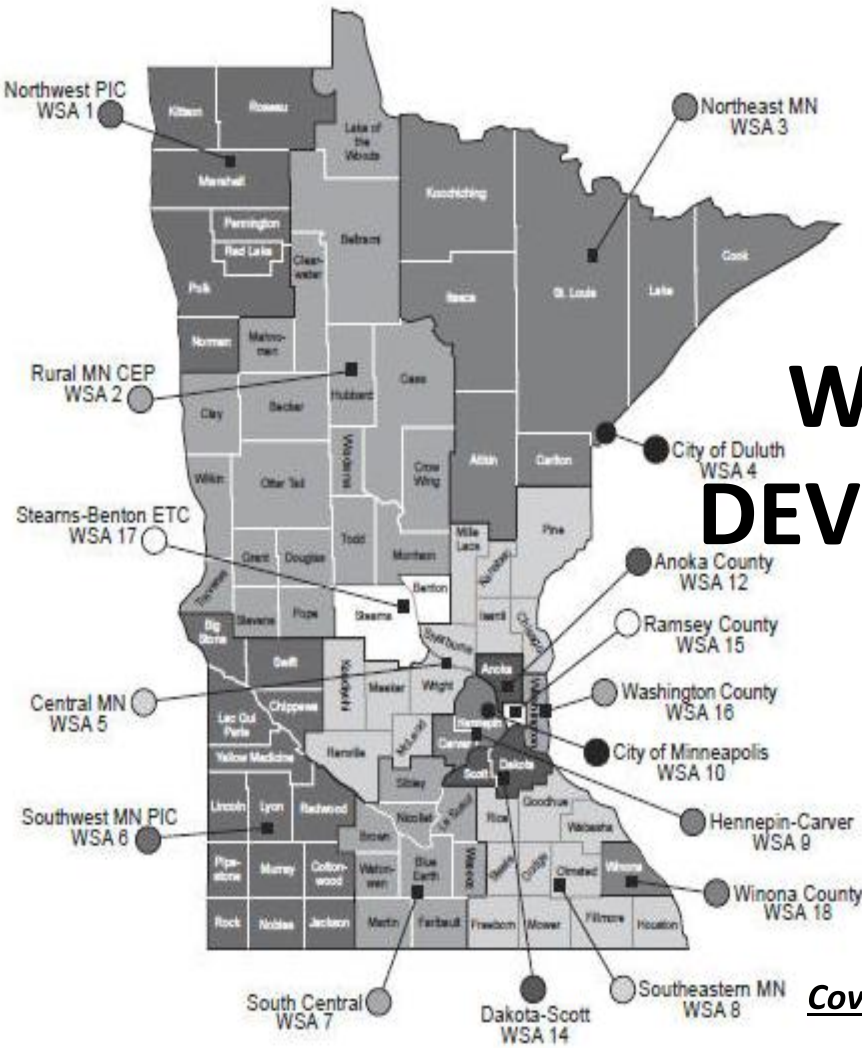

LOCAL WORKFORCE DEVELOPMENT AREA 3

Northeast Minnesota

Covering the following counties:

Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis
-except for the city of Duluth

2019 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE

Local Workforce Development Area 3 consists of seven counties located in the Northeast region of the state, except for the city of Duluth. According to population data from the U.S. Census Bureau, Local Area 3 was home to 239,026 people in 2018, accounting for 4.3 percent of the state's total population. Local Area 3 has lost 934 residents since 2010, a 0.4 percent decrease. Meanwhile, the state of Minnesota has grown by 5.8 percent with an increase of 307,254 people (Table 1).

Table 1. Population Change 2010-2018				
	2010 Population	2018 Estimates	*2010-2018 Change*	
			Number	*Percent*
WDB 3 – Northeast	**239,960**	**239,026**	***-934***	***-0.4%***
Aitkin Co.	16,202	15,902	*-300*	*-1.9%*
Carlton Co.	35,386	35,837	*+451*	*+1.3%*
Cook Co.	5,176	5,393	*+217*	*+4.2%*
Itasca Co.	45,058	45,108	*+50*	*+0.1%*
Koochiching Co.	13,311	12,440	*-871*	*-6.5%*
Lake Co.	10,866	10,658	*-208*	*-1.9%*
St. Louis Co.	200,226	199,754	*-472*	*-0.2%*
-City of Duluth	86,265	86,066	*-199*	*-0.2%*
Northeast Minnesota	326,225	325,092	*-1,133*	*-0.3%*
State of Minnesota	**5,303,925**	**5,611,179**	***+307,254***	***+5.8%***

Source: U.S. Census Bureau, Population Estimates

Four of the 7 counties in the region lost population from 2010 to 2018 with Koochiching County losing 871 people, a 6.5 percent decline, making it the 6th fastest declining county (of 87) in the state. Lake and Aitkin Counties both lost 1.9 percent of the population in the past decade while St. Louis County decreased in population by 472 people. Carlton County gained 451 people since 2010, a 1.3 percent increase, and Cook County increased its population by 4.2 percent, the 21st fastest growing county in the state (Table 1).

COMPONENTS OF POPULATION CHANGE

The recent population decrease in Local Area 3 was fueled primarily by a natural decrease – more deaths than births – of 1,644 people from 2010 to 2018. These decreases were supplemented by domestic migration loss during that time, when 103 more people moved out of the region than in. However, the population decrease would have been even greater if not for a gain of 1,133 new foreign-born immigrants to the region since 2010 (Table 2).

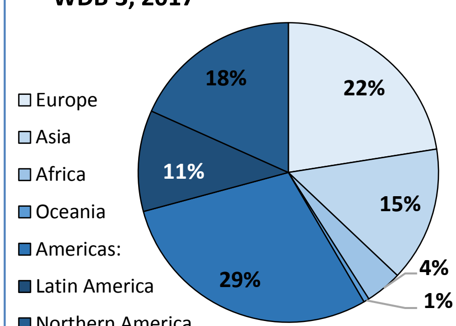
Table 2. Estimates of the Components of Population Change, 2010-2018							
			Vital Events		Net Migration		
	Total Change	*Natural Increase*	Births	Deaths	*Total*	*Inter-national*	*Domestic*
WDB 3 – Northeast	*-825*	*-1,644*	19,563	21,207	*+1,403*	*+1,133*	*-103*
Minnesota	*+307,254*	*+228,289*	570,171	341,882	*+81,671*	*+107,830*	*-26,159*

Source: U.S. Census Bureau, Population Estimates Program

With the in-migration, Local Area 3 was now home to 4,141 foreign born residents, or 1.7 percent of the total population. The largest number of immigrants in the region came from Europe, Canada, Asia, and Latin America (Figure 1). However the fastest increase in immigrants came from Africa, which more than tripled since 2010.

Based on year of entry, Local Area 3's foreign born population was "older" than the rest of the state. About 49 percent of the region's immigrants entered the U.S. before 1990, compared to just 21.6 percent statewide. However, the region had nearly the same percentage of Foreign-born residents who had entered 2010 or later as the state. Foreign-born residents have a younger age profile than the native born population, with 44.1 percent being between 25 and 54 years of age, compared to 33.9 percent of the total population. While a higher percentage of foreign-born residents had a bachelor's degree or higher than native born residents, immigrants were also much more likely to have less than a high school diploma.

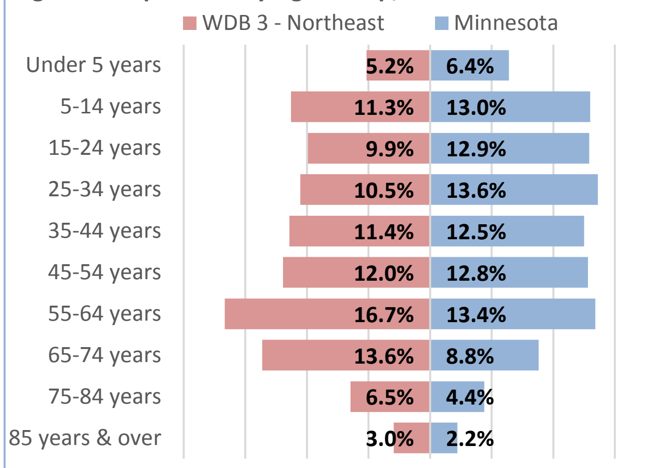
Figure 1. Place of Birth for the Foreign Born Population in WDB 3, 2017



POPULATION BY AGE GROUP

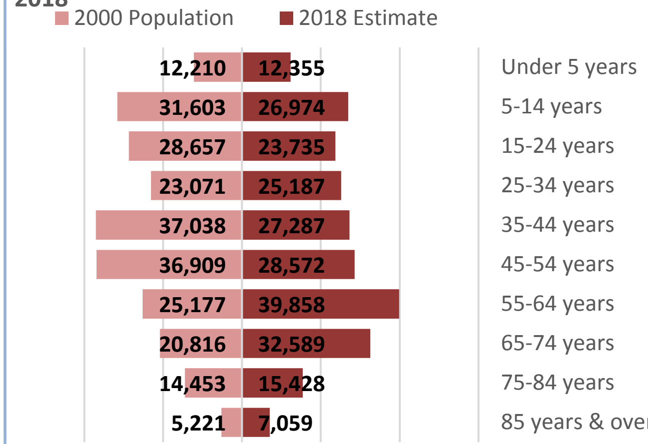
Local Area 3 has a much older population than the rest of the state, with 23.1 percent of residents aged 65 years and over, compared to 15.4 percent statewide. Consequently, the Local Area 3 had a lower percentage of people in the 25- to 54-year-old age group, typically considered the “prime working years,” as well as a smaller percent of school-aged children. A large portion of the region’s population is a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger and middle-aged residents was declining, the number of residents aged 55 years and over was rapidly increasing (Figure 2 and 3).

