



Pandemic paints a different employment picture in rural Minnesota

MINNESOTA HOUSE OF REPRESENTATIVES – WORKFORCE AND ECONOMIC DEVELOPMENT COMMITTEE

FEBRUARY 8TH, 2021



About us

In 1997, a group of rural Minnesota advocates came together to create a rural policy “think tank” that would provide policy makers, rural advocates and concerned citizens with an objective, unbiased and politically unspun examination of today’s rural issues.

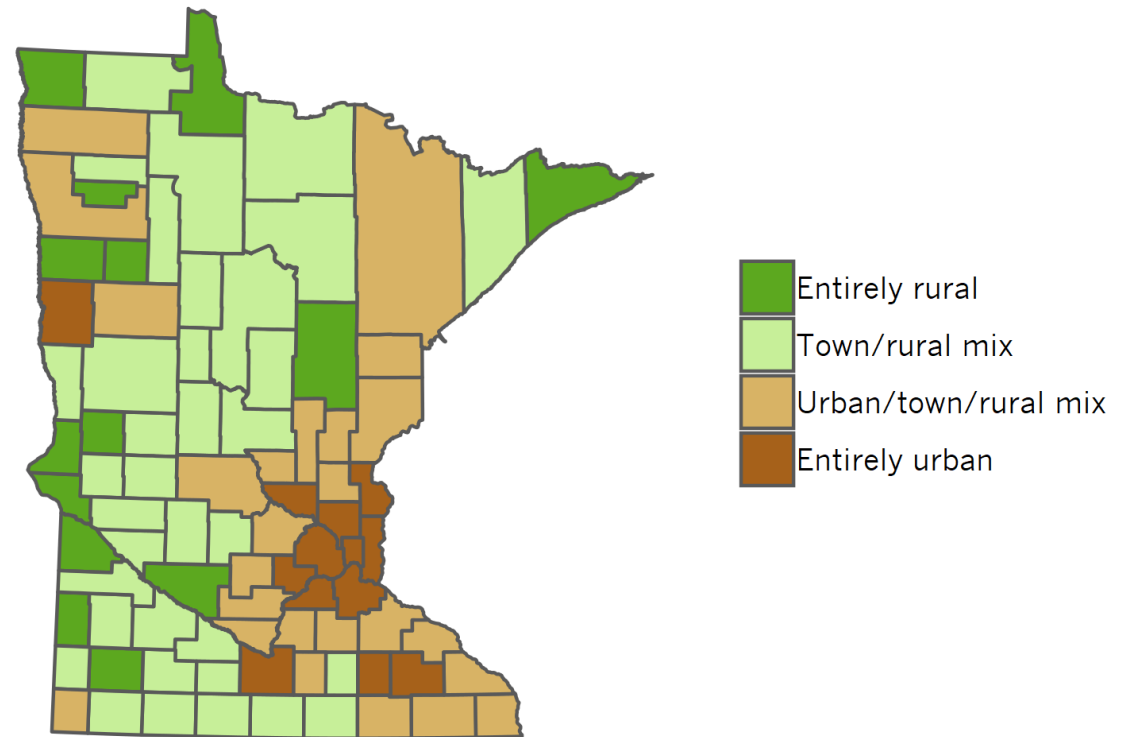
- Based in Greater Minnesota, serving Greater Minnesota.
- A non-partisan, non-profit policy research organization.
- Dedicated to providing Minnesota’s policy makers with an unbiased evaluation of issues from a rural perspective.
- 19 Board members
- 3 Staff members in home offices

What We Do

We take complicated and complex issues and present them in ways that give them meaning and relevance.

Our research is not designed to determine public policy, but instead to inform those making the decisions.

County categorizations based on rural-urban commuting areas



Research Agenda

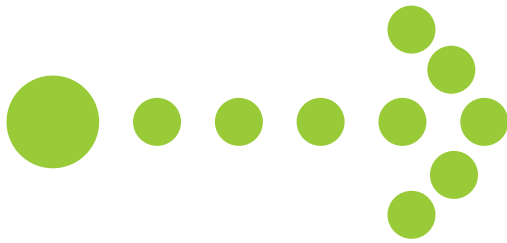
Staff Input



Research
Committee

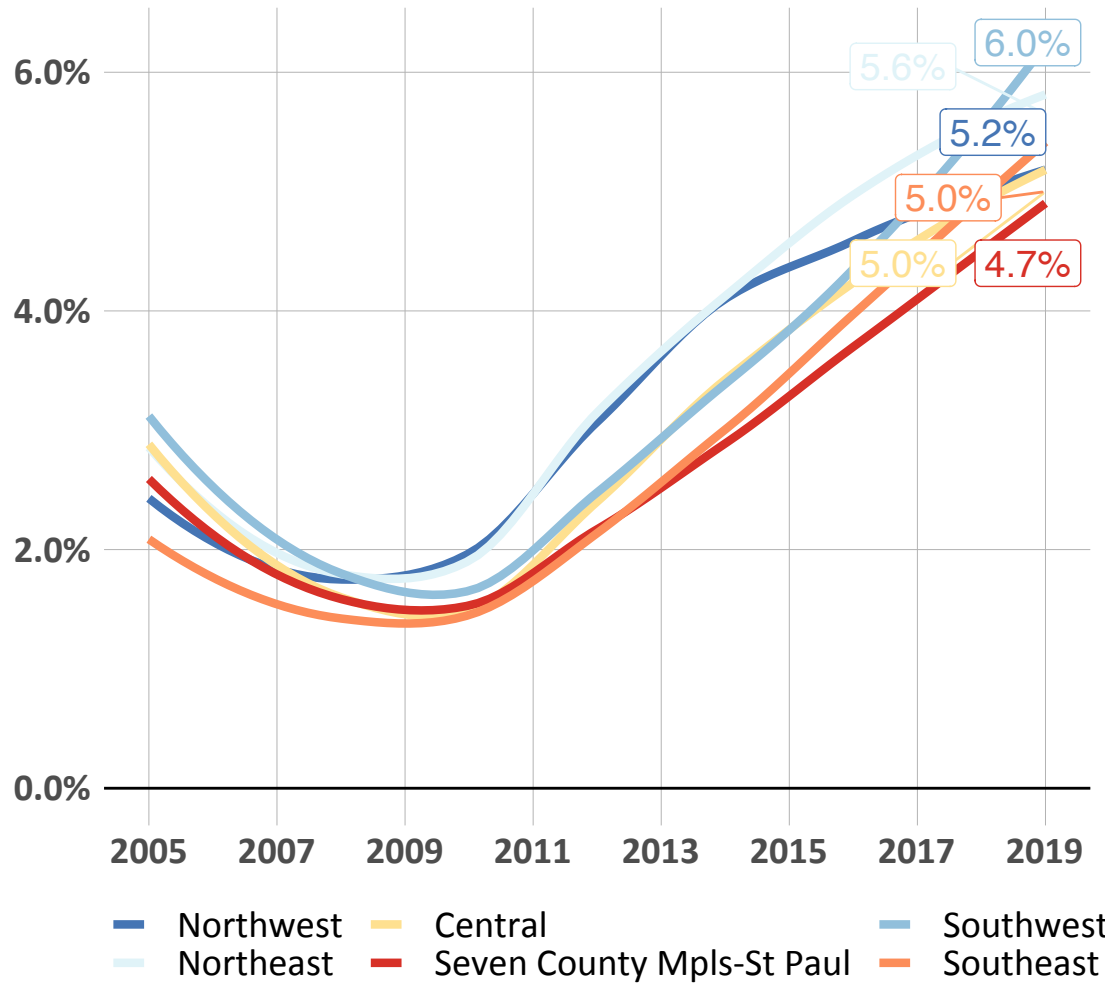


Legislators



Research Agenda: Typically 4 – 6 topics

Job vacancy rate before COVID-19



MN DEED - Job Vacancy Survey



Growing number of jobs offering health benefits

Largest wage growth occurred in rural Minnesota

Job vacancies in nearly all occupations and industries

Before COVID-19: Workforce shortage most severe in rural Minnesota

Previous research on workforce shortages

01

Finding work or
finding workers? –
Data Brief

02

Finding work or
finding workers? –
Household
recruitment
initiatives

03

Finding work or
finding workers? –
Engaging populations
with high barriers to
employment

04

Finding work or
finding workers? –
Changing the story
on careers for rural
high schoolers

Research Question

Before the COVID crisis hit, Minnesota was facing a large worker shortage. How did the pandemic affect the supply of workers, where were jobs lost, and where are workers still needed?

