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Seasonal Flurries in Retail Trade

With winter just around the corner, most Minnesotans will be bracing themselves for the possibility of another 'polar vortex'. However, those employed in the retail industry prepare every year for a flurry of activity affectionately known as the holiday season. While some other industries take a long winter's nap, the retail trade industry ramps up employment to the highest levels of the year.

Using the Current Employment Statistics (CES), program data show that the retail industry's holiday season begins in Minnesota even before the snow flies. In fact, retail employment has experienced an increase in employment starting in October dating back to at least 1990. Last year saw a 4.6 percent increase from the September lull to December's peak and then a corresponding 4.1 percent decline from December to January 2014.

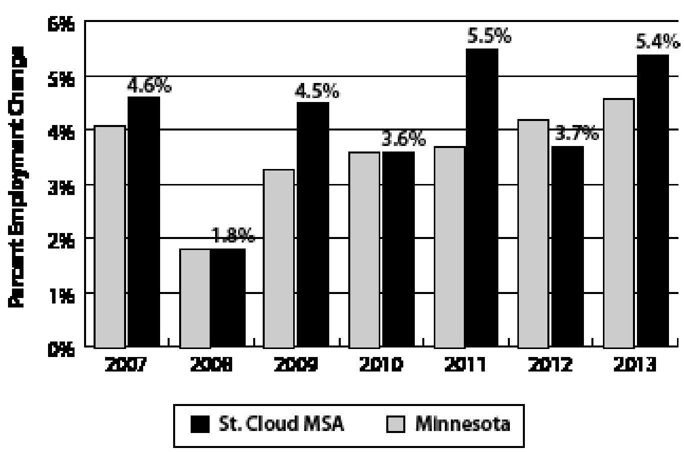
It is important to note that the retail trade industry also experiences a similar but less dramatic seasonal employment increase that typically begins in April and extends through August. Retail employment often surges in the summer before ebbing in the fall.

'Tis the Season

One of Minnesota's metropolitan areas, St. Cloud, serves as the regional hub of employment, shopping, and services for residents of Central Minnesota. With 12,975 jobs, the St. Cloud MSA has more than one-third of retail trade employment in the 13-county Central Minnesota region.

According to CES data, St. Cloud typically experiences a slightly larger increase in employment during the holiday season than the state (Figure 1). Retail employment gains in St. Cloud outpaced the state more than half the time from 2007 to 2013, regardless of the recession. What's more, in 2013 the St. Cloud MSA experienced increases in monthly employment from April to January without the typical lull that occurs after the summer employment hike.

Figure 1: Change in Retail Trade Employment from September to December



Source: DEED Current Employment Statistics (CES) program

Feature:

The Temporary Help Industry

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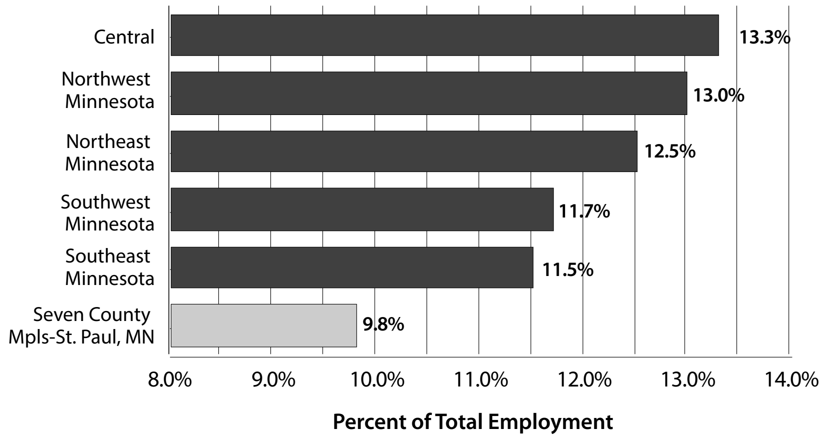
Regional Spotlight CENTRAL MINNESOTA

Figure 2: Retail Traders Share of Total Employment, 2013



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

According to IRS records, the retail trade industry provided Central Minnesota with $199 million in tax revenue from $8.4 billion in gross sales in 2012. Stearns and Wright counties both rank in the top 10 counties in the state for gross retail sales at 8th and 10th respectively.

Retail trade is the third largest industry in Central Minnesota, with 2,341 establishments providing 34,467 jobs in 2013. Total payroll from the industry topped $802.5 million in 2013, about 8.4 percent of the total payroll for all industries. With 13.3 percent of all jobs, retail trade has a higher concentration of total employment in Central Minnesota than any other region (Figure 2).

Fountain of Youth

With employment variations from Minnesota's seasons combined with holiday hiring, retail trade provides temporary and flexible employment opportunities. For students enrolled in high school or college, retail trade provides a great opportunity to work around academic schedules.

Just over 30 percent of jobs in the retail trade industry are held by workers under 25 years of age. These younger workers have a volatile employment cycle, specifically the 19- to 21-year-old age cohort. Interestingly, this cohort experiences two very significant escalations in employment through the course of the year, one in the first quarter and another in the third quarter, with corresponding declines in the second and fourth quarters.

Beginning-of-quarter employment counts can be deceiving, however, as the data are reflecting a change from the previous quarter. In these cases the job fluctuations are actually occurring for the summer in the second quarter and the holiday season in the fourth quarter.

While there is variation in seasonal jobs for other age groups in retail trade, the 19- to 21-year-old group is much more consistent. This suggests that younger workers provide the labor surge needed during the summer and, to a lesser extent, the winter, suggesting that school schedules are a large factor in younger workers' availability.

Sector Shifts

Retail trade establishments are found in some capacity in nearly every town in Central Minnesota. Motor vehicle and parts dealerships have the most establishments, while general merchandise stores furnish the most jobs. Table 1 provides the subsector breakdown of the retail trade industry as well as recent employment trends.

Unfortunately employment is still more than 1,000 jobs short of prerecession levels in retail trade, but five of the 12 retail subsectors have more jobs now than they had going into the recession in 2007. Non-store retailers stand out as both the fastest growing subsector since the start of the recession, gaining 292 jobs (35.9 percent) since 2007, and as the fastest growing subsector in the last year with an employment gain of 257 jobs (30.3 percent) from 2012 to 2013. Non-store retailers include electronic shopping and mail-order houses, vending machine operators, and direct selling establishments.

Positive repercussions from the growing health care industry can been seen in the health and personal care stores in Central Minnesota, with rapid increases in employment from 2012 to 2013 adding 204 jobs. While wages are relatively low in retail trade overall, average annual wages were 30 percent higher in health and personal care stores, amounting to an extra $7,072 over the course of the year (Table 1).

Most recently, losses in retail trade have been primarily attributed to general merchandise stores, with 308 fewer jobs in the last year. Because non-store retailers compete for business with general merchandise stores, it is possible that some of the losses in general merchandise stores become gains in non-store retailers as noted above.

Beyond that, there has been a very clear shift away from department stores and toward warehouse clubs and superstores from 2012 to 2013. While department stores shed 2,125 jobs, warehouse clubs and superstores gained 1,814 jobs. Fortunately for workers in Central Minnesota, average wages are about 15 percent higher at warehouse clubs and superstores than in department stores at $21,996 versus $19,188 annually.

In addition to covered employment, there were also 5,642 self-employed retailers in Central Minnesota, providing nearly $190 million in sales receipts in 2012. Central Minnesota again has

Table 1: Central Minnesota Retail Trade Employment Statistics

Industry	2013 Annual Data: Number of Firms	2013 Annual Data: Number of Jobs	2013 Annual Data: Average Annual Wage	2007-2013 Employment Change	2012-2013 Employment Change
Total, All Industries	**17,170**	**258,604**	**$37,024**	**-1,884**	**4,621**
Retail Trade	2,341	34,467	$23,244	-1,035	546
Motor Vehicle and Parts Dealers	374	4,605	$37,908	-166	235
Furniture and Home Furnishings Stores	99	1,018	$29,432	-160	26
Electronics and Appliance Stores	71	586	$30,160	41	0
Building Material and Garden Equipment Stores	223	3,393	$28,392	-264	142
Food and Beverage Stores	251	6,659	$17,524	-542	-54
Health and Personal Care Stores	167	1,389	$30,316	163	204
Gasoline Stations	319	3,632	$15,444	-17	-59
Clothing and Clothing Accessories Stores	236	2,340	$14,508	97	-62
Sporting Goods, Hobby, Book, and Music Stores	120	1,269	$17,628	-119	35
General Merchandise Stores	129	6,988	$20,280	-395	-308
Miscellaneous Store Retailers	227	1,480	$24,544	36	129
Nonstore Retailers	126	1,106	$31,408	292	257

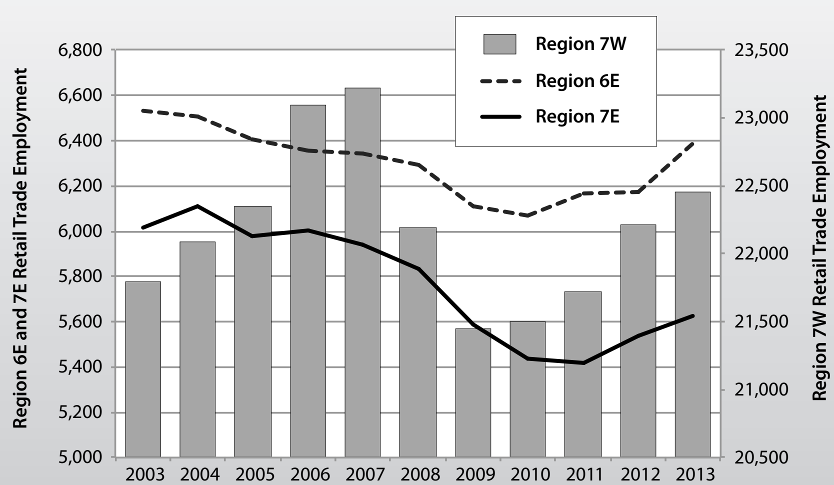
Source: DEED, Quarterly Census of Employment and Wages

a higher concentration than the state, with 11.8 percent of all self-employed establishments as retail trade, compared to 9.7 percent in the state.

Regardless of the season, all three Economic Development Regions in Central Minnesota recently gained in retail trade employment. Region 6E expanded employment by the largest margin, 3.4 percent (210 jobs) from 2012 to 2013, while Region 7E grew 1.5 percent (87 jobs), and the regional hub, Region 7W, grew by 1.1 percent (248 jobs) (Figure 3).

Prior to the recession Region 6E experienced small but consistent declines in employment in retail trade as far back as 2003, while Region 7E also experienced declines prior to the recession but much more sporadically. On the other hand, Region 7W maintained positive growth until 2008, when it lost 4.4 percent of jobs in the retail trade industry.

Figure 3: Central Minnesota Retail Trade Employment by Region



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

Table 2: Employment Statistics for Common Retail Trade Occupations, 2nd Quarter 2014

	SOC code	Occupational Title	Employment	Annual Median Wage	10th Percentile Annual Wage	90th Percentile Annual Wage
Region 6E	0	**Total, All Occupations**	**48,270**	**$33,038**	**$18,382**	**$68,920**
	411011	First-Line Supervisors/Managers of Retail Sales Workers	530	$32,954	$24,515	$46,043
	412011	Cashiers	1,500	$18,364	$16,112	$22,868
	412021	Counter and Rental Clerks	100	$18,515	$16,159	$38,498
	412022	Parts Salespersons	200	$29,717	$21,639	$43,806
	412031	Retail Salespersons	1,330	$19,933	$16,471	$31,589
Region 7E	0	**Total, All Occupations**	**45,990**	**$33,011**	**$18,240**	**$66,918**
	411011	First-Line Supervisors/Managers of Retail Sales Workers	450	$30,740	$21,863	$46,353
	412011	Cashiers	1,790	$18,720	$16,275	$24,179
	412021	Counter and Rental Clerks	110	$18,779	$16,276	$24,085
	412022	Parts Salespersons	130	$22,928	$17,562	$37,546
	412031	Retail Salespersons	1,370	$22,676	$17,131	$34,466
Region 7W	0	**Total, All Occupations**	**168,450**	**$34,334**	**$18,237**	**$73,966**
	411011	First-Line Supervisors/Managers of Retail Sales Workers	1,730	$37,774	$24,542	$57,182
	412011	Cashiers	5,010	$18,601	$16,178	$24,771
	412021	Counter and Rental Clerks	400	$19,105	$16,406	$30,113
	412022	Parts Salespersons	440	$33,423	$19,316	$47,719
	412031	Retail Salespersons	7,040	$20,273	$16,429	$37,333

Source: DEED Occupational Employment Statistics

Cash and Carry

Table 2 highlights the wages and employment of the most prevalent retail trade occupations in Central Minnesota. As the largest retail hub, wages are slightly higher in Region 7W than 6E and 7E for all occupations combined, but retail occupations have a larger degree of variation. First-line supervisors/managers of retail sales workers, the highest paying retail occupational group, earned a significant wage advantage by working in Region 7W.

