 jobs it created last year. The company's growth in the area is from a boom in its business that it expects will last until 2018 and maybe longer, according to Enbridge's senior manager of U.S. public affairs.

**AAR**, the Illinois-based leading provider of diverse products and services to the worldwide aviation industry, plans on adding a third line to its maintenance plant in the Twin Ports area. The aerospace and defense contractor maintains planes for Air Canada and currently employs 276 Northlanders. The new facility will create 40 new jobs.

Grand Rapids-based **Magnetation** received approval from the Minnesota Pollution Control Agency to move forward with the establishment of a new iron ore recovery facility near Coleraine. This will be the company's fourth Iron Range facility. The new facility will cost about \$120 million and create 160 jobs by 2015 when the project is completed.

Industrial welding company **WFSI** plans to expand its manufacturing facility in Sauk Rapids, adding 32 new jobs. The company received a \$200,000 Minnesota Investment Fund loan to execute its expansion plan. The 145,000 sq. ft. facility will allow the company to leverage its production volume and sales and boost the local economy.

The leading manufacturer of consumer food packaging used for microwave cooking, **Inline Packaging**, announced a plan to expand its current Princeton site by adding 2,500 sq. ft. to the facility. The expansion will create 25 jobs to meet increasing demand for the company's products.

**Emerson Process Management Rosemount** announced a plan to expand its Rosemount manufacturing center with the addition of a 500,000 sq. ft. building in Shakopee. The expansion plan includes a capital investment of up to \$70 million and is expected to add 500 jobs. The new site will be phased in over the next five years. Emerson Process Management Rosemount is well known for manufacturing pressure, temperature, flow, level and wireless measurement instrumentation.

Asphalt recycler **Recovery Technology Solutions** plans to develop a new manufacturing plant in Shakopee's Raceway Park, adding 22 jobs. The 24-hour facility will keep 70,000 tons of asphalt shingles out of landfills every year and reduce annual carbon emissions by 5,800 metric tons, according to CEO Tom Branhan.

Software developer **Calabrio** moved its headquarters from Plymouth to a 30,000 sq. ft. office in downtown Minneapolis to accommodate business growth. The new headquarters will house an additional 40 employees in the next two years.

Eden Prairie-based 3D-printing company **Stratasys, Ltd.**, announced a deal to acquire its competitor **MakerBot** in a stock transaction worth \$403 million. The new merger is planned to add at least 80 jobs by the end of 2013.



## Southern

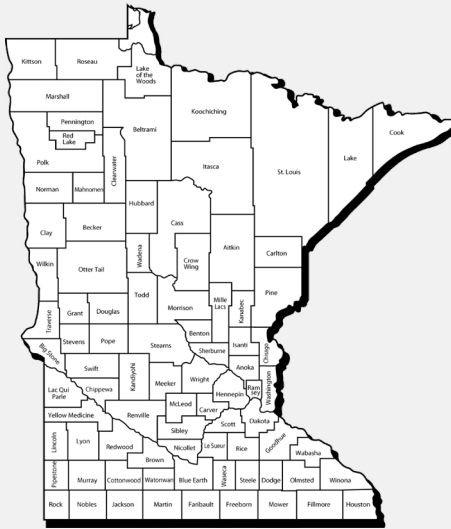
Global worksite safety equipment manufacturer **Capital Safety Group** moved to Minnesota from London in 2012. The company has proposed an expansion of its Red Wing headquarters in a move that would create between 50 and 100 new jobs. CEO Stephen Oswald stated that his main focus will be on expanding the company's global footprint and that he sees 'unlimited potential in the future' for the company's growth.

Duluth, Georgia-based agricultural machinery maker and distributor **AGCO** announced an expansion plan to invest \$42 million in its manufacturing center in Jackson, Minn. The investment is anticipated to increase production capacity by about 25 percent for both tractors and sprayers and create 75 new jobs over the coming three years. AGCO's Jackson facility is the city's largest employer. Most of the new jobs will be in manufacturing and production, and a small percentage will be administrative and support positions, according to a spokesperson.

**Kahler Automation**, a Fairmont-based designer and manufacturer of automation technologies for the industrial and agricultural industries, announced a plan to expand its facility by adding 15,000 sq. ft. to the current 21,000 sq. ft. site. The \$5.5 million expansion is expected to create 15 new jobs.

