

Minnesota Employment Review

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Wholesale and Retail Trade in Southeast Minnesota

Wholesale and Retail Trade combined make up over 14 percent of the total jobs in the Southeast region - by no means a small share. In fact, these two sectors, two of the four sectors in the Trade, Transportation, and Utilities supersector, account for the third highest number of jobs in the region, behind Healthcare and Social Assistance and Manufacturing. In many respects this solidifies the importance of Wholesale and Retail Trade among all industries in the region. These two industries help support individuals and families by providing much-needed jobs as well as contribute to the overall economy of the region. But what is the difference between the two different types of sales? While ultimately both end in the procurement of goods by customers, Wholesale Trade is the antecedent to Retail Trade.

According to the Bureau of Labor Statistics (<https://www.bls.gov>), Wholesale Trade includes goods that come from many industries, including Agriculture, Mining, Production, and Information which are sold to other businesses. Wholesale traders commonly function

in a warehouse setting with typically little, if any, display of merchandise. The location and layout of the warehouses are not designed for customers to shop. In contrast, retail stores that buy merchandise from wholesalers are equipped to handle customers and display merchandise as well as use advertising to attract business. A second sector of Retail Trade exists in the form of “non-store retailers” which tend to reach their customers through broadcasting such as infomercials and published advertising, both paper and electronically, mobile and stationary vending,

and door-to-door sales and demonstration in customers’ homes.

Ebbs and Flows

Both Wholesale and Retail Trade have seen a series of ups and downs over the last 10 years when it comes to the number of jobs in the region. Both saw their peak employment early in the decade with Retail Trade peaking in 2007 with over 28,000 jobs and Wholesale Trade seeing the highest number of jobs in 2008 at 6,895. Since then both sectors saw decreases resulting in

Features:

Feature: Household Income Sources Across Minnesota Counties

County Snapshots: Cottonwood, Crow Wing, Dakota, Dodge

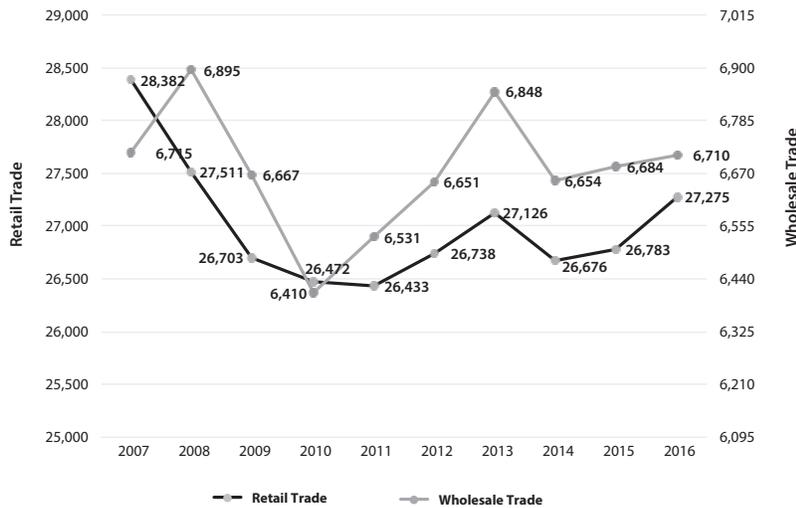
In this issue:

- 1 Regional Spotlight
- 5 NAICS Primer
- 6 Local Area Unemployment Statistics
- 8 Industrial Analysis
- 10 Regional Analysis
- 11 Current Employment Statistics
- 14 Economic Indicators
- 16 The Last Word



Regional
Spotlight
SOUTHEAST MINNESOTA

Figure 1. Southeast Wholesale and Retail Trade Employment Trends, 2007-2016



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

Table 1. Job Count Changes 2007-2016

Region	Wholesale Trade	Retail Trade
1-Northwest	1,233	402
2-Headwaters	82	-90
3-Arrowhead	-158	-753
4-West Central	391	219
5-North Central	4	-524
6E-Southwest Central	-95	-29
6W-Upper Minnesota Valley	127	36
7E-East Central	-125	48
7W-Central	115	177
8-Southwest	29	-566
9-South Central	-509	794
10-Southeast	-5	-1,107
11- 7-County Metro	-4,289	-2,521
Minnesota	-1,602	-3,581

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

lows of 26,433 retail jobs in 2011 and 6,410 wholesale jobs in 2010, before beginning to increase again. And while there were another set of declines and growth throughout the remainder of the decade, both sectors never fully regained the number of jobs that were present in 2007. In fact, Retail Trade lost just over 800 jobs (2.8 percent) while Wholesale Trade saw a decline of 185 or 2.7 percent (see Figure 1).

Southeast Minnesota (EDR 10) is not alone in the loss of jobs in both Wholesale and Retail Trade. It is actually one of four regions that experienced a dual loss – along with the Arrowhead (EDR 3), Southwest Central (EDR 6E), and the seven-county Twin Cities metro region (EDR 11). Additionally, the state as a whole experienced a loss in both industry sectors. What is interesting is that the regions that lost jobs in both sectors are not concentrated in one area of the state, and according to DEED’s Local Area Unemployment Statistics data only one of these regions saw a decline in their labor force during this time – the Arrowhead region lost 4,076 members of their labor force. Additionally, the losses are not solely highest in one of the two sectors, as two regions saw higher losses in Retail Trade while the others experienced more losses in Wholesale Trade.

A Slice of the Pie

The Wholesale and Retail Trade industry makes up just over 14 percent of the total jobs in the Southeast region. While Retail

Table 2. Southeast Minnesota Industry Employment Statistics, 2016

Industry	Employment	Percent of Total Employment	Firms	Total Payroll	Percent of Total Payroll	Average Weekly Wage
Total, All Industries	240,681	100.0%	11,732	\$11,549,583,475	100.0%	\$923
Retail Trade	27,275	11.3%	1,687	\$686,029,100	5.9%	\$483
Wholesale Trade	6,710	2.8%	501	\$408,063,367	3.5%	\$1,169

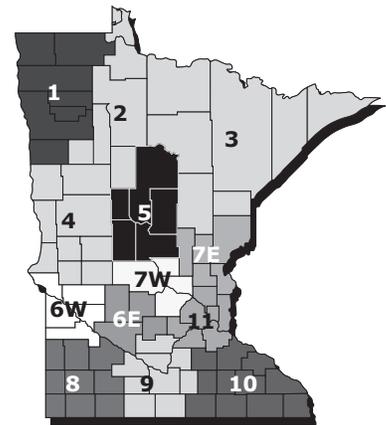
Source: DEED Quarterly Census of Employment and Wages (QCEW)

Trade accounts for the bulk of this percentage, representing 11.3 percent of the total, Wholesale Trade holds its own as 2.8 percent of all of the jobs in the region. Together, these two industry sectors are the third highest employing industry in the region. Interestingly, because of the much higher average weekly wages for Wholesale Trade jobs, the share of jobs compared to the share of total payroll isn't as skewed as might be expected. To put this in perspective, the same number of retail jobs as there are wholesale jobs (6,710) would

only equal \$168,771,961 or roughly 1.5 percent of the total payroll.

DEED's Employment Outlook data show that the Wholesale and Retail Trade industries are both expected to see growth from 2014 to 2024. Wholesale Trade is estimated to add 54 new jobs while Retail Trade is projected to grow by 842 jobs. As seen in Table 3 not all of the distinct subdivisions of Wholesale and Retail Trade are expected to see an increase in jobs, but overall the number of openings in those sectors in which growth is projected outnumber them.

Figure 2.
Economic Development Regions



Source: DEED

Table 3. Industry Employment Projections 2014-2024

	2014 Employment Estimates	2024 Projected Employment	Percent Change	Total Change
Wholesale Trade	7,119	7,173	0.7%	54
Merchant Wholesalers, Durable Goods	3,314	3,230	-2.5%	-84
Merchant Wholesalers, Nondurable Goods	3,193	3,443	7.8%	250
Electronic Markets and Agents/Brokers	612	500	-18.3%	-112
Retail Trade	26,762	27,604	3.1%	842
Motor Vehicle and Parts Dealers	3,184	3,385	6.3%	201
Furniture and Home Furnishings Stores	574	518	-9.7%	-56
Electronics and Appliance Stores	512	422	-17.5%	-90
Building Material and Garden Supply Stores	2,700	2,782	3.0%	82
Food and Beverage Stores	5,437	5,577	2.5%	140
Health and Personal Care Stores	1,053	1,042	-1.0%	-11
Gasoline Stations	3,036	3,436	13.1%	400
Clothing and Clothing Accessories Stores	1,779	1,849	3.9%	70
Sporting Goods/Hobby/Book/Music Stores	1,011	1,286	27.2%	275
General Merchandise Stores	5,679	5,611	-1.1%	-68
Miscellaneous Store Retailers	1,220	1,151	-5.6%	-69
Nonstore Retailers	577	545	-5.5%	-32

Source: DEED Employment Outlook

Table 4. Job Vacancies and Characteristics

Industry Title	Vacancies	Vacancy Rate	Percent Part-Time	Percent Temp. or Seasonal	Percent Req. Post-Secondary Education	Percent Req. 1+ Yrs. Experience	Percent Req. Cert. or License	Median Wage Offer	Offers Health Care
Total, All Industries	8,347	3.5%	48%	8%	27%	34%	33%	\$12.70	53%
Wholesale Trade	163	2.4%	10%	66%	10%	55%	3%	\$12.00	27%
Retail Trade	1,063	3.9%	89%	9%	2%	12%	4%	\$10.97	14%

Source: DEED Job Vacancy Survey (JVS)

Table 5. Concentration of Regional Wholesale and Retail Trade Jobs

Industry Division	LQ
Top 8	
Vending Machine Operators	2.95
Shoe Stores	2.00
Lawn and Garden Equipment and Supplies Stores	1.70
Gasoline Stations	1.56
Motor Vehicle and Parts and Supplies Merchant Wholesalers	1.30
Other General Merchandise Stores	1.30
Petroleum and Petroleum Products Merchant Wholesalers	1.29
Grocery Stores	1.27
Bottom 8	
Machinery, Equipment and Supplies Merchant Wholesalers	0.63
Electronics and Appliance Stores	0.60
Used Merchandise Stores	0.58
Electrical and Electronic Goods Merchant Wholesalers	0.55
Lumber and Other Construction Materials Merchant Wholesalers	0.40
Electronic Shopping and Mail-Order Houses	0.34
Wholesale Electronic Markets, Agents and Brokers	0.20
Professional and Commercial Equip. and Supplies Merchant Wholesalers	0.11

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

While it is pleasant to see a projected need for additional employees in Wholesale and Retail Trade in the Southeast region, a few less-than-desirable issues may come with these openings. First, as seen in Table 4, DEED’s Job Vacancy Survey shows that 89 percent of the current openings in Retail Trade are part-time and have relatively low median wage offers – current median wage offers rest at \$10.97 per hour. In contrast, only 10 percent of the current vacancies in Wholesale Trade are part-time, but the wages for these vacancies are relatively low, sitting at \$12.00 per hour. While the vacancy data seem to contradict the wage data reported above from the Quarterly Census of Employment and Wages shown in Table 1, the reason for this may be that the average weekly wage data from above are for workers covered by unemployment insurance while the vacancy data are

not for workers, but show current openings for which workers are needed. Second, 66 percent of the vacancies in the Wholesale industry sector are temporary or seasonal, meaning that individuals who gain employment in these vacancies may find themselves unemployed for part of the year. In comparison, only 9 percent of the openings in Retail Trade are temporary or seasonal. Finally, relatively few of the openings in both Wholesale and Retail Trade in the region offer health insurance – only 27 percent in Wholesale and 14 percent in Retail.

Room to Grow or Let it Go?

As mentioned above, the Trade Industry makes up 14.1 percent of the total jobs in the region. However, this industry makes up 15.3 percent of the jobs in the state as a whole. Location quotients,

which indicate the concentration of jobs in a specific area compared to the state, show that there are eight sectors within this industry that are more highly concentrated in the region than in the state, including vending machine operators, shoe stores, lawn and garden equipment and supplies stores, and gasoline stations, each having a location quotient greater than 1.5 (see Table 5). There were, however, also sectors that saw significantly lower concentrations than those of the state, including very low location quotients for electronic shopping and mail-order houses, wholesale electronic market, agents, and brokers, and professional and commercial equipment and supplies merchant wholesalers.

The implications of this could be two-fold. There may be room to boost these areas with low concentration in the region given adequate growth opportunities, or it may be that there isn’t a sufficient demand for these sectors in the region so that efforts to support growth may be better utilized for other fields within Southeast industries.

Balancing positive and negative attributes, the Wholesale and Retail Trade industry sectors do not appear to be going anywhere in the future. Southeast Minnesota is currently experiencing a need for employees in these categories and is projected to continue to feel this demand in the future. While there appears to be a shift in some respects in the way people shop with the emergence and growth of online shopping options, Wholesale and Retail Trade will continue to be an essential element in the economic landscape in Southeast Minnesota.

by Mark Schultz

Every other month Minnesota Employment Review will spotlight several North American Industry Classification System (NAICS) sectors for the reader. More detailed information on each NAICS sector can be found at <https://apps.deed.state.mn.us/lmi/qcew/ResultsDisp.aspx>. This month the spotlight is on:

44-45 Retail Trade

The Retail Trade sector includes establishments engaged in retailing merchandise, generally without transformation, and providing services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise to the final user. Retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector covers two main types of retailers – store and nonstore retailers. Store retailers operate fixed point-of-sale locations, located and designed to attract walk in customers. Nonstore retailers serve the general public as well but lack a fixed point-of-sale location. Nonstore retailers reach customers through in-home demonstrations, infomercials, street sales, and catalogs. While farmers are final users of farm machinery, they are businessmen and thus farm machinery is coded to wholesale rather than retail.

