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Eat, Drink, and Be Merry

The Food Services and Drinking Places Industry in Southwest Minnesota

In the 23-county Southwest Minnesota planning area the food services and drinking places industry provides almost 11,000 jobs. Over 80 percent of industry employment in the region is in the restaurant sector, including 42 percent in limited-service restaurants and 40 percent in full-service restaurants. In comparison, full-service and limited-service restaurants also make up the bulk of employment in this industry statewide, though there is a higher percentage (49 percent) in full-service restaurants and a lower percentage in limited service restaurants (38 percent) in the state.

While full-service and limited-service restaurants account for the majority of the total employment in the industry, six other sectors within the industry provide other options. The remaining sectors include drinking places (alcoholic beverages), food service contractors, cafeterias, grill buffets and buffets, snack and non-alcoholic beverage bars, caterers, and mobile food services.

Table 1 shows the average number of establishments, employment, and weekly wages for each sector in the industry. Average weekly wages are obviously low in the industry, but that is partly from the large number of part-time and seasonal jobs. According to DEED's Job Vacancy Survey, 72 percent of jobs in food preparation and serving-related occupations are part-time and another 7 percent are temporary or seasonal, on top of median wage offers of just $7.61 an hour.

Mapping your meals

Food services and drinking places provide roughly 7.6 percent of all jobs across Southwest Minnesota, although this concentration varies by county. Blue Earth County, home to Mankato, the largest city in the region, has the largest amount of industry employment with 3,405 jobs. Add in Nicollet County's 660 jobs, and more than one-third (36.7%) of the region's food services and drinking places employment are located in the Mankato-North Mankato Metropolitan Statistical Area.

Feature:

Low-Income Workers in Minnesota

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Regional Spotlight Southwest Minnesota

Table 1

Industry Employment Statistics for the Food Services and Drinking Establishments Sector in Southwest Minnesota, 2013

Sector	Number of Establishments, 2013	Number of Jobs, 2013	Total Payroll, 2013	Average Weekly Wages
Food Services & Drinking Places	**735**	**10,890**	**$115,036,721**	**$203**
Special Food Services	**35**	**365**	**$4,242,855**	**$223**
Food Service Contractors	17	257	$3,266,205	$245
Caterers	14*	104*	$431,140*	$160*
Mobile Food Services	5*	10*	$21,301*	$83*
Drinking Places (Alcoholic Beverages)	**138***	**1,036***	**$7,348,810***	**$181***
Restaurants	**562**	**9,485**	**$100,973,986**	**$204**
Full-Service Restaurants	272	4,411	$49,075,722	$214
Limited-Service Restaurants	253	4,585	$45,686,096	$191
Cafeterias, Grill Buffets and Buffets	10	255	$3,799,660	$288
Snack and Non-Alcoholic Beverage Bars	30	238	$2,412,508	$196

*Because these are seasonal industries, data are not available for all 4 quarters. Therefore data in this chart averages the quarters available.

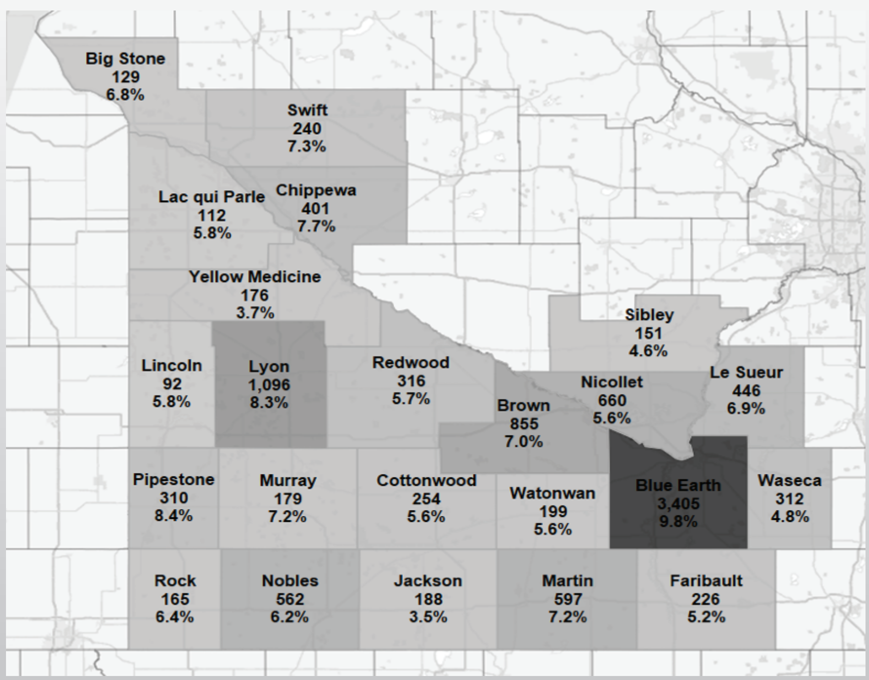
Source: DEED's Quarterly Census of Employment and Wages (QCEW) program

There were also larger numbers of jobs in the region's micropolitan areas, including Marshall and Lyon County (1,096 jobs), New Ulm and Brown County (855 jobs), Fairmont and Martin County (597 jobs), and Worthington and Nobles County (562 jobs). Combined, these six counties offer nearly two-thirds (64.8%) of the region's food services and drinking places jobs.

In the smaller counties there were large variations in the number and concentration of food services and drinking places employment. For example, Pipestone County ranks 15th of the 23 Southwestern counties in terms of total employment and has the fifth smallest population, but had the second highest percentage of employment in the food services and drinking places sector. In contrast, Waseca County had over 20 percent more total jobs than Pipestone County, but about the same number of jobs in food services and drinking places (Figure 1).

Figure 1

2012 Employment by County, Food Services and Drinking Places



Source: U.S. Census Bureau County Business Patterns, 2012 **http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl**

Tip #29: Always be nice to the people who handle your food

The workers who prepare, cook, and serve the dishes and cocktails for customers do it for relatively low wages, but still with a smile. While some occupations in the food services industry receive additional wages in the form of cash tips, many do not. Overall, the median hourly wage for all food serving and preparing occupations in Southwest Minnesota is $9.37. This is about 60 percent of the median hourly wage for all occupations in the region (Table 2).

Although they typically operate behind the scenes in the kitchen, the most common occupation in food services is combined food preparation and serving workers, accounting for 43 percent of employment in the field. They do both most commonly at fast food establishments. Other common occupations include first-line supervisors of food preparation workers; all types of cooks, ranging from fast food and short order to restaurant, institution, and cafeteria; and waiters, waitresses, and other food servers.

Despite being relatively low-paying, all of the occupations listed in Table 2 have higher median wages than the new $8.00 per hour minimum wage that went into effect in August, 2014 for large employers. However, based on data from DEED's Occupational Employment Statistics (OES) program, the wage hike will likely affect some workers in many of the occupations in the industry.

Workers in Greater Minnesota, especially in higher-earning occupational groups like management, computer and mathematical, and architecture and engineering, earn less than their counterparts in the metro area. However, workers in the most common food service

Table 2

Employment and Wages of Food Serving and Preparing Occupations in Southwest Minnesota

Occupational Title	Southwest MN Employment	Hourly Median Wage		Percent of MN Median
		Southwest	Minnesota	
Total, All Occupations	**172,090**	**$15.03**	**$18.15**	**82.8%**
Chefs and Head Cooks	30	$15.78	$22.01	71.7%
First-Line Supervisors of Food Preparation Workers	790	$12.49	$14.06	88.8%
Cooks, Fast Food	320	$8.65	ND	ND
Cooks, Institution and Cafeteria	670	$11.81	$12.84	92.0%
Cooks, Restaurant	180	$9.22	$10.84	85.1%
Cooks, Short Order	100	$9.10	$9.16	99.3%
Cooks, All Other	60	$11.99	$11.18	107.2%
Food Preparation Workers	700	$9.64	$10.59	91.0%
Bartenders	810	$8.65	$8.80	98.3%
Combined Food Preparation and Serving Workers	4,170	$8.69	$8.71	99.8%
Counter Attendants, Cafeteria, Food Concession	410	$8.74	$8.78	99.5%
Waiters and Waitresses	620	$8.55	$8.68	98.5%
Food Servers, Non-restaurant	520	$9.51	$10.31	92.2%
Dining Room and Cafeteria Attendants	60	$8.65	$8.84	97.9%
Dishwashers	220	$8.59	$8.88	96.7%
Hosts and Hostesses, Restaurant, Lounge, and Coffee	40	$8.75	$8.65	101.2%
All Other Food Preparation and Serving Related Workers	10	$9.34	$10.23	91.3%

Source: DEED Occupational Employment Statistics occupations enjoy a much smaller pay gap than other workers in Southwest Minnesota. With the exception of chefs and head cooks, every major food service occupation pays much closer to the state's median wage than the total for all occupations.

For all occupations in Southwest Minnesota, workers make 83 percent of the median wage in the state. Many of the food serving and preparing occupations, on the other hand, pay 95 percent or more of the Minnesota median. These include short order cooks, all other cooks, bartenders, combined food and preparation serving workers, counter attendants, waiters and waitresses, dining room and cafeteria attendants, bartenders, and host and hostesses. Host and hostesses and all other cooks in Southwest Minnesota actually make more than the state's median for the occupation, at 101 percent and 107 percent of the state's median hourly wage, respectively.

Get in on the ground floor

Many of these occupations provide great entry-level jobs for the youngest workers in the labor force, becoming a place where they can learn job responsibilities and create a foundation for future work experiences. Data show that food services and drinking places can be a good start for many workers to learn the ins and outs of being a professional, with the flexibility and limited hours that they also provide.

However, a recent decrease in the number of younger workers aged 14 to 18 is transforming the workforce of the food services and drinking places industry. With declining census numbers for the age cohort, the youngest age group is being replaced by their older counterparts in the workforce (Figure 2).

It is important to note that the loss in 14- to 18-year-olds was not limited to Southwest Minnesota or to the food services and drinking places industry, but it is vital to both. The loss of these workers in the region was much more dramatic than in the state of Minnesota. Since 2005 the number of 14- to 18-year-olds working in food services and drinking places decreased over 40 percent in Southwest Minnesota, while the state has 19 percent fewer younger workers in the industry.

This loss has led to an increase in the 25- to 34-year-old age cohort, which has seen their employment in this industry jump by 53 percent in Southwest Minnesota, almost twice as fast as the state's 27 percent increase. Changing demographics are certainly playing a part in this age shift, but other reasons including a surplus of workers during the recession and increasing standards for applicants could also be affecting the industry in the region.

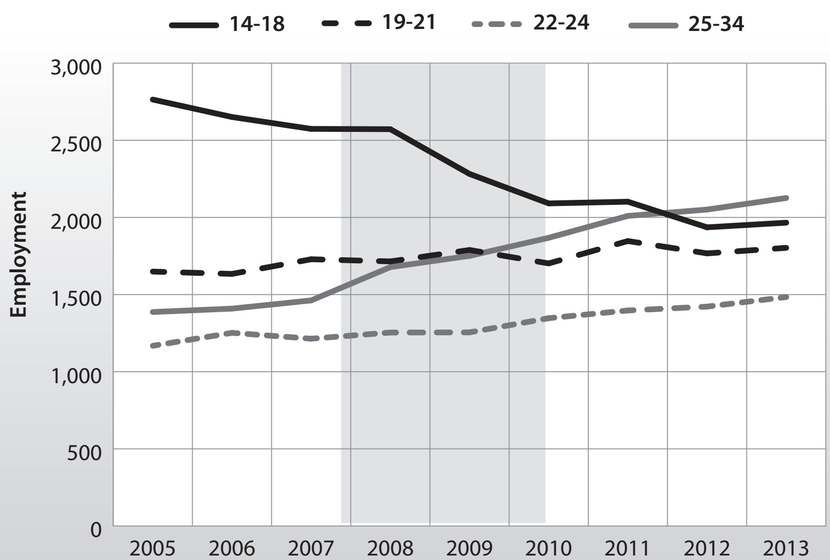
Slow rise in new jobs

As the labor market continues to tighten, and if the 25- to 34-year-olds begin to be offered other types of employment, it is possible that the youngest group of workers will again be tapped to fill the needed labor demand of the food services and drinking places industry.

Food services and drinking places are projected to grow a modest 3.3 percent from 2010 to 2020 in Southwest Minnesota, adding about 350 net new jobs. While that is not as fast as the state or the total of all industries in the region, it shows there will be demand for these workers in the future. The good news is that if the food services and drinking places industry maintains its projected employment growth, there will continue to be a wide variety of dining options in Southwest Minnesota.

Figure 2

Food Services and Drinking Places Employment by Age Cohort, Southwest Minnesota



Source: U.S. Census Bureau, Quarterly Workforce Indicators

by Mark Schultz, Regional Analyst SW and Central MN and Luke Greiner, Regional Analyst SE MN Minnesota Department of Employment and Economic Development

Regional Spotlight
Southwest Minnesota

Featuring the OES

The Occupational Employment Statistics Program (OES) has been part of the Bureau of Labor Statistics data collection efforts in its current form since 1997. The idea behind the OES is that occupations cut across many industries, and while much of the labor market data collected is industry-based, only by looking at individual occupations can we get a sense of how many people are employed in Minnesota in a given occupation and how well they are paid.