The data says.....

POOL OF WORKERS TO ENGAGE

Food prep and serving related

Sales and related

Office and administrative support

STILL SIGNIFICANT WORKFORCE SHORTAGES

Healthcare practitioners and technical

Community and social services

Architecture and engineering

Life, science and social sciences

Etc....

Projections show this as a **long-term** issue, not just a short-term problem.



Preparation

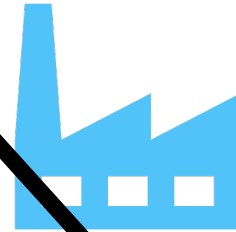
BEFORE WE OVERLOAD YOU WITH
INFORMATION, A COUPLE OF
CLARIFICATIONS...

Occupations vs Industries



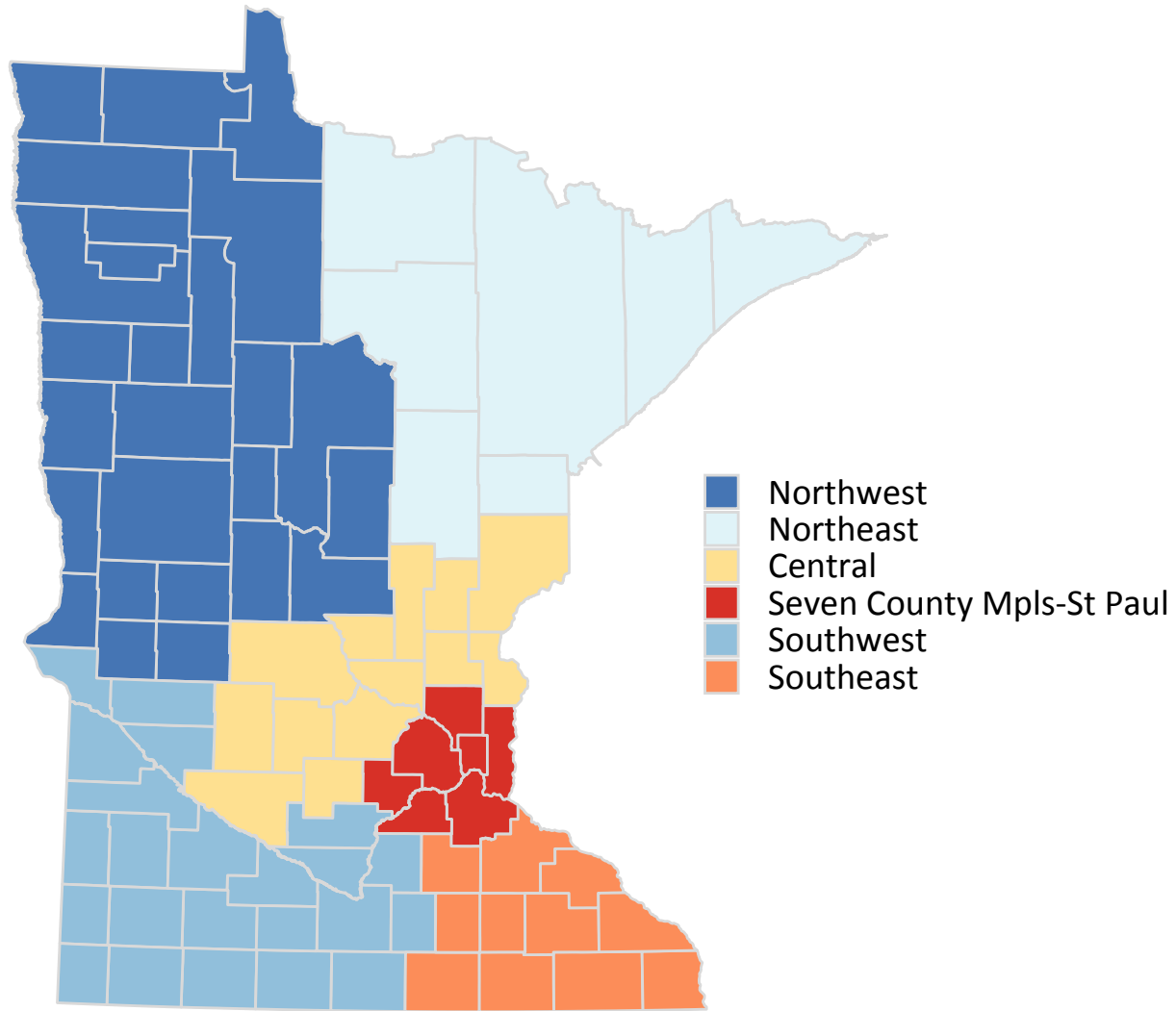
Occupations

Food preparation
Production
Sales and related
Etc...



Industries

Manufacturing
Retail trade
Transportation and warehousing
Etc...

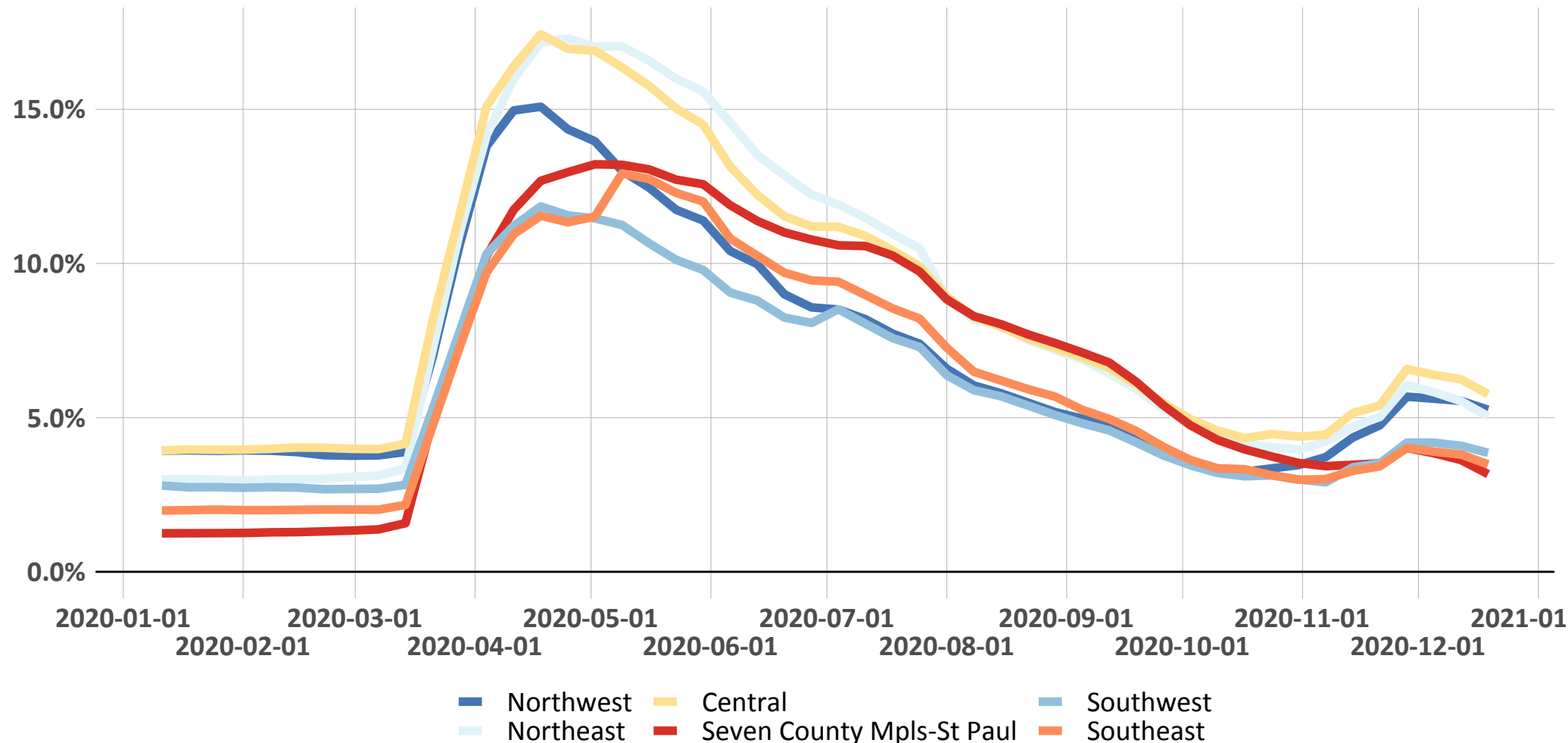


Planning Regions

THERE IS NOW A
POTENTIAL POOL OF
LABOR THAT DIDN'T
EXIST BEFORE IN
RURAL MINNESOTA.