Figure 2. Population by Age Group, 2018



Source: U.S. Census Bureau, Population Estimates

Figure 3. WDB 3 Population Pyramid, 2000-2018



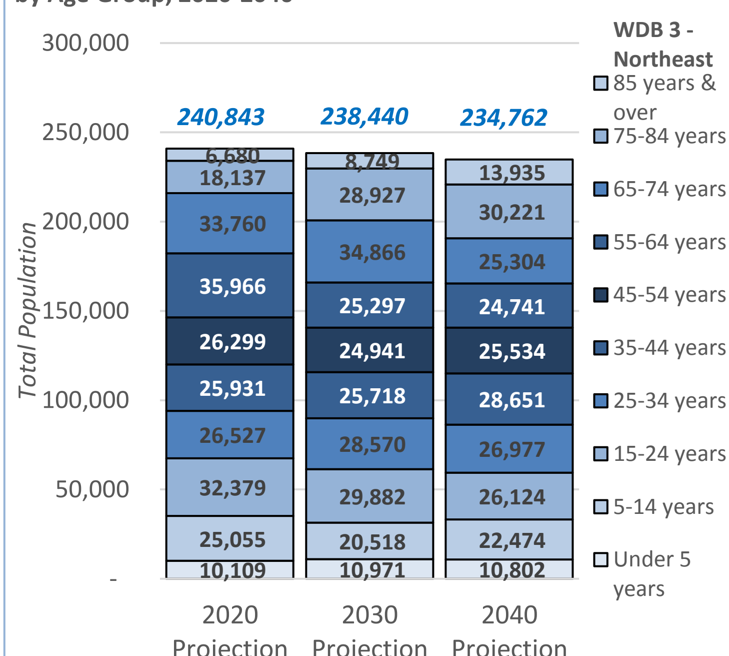
Source: U.S. Census Bureau

POPULATION PROJECTIONS BY AGE GROUP

Local Area 3 is projected to see population declines in the next 20 years. According to population projections from the [State Demographic Center], the area is expected to lose just over 6,080 residents from 2020 to 2040, a -2.5 percent decline (Figure 4). In comparison, the state of Minnesota is projected to grow 8.8 percent from 2020 to 2040, closing in on 6.2 million residents.

However, Local Area 3 is expected to add nearly 19,339 people aged 75 years and over, a 78 percent jump. The region is also projected to see a small but notable gain in the 25- to 44-year-old age group, as well as a corresponding bump in children under 5. In contrast, the region is expected to lose school-aged children and young adults, as well as a huge number of people (-19,682 people) from 55 to 74 years as the current Baby Boom generation moves through the population pyramid.

Figure 4. WDB 3-Northeast Population Projections by Age Group, 2020-2040



Source: Minnesota State Demographic Center

POPULATION BY RACE

Local Area 3's population is less diverse than the state's, but is becoming more diverse over time. In 2017, about 93 percent of the region's residents reported White alone as their race, compared to 83.7 percent of residents statewide. The region had much smaller percentages of Black or African American residents, Asian or Other Pacific Islanders, and people of Hispanic or Latino origin. However at 2.9 percent, Local Area 3 had a higher percentage of people reporting as American Indian or Alaska Native than the state, and a similar percentage of people of Two or More Races (Table 3).

Table 3. Race and Hispanic Origin, 2017	WDB 3 - Northeast			Minnesota	
	Number	Percent	*Change from 2000-2017*	Percent	*Change from 2000-2017*
Total	**239,338**	**100.0%**	***+1.8%***	**100.0%**	***+11.6%***
White	223,268	93.3%	*-0.5%*	83.7%	*+4.5%*
Black or African American	1,943	0.8%	*+157.0%*	6.0%	*+90.4%*
American Indian & Alaska Native	6,910	2.9%	*+11.1%*	1.0%	*+4.7%*
Asian & Other Pacific Islander	1,340	0.6%	*+85.9%*	4.7%	*+79.2%*
Some Other Race	578	0.2%	*+43.8%*	1.7%	*+45.3%*
Two or More Races	5,299	2.2%	*+97.8%*	2.8%	*+86.7%*
Hispanic or Latino	2,835	1.2%	*+91.6%*	5.2%	*+98.5%*

Source: *2013-2017 American Community Survey, 5-year estimates*

Cook County had the most diverse populace in the region, with just 87 percent of residents reporting white alone as their race, while 8 percent of residents reported being American Indian or Alaska Native. In contrast, Aitkin and Lake Counties had more than 95 percent of their population reporting their race as white alone.

EDUCATIONAL ATTAINMENT

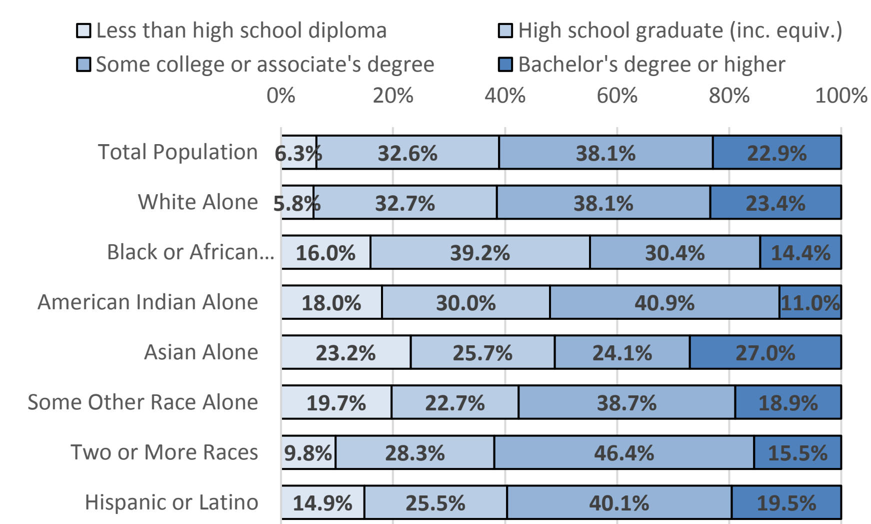
With 34.5 percent of adults aged 18 years and over holding a college degree, Local Area 3 had lower educational attainment than the state in 2017, where 42.7 percent of adults have an associate, bachelor's, or advanced degree. In contrast, the area had a higher percentage of people with some college but no degree, and a high school diploma or less. Area education attainment only exceeded the state in associate's degrees (Table 4).

Table 4. Educational Attainment for the Adult Population, 2017	WDB 3 - Northeast		Minnesota
	Number	**Percent**	**Percent**
Total, 18 years & over	191,006	100.0%	**100.0%**
Less than high school	13,685	7.2%	7.8%
High school grad. (incl. equiv.)	62,254	32.6%	25.6%
Some college, no degree	49,323	25.8%	23.8%
Associate's degree	24,553	12.9%	10.6%
Bachelor's degree	28,822	15.1%	21.7%
Advanced degree	12,369	6.5%	10.4%

Source: *U.S. Census Bureau, 2013-2017 American Community Survey*

Educational attainment varies significantly by race and ethnicity in Local Area 3. Around 20 percent of Asian, Black or African American, and American Indian residents had less than a high school diploma, compared to just 6 percent of white residents. However, over 30 percent of Black or African Americans, American Indians, and people of Two or More Races have attended some college or earned an associate's degree, and 27 percent of Asian residents had a bachelor's degree or higher, which was greater than the white population (Figure 5).

