



## Governor's Council on Economic Expansion: 2/14/2022

Minutes prepared by: Jenny Poole, Department of Human Services

Location: Virtual

### Attendance

- Jeffrey Ettinger, Co-Chair, Hormel (formerly)
- Paul Williams, Co-Chair, Project for Pride in Living
- Scott Burns, Structural
- Joe Fowler, Minnesota Building and Construction Trades Council
- Jodi Hubler, Medical Alley Association
- Brenda Hilbrich, SEIU Healthcare Minnesota
- Neel Kashkari, Federal Reserve Bank of Minneapolis
- Tuleah Palmer, Blandin Foundation
- Joo Hee Pomplun, Alliance for Metropolitan Stability
- Nonoko Sato, Minnesota Council on Nonprofits
- Traci Tapani, Wyoming Machine
- Bharti Wahni, Department of Human Services
- Penny Wheeler, Allina Health (formerly)
- Steve Grove, Department of Employment and Economic Development
- Jodi Harpstead, Department of Human Services
- Roslyn Robertson, Department of Labor and Industry

### Agenda

2:00 PM	Meeting convenes
2:05 PM – 2:45 PM	Minnesota's Demography, presentation by Susan Brower, State Demographer
2:45 PM – 3:20 PM	Minnesota's Economy, presentation from Oriane Casale, Labor Market Information Office, Department of Employment and Economic Development
3:20 PM – 3:30 PM	Small group discussions reflecting on presentations
3:30 PM – 3:55 PM	Overview of Council's new Microsoft Teams tool, engagement plan, and process documents in a large group discussion
4:00 PM	Meeting adjourns

## Next Meeting

Date: 2/28/2022

Time: 2:00 PM – 4:00 PM

Location: Virtual

## Meeting Notes

### Meeting convenes

- Commissioner Roslyn Robertson started the meeting with the announcement that this meeting is fully virtual because an in-person meeting is not practical or prudent due to the health pandemic, pursuant with [Minnesota Statutes, section 13D.021](#).

### Updates on Minnesota Labor Force Growth and Migration, presentation by Susan Brower, State Demographer

- Over the next 15 years, little-to-no growth is expected for the working-age population.
  - The baby boomer generation is progressing into retirement age and the number of children born 16+ years ago is much smaller than during the baby boomer era.
  - An increase in the available workforce is unlikely unless there is a large change in migration since a change in birthrate is unlikely.
- Across Minnesota, a decline in workforce is expected in all regions except the Twin Cities Metro area.
- Minnesota has higher labor force participation than the United States' average.
  - In Minnesota, most of the people who can and want to actively work are working.
    - There are about 641,000 Minnesotans aged 16-64 who are not in the workforce, with a higher proportion of women than men.
    - The main groups of people who are of working age but are not participating in the workforce are women around and after childbearing years, people attending school, individuals with disabilities, and parents of children under age 12.
- There are some key considerations for addressing slow- and no-growth labor forces.
  - Reduce barriers to workforce entry, including by building affordable housing near the place of work, providing training and upskilling, and improving childcare availability and access.
  - Support flexible work policies.
  - Increase the value of the current workforce's output by increasing their skills and improving educational attainment. This would enable the current workforce to provide more goods and services without an increase in the number of workers.
  - Intentionally change the flow of state migration by creating supports to increase in-migration and decrease out-migration.
    - Residents in their late teens and early 20s are most likely to move to another state.
      - About ⅓ (30,000) of Minnesota's in-migrants come for college. Out-migration for college is approximately ⅔ that amount (19,000).