Interestingly, the lower end of the wage distribution is very uniform across each region and occupation, with the more rural regions 6E and 7E often paying more than Region 7W to start. The 10th percentile wage reflects an entry level or very low skilled wage, while the 90th percentile reflects a very experienced or advanced skill level. In contrast, aside from counter and rental clerks in region 6E, the 90th percentile annual wage demonstrates a clear advantage for retail workers in the St. Cloud MSA and Region 7W. In many cases workers in the 90th percentile make $10,000 or more per year in 7W than in the other regions of Central Minnesota (Table 2).

A Flexible Future

Central Minnesota's retail trade industry is expected to grow slightly slower than the total of all industries over the next decade, perhaps adding about 4,500 jobs. However, the retail trade industry experiences employment swings multiple times each year and still manages to meet the demand of local consumers. Like holiday sales, retail hiring also winds up and then winds down into hibernation until the next seasonal surge.

by Luke Greiner
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Regional Spotlight
CENTRAL MINNESOTA

Measuring Minnesota

The state of Minnesota has set goals, established with statute §237.012, that all residents will have access to high-speed broadband by 2015 and that Minnesota will be in the top five states for both broadband access and broadband speed. As of October 2013, 74.53 percent of Minnesotans had internet services available to them that met those goals[1]. Earlier this year the Department of Employment and Economic Development began accepting applications for funding to expand broadband internet infrastructure in Minnesota, on the heels of the launch of a $20 million Border-to-Border Broadband Development Grant Program. The program aims to expand high-speed Internet coverage into parts of the state that currently lack adequate service.

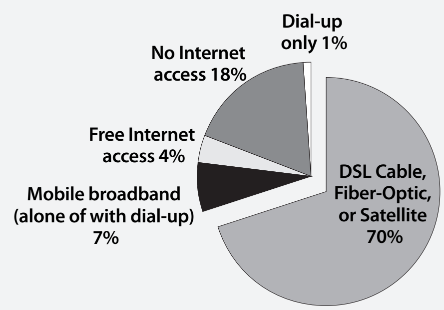
While we don't have the space to explore exactly to what extent access to the Internet helps people educate themselves, find employment, and improve their lives, we can take a quick look at how Minnesota currently stacks up to the rest of the country in terms of how many citizens currently have Internet access in their homes.

As you can see, Minnesota is generally outperforming the national average for Internet access. Only 18 percent of Minnesota households lack Internet access, compared to 22 percent nationwide. However, these data do not speak to what Internet services are available to citizens, but to the services to which they have opted to subscribe. Making high speed Internet available to all Minnesotans is only half the battle. As you can see below, there is also a strong relationship between household income and subscribing to a broadband Internet service which suggests that cost is often a barrier to Internet service for low-income households.

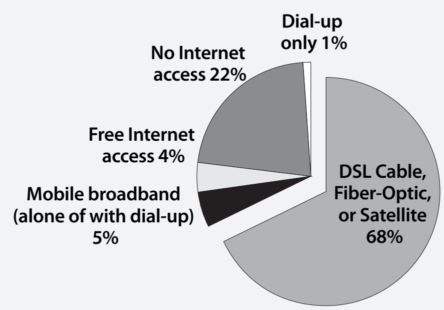
Expanding our capacity for broadband service out into rural and underserved locations, so that all Minnesotans who want and can afford high-speed Internet have access to it will undoubtedly help Minnesota workers going forward. Finding a way to make that service more affordable may help close the access gap that seems to exist between the richer and the poorer Minnesotans.

by Nick Dobbins

Presence and Type of Internet, Minnesota

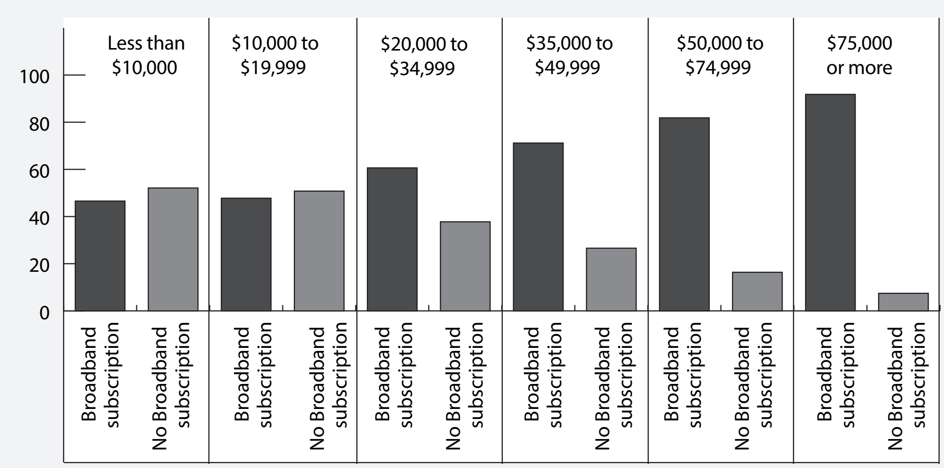


Presence and Type of Internet, United States



Source: U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates
Note: Free access, as may be provided by a university or municipality, is not broken out by service type

Percent of Minnesota Households with Internet Subscription by Income



Source: U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates

Note: Chart does not include Dial-up service only category, which ranged from a high of 2.25 percent ($35,000 to $49,999) to 0.75 percent ($75,000 or more).

[1] Connect Minnesota via The Governor's Task Force on Broadband. 2013 Annual Report, January 27, 2014

Labor Force Estimates

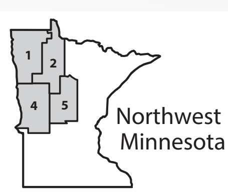
County/Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Oct 2014	Sept 2014	Oct 2013	Oct 2014	Sept 2014	Oct 2013	Oct 2014	Sept 2014	Oct 2013	Oct 2014	Sept 2014	Oct 2013
United States ('000s)												
(Seasonally adjusted)	156,278	155,862	154,839	147,283	146,600	143,568	8,995	9,262	11,272	5.8%	5.9%	7.3%
(Unadjusted)	156,616	155,903	154,918	147,936	146,941	144,144	8,680	8,962	10,773	5.5	5.7	7.0
Minnesota												
(Seasonally adjusted)	2,988,155	2,983,397	2,970,349	2,871,566	2,860,969	2,826,633	116,589	122,428	143,716	3.9	4.1	4.8
(Unadjusted)	2,997,100	2,991,007	2,965,312	2,901,488	2,881,975	2,839,068	95,612	109,032	126,244	3.2	3.6	4.3
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	1,885,827	1,883,568	1,858,875	1,826,242	1,815,078	1,779,519	59,585	68,490	79,356	3.2	3.6	4.3
Duluth-Superior MSA	143,918	143,907	144,086	138,233	137,583	136,441	5,685	6,324	7,645	4.0	4.4	5.3
Rochester MSA	105,285	105,089	104,164	102,399	101,844	100,396	2,886	3,245	3,768	2.7	3.1	3.6
St. Cloud MSA	110,037	109,094	108,966	106,674	105,243	104,582	3,363	3,851	4,384	3.1	3.5	4.0
Mankato-N Mankato MSA	60,706	59,299	59,074	59,206	57,549	57,064	1,500	1,750	2,010	2.5	3.0	3.4
Fargo-Moorhead MSA	125,085	123,783	120,754	122,271	120,944	117,924	2,814	2,839	2,830	2.2	2.3	2.3
Grand Forks MSA	54,284	53,629	54,305	52,974	52,149	52,901	1,310	1,480	1,404	2.4	2.8	2.6
Region One	**51,225**	**50,903**	**51,152**	**49,868**	**49,270**	**49,358**	**1,357**	**1,633**	**1,794**	**2.6**	**3.2**	**3.5**
Kittson	2,664	2,638	2,665	2,592	2,553	2,568	72	85	97	2.7	3.2	3.6
Marshall	5,721	5,657	5,711	5,534	5,441	5,450	187	216	261	3.3	3.8	4.6
Norman	3,510	3,497	3,585	3,402	3,367	3,442	108	130	143	3.1	3.7	4.0
Pennington	9,830	9,778	9,683	9,591	9,504	9,337	239	274	346	2.4	2.8	3.6
Polk	18,006	17,898	18,031	17,548	17,296	17,465	458	602	566	2.5	3.4	3.1
Red Lake	2,331	2,304	2,320	2,261	2,226	2,225	70	78	95	3.0	3.4	4.1
Roseau	9,163	9,131	9,157	8,940	8,883	8,871	223	248	286	2.4	2.7	3.1
Region Two	**40,433**	**40,671**	**40,223**	**38,643**	**38,690**	**38,009**	**1,790**	**1,981**	**2,214**	**4.4**	**4.9**	**5.5**
Beltrami	22,193	22,149	22,131	21,303	21,134	20,978	890	1,015	1,153	4.0	4.6	5.2
Clearwater	4,259	4,231	4,225	3,975	3,925	3,919	284	306	306	6.7	7.2	7.2
Hubbard	9,217	9,523	9,157	8,794	9,077	8,629	423	446	528	4.6	4.7	5.8
Lake of the Woods	2,309	2,304	2,244	2,213	2,199	2,129	96	105	115	4.2	4.6	5.1
Mahnomen	2,455	2,464	2,466	2,358	2,355	2,354	97	109	112	4.0	4.4	4.5
Region Three	**166,208**	**167,072**	**166,882**	**159,569**	**159,518**	**157,866**	**6,639**	**7,554**	**9,016**	**4.0**	**4.5**	**5.4**
Aitkin	7,186	7,184	7,370	6,895	6,848	6,979	291	336	391	4.0	4.7	5.3
Carlton	17,583	17,609	17,564	16,920	16,835	16,711	663	774	853	3.8	4.4	4.9
Cook	3,288	3,601	3,241	3,182	3,482	3,102	106	119	139	3.2	3.3	4.3
Itasca	22,295	22,452	22,432	21,239	21,263	21,071	1,056	1,189	1,361	4.7	5.3	6.1
Koochiching	6,364	6,490	6,409	5,943	6,031	5,892	421	459	517	6.6	7.1	8.1
Lake	6,239	6,427	6,283	6,050	6,218	5,999	189	209	284	3.0	3.3	4.5
St. Louis	103,253	103,309	103,583	99,340	98,841	98,112	3,913	4,468	5,471	3.8	4.3	5.3
City of Duluth	45,516	45,584	45,481	43,850	43,630	43,308	1,666	1,954	2,173	3.7	4.3	4.8
Balance of St. Louis County	57,737	57,725	58,102	55,490	55,211	54,804	2,247	2,514	3,298	3.9	4.4	5.7
Region Four	**128,194**	**128,076**	**126,269**	**124,983**	**124,320**	**122,130**	**3,211**	**3,756**	**4,139**	**2.5**	**2.9**	**3.3**
Becker	17,937	18,069	17,674	17,393	17,460	16,973	544	609	701	3.0	3.4	4.0
Clay	35,638	35,501	34,468	34,974	34,639	33,610	664	862	858	1.9	2.4	2.5
Douglas	21,327	21,355	20,937	20,779	20,747	20,243	548	608	694	2.6	2.8	3.3
Grant	3,277	3,213	3,264	3,185	3,102	3,141	92	111	123	2.8	3.5	3.8
Otter Tail	31,021	31,113	31,069	30,083	30,043	29,862	938	1,070	1,207	3.0	3.4	3.9
Pope	6,721	6,671	6,655	6,565	6,494	6,450	156	177	205	2.3	2.7	3.1
Stevens	6,573	6,464	6,526	6,440	6,321	6,354	133	143	172	2.0	2.2	2.6
Traverse	1,751	1,733	1,771	1,697	1,674	1,701	54	59	70	3.1	3.4	4.0
Wilkin	3,949	3,957	3,905	3,867	3,840	3,796	82	117	109	2.1	3.0	2.8
Region Five	**82,590**	**83,309**	**82,737**	**79,345**	**79,712**	**78,473**	**3,245**	**3,597**	**4,264**	**3.9**	**4.3**	**5.2**
Cass	13,726	14,040	13,753	13,132	13,350	12,950	594	690	803	4.3	4.9	5.8
Crow Wing	32,979	33,614	33,000	31,649	32,175	31,211	1,330	1,439	1,789	4.0	4.3	5.4
Morrison	17,319	17,228	17,298	16,647	16,482	16,459	672	746	839	3.9	4.3	4.9
Todd	12,462	12,315	12,500	12,067	11,887	12,006	395	428	494	3.2	3.5	4.0
Wadena	6,104	6,112	6,186	5,850	5,818	5,847	254	294	339	4.2	4.8	5.5
Region Six East	**67,397**	**67,025**	**67,190**	**65,435**	**64,753**	**64,540**	**1,962**	**2,272**	**2,650**	**2.9**	**3.4**	**3.9**
Kandiyohi	24,999	24,985	24,728	24,333	24,216	23,866	666	769	862	2.7	3.1	3.5
McLeod	20,226	20,255	20,087	19,591	19,522	19,204	635	733	883	3.1	3.6	4.4
Meeker	12,650	12,603	12,652	12,275	12,164	12,135	375	439	517	3.0	3.5	4.1
Renville	9,522	9,182	9,723	9,236	8,851	9,335	286	331	388	3.0	3.6	4.0

