

Seasonal Employment in Northwest Minnesota

There is a common saying in Minnesota that there are two seasons: winter and road construction. This statement couldn't ring more true in Northwest Minnesota. With the beginning of October, the fourth quarter of 2013, numerous industry sectors will begin to lay off workers and downsize temporarily as they prepare for the long winter season. As seasonal work is highly cyclical in nature, the shifts in employment from one quarter to the next and from one season to the next can be analyzed historically, allowing

for a better understanding of how regional economies will be affected.

Cyclical In Nature

Historical unemployment rates show just how punctuated seasonal changes are in Northwest Minnesota. Both Minnesota and Northwest Minnesota tend to reach their lowest unemployment rates of the year in October and quickly spike to their highest rates in January. The difference in these rates, however, is much more significant in Northwest Minnesota. For example, between October 2012 and

January 2013, unemployment statewide rose from 148,696 people to 195,602 people, an increase of 31.5 percent. Northwest Minnesota, on the other hand, witnessed a jump from 14,468 unemployed persons in October 2012, to 24,909 unemployed persons in January 2013. This represents an increase of 72.2 percent over three months. While this represents a large jump in unemployment over a short period of time, it is to be expected in Northwest Minnesota's regional economy. In fact, this stark change in unemployment has gone down in recent years. For example, between 2002 and 2009, the jump in unemployment between the months of October and January averaged 110 percent. Between 2010 and 2013, however, this seasonal jump in unemployment has averaged just 56 percent. Figure 1 shows historical unemployment rates for Minnesota and Northwest Minnesota. Note the much higher spikes in unemployment during the winter months in Northwest Minnesota.

Feature:

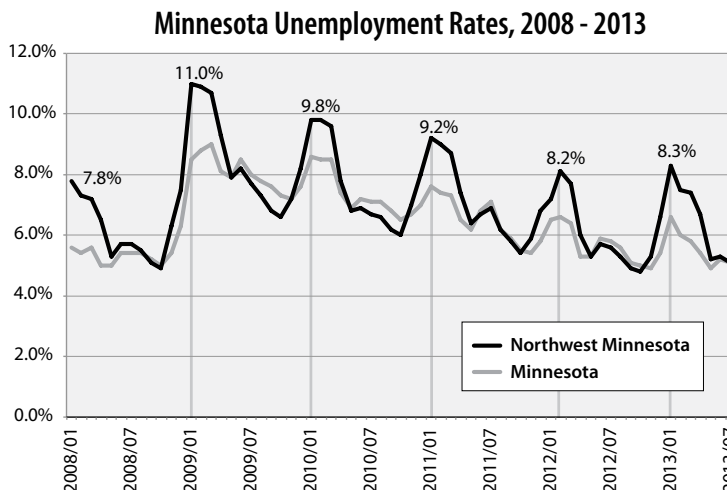
DisABILITY Employment in Minnesota

Training for the Future

In this issue:

- 1 Regional Spotlight
- 5 Business Developments
- 6 Minnesota Counties and County Seats
- 7 States and Capitals
- 8 What's Going On?

Figure 1



Identifying Seasonal Industries

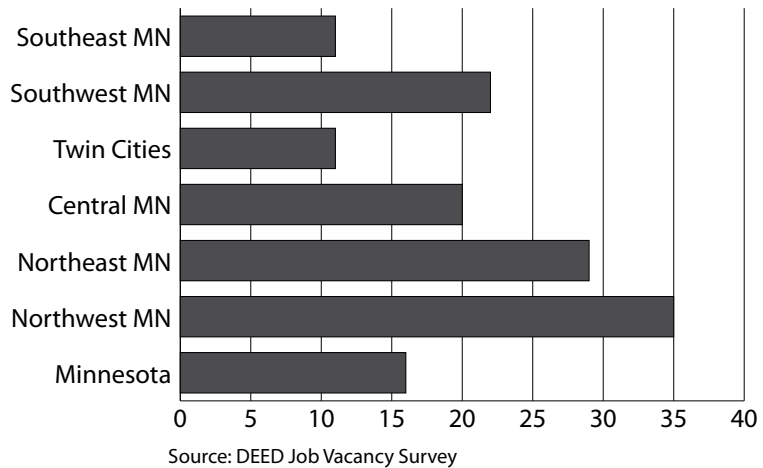
As of the second quarter of 2013, 16 percent of statewide vacancies were for temporary or seasonal work. In Northwest Minnesota 35 percent of vacancies reported were for temporary or seasonal work, the highest rate for all regions in the state (Figure 2).