A recent article in The Atlantic magazine noted that the decline in brick and mortar shops is from the growth of online shopping (<https://www.theatlantic.com/business/archive/2017/04/retail-meltdown-of-2017/522384/>). Online shopping is not new but has become more convenient with online retailers offering easy return policies and free shipping and with the advent of apps and mobile wallet that store credit card information.

Minnesota is not immune to the challenges facing many retail establishments. Between 2015 and 2016 department stores, discount department stores and clothing stores all experienced declines in at least one of the following categories: number of establishments, employment, or annual wages (see Table 1).

Table 1

NAICS		2015 Establishments	2016 Establishments	2015 Employment	2016 Employment	2015 Average Weekly Wage	2016 Average Weekly Wage
445211	Department Stores (except Discount Department Stores)	82	88	8,881	8,577	\$408	\$415
452112	Discount Department Stores	209	203	17,447	16,888	\$392	\$386
448110	Men's Clothing Stores	98	95	805	802	\$555	\$561
448120	Women's Clothing Stores	570	563	5,506	5,615	\$311	\$301
448130	Children's and Infants' Clothing Stores	108	100	1,030	1,013	\$313	\$302
448140	Family Clothing Stores	334	325	5,664	5,568	\$282	\$281
448150	Clothing Accessories Stores	132	129	649	611	\$369	\$400

<https://apps.deed.state.mn.us/lmi/qcew/ResultsDisp.aspx>

Minnesota experienced positive establishment and employment growth in Pharmacies and Drugstores (NAICS 446110) and Supermarkets and Other Grocery (445110). There were 2,554 more employees and eight more establishments in NAICS code 445110 and 674 more employees and 27 more establishments in NAICS code 446110 in 2016 than in 2015 (<https://apps.deed.state.mn.us/lmi/qcew/ResultsDisp.aspx>).

Overall, Retail Trade in Minnesota is facing challenges. While employment in the sector increased by 5,776 between 2015 and 2016, the number of retail establishments decreased to 18,108 in 2016 from 18,298 in 2015. Average weekly wages in this sector increased by \$11 in the same time period.

by Chloe Campbell

Labor Force Estimates

County/ Area

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Jul 2017	Jun 2017	Jul 2016	Jul 2017	Jun 2017	Jul 2016	Jul 2017	Jun 2017	Jul 2016	Jul 2017	Jun 2017	Jul 2016
United States ('000s) (Seasonally adjusted) (Unadjusted)	160,571 160,863	160,494 161,911	159,463 159,800	153,439 153,576	153,513 154,470	151,614 151,804	7,132 7,287	6,981 7,441	7,849 7,996	4.4% 4.5	4.3% 4.6	4.9% 5.0
Minnesota (Seasonally adjusted) (Unadjusted)	3,053,950 3,082,329	3,045,902 3,093,153	2,998,818 3,016,796	2,937,671 2,972,389	2,933,408 2,987,031	2,880,017 2,902,997	116,279 109,940	112,494 106,122	118,801 113,799	3.8 3.6	3.7 3.4	4.0 3.8
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	2,010,421	2,014,179	1,959,254	1,941,152	1,947,227	1,888,984	69,269	66,952	70,270	3.4	3.3	3.6
Duluth-Superior MSA	144,421	144,687	141,620	137,678	138,247	133,833	6,743	6,440	7,787	4.7	4.5	5.5
Rochester MSA	121,658	122,602	120,549	118,081	119,050	116,733	3,577	3,552	3,816	2.9	2.9	3.2
St. Cloud MSA	110,647	110,708	109,339	106,906	107,063	105,368	3,741	3,645	3,971	3.4	3.3	3.6
Mankato-N Mankato MSA	58,608	58,481	57,692	56,863	56,723	55,865	1,745	1,758	1,827	3.0	3.0	3.2
Fargo-Moorhead MSA	139,496	139,038	137,587	136,261	136,381	134,338	3,235	2,657	3,249	2.0	2.3	2.4
Grand Forks MSA	57,141	56,419	56,243	55,388	55,103	54,513	1,753	1,316	1,730	2.8	3.1	3.1
Region One	47,080	47,549	46,881	44,962	45,493	44,734	2,118	2,056	2,147	4.5	4.3	4.6
Kittson	2,317	2,370	2,325	2,232	2,278	2,226	85	92	99	3.7	3.9	4.3
Marshall	5,435	5,516	5,356	5,163	5,261	5,049	272	255	307	5.0	4.6	5.7
Norman	3,357	3,441	3,319	3,205	3,279	3,171	152	162	148	4.5	4.7	4.5
Pennington	9,123	9,140	8,912	8,763	8,815	8,537	360	325	375	3.9	3.6	4.2
Polk	16,464	16,636	16,695	15,656	15,828	15,960	808	808	735	4.9	4.9	4.4
Red Lake	2,298	2,310	2,297	2,183	2,210	2,152	115	100	145	5.0	4.3	6.3
Roseau	8,086	8,136	7,977	7,760	7,822	7,639	326	314	338	4.0	3.9	4.2
Region Two	43,871	44,138	42,674	41,779	42,070	40,404	2,092	2,068	2,270	4.8	4.7	5.3
Beltrami	24,032	24,145	23,292	22,919	23,048	22,156	1,113	1,097	1,136	4.6	4.5	4.9
Clearwater	4,628	4,683	4,516	4,346	4,391	4,180	282	292	336	6.1	6.2	7.4
Hubbard	10,375	10,435	10,129	9,922	9,992	9,578	453	443	551	4.4	4.2	5.4
Lake of the Woods	2,464	2,473	2,378	2,335	2,361	2,267	129	112	111	5.2	4.5	4.7
Mahnomen	2,372	2,402	2,359	2,257	2,278	2,223	115	124	136	4.8	5.2	5.8
Region Three	164,415	164,814	162,374	156,254	156,965	152,774	8,161	7,849	9,600	5.0	4.8	5.9
Aitkin	7,166	7,215	6,964	6,834	6,881	6,581	332	334	383	4.6	4.6	5.5
Carlton	17,602	17,632	17,265	16,835	16,917	16,419	767	715	846	4.4	4.1	4.9
Cook	3,241	3,272	3,403	3,163	3,192	3,293	78	80	110	2.4	2.4	3.2
Itasca	21,988	22,025	22,003	20,512	20,617	20,200	1,476	1,408	1,803	6.7	6.4	8.2
Koochiching	6,243	6,258	6,136	5,820	5,862	5,658	423	396	478	6.8	6.3	7.8
Lake	5,510	5,537	5,629	5,320	5,347	5,381	190	190	248	3.4	3.4	4.4
St. Louis	102,665	102,875	100,974	97,770	98,149	95,242	4,895	4,726	5,732	4.8	4.6	5.7
City of Duluth	46,022	46,138	44,980	44,194	44,365	43,051	1,828	1,773	1,929	4.0	3.8	4.3
Balance of St. Louis County	56,643	56,737	55,994	53,576	53,784	52,191	3,067	2,953	3,803	5.4	5.2	6.8
Region Four	128,086	128,959	125,853	124,107	125,005	121,644	3,979	3,954	4,209	3.1	3.1	3.3
Becker	18,552	18,709	18,201	17,880	18,035	17,493	672	674	708	3.6	3.6	3.9
Clay	35,893	35,849	35,145	34,743	34,711	34,023	1,150	1,138	1,122	3.2	3.2	3.2
Douglas	20,818	20,937	20,604	20,250	20,376	19,984	568	561	620	2.7	2.7	3.0
Grant	3,262	3,317	3,194	3,156	3,211	3,066	106	106	128	3.2	3.2	4.0
Otter Tail	32,267	32,552	31,577	31,258	31,555	30,452	1,009	997	1,125	3.1	3.1	3.6
Pope	6,344	6,433	6,248	6,183	6,262	6,069	161	171	179	2.5	2.7	2.9
Stevens	5,561	5,645	5,549	5,413	5,504	5,396	148	141	153	2.7	2.5	2.8
Traverse	1,774	1,821	1,754	1,725	1,774	1,703	49	47	51	2.8	2.6	2.9
Wilkin	3,615	3,696	3,581	3,499	3,577	3,458	116	119	123	3.2	3.2	3.4
Region Five	85,634	86,132	84,127	82,335	82,963	80,388	3,299	3,169	3,739	3.9	3.7	4.4
Cass	15,511	15,582	15,034	14,830	14,928	14,230	681	654	804	4.4	4.2	5.3
Crow Wing	33,375	33,466	32,850	32,207	32,318	31,495	1,168	1,148	1,355	3.5	3.4	4.1
Morrison	17,685	17,848	17,471	16,958	17,150	16,687	727	698	784	4.1	3.9	4.5
Todd	12,877	13,019	12,657	12,433	12,604	12,171	444	415	486	3.4	3.2	3.8
Wadena	6,186	6,217	6,115	5,907	5,963	5,805	279	254	310	4.5	4.1	5.1
Region Six East	65,338	65,960	65,144	63,030	63,685	62,529	2,308	2,275	2,615	3.5	3.4	4.0
Kandiyohi	24,465	24,662	24,011	23,744	23,970	23,195	721	692	816	2.9	2.8	3.4
McLeod	19,514	19,653	19,624	18,814	18,946	18,780	700	707	844	3.6	3.6	4.3
Meeker	13,239	13,351	13,152	12,740	12,874	12,629	499	477	523	3.8	3.6	4.0
Renville	8,120	8,294	8,357	7,732	7,895	7,925	388	399	432	4.8	4.8	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.

Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development,
Local Area Unemployment Statistics, and North Dakota Job Service, 2017.

