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Minnesota Job Vacancy Survey

2nd QUARTER 2003

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Minnesota
Department of Employment
and Economic Development

Labor Market
Information Office

Minnesota Department
of Employment and
Economic Development

August 2003

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Major Findings

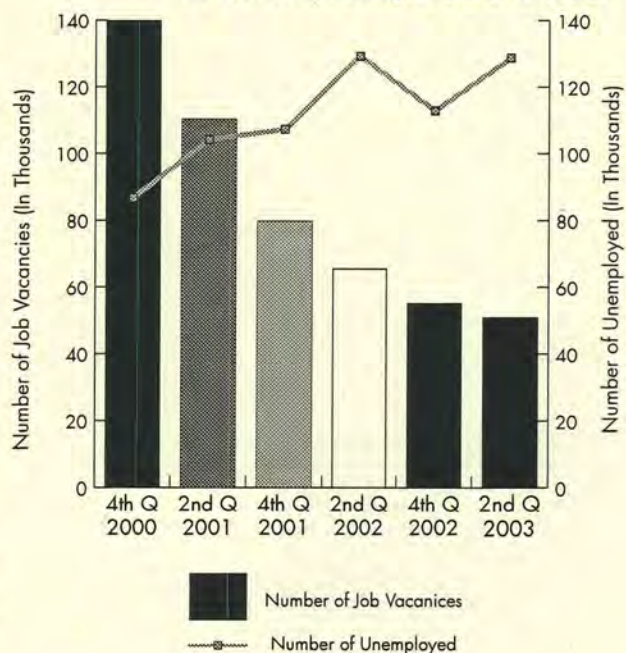
Summary

A distinctive feature of the recession that began in March 2001 is the employment declines that show no signs of letting up — over two years later. Job losses continue to mount in Minnesota and around the nation despite other indications that a recovery may be underway. The jobless nature of this recovery has led many to watch keenly for any indication that the employment picture is brightening.

The *Minnesota Job Vacancy Survey* provides an important gauge of labor market activity because it provides estimates of the number of job vacancies for which firms are actively hiring; this is a leading indicator of employment. *Minnesota Job Vacancy Survey* results for the second quarter of 2003 indicate that the employment turnaround remains elusive. In fact, the number of job vacancies declined 22 percent compared to one year ago. (See Figure 1.) With this further drop in job vacancies and a nearly consistent number of unemployed seeking work, the first half of 2003 was the most difficult time since the recession began to find work, particularly in hard-hit occupations.

The current round of the *Minnesota Job Vacancy Survey* reveals an estimated 51,000 job vacancies in Minnesota during second quarter (April to June) 2003. These job vacancies translate into a job vacancy rate of 2.0 percent— or two job

Figure 1: Job Vacancies and Number of Unemployed in Minnesota, 2000-2003



vacancies for every 100 filled positions in Minnesota. This is down from a 2.5 percent job vacancy rate one year ago. During second quarter 2003, it is estimated that there were more than twice as many unemployed people as there were job vacancies statewide. One year ago, there were six job vacancies for every 10 unemployed workers, a more favorable ratio for those trying to find employment.

Despite the decrease in job vacancies from last year, higher-than-average job vacancy rates persist in some occupations. Four occupational groups show evidence of having the greatest need for workers based on a combination of the number of job vacancies, the job vacancy rate and the hiring demand index (a calculation that controls for the effect of turnover on the number of job vacancies in the occupational group). These are:

- *community and social services* occupations (including counselors and social workers);
- *healthcare practitioners and technical* occupations (including registered nurses and licensed practical nurses);
- *personal care and services* occupations (including childcare workers, and personal and home care aides); and
- *architecture and engineering* occupations (including landscape architects, and civil engineers).

The healthcare sector outstrips all other industry groups in number of job vacancies. At 2.7 percent, it has a higher-than-average job vacancy rate — or 2.7 job vacancies per 100 filled positions.