Findings #1

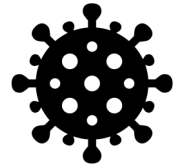
Unemployment claims as a percent of annual employment



Data: MN DEED - Continuous Unemployment Claims, Occupational Employment Statistics

Unemployment roller-coaster

Seasonal work more significant in rural areas



Unemployment due to
pandemic hitting certain
industries and
occupations

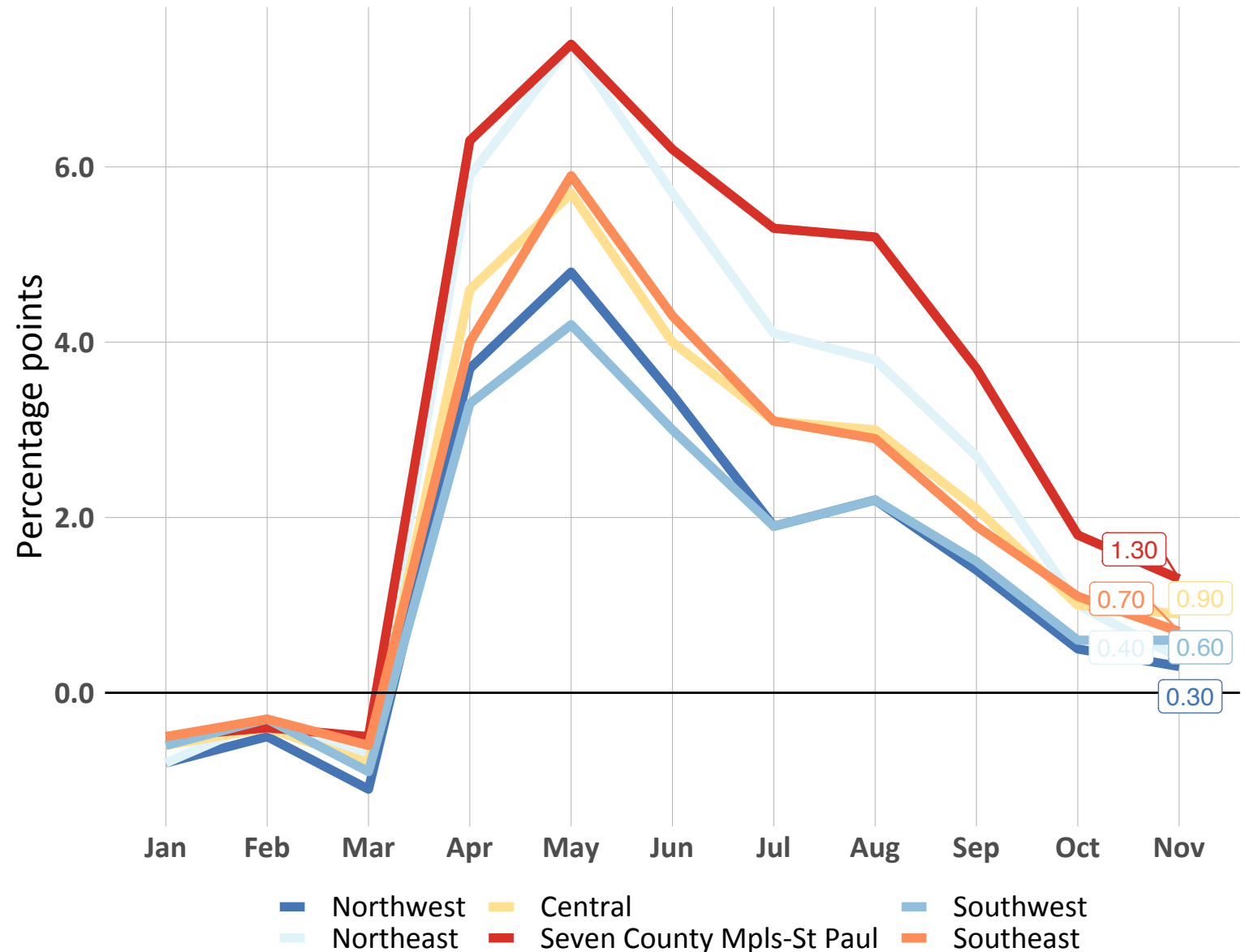


Seasonal unemployment
hitting rural areas

Unemployment – getting closer to previous years

Despite closures in the restaurant and entertainment sectors, by November unemployment rates in rural areas were not substantially different from what they were in 2019.