Identifying which industries are seasonal is fairly intuitive. With winter present industries such as construction, agriculture, and arts, entertainment, and recreation will slow down, while educational services will ramp up. As Northwest Minnesota's economy also relies significantly on tourism, accommodation and food services also proves to have a strong seasonal component. DEED's Job Vacancy Survey (JVS) Program shows the degree to which each industry is seasonal, as surveyed employers are asked to report how many current vacancies are considered temporary/seasonal.

Of those industries reporting seasonal vacancies, the highest percentage are found within administration and waste services, other services, public administration, construction, accommodation and food

Figure 2

Seasonal Vacancies Second Quarter, 2013



services, and arts, entertainment, and recreation (Table 1).

Winter versus Summer Employment

Another method of identifying which industries are seasonal and to what degree they are seasonal is to analyze the changes in quarterly employment. An effective way to do this is to create 'summer' seasonal

employment, which averages second and third quarter employment figures, and 'winter' seasonal employment, which averages first and fourth quarter employment figures. Analyzing historical changes in employment from winter to summer reveals which industries are the most susceptible to seasonal changes. Since 2003, for example, employment in mining jumped by an average of 59 percent from winter to summer in Northwest

Table 1
Temporary/Seasonal Vacancies in NW Minnesota, Second Quarter, 2013

NAICS Code	Industry Title	Temporary and Seasonal Percentage	Vacancies	Vacancy Rate	Median Wage	MN Temporary and Seasonal Percentage
0	Total, All Industries	35%	7,900	3.7	\$10.94	16%
56	Administrative and Support Services	88%	328	10.1	\$11.82	22%
81	Other Services, Ex. Public Administration	79%	181	3.0	\$14.26	11%
92	Public Administration	76%	909	6.2	\$9.99	50%
23	Construction	67%	575	5.6	\$15.40	40%
72	Accommodation and Food Services	54%	1,240	5.9	\$7.56	18%
71	Arts, Entertainment, and Recreation	45%	113	2.3	\$8.92	80%
31	Manufacturing	31%	548	2.0	\$15.84	16%
11	Agriculture, Forestry, Fishing, and Hunting	30%	122	2.8	\$9.46	52%
61	Educational Services	30%	481	2.2	\$21.10	21%
53	Real Estate and Rental and Leasing	24%	19	1.3	\$9.04	64%

Source: DEED Job Vacancy Survey (JVS) Program

Table 2

Northwest Minnesota Industries Exhibiting High Winter-Summer Seasonal Employment Change, 2003-2013

Industry	NW	Central	NE	7-County Metro Area	SE	SW	MN
Total, All Industries	3.6%	1.7%	2.3%	0.7%	1.3%	0.2%	1.2%
Mining	59.0%	36.5%	-3.4%	31.7%	35.9%	13.8%	5.2%
Arts, Entertainment, and Recreation	24.4%	14.5%	12.3%	17.9%	16.4%	27.1%	18.0%
Accommodation and Food Services	21.9%	5.7%	13.7%	3.9%	6.1%	2.9%	6.4%
Construction	21.9%	19.2%	17.2%	11.3%	13.9%	19.5%	14.4%
Administrative and Support Services	14.8%	6.7%	4.5%	3.0%	3.6%	5.5%	3.7%
Agriculture, Forestry, Fishing, and Hunting	6.2%	15.4%	-6.2%	53.6%	4.7%	1.2%	12.9%
Public Administration	5.4%	3.5%	5.3%	3.2%	6.0%	6.4%	4.2%
Educational Services	-13.8%	-13.0%	-12.3%	-7.0%	-10.3%	-16.1%	-11.1%

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

Minnesota. Other Northwest Minnesota industries witnessing large employment jumps from winter to summer include arts, entertainment, and recreation, accommodation and food services, construction, and administrative and support services. Not surprisingly, educational services witnesses a decrease in employment between the winter and summer seasons.