The statistics produced by the OES are based on employer-provided data for all their employees who are covered by Unemployment Insurance. In the state of Minnesota roughly 6,000 employers participate in the survey each year. Data are sent to the states so that state employees, knowledgeable about specific occupations and the economy in Minnesota, can review and, if necessary, correct it. Reports are issued for the nation, states, and substate areas such as counties.

OES data have many uses. An employer who is having trouble finding employees may look at the data and see that their wage offer is not competitive. It also shows the number of occupations in a given area, and can be used by counselors who are trying to find their clients an occupation that pays a good wage. A simplified example of what the OES tool provides is below. In this example, we chose "Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products." Actual OES data is provided in even greater detail than above. The OES tool can be found at **https://apps.deed.state.mn.us/lmi/oes/** .

by Nick Dobbins

Wage Data, Updated to First Quarter, 2014

Geography	Employment	Mean Wage	10th (Percentile)	25th	Median	75th	90th
Minnesota	6,310	$43.92/hr	$23.16/hr	$30.87/hr	$40.77/hr	$54.02/hr	$68.14/hr
U.S.	352,830	$41.48/hr	$18.07/hr	$25.06/hr	$36.11/hr	$51.48/hr	$70.61/hr

Leading Industries for Sales Representatives, Wholesale and Manufacturing, Technical & Scientific Products

Industry	OES Employment	OES Median Wage
Trade, Transportation and Utilities	2,330	$42.84/hr
Manufacturing	2,240	$37.56/hr
Professional and Business Services	1,480	N/A
Financial Activities	220	$36.76/hr

Geography	Employment	Median Wage
Minnesota	6,310	$40.77/hr
Minneapolis-Saint Paul MSA	5,410	$41.41/hr
Fargo-Moorhead MSA	230	$40.06/hr
Rochester MSA	70	$33.28/hr
Saint Cloud MSA	70	$33.96/hr
Mankato-North Mankato MSA	70	$32.11/hr
La Crosse, WI – MN MSA	60	$25.38/hr

Labor Force Estimates

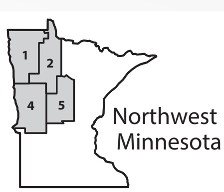
County/Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Aug 2014	July 2014	Aug 2013	Aug 2014	July 2014	Aug 2013	Aug 2014	July 2014	Aug 2013	Aug 2014	July 2014	Aug 2013
United States ('000s)												
(Seasonally adjusted)	155,959	156,023	155,486	146,368	146,352	144,170	9,591	9,671	11,316	6.1%	6.2%	7.3%
(Unadjusted)	156,434	157,573	155,971	146,647	147,265	144,509	9,787	10,307	11,462	6.3	6.5	7.3
Minnesota												
(Seasonally adjusted)	2,980,761	2,987,768	2,968,353	2,852,865	2,854,409	2,819,609	127,896	133,359	148,744	4.3	4.5	5.0
(Unadjusted)	3,001,186	3,023,764	2,987,142	2,887,154	2,892,647	2,845,637	114,032	131,117	141,505	3.8	4.3	4.7
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	**1,887,786**	**1,902,295**	**1,867,514**	**1,816,607**	**1,821,275**	**1,779,001**	**71,179**	**81,020**	**88,513**	**3.8**	**4.3**	**4.7**
Duluth-Superior MSA	144,261	145,215	145,373	137,426	137,212	136,897	6,835	8,003	8,476	4.7	5.5	5.8
Rochester MSA	107,188	107,822	107,275	103,688	103,766	102,967	3,500	4,056	4,308	3.3	3.8	4.0
St. Cloud MSA	109,511	109,203	108,365	105,541	104,615	103,323	3,970	4,588	5,042	3.6	4.2	4.7
Mankato-N Mankato MSA	58,188	58,787	57,413	56,331	56,595	55,102	1,857	2,192	2,311	3.2	3.7	4.0
Fargo-Moorhead MSA	124,814	125,882	122,005	121,757	122,360	118,459	3,057	3,522	3,546	2.4	2.8	2.9
Grand Forks MSA	52,597	52,819	53,084	50,931	50,896	51,050	1,666	1,923	2,034	3.2	3.6	3.8
Region One	**49,905**	**50,292**	**50,136**	**48,078**	**48,109**	**47,956**	**1,827**	**2,183**	**2,180**	**3.7**	**4.3**	**4.3**
Kittson	2,643	2,682	2,695	2,544	2,563	2,563	99	119	132	3.7	4.4	4.9
Marshall	5,562	5,656	5,605	5,322	5,366	5,310	240	290	295	4.3	5.1	5.3
Norman	3,491	3,602	3,612	3,360	3,436	3,453	131	166	159	3.8	4.6	4.4
Pennington	9,656	9,683	9,600	9,349	9,298	9,205	307	385	395	3.2	4.0	4.1
Polk	17,293	17,306	17,236	16,611	16,541	16,489	682	765	747	3.9	4.4	4.3
Red Lake	2,281	2,327	2,295	2,192	2,206	2,189	89	121	106	3.9	5.2	4.6
Roseau	8,979	9,036	9,093	8,700	8,699	8,747	279	337	346	3.1	3.7	3.8
Region Two	**40,922**	**41,590**	**41,200**	**38,779**	**39,107**	**38,728**	**2,143**	**2,483**	**2,472**	**5.2**	**6.0**	**6.0**
Beltrami	22,175	22,487	22,339	21,084	21,214	21,017	1,091	1,273	1,322	4.9	5.7	5.9
Clearwater	4,168	4,253	4,170	3,839	3,871	3,822	329	382	348	7.9	9.0	8.3
Hubbard	9,759	9,960	9,861	9,276	9,413	9,307	483	547	554	4.9	5.5	5.6
Lake of the Woods	2,389	2,427	2,370	2,269	2,292	2,245	120	135	125	5.0	5.6	5.3
Mahnomen	2,431	2,463	2,460	2,311	2,317	2,337	120	146	123	4.9	5.9	5.0
Region Three	**168,111**	**169,402**	**170,147**	**160,130**	**160,009**	**160,127**	**7,981**	**9,393**	**10,020**	**4.7**	**5.5**	**5.9**
Aitkin	7,153	7,208	7,316	6,795	6,796	6,895	358	412	421	5.0	5.7	5.8
Carlton	17,563	17,694	17,721	16,828	16,802	16,773	735	892	948	4.2	5.0	5.3
Cook	3,769	3,731	3,737	3,643	3,588	3,608	126	143	129	3.3	3.8	3.5
Itasca	22,803	23,021	23,307	21,563	21,573	21,757	1,240	1,448	1,550	5.4	6.3	6.7
Koochiching	6,619	6,728	6,681	6,128	6,158	6,202	491	570	479	7.4	8.5	7.2
Lake	6,596	6,699	6,734	6,376	6,445	6,415	220	254	319	3.3	3.8	4.7
St. Louis	103,608	104,321	104,651	98,797	98,647	98,477	4,811	5,674	6,174	4.6	5.4	5.9
City of Duluth	45,579	45,854	45,907	43,611	43,544	43,469	1,968	2,310	2,438	4.3	5.0	5.3
Balance of St. Louis County	58,029	58,467	58,744	55,186	55,103	55,008	2,843	3,364	3,736	4.9	5.8	6.4
Region Four	**130,339**	**130,623**	**129,407**	**126,420**	**126,068**	**124,663**	**3,919**	**4,555**	**4,744**	**3.0**	**3.5**	**3.7**
Becker	19,593	18,447	19,510	18,923	17,676	18,725	670	771	785	3.4	4.2	4.0
Clay	35,111	35,310	34,070	34,253	34,294	32,984	858	1,016	1,086	2.4	2.9	3.2
Douglas	21,812	22,252	21,760	21,178	21,527	20,980	634	725	780	2.9	3.3	3.6
Grant	3,246	3,320	3,272	3,126	3,178	3,135	120	142	137	3.7	4.3	4.2
Otter Tail	31,888	32,397	32,136	30,765	31,090	30,796	1,123	1,307	1,340	3.5	4.0	4.2
Pope	6,676	6,794	6,673	6,486	6,582	6,449	190	212	224	2.8	3.1	3.4
Stevens	6,410	6,476	6,389	6,264	6,296	6,201	146	180	188	2.3	2.8	2.9
Traverse	1,757	1,778	1,809	1,696	1,704	1,739	61	74	70	3.5	4.2	3.9
Wilkin	3,846	3,849	3,788	3,729	3,721	3,654	117	128	134	3.0	3.3	3.5
Region Five	**84,360**	**85,511**	**85,205**	**80,596**	**81,231**	**80,570**	**3,764**	**4,280**	**4,635**	**4.5**	**5.0**	**5.4**
Cass	14,294	14,547	14,445	13,544	13,659	13,517	750	888	928	5.2	6.1	6.4
Crow Wing	34,089	34,537	34,415	32,640	32,917	32,575	1,449	1,620	1,840	4.3	4.7	5.3
Morrison	17,397	17,607	17,498	16,609	16,713	16,574	788	894	924	4.5	5.1	5.3
Todd	12,408	12,514	12,545	11,934	11,981	11,967	474	533	578	3.8	4.3	4.6
Wadena	6,172	6,306	6,302	5,869	5,961	5,937	303	345	365	4.9	5.5	5.8
Region Six East	**67,310**	**67,684**	**67,720**	**64,818**	**64,838**	**64,667**	**2,492**	**2,846**	**3,053**	**3.7**	**4.2**	**4.5**
Kandiyohi	25,041	25,358	25,152	24,203	24,398	24,174	838	960	978	3.3	3.8	3.9
McLeod	20,509	20,395	20,491	19,710	19,483	19,489	799	912	1,002	3.9	4.5	4.9
Meeker	12,623	12,704	12,703	12,156	12,168	12,121	467	536	582	3.7	4.2	4.6
Renville	9,137	9,227	9,374	8,749	8,789	8,883	388	438	491	4.2	4.7	5.2

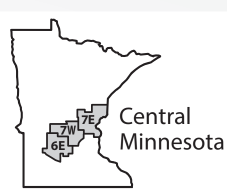
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

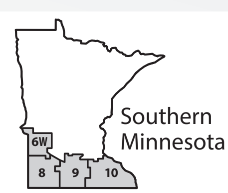
Labor Force Estimates

Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development, Local Area Unemployment Statistics, and North Dakota Job Service, 2014.