Labor Force Estimates

County/ Area

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Jul 2017	Jun 2017	Jul 2016	Jul 2017	Jun 2017	Jul 2016	Jul 2017	Jun 2017	Jul 2016	Jul 2017	Jun 2017	Jul 2016
Region Six West	23,748	24,096	23,152	22,878	23,283	22,219	870	813	933	3.7%	3.4%	4.0%
Big Stone	2,714	2,769	2,694	2,622	2,675	2,588	92	94	106	3.4	3.4	3.9
Chippewa	7,015	7,079	6,761	6,742	6,830	6,497	273	249	264	3.9	3.5	3.9
Lac Qui Parle	3,557	3,632	3,399	3,444	3,525	3,263	113	107	136	3.2	2.9	4.0
Swift	5,083	5,162	5,049	4,887	4,976	4,813	196	186	236	3.9	3.6	4.7
Yellow Medicine	5,379	5,454	5,249	5,183	5,277	5,058	196	177	191	3.6	3.2	3.6
Region Seven East	87,408	87,729	85,514	83,856	84,264	81,769	3,552	3,465	3,745	4.1	3.9	4.4
Chisago	29,649	29,764	29,008	28,585	28,705	27,863	1,064	1,059	1,145	3.6	3.6	3.9
Isanti	20,884	20,958	20,420	20,059	20,135	19,554	825	823	866	4.0	3.9	4.2
Kanabec	9,055	9,077	8,817	8,651	8,704	8,390	404	373	427	4.5	4.1	4.8
Mille Lacs	12,875	12,914	12,619	12,300	12,361	12,008	575	553	611	4.5	4.3	4.8
Pine	14,945	15,016	14,650	14,261	14,359	13,954	684	657	696	4.6	4.4	4.8
Region Seven West	236,267	236,646	231,947	228,171	228,789	223,574	8,096	7,857	8,373	3.4	3.3	3.6
Benton	21,732	21,745	21,428	20,944	20,962	20,613	788	783	815	3.6	3.6	3.8
Sherburne	51,135	51,240	49,880	49,320	49,483	48,060	1,815	1,757	1,820	3.5	3.4	3.6
Stearns	88,915	88,963	87,911	85,962	86,101	84,755	2,953	2,862	3,156	3.3	3.2	3.6
Wright	74,485	74,698	72,728	71,945	72,243	70,146	2,540	2,455	2,582	3.4	3.3	3.6
Region Eight	65,136	65,518	64,324	62,409	63,418	61,883	2,727	2,100	2,441	4.2	3.2	3.8
Cottonwood	5,607	5,308	5,434	4,928	5,019	4,980	679	289	454	12.1	5.4	8.4
Jackson	6,071	6,075	6,004	5,780	5,882	5,759	291	193	245	4.8	3.2	4.1
Lincoln	3,262	3,341	3,331	3,174	3,256	3,228	88	85	103	2.7	2.5	3.1
Lyon	15,090	15,232	14,784	14,603	14,774	14,298	487	458	486	3.2	3.0	3.3
Murray	4,827	4,888	4,828	4,644	4,737	4,663	183	151	165	3.8	3.1	3.4
Nobles	11,124	11,235	11,105	10,725	10,891	10,707	399	344	398	3.6	3.1	3.6
Pipestone	4,847	4,933	4,848	4,711	4,792	4,704	136	141	144	2.8	2.9	3.0
Redwood	8,451	8,557	8,203	8,116	8,249	7,882	335	308	321	4.0	3.6	3.9
Rock	5,857	5,949	5,787	5,728	5,818	5,662	129	131	125	2.2	2.2	2.2
Region Nine	131,265	131,863	130,097	126,852	127,561	125,446	4,413	4,302	4,651	3.4	3.3	3.6
Blue Earth	38,704	38,586	38,072	37,499	37,382	36,819	1,205	1,204	1,253	3.1	3.1	3.3
Brown	14,854	15,018	14,914	14,387	14,542	14,355	467	476	559	3.1	3.2	3.7
Faribault	7,240	7,318	7,360	6,942	7,046	7,068	298	272	292	4.1	3.7	4.0
Le Sueur	15,795	15,894	15,491	15,204	15,314	14,900	591	580	591	3.7	3.6	3.8
Martin	10,468	10,582	10,464	10,066	10,215	10,070	402	367	394	3.8	3.5	3.8
Nicollet	19,904	19,895	19,620	19,364	19,341	19,046	540	554	574	2.7	2.8	2.9
Sibley	8,380	8,526	8,420	8,130	8,269	8,108	250	257	312	3.0	3.0	3.7
Waseca	9,392	9,468	9,512	9,048	9,139	9,134	344	329	378	3.7	3.5	4.0
Watsonwan	6,528	6,576	6,244	6,212	6,313	5,946	316	263	298	4.8	4.0	4.8
Region Ten	284,155	286,031	279,185	275,166	277,235	269,732	8,989	8,796	9,453	3.2	3.1	3.4
Dodge	11,617	11,732	11,569	11,210	11,338	11,143	407	394	426	3.5	3.4	3.7
Fillmore	11,319	11,497	11,391	10,950	11,137	10,974	369	360	417	3.3	3.1	3.7
Freeborn	16,341	16,472	15,708	15,770	15,922	15,132	571	550	576	3.5	3.3	3.7
Goodhue	26,903	27,103	26,661	26,019	26,249	25,687	884	854	974	3.3	3.2	3.7
Houston	10,297	10,402	10,258	9,999	10,091	9,909	298	311	349	2.9	3.0	3.4
Mower	20,794	20,930	20,349	20,217	20,366	19,742	577	564	607	2.8	2.7	3.0
Olmsted	86,715	87,196	85,583	84,313	84,786	83,013	2,402	2,410	2,570	2.8	2.8	3.0
City of Rochester	63,588	63,962	62,814	61,883	62,230	60,929	1,705	1,732	1,885	2.7	2.7	3.0
Rice	37,586	37,682	35,648	36,275	36,454	34,372	1,311	1,228	1,276	3.5	3.3	3.6
Steele	21,350	21,425	21,030	20,569	20,673	20,241	781	752	789	3.7	3.5	3.8
Wabasha	12,007	12,177	12,006	11,608	11,789	11,603	399	388	403	3.3	3.2	3.4
Winona	29,226	29,415	28,982	28,236	28,430	27,916	990	985	1,066	3.4	3.3	3.7
Region Eleven	1,719,931	1,722,493	1,675,527	1,660,593	1,665,268	1,615,902	59,338	57,225	59,625	3.5	3.3	3.6
Anoka	197,452	197,793	192,595	190,428	190,953	185,355	7,024	6,840	7,240	3.6	3.5	3.8
Carver	57,156	57,317	55,888	55,367	55,608	54,019	1,789	1,709	1,869	3.1	3.0	3.3
Dakota	241,772	242,106	235,687	233,766	234,387	227,526	8,006	7,719	8,161	3.3	3.2	3.5
Hennepin	707,001	707,888	687,829	682,254	684,122	663,542	24,747	23,766	24,287	3.5	3.4	3.5
City of Bloomington	48,158	48,219	46,955	46,486	46,613	45,211	1,672	1,606	1,744	3.5	3.3	3.7
City of Minneapolis	241,994	242,326	235,255	233,101	233,739	226,708	8,893	8,587	8,547	3.7	3.5	3.6
Ramsey	291,538	291,997	284,081	280,909	281,696	273,315	10,629	10,301	10,766	3.6	3.5	3.8
City of St. Paul	159,946	160,170	155,930	153,897	154,329	149,737	6,049	5,841	6,193	3.8	3.6	4.0
Scott	82,324	82,479	80,225	79,788	80,016	77,669	2,536	2,463	2,556	3.1	3.0	3.2
Washington	142,688	142,913	139,222	138,081	138,486	134,476	4,607	4,427	4,746	3.2	3.1	3.4



Industrial Analysis

Overview

Minnesota added 7,700 jobs (0.3 percent) in July on a seasonally adjusted basis. June's estimate was also revised upward, from a gain of 4,400 jobs to a gain of 9,300 jobs, as the state continues its strong job growth from the first half of 2017. July's increase was concentrated among service providers, who added 7,900 jobs (0.3 percent) while their counterparts in goods production lost 200 jobs. Annually Minnesota added 66,701 jobs (2.3 percent). It was the second consecutive month with greater than 2 percent employment growth in the state, a benchmark that hadn't been reached since February of 2013. The increase was spread among industry groups, as goods producers and service providers both showed more than 2 percent growth (2.5 and 2.3 percent, respectively). Public sector employment increased by 5,682 (1.4 percent) over the period, while the private sector added 61,019 jobs (2.4 percent).

Mining and Logging

Employment in the Mining and Logging supersector was flat in July, holding at 6,900 seasonally adjusted jobs. Since March, when employment jumped from 6,600, employment in the industry group has hovered within 100 jobs of the 7,000 mark. Over the year the supersector added 793 jobs (12 percent) as it continued to show improvement after an especially rough period that stretched from late 2015 through mid-2016. Recovery from that slump began picking up steam roughly a year ago, and as such we could expect to see over-the-year growth in the supersector dip from its recent levels in the coming months, likely beginning in August.

Construction

Employment in the Construction supersector was off slightly in July, losing 700 jobs (0.5 percent) after having gained 1,000 in June. The industry group has alternated seasonally-adjusted gains and losses in every month of

2017 thus far. Annually Construction added 7,528 jobs (5.8 percent). Specialty Trade Contractors continued to drive the supersector's growth, adding 7,638 jobs (9.3 percent). The smaller Heavy and Civil Engineering Construction sector added 625 jobs (3.1 percent), while Construction of Buildings lost 735 jobs (2.7 percent) OTY, its 14th straight month showing a decline.

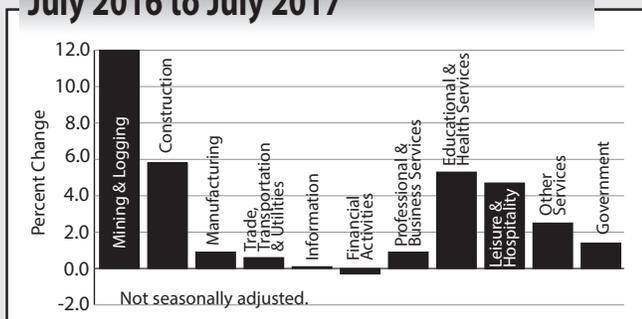
Manufacturing

The Manufacturing supersector added 500 jobs (0.2 percent) in July, although June employment gains were revised down from 2,100 to 1,400 jobs. The July growth was attributable entirely to Non-Durable Goods Manufacturers, which showed a 0.4 percent increase. Employment in Durable Goods Manufacturing was flat for the month. Over the year Manufacturing added 2,931 jobs (0.9 percent). The smaller Non-Durable Goods component sector continued to gain on its larger counterpart, adding 2,156 jobs (1.8 percent) on the year while Durable Goods Manufacturing added just 775 jobs (0.4 percent).

Trade, Transportation, and Utilities

Trade, Transportation, and Utilities lost 2,600 jobs in July. It was the second consecutive month with employment losses for the supersector and the fifth of seven months in 2017 to show employment declines. July's job losses came primarily in Retail Trade (down 2,300 or 0.8 percent) with additional declines in Transportation, Warehousing, and Utilities (off 1,000, 1.0 percent). Wholesale Trade added 700 jobs (0.5 percent). Annually the supersector added 3,186 jobs (0.6 percent), a marked decrease from the 1.4 percent over-the-year growth in June estimates. Annual growth was a mirror image of monthly growth among component sectors, with Wholesale Trade losing 922 jobs (0.7 percent) while Retail Trade and Transportation, Warehousing, and Utilities showed positive growth (up 1,806 or 0.6 percent and 2,302 or 2.3 percent, respectively). Transportation and Warehousing added 2,578 jobs (3 percent), returning to its previously strong over-the-year growth after sagging slightly early in the year. Utilities employment declined by 276 jobs (2.2 percent).

MN Employment Growth July 2016 to July 2017



Source: Department of Employment and Economic Development, Current Employment Statistics, 2017.

Information

Employment in the Information supersector was up by 200 (0.4 percent) in July, following two months of job losses in the supersector. Annually Information employers added 72 jobs (0.1 percent). After nearly consistent over-the-year job losses in the supersector dating back to early 2013, Information jobs increased on an annual basis for every month in 2017 so far.

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

Financial Activities

The Financial Activities supersector lost 1,400 jobs (0.8 percent) in July. It was the supersector's fourth straight month with seasonally adjusted declines and sixth of the seven months in 2017. Both component sectors shed jobs, as Finance and Insurance lost 900 (0.6 percent), and Real Estate and Rental and Leasing lost 500 (1.5 percent). Annually the supersector lost 572 jobs (0.3 percent). It was the first negative over-the-year growth in Financial Activities since December of 2014. The entirety of the annual declines came from Real Estate and Rental and Leasing, which shed 1,911 jobs (5.3 percent). The other component sector, Finance and Insurance, remained up on the year, adding 1,339 jobs (0.9 percent).

Professional and Business Services

Professional and Business Services lost 1,500 jobs (0.4 percent) in July, and its June increase was revised down from a gain of 2,300 to a gain of just 1,300. Management of Companies and Enterprises lost 600 jobs (0.7 percent), and Administrative and Support and Waste Management and Remediation Services lost 1,000 (0.7 percent). Annually the supersector added 3,388 jobs (0.9 percent). Annual declines in Professional, Scientific, and Technical Services (off 2,414 or 1.5 percent) were more than balanced by gains in Management of Companies and Enterprises (up 1,944 or 2.4 percent) and Administrative and Support and Waste Management and Remediation Services (up 3,858 or 2.8 percent).

Educational and Health Services

Educational and Health Services employment was up by 8,400 (1.5 percent) in July on a seasonally adjusted basis. Both component sectors added jobs, with Educational Services up 2,400 (3.4 percent) and Health Care and Social Assistance adding 6,000 (1.3 percent). Over the year Educational and Health Services added 27,521 jobs (5.3 percent). The supersector remains a strong driver of job growth statewide, accounting for more than 40 percent of the jobs added in Minnesota over the previous 12 months. Health Care and Social Assistance added 22,446 jobs (4.9 percent) while Educational Services added 5,075 (8.4 percent).

Leisure and Hospitality

Leisure and Hospitality added 2,800 jobs (1 percent) in July. It was the fifth straight month of seasonally-adjusted growth for the supersector as Accommodation and Food Services continued its strong recent performance, adding 2,600 jobs (1.1 percent) on the heels of June's addition of 4,300 jobs. Annually the supersector added 13,250 jobs (4.7 percent). Arts, Entertainment, and Recreation added 3,176 jobs (6.4 percent), and Accommodation and Food Services added 10,074 (4.3 percent).

Other Services

Other Services added 400 jobs (0.3 percent) in July, and June's loss of 1,500 was revised to a loss of 1,300. Annually the supersector added 2,922 jobs (2.5 percent). All three component sectors saw growth, but the largest both numerically and proportionally came in Religious, Grantmaking, Civic, Professional, and Similar Organizations, which added 2,063 jobs (3.2 percent).

Government

Government employment was up by 1,600 (0.4 percent) in July. Local Government led the way, adding 1,800 jobs (0.6 percent). Annually Government employers added 5,682 jobs (1.4 percent), with growth in all three component sectors.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

Industry	In 1,000's		
	July 2017	June 2017	May 2017
Total Nonagricultural	2,959.8	2,952.1	2,942.8
Goods-Producing	449.6	449.8	447.5
Mining and Logging	6.9	6.9	7.0
Construction	122.3	123.0	122.0
Manufacturing	320.4	319.9	318.5
Service-Providing	2,510.2	2,502.3	2,495.3
Trade, Transportation, and Utilities	534.2	536.8	537.3
Information	50.9	50.7	51.2
Financial Activities	175.2	176.6	177.2
Professional and Business Services	376.3	377.8	376.5
Educational and Health Services	551.2	542.8	541.5
Leisure and Hospitality	274.3	271.5	265.8
Other Services	120.0	119.6	120.8
Government	428.1	426.5	425.0

Source: Department of Employment and Economic Development
Current Employment Statistics, 2017.