These industries within Northwest Minnesota are, overall, much more seasonal than in all other regions of the state. Between the winter and summer seasons, employment within accommodation and food services in Northwest Minnesota increases by an average of 21.9 percent. This is a much more significant jump than any other region, including Northeast Minnesota, which witnesses an average seasonal jump of 13.7 percent.

Since 2003 the average employment for all industries increases by an average of 3.6 percent between the winter and summer seasons. This is significantly higher than all other regions of the state and Minnesota overall (Table 2).

Seasonal Occupations

Those occupations with a high percentage of temporary/seasonal vacancies can be found in such Northwest Minnesota industry areas as construction, accommodation and food services, and arts, entertainment, and recreation. For instance, within construction 98 percent of highway maintenance worker vacancies and 85 percent of operating engineers and other construction equipment operator vacancies are considered temporary or seasonal. Within accommodation and food services, 82 percent of waiter and waitress vacancies and 66 percent of hotel and resort desk clerk vacancies are considered temporary or seasonal. Within arts, entertainment, and recreation, 94 percent of recreational protective service worker vacancies and 83 percent of coaching vacancies are temporary or seasonal (Table 3).

The high vacancy rates for occupations within construction, accommodation and food services, and arts, entertainment, and recreation also reinforce the seasonal nature of these positions. The job vacancy rate is defined as an estimate of the percent of job vacancies relative

to all filled jobs in the occupation. Essentially, with high turnover in these positions, more openings are going to be available. There were 42.5 job openings per 100 jobs for coaches and scouts in the second quarter of 2013 indicating an extremely high demand for coaches and scouts during the summer months.



Photo: Minnesota Office of Tourism

Table 3

Northwest Minnesota Job Vacancy Survey, Second Quarter, 2013 Sorted by Occupations with High Temporary/Seasonal Vacancies

Occupation	Vacancies	Vacancy Rate	Temporary/ Seasonal Percentage	Hourly Median Wage
Total, All Occupations	7,900	3.7%	35%	\$10.94
Stationary Engineers and Boiler Operators	10	5.1%	100%	\$21.85
Highway Maintenance Workers	72	9.1%	98%	\$9.78
Landscaping and Grounds-keeping Workers	279	23.8%	97%	\$10.20
Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers	155	55.3%	94%	\$7.77
Dishwashers	62	21.2%	87%	\$7.27
Operating Engineers and Other Construction Equipment Operators	82	8.3%	85%	\$19.40
Coaches and Scouts	89	42.5%	83%	\$11.85
Waiters and Waitresses	211	23.7%	82%	\$7.34
Human Resources Assistants, Except Payroll and Timekeeping	11	3.9%	79%	\$8.00
Mail Clerks and Mail Machine Operators	6	5.4%	79%	\$17.54
Bookkeeping, Accounting, and Auditing Clerks	36	1.0%	78%	\$10.25
Meat, Poultry, and Fish Cutters and Trimmers	14	11.9%	70%	\$9.55
Heavy and Tractor-Trailer Truck Drivers	463	11.7%	69%	\$15.79
Laborers and Freight, Stock, and Material Movers, Hand	134	5.4%	67%	\$13.36
Hotel, Motel, and Resort Desk Clerks	64	10.3%	66%	\$9.12

Source: DEED Job Vacancy Survey (JVS) Program

Entering the Winter Season

As 2013 rolls into the fourth quarter, Northwest Minnesota employers will begin to end summer seasonal employment. Those industries expected to witness the largest employment declines will be accommodation and food services, construction, and arts, entertainment, and recreation. In fact, going back to 2008, these three industries account for more than 90 percent of seasonal employment loss from quarters two and three (summer) to quarters one and four (winter) (Table 4). While these industries certainly decline in the winter months, they bounce back every summer as tourists stream north to visit the region's lakes and the construction season roars back from hibernation.