- Large Midwestern states have fewer people moving into their state than those along the coasts.
- Migration is most frequent between states that share a common border. About 1/3 of all in-migrants and 38% of out-migrants under age 65 moved between states that directly border Minnesota between 2015 and 2019.
- On average, there are around 10,000 international in-migrants to Minnesota annually. Domestic out-migration is approximately 13,000 people each year.
- There are some specific considerations if migration is to be used as a workforce improvement strategy.
  - Consider the needs of people already more likely to move, which includes college students, climate migrants, and the lowest and highest earners.
  - Consider what supporting a remote workforce would mean to Minnesota.
  - Realize that college and university tuition and admissions policies are types of workforce policies, so changing those to make Minnesota's schools more accessible or desirable may increase in-migration of college-age people.
  - Shorter moves are more common than long ones, so there needs to be either recruitment efforts targeted at nearby states, or broad information about the social and economic supports in Minnesota to entice people from further away to in-migrate.
- Council members discussed some topics further during a question and answer session after the presentation.
  - Training and education are not currently making as positive an impact as they are capable of because they are not targeting the upcoming workforce and its expected racial distribution. Increasing training and education for the current workforce's demographic makeup will cement the disparities in who holds short-term, low-education jobs.
  - Research by Greater MSP and the Carlson School of Business found that there is a big barrier to moving to Minnesota, but once someone has settled here they are likely to stay because of the good social networks and quality of life characteristics in Minnesota.
  - The widespread belief that people of color do not feel welcome in Minnesota so leave the state is not represented in census data. This may indicate that the number of people of color who out-migrate is equivalent to the number who in-migrate.
  - The idea that the number of people in the workforce needs to grow is based on the capitalistic economic system where an ever-expanding market needs more workers to meet demand. When the workforce is slow growing, it is necessary to figure out how to improve the ability to meet that demand with the same number of workers, including providing more access to wealth and health.
  - Some of the recent slowed growth may be due to the trend in the 1970s of transitioning from a one-worker household being the norm to a two-worker household, which increased the available labor force, though much of the recent slow growth is based on birthrates.
  - Additional information was requested from Susan Brower.
    - Which states are growing and why? It seems likely that the baby boomer trends are impacting states beyond just Minnesota.
    - What is the racial breakdown of the people not in the labor force, especially the mothers who do not participate in the workforce?

- What additional information on retention for in-migrants is available?
- Is there any academic literature or policy in any state that suggests that there should be a focus on the health and well-being of the existing population, and that population stability should be promoted as a goal?
- Is there household income data about households where a parent stays home instead of working?

### **Minnesota's Economy, presentation from Oriane Casale, Labor Market Information Office, Department of Employment and Economic Development**

- Unemployment in Minnesota is down, making it the 5<sup>th</sup> state for fastest job growth nationwide since COVID.
- Many of the workers who became reemployed after the pandemic's economic downturn lost wage or hourly pay rates.
  - Based on unemployment insurance usage, 76% of the people who were not working in spring 2020 were working in spring 2021.
  - Wage losses were less for people who returned to their previous employer.
- The highest wage occupations were most likely to see the majority of workers returning to same employer.
- There was a record number of vacancies in the caring professions during spring 2021, especially for positions with high education or licensing requirements.
  - Burnout was a bigger driver of healthcare workforce exits than average.
  - Some jobs, such as home health care providers and personal care attendants, can be done with or without credentialing. There is interest in knowing whether the rate of returning to the workforce is disparate based on credentials, and if there is an underlying reason that wages are so low for such important and challenging jobs.
  - The data available for this analysis looked at people who utilized unemployment insurance. There are many people who do not qualify for unemployment insurance and are supported through the Minnesota Family Investment Program (MFIP) at the Department of Human Services. The level of support from unemployment insurance compared with MFIP differs greatly.
- Due to the abnormal labor force trends caused by the pandemic, forecasters are not projecting its changes until 2023.

### **Overview of Council's new Microsoft Teams tool, engagement plan, and process documents in a large group discussion**

- The Council will be using Microsoft Teams as a collaborative tool where all members can go and make updates and contributions.
- The draft roadmap is on the Teams site where live editing is possible.
  - The roadmap has been partially populated based on what the Council has already discussed.
  - There are suggested updates to the vision statements to make the language more consistent.

- The engagement activity streams document is a set of suggestions, not requirements.
  - Council members should think about their existing networks and attend their community meetings or roundtables.
  - Council meetings will continue to have presentations and panels.
  - The goal is to host virtual focus groups and town halls to get feedback on the draft roadmap and its language prior to creating a final version.
- The engagement tracking spreadsheet will be used to record which networks have been engaged and to not duplicate engagement work. Council members should put in when they engage with people, groups, or communities, both in formal meetings and informal conversations.
- There are plans to have a subcommittee for each of the visions. Assignment to subcommittees will be based on members' top choices indicated in the interest survey.