Figure 5. WDB 3 Educational Attainment for the population aged 25 years & over by Race or Origin, 2017



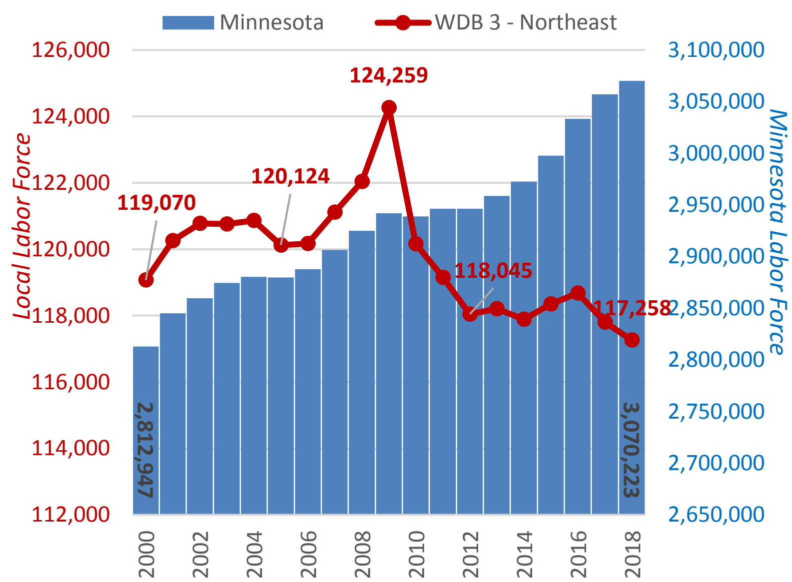
Source: 2013-2017 American Community Survey

LABOR FORCE

LABOR FORCE CHANGE

According to data from DEED's Local Area Unemployment Statistics program, Local Area 3 had 117,258 workers in 2018. In the depths of the recession in 2009, the region's labor force reached its peak with nearly 124,300 workers, but has steadily declined as the recovery from the recession has taken hold. Along with population decreases for the local area, the labor force lost 2,866 workers since 2005 (Figure 6). Local Area 3 is one of three local areas in the state to suffer a loss in its labor force since 2005. In contrast, the state was steadily gaining workers over the past decade and a half (Figure 6). As the economy has recovered, the labor market in the region has been getting tighter, with only about 5,400 unemployed workers in 2018.

Figure 6. Annual Labor Force Estimates, 2000-2018

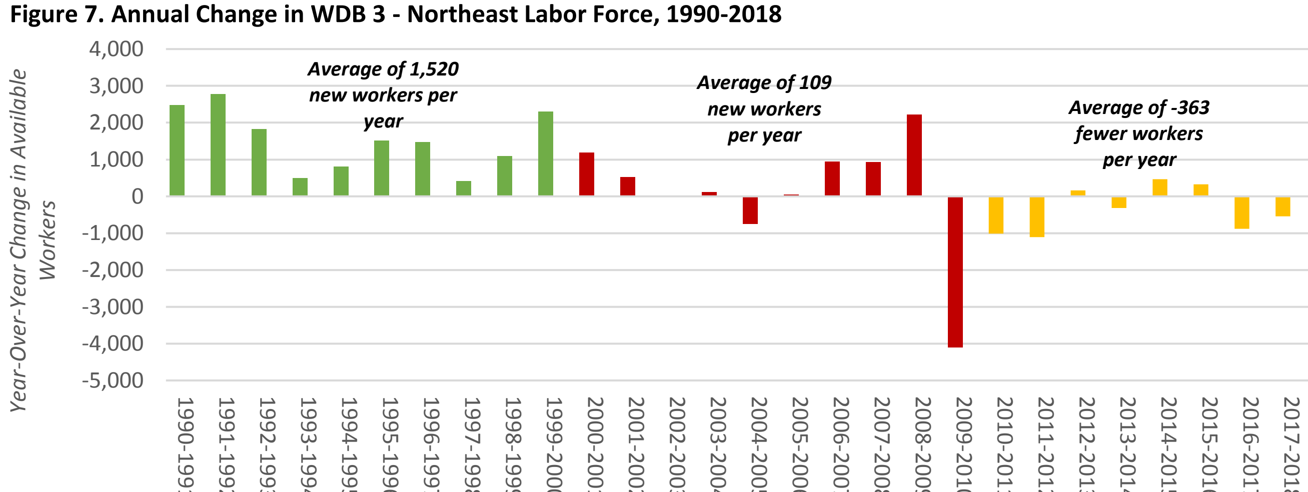


Source: DEED Local Area Unemployment Statistics (LAUS) program

After averaging a net gain of about 1,500 additional labor force participants per year between 1990 and 2000, Local Area 3 employers were able to tap into a large and growing pool of talented workers. However, from 2001 to 2018, the area's labor force started to shrink, losing about 1,800 workers so far this century. The region peaked with 124,259 available workers in 2009, but dropped to 117,258 workers in 2018 (Figure 6).

Increasingly tight labor markets and a growing scarcity of workers is now recognized as one of Local Area 3's most significant barriers to future economic growth. In the face of these constraints, it has become evident that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and immigration has been and will continue to be a vital source of the workers that employers need to succeed. As the White, native-born workforce continues to age, younger workers of different races or from different countries will comprise the fastest growing segment of the labor force.

Figure 7. Annual Change in WDB 3 - Northeast Labor Force, 1990-2018



Source: DEED Local Area Unemployment Statistics (LAUS)

LABOR FORCE PROJECTIONS

If Local Area 3's population changes at the projected rates shown in Figure 4 above, the area would be expected to see a decline in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a steady 5.7 percent drop in workforce numbers. In addition to the overall decline, the labor force will also see a significant shift over time, with gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. The region is also expected to lose teenaged workers and entry-level workers in the next decade. However, the region is expected to see gains in the number of 25 to 44 year olds. These long-term declines will likely lead to a tight labor market in the future, with employers needing to respond to the changing labor force availability in the region (Table 5).

Table 5. WDB 3 - Northeast Labor Force Projections

	2020 Labor Force Projection	2030 Labor Force Projection	*2020-2030 Change*	
			Numeric	*Percent*
16 to 19 years	6,279	5,473	*-806*	*-12.8%*
20 to 24 years	14,338	13,867	*-471*	*-3.3%*
25 to 44 years	43,913	45,445	*+1,532*	*+3.5%*
45 to 54 years	21,491	20,381	*-1,110*	*-5.2%*
55 to 64 years	21,806	15,338	*-6,468*	*-29.7%*
65 to 74 years	6,122	6,323	*+201*	*+3.3%*
75 years & over	1,048	1,591	*+543*	*+51.8%*
Total Labor Force	**114,997**	**108,418**	***-6,580***	***-5.7%***

Source: calculated from Minnesota State Demographic Center population projections and 2013-2017 American Community Survey 5-Year Estimates

EMPLOYMENT CHARACTERISTICS

With just 58.7 percent of the population over 16 years of age in the labor force, Local Area 3 had a much lower labor force participation rate than the state. In addition, every age group had lower labor force participation rates than those statewide, especially for 25 to 64 year olds (Table 6).

The region had lower participation rates than the state for almost every race group; and also had large unemployment rate disparities for minorities. Unemployment rates for American Indians and Two or More Races were more than double the rate for Whites. The region also had 6,014 veterans and 6,696 workers with disabilities in the labor force, with both having lower participation rates than the state. Unemployment rates were highest for youth, minorities, and workers with disabilities.