Table 4

Northwest Minnesota Summer to Winter Employment Change, 2008-2012

Industry	Summer to Winter Employment Change, 2008-2012 Average	
	Numeric	Percent
Accommodation and Food Services	-3,925	-21.9%
Arts, Entertainment, and Recreation	-1,015	-24.4%
Construction	-1,976	-21.9%
Total, All Industries	-7,455	-3.6%

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

by Tim O'Neill
Labor Market Information Office
Minnesota Department of Employment and Economic Development

Minnesota Business Developments

Northern

Enbridge Energy, the Canadian petroleum pipeline developer, intends to create 90 new jobs in its Duluth facility in addition to the 110 jobs it created last year. The company's growth in the area is from a boom in its business that it expects will last until 2018 and maybe longer, according to Enbridge's senior manager of U.S. public affairs.

AAR, the Illinois-based leading provider of diverse products and services to the worldwide aviation industry, plans on adding a third line to its maintenance plant in the Twin Ports area. The aerospace and defense contractor maintains planes for Air Canada and currently employs 276 Northlanders. The new facility will create 40 new jobs.

Grand Rapids-based **Magnetation** received approval from the Minnesota Pollution Control Agency to move forward with the establishment of a new iron ore recovery facility near Coleraine. This will be the company's fourth Iron Range facility. The new facility will cost about \$120 million and create 160 jobs by 2015 when the project is completed.

Central

Industrial welding company **WFSI** plans to expand its manufacturing facility in Sauk Rapids, adding 32 new jobs. The company received a \$200,000 Minnesota Investment Fund loan to execute its expansion plan. The 145,000 sq. ft. facility will allow the company to leverage its production volume and sales and boost the local economy.

The leading manufacturer of consumer food packaging used for microwave cooking, **Inline Packaging**, announced a plan to expand its current Princeton site by adding 2,500 sq. ft. to the facility. The expansion will create 25 jobs to meet increasing demand for the company's products.

Twin Cities Metro Area

Emerson Process Management Rosemount announced a plan to expand its Rosemount manufacturing center with the addition of a 500,000 sq. ft. building in Shakopee. The expansion plan includes a capital investment of up to \$70 million and is expected to add 500 jobs. The new site will be phased in over the next five years. Emerson Process Management Rosemount is well known for manufacturing pressure, temperature, flow, level and wireless measurement instrumentation.

Asphalt recycler **Recovery Technology Solutions** plans to develop a new manufacturing plant in Shakopee's Raceway Park, adding 22 jobs. The 24-hour facility will keep 70,000 tons of asphalt shingles out of landfills every year and reduce annual carbon emissions by 5,800 metric tons, according to CEO Tom Branhan.

Software developer **Calabrio** moved its headquarters from Plymouth to a 30,000 sq. ft. office in downtown Minneapolis to accommodate business growth. The new headquarters will house an additional 40 employees in the next two years.

Eden Prairie-based 3D-printing company **Stratasys, Ltd.**, announced a deal to acquire its competitor **MakerBot** in a stock transaction worth \$403 million. The new merger is planned to add at least 80 jobs by the end of 2013.



Southern

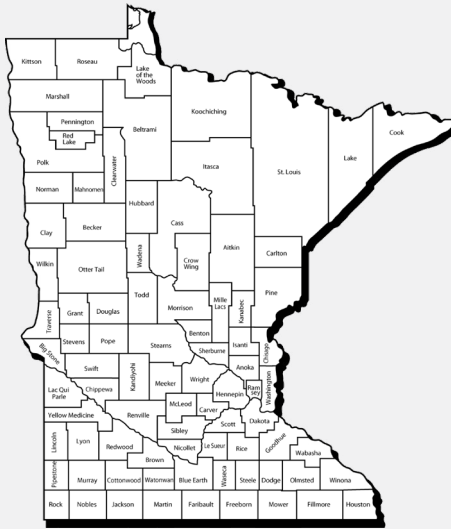
Global worksite safety equipment manufacturer **Capital Safety Group** moved to Minnesota from London in 2012. The company has proposed an expansion of its Red Wing headquarters in a move that would create between 50 and 100 new jobs. CEO Stephen Oswald stated that his main focus will be on expanding the company's global footprint and that he sees 'unlimited potential in the future' for the company's growth.