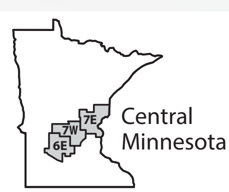
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

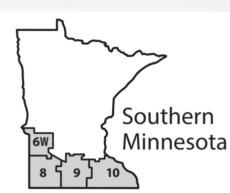
Labor Force Estimates

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

County/ Area	Labor Force Oct 2014	Labor Force Sept 2014	Labor Force Oct 2013	Employment Oct 2014	Employment Sept 2014	Employment Oct 2013	Unemployment Oct 2014	Unemployment Sept 2014	Unemployment Oct 2013	Rate of Unemployment Oct 2014	Rate of Unemployment Sept 2014	Rate of Unemployment Oct 2013
Region Six West	**24,564**	**24,315**	**24,737**	**23,891**	**23,550**	**23,817**	**673**	**765**	**920**	**2.7%**	**3.1%**	**3.7%**
Big Stone	2,651	2,667	2,707	2,583	2,592	2,610	68	75	97	2.6	2.8	3.6
Chippewa	7,182	7,136	7,206	6,982	6,906	6,947	200	230	259	2.8	3.2	3.6
Lac Qui Parle	4,041	3,980	4,088	3,931	3,855	3,940	110	125	148	2.7	3.1	3.6
Swift	5,126	5,045	5,174	4,983	4,875	4,964	143	170	210	2.8	3.4	4.1
Yellow Medicine	5,564	5,487	5,562	5,412	5,322	5,356	152	165	206	2.7	3.0	3.7
Region Seven East	**83,308**	**83,075**	**82,779**	**80,126**	**79,421**	**78,628**	**3,182**	**3,654**	**4,151**	**3.8**	**4.4**	**5.0**
Chisago	28,293	28,268	27,871	27,366	27,196	26,670	927	1,072	1,201	3.3	3.8	4.3
Isanti	20,632	20,621	20,359	19,972	19,849	19,464	660	772	895	3.2	3.7	4.4
Kanabec	7,974	7,991	7,990	7,548	7,503	7,477	426	488	513	5.3	6.1	6.4
Mille Lacs	12,098	11,991	12,140	11,530	11,347	11,392	568	644	748	4.7	5.4	6.2
Pine	14,311	14,204	14,419	13,710	13,526	13,625	601	678	794	4.2	4.8	5.5
Region Seven West	**229,422**	**228,283**	**226,421**	**222,353**	**220,206**	**217,318**	**7,069**	**8,077**	**9,103**	**3.1**	**3.5**	**4.0**
Benton	22,745	22,581	22,569	22,015	21,720	21,583	730	861	986	3.2	3.8	4.4
Sherburne	49,423	49,412	48,655	47,827	47,531	46,610	1,596	1,881	2,045	3.2	3.8	4.2
Stearns	87,292	86,513	86,397	84,659	83,523	82,999	2,633	2,990	3,398	3.0	3.5	3.9
Wright	69,962	69,777	68,800	67,852	67,432	66,126	2,110	2,345	2,674	3.0	3.4	3.9
Region Eight	**69,467**	**69,071**	**69,548**	**67,140**	**67,035**	**66,872**	**2,327**	**2,036**	**2,676**	**3.3**	**2.9**	**3.8**
Cottonwood	6,253	6,372	6,563	5,753	6,116	6,027	500	256	536	8.0	4.0	8.2
Jackson	7,820	7,658	7,582	7,442	7,384	7,313	378	274	269	4.8	3.6	3.5
Lincoln	3,485	3,459	3,479	3,402	3,360	3,369	83	99	110	2.4	2.9	3.2
Lyon	15,137	15,011	15,061	14,739	14,591	14,563	398	420	498	2.6	2.8	3.3
Murray	6,007	5,975	5,987	5,845	5,835	5,787	162	140	200	2.7	2.3	3.3
Nobles	11,410	11,345	11,455	11,084	11,029	11,052	326	316	403	2.9	2.8	3.5
Pipestone	5,638	5,612	5,682	5,523	5,475	5,515	115	137	167	2.0	2.4	2.9
Redwood	7,972	7,946	8,071	7,725	7,674	7,738	247	272	333	3.1	3.4	4.1
Rock	5,745	5,693	5,668	5,627	5,571	5,508	118	122	160	2.1	2.1	2.8
Region Nine	**134,510**	**132,322**	**133,193**	**130,468**	**127,848**	**128,078**	**4,042**	**4,474**	**5,115**	**3.0**	**3.4**	**3.8**
Blue Earth	40,354	39,413	39,272	39,308	38,208	37,886	1,046	1,205	1,386	2.6	3.1	3.5
Brown	15,475	15,519	15,572	15,049	15,038	15,020	426	481	552	2.8	3.1	3.5
Faribault	7,413	7,315	7,454	7,144	7,028	7,132	269	287	322	3.6	3.9	4.3
Le Sueur	15,341	15,212	15,099	14,814	14,599	14,416	527	613	683	3.4	4.0	4.5
Martin	10,601	10,266	10,720	10,138	9,859	10,246	463	407	474	4.4	4.0	4.4
Nicollet	20,352	19,886	19,802	19,898	19,341	19,178	454	545	624	2.2	2.7	3.2
Sibley	9,651	9,514	9,798	9,397	9,221	9,462	254	293	336	2.6	3.1	3.4
Waseca	9,729	9,758	9,837	9,375	9,348	9,391	354	410	446	3.6	4.2	4.5
Watonwan	5,594	5,439	5,639	5,345	5,206	5,347	249	233	292	4.5	4.3	5.2
Region Ten	**274,802**	**273,678**	**272,155**	**266,763**	**264,612**	**261,597**	**8,039**	**9,066**	**10,558**	**2.9**	**3.3**	**3.9**
Dodge	11,131	11,104	11,022	10,815	10,756	10,603	316	348	419	2.8	3.1	3.8
Fillmore	11,393	11,381	11,344	11,060	11,007	10,922	333	374	422	2.9	3.3	3.7
Freeborn	16,309	16,136	16,269	15,742	15,536	15,561	567	600	708	3.5	3.7	4.4
Goodhue	25,874	25,651	25,491	25,085	24,760	24,470	789	891	1,021	3.0	3.5	4.0
Houston	10,614	10,536	10,490	10,287	10,183	10,075	327	353	415	3.1	3.4	4.0
Mower	21,363	21,219	21,217	20,762	20,541	20,427	601	678	790	2.8	3.2	3.7
Olmsted	82,432	82,267	81,546	80,187	79,752	78,618	2,245	2,515	2,928	2.7	3.1	3.6
City of Rochester	60,234	60,109	59,598	58,533	58,216	57,388	1,701	1,893	2,210	2.8	3.1	3.7
Rice	32,593	32,673	32,338	31,507	31,403	30,876	1,086	1,270	1,462	3.3	3.9	4.5
Steele	22,170	21,903	21,832	21,580	21,217	21,026	590	686	806	2.7	3.1	3.7
Wabasha	11,723	11,719	11,596	11,398	11,336	11,175	325	383	421	2.8	3.3	3.6
Winona	29,200	29,089	29,010	28,340	28,121	27,844	860	968	1,166	2.9	3.3	4.0
Region Eleven	**1,644,980**	**1,643,209**	**1,622,027**	**1,592,904**	**1,583,042**	**1,552,380**	**52,076**	**60,167**	**69,647**	**3.2**	**3.7**	**4.3**
Anoka	192,065	191,905	189,319	185,962	184,811	181,231	6,103	7,094	8,088	3.2	3.7	4.3
Carver	51,876	51,770	51,122	50,349	50,037	49,068	1,527	1,733	2,054	2.9	3.3	4.0
Dakota	234,981	234,701	231,719	227,883	226,472	222,086	7,098	8,229	9,633	3.0	3.5	4.2
Hennepin	674,905	674,044	665,701	653,212	649,168	636,594	21,693	24,876	29,107	3.2	3.7	4.4
City of Bloomington	49,643	49,635	49,028	48,154	47,856	46,929	1,489	1,779	2,099	3.0	3.6	4.3
City of Minneapolis	220,392	220,152	217,650	212,805	211,487	207,391	7,587	8,665	10,259	3.4	3.9	4.7
Ramsey	278,465	278,410	274,612	269,106	267,440	262,260	9,359	10,970	12,352	3.4	3.9	4.5
City of St. Paul	148,531	148,554	146,607	143,185	142,298	139,542	5,346	6,256	7,065	3.6	4.2	4.8
Scott	135,910	135,725	133,824	131,803	130,987	128,450	4,107	4,738	5,374	3.0	3.5	4.0
Washington	76,778	76,654	75,730	74,589	74,127	72,691	2,189	2,527	3,039	2.9	3.3	4.0







Industrial Analysis

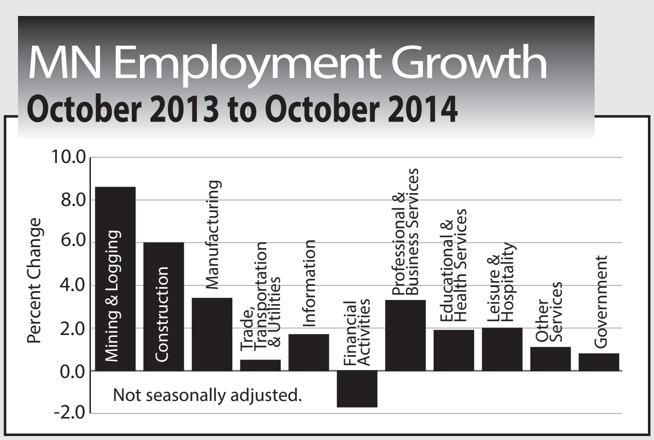
Monthly analysis is based on ***seasonally adjusted*** employment data; yearly analysis is based on ***unadjusted*** employment data.*

Overview

Seasonally adjusted employment increased substantially again in October as the state added 9,500 jobs (0.3 percent) for the month, while the September employment estimate was adjusted up to a gain of 10,000 jobs (0.4 percent). Supersectors that displayed significant over-the-month growth included Trade, Transportation, and Utilities (up 5,200 or 1.0 percent), Manufacturing (up 2,300, 0.7 percent), and Educational and Health Services (up 4,500, 0.9 percent, with gains in both major component sectors). Job shedders included Leisure and Hospitality (down 2,100, 0.8 percent) and Government (down 700, 0.2 percent). Over the year Minnesota has added 49,679 jobs (1.8 percent). Once again, every supersector except Financial Activities (down 3,096, 1.7 percent) gained employment on the year, with the largest numerical gains coming in Professional and Business Services which added 11,722 jobs (3.3 percent) since October 2013.

