



Human centered economic development

2023 LOCAL EMPLOYMENT DYNAMICS PARTNERSHIP VIRTUAL WORKSHOP

MARCH 29TH, 2023



About us

In 1997, a group of rural Minnesota advocates came together to create a rural policy “think tank” that would provide policy makers, rural advocates and concerned citizens with an objective, unbiased and politically unspun examination of today’s rural issues.

- Based in Greater Minnesota, serving Greater Minnesota.
- A non-partisan, non-profit policy research organization.
- Dedicated to providing Minnesota’s policy makers with an unbiased evaluation of issues from a rural perspective.
- 19 Board members
- 4 Staff members in home offices

Content

Part 1: Providing
context to the
situation

Part 2: Human
Centered
Economic
Development

Part 3: Clarifying
the issue

Part 1: Providing context to the situation

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ECONOMIC
DEVELOPMENT

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Minnesota – lets brag

Top-5 lowest unemployment rate

Top-5 highest labor force participation rate

Top performing state during recessions

5th most diverse economy

Source: Minnesota Chamber of Commerce Foundation, Minnesota: 2030

What may
threaten our
awesome-ness?

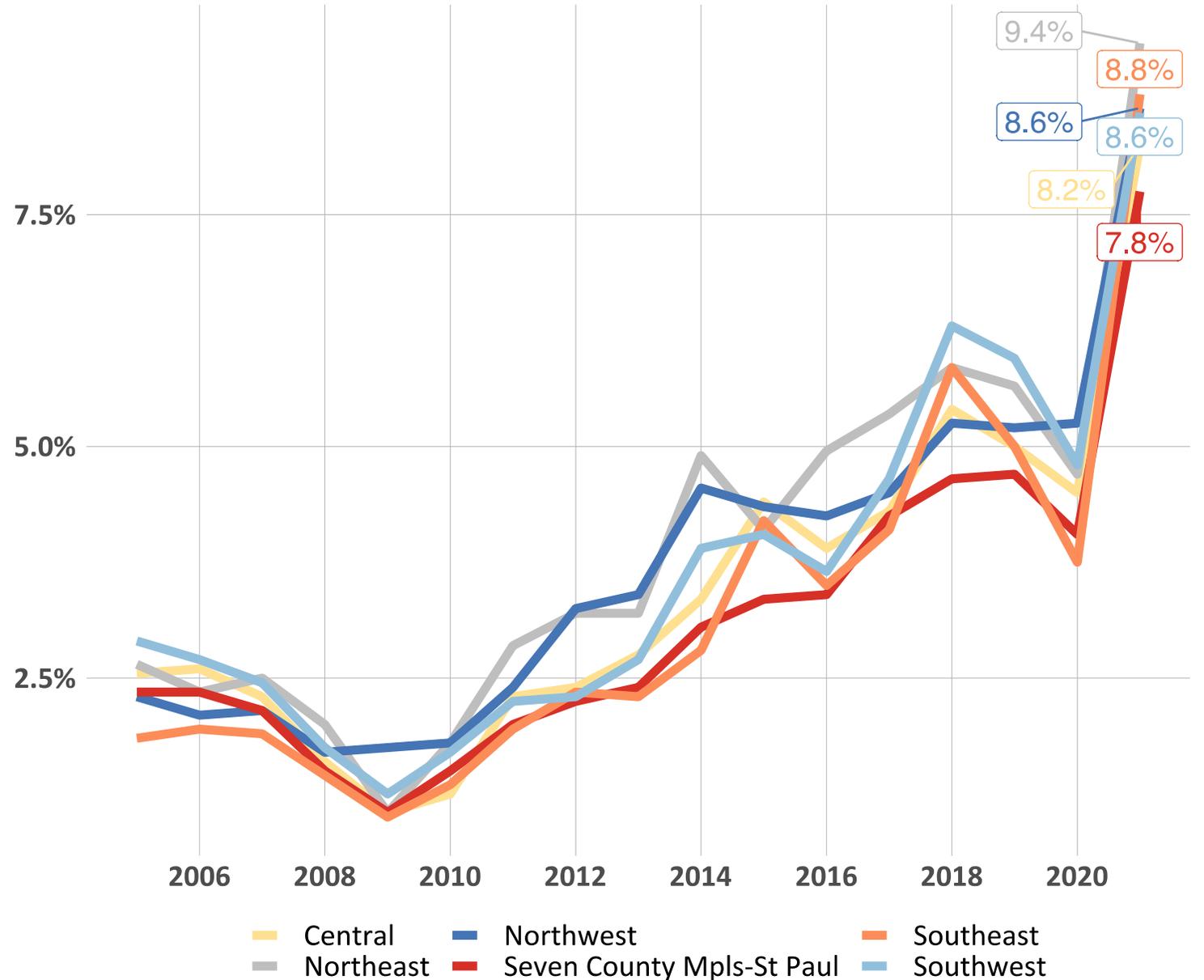
LACK OF PEOPLE!