Difference in unemployment rate - 2020 vs. 2019



Data: MN DEED - Local Area Unemployment Statistics

Two types of unemployment pools

Impacted by the pandemic



Food prep
and serving
related



Sales and
related

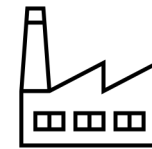


Office and
admin
support

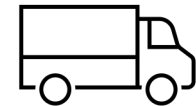
Impacted by season



Construction
and
extraction



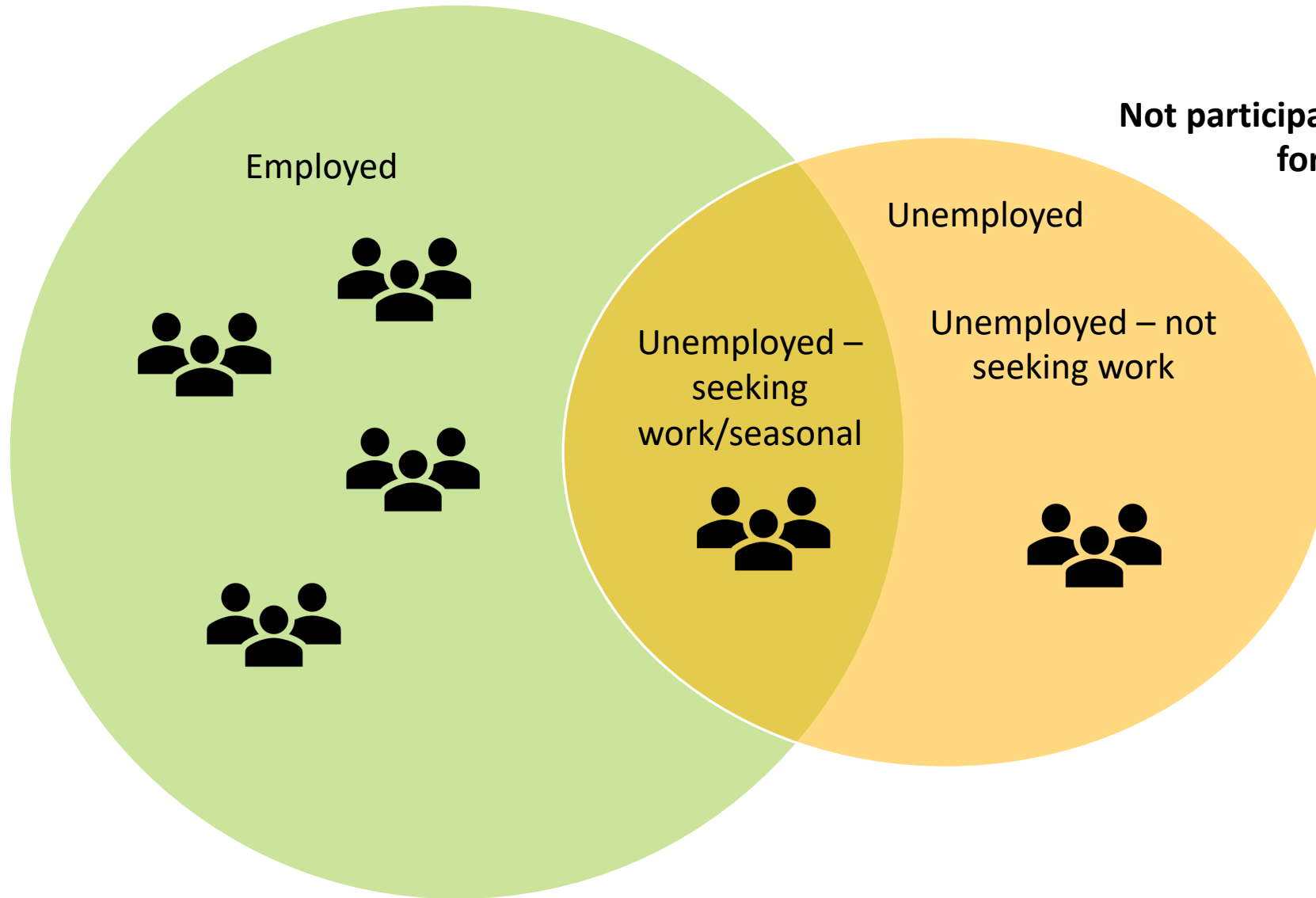
Production



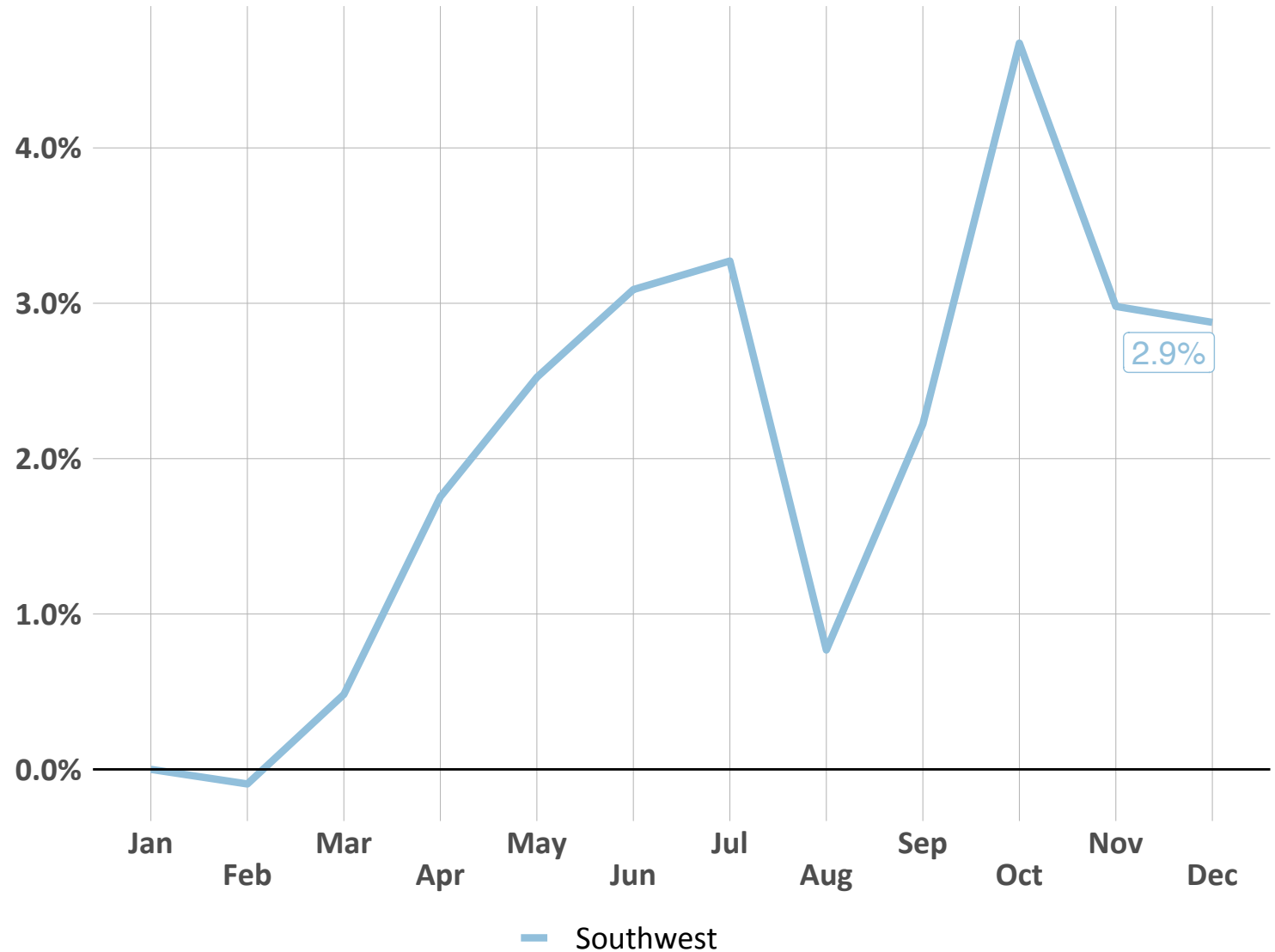
Transportation
and material
moving

Participating in labor force

Not participating in labor force



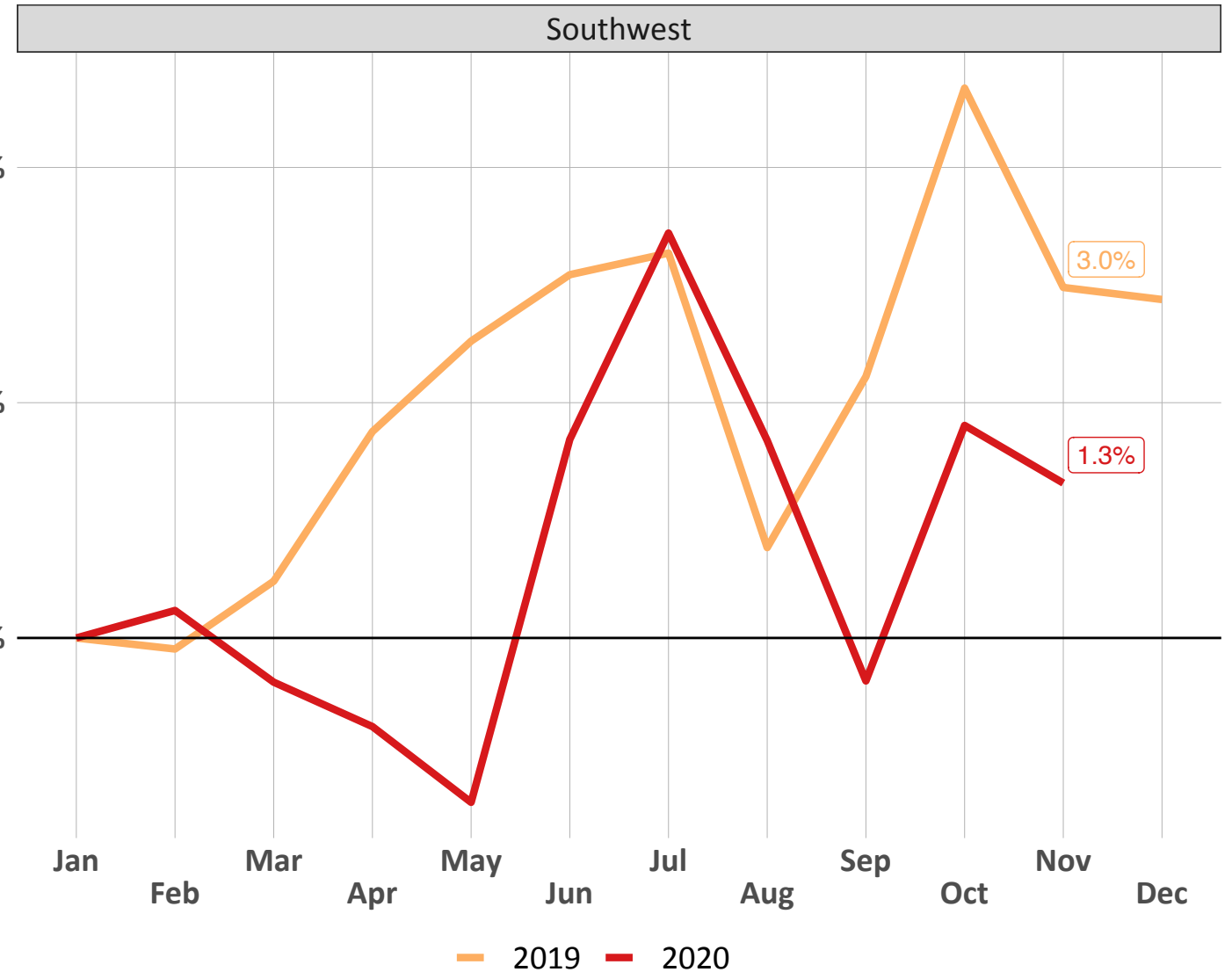
Number of individuals participating in labor force indexed to January of 2019



Fluctuations of the labor force

The number of people participating in the labor force fluctuates a bit over the course of a year. Typically, the number of people participating by the end of the year is more than when the year started, such as in 2019.