Mining and Logging

Employment in Mining and Logging made gains in October, with the supersector adding back 100 (1.4 percent) of the jobs they lost in September to settle at 7,500 for the month. Annually, Mining and Logging has gained 616 jobs, an increase of 8.6 percent over 2013 levels.



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

Construction

The Construction supersector added 900 jobs (0.8 percent) in October on a seasonally adjusted basis. Construction has also added employment for the year, supporting 6,877 more jobs (6.0 percent) than 12 months ago. Annual growth continues to be driven by employment increases in Heavy and Civil Engineering Construction (up 3,088, 16.9 percent) and Specialty Trade Contractors (up 5,845, 8.1 percent). Despite the larger growth in the supersector, employment in Construction of Buildings is down 2,056 (8.3 percent) over the same time period.

Manufacturing

Employment in Manufacturing increased in October (up 2,300, 0.7 percent) as both component sectors saw significant gains. Durable Goods Manufacturing added 1,600 jobs (0.8 percent) while employment in Non-Durable Goods Manufacturing grew by 700 (0.6 percent). The supersector has added employment every month since June. On the year, Manufacturing employment has grown by 10,451 (3.4 percent) with expansion in both major component sectors. Notable increases include the addition of 1,756 jobs (4.2 percent) in Fabricated Metal Product Manufacturing and 760 jobs (6.8 percent) in Transportation Equipment Manufacturing.

Trade, Transportation, and Utilities

Trade, Transportation, and Utilities employment was up 5,200 (1.0 percent) in October. This represents the largest over-the-month employment increase in the supersector since October 1998. The growth was almost entirely due to the addition of 5,300 jobs (1.9 percent) in Retail Trade, as Transportation and Warehousing lost 200 jobs (down 0.2 percent), and Wholesale Trade added just 100 (0.1 percent). Annually, the supersector is up 2,788 jobs (0.5 percent). Owing to the strong October performance, this represents more than double the year-over-year growth from September's estimate. The component industry to see the largest annual job growth, both proportionally and numerically, was Motor Vehicle Parts and Dealers, which added 1,611 jobs (5.0 percent).

*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.

Industrial Analysis

Information

The Information supersector shed employment in October, losing 200 jobs (0.4 percent) for the month. Employment remains up in Information for the year, however, holding on to 910 (1.7 percent) more jobs than in October 2013. However, employment in the two published subsectors, Telecommunications and Publishing Industries (except Internet) remains down for the year. This suggests stronger performances in some or all of the unpublished component sectors, which includes Internet Publishing and Broadcasting, Data Processing, Hosting, and Related Services, and Motion Picture and Sound Recording Industries.

Financial Activities

Financial Activities continued its steady employment decline, losing 400 jobs (0.2 percent) in October, all of it coming from the Finance and Insurance sector (down 0.3 percent). Annually, the supersector has lost 3,096 jobs (1.7 percent) with losses of 3,278 (2.3 percent) in Finance and Insurance swamping the small gain of 182 (0.5 percent) in Real Estate and Rental and Leasing.

Professional and Business Services

The Professional and Business Services supersector added 1,300 jobs in October. The losses largely came from Administrative and Support and Waste Management and Remediation Services which dropped 2,300 jobs (1.7 percent). Annually, they have added 11,722 jobs (3.3 percent), the largest annual increase in the state. That employment growth has been broadly-based, with increases in each component sector.

Educational and Health Services

Employment in Educational and Health Services jumped sharply in October as the supersector added 4,500 jobs (0.9 percent) with increases in both Educational Services and Health Care and Social Assistance. Annually, employment is up 9,536 (1.9 percent), with both component sectors again showing significant gains.

Leisure and Hospitality

Leisure and Hospitality employment declined in October, losing 2,100 jobs (0.8 percent). The addition of 500 jobs (1.3 percent) in Arts, Entertainment, and Recreation was insufficient to balance the loss 0f 2,600 (1.2 percent) in Accommodation and Food Services. For the year, the supersector has added 5,051 jobs (2.0 percent), almost entirely from the addition of 5,193 jobs (2.8 percent) in Food Services and Drinking Places.

Other Services

Other Services added 1,200 jobs (1.0 percent) in October. That is the second consecutive month that this supersector has seen more dramatic growth than any time in the last four years. Annually, Other Services has added 1,316 jobs (1.1 percent), largely from the addition of 1,378 jobs (2.0 percent) in Religious, Grantmaking, Civic, Professional, and Similar Organizations.

Government

Government employment dipped slightly in October, down 700 (0.2 percent) from September estimates as Local Government lost 1,600 jobs (0.6 percent). Annually, Government employers added 3,508 jobs (0.8 percent). The lion's share of that growth has come from Local Government, which added 3,259 jobs (1.1 percent), 2,015 of which came in Educational Services.

by Nick Dobbins

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	Oct 2014	Sept 2014	Aug 2014
Total Nonagricultural	**2,847.0**	**2,837.5**	**2,827.5**
Goods-Producing	**439.0**	**435.7**	**434.3**
Mining and Logging	7.5	7.4	7.6
Construction	111.4	110.5	110.0
Manufacturing	320.1	317.8	316.7
Service-Providing	**2,408.0**	**2,401.8**	**2,393.2**
Trade, Transportation, and Utilities	519.3	514.1	513.8
Information	54.6	54.8	54.5
Financial Activities	177.9	178.3	179.4
Professional and Business Services	143.2	141.9	139.4
Educational and Health Services	506.3	501.8	499.4
Leisure and Hospitality	253.3	255.4	251.2
Other Services	119.9	118.7	117.4
Government	419.1	419.8	422.0

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

Regional Analysis

Monthly analysis is based on ***unadjusted*** employment data.

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

Employment in the Minneapolis-St. Paul-Bloomington MSA was up in October as the metro added 11,246 jobs (0.6 percent). Employment gains were split between the public and private sectors, and goods producers and service providers also saw job growth. As in September, gains were led by the Government (up 6,749, 2.8 percent) and Educational and Health Services supersectors (up 3,079, 1.0 percent) as staffing levels ramped up for the start of the school year. This is most apparent in Government employment, where Local Government Educational Services added 6,812 jobs (8.4 percent). Gains in Educational and Health Services were actually split between major component sectors, with Educational Services adding 1,008 jobs (2.2 percent) and Health Care and Social Assistance adding 2,071 (0.8 percent). On an annual basis, the MSA added 31,116 jobs (1.7 percent). The only three supersectors to shed jobs over the past 12 months were Mining, Logging, and Construction (down 485 or 0.7 percent), Trade, Transportation, and Utilities (down 2,720, 0.8 percent), and Financial Activities (down 1,002, 0.7 percent).

Duluth-Superior MSA

Duluth-Superior MSA employment ticked up in October, adding 395 jobs (0.3 percent) over September estimates. The growth is almost entirely from Government employers, as the private sector lost 740 jobs (0.7 percent) for the month, led by a drop of 1,294 (9.2 percent) in Leisure and Hospitality as the weather turned cold. Government employment jumped by 1,135 (4.4 percent) with the most significant growth coming in Local Government, up 875 (5.4 percent). For the year, Duluth's employment level remained static, adding just 35 jobs (0.0 percent) since October 2013. Gains in Mining, Logging, and Construction (up 263, 2.9 percent), Trade, Transportation, and Utilities (up 219, 0.9 percent), Educational and Health Services (up 796, 2.5 percent), and Other Services (up 502, 7.9 percent) were balanced by a steep drop in Leisure and Hospitality, which is down 1,316 (9.3 percent) on the year. This over-the-year decline seems to be at least partially caused by a tourist season that ran later into the fall than usual in 2013.

Rochester MSA

Employment in the Rochester MSA grew in October as the metro added 430 jobs (0.4 percent) on September estimates. As was the case in other Minnesota MSAs, Government (up 335 or 3.2 percent) and Educational and Health Services (up 281, 0.6 percent) played a large role in the growth. They were joined by Trade, Transportation, and Utilities, which added 252 jobs (1.5 percent). On an annual basis, Rochester added 926 jobs (0.9 percent). Industries with significant over-the-year growth included Manufacturing (up 435, 4.3 percent) and Educational and Health Services (up 411, 0.9 percent). Supersectors to shed the most jobs were Mining, Logging, and Construction (down 232, 5.9 percent) and Government (down 194, 1.8 percent).

St. Cloud MSA

St. Cloud MSA employment expanded again in October, adding 1,307 jobs (1.2 percent) for the month. Aside from the expected growth in Government and Educational and Health Services, supersectors with significant employment expansion included Professional and Business Services (up 127, 1.4 percent) and Trade, Transportation, and Utilities (up 179, 0.9 percent). For the year, St. Cloud added 1,849 jobs (1.7 percent), with growth in every supersector with the exceptions of Government (down 429, 2.7 percent), Information (down 82, 4.8 percent), Other Services (down 2, 0.1 percent), and Financial Activities (down 18, 0.4 percent).

Mankato-North Mankato MSA

Employment in the Mankato-North Mankato MSA grew again in October, adding 1,678 jobs (3.0 percent) for the month. Most of this growth came from private service providers, who added 1,119 jobs (3 percent), while Government employers added 565 jobs (6.6 percent). For the year the MSA added 1,532 jobs (2.7 percent) with growth in every published sector except Government, which shed 151 jobs (1.6 percent).

Fargo-Moorhead MSA

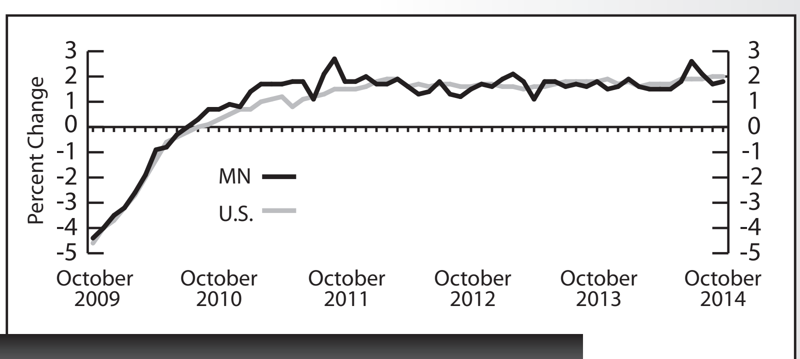
Fargo-Moorhead MSA employment was up in October, adding 1,496 jobs (1.1 percent) over September estimates. Notable job growth occurred in Trade, Transportation, and Utilities (up 726, 2.5 percent), Educational and Health Services (up 451, 2.1 percent), and Government (up 419, 2.3 percent). Annually, the MSA added 4,363 jobs (3.2 percent), with at least slight growth in every supersector except Manufacturing, which lost 41 jobs (0.4 percent) from October 2013. The lion's share of job growth remains centered in Mining, Logging, and Construction, up 1,703 jobs (19.3 percent) since October 2013.