- Labor force growth has been decreasing for 2 decades
- Terrible at keeping youth (statewide)
- Immigration policy

Historically high job vacancies

The job vacancy rate reflects the average quarterly number of job vacancies each year as a percentage of total jobs in the region. The higher the percentage, the more challenging it is to fill the positions. Every region in the state is at its highest vacancy rate ever, despite the dip during COVID-19.

Job vacancies as a percent of total employment



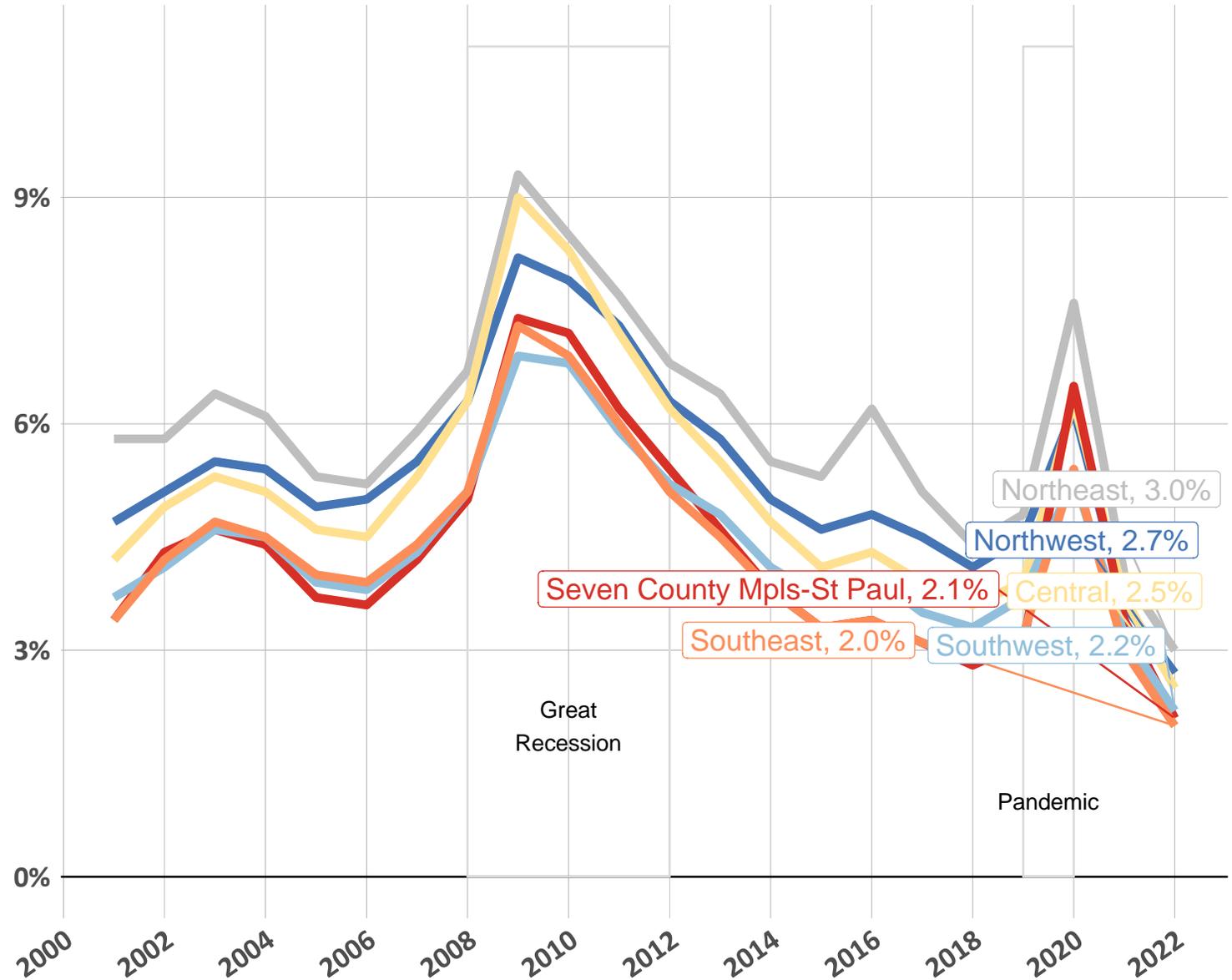