Number of individuals participating in labor force indexed to January of 2019 and 2020



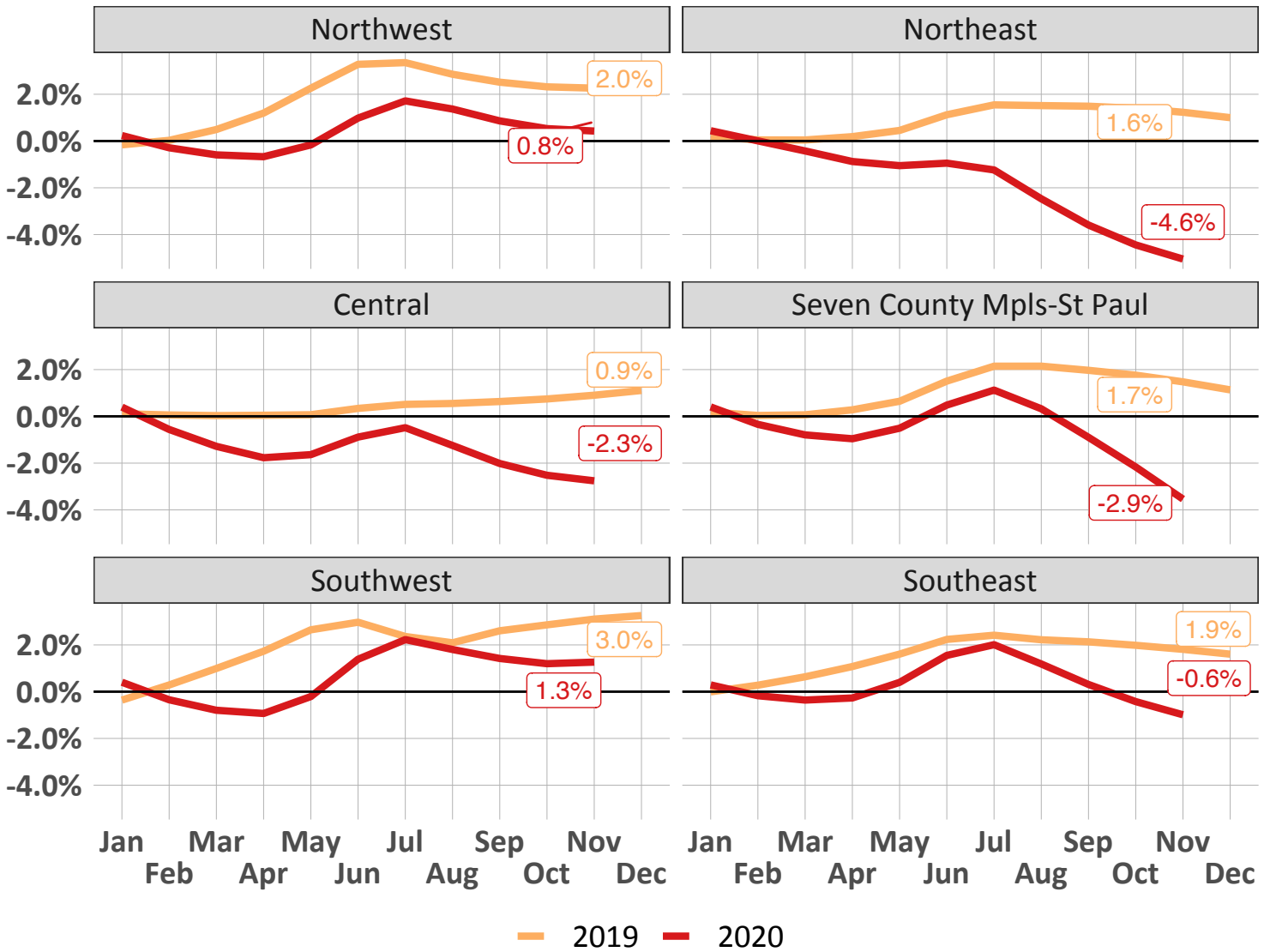
Fluctuations of the labor force

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Impacts on labor force participation

The figure shows the change in the number of individuals participating in the labor force indexed to January 2019 and January 2020. It's apparent that growth in labor force participation in 2020 was not only consistently below that of 2019, but it was also negative for most regions of the state throughout the year. The most severe cases appear to be in Northeast Minnesota and the Twin Cities metro.

Number of individuals participating in labor force indexed to January of 2019 and 2020



Two sides of the impact = two pools of labor



WORKFORCE
SURPLUSES
CONCENTRATED IN A
FEW OCCUPATIONS
WHILE SHORTAGES
PERSIST.

Findings #2

About the jobs data

JOB VACANCY SURVEY – MN DEED

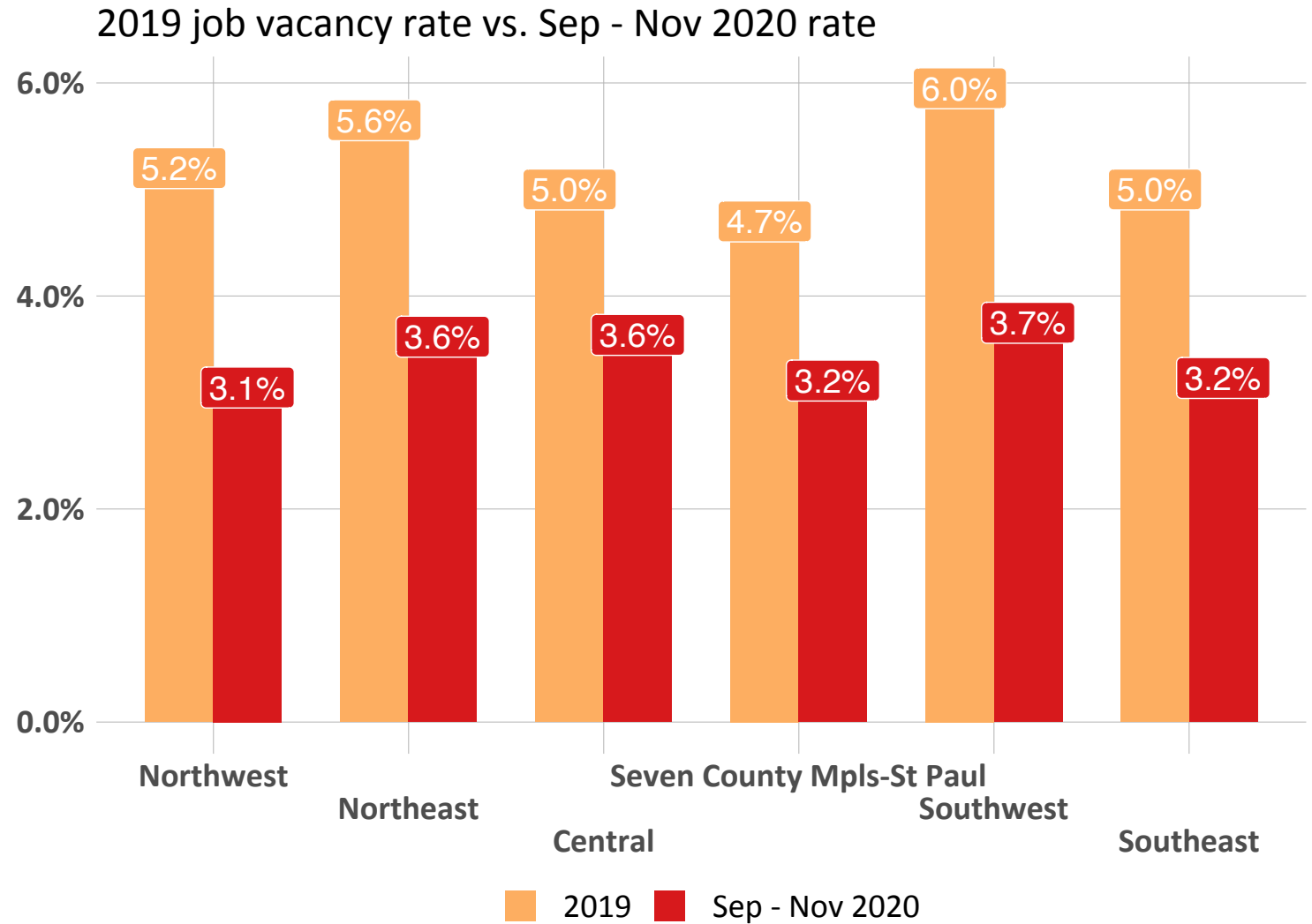
Biannual survey of employers to estimate hiring demand and job vacancy characteristics by industry and occupation.