by Mohamed Mourssi

# Minnesota Counties and County Seats

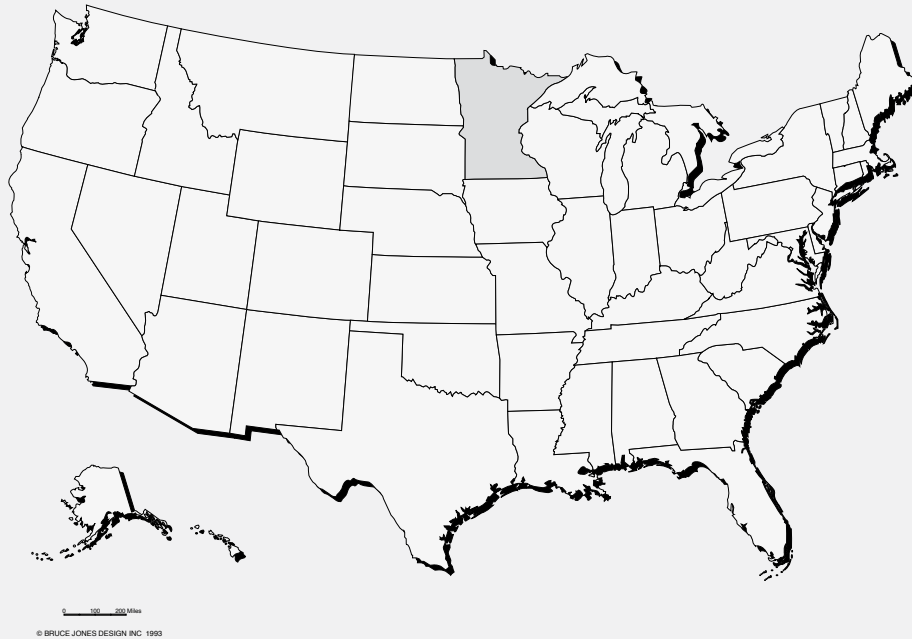


Aitkin – Aitkin  
 Anoka – Anoka  
 Becker – Detroit Lakes  
 Beltrami – Bemidji  
 Benton – Foley  
 Big Stone – Ortonville  
 Blue Earth – Mankato  
 Brown – New Ulm  
 Carlton – Carlton  
 Carver – Chaska  
 Cass – Walker  
 Chippewa – Montevideo  
 Chisago – Center City  
 Clay – Moorhead  
 Clearwater – Bagley  
 Cook – Grand Marais  
 Cottonwood – Windom  
 Crow Wing – Brainerd  
 Dakota – Hastings  
 Dodge – Mantorville  
 Douglas – Alexandria  
 Faribault – Blue Earth  
 Fillmore – Preston  
 Freeborn – Albert Lea

Goodhue – Red Wing  
 Grant – Elbow Lake  
 Hennepin – Minneapolis  
 Houston – Caledonia  
 Hubbard – Park Rapids  
 Isanti – Cambridge  
 Itasca – Grand Rapids  
 Jackson – Jackson  
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 Kandiyohi – Willmar  
 Kittson – Hallock  
 Koochiching – International Falls  
 Lac qui Parle – Madison  
 Lake – Two Harbors  
 Lake of the Woods – Baudette  
 Le Sueur – Le Center  
 Lincoln – Ivanhoe  
 Lyon – Marshall  
 Mahnommen – Mahnommen  
 Marshall – Warren  
 Martin – Fairmont  
 McLeod – Glencoe  
 Meeker – Litchfield  
 Mille Lacs – Milaca  
 Morrison – Little Falls  
 Mower – Austin  
 Murray – Slayton  
 Nicollet – Saint Peter  
 Nobles – Worthington  
 Norman – Ada  
 Olmsted – Rochester

Otter Tail – Fergus Falls  
 Pennington – Thief River Falls  
 Pine – Pine City  
 Pipestone – Pipestone  
 Polk – Crookston  
 Pope – Glenwood  
 Ramsey – Saint Paul  
 Red Lake – Red Lake Falls  
 Redwood – Redwood Falls  
 Renville – Olivia  
 Rice – Faribault  
 Rock – Luverne  
 Roseau – Roseau  
 Saint Louis – Duluth  
 Scott – Shakopee  
 Sherburne – Elk River  
 Sibley – Gaylord  
 Stearns – Saint Cloud  
 Steele – Owatonna  
 Stevens – Morris  
 Swift – Benson  
 Todd – Long Prairie  
 Traverse – Wheaton  
 Wabasha – Wabasha  
 Wadena – Wadena  
 Waseca – Waseca  
 Washington – Stillwater  
 Watonwan – Saint James  
 Wilkin – Breckenridge  
 Winona – Winona  
 Wright – Buffalo  
 Yellow Medicine – Granite Falls

# States and Capitals



Alabama – Montgomery  
Alaska – Juneau  
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California – Sacramento  
Colorado – Denver  
Connecticut – Hartford  
Delaware – Dover  
Florida – Tallahassee  
Georgia – Atlanta  
Hawaii – Honolulu  
Idaho – Boise  
Illinois – Springfield  
Indiana – Indianapolis  
Iowa – Des Moines  
Kansas – Topeka  
Kentucky – Frankfort  
Louisiana – Baton Rouge  
Maine – Augusta

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# Review

Minnesota Employment



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## What's Going On?

### Made in Minnesota Directory Now Live

DEED has now launched the Made in Minnesota Directory, a free online database of products and supplies manufactured in the state. The database contains details for nearly 715 manufacturers statewide, and Minnesota businesses are encouraged to buy products and supplies from each other, rather than from out-of-state or foreign companies.



Users can search the directory — [www.tinyurl.com/MadeinMinnesotaDirectory](http://www.tinyurl.com/MadeinMinnesotaDirectory) — by product, company name or county. Businesses can find manufacturers who make everything from food products to textiles, fabricated metals, machinery, and computers and electronics.

There's more: The directory also contains the names and addresses of participating companies, year the businesses were established, corporate contact information, number of employees, products they make and products they are interested in buying from Minnesota suppliers.

Also, Made in Minnesota contains information on renewable energy products.

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