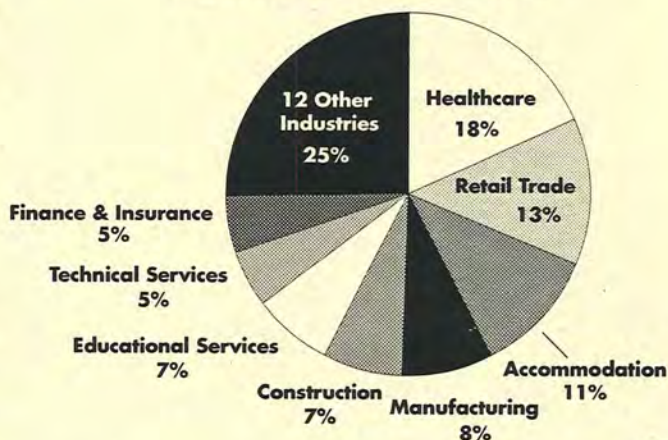
Firms with less than 50 employees account for 48 percent of the total job vacancies. On the other hand, very small (less than five employees) and small (five to 49 employees) firms have higher-than-average job vacancy rates of 3.5 and 2.4 percent, respectively.

The *Minnesota Job Vacancy Survey* also captures characteristics associated with the job vacancies, including education and experience requirements, starting wage and benefit offers, and whether job vacancies are temporary or seasonal, and part- or full-time.

Some key characteristics of job vacancies in second quarter 2003 are as follows:

- *Sixty-one percent are full-time; 39 percent are part-time. Eighteen percent are temporary or seasonal.*
- *Thirty-seven percent require a high school diploma but no education beyond that. Thirty-five percent require some level of post-secondary education or training.*
- *Thirty-seven percent call for experience related to the field.*
- *The median (50th percentile) wage offer for all job vacancies is \$9.94 per hour. One year prior, the median wage offer for all job vacancies was \$9.01 per hour. Wage offers are highly correlated with experience and education requirements.*
- *Most offer paid vacation (60 percent), retirement plans (59 percent), and health benefits (58 percent). Benefits are less common for part-time job vacancies than for full-time job vacancies.*

Figure 2: Minnesota Job Vacancies by Industrial Division, Second Quarter 2003



Statewide Findings

Job Vacancies by Occupational Group

- Twelve percent of all job vacancies in Minnesota are in the sales and related occupational groups.¹
- Thirty-five percent of job vacancies require post-secondary education — that is, a vocational degree or certificate, two-year degree, bachelor's degree or advanced degree. Occupations that require a high school diploma or less (65 percent) tend to have higher turnover than those requiring post-secondary education.
- Thirty-seven percent of total job vacancies require experience related to the position.

* Employment estimates by occupational group are from the Estimates Delivery System (EDS) 2001, using the 2001 Occupational Employment Statistics (OES) data.

** The occupational group wages below are median hourly wage rates calculated from wages reported by employers.

Table 1: Job Vacancies by Major Occupational Group in Minnesota

Major Occupational Group	Number of Job Vacancies	Percent Change from 2Q 2002	Job Vacancy Rate* (%)	Part-Time (%)	Requiring Education Beyond a High School Diploma (%)	Offer Healthcare Benefits (%)	Median Wage Offer** (\$)
Sales and Related	6,016	-16.7%	2.1%	60%	14%	47%	\$7.50
Food Preparation and Serving Related	4,952	-47.3	2.5	73	2	28	6.00
Healthcare Practitioners and Technical	4,187	-39.4	3.1	52	96	80	17.79
Office and Administrative Support	3,745	-30.7	0.8	42	24	66	10.00
Construction and Extraction	3,551	-11.1	3.1	2	17	19	10.00
Personal Care and Service	3,528	-17.4	5.5	55	37	44	8.28
Transportation and Material Moving	3,498	-25.7	2.0	21	5	69	12.00
Production	3,063	-4.7	1.2	5	15	74	10.00
Education, Training and Library	2,934	27.6	2.0	40	79	62	19.63
Healthcare Support	2,475	-52.6	3.4	55	41	63	10.00
Business and Financial Operations	2,200	5.2	1.9	6	61	90	14.42
Installation, Maintenance and Repair	2,173	85.7	2.1	5	34	88	10.00
Building, Grounds Cleaning and Maintenance	1,916	-39.0	2.3	48	7	29	8.50
Community and Social Services	1,593	-2.1	4.0	44	26	56	9.00
Management	1,160	-23.4	0.9	1	92	100	28.85
Architecture and Engineering	1,135	>100.0	2.2	16	96	82	16.00
Art, Design, Entertainment and Media	943	20.9	2.9	80	23	17	11.25
Protective Service	719	16.5	1.5	51	20	48	10.00
Computer and Mathematical	585	2.6	0.8	4	94	96	24.04
Life, Physical and Social Science	421	-8.9	1.8	7	91	93	15.00
Legal	155	-20.5	0.9	64	100	36	6.00
Farming, Fishing and Forestry	30	-87.7	0.6	0	0	90	8.40
All Job Vacancies	50,979	-22.2%	2.0%	39%	35%	58%	\$9.94