Grand Forks-East Grand Forks MSA

Employment in the Grand Forks-East Grand Forks MSA was up again in October, adding 953 jobs (1.7 percent) as service provider's employment grew by 1,020 (2.1 percent), more than making up for the loss of 77 jobs (1.0 percent) among goods producers. For the year, the Grand Forks-East Grand Forks area added 256 jobs (0.4 percent). Mining, Logging, and Construction grew by 207 jobs (5.9 percent), and Trade, Transportation, and Utilities added 228 (1.9 percent), while supersectors shedding jobs included Government (down 176, 1.2 percent) and Leisure and Hospitality (down 261, 4.1 percent).

by Nick Dobbins

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



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

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings: Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013	Oct 2014	Oct 2013	Oct 2014	Oct 2013	Oct 2014	Oct 2013
TOTAL NONFARM WAGE AND SALARY	**2,876.1**	**2,852.3**	**2,826.5**	**0.8%**	**1.8%**	—	—	—	—	—	—
						—	—	—	—	—	—
GOODS-PRODUCING	**451.1**	**449.6**	**433.1**	**0.3**	**4.1**	—	—	—	—	—	—
Mining and Logging	**7.8**	**7.7**	**7.2**	**0.6**	**8.6**	—	—	—	—	—	—
Construction	**122.4**	**121.5**	**115.5**	**0.7**	**6.0**	—	—	—	—	—	—
Specialty Trade Contractors	78.3	76.3	72.4	2.6	8.1	$1,115.86	$1,284.00	37.8	42.8	$29.52	$30.00
Manufacturing	**320.9**	**320.4**	**310.4**	**0.2**	**3.4**	**834.33**	**833.70**	**41.8**	**42.0**	**19.96**	**19.85**
Durable Goods	206.6	205.1	196.6	0.7	5.1	820.79	840.84	42.2	42.0	19.45	20.02
Wood Product Manufacturing	10.6	10.6	10.7	0.0	-0.8	—	—	—	—	—	—
Fabricated Metal Production	43.7	43.3	41.9	0.9	4.2	—	—	—	—	—	—
Machinery Manufacturing	31.8	32.0	31.9	-0.4	-0.3	—	—	—	—	—	—
Computer and Electronic Product	44.7	44.6	44.6	0.2	0.2	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	24.8	24.8	24.5	0.3	1.3	—	—	—	—	—	—
Transportation Equipment	12.0	11.9	11.2	0.6	6.8	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	15.3	15.3	15.2	-0.1	1.0	—	—	—	—	—	—
Nondurable Goods	114.3	115.2	113.8	-0.8	0.4	854.88	821.66	41.1	41.9	20.80	19.61
Food Manufacturing	46.4	46.7	47.0	-0.8	-1.3	—	—	—	—	—	—
Paper Manufacturing	32.4	32.7	33.0	-0.9	-1.9	—	—	—	—	—	—
Printing and Related	23.5	23.6	23.6	-0.5	-0.4	—	—	—	—	—	—
SERVICE-PROVIDING	**2,425.1**	**2,402.7**	**2,393.3**	**0.9**	**1.3**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**519.3**	**513.2**	**516.5**	**1.2**	**0.5**	—	—	—	—	—	—
Wholesale Trade	133.0	132.3	132.4	0.5	0.5	965.50	973.28	39.2	39.5	24.63	24.64
Retail Trade	290.8	285.6	289.9	1.8	0.3	408.98	392.28	28.6	28.0	14.30	14.01
Motor Vehicle and Parts	33.9	33.9	32.3	0.2	5.0	—	—	—	—	—	—
Building Material and Garden Equipment	25.5	25.6	25.6	-0.6	-0.5	—	—	—	—	—	—
Food and Beverage Stores	51.0	50.7	51.6	0.4	-1.2	—	—	—	—	—	—
Gasoline Stations	23.7	23.9	23.4	-0.9	1.1	—	—	—	—	—	—
General Merchandise Stores	60.9	60.0	62.1	1.5	-2.0	312.24	318.20	29.1	29.6	10.73	10.75
Transportation,Warehouse, Utilities	95.4	95.3	94.2	0.1	1.3	—	—	—	—	—	—
Transportation and Warehousing	82.0	81.9	81.0	0.1	1.3	629.72	590.10	34.6	35.0	18.20	16.86
Information	**54.3**	**54.1**	**53.4**	**0.5**	**1.7**	**795.15**	**800.30**	**34.2**	**34.6**	**23.25**	**23.13**
Publishing Industries	20.5	20.6	21.3	-0.2	-3.4	—	—	—	—	—	—
Telecommunications	13.1	13.3	13.4	-1.1	-2.3	—	—	—	—	—	—
Financial Activities	**178.3**	**178.5**	**181.4**	**-0.1**	**-1.7**	—	—	—	—	—	—
Finance and Insurance	137.9	138.0	141.2	-0.1	-2.3	860.52	949.06	35.5	35.8	24.24	26.51
Credit Intermediation	53.1	53.1	55.0	-0.1	-3.5	710.59	745.81	35.3	34.9	20.13	21.37
Securities, Commodity Contracts, and Other	18.2	18.2	18.5	0.3	-1.3	—	—	—	—	—	—
Insurance Carriers and Related	66.5	66.6	66.7	-0.1	-0.4	—	—	—	—	—	—
Real Estate and Rental and Leasing	40.4	40.5	40.2	-0.4	0.5	—	—	—	—	—	—
Professional and Business Services	**363.8**	**359.4**	**352.0**	**1.2**	**3.3**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	142.6	140.0	136.0	1.8	4.8	—	—	—	—	—	—
Legal Services	19.0	18.9	18.8	0.7	1.0	—	—	—	—	—	—
Accounting, Tax Preparation	15.8	15.4	14.3	2.4	10.7	—	—	—	—	—	—
Computer Systems Design	33.5	32.8	32.6	2.2	2.9	—	—	—	—	—	—
Management of Companies and Enterprises	79.0	79.3	76.8	-0.3	2.9	—	—	—	—	—	—
Administrative and Support Services	142.2	140.1	139.2	1.5	2.1	—	—	—	—	—	—
Educational and Health Services	**509.3**	**501.3**	**499.7**	**1.6**	**1.9**	—	—	—	—	—	—
Educational Services	72.1	67.6	70.2	6.6	2.8	—	—	—	—	—	—
Health Care and Social Assistance	437.1	433.7	429.5	0.8	1.8	—	—	—	—	—	—
Ambulatory Health Care	143.2	141.8	138.3	0.9	3.5	1,226.35	1,216.24	34.8	34.7	35.24	35.05
Offices of Physicians	67.7	67.5	66.4	0.4	2.0	—	—	—	—	—	—
Hospitals	104.8	104.5	105.0	0.2	-0.3	—	—	—	—	—	—
Nursing and Residential Care Facilities	106.8	105.7	106.2	1.0	0.5	429.52	424.51	29.1	29.5	14.76	14.39
Social Assistance	82.4	81.6	80.0	1.0	3.1	—	—	—	—	—	—
Leisure and Hospitality	**255.1**	**264.4**	**250.1**	**-3.5**	**2.0**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	39.4	43.0	39.6	-8.4	-0.7	—	—	—	—	—	—
Accommodation and Food Services	215.7	221.4	210.4	-2.6	2.5	—	—	—	—	—	—
Food Services and Drinking Places	189.4	193.5	184.2	-2.1	2.8	257.87	243.09	21.4	21.9	12.05	11.10
Other Services	**119.6**	**118.7**	**118.3**	**0.7**	**1.1**	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	70.4	69.6	69.0	1.2	2.0						
Government	**425.4**	**413.0**	**421.9**	**3.0**	**0.8**						
Federal Government	31.1	31.1	31.1	0.0	0.0						
State Government	103.3	103.8	103.1	-0.5	0.2						
State Government Education	65.1	63.2	65.2	2.9	-0.2						
Local Government	291.0	278.1	287.7	4.6	1.1						
Local Government Education	143.6	130.8	141.5	9.8	1.4						

Note: Not all industry subgroups are shown for every major industry category.

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

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

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

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

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013	Oct 2014	Oct 2013	Oct 2014	Oct 2013	Oct 2014	Oct 2013
TOTAL NONFARM WAGE AND SALARY	**1,857.8**	**1,846.5**	**1,826.6**	**0.6%**	**1.7%**	—	—	—	—	—	—
GOODS-PRODUCING	**263.6**	**261.2**	**254.8**	**0.9**	**3.5**	—	—	—	—	—	—
Mining, Logging, and Construction	**70.9**	**69.8**	**71.4**	**1.7**	**-0.7**	—	—	—	—	—	—
Construction of Buildings	16.1	16.1	14.9	0.0	7.8	—	—	—	—	—	—
Specialty Trade Contractors	48.9	47.2	47.1	3.6	3.7	$1,201.05	$1,395.56	37.9	43.3	$31.69	$32.23
Manufacturing	**192.7**	**191.4**	**183.3**	**0.7**	**5.1**	**878.53**	**849.96**	**42.4**	**41.2**	**20.72**	**20.63**
Durable Goods	133.5	132.1	126.0	1.1	6.0	840.93	875.70	41.9	41.7	20.07	21.00
Fabricated Metal Production	28.8	28.6	28.0	0.7	2.9	—	—	—	—	—	—
Machinery Manufacturing	19.6	19.6	19.5	0.1	0.6	—	—	—	—	—	—
Computer and Electronic Product	35.5	35.5	35.2	0.2	0.8	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	23.5	23.4	23.0	0.5	2.4	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	14.3	14.3	14.0	0.0	1.8	—	—	—	—	—	—
Nondurable Goods	59.2	59.3	57.3	-0.2	3.2	953.47	800.78	43.3	40.2	22.02	19.92
Food Manufacturing	13.4	13.5	13.4	-0.7	0.1	—	—	—	—	—	—
Printing and Related	15.1	15.1	15.0	-0.3	0.6	—	—	—	—	—	—
SERVICE-PROVIDING	**1,594.2**	**1,585.3**	**1,571.9**	**0.6**	**1.4**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**319.6**	**317.8**	**322.3**	**0.6**	**-0.8**	—	—	—	—	—	—
Wholesale Trade	80.6	80.6	82.7	0.0	-2.5	940.60	974.25	38.9	39.3	24.18	24.79
Merchant Wholesalers - Durable Goods	43.9	44.0	43.9	-0.1	0.0	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	24.7	24.7	24.5	0.1	0.6	—	—	—	—	—	—
Retail Trade	175.1	173.0	177.0	1.2	-1.1	432.46	377.66	29.6	28.1	14.61	13.44
Food and Beverage Stores	29.0	28.7	29.6	1.0	-1.9	—	—	—	—	—	—
General Merchandise Stores	37.8	37.1	38.2	1.8	-1.1	318.90	331.54	30	30.5	10.63	10.87
Transportation, Warehouse, Utilities	63.9	64.2	62.6	-0.4	2.1	—	—	—	—	—	—
Utilities	7.8	7.8	7.7	0.4	1.1	—	—	—	—	—	—
Transportation and Warehousing	56.1	56.4	54.9	-0.5	2.2	803.88	774.30	40.6	43.5	19.80	17.80
Information	**38.4**	**38.3**	**38.7**	**0.3**	**-0.7**						
Publishing Industries	16.4	16.4	16.7	0.2	-2.0	—	—	—	—	—	—
Telecommunications	9.4	9.5	9.5	-1.1	-1.7	—	—	—	—	—	—
Financial Activities	**140.8**	**141.1**	**141.8**	**-0.2**	**-0.7**	—	—	—	—	—	—
Finance and Insurance	107.8	107.9	109.1	-0.1	-1.2	914.35	1,111.36	34.4	36.8	26.58	30.20
Credit Intermediation	37.0	36.9	38.3	0.2	-3.4	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	16.4	16.6	16.4	-0.7	0.2	—	—	—	—	—	—
Insurance Carriers and Related	53.2	53.6	53.2	-0.6	0.1	—	—	—	—	—	—
Real Estate and Rental and Leasing	33.0	33.2	32.8	-0.6	0.8	—	—	—	—	—	—
Professional and Business Services	**286.4**	**284.2**	**278.3**	**0.7**	**2.9**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	111.7	110.2	107.9	1.3	3.5	—	—	—	—	—	—
Legal Services	15.9	15.8	15.8	0.6	0.7	—	—	—	—	—	—
Architectural, Engineering, and Related	16.3	16.2	15.7	1.0	3.8	—	—	—	—	—	—
Computer Systems Design	27.5	26.9	26.6	2.1	3.2	—	—	—	—	—	—
Management of Companies and Enterprises	70.9	71.0	68.9	-0.1	2.9	—	—	—	—	—	—
Administrative and Support Services	103.8	103.1	101.5	0.7	2.2	—	—	—	—	—	—
Employment Services	50.9	48.9	50.3	4.0	1.3	—	—	—	—	—	—
Educational and Health Services	**311.2**	**308.1**	**301.4**	**1.0**	**3.3**	—	—	—	—	—	—
Educational Services	46.2	45.2	44.6	2.2	3.6	—	—	—	—	—	—
Health Care and Social Assistance	265.0	262.9	256.8	0.8	3.2	—	—	—	—	—	—
Ambulatory Health Care	86.0	85.0	82.9	1.2	3.7	—	—	—	—	—	—
Hospitals	61.7	61.6	61.3	0.2	0.6	—	—	—	—	—	—
Nursing and Residential Care Facilities	58.1	57.9	56.6	0.3	2.7	—	—	—	—	—	—
Social Assistance	59.2	58.4	55.9	1.3	5.7	—	—	—	—	—	—
Leisure and Hospitality	**173.3**	**178.8**	**168.6**	**-3.1**	**2.8**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	29.4	32.2	30.1	-8.6	-2.0	—	—	—	—	—	—
Accommodation and Food Services	143.8	146.6	138.6	-1.9	3.8	278.66	272.83	22.4	23.2	12.44	11.76
Food Services and Drinking Places	130.9	133.5	125.2	-1.9	4.6	274.46	265.85	21.8	22.8	12.59	11.66
Other Services	**78.5**	**77.7**	**78.5**	**1.1**	**0.0**	—	—	—	—	—	—
Repair and Maintenance	13.5	13.3	13.5	1.6	-0.3	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	43.8	43.3	43.3	1.1	1.0	—	—	—	—	—	—
Government	**246.0**	**239.3**	**242.2**	**2.8**	**1.6**						
Federal Government	19.8	19.6	20.0	0.7	-1.4						
State Government	70.4	71.3	68.9	-1.1	2.2						
State Government Education	44.7	43.3	43.6	3.2	2.5						
Local Government	155.8	148.4	153.3	5.0	1.7						
Local Government Education	88.0	81.2	87.1	8.4	1.0						

Note: Not all industry subgroups are shown for every major industry category.