Regional Analysis

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

Employment in the Minneapolis-St. Paul MSA decreased by 10,989 (0.5 percent) in July. However, this estimate is not seasonally adjusted, and since the MSA has lost employment in every single July on record since 1968, this does not tell us much. The past two Julys have shown smaller than usual declines, which may suggest a recent change in seasonal patterns. July's loss was driven by the shedding of 16,117 jobs (6.4 percent) from Government employment, specifically concentrated in Local Government Education, which dropped 16,825 jobs (17.7 percent) as schools headed to summer break. Mining, Logging, and Construction had the largest gains in the MSA for July, both proportionally and in total jobs, adding 2,063 or 2.4 percent. Annually the metro area added 53,063 jobs (2.7 percent), keeping it slightly ahead of the statewide over-the-year growth rate of 2.3 percent. Educational and Health Services continued to lead the way, adding 20,953 jobs (6.6 percent), which was the largest numerical and proportional growth of any supersector. The Financial Activities supersector lost employment on an annual basis, shedding 143 jobs (0.1 percent). It was the only supersector in the metro with negative annual growth, and this was its first month with over-the-year losses since December of 2014, having posted consistent growth of 1 percent or more for the previous two years. The decline was largely driven by the loss of 1,049 jobs (3.6 percent) in the Real Estate and Rental and Leasing component sector.

Duluth-Superior MSA

The Duluth-Superior MSA lost 1,020 jobs (0.7 percent) in July, matching the statewide over-the-month decline. Besides Government employers (off 2,076 or 7.9

percent, with 1,946 from Local Government) losses were also posted in Other Services (down 35 or 0.5 percent) and Information, which lost one single job (0.1 percent). The largest gains came in Mining, Logging, and Construction, up by 454 (4.3 percent). Annually Duluth added 3,206 jobs (2.4 percent). Once again Information was the only supersector in the area to lose jobs, off by 68 (4.7 percent). It was the fifth consecutive month of job losses in the supersector. The largest gains in Duluth came in Educational and Health Services (up 1,087 or 3.5 percent) and Mining, Logging, and Construction (up 1,046 or 10.6 percent). That's down from the 15.6 percent annual growth in the supersector for June, and that number is likely to continue to shrink in the coming months as the turmoil that has wracked the industry and region in recent years continues to stabilize.

Rochester MSA

Employment in the Rochester MSA was down by 565 (0.5 percent) in July. While the lion's share of those losses came from Local Government employers, a number of supersectors had smaller monthly declines. Mining, Logging, and Construction lost 29 jobs (0.6 percent), and it was the only MSA in the state to show negative growth in that industry group. Professional and Business Services and Other Services also both lost employment, down by 24 (0.4 percent) and 10 (0.2 percent) respectively. Annually Rochester added 2,243 jobs (1.9 percent), lagging slightly behind the state's overall growth for the second straight month. The over-the-year gains were built in large part on the addition of 1,269 jobs (2.6 percent) in Educational and Health Services, although Mining, Logging, and Construction (up 163 or 3.3 percent), Professional and Business Services (up 316, 5.6 percent), and Other Services (up 128, 3.2 percent) all showed larger proportional growth.

St. Cloud MSA

Employment in the St. Cloud MSA was down by 1,023 (0.9 percent) in July. Government employers shed 1,240 jobs (8.3 percent). Trade, Transportation, and Utilities lost 116 jobs (0.5 percent), and Other Services lost 26 (0.7 percent). The largest gains came in Mining, Logging, and Construction, which added 237 jobs (3 percent). Annually St. Cloud added 1,944 jobs (1.8 percent). Notable growth occurred in Mining, Logging, and Construction (up 850 or 11.6 percent) and Educational and Health Services (up 853 or 4.1 percent). The largest over-the-year losses came in the Financial Activities supersector, which lost 247 jobs or 4.7 percent.

Mankato-North Mankato MSA

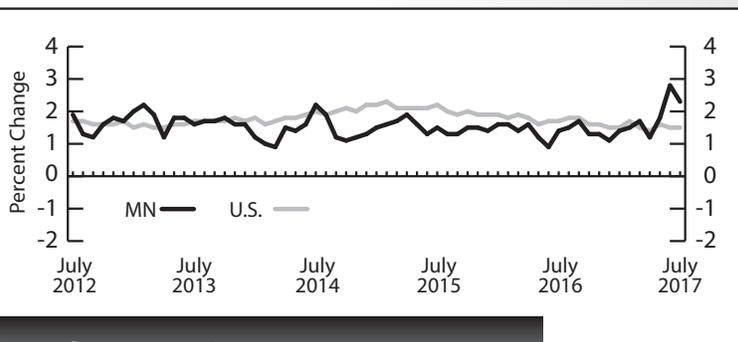
The Mankato-North Mankato MSA lost 1,692 jobs (2.9 percent) in July. While losses are common this time of year, the proportional decline in Mankato was among the worst in the state. The losses were concentrated in Government employment, which was off by 1,809 jobs (18.2 percent). Every other published industry group showed monthly growth. Over the year the area added 908 jobs (1.7 percent). Private sector employers added 612 jobs (1.3 percent), and the public sector added 296 (3.8 percent).

Fargo-Moorhead MSA

The Fargo-Moorhead MSA lost 989 jobs (0.7 percent) in July. As was the case elsewhere in the state, the losses were largely caused by a drop of 2,353 jobs (12.8 percent) in Local Government employment. Annually the Fargo-Moorhead MSA added 3,004 jobs (2.2 percent). The largest gains came in Leisure and Hospitality, which added 953 jobs (6.9 percent).

Grand Forks-East Grand Forks MSA

The Grand Forks-East Grand Forks MSA lost 2,108 jobs (3.7 percent) in July. It represented the largest proportional over-the-month decline of any MSA in Minnesota although it came almost entirely from Local Government employment (down 1,827 or 28.4 percent). Annually the area lost 377 jobs (0.7 percent). It was the only MSA in Minnesota to lose jobs over the year. The decline came primarily from Mining, Logging, and Construction employment, which was off by 1,105 (22.6 percent).



Source: Department of Employment and Economic Development, Current Employment Statistics, 2017; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2017.

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

by Nick Dobbins

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					
	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
						Jul 2017	Jul 2016	Jul 2017	Jul 2016	Jul 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	2,984.2	3,006.1	2,917.5	-0.7%	2.3%	—	—	—	—	—	—
GOODS-PRODUCING	469.8	466.2	458.5	0.8	2.5	—	—	—	—	—	—
Mining, Logging, and Construction	144.7	142.2	136.4	1.8	6.1	—	—	—	—	—	—
Mining and Logging	7.4	7.1	6.6	3.8	12.0	—	—	—	—	—	—
Construction	137.3	135.1	129.8	1.7	5.8	—	—	—	—	—	—
Specialty Trade Contractors	90.1	88.3	82.4	2.0	9.3	\$1,321.89	\$1,245.42	40.4	39.3	\$32.72	\$31.69
Manufacturing	325.0	324.0	322.1	0.3	0.9	847.88	796.36	41.0	39.6	20.68	20.11
Durable Goods	204.9	204.3	204.1	0.3	0.4	885.60	803.55	41.0	38.8	21.60	20.71
Wood Product Manufacturing	11.7	11.7	11.5	0.2	2.0	—	—	—	—	—	—
Fabricated Metal Production	42.3	42.2	42.7	0.2	-0.9	—	—	—	—	—	—
Machinery Manufacturing	32.2	32.4	32.9	-0.5	-1.9	—	—	—	—	—	—
Computer and Electronic Product	46.1	46.1	46.3	0.0	-0.5	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	26.8	26.8	26.7	0.1	0.6	—	—	—	—	—	—
Transportation Equipment	10.7	10.6	11.1	0.9	-3.3	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	16.4	16.4	16.0	0.3	2.6	—	—	—	—	—	—
Nondurable Goods	120.1	119.7	118.0	0.3	1.8	786.92	785.69	40.9	40.9	19.24	19.21
Food Manufacturing	48.2	47.8	47.3	0.8	1.8	—	—	—	—	—	—
SERVICE-PROVIDING	2,514.5	2,539.9	2,459.0	-1.0	2.3	—	—	—	—	—	—
Trade, Transportation, and Utilities	538.4	542.1	535.2	-0.7	0.6	—	—	—	—	—	—
Wholesale Trade	133.0	132.9	133.9	0.1	-0.7	952.00	845.25	40.0	37.6	23.80	22.48
Retail Trade	304.4	306.2	302.6	-0.6	0.6	441.67	423.65	29.0	28.8	15.23	14.71
Motor Vehicle and Parts	36.5	36.3	35.3	0.3	3.3	—	—	—	—	—	—
Building Material and Garden Equipment	28.1	28.9	28.2	-2.5	-0.4	—	—	—	—	—	—
Food and Beverage Stores	56.6	56.4	55.9	0.3	1.2	—	—	—	—	—	—
Gasoline Stations	25.8	25.7	25.5	0.3	1.1	—	—	—	—	—	—
General Merchandise Stores	60.0	59.5	60.7	0.8	-1.2	400.75	352.82	30.2	29.5	13.27	11.96
Transportation, Warehouse, Utilities	100.9	103.0	98.6	-2.0	2.3	—	—	—	—	—	—
Transportation and Warehousing	88.6	90.6	86.0	-2.2	3.0	738.00	763.62	33.9	35.6	21.77	21.45
Information	50.8	51.1	50.7	-0.7	0.1	1,099.44	941.76	36.0	34.7	30.54	27.14
Publishing Industries	18.7	18.7	19.4	0.0	-3.6	—	—	—	—	—	—
Telecommunications	11.9	11.9	12.2	0.4	-2.2	—	—	—	—	—	—
Financial Activities	177.7	178.1	178.3	-0.2	-0.3	—	—	—	—	—	—
Finance and Insurance	143.8	143.8	142.5	0.0	0.9	1,127.95	994.19	37.8	36.1	29.84	27.54
Credit Intermediation	63.4	63.3	62.9	0.1	0.8	816.14	752.10	36.5	34.9	22.36	21.55
Securities, Commodity Contracts, and Other	19.5	19.5	19.7	-0.2	-0.9	—	—	—	—	—	—
Insurance Carriers and Related	60.9	61.0	59.9	-0.1	1.7	—	—	—	—	—	—
Real Estate and Rental and Leasing	33.9	34.2	35.9	-0.8	-5.3	—	—	—	—	—	—
Professional and Business Services	382.3	383.0	378.9	-0.2	0.9	—	—	—	—	—	—
Professional, Scientific, and Technical Services	157.6	157.0	160.0	0.4	-1.5	—	—	—	—	—	—
Legal Services	18.4	18.4	18.5	0.3	-0.5	—	—	—	—	—	—
Accounting, Tax Preparation	16.5	16.5	16.1	0.3	2.4	—	—	—	—	—	—
Computer Systems Design	37.9	37.6	37.8	0.8	0.2	—	—	—	—	—	—
Management of Companies and Enterprises	81.4	81.8	79.5	-0.5	2.4	—	—	—	—	—	—
Administrative and Support Services	143.3	144.2	139.4	-0.6	2.8	—	—	—	—	—	—
Educational and Health Services	544.8	542.6	517.2	0.4	5.3	—	—	—	—	—	—
Educational Services	65.4	67.8	60.3	-3.4	8.4	—	—	—	—	—	—
Health Care and Social Assistance	479.3	474.8	456.9	1.0	4.9	—	—	—	—	—	—
Ambulatory Health Care	159.9	158.3	150.2	1.0	6.5	1,369.94	1,274.12	36.6	35.6	37.43	35.79
Offices of Physicians	74.2	73.9	71.8	0.5	3.4	—	—	—	—	—	—
Hospitals	109.0	108.5	107.6	0.4	1.3	—	—	—	—	—	—
Nursing and Residential Care Facilities	109.5	108.2	107.7	1.2	1.6	479.93	473.63	29.3	29.4	16.38	16.11
Social Assistance	101.0	99.8	91.4	1.1	10.5	—	—	—	—	—	—
Leisure and Hospitality	295.7	290.5	282.5	1.8	4.7	—	—	—	—	—	—
Arts, Entertainment, and Recreation	53.2	51.4	50.0	3.5	6.4	—	—	—	—	—	—
Accommodation and Food Services	242.6	239.1	232.5	1.5	4.3	—	—	—	—	—	—
Food Services and Drinking Places	212.1	210.1	201.9	0.9	5.1	277.59	277.99	20.7	21.6	13.41	12.87
Other Services	119.8	118.9	116.8	0.7	2.5	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	67.0	66.3	64.9	1.1	3.2	—	—	—	—	—	—
Government	405.0	433.7	399.3	-6.6	1.4	—	—	—	—	—	—
Federal Government	32.5	32.4	32.0	0.0	1.5	—	—	—	—	—	—
State Government	93.6	96.4	90.6	-2.9	3.3	—	—	—	—	—	—
State Government Education	53.3	56.1	51.0	-5.0	4.4	—	—	—	—	—	—
Local Government	278.9	304.8	276.7	-8.5	0.8	—	—	—	—	—	—
Local Government Education	123.0	150.4	120.6	-18.2	2.0	—	—	—	—	—	—

Source: Department of Employment and Economic Development, Current Employment Statistics, 2017.