Table 6. WDB 3 - Northeast Employment Characteristics, 2017

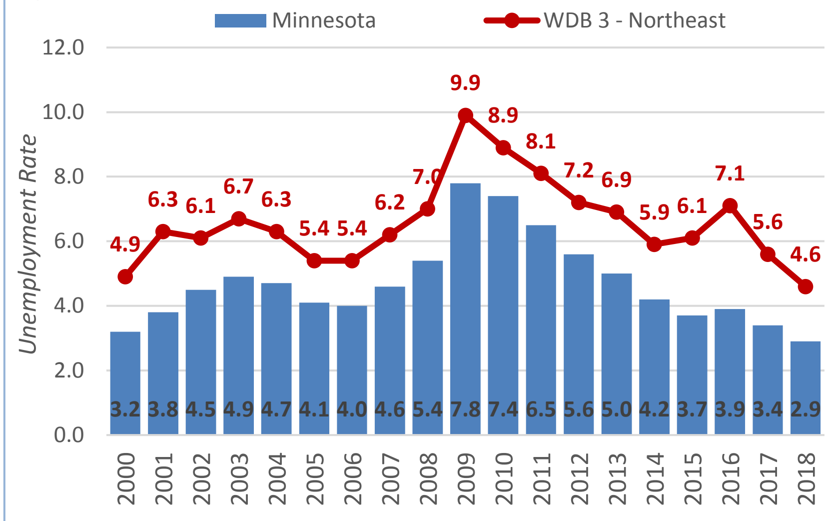
	WDB 3 - Northeast			Minnesota	
Age Group	Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	**115,535**	**58.7%**	**5.3%**	**69.9%**	**4.3%**
16 to 19 years	5,563	52.3%	12.3%	52.6%	12.8%
20 to 24 years	9,962	82.5%	8.9%	84.2%	7.1%
25 to 44 years	42,794	83.7%	5.2%	88.4%	3.9%
45 to 54 years	26,422	81.7%	4.2%	87.2%	3.0%
55 to 64 years	24,765	60.6%	4.0%	72.5%	3.2%
65 to 74 years	5,135	18.1%	3.1%	27.4%	2.7%
75 years & over	910	4.2%	4.8%	6.1%	2.8%
Employment Characteristics by Gender					
Male	61,384	61.4%	6.3%	73.7%	4.8%
Female	54,183	55.9%	3.9%	66.1%	3.8%
Employment Characteristics by Race & Hispanic Origin					
White alone	108,977	58.7%	5.0%	69.7%	3.6%
Black or African American	686	43.6%	2.9%	69.8%	11.0%
American Indian & Alaska Native	2,947	58.5%	12.8%	58.6%	13.3%
Asian or Other Pacific Islanders	676	64.0%	4.4%	71.1%	5.2%
Some Other Race	281	60.0%	0.0%	77.2%	7.5%
Two or More Races	1,991	62.2%	13.8%	72.5%	9.1%
Hispanic or Latino	1,115	58.9%	5.9%	76.2%	7.2%
Employment Characteristics by Disability					
With Any Disability	6,696	40.3%	10.0%	52.3%	9.5%
Employment Characteristics by Educational Attainment					
Population 25 to 64 years	94,007	75.6%	4.3%	84.1%	3.5%
Less than H.S. Diploma	2,810	50.6%	6.7%	65.4%	4.9%
H.S. Diploma or Equivalent	25,366	69.3%	3.3%	78.7%	2.9%
Some College or Assoc. Degree	40,953	77.7%	3.6%	85.2%	3.5%
Bachelor's Degree or Higher	24,846	84.3%	2.6%	89.6%	2.1%

Source: 2013-2017 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATES

Local Area 3 has consistently reported higher unemployment rates than Minnesota, typically hovering at least 2.0 percent above the state rate. According to Local Area Unemployment Statistics, the region's unemployment rate reached its peak in 2009 at 9.9 percent, then steadily declined to an annual rate of 5.9 percent in 2014 but increased to 7.1 percent in 2016, due in part to mining layoffs. Since then, the unemployment rate has dropped to 4.6 percent as the mines began to hire back laid off employees and the labor market tightens (Figure 8).

Figure 8. Unemployment Rates, 2000-2018



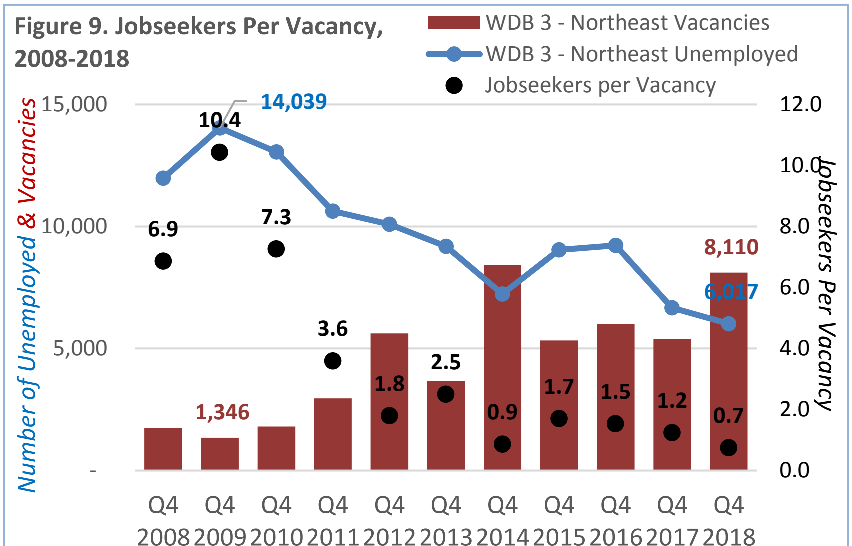
Source: DEED Local Area Unemployment Statistics (LAUS) program

JOBSEEKERS PER VACANCY

As the number of available workers has declined and the economy continues to recover, the region's labor market has tightened. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which now stands at 0.7-to-1 in Northeast Minnesota.

According to recent job vacancy survey results, there were 8,110 openings reported by employers compared to 6,017 unemployed jobseekers in the region. The ratio climbed as high as 10.4 during the recession in 2009 (Figure 9).

Figure 9. Jobseekers Per Vacancy, 2008-2018



Source: DEED Job Vacancy Survey, LAUS program

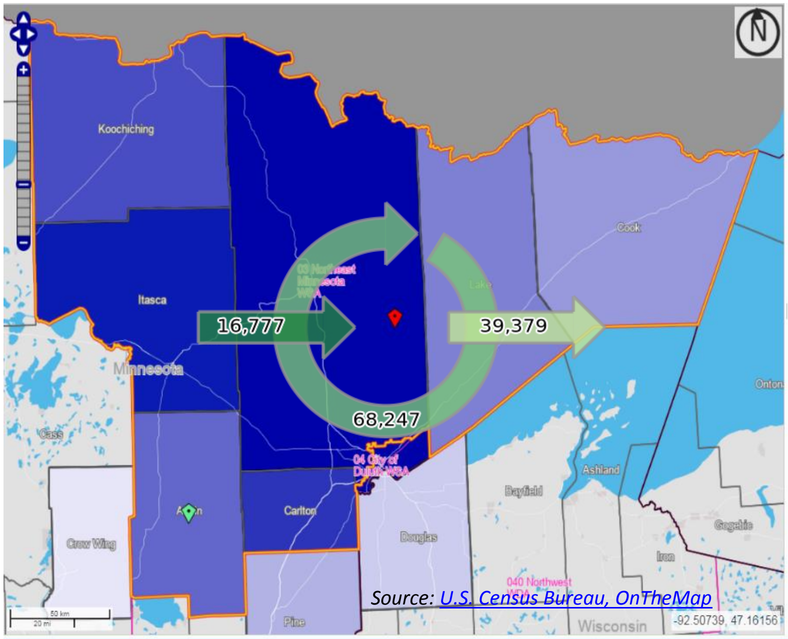
COMMUTE SHED AND LABOR SHED

According to commuting data from the U.S. Census Bureau, the vast majority – about 80 percent – of workers who live in the region also work within the area. However, Local Area 3 is a net exporter of labor, having fewer jobs than, workers, primarily due to the jobs in the city of Duluth. In sum, 68,247 workers both lived and worked in the 7-county Local Area, while another 16,777 workers drove into the region for work, compared to 39,379 who live in the region but drove to a different area for work – again, primarily to Duluth (Table 7, Figure 10).

Table 7. WDB 3 – Northeast Inflow/ Outflow Job Counts (All Jobs), 2017	2017	
	Count	Share
Employed in the Selection Area	85,024	100.0%
Employed in the Selection Area but Living Outside	16,777	19.7%
Employed and Living in the Selection Area	68,247	80.3%
Living in the Selection Area	107,626	100.0%
Living in the Selection Area but Employed Outside	39,379	36.6%
Living and Employed in the Selection Area	68,247	63.4%

Source: U.S. Census Bureau, OnTheMap

Figure 10. WDB 3 - Northeast Labor and Commute Shed, 2017



Source: U.S. Census Bureau, OnTheMap

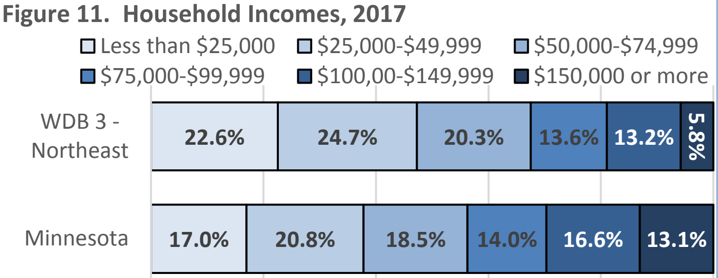
St. Louis County is the largest employment center in the area and was the biggest draw for workers, followed by Itasca, Carlton, Koochiching, Lake, and Cook counties. Employers in the region draw workers from Douglas County in Wisconsin as well as Pine County to the south of the region. In contrast, the area sends workers to the Twin Cities, represented by Hennepin and Ramsey County, as well as to Douglas County, Wisconsin (Figure 10). The average commute time for workers the region was 22.0 minutes, compared to 23.4 minutes for workers statewide. Almost 55 percent of workers commuted less than 20 minutes each way, compared to 46.5 percent statewide. About 4.5 percent of workers worked at home, and 3.5 percent were able to walk to work. About half (49.9%) of workers left home between 6:00 a.m. and 8:00 a.m.

INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Local Area 3 than the rest of the state. The median household was $53,155 in 2017, compared to $65,699 in Minnesota. About half (47.3%) of the households in the region had incomes below $50,000 in 2017, compared to 37.8 percent of households statewide. Only 5.8 percent of households had incomes greater than $150,000 in the region (Figure 11).

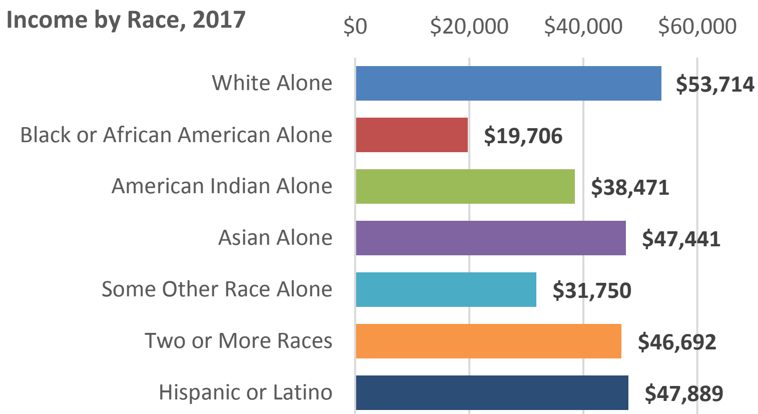
Figure 11. Household Incomes, 2017



Source: 2013-2017 American Community Survey 5-Year Estimate

Median household incomes varied by race or origin in the region. Black or African American households reported the lowest incomes in Local Area 3, with a median income that was about $34,000 lower than for White households. American Indian households also reported much lower median incomes. Meanwhile, Asian, Two or More Races, and Hispanic or Latino households reported similar median income as White households. However, sample sizes were small for several of the other race groups, leading to large margins of error and big swings compared to previous years (Figure 12).

Figure 12. WDB 3-Northeast Median Household Income by Race, 2017



Source: 2013-2017 American Community Survey

COST OF LIVING

According to DEED's Cost of Living tool, the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was $55,548 in 2018. The cost of living for a similar family in Northeast Minnesota was $48,540 – which was the third lowest of the 6 planning regions in the state. The highest monthly costs were for transportation, food, and housing; though the region's housing, child care, and taxes were significantly lower than the rest of the state. In order to meet the basic needs cost of living for the region, the two workers in the family scenario described would need to earn $15.56 per hour working a combined 60 hours per week.

DEED's Cost of Living tool provides different estimates for household compositions including single people, partnered couples, and up to 4 children. For a single person living alone and working full-time, the estimated yearly cost in the Arrowhead would be $28,656, which would require an hourly wage of $13.78 to meet the basic needs standard of living (Table 8).

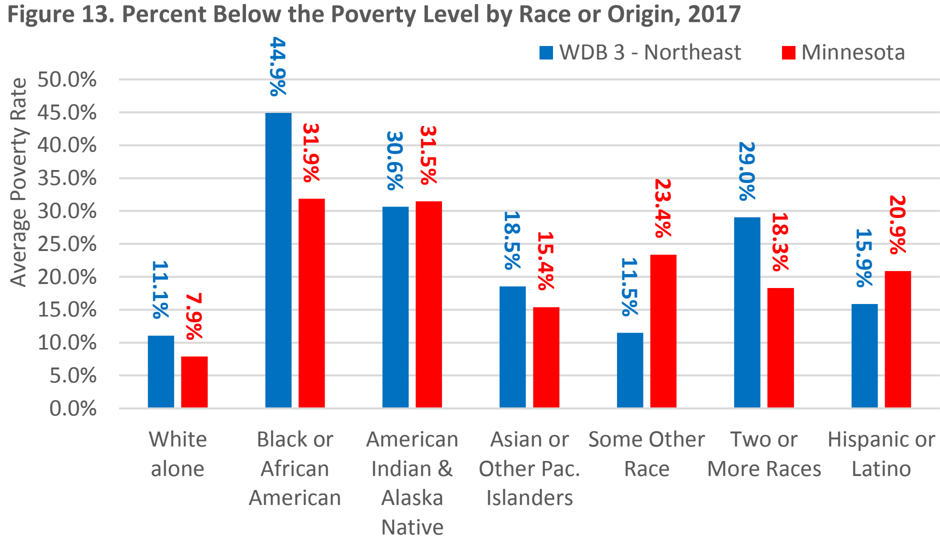
Table 8. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2018

Family Composition	Number of Workers	Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
				Child Care	Food	Health Care	Housing	Trans-portation	Other	Taxes
Northeast Minnesota										
Single, 0 children	1 FT	$28,656	$13.78	$0	$329	$138	$642	$637	$298	$344
Single, 1 child	1 FT	$43,728	$21.02	$555	$486	$338	$839	$642	$407	$377
2 parents, 1 child	**1 FT, 1 PT**	**$48,540**	**$15.56**	**$278**	**$751**	**$496**	**$839**	**$740**	**$488**	**$453**
2 parents, 2 children	2 FT	$68,184	$16.39	$968	$980	$495	$1,083	$779	$633	$735
State of Minnesota										
Single, 0 children	1 FT	$30,900	$14.86	$0	$335	$137	$759	$629	$336	$379
2 parents, 1 child	**1 FT, 1 PT**	**$55,548**	**$17.80**	**$511**	**$764**	**$484**	**$986**	**$729**	**$537**	**$618**

Source: DEED Cost of Living tool

Overall, Local Area 3's poverty rate was 12.2 percent, which was well above the statewide rate of 10.5 percent. Like incomes, poverty levels varied widely by race and origin. It was estimated that 45 percent of the region's Black or African American population was below the poverty level in 2017, compared to just 11.1 percent of the white population. Likewise, poverty levels hovered around 30 percent for American Indians, and 29 percent for people of two or more races. 18.5 percent of people of Asian and 15.9 percent of Hispanic or Latino origin also were below the poverty level in 2017. In almost all cases, the region's poverty rate was higher than the state's poverty rate, except for some other race, Hispanic or Latino, and American Indian (Figure 13).

Figure 13. Percent Below the Poverty Level by Race or Origin, 2017



Source: 2013-2017 American Community Survey

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Northeast Minnesota was $18.57 in the first quarter of 2019, which was the third lowest wage level of the six planning regions in the state. Northeast's median wage was $2.38 below the state's median hourly wage, equaling 88.6 percent of the statewide wage rate, and $4.21 below the median hourly wage in the Twin Cities metro area, which would amount to nearly $9,000 per year for a full-time worker (Table 9). Based on location quotient, Northeast Minnesota stands out for having higher concentrations of community and social service, forestry, healthcare support, installation, maintenance, and healthcare practitioner workers than the state. The largest occupations in the region include office and administrative support, food preparation and serving, sales and related, and healthcare practitioner positions.

Table 9. Occupational Employment Statistics by Region, 1st Qtr. 2019	Median Hourly Wage	Estimated Regional Employment
Central Minnesota	$18.94	286,270
Northeast Minnesota	**$18.57**	**144,430**
Northwest Minnesota	$18.09	223,830
Southeast Minnesota	$19.28	241,540
Southwest Minnesota	$18.02	176,430
Twin Cities Metro Area	$22.78	1,793,870
State of Minnesota	**$20.95**	**2,867,700**

Source: DEED Occupational Employment Statistics

Not surprisingly, the lowest-paying jobs are concentrated in food prep and serving, building, grounds cleaning and maintenance, sales and related, personal care and service, and healthcare support, which tend to have lower educational and training requirements. For the most part, the gap in pay between Northeast Minnesota and the state is also much lower in these jobs (Table 10).