¹ For a definition of occupational groups, please see the Minnesota Job Vacancy Survey Methodological Note available on the Internet at www.MnWorkForceCenter.org/lmi/public.htm

Job Vacancies by Industry

- Eighteen percent of all job vacancies in Minnesota are in the healthcare industry.²
- The arts and entertainment industry has the highest job vacancy rate at 3.1 percent primarily due to summer hiring.
- The median wage offer (50th percentile — half are below, half are at this level or above) for all job vacancies is \$9.94 per hour in Minnesota. One year prior, the median wage offer for all job vacancies was \$9.01 per hour.
- Full-time job vacancies offer a higher median starting wage (\$11.54 per hour) than part-time job vacancies (\$8.00 per hour).

Table 2: Job Vacancies and Wage Offers by Industry in Minnesota

Industry	Number of Job Vacancies	Percent Change from 2nd Quarter	Job Vacancy Rate (%)	Median Wage Offer* (\$)
Healthcare	9,072	-42.4 %	2.7 %	\$10.00
Retail Trade	6,637	-10.2	2.2	7.75
Accommodation	5,809	-35.9	2.9	6.25
Manufacturing	4,056	-20.9	1.1	12.80
Construction	3,703	-6.2	2.9	10.00
Educational Services	3,652	21.0	1.8	19.93
Prof., Scientific, & Technical Svcs.	2,603	42.8	2.2	12.02
Finance & Insurance	2,541	20.8	1.9	13.42
Transportation & Warehousing	2,503	3.6	2.5	14.42
Other Services	2,486	5.4	2.9	9.00
Administrative & Support	2,032	-43.0	2.7	9.00
Arts & Entertainment	1,535	-57.1	3.1	6.95
Public Administration	1,506	-16.3	1.3	8.50
Management	703	>100	1.2	10.25
Wholesale Trade	698	-39.6	0.6	11.54
Information	518	-55.7	0.7	9.00
Real Estate	361	-42.5	1.0	12.00
Agriculture	339	11.5	2.0	9.00
Utilities	191	13.0	1.4	14.00
Mining	34	-50.7	0.6	8.50
Total Job Vacancies	50,979	-22.2%	2.0%	\$9.94

* The industry wages above are median hourly wage rates calculated from wages reported by employers.

² For a definition of industries, please see the Minnesota Job Vacancy Survey Methodological Note available on the Internet at www.MnWorkForceCenter.org/lmi/public.htm

Greater Minnesota & Twin Cities

Highlights

- Slightly more than half of all job vacancies — 26,010 — are located in the Twin Cities seven-county area.
- In Greater Minnesota, job vacancies are down 18 percent from a year prior, while job vacancies in the Twin Cities are down 26 percent.
- Job vacancies in the Twin Cities declined 19 percent from six months prior, while job vacancies in Greater Minnesota increased by 8.0 percent.