County/ Area	Labor Force Aug 2014	Labor Force July 2014	Labor Force Aug 2013	Employment Aug 2014	Employment July 2014	Employment Aug 2013	Unemployment Aug 2014	Unemployment July 2014	Unemployment Aug 2013	Rate of Unemployment Aug 2014	Rate of Unemployment July 2014	Rate of Unemployment Aug 2013
Region Six West	**24,232**	**24,733**	**24,746**	**23,356**	**23,727**	**23,640**	**876**	**1,006**	**1,106**	**3.6%**	**4.1%**	**4.5%**
Big Stone	2,692	2,774	2,769	2,605	2,671	2,655	87	103	114	3.2	3.7	4.1
Chippewa	7,145	7,230	7,241	6,880	6,937	6,934	265	293	307	3.7	4.1	4.2
Lac Qui Parle	3,874	3,954	3,997	3,740	3,796	3,815	134	158	182	3.5	4.0	4.6
Swift	5,081	5,160	5,204	4,883	4,934	4,955	198	226	249	3.9	4.4	4.8
Yellow Medicine	5,440	5,615	5,535	5,248	5,389	5,281	192	226	254	3.5	4.0	4.6
Region Seven East	**83,310**	**84,176**	**83,154**	**79,528**	**79,800**	**78,611**	**3,782**	**4,376**	**4,543**	**4.5**	**5.2**	**5.5**
Chisago	28,335	28,546	28,016	27,224	27,294	26,664	1,111	1,252	1,352	3.9	4.4	4.8
Isanti	20,657	20,865	20,429	19,869	19,920	19,460	788	945	969	3.8	4.5	4.7
Kanabec	8,049	8,182	8,128	7,553	7,610	7,552	496	572	576	6.2	7.0	7.1
Mille Lacs	12,084	12,174	12,156	11,402	11,403	11,367	682	771	789	5.6	6.3	6.5
Pine	14,185	14,409	14,425	13,480	13,573	13,568	705	836	857	5.0	5.8	5.9
Region Seven West	**229,010**	**229,600**	**226,503**	**220,621**	**219,992**	**216,037**	**8,389**	**9,608**	**10,466**	**3.7**	**4.2**	**4.6**
Benton	22,617	22,587	22,442	21,781	21,590	21,323	836	997	1,119	3.7	4.4	5.0
Sherburne	49,457	49,845	48,929	47,579	47,702	46,601	1,878	2,143	2,328	3.8	4.3	4.8
Stearns	86,894	86,616	85,923	83,760	83,025	82,000	3,134	3,591	3,923	3.6	4.1	4.6
Wright	70,042	70,552	69,209	67,501	67,675	66,113	2,541	2,877	3,096	3.6	4.1	4.5
Region Eight	**68,824**	**69,621**	**69,794**	**66,771**	**67,007**	**67,239**	**2,053**	**2,614**	**2,555**	**3.0**	**3.8**	**3.7**
Cottonwood	6,287	6,092	6,415	6,066	5,783	6,147	221	309	268	3.5	5.1	4.2
Jackson	7,651	7,889	7,606	7,424	7,518	7,370	227	371	236	3.0	4.7	3.1
Lincoln	3,477	3,558	3,531	3,370	3,432	3,411	107	126	120	3.1	3.5	3.4
Lyon	14,833	15,000	14,995	14,381	14,467	14,419	452	533	576	3.0	3.6	3.8
Murray	5,924	5,993	5,986	5,778	5,815	5,808	146	178	178	2.5	3.0	3.0
Nobles	11,307	11,398	11,500	10,979	10,987	11,092	328	411	408	2.9	3.6	3.5
Pipestone	5,673	5,741	5,804	5,529	5,569	5,618	144	172	186	2.5	3.0	3.2
Redwood	8,054	8,230	8,293	7,758	7,877	7,890	296	353	403	3.7	4.3	4.9
Rock	5,618	5,720	5,664	5,486	5,559	5,484	132	161	180	2.3	2.8	3.2
Region Nine	**131,925**	**132,925**	**132,332**	**127,175**	**127,318**	**126,534**	**4,750**	**5,607**	**5,798**	**3.6**	**4.2**	**4.4**
Blue Earth	38,687	39,101	38,172	37,399	37,574	36,583	1,288	1,527	1,589	3.3	3.9	4.2
Brown	15,841	15,897	16,041	15,319	15,283	15,400	522	614	641	3.3	3.9	4.0
Faribault	7,401	7,491	7,594	7,088	7,117	7,224	313	374	370	4.2	5.0	4.9
Le Sueur	15,225	15,279	15,036	14,588	14,544	14,266	637	735	770	4.2	4.8	5.1
Martin	10,627	10,795	11,016	10,202	10,234	10,491	425	561	525	4.0	5.2	4.8
Nicollet	19,501	19,686	19,241	18,932	19,021	18,519	569	665	722	2.9	3.4	3.8
Sibley	9,431	9,407	9,701	9,117	9,050	9,310	314	357	391	3.3	3.8	4.0
Waseca	9,819	9,792	10,054	9,388	9,309	9,548	431	483	506	4.4	4.9	5.0
Watonwan	5,393	5,477	5,477	5,142	5,186	5,193	251	291	284	4.7	5.3	5.2
Region Ten	**275,973**	**278,106**	**277,006**	**266,237**	**266,717**	**264,794**	**9,736**	**11,389**	**12,212**	**3.5**	**4.1**	**4.4**
Dodge	11,358	11,417	11,374	10,951	10,959	10,875	407	458	499	3.6	4.0	4.4
Fillmore	11,467	11,552	11,590	11,059	11,090	11,098	408	462	492	3.6	4.0	4.2
Freeborn	16,093	16,180	16,342	15,483	15,478	15,552	610	702	790	3.8	4.3	4.8
Goodhue	25,830	26,010	25,908	24,897	24,920	24,710	933	1,090	1,198	3.6	4.2	4.6
Houston	10,446	10,544	10,413	10,067	10,104	9,921	379	440	492	3.6	4.2	4.7
Mower	21,415	21,579	21,562	20,697	20,731	20,653	718	848	909	3.4	3.9	4.2
Olmsted	83,847	84,359	83,950	81,196	81,257	80,631	2,651	3,102	3,319	3.2	3.7	4.0
City of Rochester	61,274	61,656	61,329	59,270	59,314	58,857	2,004	2,342	2,472	3.3	3.8	4.0
Rice	32,739	33,368	32,864	31,345	31,713	31,101	1,394	1,655	1,763	4.3	5.0	5.4
Steele	21,763	21,661	21,779	21,022	20,800	20,847	741	861	932	3.4	4.0	4.3
Wabasha	11,982	12,047	11,950	11,541	11,550	11,461	441	497	489	3.7	4.1	4.1
Winona	29,033	29,389	29,274	27,979	28,115	27,945	1,054	1,274	1,329	3.6	4.3	4.5
Region Eleven	**1,646,966**	**1,659,505**	**1,629,782**	**1,584,645**	**1,588,731**	**1,552,069**	**62,321**	**70,774**	**77,713**	**3.8**	**4.3**	**4.8**
Anoka	192,225	193,845	190,336	184,998	185,475	181,195	7,227	8,370	9,141	3.8	4.3	4.8
Carver	51,955	52,307	51,282	50,088	50,217	49,058	1,867	2,090	2,224	3.6	4.0	4.3
Dakota	235,338	237,159	232,685	226,701	227,286	222,041	8,637	9,873	10,644	3.7	4.2	4.6
Hennepin	675,685	680,489	668,809	649,825	651,500	636,466	25,860	28,989	32,343	3.8	4.3	4.8
City of Bloomington	49,768	50,139	49,242	47,905	48,028	46,920	1,863	2,111	2,322	3.7	4.2	4.7
City of Minneapolis	220,685	222,289	218,543	211,701	212,247	207,349	8,984	10,042	11,194	4.1	4.5	5.1
Ramsey	279,078	281,336	276,193	267,711	268,401	262,207	11,367	12,935	13,986	4.1	4.6	5.1
City of St. Paul	148,946	150,169	147,632	142,442	142,810	139,514	6,504	7,359	8,118	4.4	4.9	5.5
Scott	135,934	136,943	134,436	131,120	131,458	128,425	4,814	5,485	6,011	3.5	4.0	4.5
Washington	76,751	77,426	76,041	74,202	74,394	72,677	2,549	3,032	3,364	3.3	3.9	4.4







Industrial Analysis

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

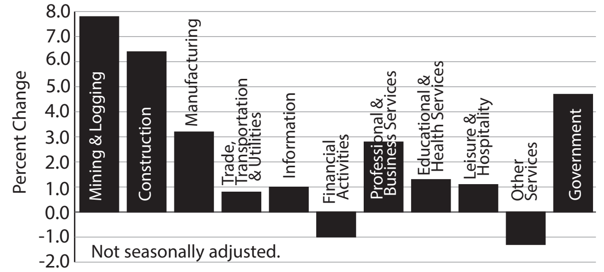
Overview

Seasonally adjusted employment increased in August as the state gained 6,100 jobs (0.2 percent) for the month. The growth was spearheaded by goods producers, who added 3,600 jobs (0.8 percent), although service providers also added 2,500 (0.1 percent). Supersectors with the biggest numerical increases included Construction (up 2,500, 2.3 percent) and Professional and Business Services (up 2,500, 0.7 percent). The largest declines occurred in Financial Activities (down 800, 0.4 percent) and Leisure and Hospitality (down 600, 0.2 percent). On an annual basis employment in the state grew by 56,311 (2 percent). Supersectors with large annual increases included Government (up 17,875, 4.7 percent), Manufacturing (up 9,921, 3.2 percent), and Professional and Business Services (up 9,791, 2.8 percent). Other Services (down 1,573 or 1.3 percent) and Financial Activities (down 1,885 or 1 percent) remain the only supersectors to have shed employment over the past 12 months.

Mining and Logging

Employment in Mining and Logging was up sharply in August with the supersector adding 300 jobs (4.1 percent). This is the largest single-month seasonally adjusted increase in Mining and Logging since July 2010. For the year the supersector's employment has grown by 575 (7.8 percent).

MN Employment Growth
August 2013 to August 2014



Source: Department of Employment and Economic Development, Current Employment Statistics, 2014.

Construction

Employment in the Construction supersector was up in August, adding 2,500 jobs (2.3 percent) and in the process erasing the loss of 1,100 jobs in July. Construction employment remains strong on an annual basis, up 7,446 (6.4 percent) over August of 2013 thanks to large increases in Heavy and Civil Engineering (up 3,759, 19.8 percent) and Specialty Trade Contractors (up 4,541, 6.3 percent).

Manufacturing

Employment in Manufacturing expanded in August as the supersector added 800 jobs (0.3 percent), with growth coming in both Durable (up 600, 0.3 percent) and Nondurable Goods Manufacturing (200, 0.2 percent). This is the third straight month of growth for the supersector. On the year Manufacturing has added 9,921 jobs (3.2 percent) with most of those gains coming from Durable Goods (up 8,535, 4.3 percent).

Trade, Transportation , and Utilities

Employment in Trade, Transportation, and Utilities was relatively flat in August, gaining just 200 jobs (0.0 percent). Employment declines in both Retail and Wholesale Trade (down 300 or 0.1 percent and 1,000 or 0.8 percent, respectively) tempered the strong gains in Transportation, Warehousing and Utilities, which added 1,500 jobs (1.6 percent). For the year the supersector has gained 4,360 jobs (0.8 percent), with all three major component sectors adding employment. Industries with the largest over-the-year growth included Durable Goods Merchant Wholesalers, which added 2,065 jobs (3.2 percent), largely driven by Motor Vehicle and Parts Dealers, and Transportation and Warehousing, which added 1,595 jobs or 2.0 percent, primarily in Truck Transportation.

Information

Information employment was up in August, growing by 400 jobs (0.7 percent) over July estimates. The supersector also recovered on an annual basis with August estimates helping push the over-the-year change back into the positive (up 540 or 1.0 percent) after preliminary July estimates showed the supersector briefly dipping into negative annual job growth.

*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

Financial Activities employment was one of a small handful of supersectors showing adjusted job losses in August, down 800 jobs or 0.4 percent. Losses of 1,000 (0.7 percent) in Finance and Insurance outweighed a gain of 200 jobs (0.5 percent) in Real Estate and Rental and Leasing. Financial Activities continues to lose jobs on an over-the-year basis as well, down 1,885 (1.0 percent) from August 2013 estimates. The loss is largely the product of a steep decline in employment in Credit Intermediation and Related Industries which has shed 2,054 jobs (3.7 percent) for the year.

Professional and Business Services

Employment in Professional and Business Services was strong in August, adding 2,500 jobs (0.7 percent) over July estimates. All three component sectors saw monthly growth, with the largest coming in Administrative and Support and Waste Management and Remediation services, which added 2,100 jobs (1.6 percent). Growth has also been strong on an annual basis, with the supersector adding 9,791 jobs (2.8 percent) over the past 12 months. Annual gains have been distributed among the component sectors, with each one growing by at least 2.0 percent.

Educational and Health Services

Employment in Educational and Health Services grew very slightly in August, adding 100 jobs (0.0 percent) following steep declines in the supersector's July estimates. Neither component sector moved much, as Educational Services shed 200 jobs (0.3 percent) while Health Care and Social Assistance added 300 (0.1 percent). Annually, Educational and Health Services has added 6,257 jobs (1.3 percent) with gains of 6,540 (1.5 percent) in Health Care and Social Assistance more than compensating for the loss of 283 jobs (0.5 percent) in Educational Services.

Leisure and Hospitality

Employment in Leisure and Hospitality was down in August, losing 600 jobs (0.2 percent) on the back of an equal loss in Accommodation and Food Service (down 0.3 percent). Arts, Entertainment, and Recreation employment was flat for the month. For the year the supersector added 3,004 jobs (1.1 percent), with both component sectors contributing to the gain. While Full-Service Restaurants have lost 3,519 jobs (4.0 percent), Limited-Service Eating Places have grown by 2,900 (3.6 percent).

Other Services

Employment in Other Services grew slightly in August, adding 300 jobs (0.3 percent) for the month. Annually, the supersector has lost 1,573 jobs (1.3 percent), with declines in all three component industries. Religious, Grantmaking, Civic, Professional, and Similar Organizations has seen the largest numerical and proportional over-the-year drop, losing 1,074 jobs (1.5 percent)

Government

Government employers added 400 jobs (0.1 percent) in August. Federal Government lost 100 jobs (0.1 percent) while Local Government added 500 (0.2 percent) and State Government employment was unchanged. Since August 2013, Government has added 17,875 jobs (4.7 percent) with the gains coming almost entirely from Local Government which added 19,774 jobs or 7.8 percent as State Government employment declined (down 1,902, 2.1 percent), and Federal Government employment has been almost completely static, adding three total jobs (0.0 percent) over the past year.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	August 2014	July 2014	June 2014
Total Nonagricultural	**2,824.8**	**2,818.7**	**2,818.8**
Goods-Producing	**434.2**	**430.6**	**430.6**
Mining and Logging	7.6	7.3	7.3
Construction	110.2	107.7	108.8
Manufacturing	316.4	315.6	314.5
Service-Providing	**2,390.6**	**2,388.1**	**2,388.2**
Trade, Transportation, and Utilities	514.4	514.2	512.8
Information	54.6	54.2	54.6
Financial Activities	179.4	180.2	180.1
Professional and Business Services	356.0	353.5	353.4
Educational and Health Services	497.6	497.5	502.7
Leisure and Hospitality	249.4	250.0	248.8
Other Services	117.5	117.2	117.5
Government	421.7	421.3	418.3

Source: Department of Employment and Economic Development Current Employment Statistics, 2014.