Table 10. Northeast Minnesota Occupational Employment Statistics, 1st Qtr. 2019

	Northeast Minnesota				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*	*Location Quotient*	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*
Total, All Occupations	**$18.57**	**144,430**	***100.0%***	***1.0***	**$20.95**	**2,867,700**	***100.0%***
Office & Administrative Support	$17.20	20,430	*14.1%*	*1.0*	$19.10	405,970	*14.2%*
Food Preparation & Serving Related	$11.61	15,000	*10.4%*	*1.2*	$11.90	242,170	*8.4%*
Sales & Related	$12.36	13,640	*9.4%*	*1.0*	$14.97	277,070	*9.7%*
Healthcare Practitioners & Technical	$30.94	11,600	*8.0%*	*1.2*	$35.79	190,720	*6.7%*
Education, Training & Library	$24.01	8,270	*5.7%*	*1.0*	$24.22	166,300	*5.8%*
Personal Care & Service	$12.55	7,760	*5.4%*	*1.1*	$12.90	144,070	*5.0%*
Production	$21.70	7,390	*5.1%*	*0.7*	$18.68	214,230	*7.5%*
Management	$40.64	7,270	*5.0%*	*0.8*	$51.26	171,250	*6.0%*
Transportation & Material Moving	$18.06	7,210	*5.0%*	*0.8*	$18.48	177,580	*6.2%*
Installation, Maintenance & Repair	$22.97	6,760	*4.7%*	*1.3*	$23.13	100,030	*3.5%*
Healthcare Support	$15.36	6,530	*4.5%*	*1.6*	$16.82	83,380	*2.9%*
Construction & Extraction	$27.37	6,220	*4.3%*	*1.2*	$28.07	100,510	*3.5%*
Building, Grounds Cleaning & Maint.	$13.50	5,400	*3.7%*	*1.2*	$14.97	85,820	*3.0%*
Community & Social Service	$19.99	5,180	*3.6%*	*1.8*	$22.73	57,870	*2.0%*
Business & Financial Operations	$28.53	5,000	*3.5%*	*0.6*	$33.03	164,510	*5.7%*
Protective Service	$23.34	2,920	*2.0%*	*1.3*	$21.52	44,390	*1.5%*
Architecture & Engineering	$35.23	2,200	*1.5%*	*0.8*	$37.53	56,070	*2.0%*
Computer & Mathematical	$32.63	1,820	*1.3%*	*0.4*	$40.96	96,020	*3.3%*
Life, Physical & Social Science	$29.94	1,660	*1.1%*	*1.3*	$33.54	26,210	*0.9%*
Arts, Design, Entertainment & Media	$20.02	1,290	*0.9%*	*0.6*	$24.35	39,670	*1.4%*
Legal	$34.84	510	*0.4%*	*0.5*	$36.50	19,870	*0.7%*
Farming, Fishing & Forestry	$21.02	370	*0.3%*	*1.8*	$16.51	3,980	*0.1%*

Source: DEED Occupational Employment Statistics, Qtr. 1 2019

In contrast, the highest paying jobs are found in management, legal, architecture and engineering, computer and mathematical, healthcare practitioners, business and financial operations, and life, physical, and social science occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations often exceeding $5.00 per hour – or $10,000 per year for a full-time worker.

JOB VACANCY SURVEY

Employers in Northeast Minnesota reported 8,110 job vacancies in the fourth quarter of 2018, the second highest number ever posted and a 50 percent increase compared to the prior year. Demand for workers was high across all industries, with the largest number of openings in health care and social assistance (2,779 job vacancies), accommodation and food services (1,481 vacancies), retail trade (882 vacancies), transportation and warehousing (600 vacancies) and manufacturing (451 vacancies).

Rising demand has led to rising wages, with the median hourly wage offer from the current survey jumping to $13.71 per hour, which was the second highest for a 4th quarter result. Wage offers ranged from just over $10 per hour for personal care and food preparation and serving occupations to around $25 per hour for, healthcare practitioners, management occupations, architect and engineers and computer and mathematical occupations.

The largest number of vacancies were in food preparation and serving, healthcare, personal care, and sales occupations. Nearly half of regional vacancies were in these occupational groups. Overall, 47 percent of the openings were part-time, 36 percent required post-secondary education, and 36 percent required 1 or more years of experience (Table 11). In sum, educational requirements in the region had been stable or declining over the past 5 years, while work experience requirements were relatively stable.

Table 11. Northeast Minnesota Job Vacancy Survey Results, 4th Qtr. 2018

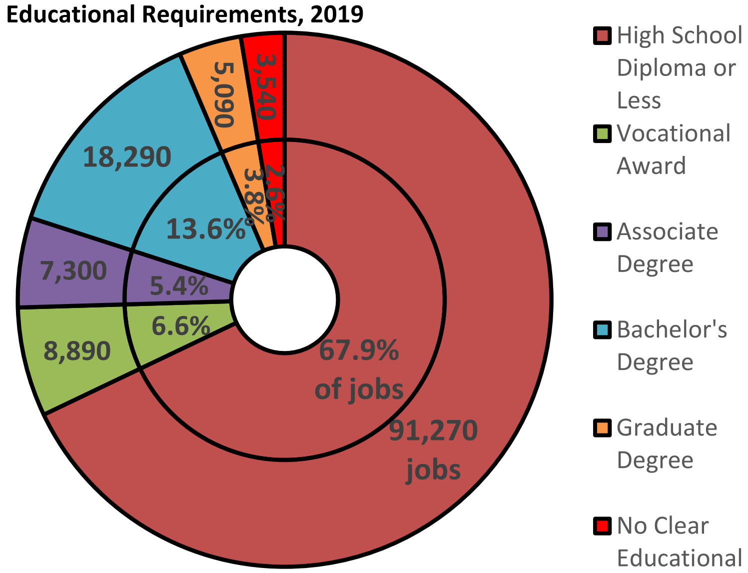
	Number of Total Vacancies	Percent Part-time	Percent Temporary or Seasonal	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	**8,110**	**47%**	**10%**	**36%**	**36%**	**42%**	**$13.71**
Food Preparation & Serving Related	1,270	59%	4%	11%	27%	3%	$10.46
Healthcare Practitioners & Technical	1,115	48%	1%	98%	61%	99%	$26.22
Personal Care & Service	886	65%	8%	5%	16%	18%	$10.89
Sales & Related	744	42%	11%	1%	10%	6%	$11.28
Transportation & Material Moving	594	53%	18%	8%	31%	85%	$13.78
Healthcare Support	557	49%	1%	38%	11%	66%	$13.27
Office & Administrative Support	548	39%	10%	22%	45%	14%	$12.92
Education, Training & Library	535	72%	47%	72%	47%	92%	$14.65
Building, Grounds Cleaning & Maint.	341	22%	29%	3%	7%	11%	$11.82
Production	260	27%	0%	41%	76%	13%	$15.12
Construction & Extraction	223	0%	15%	6%	10%	9%	$13.75
Community & Social Service	198	61%	1%	86%	55%	71%	$17.21
Installation, Maintenance & Repair	197	2%	0%	56%	70%	30%	$20.14
Business & Financial Operations	183	32%	2%	81%	82%	38%	$22.44
Management	132	37%	0%	84%	63%	55%	$22.13
Architecture & Engineering	114	0%	0%	85%	97%	63%	$28.07
Protective Service	107	79%	0%	7%	26%	34%	$10.58
Arts, Design, Entertainment & Media	37	66%	0%	20%	84%	73%	$16.21
Computer & Mathematical	24	0%	0%	91%	84%	41%	$27.99
Life, Physical & Social Sciences	23	0%	4%	100%	100%	65%	$26.90
Internships	17	7%	93%	100%	0%	0%	$15.56

Source: DEED Job Vacancy Survey, 4th Qtr. 2018

EDUCATIONAL REQUIREMENTS

Despite the recent job vacancy data, DEED's Occupational Employment Statistics program shows that only around one-third of current jobs held in the region require post-secondary education to enter. The other two-thirds require no more than a high school diploma, and sometimes less. However, some amount of on-the-job training is often needed (Figure 14).

Figure 14. Northeast Minnesota Share of Jobs by Educational Requirements, 2019



Source: DEED Occupational Employment Statistics

Certain careers – such as dentists, lawyers, and teachers – require a college education, while other jobs – including cost estimators, sales representatives, and correctional officers – do not. College is an excellent way to move up career ladders and open windows of opportunity to fields that would otherwise be closed, such as nursing or engineering. Many of these occupations offer high wages and are in high demand in the marketplace. While education is typically a worthwhile investment, college can be expensive – with average annual expenses ranging between $14,500 and almost $50,000 per year in Minnesota. For those who go to college, choice of major matters – different programs lead to different jobs that earn different amounts of money.

EMPLOYMENT PROJECTIONS

Overall, the Northeast planning area is projected to grow 1.1 percent from 2016 to 2026, a gain of 1,725 new jobs. In addition, the region is also expected to need 179,072 replacement openings to fill jobs left vacant by retirements and other career changers. Health care practitioners and support, personal care and service, building grounds cleaning and maintenance, community and social service, installation, maintenance and repair and food preparation and serving related occupations are expected to see the most new growth. Production, office and administration support, and sales occupations are expected to decline but every occupational group will show some future demand through replacement openings (Figure 15).

Figure 15. Northeast Minnesota Employment Projections, 2016-2026

Source: DEED 2016-2026 Employment Outlook

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are nearly 500 occupations in demand (OID) in Northeast Minnesota, and nearly 300 occupations are showing relatively high demand. Training and education requirements of these occupations range from short-term on-the-job training to postsecondary education and advanced degrees. Most OID require a high school diploma or less, and less than one-third require a bachelor's degree or higher. While OID exist in every sector, the region's major industries are well represented as many of the jobs are concentrated in health care, accommodation and food service, transportation, and other related industries (Table 12).