MN DEED - Job Vacancy Survey

Historically low unemployment rates

Within a year, planning regions had their highest and lowest unemployment rates since the Great Recession.

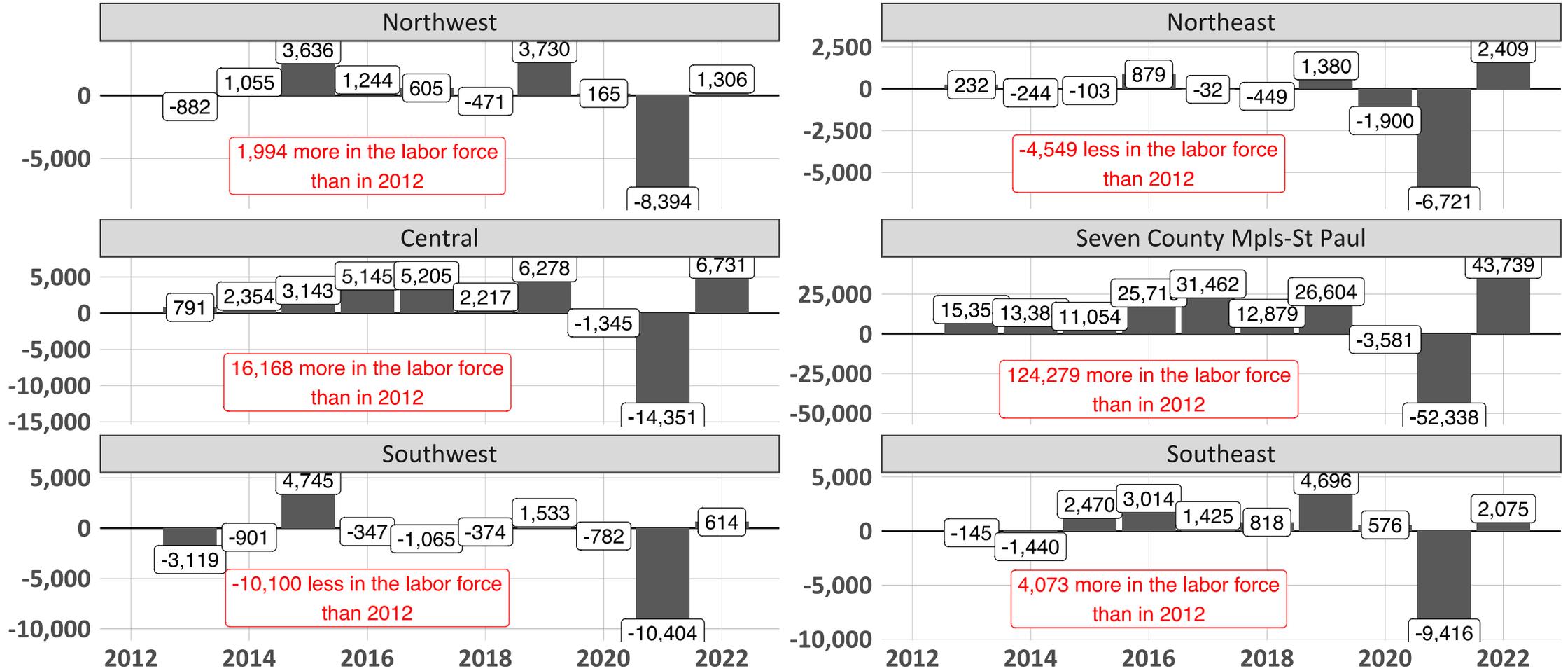
Unemployment rate

2022 was lowest unemployment rates since before Great Recession



Annual change in labor force

Rural areas recovering significantly slower



Historically high number of individuals leaving the labor force

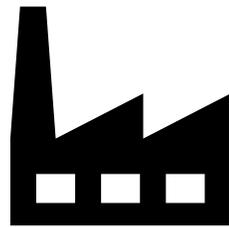
Part 2: Human centered economic development