Regional Analysis

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

Employment in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area (MSA) rose slightly in August as the metro added 1,940 jobs (0.1 percent). Goods producers led the way with a gain of 2,026 (0.8 percent) while service providers actually lost a small amount of employment. Supersectors with significant employment gains included Mining, Logging, and Construction, which was up 2,014 (2.9 percent) as summer employment continued to grow, and Professional and Business Services, up 1,909 (0.7 percent). Government employment dropped by 1,409 (0.6 percent) from a decline of 1,244 (3.3 percent) in State Government Educational Services, likely caused by the summer break. Employment has grown over the year, as the metro has added 40,885 jobs (2.3 percent) since August 2013. Notable large annual growth occurred in Government (up 16,146 or 7.6 percent), Educational and Health Services (up 8,470 or 2.9 percent on growth of 7,761 in Health Care and Social Assistance), and Manufacturing (7,510, 4.1 percent).

Duluth -Superior MSA

Employment in the Duluth-Superior MSA grew in August as the area added 501 jobs (0.4 percent) over the month, which accounts for over half of their annual employment growth. The increases were spread around in a number of supersectors, with the largest numerical gains coming in Trade, Transportation, and Utilities (up 352, 1.4 percent), Mining, Logging, and Construction (168, 1.7 percent), and Educational and Health Services (134, 0.4 percent). The only supersectors with significant job losses were Leisure and Hospitality (down 213, 1.4 percent), Government (33, 0.1 percent), and Manufacturing (18, 0.2 percent). Annually, the metro has added 947 jobs (0.7 percent). The biggest gains were split between Mining, Logging, and Construction, which added 645 jobs (7 percent) and Educational and Health Services, which added 804 (2.6 percent). The sharpest annual decline came in Leisure and Hospitality which has eliminated 480 jobs (3.2 percent).

Rochester MSA

Employment in the Rochester MSA ticked upward in August as the metro added 436 jobs (0.4 percent), buoyed by sizeable gains in Manufacturing (up 179, 1.7 percent) and Professional and Business Services (up 122, 2.2 percent). These gains overcame losses of less than 50 jobs in each of three supersectors: Government, Other Services, and Financial Activities. Annually, Rochester added 973 jobs (0.9 percent), with the only losses coming in Mining, Logging, and Construction (down 163 or 4.1 percent), Financial Activities (down 44, 1.7 percent), and Educational and Health Services (down 91, 0.2 percent).

St. Cloud MSA

The Saint Cloud MSA rebounded from its July job losses to add 1,586 jobs (1.5 percent) in August. The gains largely came thanks to an increase of 850 (4.3 percent) in Educational and Health Services. Other supersectors to show notable gains: Trade, Transportation, and Utilities (up 312, 1.5 percent), Professional and Business Services (up 239, 2.6 percent), and Leisure and Hospitality (218, 2.4 percent). For the year, employment in the MSA has grown by 3,008 (2.9 percent). Every supersector has shown significant annual growth save Government (down 357, 2.6 percent), Information (down 87, 5.1 percent), and Financial Activities (down 18, 0.4 percent). The largest proportional annual growth occurred in Mining, Logging, and Construction, which added 752 jobs or 13.1 percent.

Mankato-North Mankato MSA

Employment in the Mankato-North Mankato MSA was largely static in August, dropping 24 jobs (0.0 percent) in monthly estimates. Private sector employment, which added 380 jobs (0.8 percent) was not enough to counter the decline in Government employment (down 404 jobs, 4.7 percent). August's job loss marks three straight months of employment declines for the area. Employment remains up for the year, as the metro has added 1,369 jobs (2.6 percent) over August 2013. Gains were spread among goods producers and service providers.

Fargo-Moorhead MSA

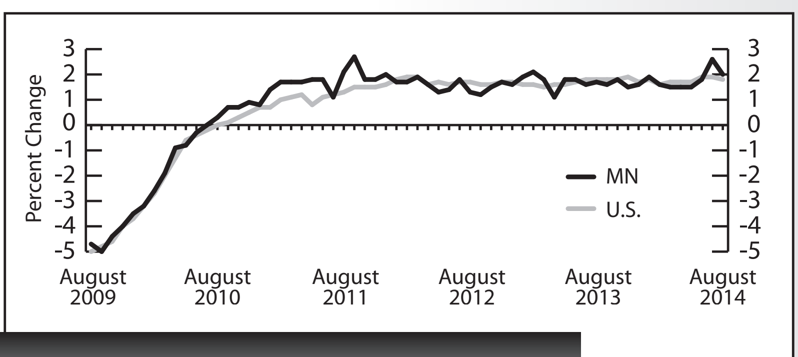
Employment in the Fargo-Moorhead MSA was static in August as the area gained just 34 jobs (0.0 percent). Goods producers added 336 jobs (1.6 percent), narrowly overcoming the loss of 302 (0.3 percent) among service providers. The single largest over-the-month numerical change came in Professional and Business Services which lost 565 jobs (3.4 percent). Employment in Fargo-Moorhead grew by 5,202 (4.0 percent) over the past 12 months. Manufacturing (down 106 jobs or 1.0 percent) was the only supersector to shed employment over the year. The largest proportional gains came in Mining, Logging, and Construction which added 1,899 jobs (20.8 percent).

Grand Forks-East Grand Forks MSA

Employment was flat in the Grand Forks-East Grand Forks MSA as the metro added just 12 total jobs (0.0 percent) in August. Service providers who added 140 jobs (0.3 percent) balanced out the loss of 128 jobs (1.8 percent) among goods producers. For the year, metro employment has grown slightly, adding 351 jobs (0.7 percent). The Trade, Transportation, and Utilities supersector was up the most, adding 270 jobs (2.3 percent).

by Nick Dobbins

Source: Department of Employment and Economic Development, Current Employment Statistics, 2014; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2014.



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	
	Aug 2014	Jul 2014	Aug 2013	Jul 2014	Aug 2013	Aug 2014	Aug 2013	Aug 2014	Aug 2013	Aug 2014	Aug 2013
TOTAL NONFARM WAGE AND SALARY	**2,849.0**	**2,845.2**	**2,792.7**	**0.1%**	**2.0%**	—	—	—	—	—	—
						—	—	—	—	—	—
GOODS-PRODUCING	**453.8**	**450.3**	**435.8**	**0.8**	**4.1**	—	—	—	—	—	—
Mining and Logging	**8.0**	**7.8**	**7.4**	**1.9**	**7.8**	—	—	—	—	—	—
Construction	**123.7**	**121.4**	**116.3**	**1.9**	**6.4**	—	—	—	—	—	—
Specialty Trade Contractors	76.9	75.1	72.3	2.3	6.3	$1,147.61	$1,202.28	39.6	40.7	$28.98	$29.54
Manufacturing	**322.1**	**321.1**	**312.1**	**0.3**	**3.2**	**846.11**	**822.12**	**42.2**	**41.5**	**20.05**	**19.81**
Durable Goods	206.1	206.1	197.6	0.0	4.3	834.16	827.17	42.3	41.4	19.72	19.98
Wood Product Manufacturing	10.8	10.8	10.9	0.2	-0.6	—	—	—	—	—	—
Fabricated Metal Production	43.3	43.2	41.9	0.1	3.3	—	—	—	—	—	—
Machinery Manufacturing	32.2	32.2	32.4	0.1	-0.6	—	—	—	—	—	—
Computer and Electronic Product	45.1	45.3	45.1	-0.6	0.0	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	25.0	25.1	24.7	-0.4	1.3	—	—	—	—	—	—
Transportation Equipment	12.0	11.9	11.2	0.4	6.8	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	15.3	15.3	15.2	-0.2	0.4	—	—	—	—	—	—
Nondurable Goods	115.9	115.0	114.6	0.9	1.2	864.78	815.24	42.0	41.7	20.59	19.55
Food Manufacturing	47.3	47.0	47.2	0.6	0.2	—	—	—	—	—	—
Paper Manufacturing	32.8	32.5	33.4	1.2	-1.8	—	—	—	—	—	—
Printing and Related	23.6	23.3	23.6	1.2	0.1	—	—	—	—	—	—
SERVICE-PROVIDING	**2,395.3**	**2,394.9**	**2,356.9**	**0.0**	**1.6**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**519.2**	**517.4**	**514.8**	**0.3**	**0.8**	—	—	—	—	—	—
Wholesale Trade	134.2	134.8	132.2	-0.5	1.5	934.44	945.94	39.0	38.8	23.96	24.38
Retail Trade	291.5	291.1	291.1	0.1	0.2	403.56	394.24	28.4	28.2	14.21	13.98
Motor Vehicle and Parts	34.1	33.9	32.5	0.6	5.1	—	—	—	—	—	—
Building Material and Garden Equipment	26.6	27.3	26.8	-2.5	-0.5	—	—	—	—	—	—
Food and Beverage Stores	52.0	52.6	52.2	-1.1	-0.5	—	—	—	—	—	—
Gasoline Stations	24.1	24.0	23.7	0.5	1.6	—	—	—	—	—	—
General Merchandise Stores	60.9	60.1	61.2	1.2	-0.6	304.99	317.52	28.8	29.4	10.59	10.80
Transportation,Warehouse, Utilities	93.4	91.4	91.5	2.2	2.1	—	—	—	—	—	—
Transportation and Warehousing	80.1	78.2	78.5	2.4	2.0	629.39	607.68	35.7	36.0	17.63	16.88
Information	**54.2**	**54.2**	**53.7**	**-0.1**	**1.0**	**776.56**	**766.15**	**34.0**	**35.0**	**22.84**	**21.89**
Publishing Industries	20.8	20.8	21.5	-0.5	-3.5	—	—	—	—	—	—
Telecommunications	13.2	13.3	13.6	-0.8	-2.9	—	—	—	—	—	—
Financial Activities	**181.0**	**182.3**	**182.9**	**-0.7**	**-1.0**	—	—	—	—	—	—
Finance and Insurance	138.9	140.2	142.3	-0.9	-2.4	904.60	925.96	36.3	35.6	24.92	26.01
Credit Intermediation	53.3	53.9	55.4	-1.0	-3.7	747.05	754.46	36.3	34.8	20.58	21.68
Securities, Commodity Contracts, and Other	18.2	19.0	18.6	-4.1	-2.5	—	—	—	—	—	—
Insurance Carriers and Related	66.7	66.8	67.1	-0.2	-0.6	—	—	—	—	—	—
Real Estate and Rental and Leasing	42.1	42.1	40.7	0.2	3.6	—	—	—	—	—	—
Professional and Business Services	**362.6**	**361.2**	**352.8**	**0.4**	**2.8**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	140.6	139.4	136.2	0.9	3.2	—	—	—	—	—	—
Legal Services	19.0	19.1	19.0	-0.3	0.1	—	—	—	—	—	—
Accounting, Tax Preparation	15.6	14.7	14.0	6.3	10.9	—	—	—	—	—	—
Computer Systems Design	33.3	32.9	32.6	1.2	2.4	—	—	—	—	—	—
Management of Companies and Enterprises	80.0	80.0	77.4	0.0	3.3	—	—	—	—	—	—
Administrative and Support Services	142.0	141.7	139.1	0.2	2.1	—	—	—	—	—	—
Educational and Health Services	**492.9**	**491.8**	**486.6**	**0.2**	**1.3**	—	—	—	—	—	—
Educational Services	57.3	57.8	57.6	-0.8	-0.5	—	—	—	—	—	—
Health Care and Social Assistance	435.6	434.1	429.0	0.3	1.5	—	—	—	—	—	—
Ambulatory Health Care	142.9	142.3	137.8	0.4	3.7	1,200.97	1,178.21	34.6	34.3	34.71	34.35
Offices of Physicians	67.8	67.7	66.7	0.2	1.6	—	—	—	—	—	—
Hospitals	104.9	104.4	105.2	0.4	-0.4	—	—	—	—	—	—
Nursing and Residential Care Facilities	106.8	106.0	106.2	0.7	0.5	431.76	421.44	29.9	29.7	14.44	14.19
Social Assistance	81.1	81.3	79.7	-0.3	1.7	—	—	—	—	—	—
Leisure and Hospitality	**271.1**	**271.8**	**268.1**	**-0.3**	**1.1**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	46.9	47.5	45.8	-1.3	2.4	—	—	—	—	—	—
Accommodation and Food Services	224.2	224.2	222.3	0.0	0.9	—	—	—	—	—	—
Food Services and Drinking Places	193.7	193.9	190.8	-0.1	1.5	273.46	255.02	22.6	23.1	12.10	11.04
Other Services	**117.7**	**117.2**	**119.3**	**0.5**	**-1.3**	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	68.6	67.9	69.7	1.0	-1.5						
Government	**396.6**	**399.1**	**378.7**	**-0.6**	**4.7**						
Federal Government	31.3	31.3	31.3	0.1	0.0						
State Government	90.9	93.1	92.8	-2.4	-2.1						
State Government Education	51.9	54.1	54.3	-4.2	-4.5						
Local Government	274.4	274.7	254.6	-0.1	7.8						
Local Government Education	113.9	115.0	103.0	-0.9	10.6						

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, 2014.

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

Numbers are unadjusted.