NATIONAL LABOR EXCHANGE

The NLX collects and distributes job openings exclusively found on over 25,000 corporate career websites and state job banks - and is growing on a daily basis. There are more than 2 million job openings on the NLx at any given time.

Job vacancies down a bit

The figure shows that region by region, job vacancy rates September through November were about 2 to 3 percentage points lower than their average rates for 2019. But although vacancy rates are a bit lower than in 2019, they are still historically high, especially in rural Minnesota, and therefore do not indicate any less pressure to find workers.



MN DEED - Job Vacancy Survey, Occupational Employment Statistics, National Labor Exchange

What kinds of jobs are available?

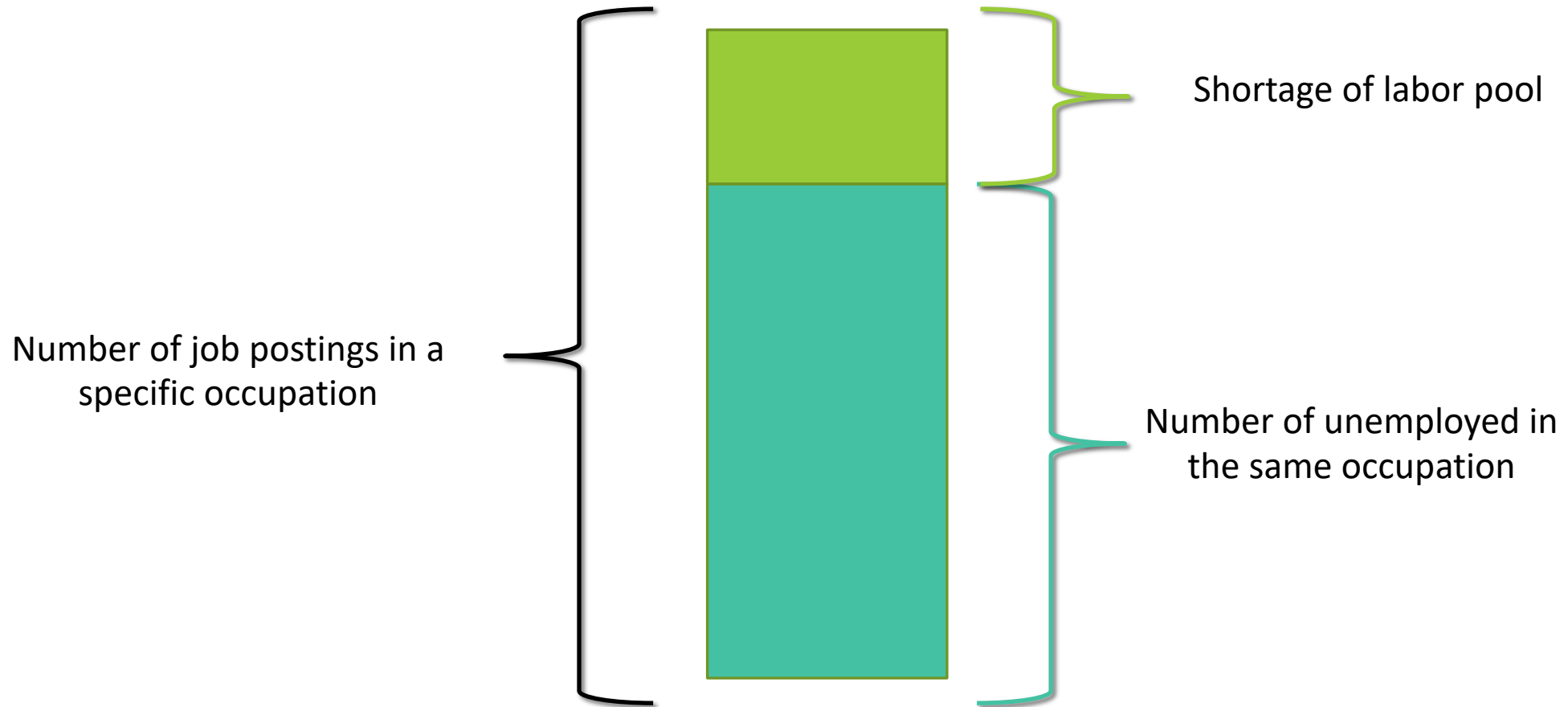
Rank by most openings	Northwest	Northeast	Central	Seven County Mpls-St Paul	Southwest	Southeast
1	Production	Healthcare Practitioners and Technical	Production	Office and Administrative Support	Production	Healthcare Practitioners and Technical
2	Healthcare Practitioners and Technical	Food Preparation and Serving Related	Office and Administrative Support	Healthcare Practitioners and Technical	Healthcare Practitioners and Technical	Sales and Related
3	Transportation and Material Moving	Healthcare Support	Sales and Related	Sales and Related	Transportation and Material Moving	Office and Administrative Support
4	Sales and Related	Office and Administrative Support - 8.7%	Food Preparation and Serving Related	Management	Office and Administrative Support	Healthcare Support
5	Office and Administrative Support	Sales and Related - 7.9%	Transportation and Material Moving	Computer and Mathematical	Sales and Related	Food Preparation and Serving Related

Unemployment vs. In-Demand Jobs

Example – top-5 occupation groups with highest unemployment and highest number of job postings in October 2020 in **Northwest** Minnesota.

Top-5 Occupation group - unemployment	Top-5 Occupation group – job postings
Food prep and serving related	Production
Construction and extraction	Healthcare practitioner and technical
Production	Transportation and material moving
Sales and related	Sales and related
Healthcare support	Food prep and serving related

Workforce Shortages



Occupations with workforce surpluses vs. shortages

SURPLUSES



Food prep and serving related



Sales related

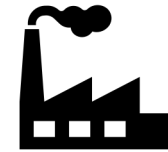


Office and admin support

SHORTAGES



Healthcare practitioners and technical



Production



Transportation and material moving



Architecture and engineering



Computer and mathematical

And more.....