Duluth, Georgia-based agricultural machinery maker and distributor **AGCO** announced an expansion plan to invest \$42 million in its manufacturing center in Jackson, Minn. The investment is anticipated to increase production capacity by about 25 percent for both tractors and sprayers and create 75 new jobs over the coming three years. AGCO's Jackson facility is the city's largest employer. Most of the new jobs will be in manufacturing and production, and a small percentage will be administrative and support positions, according to a spokesperson.

Kahler Automation, a Fairmont-based designer and manufacturer of automation technologies for the industrial and agricultural industries, announced a plan to expand its facility by adding 15,000 sq. ft. to the current 21,000 sq. ft. site. The \$5.5 million expansion is expected to create 15 new jobs.

by Mohamed Mourssi

Minnesota Counties and County Seats

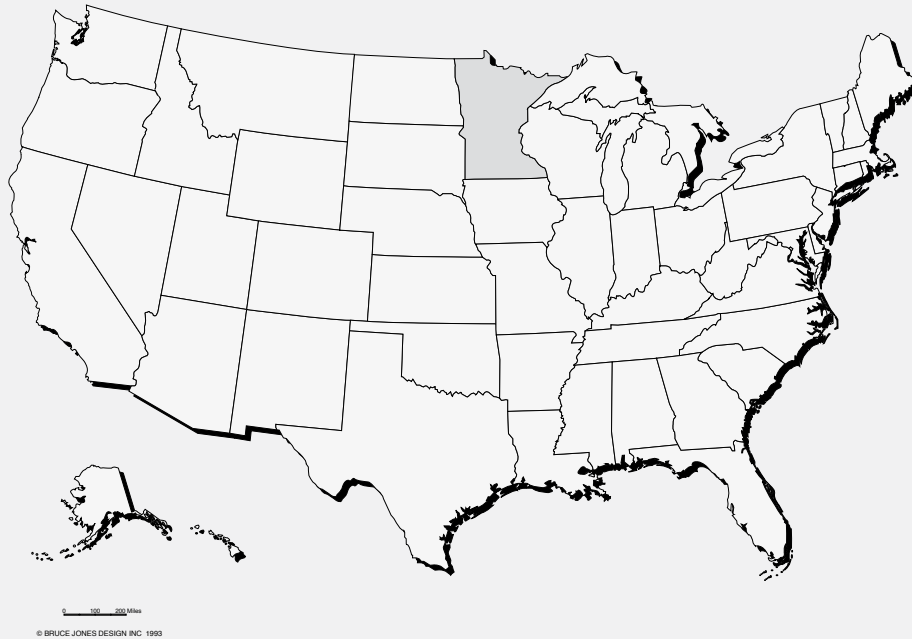


Aitkin – Aitkin
 Anoka – Anoka
 Becker – Detroit Lakes
 Beltrami – Bemidji
 Benton – Foley
 Big Stone – Ortonville
 Blue Earth – Mankato
 Brown – New Ulm
 Carlton – Carlton
 Carver – Chaska
 Cass – Walker
 Chippewa – Montevideo
 Chisago – Center City
 Clay – Moorhead
 Clearwater – Bagley
 Cook – Grand Marais
 Cottonwood – Windom
 Crow Wing – Brainerd
 Dakota – Hastings
 Dodge – Mantorville
 Douglas – Alexandria
 Faribault – Blue Earth
 Fillmore – Preston
 Freeborn – Albert Lea

Goodhue – Red Wing
 Grant – Elbow Lake
 Hennepin – Minneapolis
 Houston – Caledonia
 Hubbard – Park Rapids
 Isanti – Cambridge
 Itasca – Grand Rapids
 Jackson – Jackson
 Kanabec – Mora
 Kandiyohi – Willmar
 Kittson – Hallock
 Koochiching – International Falls
 Lac qui Parle – Madison
 Lake – Two Harbors
 Lake of the Woods – Baudette
 Le Sueur – Le Center
 Lincoln – Ivanhoe
 Lyon – Marshall
 Mahnommen – Mahnommen
 Marshall – Warren
 Martin – Fairmont
 McLeod – Glencoe
 Meeker – Litchfield
 Mille Lacs – Milaca
 Morrison – Little Falls
 Mower – Austin
 Murray – Slayton
 Nicollet – Saint Peter
 Nobles – Worthington
 Norman – Ada
 Olmsted – Rochester