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*			Percent Change		Production Workers Hours and Earnings					
	(Thousands)			From**		Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016	Jul 2017	Jul 2016	Jul 2017	Jul 2016	Jul 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	2,026.2	2,037.2	1,973.2	-0.5%	2.7%	—	—	—	—	—	—
GOODS-PRODUCING	294.0	290.6	284.7	1.2	3.3	—	—	—	—	—	—
Mining, Logging, and Construction	89.8	87.8	85.3	2.4	5.3	—	—	—	—	—	—
Construction of Buildings	17.9	17.6	17.7	1.5	0.7	—	—	—	—	—	—
Specialty Trade Contractors	61.0	59.1	56.6	3.2	7.7	\$1,382.25	\$1,385.11	39.8	40.3	\$34.73	\$34.37
Manufacturing	204.2	202.8	199.4	0.7	2.4	903.30	877.49	41.8	40.4	21.61	21.72
Durable Goods	139.3	138.4	135.8	0.7	2.6	925.74	875.32	41.7	40.3	22.20	21.72
Fabricated Metal Production	29.8	29.7	29.8	0.4	0.2	—	—	—	—	—	—
Machinery Manufacturing	20.1	20.2	20.5	-0.3	-1.8	—	—	—	—	—	—
Computer and Electronic Product	37.5	37.5	37.6	0.0	-0.4	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	25.2	25.1	25.0	0.3	0.6	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	15.0	14.9	14.7	0.6	1.6	—	—	—	—	—	—
Nondurable Goods	64.9	64.5	63.7	0.7	2.0	859.74	884.00	42.0	40.7	20.47	21.72
Food Manufacturing	15.5	15.3	15.4	1.7	1.0	—	—	—	—	—	—
Printing and Related	14.8	14.8	15.1	0.2	-1.9	—	—	—	—	—	—
SERVICE-PROVIDING	1,732.2	1,746.7	1,688.5	-0.8	2.6	—	—	—	—	—	—
Trade, Transportation, and Utilities	361.6	362.3	358.4	-0.2	0.9	—	—	—	—	—	—
Wholesale Trade	97.9	97.5	98.2	0.4	-0.3	944.72	839.62	39.2	37.3	24.10	22.51
Merchant Wholesalers - Durable Goods	49.5	48.8	49.1	1.4	0.8	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	28.4	28.4	28.5	-0.1	-0.4	—	—	—	—	—	—
Retail Trade	192.4	193.3	192.2	-0.5	0.1	459.81	458.21	29.8	29.6	15.43	15.48
Food and Beverage Stores	35.0	34.8	34.3	0.6	2.3	—	—	—	—	—	—
General Merchandise Stores	36.9	36.5	37.8	1.0	-2.4	385.56	351.90	30.6	30.0	12.60	11.73
Transportation, Warehouse, Utilities	71.3	71.5	68.1	-0.3	4.8	—	—	—	—	—	—
Utilities	7.5	7.5	7.6	-0.3	-1.6	—	—	—	—	—	—
Transportation and Warehousing	63.8	64.0	60.4	-0.3	5.6	746.13	767.23	35.7	36.5	20.90	21.02
Information	38.3	38.2	38.0	0.3	0.7	—	—	—	—	—	—
Publishing Industries	14.7	14.7	15.2	0.0	-3.6	—	—	—	—	—	—
Telecommunications	8.7	8.7	8.8	0.6	-0.9	—	—	—	—	—	—
Financial Activities	143.8	144.3	143.9	-0.4	-0.1	—	—	—	—	—	—
Finance and Insurance	116.0	116.2	115.1	-0.2	0.8	1,216.53	1,032.12	38.1	36.0	31.93	28.67
Credit Intermediation	47.3	47.3	46.8	0.0	1.0	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	17.4	17.5	17.7	-0.6	-1.5	—	—	—	—	—	—
Insurance Carriers and Related	51.3	51.4	50.6	-0.2	1.4	—	—	—	—	—	—
Real Estate and Rental and Leasing	27.7	28.1	28.8	-1.3	-3.6	—	—	—	—	—	—
Professional and Business Services	331.2	331.7	323.9	-0.2	2.3	—	—	—	—	—	—
Professional, Scientific, and Technical Services	141.3	140.2	140.4	0.8	0.7	—	—	—	—	—	—
Legal Services	15.7	15.7	15.8	0.5	-0.3	—	—	—	—	—	—
Architectural, Engineering, and Related	19.1	18.9	18.9	1.0	1.4	—	—	—	—	—	—
Computer Systems Design	33.9	34.1	35.2	-0.6	-3.5	—	—	—	—	—	—
Management of Companies and Enterprises	73.9	74.4	72.4	-0.6	2.1	—	—	—	—	—	—
Administrative and Support Services	116.0	117.2	111.1	-1.1	4.4	—	—	—	—	—	—
Employment Services	51.8	53.1	49.9	-2.4	3.8	—	—	—	—	—	—
Educational and Health Services	340.4	338.3	319.4	0.6	6.6	—	—	—	—	—	—
Educational Services	42.1	44.7	40.5	-5.8	3.8	—	—	—	—	—	—
Health Care and Social Assistance	298.3	293.7	278.9	1.6	7.0	—	—	—	—	—	—
Ambulatory Health Care	96.7	95.0	89.3	1.8	8.3	—	—	—	—	—	—
Hospitals	64.3	63.8	63.5	0.7	1.3	—	—	—	—	—	—
Nursing and Residential Care Facilities	62.2	60.8	60.1	2.3	3.4	—	—	—	—	—	—
Social Assistance	75.1	74.1	66.0	1.4	13.9	—	—	—	—	—	—
Leisure and Hospitality	198.0	197.3	192.8	0.3	2.7	—	—	—	—	—	—
Arts, Entertainment, and Recreation	41.6	40.8	38.7	2.0	7.6	—	—	—	—	—	—
Accommodation and Food Services	156.4	156.5	154.1	-0.1	1.5	293.92	293.43	21.1	21.8	13.93	13.46
Food Services and Drinking Places	140.7	141.5	140.3	-0.6	0.2	287.58	279.63	20.6	21.2	13.96	13.19
Other Services	82.2	81.5	80.2	0.9	2.5	—	—	—	—	—	—
Repair and Maintenance	15.4	15.2	15.0	1.4	2.9	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	43.1	42.8	42.3	0.8	2.1	—	—	—	—	—	—
Government	236.8	252.9	231.8	-6.4	2.2	—	—	—	—	—	—
Federal Government	21.5	21.5	21.1	0.0	1.5	—	—	—	—	—	—
State Government	60.8	61.2	59.6	-0.6	2.1	—	—	—	—	—	—
State Government Education	34.6	35.0	33.5	-1.2	3.1	—	—	—	—	—	—
Local Government	154.4	170.2	151.0	-9.2	2.3	—	—	—	—	—	—
Local Government Education	78.0	94.8	75.0	-17.7	3.9	—	—	—	—	—	—

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, 2017.

Employer Survey

Industry

TOTAL NONFARM WAGE AND SALARY

GOODS-PRODUCING

Mining, Logging, and Construction
Manufacturing

SERVICE-PROVIDING

Trade, Transportation, and Utilities
Wholesale Trade
Retail Trade
Transportation, Warehouse, Utilities
Information
Financial Activities
Professional and Business Services
Educational and Health Services
Leisure and Hospitality
Other Services
Government

Duluth-Superior MSA

Jobs % Chg. From

	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	137,830	138,850	134,624	-0.7%	2.4%
GOODS-PRODUCING	18,398	17,908	17,308	2.7	6.3
Mining, Logging, and Construction	10,907	10,453	9,861	4.3	10.6
Manufacturing	7,491	7,455	7,447	0.5	0.6
SERVICE-PROVIDING	119,432	120,942	117,316	-1.2	1.8
Trade, Transportation, and Utilities	24,952	24,892	24,834	0.2	0.5
Wholesale Trade	3,302	3,308	3,232	-0.2	2.2
Retail Trade	15,428	15,417	15,337	0.1	0.6
Transportation, Warehouse, Utilities	6,222	6,167	6,265	0.9	-0.7
Information	1,367	1,368	1,435	-0.1	-4.7
Financial Activities	6,134	6,103	5,975	0.5	2.7
Professional and Business Services	8,553	8,459	8,448	1.1	1.2
Educational and Health Services	31,970	31,899	30,883	0.2	3.5
Leisure and Hospitality	15,647	15,301	15,576	2.3	0.5
Other Services	6,461	6,496	6,262	-0.5	3.2
Government	24,348	26,424	23,903	-7.9	1.9

Rochester MSA

Jobs % Chg. From

	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	122,686	123,251	120,443	-0.5%	1.9%
GOODS-PRODUCING	16,208	16,212	15,985	0.0	1.4
Mining, Logging, and Construction	5,135	5,164	4,972	-0.6	3.3
Manufacturing	11,073	11,048	11,013	0.2	0.5
SERVICE-PROVIDING	106,478	107,039	104,458	-0.5	1.9
Trade, Transportation, and Utilities	18,373	18,331	18,331	0.2	0.2
Wholesale Trade	2,761	2,793	2,856	-1.1	-3.3
Retail Trade	12,917	12,723	12,729	1.5	1.5
Transportation, Warehouse, Utilities	2,695	2,815	2,746	-4.3	-1.9
Information	1,918	1,915	1,920	0.2	-0.1
Financial Activities	2,779	2,771	2,714	0.3	2.4
Professional and Business Services	5,958	5,982	5,642	-0.4	5.6
Educational and Health Services	49,721	49,717	48,452	0.0	2.6
Leisure and Hospitality	11,198	11,095	11,081	0.9	1.1
Other Services	4,072	4,082	3,944	-0.2	3.2
Government	12,459	13,146	12,374	-5.2	0.7

Employer Survey

Industry

TOTAL NONFARM WAGE AND SALARY

GOODS-PRODUCING

Mining, Logging, and Construction
Manufacturing

SERVICE-PROVIDING

Trade, Transportation, and Utilities
Wholesale Trade
Retail Trade
Transportation, Warehouse, Utilities
Information
Financial Activities
Professional and Business Services
Educational and Health Services
Leisure and Hospitality
Other Services
Government

St. Cloud MSA

Jobs % Chg. From

	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	109,752	110,775	107,808	-0.9%	1.8%
GOODS-PRODUCING	23,453	23,188	22,795	1.1	2.9
Mining, Logging, and Construction	8,147	7,910	7,297	3.0	11.6
Manufacturing	15,306	15,278	15,498	0.2	-1.2
SERVICE-PROVIDING	86,299	87,587	85,013	-1.5	1.5
Trade, Transportation, and Utilities	22,513	22,629	22,115	-0.5	1.8
Wholesale Trade	4,940	4,949	4,700	-0.2	5.1
Retail Trade	13,797	13,875	13,560	-0.6	1.7
Transportation, Warehouse, Utilities	3,776	3,805	3,855	-0.8	-2.0
Information	1,608	1,604	1,620	0.2	-0.7
Financial Activities	5,013	4,998	5,260	0.3	-4.7
Professional and Business Services	8,750	8,768	8,766	-0.2	-0.2
Educational and Health Services	21,842	21,799	20,989	0.2	4.1
Leisure and Hospitality	9,048	8,998	8,947	0.6	1.1
Other Services	3,891	3,917	3,802	-0.7	2.3
Government	13,634	14,874	13,514	-8.3	0.9

Mankato MSA

Jobs % Chg. From

	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	55,750	57,442	54,842	-2.9%	1.7%
GOODS-PRODUCING	10,353	10,317	10,103	0.3	2.5
Mining, Logging, and Construction	--	--	--	--	--
Manufacturing	--	--	--	--	--
SERVICE-PROVIDING	45,397	47,125	44,739	-3.7	1.5
Trade, Transportation, and Utilities	--	--	--	--	--
Wholesale Trade	--	--	--	--	--
Retail Trade	--	--	--	--	--
Transportation, Warehouse, Utilities	--	--	--	--	--
Information	--	--	--	--	--
Financial Activities	--	--	--	--	--
Professional and Business Services	--	--	--	--	--
Educational and Health Services	--	--	--	--	--
Leisure and Hospitality	--	--	--	--	--
Other Services	--	--	--	--	--
Government	8,130	9,939	7,834	-18.2	3.8

Employer Survey

Industry

TOTAL NONFARM WAGE AND SALARY

GOODS-PRODUCING

Mining, Logging, and Construction
Manufacturing

SERVICE-PROVIDING

Trade, Transportation, and Utilities
Wholesale Trade
Retail Trade
Transportation, Warehouse, Utilities
Information
Financial Activities
Professional and Business Services
Educational and Health Services
Leisure and Hospitality
Other Services
Government

Fargo-Moorhead MSA

Jobs % Chg. From

	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	142,283	143,272	139,279	-0.7%	2.2%
GOODS-PRODUCING	20,978	20,791	20,107	0.9	4.3
Mining, Logging, and Construction	10,976	10,665	10,515	2.9	4.4
Manufacturing	10,002	10,126	9,592	-1.2	4.3
SERVICE-PROVIDING	121,305	122,481	119,172	-1.0	1.8
Trade, Transportation, and Utilities	30,317	30,339	30,334	-0.1	-0.1
Wholesale Trade	9,240	9,240	9,159	0.0	0.9
Retail Trade	15,465	15,456	15,814	0.1	-2.2
Transportation, Warehouse, Utilities	5,612	5,643	5,361	-0.6	4.7
Information	3,141	3,175	3,297	-1.1	-4.7
Financial Activities	11,553	11,457	11,150	0.8	3.6
Professional and Business Services	16,329	16,301	15,999	0.2	2.1
Educational and Health Services	23,655	23,223	23,157	1.9	2.2
Leisure and Hospitality	14,858	14,137	13,905	5.1	6.9
Other Services	5,476	5,520	5,453	-0.8	0.4
Government	15,976	18,329	15,877	-12.8	0.6

Grand Forks-East Grand Forks MSA

Jobs % Chg. From

	Jul 2017	Jun 2017	Jul 2016	Jun 2017	Jul 2016
TOTAL NONFARM WAGE AND SALARY	55,296	57,404	55,673	-3.7%	-0.7%
GOODS-PRODUCING	8,065	8,006	8,790	0.7	-8.3
Mining, Logging, and Construction	3,789	3,667	4,894	3.3	-22.6
Manufacturing	4,276	4,339	3,896	-1.5	9.8
SERVICE-PROVIDING	47,231	49,398	46,883	-4.4	0.7
Trade, Transportation, and Utilities	11,670	11,739	11,764	-0.6	-0.8
Wholesale Trade	1,898	1,907	1,955	-0.5	-2.9
Retail Trade	7,648	7,657	7,624	-0.1	0.3
Transportation, Warehouse, Utilities	2,124	2,175	2,185	-2.3	-2.8
Information	571	571	582	0.0	-1.9
Financial Activities	1,833	1,829	1,837	0.2	-0.2
Professional and Business Services	3,022	3,012	3,082	0.3	-2.0
Educational and Health Services	9,788	9,723	9,599	0.7	2.0
Leisure and Hospitality	6,175	6,191	5,860	-0.3	5.4
Other Services	1,917	1,941	1,911	-1.2	0.3
Government	12,255	14,392	12,248	-14.9	0.1

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2017.