Figure 3: Job Vacancies and Number of Unemployed in Greater Minnesota, 2000-2003

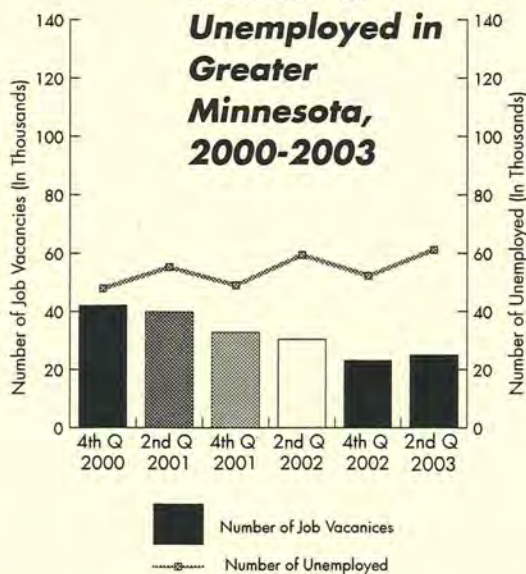
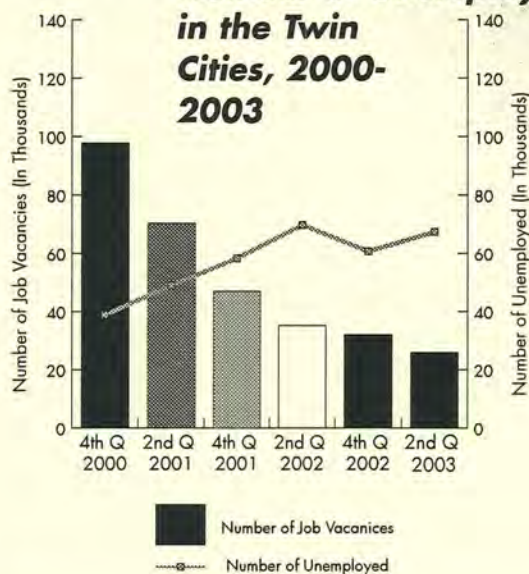


Figure 4: Job Vacancies and Number of Unemployed in the Twin Cities, 2000-2003



Job Vacancies by Occupational Group

- Despite the decrease in job vacancies from last year, higher-than-average job vacancy rates persist in some occupations. Three occupational groups in Greater Minnesota show evidence of having the greatest need for workers based on a combination of the number of job vacancies, the job vacancy rate and the hiring demand index. These are: personal care and service; installation, maintenance and repair; and construction and extraction.
- There are four occupational groups in the Twin Cities that show evidence of having the greatest need for workers based on a combination of the number of job vacancies, the job vacancy rate and the hiring demand index. These are: healthcare practitioners and technical; healthcare support; personal care and service; and business and financial operations.

Table 3: Job Vacancies by Major Occupational Group in Greater Minnesota & the Twin Cities

* Employment estimates by occupational group are from the Estimates Delivery System (EDS) 2001, using the 2001 Occupational Employment Statistics (OES) data.

** The occupational group wages below are median hourly wage rates calculated from wages reported by employers.

NR= Data are not reportable due to failure to meet reliability standards.

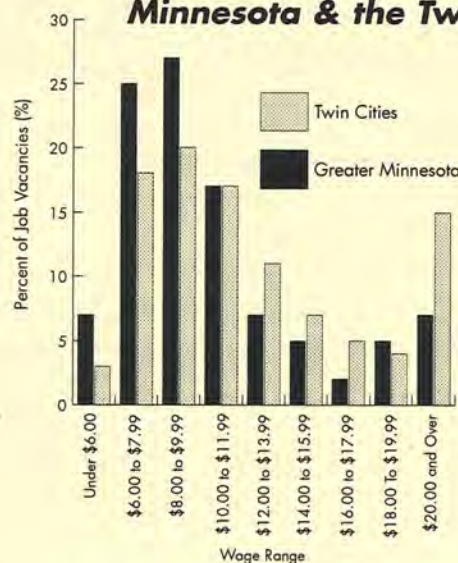
Major Occupational Group	Greater Minnesota				Twin Cities			
	Number of Job Vacancies	Percent Change from 2Q 2002	Job Vacancy Rate* (%)	Median Wage Offer** (\$)	Number of Job Vacancies	Percent Change from 2Q 2002	Job Vacancy Rate* (%)	Median Wage Offer** (\$)
Food Preparation and Serving Related	3,073	-46.6%	3.4%	\$6.00	1,879	48.4%	1.8 %	\$7.00
Construction and Extraction	2,516	-6.7	5.4	10.00	1,035	-20.1	1.5	21.63
Personal Care and Service	2,019	23.3	8.3	9.00	1,509	-42.6	3.8	7.00
Sales and Related	2,004	-30.0	2.0	7.00	4,012	-7.9	2.2	8.00
Transportation and Material Moving	1,978	16.1	2.8	13.00	1,520	-49.4	1.5	11.50
Healthcare Practitioners and Technical	1,889	-43.2	3.3	16.83	2,298	-35.9	3.1	18.54
Education, Training and Library	1,806	73.8	2.7	19.59	1,128	-10.5	1.4	20.44
Installation, Maintenance and Repair	1,671	>100.0	4.2	10.00	502	-23.2	0.8	14.00
Production	1,645	-1.6	1.5	8.95	1,418	-8.0	1.0	12.00
Office and Administrative Support	1,134	-30.7	0.7	9.20	2,611	-30.7	0.9	10.00
Building, Grounds Cleaning and Maintenance	963	3.7	2.7	7.00	953	-56.9	2.0	9.00
Community and Social Services	934	-25.1	5.0	8.00	659	73.4	3.1	10.82
Healthcare Support	856	-75.9	2.4	9.27	1,619	-2.9	4.4	10.70
Art, Design, Entertainment and Media	678	>100.0	7.6	16.83	265	-52.5	1.2	7.00
Business and Financial Operations	559	>100.0	2.1	12.14	1,641	-12.4	1.8	14.42
Architecture and Engineering	452	>100.0	3.2	14.42	683	95.7	1.8	16.00
Management	317	-35.3	0.8	24.04	843	-17.7	1.0	28.85
Protective Service	174	-38.1	0.9	12.47	545	62.2	2.1	8.40
Computer and Mathematical	116	>100.0	1.0	18.60	469	-10.7	0.8	25.56
Legal	111	>100.0	3.4	6.00	44	-74.0	0.3	22.81
Life, Physical and Social Science	45	-65.4	0.6	14.50	376	13.3	2.3	15.00
Farming, Fishing and Forestry	29	-82.3	0.8	8.40	NR	NR	NR	NR
All Job Vacancies	24,969	-17.5%	2.5%	\$9.00	26,010	-26.2%	1.7%	\$10.00