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

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

Employer Survey

Industry	Duluth-Superior MSA					Rochester MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013
TOTAL NONFARM WAGE AND SALARY	**134,539**	**134,144**	**134,504**	**0.3%**	**0.0%**	**109,079**	**108,649**	**108,153**	**0.4%**	**0.9%**
GOODS-PRODUCING	**16,663**	**16,895**	**16,438**	**-1.4**	**1.4**	**14,218**	**14,500**	**14,015**	**-1.9**	**1.4**
Mining, Logging, and Construction	9,210	9,435	8,947	-2.4	2.9	3,684	3,758	3,916	-2.0	-5.9
Manufacturing	7,453	7,460	7,491	-0.1	-0.5	10,534	10,742	10,099	-1.9	4.3
SERVICE-PROVIDING	**117,876**	**117,249**	**118,066**	**0.5**	**-0.2**	**94,861**	**94,149**	**94,138**	**0.8**	**0.8**
Trade, Transportation, and Utilities	24,643	24,397	24,424	1.0	0.9	16,661	16,409	16,517	1.5	0.9
Wholesale Trade	3,146	3,162	3,112	-0.5	1.1	2,271	2,267	2,275	0.2	-0.2
Retail Trade	15,641	15,382	15,441	1.7	1.3	11,870	11,717	11,791	1.3	0.7
Transportation, Warehouse, Utilities	5,856	5,853	5,871	0.1	-0.3	2,520	2,425	2,451	3.9	2.8
Information	1,411	1,412	1,435	-0.1	-1.7	1,781	1,760	1,716	1.2	3.8
Financial Activities	5,405	5,443	5,497	-0.7	-1.7	2,586	2,583	2,625	0.1	-1.5
Professional and Business Services	7,856	7,840	7,888	0.2	-0.4	5,735	5,714	5,486	0.4	4.5
Educational and Health Services	32,216	31,850	31,420	1.1	2.5	44,198	43,917	43,787	0.6	0.9
Leisure and Hospitality	12,760	14,054	14,076	-9.2	-9.3	9,399	9,513	9,310	-1.2	1.0
Other Services	6,882	6,685	6,380	2.9	7.9	3,763	3,850	3,765	-2.3	-0.1
Government	26,703	25,568	26,946	4.4	-0.9	10,738	10,403	10,932	3.2	-1.8

Employer Survey

Industry	St. Cloud MSA					Mankato MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013
TOTAL NONFARM WAGE AND SALARY	**107,884**	**106,577**	**106,035**	**1.2%**	**1.7%**	**57,683**	**56,005**	**56,151**	**3.0%**	**2.7%**
GOODS-PRODUCING	**21,524**	**21,680**	**20,557**	**-0.7**	**4.7**	**10,392**	**10,398**	**10,113**	**-0.1**	**2.8**
Mining, Logging, and Construction	6,316	6,339	5,440	-0.4	16.1	--	--	--	--	--
Manufacturing	15,208	15,341	15,117	-0.9	0.6	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**86,360**	**84,897**	**85,478**	**1.7**	**1.0**	**47,291**	**45,607**	**46,038**	**3.7**	**2.7**
Trade, Transportation, and Utilities	21,102	20,923	21,022	0.9	0.4	--	--	--	--	--
Wholesale Trade	4,348	4,285	4,263	1.5	2.0	--	--	--	--	--
Retail Trade	13,307	13,187	13,232	0.9	0.6	--	--	--	--	--
Transportation, Warehouse, Utilities	3,447	3,451	3,527	-0.1	-2.3	--	--	--	--	--
Information	1,630	1,631	1,712	-0.1	-4.8	--	--	--	--	--
Financial Activities	4,561	4,537	4,579	0.5	-0.4	--	--	--	--	--
Professional and Business Services	9,314	9,187	9,092	1.4	2.4	--	--	--	--	--
Educational and Health Services	20,884	20,334	20,389	2.7	2.4	--	--	--	--	--
Leisure and Hospitality	9,749	9,742	9,133	0.1	6.7	--	--	--	--	--
Other Services	3,501	3,499	3,503	0.1	-0.1	--	--	--	--	--
Government	15,619	15,044	16,048	3.8	-2.7	9,081	8,516	9,232	6.6	-1.6

Employer Survey

Industry	Fargo-Moorhead MSA					Grand Forks-East Grand Forks MSA				
	Jobs			% Chg. From		Jobs			% Chg. From	
	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013	Oct 2014	Sept 2014	Oct 2013	Sept 2014	Oct 2013
TOTAL NONFARM WAGE AND SALARY	**140,057**	**138,561**	**135,694**	**1.1%**	**3.2%**	**58,142**	**57,199**	**57,886**	**1.7%**	**0.4%**
GOODS-PRODUCING	**20,745**	**20,983**	**19,083**	**-1.1**	**8.7**	**7,422**	**7,499**	**7,263**	**-1.0**	**2.2**
Mining, Logging, and Construction	10,511	10,723	8,808	-2.0	19.3	3,694	3,769	3,487	-2.0	5.9
Manufacturing	10,234	10,260	10,275	-0.3	-0.4	3,728	3,730	3,776	-0.1	-1.3
SERVICE-PROVIDING	**119,312**	**117,578**	**116,611**	**1.5**	**2.3**	**50,720**	**49,700**	**50,623**	**2.1**	**0.2**
Trade, Transportation, and Utilities	30,194	29,468	29,470	2.5	2.5	12,575	12,289	12,347	2.3	1.9
Wholesale Trade	9,403	9,336	8,992	0.7	4.6	2,046	2,013	1,989	1.6	2.9
Retail Trade	15,692	15,076	15,595	4.1	0.6	8,594	8,397	8,330	2.4	3.2
Transportation, Warehouse, Utilities	5,099	5,056	4,883	0.9	4.4	1,935	1,879	2,028	3.0	-4.6
Information	3,292	3,305	3,281	-0.4	0.3	618	619	607	-0.2	1.8
Financial Activities	8,364	8,375	8,149	-0.1	2.6	1,725	1,726	1,735	-0.1	-0.6
Professional and Business Services	16,183	16,014	15,872	1.1	2.0	2,934	2,949	2,854	-0.5	2.8
Educational and Health Services	22,292	21,841	21,655	2.1	2.9	9,944	9,902	9,826	0.4	1.2
Leisure and Hospitality	13,803	13,865	13,141	-0.5	5.0	6,108	5,895	6,369	3.6	-4.1
Other Services	5,203	5,139	5,198	1.3	0.1	2,145	2,110	2,038	1.7	5.3
Government	18,355	17,936	18,229	2.3	0.7	14,671	14,210	14,847	3.2	-1.2

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

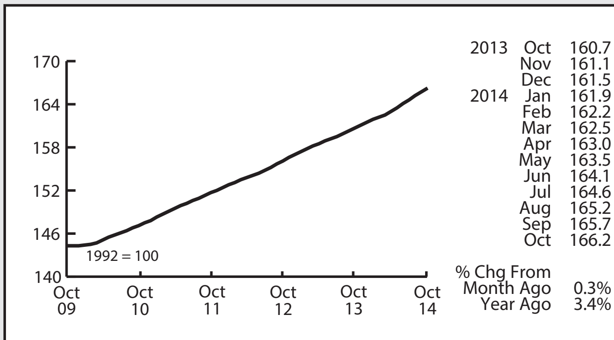
Minnesota Economic Indicators

Highlights

The **Minnesota Index** increased 0.3 percent for the sixth time in the last seven months in October, verifying that Minnesota's economy continues to expand at a healthy pace. The U.S. index increased 0.3 for the ninth straight month. The Minnesota index is up 2.0 percent over the last six months, the highest six-month gain since early 2000. Job growth was strong for the third straight month, pushing unemployment down 0.2 percentage points for the third month in a row. The only negative component of the index was that average weekly manufacturing hours slipped for the second straight month. The pace of economic growth over the last six months ensures that Minnesota GDP growth for the year will easily exceed 3 percent for the first time since 2010.

Minnesota's index in October up 3.4 percent from a year ago compared to the U.S. index's 3.3 percent increase over the year. Minnesota's index has been increasing faster than the U.S. index for the last four months, indicating that Minnesota's economy has been expanding at a faster clip than the national economy. Both indices are real time monthly proxies for GDP growth which are subject to significant revisions as preliminary data, such as employment numbers, get revised when better data becomes available.

Adjusted **Wage and Salary Employment** climbed robustly for the third consecutive month as Minnesota's nonagricultural wage and salary employment expanded by 0.3 percent or 9,500 jobs in October. All of the job growth was in the private sector as private employment jumped 10,200 jobs while the public sector employment dipped by 700 jobs. The last three months is the best three-month increase in private jobs since March through May 2005. Job growth was strongest in Trade, Transportation, and Utilities, Educational and Health Services, Manufacturing, and Other Services. Manufacturing employment has increased by more than 1,000 jobs for four straight months. The last time that occurred was back in 1995.



Source: The Federal Reserve Bank of Philadelphia, 2014

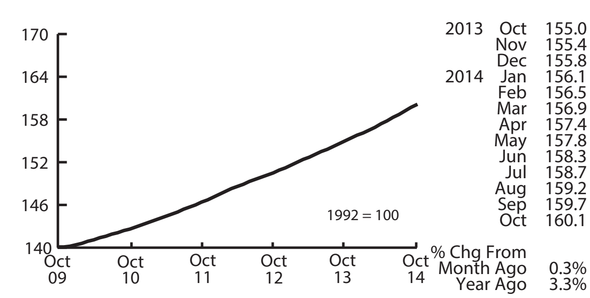
Minnesota Index

Minnesota's unadjusted job growth over the year rose to 1.8 percent in October, trailing the national annual growth for the second straight month. Both Minnesota and the U.S. appear to be headed for a 1.8 percent annual average increase in jobs in 2014.

Minnesota's adjusted online **Help-Wanted Ads** bounced upward in October, climbing 0.9 percent, slightly above the 0.2 percent national increase. October's ad level remains high, offering a solid indicator that labor demand remains strong in Minnesota. The state's share of online job advertising continues to come in at 2.4 percent which is well above the state's 2.0 percent share of the nation's wage and salary employment. Minnesota's job growth is likely to finish out the year on a high note.

Minnesota's **Purchasing Managers' Index (PMI)** slipped for the third time in four months in October but still notched a strong 63.7. The index has only been higher 10 percent of the time since the index was first published in 1995. The solid PMI readings over the last six months have correlated with strong manufacturing job gains. Minnesota's manufacturing sector is poised to have its best job growth since 2011 this year.

United States Index



Source: The Federal Reserve Bank of Philadelphia, 2014

Adjusted **Manufacturing Hours** fell for the fourth time in the last five months but remain healthy. October's 41.5 hours was the shortest factory workweek since April but is still higher than 88 percent of the monthly average weekly manufacturing hour estimates since 1970. **Manufacturing Earnings** slipped for the second straight month in October to $830.00. Factory paychecks are lower than a year earlier in real terms for only the second time in two years in October.