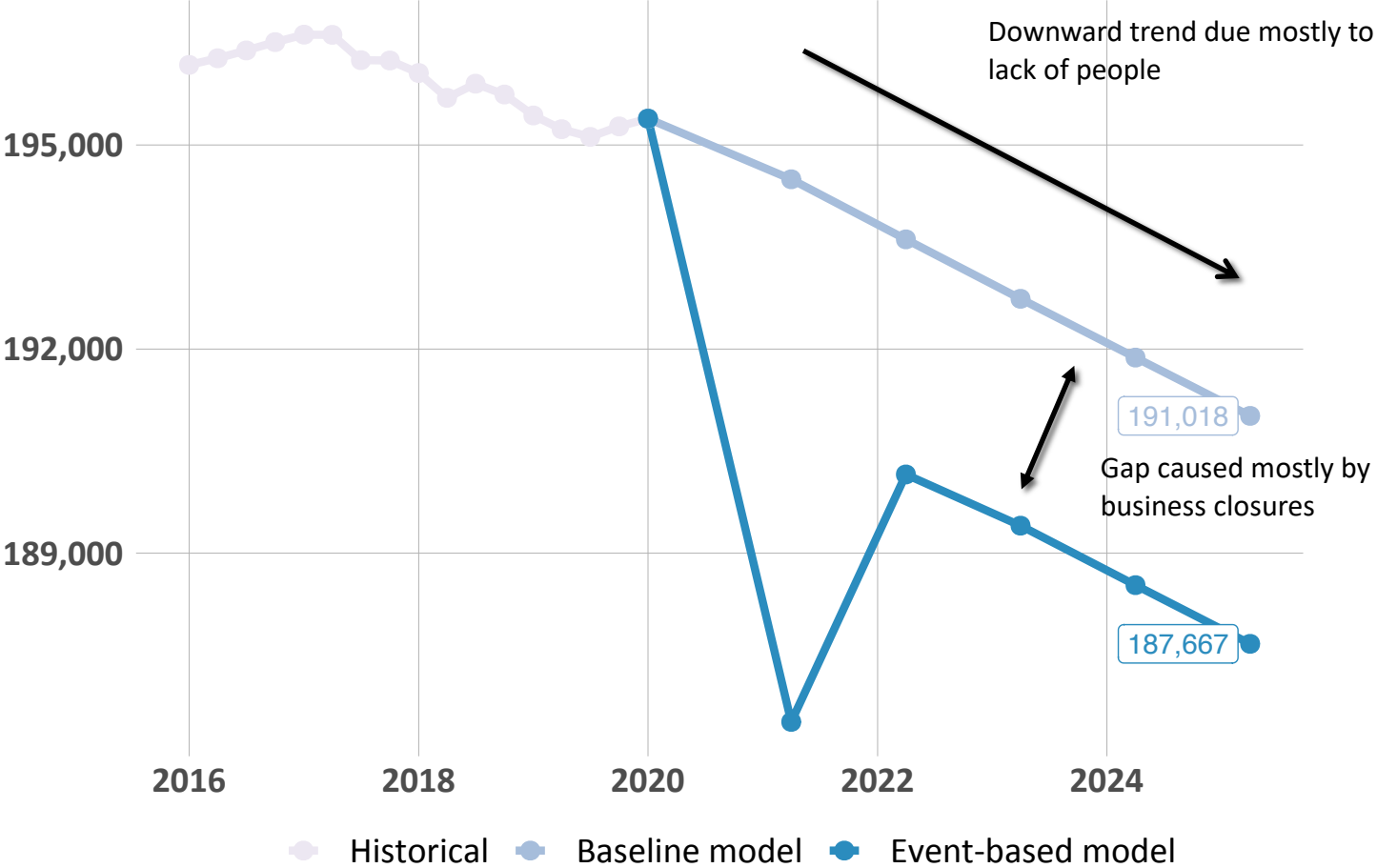
THESE TRENDS ARE
PROJECTED TO
CONTINUE

Findings #3

Employment projections - primer on charts

1. Historical employment – 2016-2020
2. Baseline projections: model projections before pandemic hit, April 2020 – April 2025
3. Event-based model: model projections recalculated after pandemic hit, April 2020 – April 2025

Southwest employment - historical & baseline & event-based projections



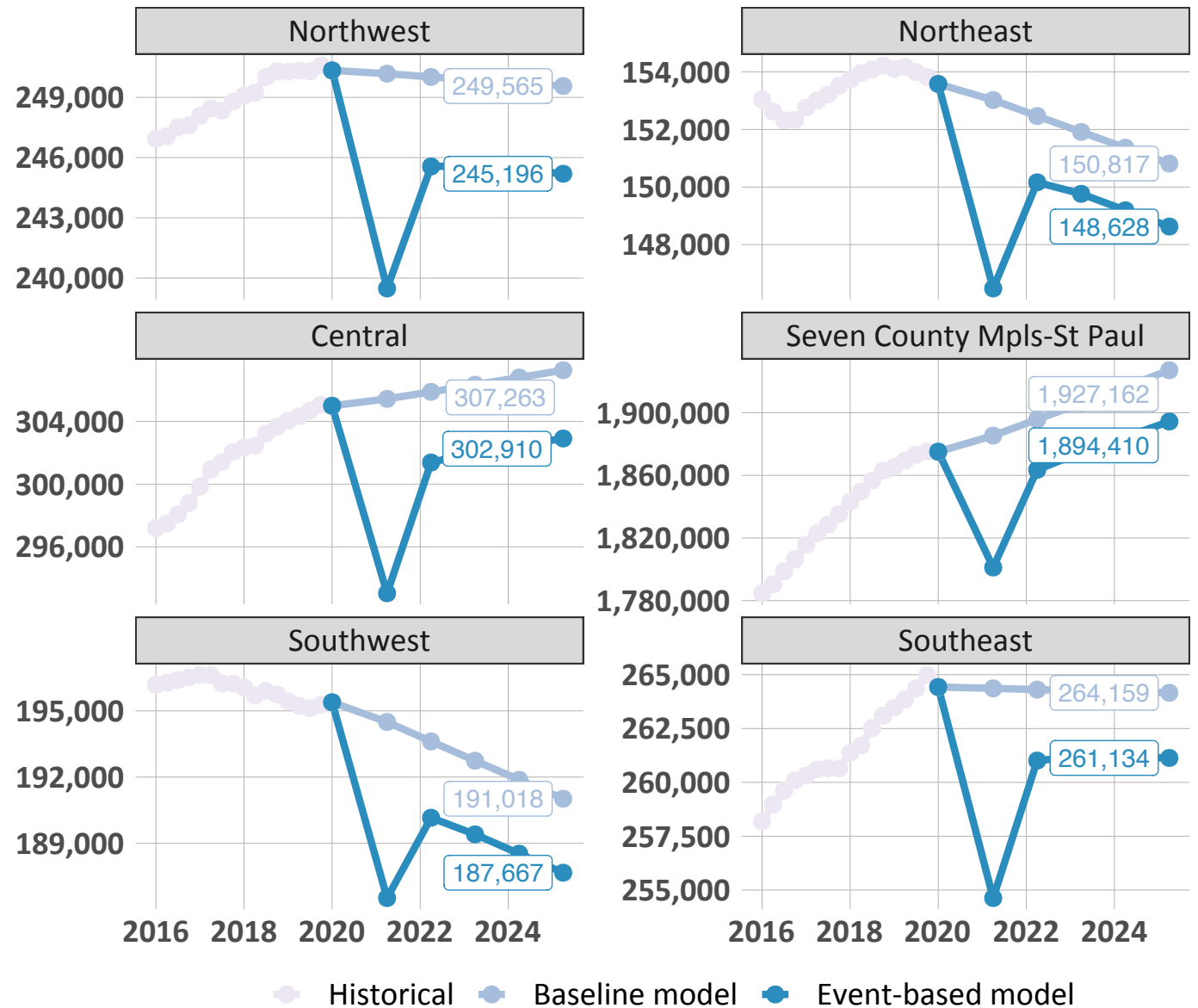
Source: RealTime Talent analysis of ChmuraJobsEQ forecast data

A primer on projections

Employment projections show a gap after pandemic

An analysis done for CRPD by RealTime Talent shows that although the pandemic's initial shock to the economy was severe, by 2025, the total number of jobs in each region should recover to the point of being only 1% to 2% lower than projections made before the pandemic.

Employment forecast before and after pandemic



Source: RealTime Talent analysis of ChmuraJobsEQ forecast data

Shortage vs. Surplus continue to not align

WIDESPREAD WORKFORCE SHORTAGES

Healthcare Practitioners and Technical
Community and Social Services
Management
Architecture and Engineering
Business and Financial Operations
Computer and Mathematical
Life, Physical, and Social Science

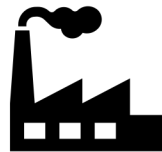
WIDESPREAD WORKFORCE SURPLUSES

Food Preparation and Serving Related
Buildings and Grounds Cleaning and
Maintenance
Office and Administrative Support
Personal Care and Service
Sales and Related

Projections that might be inaccurate



Farming,
fishing and
forestry



Production



Transportation
and material
moving

If those projections are inaccurate....



Workforce shortages increase even more

INVESTMENTS IN
WORKFORCE
DEVELOPMENT ARE
KEY

Findings #4

The opportunity and the problem

POOL OF LABOR

Unemployed

Individuals who have dropped out of labor force

MAY LACK SKILLS FOR CURRENT OPPORTUNITIES

The jobs available will require certification, training and/or post-secondary education.