Minnesota Economic Indicators

Highlights

The **Minnesota Index** advanced 0.3 percent for the second month in a row in July as wage and salary employment and average weekly manufacturing hours increased while the unemployment rate remained steady at 3.7 percent. The U.S. index also advanced 0.3 percent, ending a four month stretch where Minnesota's index grew faster than the U.S. index.

Minnesota's index is up 3.5 percent over the year, bettering the U.S. over-the-year increase of 2.8 percent. Minnesota's index through the first seven months of the year is up 2.6 percent which is a huge improvement over the 1.6 and 1.5 percent recorded during the first seven months in 2015 and 2016. The strong showing by the Minnesota Index during the first seven months of the year is a compelling indicator that Minnesota's economy has shifted into a higher gear in 2017.

Minnesota's adjusted **Wage and Salary Employment** recorded another stellar month of job creation with 7,700 jobs added. All job growth was in the service-providing sector as goods-producing jobs were down by 200. Educational and Health Services was the main driver of job growth in July, adding a record one month gain of 8,400. Leisure and Hospitality and Government also hired heavily last month. Job cuts were highest in Professional and Business Services and in Financial Activities.

Minnesota's unadjusted over-the-

year job growth tailed off to 2.3 percent but remains elevated from the 2011 - 2016 average of 1.6. Minnesota's job growth rate continues to surpass the nationwide rate which was 1.5 percent in July. Right now it looks like Minnesota's job growth rate for all of 2017 will top the U.S. rate which hasn't happened since 2012. Wage and salary employment in the state also surpassed Wisconsin's total for the second straight month. June and July mark the first time that Minnesota's payroll employment has topped Wisconsin's. Minnesota passed Wisconsin in Gross State Product in 1984, and personal income in 2004, and now in payroll employment.

Online Help-Wanted Ads dipped for the first time in three months, dropping to 129,700 in July. July's 3.1 percent dip was slightly lower than the national 3.3 percent dip. Job postings in Minnesota have averaged roughly 130,000 over the last 12 months so July's level indicates that demand for workers by Minnesota employers remains strong. Minnesota's share of national online job advertising held steady at 2.8 percent for the second month in a row.

Minnesota's **Purchasing Managers' Index (PMI)** slipped from its very robust 68 reading in June to a still strong 62.3 in July. The average reading for the 23-year PMI is 53.9, so July's strong reading is another indicator that Minnesota's economy has picked up speed in 2017. The corresponding national index fell to 56.3 while the Mid-American index slipped

to 56.1. The employment component of Minnesota's index continued to run positive, topping 60 for the fifth straight month and indicating that manufacturing payrolls are likely to continue to expand over the next few months.

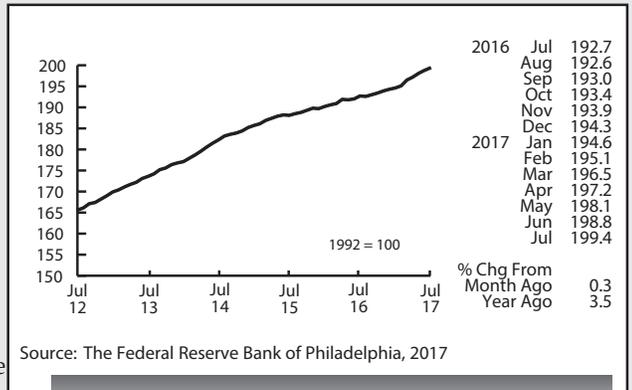
Adjusted **Manufacturing Hours** rebounded sharply in July to 41.2 hours, the highest since February. Average

weekly **Manufacturing Earnings** also rebounded, jumping to \$854.64. July's factory paycheck was the largest since August 2014. Higher manufacturing hours and earnings is consistent with other indicators, pointing towards an uptick in manufacturing activity in Minnesota over the next six month.

The **Minnesota Leading Index** retreated for the fourth consecutive month in July to 1.5. July's reading is the lowest since January but still predicts solid growth through the rest of the year. Minnesota's leading index has been higher than the U.S. leading index since February which means that since February, Minnesota's economy was expected to outpace national growth over the next six months. July's reading again suggests that Minnesota's economic growth over the next six months will be stronger than nationwide growth.

Adjusted **Residential Building Permits** surprised on the downside in July, dropping to the lowest monthly level in 17 months. A drop-off in multifamily units building permits is behind most of the unexpected decline. July's 1,629 total indicates that home builders may be pulling back slightly over the next year.

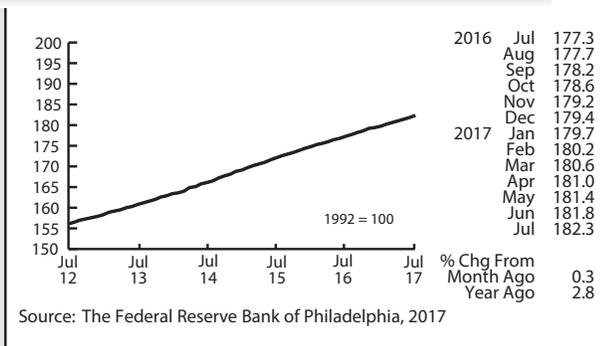
Adjusted **Initial Claims for Unemployment Benefits (UB)** inched down for the fourth month in a row to 16,455. Unadjusted initial claims were 11.5 percent lower than a year ago. Initial claims are running roughly 9 percent below the 2016 level. The low level of initial claims is another indicator that corroborates a strong labor market. Unemployment is likely to inch down for the rest of the year. *by Dave Senf*



Source: The Federal Reserve Bank of Philadelphia, 2017

Minnesota Index

United States Index

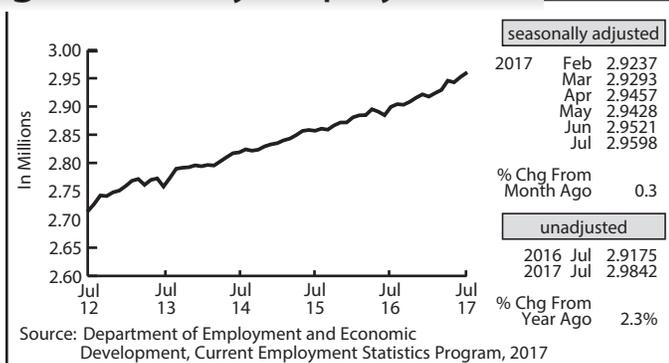


Source: The Federal Reserve Bank of Philadelphia, 2017

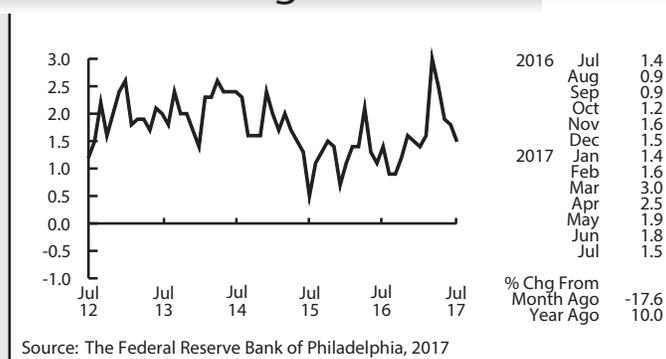
Note: All data except for Minnesota's PMI have been seasonally adjusted. See the feature article in the Minnesota Employment Review, May 2010, for more information on the Minnesota Index.

Minnesota Economic Indicators

Wage and Salary Employment



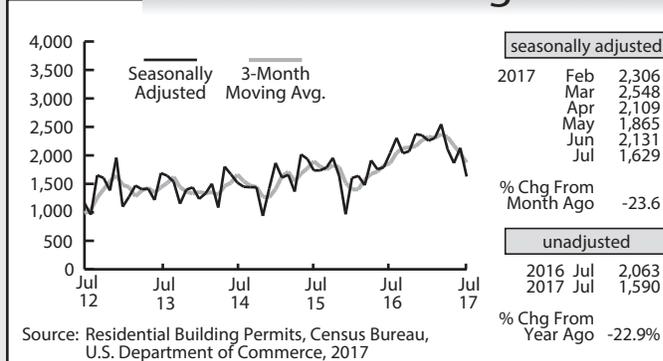
Minnesota Leading Index



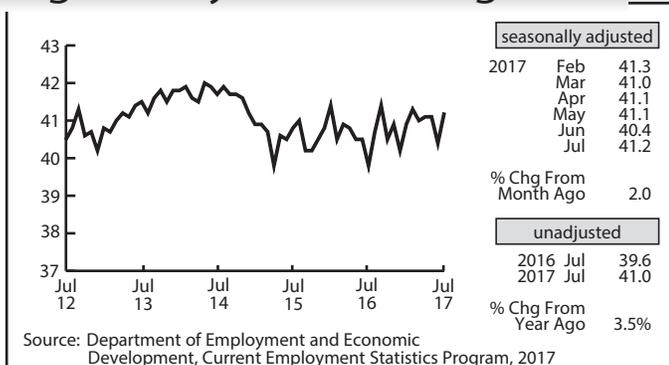
Purchasing Managers' Index



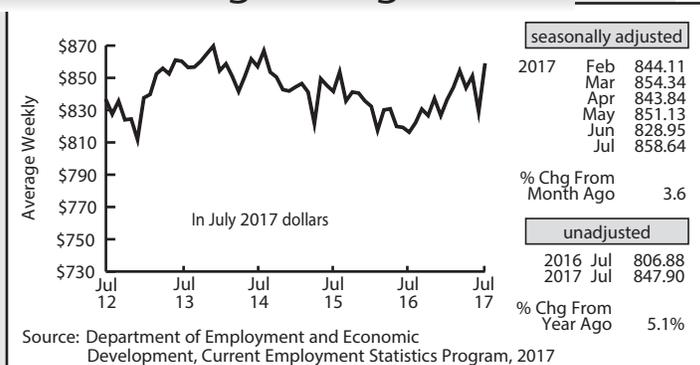
Residential Building Permits



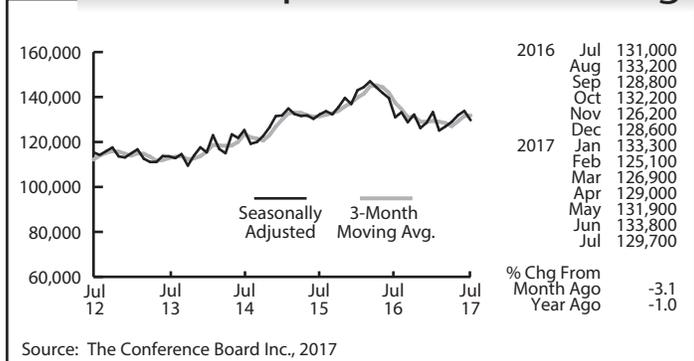
Average Weekly Manufacturing Hours



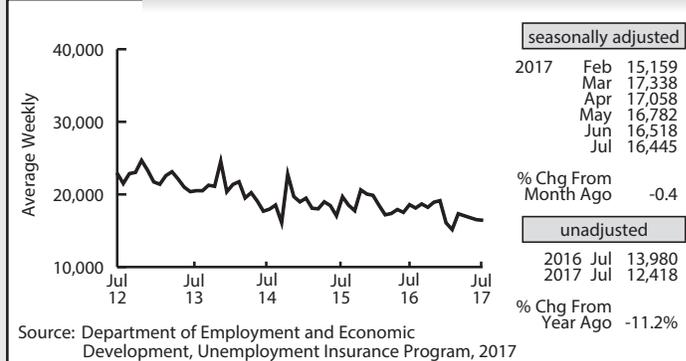
Manufacturing Earnings



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Review

Minnesota Employment



DEED

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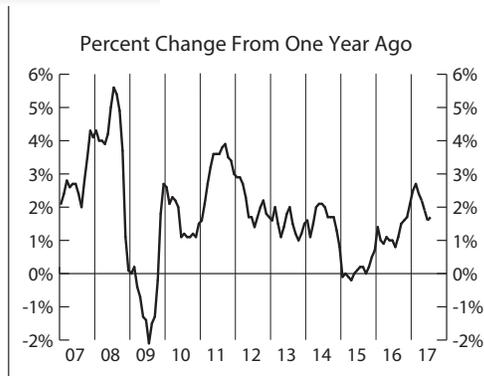
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U.S. Consumer Price Index for All Urban Consumers (CPI-U)

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1 percent in July on a seasonally adjusted basis the U.S. Bureau of Labor Statistics reported. The indices for shelter, medical care, and food all rose in July, leading to the increase in the all items index. The energy index declined slightly, with its major component indices mixed. These increases more than offset declines in the indices for new vehicles, communication, used cars and trucks, and household furnishings and operations.

