Finding work or finding workers?
Part 1: Job vacancy data analysis

Ask business owners in Minnesota what their biggest challenge is today and most will tell you: “finding help.” Economic growth coupled with an aging workforce and fewer young people to replace them is putting significant pressure on Greater Minnesota’s employers, making hiring significantly more challenging.

![Job vacancy rate chart]

The trend in job vacancy rates shows the growing pressure regions are feeling to find workers. Job vacancies make up a larger percentage of total employment in Greater Minnesota compared to the Twin Cities.

Main challenges to filling positions

1. **The workforce in Greater Minnesota is barely growing:** The seven-county metro is the only region to recover to its 1995 levels of growth in its labor force, which was over 2%. All other regions are growing below 1% and have been since 2010. The southwest and northeast regions have actually been experiencing declines in their labor forces.

2. **There is a lack of younger workers to replace retirees:** In Greater Minnesota, the share of jobs held by people age 25 to 44 make up less than 40% of all jobs compared to older workers who hold more than 40%. In the seven-county metro, the opposite is true: the share of jobs held by people age 25 to 44 is significantly higher than the share of jobs held by people age 45 or older.

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Wage gap is closing
The largest wage increases for job vacancies has occurred in Greater Minnesota. The wage gap between Greater Minnesota and the seven-county metro has closed considerably since 2005.

Access to benefits
The number of job vacancies that are full-time, offering health care benefits, and require post-secondary education are one-half to double as many then in 2005.

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Finding work or finding workers?
Part 2: People Recruitment Initiatives

For years, the focus for economic development policy has been about “jobs, jobs, jobs!”
Now, businesses and workforce development organizations are saying, “People, people, people!”

Projected change in the labor force, 2015-2030

The workforce shortage has arrived in Greater Minnesota, and it’s projected to get worse. Of the 87 counties in Minnesota, 67 of them are projected to have fewer people in the labor force by 2030 than today, and all of those counties are located outside of the Twin Cities seven-county metro area.

The Brain Gain Research
Momentum for people recruitment initiatives in Greater Minnesota stems from research out of the University of Minnesota Extension Center for Community Vitality known as “The Brain Gain.” The research shows that although 20- to 29-year-olds leave many rural regions, there is a corresponding boomerang of people in their 30s and 40s who migrate into rural areas.

Migration: % higher or lower of expected age group 2000-2010

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Promoting and engaging
The "ingredients" for a people recruitment strategy called "Get Rural MN" developed by the Upper Minnesota River Regional Development Commission shows all the ways in which these initiatives attempt to promote a region. These initiatives are complex and require a transformation in how various businesses, civic organizations and regional leadership interact and promote this information.

Challenges

Building from scratch: Unlike our metropolitan regions, people recruitment initiatives in Greater Minnesota must spend considerably more time building resources and networks up and out.

Lack of central organization: Unlike recruiting a business, where there is always an organization like an economic development authority leading the process, it is hard to identify one specific organization that is a natural fit for recruiting people.

Overcoming narratives: The leaders of these initiatives have to fight a stubbornly ingrained negative narrative about rural areas held not just by those on the outside looking in but by rural residents themselves.

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Finding work or finding workers?
Part 3: Engaging populations with high barriers to employment

As the number of unemployed hits record lows, employers are running up against something new: engaging with and recruiting workers who struggle with high barriers to employment. These barriers must be addressed so that workers can get jobs and keep them.

What are high barriers to employment?

- Disabilities
- Criminal history
- Immigrants/refugees
- Poverty

Barriers to employment

Individual barriers: For workers, barriers to employment involve barriers to the basics of life many of us take for granted: access to transportation, child care, housing, and health care. Other barriers include obligations they have little control over, like meetings with parole officers, attending court-ordered counseling, or caring for a sick child.

Business barriers: Barriers on the employers’ side fall under a couple of themes.
- Fear of the unknown: For example, do potential legal liabilities go with hiring someone from these groups?
- Perceptions: For example, assuming someone with a criminal background will be a bad employee.

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Part 3: Engaging populations with high barriers to employment

Providing a network of services
Beyond training people in specific job skills, workforce development organizations are partnering with more state and local agencies and community organizations to build networks of support services for individuals with high barriers to employment.

Funding disparities
There is a perception among the rural workforce development professionals we interviewed that despite the higher costs to provide services and support programs in rural areas, Greater Minnesota is disadvantaged by the system distributing state funds to worker programs.

WIOA, MJSP & State Adult funds per 18- to 64-year-old

Three main sources fund programs that help people with high barriers to employment. The State Adult funding stream has changed the most in the last few years, largely due to the introduction of direct appropriations and competitive grants.

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Finding work or finding workers?
Part 4: Rural high schoolers’ perceptions of local job opportunities

Good news in Greater Minnesota

DEED conducted a survey in 2018 of over 700 tenth-graders attending regional career fairs in southwest Minnesota. Results showed nearly 75% believed they could find a well-paying job in their preferred career field in the region where they reside, great news for workforce development folks and businesses across Greater Minnesota.

Helping youth understand the career opportunities available to them

Support from area businesses: One of the more important developments in workforce development recently has been growing engagement with and support from area businesses and employers. Two examples of these initiatives:

- Creating Entrepreneurial Opportunities: Businesses and employers in Greater Minnesota are investing in the development of local “CEO” programs, which focus on entrepreneurial thinking. These courses teach students not just how to think creatively, but how to put those ideas to work by starting their own businesses.

- Prostart: Resorts and restaurants around the Brainerd Lakes region are investing in ProStart programs, a two-year curriculum that teaches culinary techniques and management skills, providing real-life experience in area restaurants.

Rebirth of career and technical education programs: Minnesota used to have over 60 career and technical programs, but after years of shutting them down, they’re experiencing a resurgence in Greater Minnesota. In southwest Minnesota, LYFT, an initiative to facilitate partnerships to support these programs, funded over 30 programs in the first two years and is projected to serve more than 1,000 students.

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A potential model for Minnesota in South Dakota

The Build Dakota Scholarship program provides students an opportunity to attend South Dakota technical schools tuition-free and get a job in a high-demand field afterward. In exchange, scholarship recipients commit to living and working in South Dakota, in their field of study, for three years following graduation. The program receives major funding from the Denny Sanford Foundation and the state of South Dakota, along with many other businesses.

Can we keep our students? Recommendations:

Many programs and strategies being tried in rural areas are producing results, but concern remains over their long-term sustainability. Following are some recommendations:

- The cost of transporting students to career programs and work sites can be the biggest barrier for rural school districts. Supporting transportation costs for school districts that participate in—or want to participate in—career and technical education collaborations would be a valuable area to explore.

- Can these career programs be tweaked so that they contribute to students’ graduation requirements? As the rules stand right now, students must choose between exploring local, high-demand careers and taking courses that meet graduation requirements.

- Due to the teacher shortage, it is extremely challenging for career and technical education programs to find teachers that meet the state’s secondary teaching license requirements needed to qualify for federal Perkins funding. Can changes be made to allow school districts more flexibility in hiring instructors so that they can access Perkins funding?

- Can Minnesota build a Build Dakota-style program of its own? Build Dakota may seem like another obstacle in the ongoing battle for workers, but we already have an extensive infrastructure of higher education institutions and K-12 schools. We also have a tradition of business and workforce development partnerships, and foundations with a history of investing funds in promising long-term projects.

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