

# What the Job Vacancy Survey Tells Us About the Labor Market

*A closer look at the 2013 fourth-quarter Job Vacancy Survey indicates the labor market recovery has been inconsistent across the state.*

Five years after the end of the Great Recession, Minnesota has recovered thousands of jobs that were lost in the downturn. This analysis shows, however, that the number and characteristics of job vacancies vary across the state and that not all regions are back to their pre-recession levels. The economic recovery and improvement in the job market have been uneven across the state.

Using data from the fourth quarter 2013 Minnesota Job Vacancy Survey, this story looks at the following four labor market metrics across the 13 economic development regions (EDR) in Minnesota:

1. Job vacancy rate compared with the unemployment rate;
2. Percentage of vacancies that are part-time jobs and the median wages of those jobs;
3. Educational requirements; and
4. Ratio of job seekers to job openings.

## Job Vacancy Rates

Only two of the 13 EDRs—Upper Minnesota Valley and Southwest Minnesota—had lower job vacancy rates in fourth quarter 2013 than before the

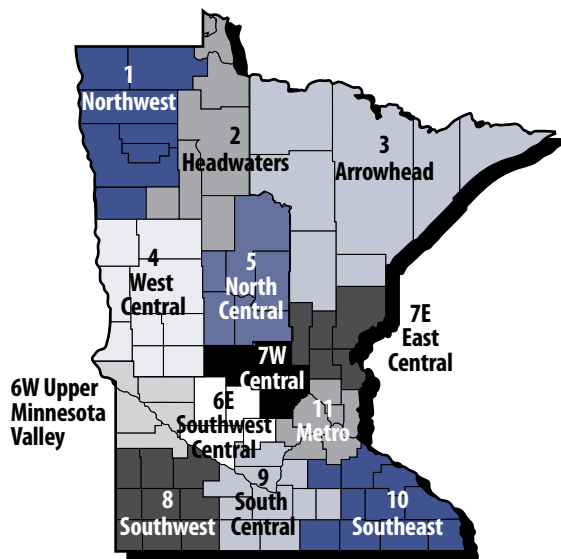
start of the Great Recession in fourth quarter 2007.<sup>1</sup> In the Twin Cities Metro, the latest job vacancy rate was 21 percent higher than six years earlier; in Greater Minnesota it was 35 percent higher (see Table 1).

TABLE 1

Job Vacancy Rate (JVR) Compared with Unemployment Rate (UR) Fourth Quarter 2013		
EDR	JVR	UR
Region 1 – Northwest	2.5%	4.2%
Region 2 – Headwaters	2.7%	6.4%
Region 3 – Arrowhead	2.6%	5.9%
Region 4 – West Central	4.1%	3.8%
Region 5 – North Central	2.3%	6.3%
Region 6E – Southwest Central	3.3%	4.4%
Region 6W – Upper MN Valley	2.2%	4.1%
Region 7E – East Central	2.2%	5.9%
Region 7W – Central	2.8%	4.5%
Region 8 – Southwest	2.6%	3.6%
Region 9 – South Central	2.9%	4.0%
Region 10 – Southeast	2.2%	4.0%
Region 11 – Twin Cities Metro	2.1%	4.2%
Greater Minnesota	2.7%	4.6%
<b>Statewide</b>	<b>2.3%</b>	<b>4.4%</b>

Source: DEED, Job Vacancy Survey, fourth quarter 2013, Local Area Unemployment Statistics

**Minnesota Economic Development Regions**



By the end of 2013, the statewide unemployment rate had fallen to 4.4 percent, the same level as in fourth quarter 2007. Nevertheless, there were still four EDRs where the fourth quarter 2013 unemployment rate remained higher than before the downturn: Headwaters, 6.4 percent; North Central, 6.3 percent; Arrowhead, 5.9 percent; and East Central, 5.9 percent.

**Part-Time Job Vacancies**

Table 2 shows that the share of part-time openings ranged from a low of 33 percent in the Central region to a high of 53 percent in the South Central region. In both the Arrowhead and Southeast regions, almost half of all openings were part time. Statewide, nearly 40 percent of all openings were part time.

The statewide median wage for part-time openings was \$10.01 per hour, which was almost 40 percent below the \$16.31 median for full-time openings. In four of the regions—Arrowhead, West Central, Southwest and South Central—the part-time median wage was less than \$10 per hour. By far the lowest part-time median wage was in the Arrowhead region. At \$8.26 per hour, the Arrowhead part-time median wage was just a bit higher than the current state minimum wage of \$8 per hour.