Table 12. 2019 Occupations in Demand by Education Level, Northeast Minnesota

Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Personal Care Aides ($26,458)	Social & Human Service Assistants ($32,364)	Registered Nurses ($66,241)	Elementary School Teachers ($72,950)
Maids & Housekeeping Cleaners ($25,900)	Heavy & Tractor-Trailer Truck Drivers ($46,169)	Nursing Assistants ($32,440)	Accountants & Auditors ($61,769)
Retail Salespersons ($24,658)	First-Line Supervisors of Food Prep & Serv. Workers ($30,914)	Licensed Practical & Licensed Vocational Nurses ($44,618)	Secondary School Teachers ($54,646)
Combined Food Prep. & Serving ($24,025)	First-Line Supervisors of Retail Sales Workers ($37,595)	Machinists ($47,677)	Nurse Practitioners ($117,938)
Cashiers ($23,403)	Office Clerks, General ($34,962)	Hairdressers, Hairstylists, & Cosmetologists ($27,537)	Medical & Health Services Manager ($92,744)
Cooks, Restaurants ($27,418)	Teacher Assistants ($31,632)	Automotive Service Technicians & Mechanics ($40,143)	Market Research Analysts & Marketing Spec. ($53,859)
Janitors & Cleaners ($27,626)	Maintenance & Repair Workers, General ($39,141)	Emergency Medical Technicians & Paramedics ($37,294)	Child, Family, & School Social Workers ($51,064)
Waiters & Waitresses ($21,867)	Secretaries & Administrative Assistants ($37,946)	Industrial Machinery Mechanics ($60,994)	Family & General Practitioners ($211,040)
Stock Clerks & Order Fillers ($25,761)	Pharmacy Technicians ($36,250)	Radiologic Technologists ($64,161)	Internists, General (N/A)
Home Health Aides ($27,598)	Light Truck or Delivery Service Drivers ($37,135)	Electrical & Electronics Engineering Tech. ($74,742)	Physical Therapists ($81,243)

Source: DEED Occupations in Demand

ECONOMY

INDUSTRY EMPLOYMENT

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Northeast Minnesota was home to 6,376 business establishments providing 84,534 covered jobs through 2018, with a total payroll that approached $3.6 billion. That was about 2.9 percent of total employment in the state of Minnesota. Average annual wages were $42,555 in the region, which was $15,450 lower than it was statewide (Table 13).

Table 13. WDB 3 - Northeast Industry Employment, 2018

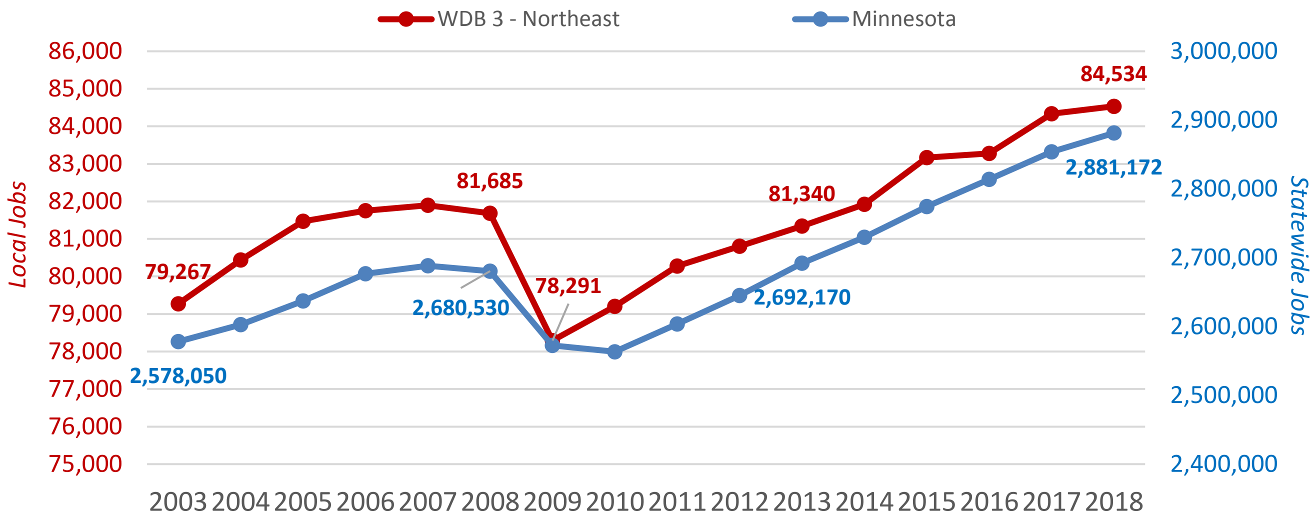
Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2013-2018 Change in Jobs	2013-2018 Percent Change	2017-2018 Change in Jobs	2017-2018 Percent Change
WDB 3 - Northeast	6,376	84,534	$3,597,349,609	$42,555	*+3,194*	*+3.9%*	*+202*	*+0.2%*
Aitkin Co.	449	4,090	$148,254,951	$36,248	*+405*	*+11.0%*	*+35*	*+0.9%*
Carlton Co.	737	13,367	$594,671,172	$44,488	*+7*	*+0.1%*	*-271*	*-2.0%*
Cook Co.	309	2,830	$92,647,462	$32,738	*+47*	*+1.7%*	*-52*	*-1.8%*
Itasca Co.	1,231	16,207	$674,541,803	$41,620	*+540*	*+3.4%*	*+378*	*+2.4%*
Koochiching Co.	424	4,505	$194,054,484	$43,075	*-498*	*-10.0%*	*+55*	*+1.2%*
Lake Co.	325	4,182	$181,940,580	$43,506	*-106*	*-2.5%*	*-6*	*-0.1%*
St. Louis Co.	5,373	98,455	$4,602,280,787	$46,745	*+2,923*	*+3.1%*	*+135*	*+0.1%*
-City of Duluth	*2,470*	*59,104*	*$2,891,041,630*	*$48,914*	*+123*	*+0.2%*	*+74*	*+0.1%*
State of Minnesota	**175,424**	**2,881,172**	**$167,122,456,472**	**$58,005**	***+189,002***	***+7.0%***	***+27,207***	***+1.0%***

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

Not including the city of Duluth, St. Louis County is the largest employment center in the region with 39,351 jobs at 2,903 firms; followed by Itasca County and Carlton County with 16,207 and 13,367 jobs, respectively. Five of the 7 counties in the region added jobs since 2013, led by St. Louis, which gained 2,800 jobs. Itasca and Aitkin Counties had faster growth rates, while Koochiching County had lost 10 percent of its employment with a loss of 500 jobs in the past 5 years (see Table 13).

Local Area 3 has seen a period of recovery following the recession and has regained all jobs thate were lost and then some. In sum, the region lost 3,394 jobs due to the recession but has gained 6,243 jobs since 2009. Local Area 3 has recovered more slowly than the state, which gained jobs at a 7.0 percent clip from 2013 to 2018, compared to a 3.9 percent increase in the region (Figure 16).

Figure 16. Industry Employment Statistics, 2003-2018



Source: DEED QCEW program

With 15,486 jobs at 617 firms, health care and social assistance is the largest employing industry in Local Area 3, accounting for 18.3 percent of total jobs in the region. That is a similar percentage to the state's concentration of employment in the health care industry. The amount of jobs in this industry has increased, with 349 jobs added since 2013, including 43 jobs in the previous year. At $40,569 in 2018, average annual wages were nearly $2,000 lower in health care than all industries.

The next largest industries were retail trade and accommodation and food services as these two industries made up nearly 24 percent of all the jobs in the region. However, the average annual wages were low in these industries, with retail trade at $26,698 and accommodation and food services at $16,307.

Government employment in public administration and educational services comprise the fourth and fifth largest industries in the region, accounting for 17.4 percent of total employment, with both adding 600 jobs in the past 5 years. Perhaps the most well-known industry in the region is mining, which offered 4,186 jobs at 32 firms. The mining industry has rebounded in employment in the last two years but still has 312 fewer jobs than in 2013. The construction, other services, transportation and warehousing, and administration support and waste management industries all saw strong gains from 2013 to 2018 as well, combing to add 1,583 jobs in the area. In sum, 14 of the 20 main industries in the area added jobs since 2013 while 12 of the 20 industries gained jobs in the past year, when the region grew 0.2 percent overall (Table 14).