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Aug 2014	July 2014	Aug 2013	July 2014	Aug 2013	Aug 2014	Aug 2013	Aug 2014	Aug 2013	Aug 2014	Aug 2013
TOTAL NONFARM WAGE AND SALARY	**1,839.4**	**1,837.5**	**1,798.5**	**0.1%**	**2.3%**	—	—	—	—	—	—
GOODS-PRODUCING	**262.2**	**260.2**	**254.9**	**0.8**	**2.9**	—	—	—	—	—	—
Mining, Logging, and Construction	**70.4**	**68.4**	**70.6**	**2.9**	**-0.3**	—	—	—	—	—	—
Construction of Buildings	16.3	16.1	14.9	1.3	10.0	—	—	—	—	—	—
Specialty Trade Contractors	47.9	46.5	46.8	3.0	2.3	$1,292.03	$1,328.29	40.2	41.6	$32.14	$31.93
Manufacturing	**191.8**	**191.8**	**184.3**	**0.0**	**4.1**	**878.95**	**827.36**	**42.4**	**40.3**	**20.73**	**20.53**
Durable Goods	132.7	132.5	126.3	0.1	5.0	845.12	852.31	41.9	40.8	20.17	20.89
Fabricated Metal Production	28.6	28.6	28.4	0.1	0.9	—	—	—	—	—	—
Machinery Manufacturing	19.8	19.8	19.7	-0.1	0.3	—	—	—	—	—	—
Computer and Electronic Product	35.8	36.0	35.5	-0.6	0.9	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	23.6	23.7	23.1	-0.4	2.1	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	14.0	14.0	14.0	-0.3	-0.3	—	—	—	—	—	—
Nondurable Goods	59.1	59.3	58.0	-0.3	2.0	949.17	783.68	43.5	39.5	21.82	19.84
Food Manufacturing	13.7	13.6	13.5	0.8	0.9	—	—	—	—	—	—
Printing and Related	15.1	14.9	15.0	1.1	0.5	—	—	—	—	—	—
SERVICE-PROVIDING	**1,577.2**	**1,577.3**	**1,543.6**	**0.0**	**2.2**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**319.3**	**319.3**	**322.2**	**0.0**	**-0.9**	—	—	—	—	—	—
Wholesale Trade	81.2	81.9	82.6	-1.0	-1.8	920.35	964.12	39.5	39.4	23.3	24.47
Merchant Wholesalers - Durable Goods	44.4	44.6	43.8	-0.5	1.4	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	25.0	25.1	24.8	-0.1	0.9	—	—	—	—	—	—
Retail Trade	176.1	176.9	178.3	-0.5	-1.3	424.27	382.33	29.0	28.3	14.63	13.51
Food and Beverage Stores	29.6	30.1	29.8	-1.6	-0.8	—	—	—	—	—	—
General Merchandise Stores	37.8	37.7	37.7	0.5	0.3	310.05	331.97	29.5	30.4	10.51	10.92
Transportation, Warehouse, Utilities	62.0	60.4	61.3	2.7	1.2	—	—	—	—	—	—
Utilities	7.7	7.7	7.6	0.6	1.4	—	—	—	—	—	—
Transportation and Warehousing	54.3	52.7	53.7	3.0	1.2	823.90	744.04	42.1	41.8	19.57	17.8
Information	**38.7**	**38.8**	**39.0**	**-0.3**	**-0.9**						
Publishing Industries	16.5	16.6	16.9	-0.4	-2.5	—	—	—	—	—	—
Telecommunications	9.4	9.5	9.6	-1.0	-2.7	—	—	—	—	—	—
Financial Activities	**143.9**	**144.9**	**142.8**	**-0.7**	**0.8**	—	—	—	—	—	—
Finance and Insurance	109.7	110.5	109.8	-0.7	-0.1	955.61	1,082.64	34.8	36.1	27.46	29.99
Credit Intermediation	37.5	38.2	38.7	-1.8	-3.1	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	16.7	17.3	16.5	-3.1	1.2	—	—	—	—	—	—
Insurance Carriers and Related	54.2	54.3	53.5	-0.2	1.3	—	—	—	—	—	—
Real Estate and Rental and Leasing	34.2	34.4	33.0	-0.4	3.6	—	—	—	—	—	—
Professional and Business Services	**287.4**	**285.5**	**279.7**	**0.7**	**2.8**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	111.0	110.2	108.0	0.7	2.8	—	—	—	—	—	—
Legal Services	16.0	16.0	15.9	-0.2	0.3	—	—	—	—	—	—
Architectural, Engineering, and Related	16.4	16.6	15.8	-0.7	3.8	—	—	—	—	—	—
Computer Systems Design	27.2	26.8	26.5	1.3	2.5	—	—	—	—	—	—
Management of Companies and Enterprises	71.6	71.5	69.7	0.2	2.8	—	—	—	—	—	—
Administrative and Support Services	104.8	103.9	102.1	0.9	2.7	—	—	—	—	—	—
Employment Services	48.1	47.3	48.4	1.7	-0.7	—	—	—	—	—	—
Educational and Health Services	**300.4**	**299.8**	**291.9**	**0.2**	**2.9**	—	—	—	—	—	—
Educational Services	37.4	38.0	36.7	-1.6	1.9	—	—	—	—	—	—
Health Care and Social Assistance	263.0	261.8	255.2	0.4	3.0	—	—	—	—	—	—
Ambulatory Health Care	85.5	84.3	82.2	1.4	3.9	—	—	—	—	—	—
Hospitals	61.4	61.2	61.1	0.3	0.4	—	—	—	—	—	—
Nursing and Residential Care Facilities	58.1	57.9	56.6	0.5	2.8	—	—	—	—	—	—
Social Assistance	58.0	58.5	55.3	-0.8	4.9	—	—	—	—	—	—
Leisure and Hospitality	**181.9**	**181.6**	**176.8**	**0.2**	**2.9**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	35.5	35.5	33.8	-0.1	5.0	—	—	—	—	—	—
Accommodation and Food Services	146.4	146.0	143.0	0.2	2.4	300.42	276.76	23.9	23.9	12.57	11.58
Food Services and Drinking Places	132.3	132.7	129.1	-0.3	2.5	297.66	271.16	23.2	23.6	12.83	11.49
Other Services	**77.2**	**77.6**	**78.8**	**-0.6**	**-2.1**	—	—	—	—	—	—
Repair and Maintenance	13.2	13.3	13.5	-0.7	-2.3	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	43.4	43.5	43.7	-0.2	-0.8	—	—	—	—	—	—
Government	**228.5**	**229.9**	**212.4**	**-0.6**	**7.6**						
Federal Government	19.9	19.9	20.1	0.0	-1.1						
State Government	62.7	63.9	62.6	-1.9	0.0						
State Government Education	36.7	38.0	37.1	-3.3	-0.9						
Local Government	146.0	146.2	129.6	-0.2	12.6						
Local Government Education	69.3	70.2	60.3	-1.3	14.9						

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, 2014.

Employer Survey

Industry	Duluth-Superior MSA					Rochester MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Aug 2014	July 2014	Aug 2013	July 2014	Aug 2013	Aug 2014	July 2014	Aug 2013	July 2014	Aug 2013
TOTAL NONFARM WAGE AND SALARY	**133,243**	**132,742**	**132,296**	**0.4%**	**0.7%**	**110,192**	**109,756**	**109,219**	**0.4%**	**0.9%**
GOODS-PRODUCING	**17,391**	**17,241**	**16,781**	**0.9**	**3.6**	**14,725**	**14,456**	**14,584**	**1.9**	**1.0**
Mining, Logging, and Construction	9,827	9,659	9,182	1.7	7.0	3,832	3,742	3,995	2.4	-4.1
Manufacturing	7,564	7,582	7,599	-0.2	-0.5	10,893	10,714	10,589	1.7	2.9
SERVICE-PROVIDING	**115,852**	**115,501**	**115,515**	**0.3**	**0.3**	**95,467**	**95,300**	**94,635**	**0.2**	**0.9**
Trade, Transportation, and Utilities	24,754	24,402	24,474	1.4	1.1	16,757	16,741	16,484	0.1	1.7
Wholesale Trade	3,184	3,188	3,134	-0.1	1.6	2,346	2,364	2,321	-0.8	1.1
Retail Trade	15,724	15,409	15,484	2.0	1.5	12,113	12,054	11,811	0.5	2.6
Transportation, Warehouse, Utilities	5,846	5,805	5,856	0.7	-0.2	2,298	2,323	2,352	-1.1	-2.3
Information	1,477	1,414	1,444	4.5	2.3	1,796	1,796	1,693	0.0	6.1
Financial Activities	5,504	5,506	5,538	0.0	-0.6	2,610	2,622	2,654	-0.5	-1.7
Professional and Business Services	7,938	7,900	7,949	0.5	-0.1	5,680	5,558	5,520	2.2	2.9
Educational and Health Services	31,567	31,433	30,763	0.4	2.6	44,109	44,035	44,200	0.2	-0.2
Leisure and Hospitality	14,721	14,934	15,201	-1.4	-3.2	9,898	9,862	9,778	0.4	1.2
Other Services	6,578	6,566	6,548	0.2	0.5	3,892	3,914	3,710	-0.6	4.9
Government	23,313	23,346	23,598	-0.1	-1.2	10,725	10,772	10,596	-0.4	1.2

Employer Survey

Industry	St. Cloud MSA					Mankato MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Aug 2014	July 2014	Aug 2013	July 2014	Aug 2013	Aug 2014	July 2014	Aug 2013	July 2014	Aug 2013
TOTAL NONFARM WAGE AND SALARY	**106,273**	**104,687**	**103,265**	**1.5%**	**2.9%**	**54,356**	**54,380**	**52,987**	**0.0%**	**2.6%**
GOODS-PRODUCING	**22,015**	**21,954**	**21,014**	**0.3**	**4.8**	**10,241**	**10,289**	**10,057**	**-0.5**	**1.8**
Mining, Logging, and Construction	6,501	6,516	5,749	-0.2	13.1	--	--	--	--	--
Manufacturing	15,514	15,438	15,265	0.5	1.6	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**84,258**	**82,733**	**82,251**	**1.8**	**2.4**	**44,115**	**44,091**	**42,930**	**0.1**	**2.8**
Trade, Transportation, and Utilities	21,041	20,729	20,619	1.5	2.0	--	--	--	--	--
Wholesale Trade	4,290	4,312	4,219	-0.5	1.7	--	--	--	--	--
Retail Trade	13,307	13,091	13,119	1.6	1.4	--	--	--	--	--
Transportation, Warehouse, Utilities	3,444	3,326	3,281	3.5	5.0	--	--	--	--	--
Information	1,631	1,632	1,718	-0.1	-5.1	--	--	--	--	--
Financial Activities	4,568	4,574	4,586	-0.1	-0.4	--	--	--	--	--
Professional and Business Services	9,565	9,326	8,770	2.6	9.1	--	--	--	--	--
Educational and Health Services	20,823	19,973	19,950	4.3	4.4	--	--	--	--	--
Leisure and Hospitality	9,491	9,273	9,129	2.4	4.0	--	--	--	--	--
Other Services	3,593	3,629	3,576	-1.0	0.5	--	--	--	--	--
Government	13,546	13,597	13,903	-0.4	-2.6	8,145	8,549	7,998	-4.7	1.8

Employer Survey

Industry	Fargo-Moorhead MSA					Grand Forks-East Grand Forks MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Aug 2014	July 2014	Aug 2013	July 2014	Aug 2013	Aug 2014	July 2014	Aug 2013	July 2014	Aug 2013
TOTAL NONFARM WAGE AND SALARY	**136,271**	**136,237**	**131,069**	**0.0%**	**4.0%**	**54,337**	**54,325**	**53,986**	**0.0%**	**0.7%**
GOODS-PRODUCING	**21,145**	**20,809**	**19,352**	**1.6**	**9.3**	**7,162**	**7,290**	**7,140**	**-1.8**	**0.3**
Mining, Logging, and Construction	11,011	10,617	9,112	3.7	20.8	3,749	3,765	3,600	-0.4	4.1
Manufacturing	10,134	10,192	10,240	-0.6	-1.0	3,413	3,525	3,540	-3.2	-3.6
SERVICE-PROVIDING	**115,126**	**115,428**	**111,717**	**-0.3**	**3.1**	**47,175**	**47,035**	**46,846**	**0.3**	**0.7**
Trade, Transportation, and Utilities	29,313	29,653	28,970	-1.2	1.2	12,184	12,108	11,914	0.6	2.3
Wholesale Trade	9,327	9,341	8,982	-0.2	3.8	2,049	2,050	2,000	-0.1	2.5
Retail Trade	15,058	15,427	15,290	-2.4	-1.5	8,209	8,231	7,985	-0.3	2.8
Transportation, Warehouse, Utilities	4,928	4,885	4,698	0.9	4.9	1,926	1,827	1,929	5.4	-0.2
Information	3,326	3,318	3,312	0.2	0.4	625	630	616	-0.8	1.5
Financial Activities	10,140	10,069	9,755	0.7	4.0	1,734	1,718	1,716	0.9	1.1
Professional and Business Services	16,311	16,876	15,540	-3.4	5.0	2,804	2,815	3,001	-0.4	-6.6
Educational and Health Services	21,695	21,591	21,121	0.5	2.7	9,879	9,803	9,701	0.8	1.8
Leisure and Hospitality	13,906	13,781	13,205	0.9	5.3	5,910	5,674	5,845	4.2	1.1
Other Services	5,068	5,056	5,046	0.2	0.4	2,043	2,080	1,995	-1.8	2.4
Government	15,367	15,084	14,768	1.9	4.1	11,996	12,207	12,058	-1.7	-0.5

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2014.