Otter Tail – Fergus Falls
 Pennington – Thief River Falls
 Pine – Pine City
 Pipestone – Pipestone
 Polk – Crookston
 Pope – Glenwood
 Ramsey – Saint Paul
 Red Lake – Red Lake Falls
 Redwood – Redwood Falls
 Renville – Olivia
 Rice – Faribault
 Rock – Luverne
 Roseau – Roseau
 Saint Louis – Duluth
 Scott – Shakopee
 Sherburne – Elk River
 Sibley – Gaylord
 Stearns – Saint Cloud
 Steele – Owatonna
 Stevens – Morris
 Swift – Benson
 Todd – Long Prairie
 Traverse – Wheaton
 Wabasha – Wabasha
 Wadena – Wadena
 Waseca – Waseca
 Washington – Stillwater
 Watonwan – Saint James
 Wilkin – Breckenridge
 Winona – Winona
 Wright – Buffalo
 Yellow Medicine – Granite Falls

States and Capitals



Alabama – Montgomery
Alaska – Juneau
Arizona – Phoenix
Arkansas – Little Rock
California – Sacramento
Colorado – Denver
Connecticut – Hartford
Delaware – Dover
Florida – Tallahassee
Georgia – Atlanta
Hawaii – Honolulu
Idaho – Boise
Illinois – Springfield
Indiana – Indianapolis
Iowa – Des Moines
Kansas – Topeka
Kentucky – Frankfort
Louisiana – Baton Rouge
Maine – Augusta

Maryland – Annapolis
Massachusetts – Boston
Michigan – Lansing
Minnesota – Saint Paul
Mississippi – Jackson
Missouri – Jefferson City
Montana – Helena
Nebraska – Lincoln
Nevada – Carson City
New Hampshire – Concord
New Jersey – Trenton
New Mexico – Santa Fe
New York – Albany
North Carolina – Raleigh
North Dakota – Bismarck
Ohio – Columbus
Oklahoma – Oklahoma City
Oregon – Salem
Pennsylvania – Harrisburg

Rhode Island – Providence
South Carolina – Columbia
South Dakota – Pierre
Tennessee – Nashville
Texas – Austin
Utah – Salt Lake City
Vermont – Montpelier
Virginia – Richmond
Washington – Olympia
West Virginia – Charleston
Wisconsin – Madison
Wyoming – Cheyenne

Review

Minnesota Employment



DEED

Labor Market Information Office

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

Labor Market Information

Help Line:

651.259.7384

An equal opportunity employer and service provider.
Upon request, this document can be made available
in alternative formats.

PRE-SORTED
FIRST-CLASS MAIL
POSTAGE & FEES
PAID
PERMIT NO. 8717

What's Going On?

Made in Minnesota Directory Now Live

DEED has now launched the Made in Minnesota Directory, a free online database of products and supplies manufactured in the state. The database contains details for nearly 715 manufacturers statewide, and Minnesota businesses are encouraged to buy products and supplies from each other, rather than from out-of-state or foreign companies.



Users can search the directory — www.tinyurl.com/MadeinMinnesotaDirectory — by product, company name or county. Businesses can find manufacturers who make everything from food products to textiles, fabricated metals, machinery, and computers and electronics.

There's more: The directory also contains the names and addresses of participating companies, year the businesses were established, corporate contact information, number of employees, products they make and products they are interested in buying from Minnesota suppliers.

Also, Made in Minnesota contains information on renewable energy products.

The employment and unemployment data in this publication were produced in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.
© 2013 by the Department of Employment and Economic Development, Labor Market Information Office

Editor:

Carol Walsh

Technical Editors:

*M. B. Hummel
Dave Senf*

Writers:

*Mohamed Mourssi
Tim O'Neill
Rachel Vilsack*

Graphics/Layout:

Mary Moe

Webpage Preparation:

Mary Moe

Commissioner:

Katie Clark Sieben

LMI Office Director:

Steve Hine

Assistant Director and Technical Supervisor:

Oriane Casale

Minnesota
Department of Employment and Economic Development