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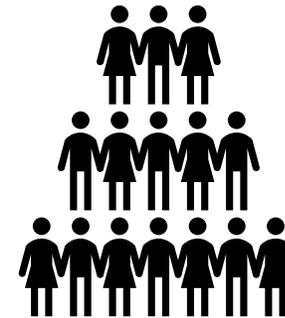
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A fundamental shift is taking place in economic development



From Business
Recruitment



To People
Recruitment

This is a statewide issue!

Policy implications: from chasing smokestacks to chasing people

JOB RECRUITMENT & RETENTION

Tax incentives

Infrastructure investments

Focus on labor force

PEOPLE RECRUITMENT & RETENTION

Collaboration

Housing programs

Childcare

Engaging recent retirees

Visitor strategies

Health care

Current resident engagement

Focus on quality of life

Source: University of Minnesota Extension | Center for Community Vitality

The Need to Bust Some Narratives

“People are just sitting on the sidelines”

“There aren’t enough jobs”

“Young people just don’t want to work”

Part 3: Clarifying the issue

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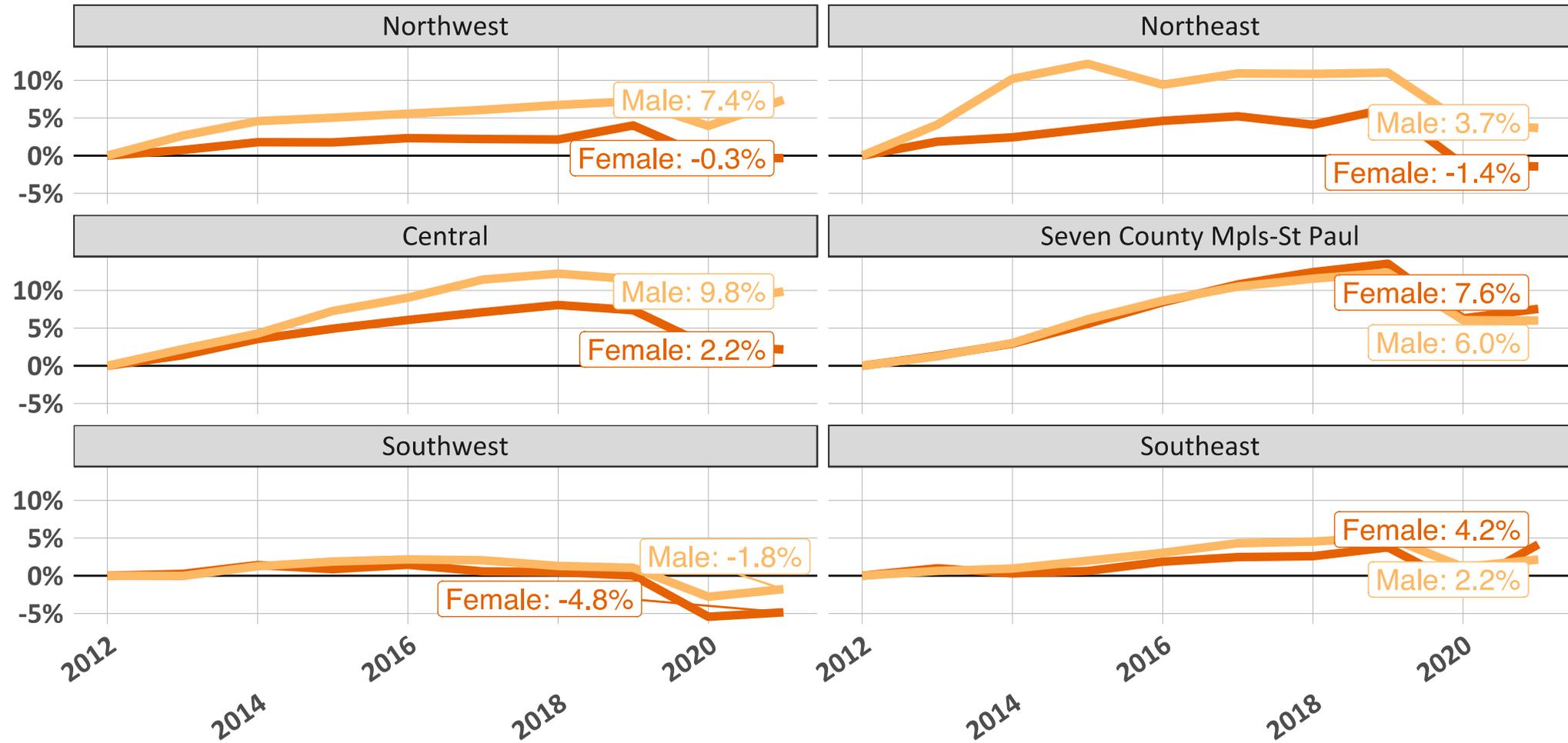
Who dropped
out of the labor
force?