Minnesota Economic Indicators

Highlights

The **Minnesota Index** increased 0.5 percent for the second straight month in August, signaling that Minnesota's economy has been gaining momentum over the last few months. All four components of the index moved positively with job growth accelerating, unemployment decreasing, average weekly manufacturing hours climbing, and real wage and salary disbursements advancing. The pace of economic growth has doubled since earlier in the year with the average monthly increase in the index jumping from 0.2 percent during the first three months to 0.4 percent over the last five months.

Minnesota's index in August was up 3.8 percent from a year ago while the U.S. index was 3.0 percent higher than a year ago. Minnesota's index has been increasing faster than the U.S. index since May. Both indices are monthly proxies for the economic growth that are subject to significant revisions as preliminary data get revised.

Adjusted **Wage and Salary Employment** grew by 6,100 jobs in August, the second best monthly gain this year behind May's 7,200 increase. Almost all of the job growth was in the private sector with the goods producing sector leading the way. Construction accounted for a large share of the job bump adding 2,500 workers. That was the highest monthly construction gain since April 2010. Hiring was broad based as nine out of the 11 super sectors expanded payroll numbers. Only Educational and Health Services and Trade, Transportation, and Utilities reduced their workforce in August.

Minnesota job growth over the year, using unadjusted job numbers, slipped to 2.0 percent but remained above the U.S. rate which was 1.9 percent higher than a year ago. Minnesota's over-the-year job growth rate has average 1.8 percent through the first eight months of the year which is up a tad from last year's 1.7 percent annual average.

Minnesota's adjusted online **Help-Wanted Ads** surged to a record high in August, spiking to 125,500. Monthly online job advertising has been tracked by the Conference Board, Inc. since 2005. National online help-wanted ads also reached a record high in August. Minnesota's share of online job ads dipped slightly to 2.4 percent which is still higher than the state's 2.0 percent of wage and salary employment. The record level of online job ads in Minnesota signals that labor demand in Minnesota remains healthy.

Minnesota's **Purchasing Managers' Index (PMI)** ticked up slightly in August to 66.9. The index is produced by economists at Creighton University as part of their nine-state Mid-America Business Conditions Index. Minnesota's PMI has been robust since February, reflecting Minnesota's expanding manufacturing activity. So far in 2014 the index has averaged 65.4 which is well above the 2004 record annual average of 62.5. PMI data for Minnesota is available back to 1995.

Adjusted **Manufacturing Hours** advanced to 42.0 hours in August, making last month just the fifth month since 1970 with average hours worked at or above 42 hours. The longer workweek is consistent with the solid PMI reading. Manufacturing hours in 2014 are on pace through August to break the 2004 record of 41.6 hours per week. Increasing **Manufacturing Earnings** in August reflect the overtime pay as earnings spiked to the second highest real average weekly paycheck on record. The only paycheck in the 34-year series fatter than August's $847.27 was the $851.10 paycheck in May 2006.

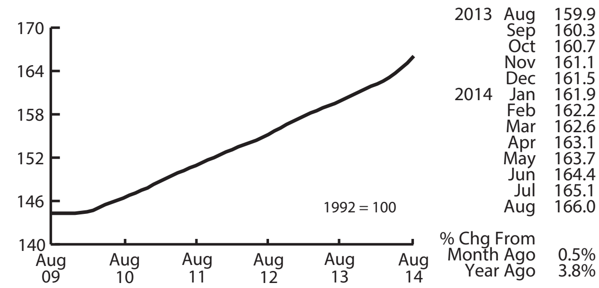
The **Minnesota Leading Index** offered more evidence supporting the view that Minnesota's economy has picked up speed over the last few months as August's reading of 3.05 was the highest reading since December 1986. The index, which was designed to predict Minnesota's GDP growth six months down the road, is predicting that Minnesota's GDP will grow by an optimistic 3 percent over the next six months. The index gets revised as updated data arrive so it is likely that the index will be revised downward.

After plunging in July, adjusted **Residential Building Permits** rebounded partially, increasing 7.3 percent to 1,501 units. Minnesota's home building rebound, just like the national housing picture, has been disappointing for most of the year with annual average permits likely to end up just slightly higher this year than last year.

Adjusted **Initial Claims for Unemployment Benefits (UB)** inched up 0.5 percent, but the long-term trend of waning new claims for jobless benefits points toward continued improvement in Minnesota's labor market.

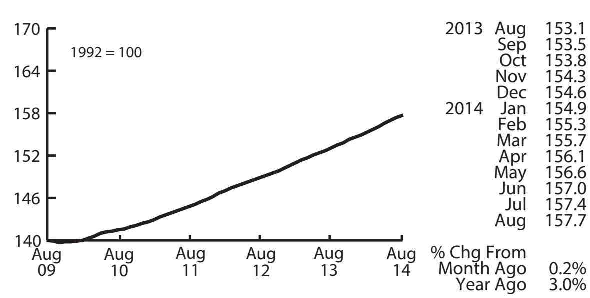
by Dave Senf

Minnesota Index



Source: The Federal Reserve Bank of Philadelphia, 2014

United States Index

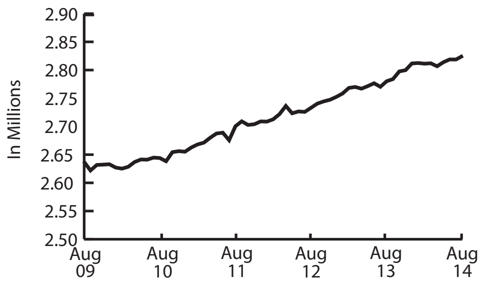


Source: The Federal Reserve Bank of Philadelphia, 2014

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

2014	Mar	2.8120
	Apr	2.8067
	May	2.8139
	Jun	2.8188
	Jul	2.8187
	Aug	2.8248

% Chg From Month Ago 0.2%

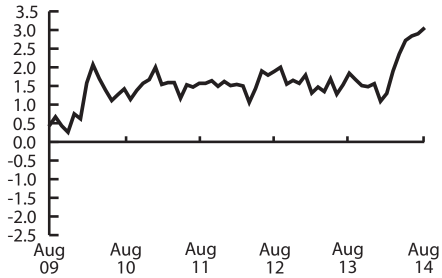
unadjusted

2013	Aug	2.7927
2014	Aug	2.8490

% Chg From Year Ago 2.0%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2014

Minnesota Leading Index

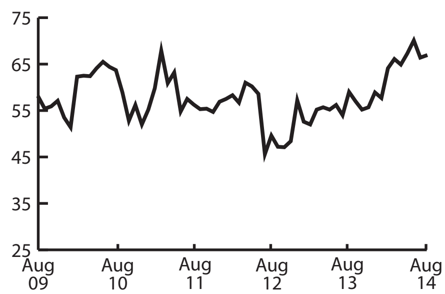


2013	Aug	1.84
	Sep	1.67
	Oct	1.51
	Nov	1.48
	Dec	1.56
2014	Jan	1.09
	Feb	1.30
	Mar	1.90
	Apr	2.36
	May	2.72
	Jun	2.84
	Jul	2.90
	Aug	3.05

% Chg From Month Ago 5.0%
Year Ago 65.5%

Source: The Federal Reserve Bank of Philadelphia, 2014

Purchasing Managers' Index

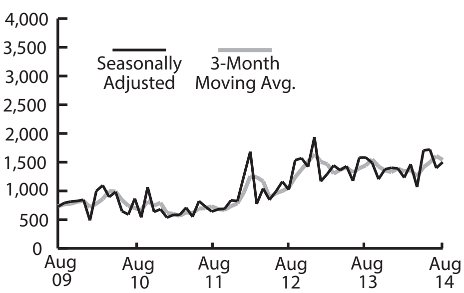


2013	Aug	59.0
	Sep	57.0
	Oct	55.2
	Nov	55.7
	Dec	58.9
2014	Jan	57.7
	Feb	64.1
	Mar	66.1
	Apr	64.9
	May	67.3
	Jun	70.1
	Jul	66.4
	Aug	66.9

% Chg From Month Ago 0.8%
Year Ago 13.4%

Source: Creighton University, Mid-America Survey of Business Conditions, 2014

Residential Building Permits



seasonally adjusted

2014	Mar	1,464
	Apr	1,068
	May	1,705
	Jun	1,721
	Jul	1,399
	Aug	1,501

% Chg From Month Ago 7.3%

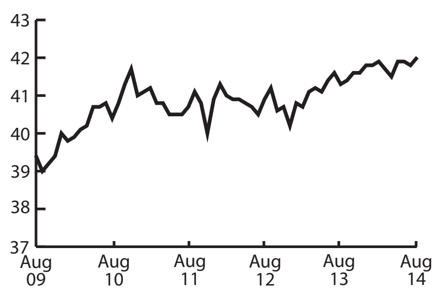
unadjusted

2013	Aug	1,846
2014	Aug	1,664

% Chg From Year Ago -9.9%

Source: Residential Building Permits, Census Bureau, U.S. Department of Commerce, 2014

Average Weekly Manufacturing Hours



seasonally adjusted

2014	Mar	41.7
	Apr	41.5
	May	41.9
	Jun	41.9
	Jul	41.8
	Aug	42.0

% Chg From Month Ago 0.5%

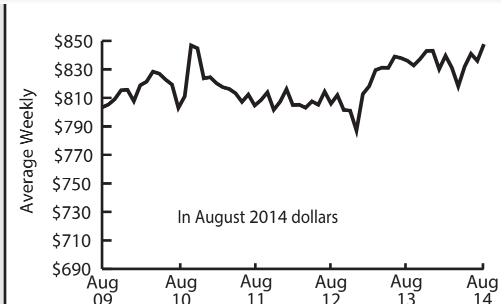
unadjusted

2013	Aug	41.5
2014	Aug	42.2

% Chg From Year Ago 1.7%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2014

Manufacturing Earnings



seasonally adjusted

2014	Mar	831.13
	Apr	818.10
	May	831.87
	Jun	840.97
	Jul	835.96
	Aug	847.27

% Chg From Month Ago 1.4%

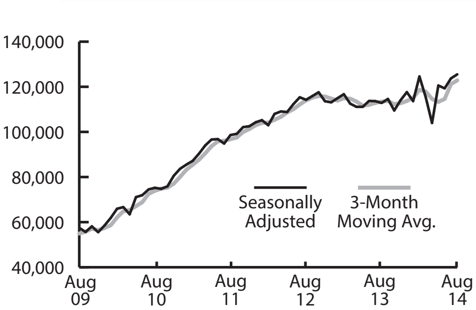
unadjusted

2013	Aug	834.09
2014	Aug	846.11

% Chg From Year Ago 1.4%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2014

Online Help-Wanted Advertising

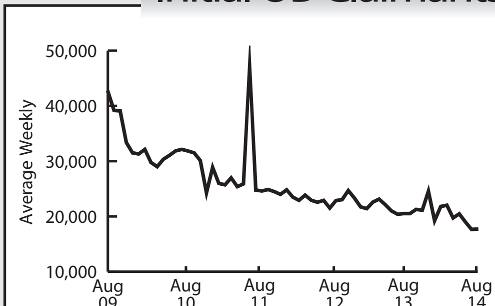


2013	Aug	112,847
	Sep	114,612
	Oct	109,484
	Nov	114,022
	Dec	117,625
2014	Jan	113,634
	Feb	124,579
	Mar	115,353
	Apr	103,945
	May	120,561
	Jun	119,300
	Jul	123,700
	Aug	125,500

% Chg From Month Ago 1.5%
Year Ago 11.2%

Source: The Conference Board Inc., 2014

Initial UB Claimants



seasonally adjusted

2014	Mar	22,017
	Apr	19,720
	May	20,461
	Jun	18,991
	Jul	17,639
	Aug	17,720

% Chg From Month Ago 0.5%

unadjusted

2013	Aug	14,290
2014	Aug	11,873

% Chg From Year Ago -16.9%

Source: Department of Employment and Economic Development, Unemployment Insurance Program, 2014

Minnesota Employment Review

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

Labor Market Information Help Line:
651.259.7384

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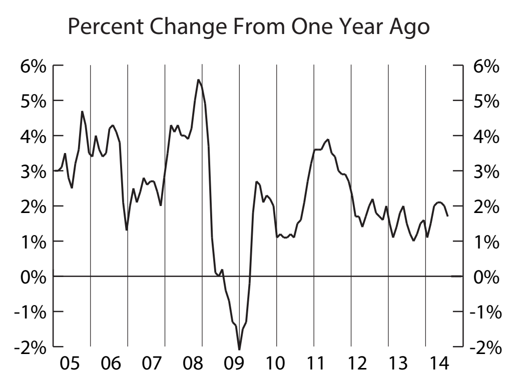
U.S. Consumer Price Index for All Urban Consumers (CPI-U)

The CPI-U decreased 0.2 percent in August on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported. The decline in the all items index was the first since April 2013. Indices for food and shelter rose, but the increases were more than offset by declines in energy indices, especially gasoline. The index for all items less food and energy was unchanged in August.



The all items index increased 1.7 percent over the last 12 months, the smallest 12-month change since March. The index for all items less food and energy also rose 1.7 percent over the last 12 months. The food index has risen 2.7 percent over the span; the energy index has increased 0.4 percent.

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.

What's Going On?