The **Minnesota Leading Index**, after dropping sharply in September, partially rebounded in October, jumping to 1.68. Minnesota's leading index was slightly higher than the U.S. leading index and points toward solid economic expansion for the rest of the year and into the first few months of 2015.

Adjusted **Residential Building Permits** zigzagged up in October to 1,463. Home building activity is up from last year, but the gain over 2013 has been short of expectations. Building permits were up 8 percent in 2013 but will be only 4 percent higher in 2014.

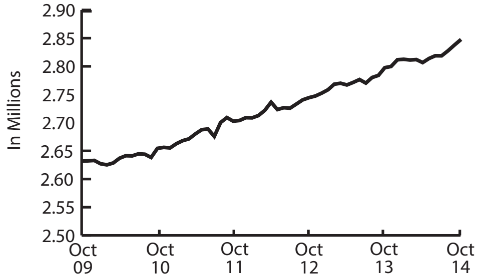
Adjusted **Initial Claims for Unemployment Benefits (UB)** declined to 16,374, the lowest monthly level since September 2000. The low layoff rate implies that Minnesota's job growth should remain solid during the rest of the year.

by Dave Senf

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

Minnesota Economic Indicators

Wage and Salary Employment



seasonally adjusted

2014	May	2.8139
	Jun	2.8188
	Jul	2.8187
	Aug	2.8275
	Sep	2.8375
	Oct	2.8470

% Chg From Month Ago 0.3%

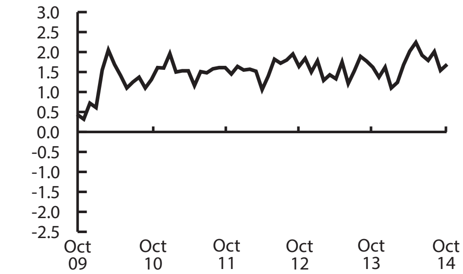
unadjusted

2013	Oct	2.8265
2014	Oct	2.8761

% Chg From Year Ago 1.8%

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

Minnesota Leading Index

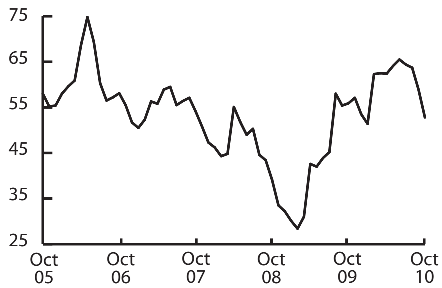


2013	Oct	1.62
	Nov	1.37
	Dec	1.62
2014	Jan	1.10
	Feb	1.24
	Mar	1.68
	Apr	2.02
	May	2.24
	Jun	1.92
	Jul	1.79
	Aug	2.01
	Sep	1.54
	Oct	1.68

% Chg From Month Ago 9.2%
Year Ago 3.5%

Source: The Federal Reserve Bank of Philadelphia, 2014

Purchasing Managers' Index

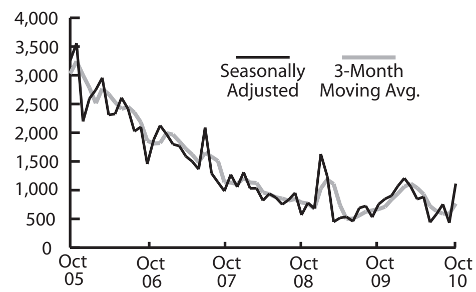


2013	Oct	55.2
	Nov	55.7
	Dec	58.9
2014	Jan	57.7
	Feb	64.1
	Mar	66.1
	Apr	64.9
	May	67.3
	Jun	70.1
	Jul	66.4
	Aug	66.9
	Sep	66.3
	Oct	63.7

% Chg From Month Ago -3.9%
Year Ago 15.4%

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

Residential Building Permits



seasonally adjusted

2014	May	1,703
	Jun	1,719
	Jul	1,399
	Aug	1,506
	Sep	1,394
	Oct	1,463

% Chg From Month Ago 5.0%

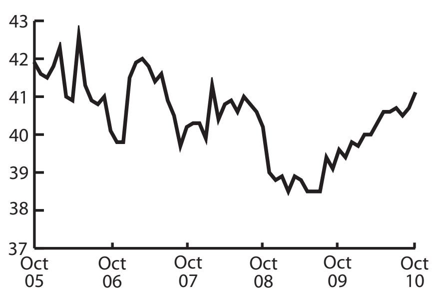
unadjusted

2013	Oct	1,561
2014	Oct	1,876

% Chg From Year Ago 20.2%

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

Average Weekly Manufacturing Hours



seasonally adjusted

2014	May	41.9
	Jun	41.9
	Jul	41.8
	Aug	41.9
	Sep	41.6
	Oct	41.5

% Chg From Month Ago -0.1%

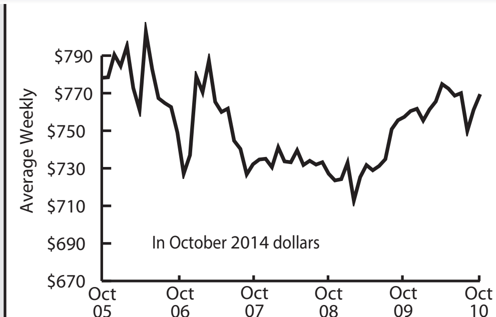
unadjusted

2013	Oct	42.0
2014	Oct	41.8

% Chg From Year Ago -0.5%

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

Manufacturing Earnings



seasonally adjusted

2014	May	831.74
	Jun	840.38
	Jul	834.97
	Aug	850.74
	Sep	832.48
	Oct	830.00

% Chg From Month Ago -0.3%

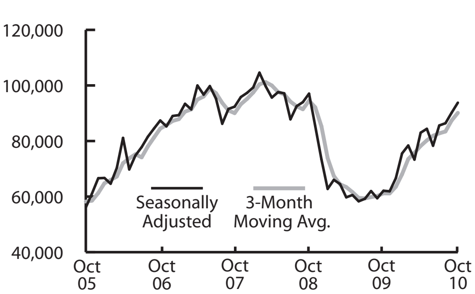
unadjusted

2013	Oct	845.73
2014	Oct	834.33

% Chg From Year Ago -1.3%

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

Online Help-Wanted Advertising

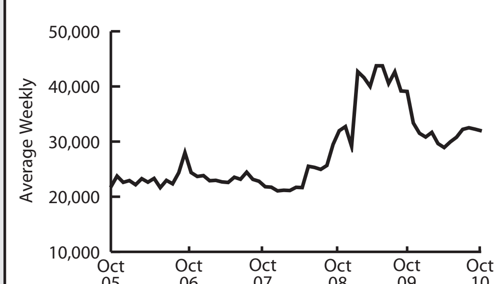


2013	Oct	109,484
	Nov	114,022
	Dec	117,625
2014	Jan	113,634
	Feb	124,579
	Mar	115,353
	Apr	103,945
	May	120,561
	Jun	119,300
	Jul	123,700
	Aug	125,500
	Sep	120,000
	Oct	121,100

% Chg From Month Ago 0.9%
Year Ago 10.6%

Source: The Conference Board Inc., 2014

Initial UB Claimants



seasonally adjusted

2014	May	20,461
	Jun	18,991
	Jul	17,639
	Aug	17,864
	Sep	18,187
	Oct	16,374

% Chg From Month Ago -10.0%

unadjusted

2013	Oct	20,872
2014	Oct	15,507

% Chg From Year Ago -25.7%

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

Review
Minnesota Employment

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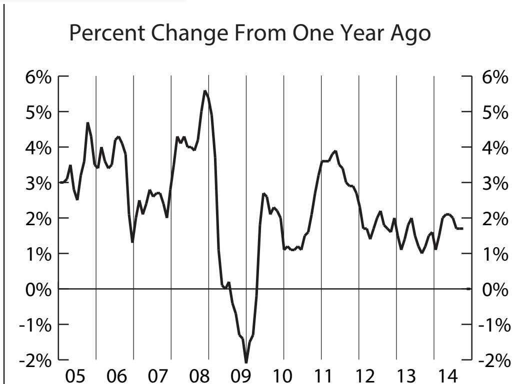
Labor Market Information
Help Line:
651.259.7384

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



The CPI-U was unchanged in October on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported. Gasoline and other energy indices declined, offsetting increases in shelter and an array of other indices. The gasoline index fell for the fourth month in a row, declining 3.0 percent. The food index rose slightly; the index for all items less food and energy increased 0.2 percent.

The all items index increased 1.7 percent over the last 12 months, the same increase as for the 12 months ending September. The index for all items less food and energy increased 1.8 percent over the span, and the food index rose 3.1 percent. In contrast, the energy index declined 1.6 percent over the last 12 months.

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.

What's Going On?

Coming up: Mining Industry Day 2015

Mining Industry Day is a one-day event that brings together businesses and hundreds of job seekers within the mining industry. This is the premier event for entry-level to highly skilled mining industry job seekers.

WHAT: Mining Industry Day 2015
WHEN: 8 a.m.-2 p.m., Friday, January 30
WHERE: Minnesota Discovery Center, 1005 Discovery Dr., Chisholm
WEBSITE: www.mndiscoverycenter.com

For more information about the event, see: **http://mn.gov/deed/events/MID2015/index.jsp**

Minnesota
Department of Employment and Economic Development

The Temporary Help Industry

In an age of significant specialization, Temporary Help Agencies were not slow to get on board. There are now agencies that specialize in dental hygienists, substitute teachers, personal care assistants, web designers, event coordinators, financial analysts, and real estate attorneys as well as the more traditional hand laborers and freight movers, assemblers and fabricators, office clerks, and customer service representatives. Temporary help agencies now make up most of the employment services industry group.[1]

Some of the largest providers of temporary workers in Minnesota also provide workers around the globe. Minnesota's leading staffing agencies each supply in the neighborhood of 1,000 to 5,000 workers to Minnesota companies on any given day, filling a long list of occupational needs across a wide array of industries.[2]

According to County Business Pattern data, Minnesota had 912 temp staffing agencies in 2012 or roughly 2 percent of the nation's 47,500. That seems about right since Minnesota's share of national employment services industry jobs hovers around 2 percent. Table 1 breaks out companies by their employment size for Minnesota and nationwide. Minnesota's breakdown of temp agency by employment size is almost identical to the national distribution. Employment in this industry includes the temp firms' permanent employees plus the temp employees sent out to work at other companies.

Table 1:
Employment Services Companies by Employment Size

Number of establishments by employment-size class	U.S.	Percent of Companies	Minnesota	Percent of Companies
Total	**47,468**		**912**	
1-4	17,804	38	333	37
5-9	4,464	9	86	9
10-19	4,238	**9**	82	9
20-49	6,485	14	124	14
50-99	5,722	12	107	12
100-249	5,329	11	111	12
250-499	1,935	4	36	4
500-999	885	2	20	2
1,000 or more	606	1	13	1

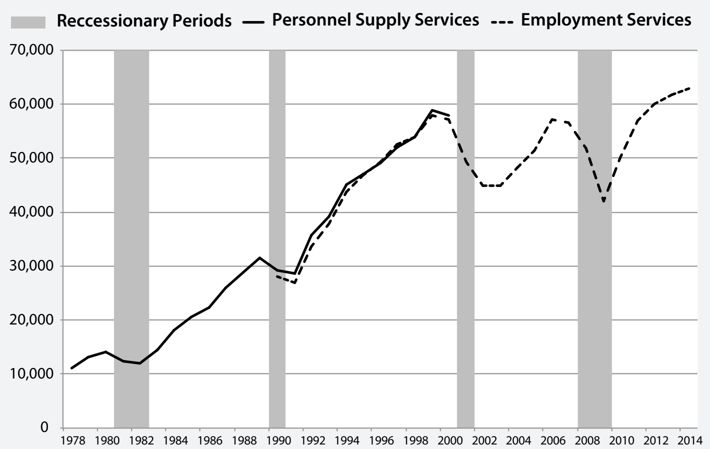
Source: U.S. Census, 2012 County Business Patterns

[1]The Employment Services industry group (NAICS 5631) is made up of three industries: Employment Placement Agencies, Temporary Help Services, and Professional Employer Organizations. Temporary Help Services accounted for 93 and 80 percent of Employment Services employment in 2013 in Minnesota and the U.S. respectively.