Individuals 55+

Women

Change in labor force indexed to 2012

Female workforce has not recovered to pre-pandemic levels



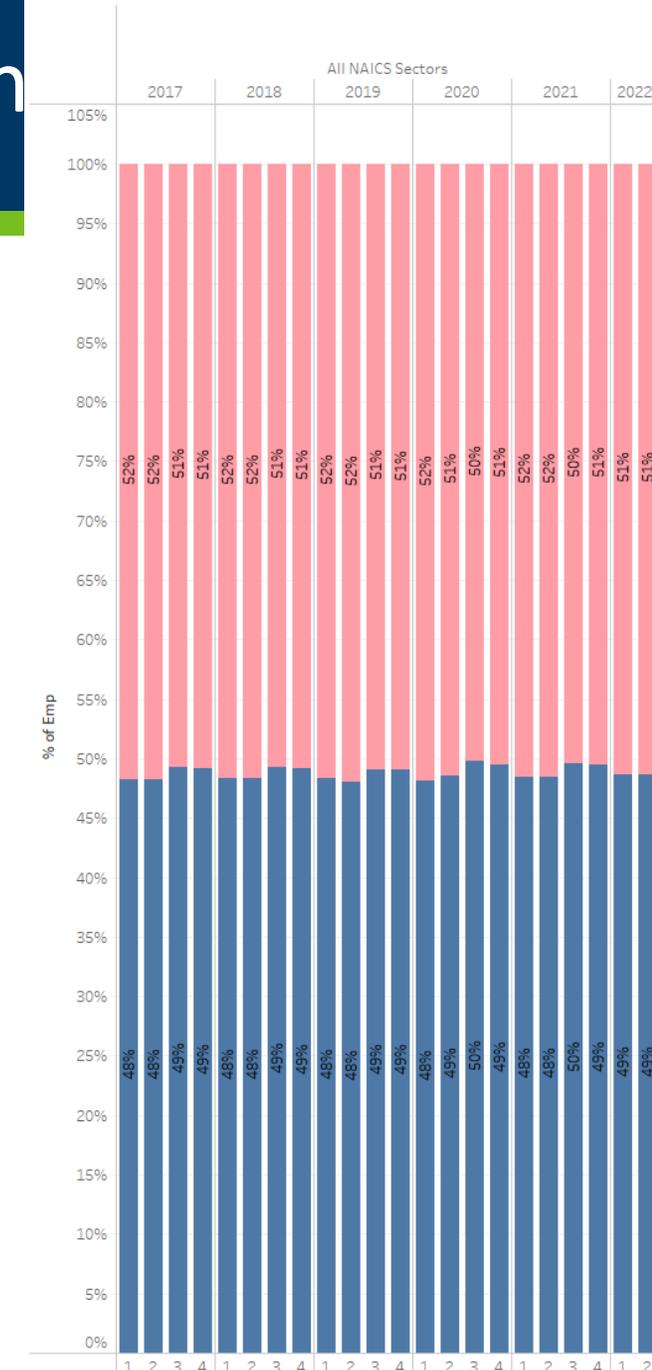
U.S. Census Bureau - Quarterly Workforce Indicators