Business development grants will benefit low-income, minority entrepreneurs

Build Wealth MN Inc. and the Latino Economic Development Center, Minneapolis organizations that help low-income and minority entrepreneurs, were awarded $260,000 in grants from DEED. The funding came from the agency's Urban Initiative Loan Program.

Build Wealth MN will use their $135,000 grant to work with 15-20 businesses each year for two years, focusing on minority business owners who don't qualify for loans from banks and other lenders. The Latino Economic Development Center will use their $125,000 grant to partner with six other groups to help minority and low-income entrepreneurs in St. Paul gain access to financial capital.

For more information, see: **http://mn.gov/deed/newscenter/press-releases/newsdetail.jsp?id=466-144459**

Minnesota
Department of Employment and Economic Development

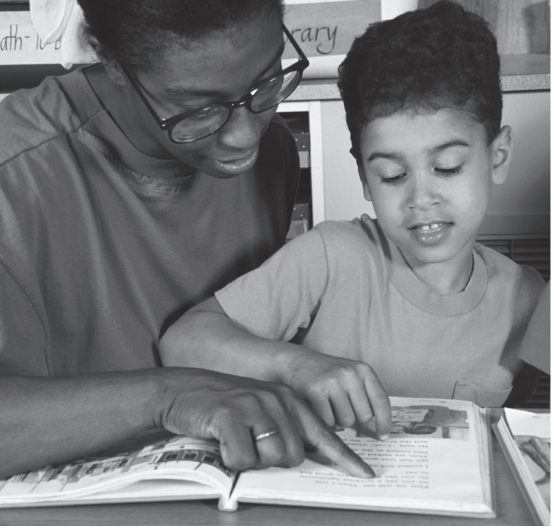


PHOTO: JUDY PARKER

Low-Income Workers in Minnesota

When the Legislature recently passed an increase to the state minimum wage, the question of whom it will affect arose. Does a higher minimum wage pad the wallets of spendthrift teens or put more nutritious foods on the tables in single-parent homes? Does it keep retirees afloat or discourage workers from putting in as many hours? Low-income workers are a diverse group. In some cases adults hold multiple jobs to make ends meet — Minnesota has the fourth-highest rate of multiple job-holding of any state.[1] They may struggle against an employer who schedules fewer hours than they need to pay their bills. They may also be teens or college students working for discretionary income. Individual and family circumstances vary so much that, naturally, all of these scenarios play out. Better understanding who works for low wages helps to make policy and inform the debate, so this article delves into the available data on wages and workers.

DEFINITIONS

Untangling income and poverty is complex, and existing measures often leave more questions than answers. The viability of an economic situation can be highly subjective; to a teenager working a few nights a week, even minimum wage may seem like wealth, while a parent weighing the merits of work against the cost of childcare would come to a very different conclusion. It's difficult to get at the motivations of workers from data because there is inadequate detail — incomes are reported in ranges or as above or below a given threshold, or too few personal and demographic details are tied to the income data. Each data source has its own strengths and weaknesses.

One common measure used is poverty status as defined by the Federal Government. It defines minimum income by family size for the 48 contiguous states and separately for Alaska and Hawaii. In the American Community Survey (ACS) many measures are reported by poverty status or some percentage (150%, 200%) of poverty status without any more detailed income data. The trouble with these statistics is 1) that cost of living varies by region and the federal poverty line does not; 2) poverty lines are unrealistically low; and 3) they do not take into account the source of income. Retirees or people receiving disability payments are not distinguished from those working minimum wage jobs.

The American Community Survey has some measures that are based on individual income. These are reported in broad income ranges and are fairly limited in terms of topics that they address. Despite their general nature these measures can be useful for understanding earnings and work habits.

[1]Campolongo, Susan. BLS. "Multiple jobholding in states in 2013". August 2014. Online at **www.bls.gov/opub/mlr/2014/article/multiple-jobholding-in-states-in-2013.htm**

Minnesota
Department of Employment and Economic Development

By far the most comprehensive data set relating income and work is the Current Population Survey (CPS). This is the nationwide survey that is used to calculate the unemployment rate. Its main limitation is that, at the state level, it has a relatively small sample size so the reliability of statistics applying to a subset of the population can be called into question. For this article, this is the data source that was used most heavily. To address sample size concerns, data for the four most recent available years (2010, 2011, 2012, and 2013) were combined. While this approach doesn't allow for time series comparison, it gives us the clearest insight into what it means to be a low-income worker in Minnesota today.

POVERTY STATUS

In Minnesota 11.4 percent of all people are living below the federal poverty level. 17.1 percent of children under 5 years are living in poverty, and 29 percent of families with a single female head of household are in poverty. Nearly half, 48.2 percent of households, pay more than 30% of their income for rent. Females are somewhat more likely to be living in poverty, and children or families with children are much more likely to be living in poverty than the population as a whole. Having less than a high school degree or being a minority increases the likelihood of living in poverty.[2]

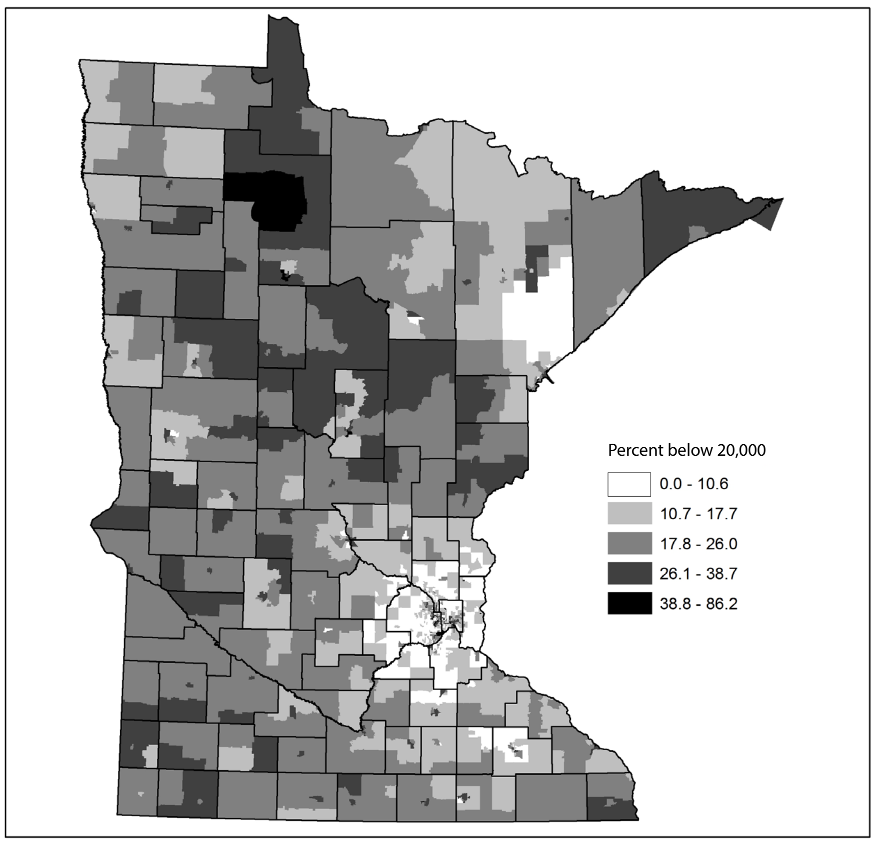
The federal poverty line is only $11,670 for an individual and $23,850 for a family of four[3] — well below full-time work at minimum wage. A person working 40 hours a week, 52 weeks a year would earn $15,080 at the current federal minimum wage of $7.25 an hour. Because the federal threshold is so low, poverty status was not just a matter of low wages. Only 8.0 percent of people 16 and over living in poverty worked full time and year round but 42.8 percent worked part time or part year and 49.3 percent did not work.

Barriers to work— the inability to find work, the unaffordability of childcare, and disability — may be greater contributors to poverty status than wages.[4]

To better understand the working poor – people who work full time and struggle against the wages they command – it's more useful to look at a higher annual income. The data that was available was limited, but this article looks mostly at workers earning wages of up to $20,000 annually (Map 1).

Map 1

SHARE OF WORKERS EARNING LESS THAN 20,000, 2008 - 2012



Source: American Community Survey, 2008-2012

[2]American Community Survey (ACS) 2008-2012 poverty status

[3]Federal poverty rates

[4]American Community Survey (ACS) 2008-2012 low-wage earners

GEOGRAPHY

Although poverty is often cast as an urban problem, low wages are more prevalent outside of cities. Two thirds of low-income workers live in Metropolitan Statistical Areas (MSAs), the federal designation of major metro areas, and 27.7 percent of low-wage workers in Minnesota live in Hennepin and Ramsey counties alone. Even so, the percentage of all working individuals in rural areas who have low-incomes is higher than in all but a few urban Census Tracts. Overall, 13.1 percent of working metro adults earned less than $20,000, compared to 21.3 percent in micropolitans and 23.1 percent in rural counties.[5] In the map below the share of full-time year-round workers 16 and older with earnings below $20,000 is displayed. For reference, if someone earning $9.50/hour worked 40 hours a week, 52 weeks a year, they would be earning just under $20,000.

AGE

While the ACS has more geographic detail on wage earners, it has very little demographic or social data associated with wage income. To delve more deeply into the characteristics of low-wage earners, we have to switch data sources and use data from the Current Population Survey. From that source, 54.0 percent of low-income workers are women, compared to 47.8 percent of all wage earners. 47.3 percent have never been married, compared to 30.7 percent of all wage earners. This is probably related to the ages of low-income workers (Figure 1). People 24 and under are disproportionately represented in the pool of low-income workers relative to their share of the total workforce. Because older workers have had more time to obtain skills and experience, they likely can command higher wages in most fields. Much older workers — people 65 and older — are also more likely to be low-income workers. However, since we're looking only at wage income, they're also more likely to have retirement or social security income. Despite the disproportionate share of younger people in the pool of lower-income workers, 60.7 percent of all low-income workers are still age 25-64. In other words, being young makes you more likely to be earning very little, but if you're earning very little you're more likely to be 25 and older than younger than 25.[6]

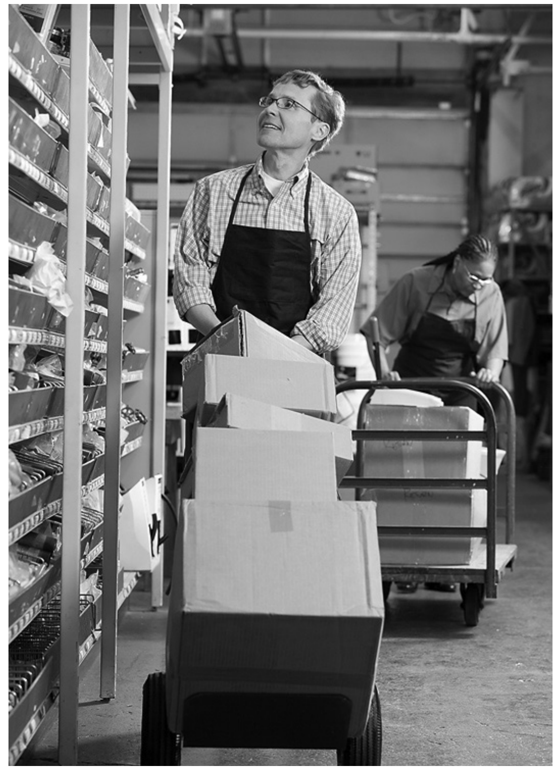
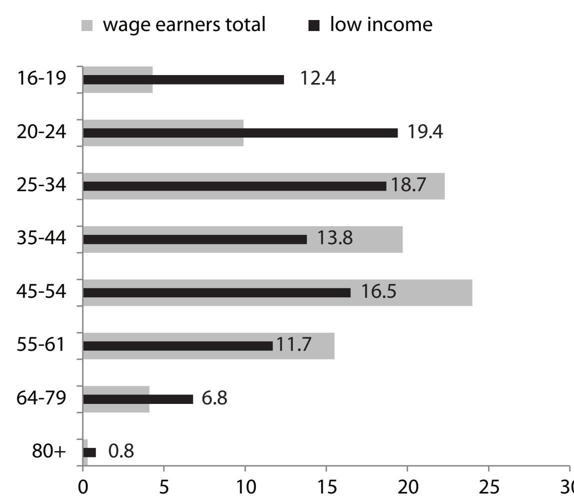


Figure 1

AGE BY INCOME, 2010 - 2013



Source: CPS microdata, combined 2010-2013 sample

[5]American Community Survey (ACS) 2008-2012
[6]Current Population Survey (CPS)

EDUCATION

Higher levels of education improve wage outcomes for workers. More than 70 percent of low-income workers have less than a 4-year college degree, but the largest share (37 percent) has some education beyond high school. However, among workers with less than a high school education, 73.1 percent earn less than $20,000. High school graduates and people with some college or an associate degree were about equally likely to have low incomes — 38.5 and 36.5 percent, respectively. Bachelor's degree holders and those with advanced degrees were much less likely to be working for low wages, at 20.1 percent and 12.6 percent, respectively (Figure 2).