TABLE 2

<b>Part-Time Openings by Economic Development Region Fourth Quarter 2013</b>		
<b>EDR</b>	<b>Part-Time</b>	<b>Part-Time Median Wage</b>
Region 1 – Northwest	34%	\$11.70
Region 2 – Headwaters	37%	\$10.54
Region 3 – Arrowhead	49%	\$8.26
Region 4 – West Central	35%	\$9.35
Region 5 – North Central	44%	\$10.20
Region 6E – Southwest Central	43%	\$13.34
Region 6W – Upper MN Valley	40%	\$10.72
Region 7E – East Central	42%	\$10.36
Region 7W – Central	33%	\$10.27
Region 8 – Southwest	39%	\$9.15
Region 9 – South Central	53%	\$9.58
Region 10 – Southeast	47%	\$10.41
Region 11 – Twin Cities Metro	37%	\$10.15
Greater Minnesota	42%	\$10.00
<b>Statewide</b>	<b>39%</b>	<b>\$10.01</b>

Source: DEED, Job Vacancy Survey, fourth quarter 2013

### Educational Requirements of Job Vacancies

Despite persistent claims from employers of a growing skills gap among workers, the statewide share of openings that require post-secondary education or training fell to its lowest level in almost a decade. Table 3 shows that only 38 percent of openings statewide required more than a high school degree. In Greater Minnesota, less than one-third of all openings required post-secondary education, but this figure varied widely across the 12 Greater Minnesota regions. It ranged from a high of 53 percent in the Upper Minnesota Valley region to a low of 22 percent in the West Central region.

Not surprisingly, the Twin Cities Metro had by far the biggest share of openings (29 percent) that require at least a four-year degree. In Greater Minnesota, only 15 percent of all openings required this much education.

### Job Seekers to Job Openings

Table 4 shows that the fourth-quarter statewide ratio between job seekers and job openings was 2.1-to-1—the lowest statewide ratio for any fourth quarter since 2006. The 2.1-to-1 statewide ratio was identical to the ratio in the two most heavily populated

Minnesota regions—the Twin Cities Metro and Southeast.

From the perspective of workers who needed a job, the best and worst ratios were in Greater Minnesota. The best ratios were found in the Southwest, Southwest Central and South Central regions (1.8-to-1) and West Central region (1.4-to-1). The three regions with the worst ratios were Headwaters (3.2-to-1), North Central (3.9-to-1) and East Central (4.9-to-1).

If finding any job was a challenge, finding a full-time job was even more challenging. Statewide, the fourth-quarter ratio of job seekers to full-time openings was 3.5-to-1. In the Twin Cities Metro region, the full-time ratio was slightly lower at 3.3-to-1, while the ratio in Greater Minnesota was almost 4-to-1.

The best odds of getting a full-time job were in three western Minnesota regions: Southwest

TABLE 3

Educational Requirements of Openings by Economic Development Region, Fourth Quarter 2013		
EDR	Post-Secondary Education	Bachelor or Graduate Degree
Region 1 – Northwest	45%	14%
Region 2 – Headwaters	48%	17%
Region 3 – Arrowhead	36%	19%
Region 4 - West Central	22%	14%
Region 5 – North Central	40%	15%
Region 6E - Southwest Central	34%	12%
Region 6W - Upper MN Valley	53%	9%
Region 7E - East Central	29%	15%
Region 7W – Central	24%	9%
Region 8 – Southwest	37%	12%
Region 9 - South Central	24%	12%
Region 10 – Southeast	40%	20%
Region 11 - Twin Cities Metro	43%	29%
Greater Minnesota	32%	15%
<b>Statewide</b>	<b>38%</b>	<b>22%</b>

Source: DEED, Job Vacancy Survey, fourth quarter 2013

(3-to-1), Southwest Central (3.1-to-1) and West Central (2.1-to-1).

The odds of getting a full-time job were much worse in the four Greater Minnesota regions with full-time ratios of at least 5-to-1. The ratio was 5-to-1 in the Headwaters region, 5.3-to-1 in the Arrowhead region and nearly 7-to-1 in the North Central region. Worst of all was the East Central region at 8.4-to-1.

### Conclusion

The Job Vacancy Survey indicates that Minnesota’s labor market has not recovered from the Great Recession to the extent suggested by other measures, such as the monthly unemployment rate and job growth numbers. Specifically, several Greater Minnesota regions lag the overall state in vacancy numbers, job seeker-to-vacancy ratio, share of part-time vacancies and wage offers. Moreover, educational requirements for open positions were down statewide, to a level not seen in almost a decade. [T](#)

TABLE 4

Ratio of Job Seekers to Job Openings by Economic Development Region, Fourth Quarter 2013		
EDR	Job Seekers/ Job Openings	Job Seekers/ Full-Time Openings
Region 1 – Northwest	2.3-to-1	3.5-to-1
Region 2 – Headwaters	3.2-to-1	5.0-to-1
Region 3 – Arrowhead	2.7-to-1	5.3-to-1
Region 4 – West Central	1.4-to-1	2.1-to-1
Region 5 – North Central	3.9-to-1	6.9-to-1
Region 6E – Southwest Central	1.8-to-1	3.1-to-1
Region 6W – Upper MN Valley	2.5-to-1	4.3-to-1
Region 7E – East Central	4.9-to-1	8.4-to-1
Region 7W – Central	2.3-to-1	3.4-to-1
Region 8 – Southwest	1.8-to-1	3.0-to-1
Region 9 – South Central	1.8-to-1	3.8-to-1
Region 10 – Southeast	2.1-to-1	4.0-to-1
Region 11 – Twin Cities Metro	2.1-to-1	3.3-to-1
Greater Minnesota	2.2-to-1	3.9-to-1
<b>Statewide</b>	<b>2.1-to-1</b>	<b>3.5-to-1</b>

Source: DEED, Job Vacancy Survey, fourth quarter 2013



<sup>1</sup>The job vacancy rate is defined as the number of vacancies per 100 jobs.