Greater Minnesota & Twin Cities

Wages

- The median wage offer (50th percentile—half are below, half are at this level or above) for all job vacancies is \$9.00 per hour in Greater Minnesota. One year prior, the median wage offer for all job vacancies was \$8.39 per hour.
- The median wage offer (50th percentile—half are below, half are at this level or above) for all job vacancies is \$10.00 per hour in the Twin Cities. One year prior, the median wage offer for all job vacancies was also \$10.00 per hour.

Figure 5: Percent of Job Vacancies by Hourly Wage Range in Greater Minnesota & the Twin Cities



About this Survey

Information on job vacancies comes from a survey of 8,015 Minnesota employers conducted over a three-month period from April to June 2003. Surveyed employers were randomly selected from Minnesota's Covered Employment and Wages (ES-202) database. The sample was stratified by major industry and size class to represent the universe of employers in planning regions throughout the state of Minnesota.

The *Minnesota Job Vacancy Survey* produces point-in-time estimates: employers were asked to provide information on current job vacancies at the time of survey, including job titles, number of job vacancies, education and experience requirements, wages and benefits, and the length of time job vacancies had been open. Approximately 69 percent of those surveyed participated, enabling Minnesota Department of Employment and Economic Development (DEED) analysts to produce statistically reliable findings. Exact counts of all job vacancies in the market cannot be known with certainty. Rather, this study provides statewide and regional estimates of the demand for workers during second quarter 2003.

Job titles were coded into 489 detailed occupations using the Standard Occupational Classification (SOC) System.

After survey data collection and editing were complete, data were scaled to produce estimates representative of six Planning Regions. The scaling process takes into account the distribution of employment by industry and size class in the respondent group and in the universe of statewide employers.

For the purpose of this study, a job vacancy is defined as a position that is currently open-for-hire at the time the employer filled out the survey. This study excludes job vacancies reserved for contract consultants, employees of contractors, and others not considered employees of surveyed firms.

For a comprehensive summary of the second quarter 2003 *Minnesota Job Vacancy Survey* results, please visit www.mnwfc.org/lmi/jobvacancy

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Acknowledgements

We would like to thank the firms and organizations that responded to the second quarter 2003 *Minnesota Job Vacancy Survey*. Without their help, this survey would not have been possible. We hope to continue to partner with Minnesota employers to produce and provide useful and timely workforce information that will benefit employers, jobseekers and the state's workforce development efforts.