The all items index rose 1.7 percent for the 12 months ending July, a slightly larger increase than for the 12 months ending June.

<https://www.bls.gov/cpi/#news>



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.

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The Last Word

State Service for the Blind – Employment Services by the Numbers

The goal of finding the right job was reached by 140 blind, visually impaired, and DeafBlind Minnesotans in 2016 with the assistance of State Services for the Blind's workforce development section. These successful Minnesotans are now working, paying taxes, and contributing to communities statewide.

\$16.75 – Average hourly wage for full and part-time work

\$19.75 – Average hourly wage for full-time work

\$14.31 – Average hourly wage for part-time work

State Services for the Blind, 2016 annual report:
https://mn.gov/deed/assets/2016-ssb-annual-report_tcm1045-284750.pdf

Household Income Sources Across Minnesota Counties



The county with the smallest population in Minnesota in 2015 with 3,429 residents was Traverse County, located along the South Dakota border. The county's population accounted for 0.06 percent of Minnesota's 5.4 million population. Traverse County's households also accounted for 0.06 percent of total Minnesota household income in 2015 as household income in the county, as estimated by the American Community Survey (ACS), was \$99 million while household income across all Minnesota was \$170.9 billion.¹

Sparsely populated Traverse County may rank low when it comes to population and household income, but its rank climbs to 20th highest among the 87 counties in Minnesota when its \$28,888 per capita household income estimate in 2015 is the gauge. On top of the

pile as far as population and household income is concerned was Hennepin County with a 2015 population of 1.2 million and estimated \$45.5 billion total household income. That is 22.1 percent of the state's population and 26.6 percent of household income. Hennepin County's per capita household income was \$38,011, third highest in the state behind Carver and Washington counties. As shown in Table 1 only seven counties had per capita household income above the 2015 state's \$31,529.

County per capita household income in Minnesota varies because of numerous intertwined factors. Since wage and salary income is the leading source of household income in all counties, the difference in wages across counties is a key factor. Industry mix, which influences occupational mix, obviously plays a big role in wage differences across counties. The educational attainment mix of local labor forces shapes local Industry and occupational mixes while at the same time the industry and occupational mix shapes the local educational attainment mix.

Total wage earnings are boosted not only by higher wages but also by higher employment to population ratios and lower unemployment rates. The age structure of a county influences the number of individuals employed no matter what the population size. Counties with a higher percent of their population in prime working ages will, with all other factors held constant, have higher employment to population ratios and thus higher wage earnings per capita. Counties with above average sized senior

citizen populations would be expected to have a smaller share of household income generated from wage and salary earnings and a higher share of income coming from Social Security payments.

Table 1
2015 Per Capita Household Income

1	Carver	40,131
2	Washington	38,021
3	Hennepin	38,011
4	Dakota	35,800
5	Scott	35,399
6	Olmsted	34,590
7	Cook	33,827
	Minnesota	31,529
8	Anoka	31,126
9	Wabasha	30,672
10	Pope	29,823
78	Todd	23,245
79	Mille Lacs	22,868
80	Kanabec	22,786
81	Nobles	22,754
82	Clearwater	22,697
83	Beltrami	21,684
84	Wadena	21,558
85	Pine	21,488
86	Lake of the Woods	20,948
87	Mahnomen	19,142

Source: Author's calculations using American Community Survey, 2011 - 2015 5-year household income estimates. Per capita income estimates presented here differ slightly from ACS per capita income estimates due to use of differing population estimates used in per capita calculations.

¹The household income data presented here are five-year periods of survey responses starting with the 2005-2009 period and ending with the 2011-2015 period. When 2015 is used in this article, the data being referred to are the 2011-2015 period estimates. Only 14 counties in Minnesota have large enough populations to produce reliable one-year estimates of household income. Household estimates for the other counties are only available for five-year periods since multiple year responses have larger sample sizes and are therefore more reliable. The household data analyzed here use five-year period data for Minnesota and the 87 counties.

The differences in income sources across Minnesota counties are revealed in ACS household income data.

ACS household income data are based on household surveys and not administration records such as income tax and unemployment insurance records. Responses to two questions in the American Community Survey are compiled to produce county household income estimates. The first question asked respondents about total income over the last 12 months while the second question queried households about the sources of their income.²

Households receive income from various sources such as paychecks, Social Security checks, dividend payments,

unemployment compensation, or interest payments. The ACS survey groups the various income streams into eight broad categories as shown in Table 2. Wage and salary income is the top source of income in all counties accounting for 77.1 percent of Minnesota household income in 2015. The percent of all household income derived from wage and salary income ranges from a high of 85.4 percent in Scott County to a low of 51 percent in Traverse County. Table 3 shows the counties most and least dependent on wages and salaries for household income in 2015.

The counties where households depend on wage and salary payments the most are urban counties where wages and salaries are above average and the share of

population in the prime working years, 25 to 54 years, is high. The counties where households are least dependent on wage and salary income are primarily agriculture-based counties where farm income, which is reported in the ACS as self-employment income, accounts for a large share of household income. Table 4 displays the high and low rankings for self-employment income. Nine of the top 10 self-employment income counties are Southwest Minnesota farm counties while the other, Norman, is a farm county in the Red River Valley above Moorhead.

The counties with low reliance on self-employment income are for the most part urban counties. Despite all the hype about a rapidly expanding 1090 or gig economy, urban household report they

Table 2. Income Groups Included in ACS Household Income Estimates

Income Source	Percent of Household Income Statewide	Income Included
Wage or Salary Income	77.1	Total money earnings received for work as an employee. Includes wages, salary, commissions, tips, cash bonuses earned before any deductions.
Social Security Income	6.4	Social Security pensions and survivor benefits, prior to deductions for medical insurance and railroad retirement insurance checks from U.S. government. Medical reimbursements are not included.
Self-Employment Income	5.1	Net money income (gross receipts minus operation expenses) for individuals operating a farm as an owner, renter, or sharecropper. Net money income (gross receipts minus operation expenses) from one's own business, professional enterprise, or partnership.
Interest, Dividends, Net Rental Income	4.6	Interest on savings or bonds, dividends from stockholdings, net income from rental of property to others. Does not include realized capital gains.
Retirement Income	4.5	Retirement income from company pension, union pension, government pension, military pension, and U.S. Railroad pension. Retirement income from KEOGH plan or Simplified Employee Pension (SEP), and any other type of pension, retirement account or annuity such as IRA, ROTH IRA, 401(k), 403(b) account.
All Other Types of Income	1.7	Includes unemployment compensation, worker's compensation, Veterans Affairs (VA) payment, alimony, and child support.
Supplemental Security Income	0.5	Survivor income which is paid to spouses or children of deceased person or regular income from a disability pension paid to those unable to work due to disability from companies or unions; federal, state, or local governments; and the U.S. military. Does not include Social Security payments.
Public Assistance Income	0.1	General assistance and Temporary Assistance to Needy Families (TANF). Does not include noncash benefits such as SNAP payments, energy assistance, or Medicaid or Medicare reimbursements.

Source: American Community Survey and Puerto Rico Community Survey 2015 Subject Definitions, page 80.
https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2015_ACSsubjectDefinitions.pdf

²Two other commonly used household income datasets are the Bureau of Economic Analysis (BEA) personal income data and the IRS's adjusted gross income data. Because of different concepts of income the three income estimates differ significantly.

Table 3. Percent of 2015 Household Income Derived from Wage and Salary Income

1	Scott	85.4
2	Carver	84.3
3	Sherburne	82.4
4	Wright	81.6
5	Dakota	81.5
6	Anoka	81.3
7	Olmsted	80.3
8	Washington	80.2
9	Hennepin	80.1
10	Benton	78.8
Minnesota		77.1

78	Cass	58.9
79	Pipestone	58.9
80	Norman	58.5
81	Big Stone	58.4
82	Cottonwood	57.9
83	Kittson	57.5
84	Grant	57.2
85	Aitkin	56.9
86	Lac qui Parle	54.4
87	Traverse	51.0

Source: Author's calculations using American Community Survey, 2011 - 2015 5-year household income estimates.

Table 4. Percent of 2015 Household Income Derived from Self-employment Income

1	Lac qui Parle	20.6
2	Traverse	19.5
3	Grant	17.0
4	Jackson	16.4
5	Norman	16.2
6	Yellow Medicine	16.2
7	Redwood	15.8
8	Cottonwood	15.6
9	Renville	15.4
10	Murray	15.2
Minnesota		5.1

78	Sherburne	4.2
79	Chisago	4.1
80	Koochiching	4.1
81	St. Louis	3.8
82	Scott	3.7
83	Ramsey	3.6
84	Dakota	3.6
85	Anoka	3.6
86	Washington	3.5
87	Olmsted	3.4

Source: Author's calculations using American Community Survey, 2011 - 2015 5-year household income estimates.

Table 5. Percent of 2015 Household Income Derived from Interests, Dividends, Net Rental Income

1	Pipestone	12.5
2	Traverse	10.2
3	Kittson	10.1
4	Watsonwan	9.5
5	Pope	8.5
6	Renville	8.4
7	Lincoln	8.0
8	Rock	7.9
9	Cottonwood	7.8
10	Norman	7.7
Minnesota		4.6

78	Anoka	2.8
79	Chisago	2.7
80	Pennington	2.7
81	Wadena	2.6
82	Sherburne	2.6
83	Wright	2.6
84	Carlton	2.4
85	Isanti	2.4
86	Kanabec	2.3
87	Benton	2.0

Source: Author's calculations using American Community Survey, 2011 - 2015 5-year household income estimates.

are far less dependent on self-employment income than rural households. Urban areas, the supposed ground-zero of rapid growth in independent contractors such as Uber drivers, remains overwhelmingly dependent on wage and salary jobs for household income, at least according to ACS household responses to questions about income sources.

Farm counties unexpectedly top the rankings when it comes to percent of household income derived from interests, dividends, and net rental income (Table 5). All the counties in the top 10 in this income group are farm counties including four counties that made the most self-employment income dependent list. Net rental income of farmland is what propels farm counties to the top of counties most dependent on interests, dividends, and net rental income. Combining the percent of household income accounted for by

self-employment income with percent accounted for by interests, dividends, and net rental income in farm counties highlights the significance of farm-related income in those counties. Households in the four counties listed in both Tables 4 and 5 (Cottonwood, Norman, Renville, and Traverse) on average depend on self-employment and interests, dividends, and net rental payments for 25.2 percent of their income. The percent of household income derived from self-employment and interests, dividends, and net rental payments statewide is 9.7 percent.

If your grandparents or other relatives have retired to a lakeside cabin Up North then Table 6 and 7 shouldn't be a surprise. The counties in Minnesota lake regions are the top counties when it comes to highest percent of household income stemming from Retirement income and from Social Security income.

Six of the lake counties rank in the top 10 in both Retirement and Social Security income. Most counties will see their percent of household income derived from Retirement and Social Security income increase over the next 10 years as the bulk of baby boomers complete their move into retirement. The percent of household income generated from wage and salary income on the other hand will be slowly tailing off.

Retirement and Social Security income as a percent of all household income for the six counties that are on both the top Retirement and Social Security lists averages 23.1 percent which is double the statewide 10.9 percent. Future Income growth in these counties relative to statewide income growth will be depend heavily on how many Minnesotans retire Up North rather than heading south to Arizona or Florida.

Figure 6. Percent of 2015 Household Income Derived from Retirement Income

1	Aitkin	11.5
2	Cook	11.1
3	Cass	10.2
4	Itasca	9.7
5	Hubbard	9.4
6	Lake	9.0
7	Crow Wing	8.4
8	Pope	8.0
9	Koochiching	7.9
10	St. Louis	7.8

Minnesota 4.5

78	Wilkin	3.4
79	Watonwan	3.3
80	Wright	3.3
81	Waseca	3.2
82	Sibley	3.1
83	Yellow Medicine	3.1
84	Scott	2.9
85	Jackson	2.8
86	Nobles	2.8
87	Carver	2.7

Source: Author's calculations using American Community Survey, 2011 - 2015 5-year household income estimates.