Data For Good

Leveraging LEHD for Human Centered WF Development

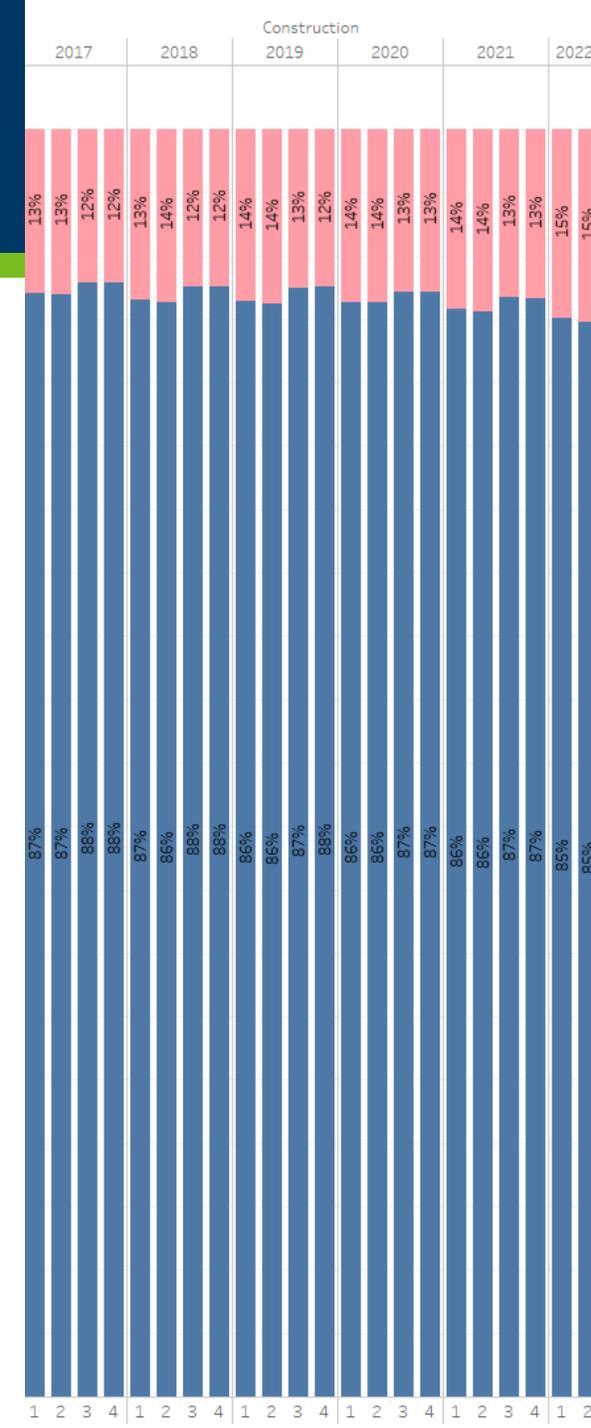
Employment Change for Men and Women in

- In rural Minnesota employment is typically higher for women than men, prior to 2020 women typically held 51% compared to 49% for men
- Post-pandemic employment has declined for both men and women at similar rates, the share held by each gender is still 49 and 51% by Q2 2022
- The charts are impressively non-dramatic
 - However, detailed industry employment data show divergences by gender that are overshadowed in the broader economic view