Northwest		
Rank	Shortage	Surplus
1	Healthcare Practitioners and Technical: \$38.64	Construction and Extraction: \$23.47
2	Transportation and Material Moving: \$18.43	Food Preparation and Serving Related: \$13.44
3	Community and Social Services: \$22.25	Sales and Related: \$17.82
4	Architecture and Engineering: \$32.91	Building, Grounds Cleaning & Maintenance: \$15.90
5	Life, Physical, and Social Science: \$30.43	Education, Training, and Library: \$24.09

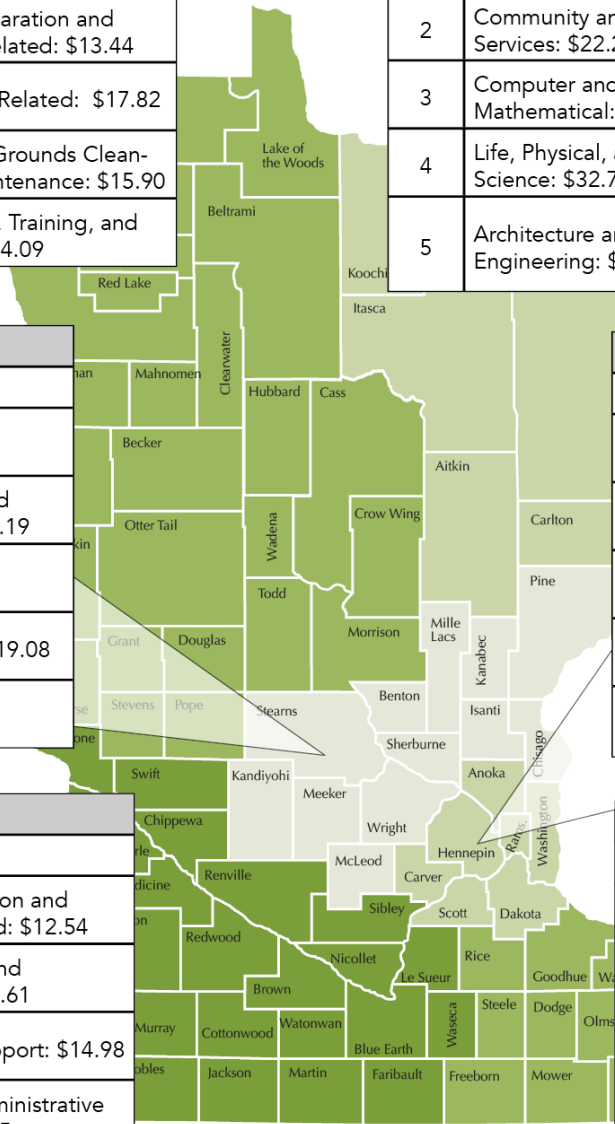
Northeast		
Rank	Shortage	Surplus
1	Healthcare Practitioners and Technical: \$38.88	Construction and Extraction: \$28.51
2	Community and Social Services: \$22.26	Food Preparation and Serving Related: \$13.23
3	Computer and Mathematical: \$35.32	Sales and Related: \$17.28
4	Life, Physical, and Social Science: \$32.78	Installation, Maintenance, and Repair: \$26.01
5	Architecture and Engineering: \$36.80	Building, Grounds Cleaning & Maintenance: \$15.74

Central		
Rank	Shortage	Surplus
1	Community and Social Services: \$24.52	Construction and Extraction: \$28.45
2	Farming, Fishing, and Forestry: \$17.90	Food Preparation and Serving Related: \$13.19
3	Healthcare Practitioners and Technical: \$38.19	Production: \$20.29
4	Life, Physical, and Social Science: \$32.63	Sales and Related: \$19.08
5	NA	Healthcare Support: \$15.51

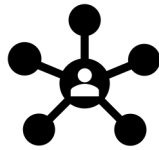
Twin Cities		
Rank	Shortage	Surplus
1	Healthcare Practitioners and Technical: \$45.34	Food Preparation and Serving Related: \$14.46
2	Computer and Mathematical: \$45.40	Sales and Related - \$24.43
3	Community and Social Services: \$25.41	Construction and Extraction: \$32.38
4	Business and Financial Operations: \$38.27	Production: \$21.16
5	Architecture and Engineering: \$42.76	Office and Administrative Support: \$22.09

Southwest		
Rank	Shortage	Surplus
1	Healthcare Practitioners and Technical: \$38.51	Food Preparation and Serving Related: \$12.54
2	Farming, Fishing, and Forestry: \$16.85	Construction and Extraction: \$24.61
3	Transportation and Material Moving: \$18.80	Healthcare Support: \$14.98
4	Computer and Mathematical: \$34.38	Office and Administrative Support: \$19.05
5	Community and Social Services: \$23.43	Sales and Related: \$19.55

Southeast		
Rank	Shortage	Surplus
1	Healthcare Practitioners and Technical: \$49.85	Food Preparation and Serving Related: \$13.38
2	Life, Physical, and Social Science: \$37.21	Construction and Extraction: \$27.28
3	Community and Social Services: \$25.27	Production: \$19.82
4	Computer and Mathematical: \$42.67	Building, Grounds Cleaning & Maintenance: \$15.52
5	Architecture and Engineering: \$35.84	Transportation and Material Moving: \$18.70



Current challenges



Connecting
workers to
local services



Broadband
and
technology

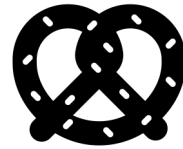


Timing



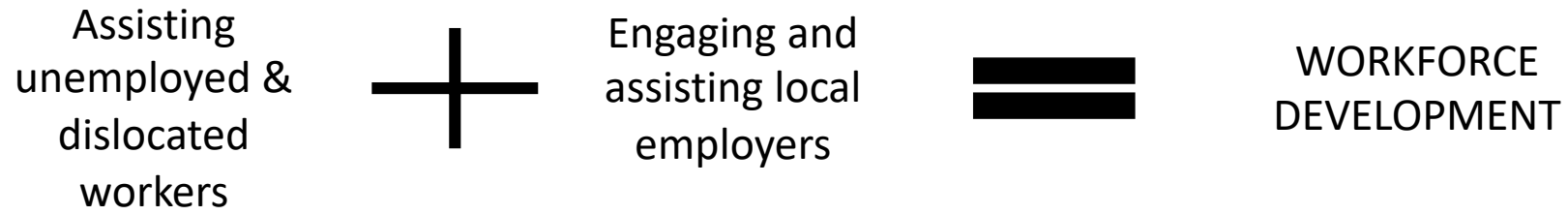
Organizations
stretched thin

Recommendation #1



Any new programming or funding should provide local workforce development organizations the **flexibility** to meet the diverse needs of their regions.

Recommendation #2



Provide support to local workforce development organizations to help them **connect with employers** in their communities.

Recommendation #3



Provide resources for programs that help unemployed individuals **purchase the equipment** they need to communicate with workforce development organizations and/or DEED and to participate in online retraining programs and other re-employment resources.

Recommendation #4



Find ways DEED can better assist in **connecting the unemployed with their local workforce development programming** beyond emails.

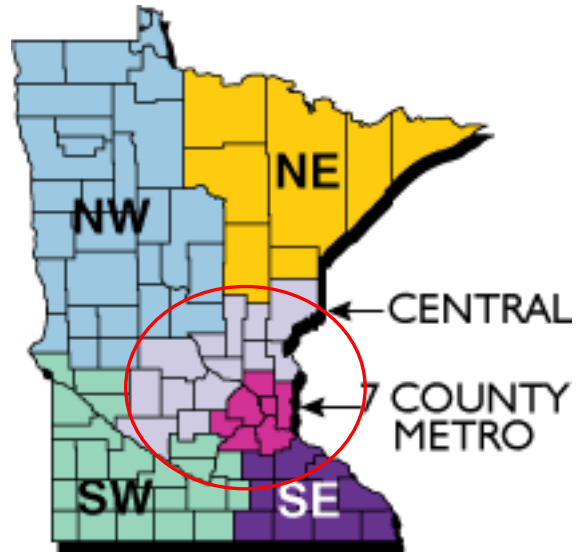
What's going on in Central Minnesota?

PANDEMIC PAINTS A DIFFERENT EMPLOYMENT PICTURE IN RURAL MINNESOTA

MINNESOTA HOUSE OF REPRESENTATIVES JOBS AND WORKFORCE COMMITTEE

FEBRUARY 8TH, 2021

It's connection to seven-county metro



Unemployment number:
unemployed from job in
Seven-County Metro but
counted in Central

Jobs available number: The
number of jobs available in
Central is not relative to the
large number of people
commuting to 7-county
metro