Figure 7. Percent of 2015 Household Income Derived from Social Security Income

1	Aitkin	16.7
2	Koochiching	13.5
3	Cass	13.2
4	Wadena	12.9
5	Hubbard	12.7
6	Itasca	12.6
7	Lake	12.1
8	Lake of the Woods	12.1
9	Pine	11.9
10	Clearwater	11.6

Minnesota 6.4

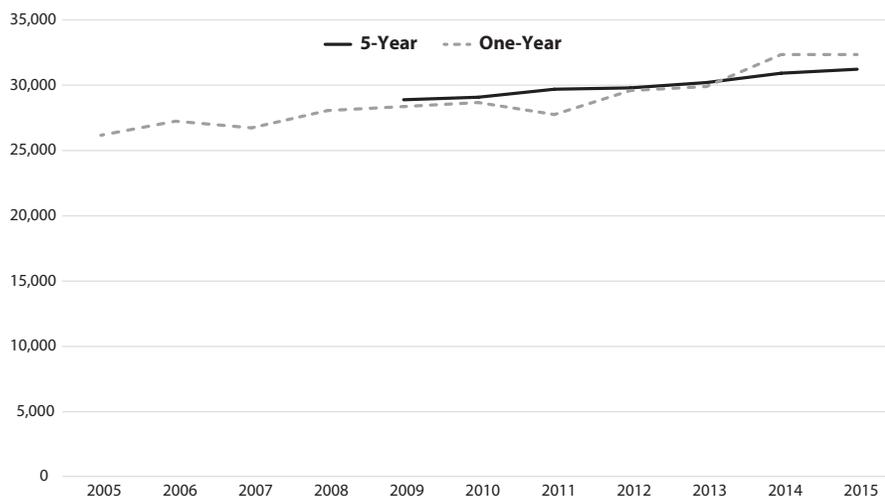
78	Dodge	6.3
79	Anoka	5.9
80	Olmsted	5.4
81	Wright	5.2
82	Washington	5.1
83	Dakota	5.0
84	Sherburne	4.8
85	Hennepin	4.7
86	Scott	3.6
87	Carver	3.5

Source: Author's calculations using American Community Survey, 2011 - 2015 5-year household income estimates.

Analyzing county household income sources, including how sources vary from county to county, provides valuable insights into the driving forces behind local economies. Tracking household income changes over time is another useful tool for understanding how local economies are evolving. Unfortunately the five-year period, rather than one-year period, household income estimates that are available for most Minnesota counties tend to smooth away some of the more interesting actual year-to-year changes.

Comparing Anoka County's five-year and one-year per capita household income estimates from 2009 through 2015, as in Figure 1, underscores the tricky nature of five-year estimates. Anoka's per capita household five-year period estimates are smooth since five years of responses are combined to generate the estimates. One-year estimates show more variance between 2009 and 2015 as would be expected given the Great Recession. The one-year estimates provide a much more realistic picture of household income over that period. Per capita household income more likely increased 16.5 percent between 2011 and 2015 as suggested by the one-year estimates than the 5.0 percent as suggested by the five-year estimates. Five-year estimates are the only available estimates for many income measures, such as median and mean household income, for most Minnesota counties. Conclusions about changes in county-level income measures based on five-year estimates should be made with caution.

Anoka County Per Capita Income, Five-Year and One-Year Estimates



Source: Author's calculations using American Community Survey, one-year and five-year household income estimates.

ACS household income data for Minnesota and all 87 counties for the seven five-year periods (2005-2009 through 2011-2015) are available graphically on Tableau Public.³ Household income data by the eight income sources can be viewed from four perspectives. The first is the actual ACS estimates, the second is as a percent of total household income, the third is as a percent of statewide income source, and the fourth perspective shows a per capita view. Counties can view all at once or separately, one year at a time or for the complete 2009 – 2015 time period.

by Dave Senf

³The direct link is <https://public.tableau.com/profile/magda.olson#!/vizhome/MinnesotaHouseholdIncomeSourcesbyCounty/Sheet2?publish=yes>.



CountySnapshot Cottonwood

Past

Organized in 1870, Cottonwood County was named appropriately after the abundance of cottonwood trees on the banks of Cottonwood River. Rich soil contributed to a transformation of the gently rolling hills from native prairie grass to corn, soybeans, and other agricultural commodities and livestock. Cottonwood County is the fourth largest producer of broiler chickens in Minnesota.

Future

In the heart of farm country just north of the Iowa border, Cottonwood County has struggled to maintain a population that peaked in 1960 and has since declined 29%. The current residents are also significantly older than the typical Minnesota population, with 23 percent older than 65 years compared to 15 percent statewide. This shift and decline of population and labor force has also decreased the number of jobs in the county, from 5,194 in 2010 to 4,444 in 2016. Employment actually increased in the county during the recession while statewide employment was decreasing and reached its low in 2010, the same year Cottonwood County employment peaked. While the data are less than rosy, low unemployment rates and record numbers of job openings provide residents with excellent opportunities.

Economy

2016 Estimates	Cottonwood County	Minnesota
Population	11,470	5,519,952
Labor Force	5,524	3,003,576
Average Unemployment	7.3%	3.9%
Average Annual Income (2015)	\$59,565	\$80,444
Cost of Living, Individual	\$24,969	\$29,856
Cost of Living, Average Family	\$42,579	\$55,200

Source: U.S. Census Bureau, DEED Local Area Unemployment Statistics, American Community Survey, DEED Cost of Living Survey

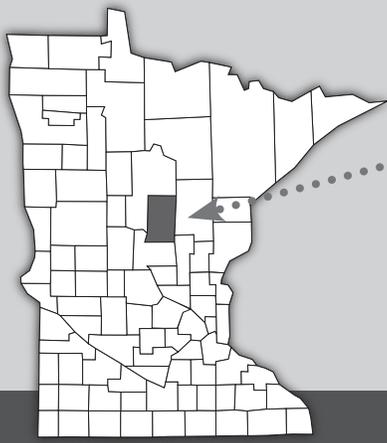
Trends

Health Care and Social Assistance is the largest employing industry in Cottonwood County, with 1,254 jobs at 48 establishments. The next largest industry is Trade, Transportation, and Utilities, with 852 jobs at 118 firms, accounting for nearly one in five jobs in the county. Prior to the recession Manufacturing provided more jobs than any other industry (1,464 jobs in 2006), but after shedding more than 630 jobs, Manufacturing is now the third largest industry. The Financial Activities and Construction industries had the highest average annual wages, both over \$47,000.

Industry

	Top Industries of Employment	Total Employment 2016	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	4,444	-13.8%	\$36,296	38.5%
1	Education and Health Services	1,254	-2.2%	\$35,724	40.5%
2	Trade, Transportation, and Utilities	852	-11.2%	\$33,176	38.4%
3	Manufacturing	828	-43.4%	\$42,744	39.8%
4	Construction	307	10%	\$47,112	43.1%

Source: DEED Quarterly Census of Employment and Wages 2006-2016



CountySnapshot Crow Wing

Past

When an early French explorer discovered an island where the Crow Wing River joins the Mississippi River that was shaped like the wing of a crow, the river and county names were the result. Crow Wing County was established in 1857 with Brainerd as the county seat. Often referred to as “cabin country”, Crow Wing County has over 400 lakes and 75 rivers with over 2,000 miles of shoreline, more than the driving distance between Minneapolis and Los Angeles, CA.

Future

Since 2000 the population of Crow Wing County has grown 31 percent faster than Minnesota overall, although due to an older age profile, the labor force growth during the similar period was roughly the same as the state’s. Projected labor force continues a much slower increase. 2020-2030 is projected to be just 0.8% of available workers compared to population growth during the same period, projected to be 3.2 percent.

Trends

2,044 business establishments provide Crow Wing County with over 29,000 jobs across a wide range of industries, with employment heavily concentrated in Health Care and Social Assistance, amounting to one in five jobs. Retailers in Crow Wing County cover 16% of all jobs. In the last year (2015-2016) employment growth was positive in all but seven of the 18 industry subsectors.

Economy

2016 Estimates	Crow Wing County	Minnesota
Population	63,940	5,519,952
Labor Force	31,636	3,003,576
Average Unemployment	5.1%	3.9%
Average Annual Income (2015)	\$65,630	\$80,444
Cost of Living, Individual	\$27,528	\$29,856
Cost of Living, Average Family	\$48,691	\$55,200

Source: U.S. Census Bureau, DEED Local Area Unemployment Statistics, American Community Survey, DEED Cost of Living Survey

Industry

	Top Industries of Employment	Total Employment 2016	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	29,029	0.1%	\$38,064	28.4%
1	Education and Health Services	8,051	11.9%	\$43,576	29.1%
2	Trade, Transportation, and Utilities	6,093	-7.0%	\$31,408	26.9%
3	Leisure and Hospitality	4,035	-1.8%	\$16,848	37.3%
4	Professional and Business Services	2,063	15.6%	\$42,588	19.0%
5	Construction	1,858	-16.0%	\$53,924	31.3%

Source: DEED Quarterly Census of Employment and Wages 2006-2016



CountySnapshot Dakota

Past

Once an oak savanna, Dakota County is now the third most populous county in Minnesota with over 400,000 residents. In 1689 fur trader Nicholas Perrot proclaimed possession of the territory from American Indians for the nation of France without consent of the tribes, although the Louisiana Purchase transferred ownership to the United States in 1805. The county seat is Hastings, although it was originally Kaposia and then Mendota.

Future

With over 74 percent of the population 16 years and older participating in the labor force, Dakota boasts the fourth highest Labor Force Participation rate in Minnesota, tied with Dodge County. The projected labor force growth is 4.9% from 2020-2030, double that of the state. In contrast, the labor force declined in 2009 and 2010 and remained below pre-recession levels until 2016. Minnesota also experienced a slight decline during that period but by 2011 the number of workers had already eclipsed pre-recession levels.

Economy

2016 Estimates	Dakota County	Minnesota
Population	417,486	5,519,952
Labor Force	233,145	3,003,576
Average Unemployment	3.4%	3.9%
Average Annual Income (2015)	\$93,456	\$80,444
Cost of Living, Individual	\$31,708	\$29,856
Cost of Living, Average Family	\$61,055	\$55,200

Source: U.S. Census Bureau, DEED Local Area Unemployment Statistics, American Community Survey, DEED Cost of Living Survey

Trends

Employment growth in Dakota County has largely mirrored the state economy as a whole, albeit slightly faster. Two supersector industries are still significantly below their 2006 employment levels, Information and Construction, down 20.7% and 11.6%, respectively. Professional and Business Services and Manufacturing remain flat, while Education and Health Services and Financial Activities have both grown over 23 percent.

Industry

	Top Industries of Employment	Total Employment 2016	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	186,813	7.0%	\$51,480	14.4%
1	Trade, Transportation, and Utilities	48,540	7.6%	\$48,360	25.3%
2	Education and Health Services	36,032	25.2%	\$43,160	110.8%
3	Manufacturing	19,582	0.7%	\$65,364	24.8%
4	Leisure and Hospitality	18,886	8.6%	\$17,680	23.2%

Source: DEED Quarterly Census of Employment and Wages 2006-2016



CountySnapshot Dodge

Past

In the mid-19th century Dodge County was home to a mischievous plot that staged a “gold strike” in a town named Sacramento. As it turned out, the gold nuggets were planted along the Zumbro River to create hype and excitement to the benefit of a single man. The plot worked well enough for Sacramento to thrive to the point of being able to challenge Mantorville for the county seat in 1857. Early residents likely found more fortune from the rich soil and timber.

Future

Although Dodge County is younger than Minnesota, with 34.6 percent under 25 years compared to 32.6 in Minnesota, 70 percent of the population growth in the last decade and a half were from residents 55 and older. The demographic shift leads to negative labor force projections from 2020-2030, declining by 1.4 percent or 167 fewer available workers. Historically low unemployment rates compliment a high labor force participation rate among residents 16 years and older. Despite having lower educational attainment, the median household income in the county is \$68,116, 11 percent higher than Minnesota.

Trends

Dodge County’s employment growth outpaced the state from 2006-2016, but in the last year (2015-2016) employment growth went backwards, declining by 0.4% compared to Minnesota’s 1.4% growth during the same period. Although the loss was minimal, amounting to just 21 fewer jobs, 2016 proved to be a significant change from the post-recession expansion.

Economy

2016 Estimates	Dodge County	Minnesota
Population	20,506	5,519,952
Labor Force	11,474	3,003,576
Average Unemployment	3.8%	3.9%
Average Annual Income (2015)	\$79,597	\$80,444
Cost of Living, Individual	\$29,068	\$29,856
Cost of Living, Average Family	\$50,396	\$55,200

Source: U.S. Census Bureau, DEED Local Area Unemployment Statistics, American Community Survey, DEED Cost of Living Survey

Industry

	Top Industries of Employment	Total Employment 2016	Percent Change 2006-2016	Average Annual Wages	Percent Change 2006-2016
	Total, All Industries	5,924	6.7%	\$42,796	26.2%
1	Manufacturing	1,506	-1.2%	\$57,252	25.1%
2	Trade, Transportation, and Utilities	1,246	14.1%	\$43,524	27.0%
3	Education and Health Services	994	15.7%	\$35,464	21.8%
4	Construction	482	5.5%	\$51,948	45.0%

Source: DEED Quarterly Census of Employment and Wages 2006-2016

by Luke Greiner