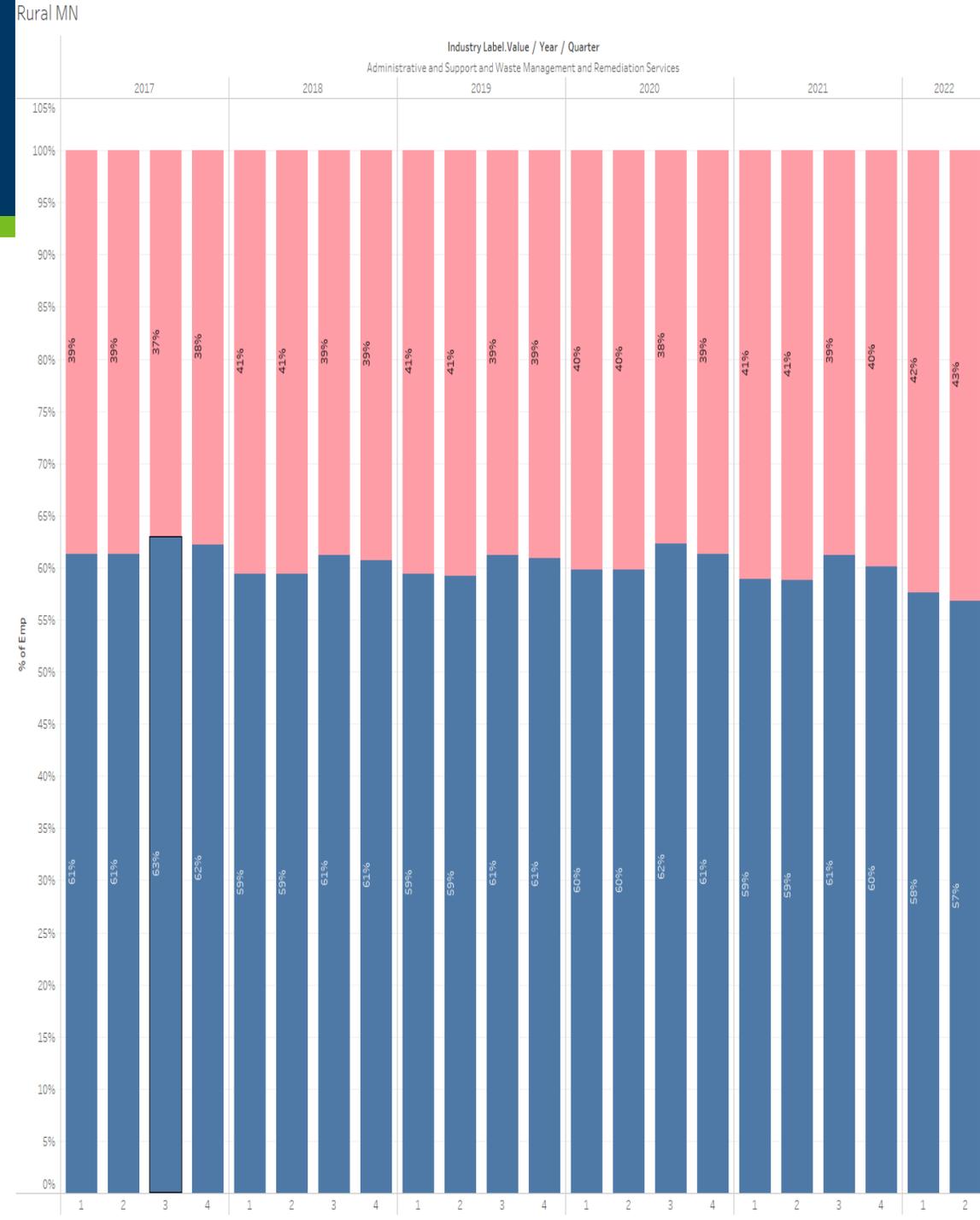
Changes in Construction Sector

- Rural Minnesota and Twin Cities saw increasing employment of women in the Construction sector since 2019
 - Construction sector has seen employment growth over this period and real wage growth
 - In rural Minnesota women employment in Construction grew by roughly 18% between 2019 and 2022 from holding an additional ~1,300 jobs
 - Male employment grew by roughly 5% from holding an additional 2,300 jobs
 - Female construction employment grew more than **3 times faster** than males since 2019



Admin Support and Waste Management

- Increased share of employment held by women
 - Driven not so much by increased employment by women, but rather a substantial decline of employment of men (-13%) as overall sector employment declined
 - Similar for Twin Cities urbanized area



Other Diverging Employment Trends

- Agriculture employment maintained employment, but shifted a larger share of employment to jobs held by women
- Health Care and Social Assistance experienced the reverse trends, similar employment through the first half of 2022 compared with 2019
 - Men are holding record high numbers of jobs as the women hold fewer

How We Use These Data

- Workforce development agencies and organizations serve these workers who left and might come back
- They also help workers transition (TAA, Adult DW)
 - Strategic planning is essential for organizations to serve current and near future needs
 - Understanding why people move jobs and what they are seeking provides the feedback loop to build pathways towards desired transitions
- Employers are very interested in worker movements and the types of skills recent labor force exits hold

Questions?

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