Some of the earnings outcomes for workers with lower educational statuses could be a result of labor force participants who haven't completed schooling — students working part time — but most (54.0 percent) of 16-24 year old low-income workers were not in school. However, students of any kind and high school students in particular are much more likely to be earning less than $20,000 annually. Because of their divided commitments and potential parental support, this is to be expected. In Figure 3 the black line represents the 46.2 percent of 16-24 year old wage earners who earn less than $20,000 per year.

WORKING CONDITIONS

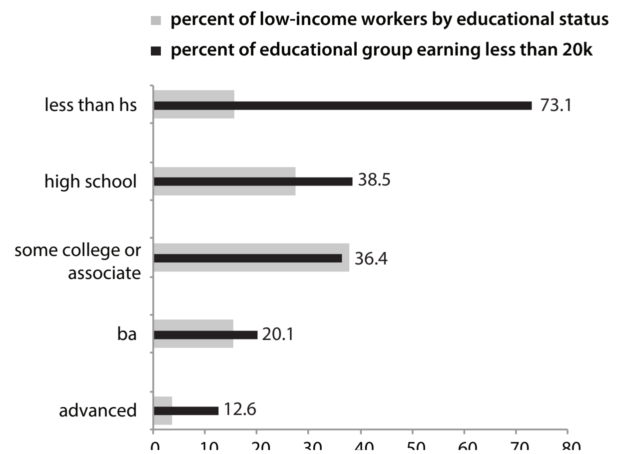
Overall, 21.8 percent of low-income workers are living in poverty based on their household status. The federal standard for a single individual is $11,670, well below our $20,000 threshold, so this mostly tells us the limitation of federal poverty status as a measure of wages.

Unsurprisingly, people with very low earnings work fewer hours than their higher income counterparts. However, nearly 60% of people earning $10,000-$19,999 annually worked more than 30 hours per week— often at or near full-time hours (Figure 4).

Most low-income workers worked part-time (less than 35 hours per week) at least some weeks of the past year — 60.3 percent. Of these, nearly half (48.5 percent) were working part time by choice, more than the 42.8 percent of all part-time workers. Low-income workers were also more likely to work part time because they were unable to find full-time work (13.4 percent) than all part-time workers (11.5 percent).

Figure 2

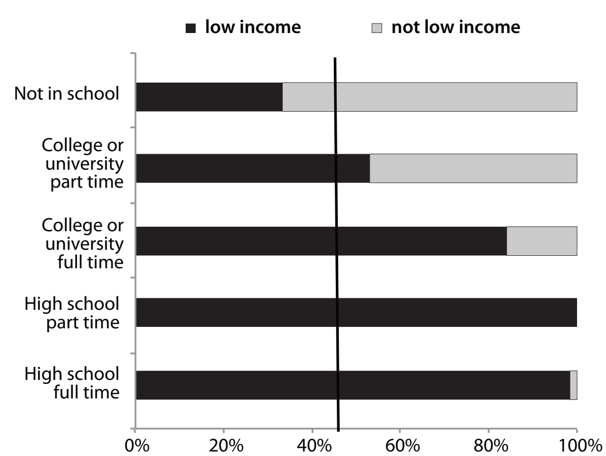
EDUCATIONAL ATTAINMENT BY INCOME, 2010 - 2013



Source: CPS microdata, combined 2010-2013 sample

Figure 3

SCHOOL ENROLLMENT BY INCOME FOR 16-24 YEAR OLDS, 2010 - 2013



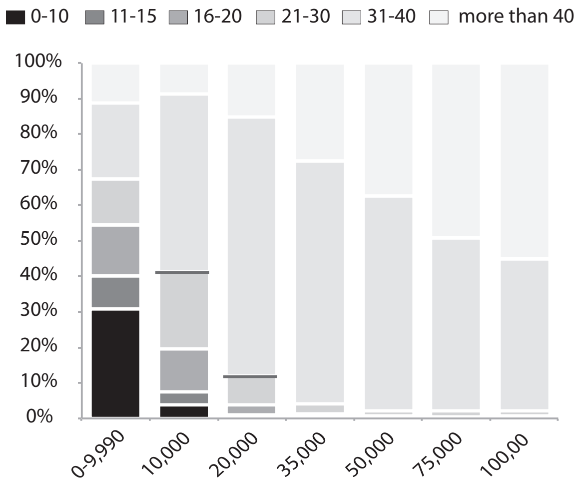
Source: CPS microdata, 2010-2013 sample

They were less likely to say slack working conditions were why they worked part time, probably because low-skilled workers are easier to lay off and replace, while higher skilled and more highly paid workers are kept on during slack conditions (Figure 5).

Another point to note is that these different variables within the same data set with the same respondents is giving us apparently competing views of the number of part-time low-income workers. Sixty percent work at least 30 hours per week, but 60 percent also worked

Figure 4

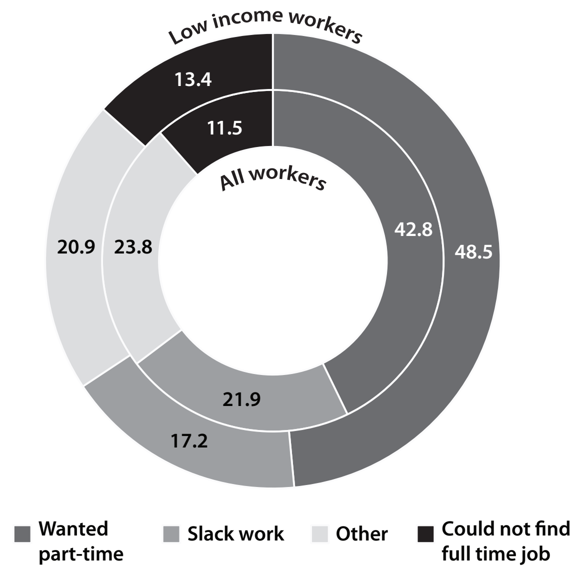
HOURS WORKED BY WAGE INCOME EARNED, 2010 - 2013



Source: CPS microdata, 2010-2013 sample

Figure 5

REASON FOR WORKING PART TIME BY INCOME, 2010 - 2013



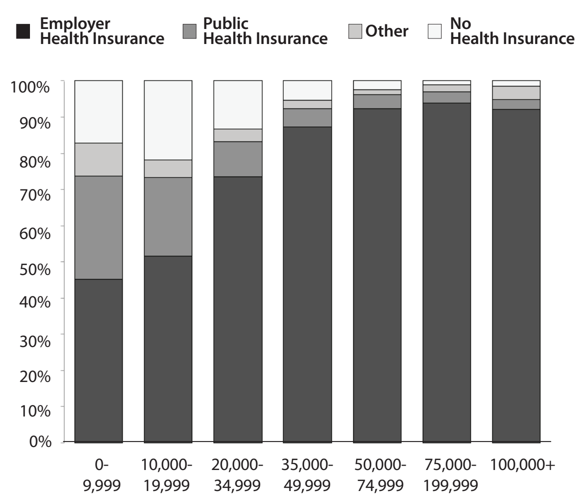
Source: CPS microdata, 2010-2013 sample

fewer than 35. There are a few explanations for this: First, the second chart (reasons for working part time) is for the people who worked part time during *any* week of the previous year. They may normally work more hours and show up as full time in the first variable. Second, workers may be disproportionately kept in the 30-35 hours per week range because of policies on benefits. Third, low-income workers may be more likely to have variable schedules because of the nature of their work and the occupations they hold. Regardless, the inconsistency points to what may be a bigger problem for low-income workers — the unreliability of their incomes. It's much harder to budget and plan when the number of hours worked and dollars earned changes from week to week and month to month.

To add to their challenges from unreliable income and work, low-income workers are also least likely to have health insurance. They're much more likely to have public or government health insurance, probably because subsidies and federal programs are more available to low-income workers. Low-income workers are dramatically less likely to have employer health insurance. When we consider how far incomes go, health insurance can make a huge difference. Not only does the value of the insurance packages offered by employers exacerbate the gap between well-paid workers and low-income workers, but insurance's primary purpose is to make health costs predictable and manageable. Low-income workers, the people least likely to be able to build up a substantial emergency fund to cover unexpected health costs, are those most likely to incur them (Figure 6).

Figure 6

TYPE OF HEALTH INSURANCE COVERAGE BY INCOME, 2010 - 2012



Source: ACS microdata, 2010-2012

Table 1

TOP 15 MINNESOTA OCCUPATIONS EMPLOYING LOW-WAGE WORKERS, 2010-2013 (CPS)

Occupation	Percent of occupation's workers earning low wage	Percent of all low-wage workers working in the occupation
Cashiers	82.4%	5.2%
Retail salespersons	57.2%	3.8%
Cooks	71.5%	2.9%
Child care workers	85.6%	2.8%
Waiters and waitresses	71.9%	2.8%
Nursing, psychiatric, and home health aides	58.1%	2.7%
Janitors and building cleaners	56.7%	2.6%
Personal and home care aides	69.3%	2.5%
Farmers, ranchers, and other agricultural managers	84.2%	2.5%
Driver/sales workers and truck drivers	31.7%	2.1%
Teacher assistants	71.6%	2.1%
Maids and housekeeping cleaners	74.5%	1.8%
Stock clerks and order fillers	55.0%	1.6%
Laborers and freight, stock, and material movers, hand	52.8%	1.6%

Source: CPS microdata 2010-2013 sample

Table 2

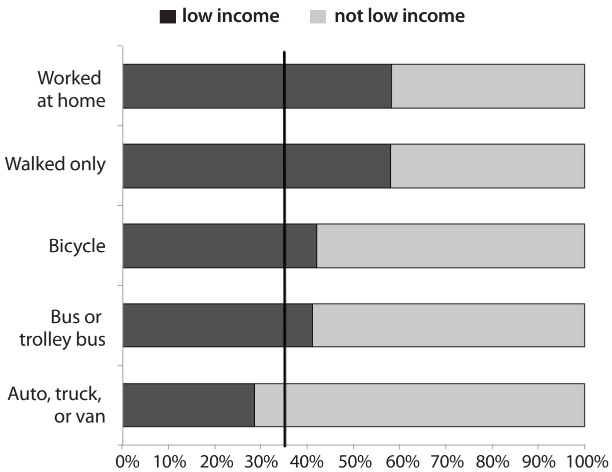
TOP 15 MINNESOTA INDUSTRIES EMPLOYING LOW-WAGE WORKERS, 2010-2013 (CPS)

Industry	Percent of industry's workers earning low wage	Percent of all low-wage workers working in the industry
Restaurants and other food services	67.7%	10.5%
Elementary and secondary schools	34.1%	6.1%
Construction	26.4%	4.4%
Grocery stores	60.7%	3.4%
Colleges and universities, including junior colleges	37.4%	3.0%
Animal production	73.4%	2.8%
Department stores and discount stores	39.8%	2.4%
Child day care services	74.5%	2.4%
Employment services	63.1%	2.1%
Crop production	54.2%	2.0%
Nursing care facilities	39.7%	1.9%
Home health care services	58.6%	1.9%
Other amusement, gambling, and recreation industries	49.2%	1.8%
Residential care facilities, without nursing	58.0%	1.5%
Individual and family services	39.9%	1.5%

Source: CPS microdata 2010-2013 sample

Figure 7

MEANS OF TRANSPORTATION TO WORK BY INCOME, 2010 - 2012



Source: ACS data, 2010-2012, showing only modes of transport that have greater than 0.5% of the total commuters

Income is also clearly related to transportation choices. The median commute time for low-income workers to travel to work is 15 minutes. The median for all workers to go to work is 20 minutes. If we examine mode of transportation to work, there are some clues why. Low-income workers are more likely to take bus, bicycle, walk, or work at home, while they're less likely to drive a car to work. This may be driven by three things. First, a worker who earns less than $20,000 may not be able to afford a car or may need to use other methods of transport to save on gas and maintenance costs. Second, a higher income can draw people to commute much further. Third, a higher income gives workers more choice in housing, and they may be choosing to live in nicer areas than can be found near their employers (Figure 7).

Low-wage jobs are also more dispersed — the highest paid workers in a company work in a corporate hub, but the lowest interact with people at retail and restaurant locations which are all over the place. As a result, low-income workers are likely more able to find jobs very near their homes.

OCCUPATIONS AND INDUSTRIES

Unsurprisingly, some occupations and industries are more commonly represented among low-income workers. Most are ones we'd all expect (Tables 1-2).

The industries that have a large share of low-wage workers more closely correlate to the occupations that are disproportionately represented (note the highlighted rows in each table). There were a few surprises, though, like colleges and universities.

Although some of these industries and occupations are the temporary jobs of young people, many of them tend to employ adults attempting to support families. The low percentages of all low-wage workers employed in a given industry or occupation also suggests that low wages are fairly dispersed through different sectors of the economy — working for low wages is far more pervasive than we tend to assume.

CONCLUSION

The earnings picture for workers with the lowest wages is complex. Although some people work for low wages as a tradeoff for more time or to supplement other sources of family income, the majority of low-wage workers rely on every penny. As challenging as the wages are, the unreliability of work and the difficulties of planning ahead to get ahead are even worse.

In Minnesota we've recently created a Cost of Living calculation that attempts to gauge how much income a person needs depending on their specific family circumstances. You can find a selection of those options online: **http://mn.gov/deed/data/data-tools/col/**

by Amanda Rohrer
Labor Market Information Office
Minnesota Department of Employment and Economic Development