Table 14. WDB 3 - Northeast Industry Employment Statistics, 2018								
WDB 3 - Northeast	2018 Annual Data				*2013-2018*		*2017-2018*	
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll ($1,000s)	Avg. Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Total, All Industries	6,376	84,534	$3,597,350	$42,555	+3,194	+3.9%	+202	+0.2%
Health Care & Social Assistance	617	15,486	$628,258	$40,569	+349	+2.3%	+43	+0.3%
Retail Trade	948	11,307	$301,879	$26,698	+161	+1.4%	-96	-0.8%
Accommodation & Food Services	715	8,974	$146,335	$16,307	+554	+6.6%	-164	-1.8%
Public Administration	308	7,518	$351,511	$46,756	+588	+8.5%	+86	+1.2%
Educational Services	198	7,185	$294,799	$41,030	+662	+10.1%	+25	+0.3%
Manufacturing	258	5,608	$342,940	$61,152	-684	-10.9%	+4	+0.1%
Construction	829	4,615	$316,005	$68,478	+579	+14.3%	+22	+0.5%
Mining	32	4,186	$414,452	$99,009	-312	-6.9%	+151	+3.7%
Other Services	556	3,053	$95,295	$31,214	+432	+16.5%	+124	+4.2%
Finance & Insurance	284	2,758	$138,878	$50,354	+83	+3.1%	+48	+1.8%
Arts, Entertainment, & Recreation	171	2,738	$67,580	$24,682	+292	+11.9%	+38	+1.4%
Transportation & Warehousing	271	2,604	$114,684	$44,042	+349	+15.5%	+0	+0.0%
Admin. Support & Waste Mgmt. Svcs.	235	2,113	$60,270	$28,523	+223	+11.8%	-14	-0.7%
Wholesale Trade	185	1,970	$116,286	$59,028	+88	+4.7%	-33	-1.6%
Professional & Technical Services	324	1,523	$83,798	$55,021	-11	-0.7%	+21	+1.4%
Utilities	46	843	$77,669	$92,134	-124	-12.8%	-45	-5.1%
Information	93	639	$24,646	$38,570	-63	-9.0%	+16	+2.6%
Agriculture, Forestry, Fish & Hunt	129	605	$24,238	$40,063	+19	+3.2%	-4	-0.7%
Real Estate & Rental & Leasing	167	537	$13,689	$25,491	-49	-8.4%	-96	-15.2%
Management of Companies	14	282	$19,832	$70,326	+29	+11.5%	+52	+22.6%
Source: DEED Quarterly Census of Employment & Wages (QCEW) program								

INDUSTRY EMPLOYMENT

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. Nearly one-quarter (23.4%) of workers in the region were 55 years or older, compared to 21.5 percent statewide and just 17.1 percent in the region one decade earlier. In contrast, the percentage of teenaged workers was falling and wages were going up for younger workers (Table 15).

As noted above, wages were climbing across the board for all workers due to rising demand and a tight labor market. While wages were still lowest for the youngest and oldest workers who tend to fill lower-skilled, less-than-fulltime jobs in industries like retail trade and accommodation and food services, these two age groups enjoyed the fastest percentage increase in wages from 2007 to 2017. Wages were highest for workers between 45 and 64 years of age, and males worked more hours than females, though the gap was narrowing.

Table 15. Workforce Demographics by Age Group and Gender, Total of All Industries, 2008-2018								
Northeast Minnesota	Percentage of Workers		*Percent of Workers, Minnesota*		Median Hourly Wage		Median Hours Worked (Per Qtr.)	
	2018	2008	*2018*	*2008*	2018	2008	2018	2008
Total, all ages	100.0%	100.0%	100.0%	100.0%	$18.47	$14.40	402	399
19 years & under	6.3%	7.9%	6.1%	7.5%	$10.50	$7.29	120	124
20 to 24 years	11.2%	12.1%	10.3%	11.6%	$12.99	$9.96	230	242
25 to 44 years	40.1%	38.1%	42.9%	42.7%	$20.45	$15.85	447	446
45 to 54 years	19.1%	24.7%	19.1%	22.5%	$24.10	$18.76	480	480
55 to 64 years	18.3%	14.2%	16.7%	12.6%	$22.34	$18.25	461	457
65 years & over	5.1%	2.9%	4.8%	3.1%	$15.29	$11.00	215	180
Male	49.7%	49.4%	49.1%	49.0%	$21.36	$17.08	454	456
Female	50.3%	50.6%	50.9%	51.0%	$17.00	$12.72	366	352
Source: DEED Quarterly Employment Demographics								

INDUSTRY PROJECTIONS

The Northeast Minnesota planning region is projected to grow 1.1 percent from 2016 to 2026, a gain of only 1,725 new jobs. The largest and fastest growing industry is expected to be health care and social assistance, which may account for more than double of the total projected growth in the region by 2026. The region is also expected to see significant employment growth in accommodation and food services, other services, finance and insurance, professional and technical services, and mining. In contrast, retail trade is expected to cut 1,750 jobs in the next decade, and manufacturing will also see cuts (Table 16).

Table 16. Northeast Minnesota Industry Projections, 2016-2026

Industry	Estimated Employment 2016	Projected Employment 2026	*Percent Change 2016-2026*	*Numeric Change 2016-2026*
Total, All Industries	160,337	162,062	*+1.1%*	*+1,725*
Health Care & Social Assistance	32,797	36,322	*+10.7%*	*+3,525*
Retail Trade	17,625	15,875	*-9.9%*	*-1,750*
Public Administration	14,724	14,358	*-2.5%*	*-366*
Accommodation & Food Services	14,654	15,094	*+3.0%*	*+440*
Educational Services	12,988	13,044	*+0.4%*	*+56*
Manufacturing	8,473	7,725	*-8.8%*	*-748*
Other Services, Ex. Public Admin	6,845	7,093	*+3.6%*	*+248*
Construction	6,380	6,068	*-4.9%*	*-312*
Finance & Insurance	4,954	5,069	*+2.3%*	*+115*
Transportation & Warehousing	4,727	4,528	*-4.2%*	*-199*
Professional & Technical Services	4,365	4,944	*+13.3%*	*+579*
Mining	3,610	4,044	*+12.0%*	*+434*
Administrative & Waste Services	3,602	3,776	*+4.8%*	*+174*
Arts, Entertainment, & Recreation	3,522	3,680	*+4.5%*	*+158*
Wholesale Trade	3,278	2,931	*-10.6%*	*-347*
Agriculture, Forestry, Fish & Hunt	1,875	1,694	*-9.7%*	*-181*
Information	1,589	1,343	*-15.5%*	*-246*
Utilities	1,489	1,440	*-3.3%*	*-49*
Real Estate & Rental & Leasing	1,332	1,435	*+7.7%*	*+103*
Management of Companies	828	821	*-0.8%*	*-7*

Source: DEED 2016-2026 Employment Outlook

NONEMPLOYER ESTABLISHMENTS

Northeast Minnesota was home to 20,508 self-employed businesses or "nonemployers" in 2017, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Unlike covered employment, Northeast Minnesota saw a steady decline in nonemployers over the past decade, responding to economic changes. In sum, the region lost 1,667 nonemployers from 2007 to 2017, a -7.5 percent decrease. These non-employers generated sales receipts of over $793 million in 2017 (Table 17).

Table 17. Nonemployer Statistics, 2017

	2017		*2007-2017*	
	Number of Firms	Receipts ($1,000s)	*Change in Firms*	*Percent Change*
Northeast MN	**20,508**	**$793,393**	***-1,667***	***-7.5%***
Aitkin Co.	1,098	$48,477	*-150*	*-12.0%*
Carlton Co.	1,958	$72,277	*-245*	*-11.1%*
Cook Co.	766	$29,843	*-47*	*-5.8%*
Itasca Co	2,932	$111,936	*-609*	*-17.2%*
Koochiching Co.	851	$27,638	*-60*	*-6.6%*
Lake Co.	861	$32,789	*-40*	*-4.4%*
St. Louis Co.	12,042	$470,433	*-516*	*-4.1%*
Minnesota	**409,860**	**$19,370,490**	***+22,876***	***+5.9%***

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Unlike other parts of Greater Minnesota, agriculture is not a key industry in Northeast Minnesota, but there are 2,362 farms producing just over $55 million in the market value of products sold in 2017 according to the U.S. Department of Agriculture. All of the counties in the planning region rank near the bottom in Minnesota in regards to the market value of products sold (Table 18).

Table 18. Census of Agriculture, 2017

	Number of Farms	Market Value of Products Sold	*State Rank*
Northeast MN	**2,362**	**$55,215,000**	***6***
Aitkin Co.	462	$12,461,000	*81*
Carlton Co.	529	$10,985,000	*82*
Cook Co.	32	$381,000	*86*
Itasca Co.	337	$8,004,000	*83*
Koochiching Co.	181	$6,887,000	*84*
Lake Co.	42	$358,000	*87*
St. Louis Co.	779	$16,139,000	*80*
Minnesota	**68,822**	**$18,395,390,000**	

Source: 2017 Census of Agriculture

Upon request, this information can be made available in alternate formats for people with disabilities by contacting Erik White at (218) 302-8413 or at erik.white@state.mn.us.