[2]Estimates of temp agencies' daily workforces and market concentration are based on the Minneapolis-St. Paul Business Journal's Top 25 List of Temporary Employment Firms for 2012.

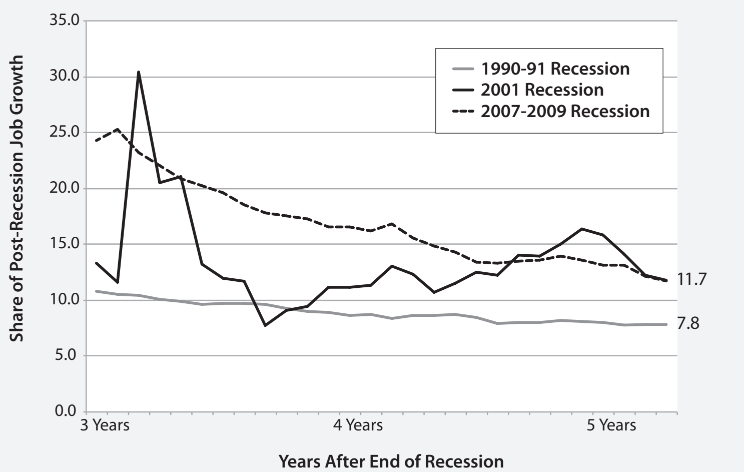
Minnesota
Department of Employment and Economic Development

Figure 1: Temporary Help Employment in Minnesota, 1978 - 2014



Source: Current Employment Statistics (CES), Minnesota Department of Employment and Economic Development. The industry classification system was revamped in 2001 moving most temporary help companies from the SIC 726 Personnel Supply Services industry to the NAIC 5619 Employment Services industry group.

Figure 2: Minnesota Temp Help Share of Post-Recession Job Growth



As is common in many industries there are a lot of small companies in the employment services industry, but employment is concentrated at large companies. In Minnesota the largest 10 temp firms are estimated to employ more than 30 percent of the state's temporary workforce. That means 20,000 workers of the 65,300 temp workers employed in September were employed by the top 10 temp agencies.

Minnesota's temp industry is on track to employ approximately 63,000 on an annual basis in 2014 which is up 2.0 percent from 2013. Other sectors or industries with total employment in the 60,000 to 67,000 range are Offices of Physicians, Private Educational Services, Insurance Carriers, Durable Goods Wholesalers, State Government Education (including about 24,000 work-study students), and General Merchandise Stores.

The temp industry has attracted a lot of media attention over the last few years with its hyper pro-cyclical hiring and firing pattern. Minnesota lost 3.9 percent of its total jobs in 2009 while temp jobs plunged 18.6 percent. Temp jobs rebounded 19 percent in 2010 even as total jobs dipped another 0.5 percent. The industry's role as supplier of the state's just-in-time workforce, however, wasn't exclusive to the Great Recession's dismal job market. The temp workforce has always gone up and down with economic expansions and contractions (Figure 1).

The industry swings have, however, intensified during recent recessions. The peak to trough, calculated on an annual average basis, was 14.7 and 11.5 percent during the early 1980s and 1990s recessions. Recession-induced plunges rose to 23.8 and 28.1 percent during the two more recent downturns. Companies have become more reliant on using temp workers to manage their workforces. That reliance swings both ways, however, as sharp falls in temp jobs are followed by rapid upticks when business improves. Minnesota temp jobs rebounded quickly in 2010 and 2011 with employment climbing 19.0 and 13.8 percent in 2010 and 2011.

The spike in temp hiring after the Great Recession combined with slow job growth in most other sectors translated into temp employment's accounting for a large share of job growth, especially during the first few years of the job recovery. This development, however, just like the temp workforce spike during the first few years of recovery, isn't an entirely new phenomenon. As with the rapid rise in temp employment, the recent temp help story is one of degree rather than any sort of historical switch.

Job growth in Minnesota accounted for by temp job growth stands at 11.7 percent five years after the Great Recession officially ended in June 2009. That is the same percent of job growth five years after the 2001 recession. Five years after the 1990-91 recession the percentage was 7.8 percent (Figure 2). Temp job growth accounted for a much higher share of the job rebound immediately after the Great Recession compared to earlier recessions, but the difference has narrowed over the last few years as temp job growth tailed off and overall job growth held steady in the 1.6–1.8 percent range since 2011.

The temp industry's share of post-recession job growth in Minnesota was similar to the temp industry's share at the national level until last year when Minnesota's share dropped below the national share. As of last month, the national share of job growth accounted for by temp jobs was 14.9 percent; the share in Minnesota was 11.7 percent.

Temp agency employment in 2014 will for the third straight year represent approximately 2.2 percent of the all wage and salary employment in Minnesota. The 2.2 percent share is the all-time high that was also reached in 1999 during the booming 1990s economy. So once again the strong temp employee growth during the Great Recession isn't breaking new ground.

The 2.2 percent share of all wage and salary employment accounted for by Minnesota's temp workers is slightly less than the national 2.4 percent. Michigan leads the nation with 3.8 percent, primarily from the use of temp workers in the auto industry. Smaller states, more dependent on agriculture and less dependent on manufacturing, have less than 1 percent of their wage and salary workers provided by temp agencies (Table 2).

Although all sorts of occupations are filled by temp workers, with temp workers employed across 270 occupations in Minnesota in 2012, temp jobs are still heavily skewed to certain fields. According to Occupational Employment Ststistics (OES) data complied by this agency, the top 10 temp occupations filled by Minnesota temp workers accounted for 55 percent of all temp employment in 2012 while the top 50 occupations added up to 87 percent of all temp jobs. Temp employment nationally is slightly less concentrated with 43 and 77 percent of the temps employed in the top 10 and top 50 occupations. Table 3 lists the top 10 occupations in Minnesota as well as nationally.

Minnesota's temp workforce has shifted over the last two decades from predominately office and administrative support work to production work in the state's manufacturing sector. Minnesota's manufacturers have increasingly turned to just-in-time labor to go with just-in-time inventory and just-in-time production to remain globally competitive. Production temp jobs now exceed office and administrative support temp jobs in Minnesota while nationally the two groups account for roughly the same percent of temp work (Figure 3).

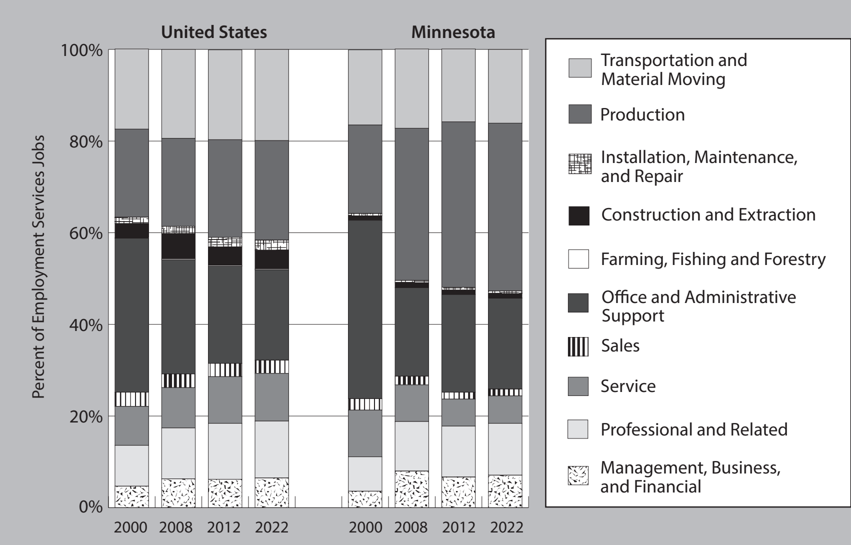
A decade ago almost 40 percent of Minnesota's temp workforce was employed in office jobs like bookkeeping, customer service reps, stock clerks, or data entry keyers. Now just over 20 percent of temps are employed in office settings. Ten years ago fewer than 20 percent of the state's temp workers were involved in production occupations. Today 36 percent of the temp workforce is in production occupations such as production work helpers, assemblers and fabricators, team assemblers, hand packers and packagers, and all

Table 2:
2013 Employment Services Jobs as a Percent of Total Wage and Salary Employment

Rank	State	Percent
1	MI	3.9
2	AZ	3.8
3	IL	3.6
4	GA	3.5
5	TN	3.4
	U.S.	**2.4**
16	TX	2.5
17	WI	2.4
18	**MN**	**2.2**
19	FL	2.2
20	MS	2.2
45	MT	1.0
46	ND	0.9
47	VT	0.8
48	SD	0.7
49	WY	0.6
50	AK	0.4

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW

Figure 3: Occupational Distribution of Employment Services Industry, U.S. and Minnesota



Source: U.S. Bureau of Labor Statistics and Minnesota Department Of Employment and Economic Development. Data are from industrial staffing patterns used in employment projections based on Occupational Employment Statistics (OES) data.

other production workers. Minnesota manufacturers employed 70 percent of the state's 223,000 production workers in 2012. If manufacturers employ the same percentage of the 22,000 temp workers who work in production occupations then the manufacturing sector employs approximately 15,000 temp workers in production jobs. Those workers represent 5 percent of all manufacturing employment and 10 percent of all manufacturing production employment.

The manufacturing sector's reliance on temp staffing is expected to continue to increase in the future. Even though manufacturing employment is expected to drop by 4,000 by 2022, production jobs at temp agencies are expected to jump by 3,700 jobs. Most of the increased demand for temp production workers will come from manufacturers. The increased use of temp workers in manufacturing may be a contributing factor to the widely talked about skills gap the sector is facing. Training and up-skilling must be hard to accomplish if 10 percent of the sector's production workers are temp workers who continuously turn over.

Table 3: Top 10 Temp Help Occupations

Occupation	2012 Employment	Percent of Occupation Held by Temp Workers
Minnesota		
Production Work Helpers	5,946	52
Hand Laborers and Material Movers	5,578	17
Assemblers and Fabricators	5,029	31
Team Assemblers	3,675	21
General Office Clerk	2,971	5
Hand Packers and Packagers	2,495	22
Customer Service Representatives	2,140	4
Personal Care Aides	2,056	4
All Other Production Workers	2,038	25
Human Resources Specialists	1,485	14
U.S.		
Hand Laborers and Material Movers	398,900	18
Team Assemblers	178,900	17
General Office Clerks	167,100	6
Production Work Helpers	123,900	30
Hand Packers and Packagers	108,200	16
Customer service representatives	96,200	4
Assemblers and Fabricators	78,400	28
Construction laborers	77,700	7
Secretaries and Administrative Assis-tants	73,500	3
Human Resources Specialists	64,600	15

Source: U.S. Bureau of Labor Statistics and Minnesota Department of Employment and Economic Development. Data are from the industry staffing patterns used in long-term projections.

A smaller shift to more managerial and professional temp workers has also occurred over the last decade. Professional and related jobs were 7.5 percent of temp workers in Minnesota a decade ago and are now 11.3 percent. Temp management, business, and financial jobs have climbed to 6.7 percent of temp employment from 3.7 percent in 2000. That means more temp jobs for occupations like computer system analysts, accountants, auditors, engineers, computer programmers, and general managers.

As shown in Figure 3 the occupational shifting among temp workers is expected to continue over the next decade with production jobs and professional and management, business, and financial jobs increasing while office and administrative jobs decrease slightly. The percent of employment that will be temp employment will be higher in 10 years but that isn't new news. Temp workers' share of wage and salary employment has grown from 0.7 percent of the 1.6 million wage and salary workers in 1978 or 11,100 temp workers to 2.2 percent of the 2.8 million wage and salary workers or 62,900 workers in 2014. Temp employment in the state has expanded seven times as fast as overall employment has since 1978. Minnesota's temp jobs will continue to outpace total job growth and have years like the last few when growth spikes but, following long-term trends, temp workers are likely to make up somewhere around 2.5 percent of Minnesota's workforce in 2022.

by Dave Senf
Labor Market Information Office
Minnesota Department of Employment and Economic Development