

04 - 0470

Minnesota Job Vacancy Survey

2ND Quarter 2004

positively
Minnesota

Department of Employment
and Economic Development

Labor Market
Information Office

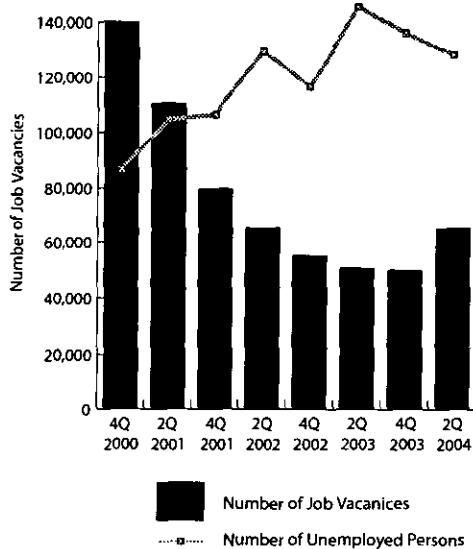
September 2004

Summary of Major Findings



The much awaited upswing in Minnesota's labor market finally came in 2nd Quarter 2004. The statewide unemployment rate dropped from 4.8 percent in March to 4.2 percent in April. Industry employment gains have accelerated and seasonally adjusted initial claims for Unemployment Insurance came in well below 25,000 for the first time since the recession.

Figure 1: Job Vacancies and Number of Unemployed in Minnesota, 2000-2004



Concurrent with these positive indicators, job vacancies increased for the first time since the survey began in 2000, although they remain far below levels in 2000 and 2001. Manufacturing, which showed the beginnings of growth in job vacancies during fourth quarter 2003, had its strongest performance since 4th Quarter 2000: production job vacancies were up 71 percent over last year, and transportation and material moving job vacancies were up 68 percent in second quarter 2004. Computer and mathematical occupations also continued to strengthen, more than doubling job vacancies over the year. Finally, office and administrative support occupations seem to have turned the corner, with job vacancies up 80 percent compared to last year.

Overall, we estimate that Minnesota had 65,300 job vacancies during 2nd Quarter 2004, up 28 percent compared to one year ago.

These 65,300 job vacancies translate into a job vacancy rate of 2.5 percent— or 2.5 job vacancies for every 100 filled positions in Minnesota. This is up from a 2.0 percent job vacancy rate one year ago. During second quarter 2004, we estimate that there were

5.1 job vacancies for every 10 unemployed people statewide. One year ago, there were about 3.5 job vacancies for every 10 unemployed people in Minnesota.

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 turnover 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);
- *production* occupations (including assemblers and fabricators); and
- *healthcare support* occupations (including nursing aides and home health aides).

The healthcare sector continues to outstrip all other industry groups in the number of job vacancies. Since the survey began four years ago, the healthcare sector has consistently demonstrated a demand for new hires.

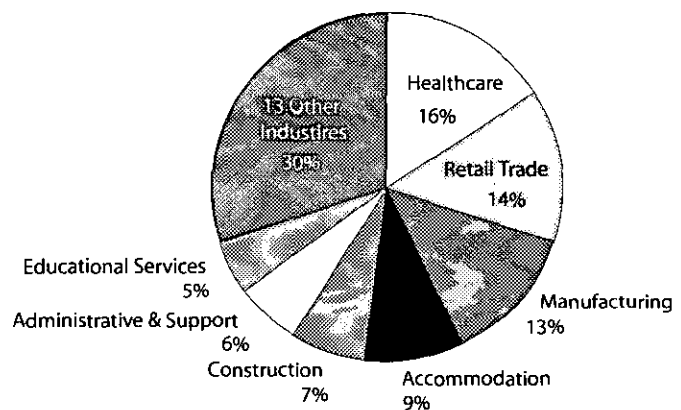
Firms with less than 50 employees account for 53 percent of the total job vacancies. On the other hand, small (five to 49 employees) and very small (less than five employees) have higher-than-average job vacancy rates of 3.7 and 2.6 percent, respectively.

This study also measures 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.

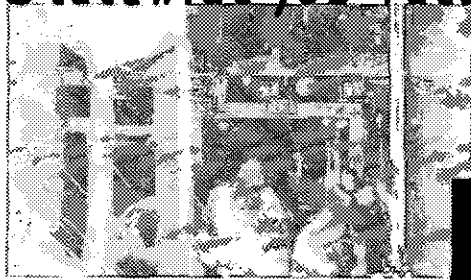
Some key characteristics of job vacancies in 2nd Quarter 2004 are as follows:

- Sixty-four percent are full-time; 36 percent are part-time.
- Sixteen percent are temporary or seasonal.
- Forty percent require a high school diploma but no education beyond that. Thirty-seven percent require some level of post-secondary education or training.
- Forty percent call for experience related to the field.
- The median (50th percentile) wage offer for all job vacancies is \$10.00 per hour. One year ago, the median wage offer for all job vacancies was \$9.94 per hour. Wage offers are highly correlated with experience and education requirements and other occupational characteristics.
- Most offer paid vacation (66 percent), health benefits (64 percent), and retirement plans (63 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 2004



Statewide Job Vacancy Findings



Job Vacancies by Occupational Group

- Fifty-seven percent of all job vacancies are concentrated in six of 22 occupational groups.¹
- In Minnesota, firms with fewer than 50 employees account for 53 percent of total job vacancies while they constitute only 38 percent of all employment.
- The job vacancy rates for small and very small firms (3.7 percent and 2.6 percent) are higher than average.

Table 1: Job Vacancies by Major Occupational Group in Minnesota, Second Quarter 2004

Major Occupational Group	Number of Job Vacancies	Percent Change from 2Q 2003	Job Vacancy Rate* (%)	Part-Time (%)	Temporary or Seasonal (%)	New Hire or Newly Created Job** (%)	Requiring Education Beyond a High School Diploma (%)	Median Wage Offer*** (\$)
Sales and Related	8,664	44.0%	3.0%	46%	10%	22%	17%	\$8.00
Office and Administration Support	6,735	79.8	1.5	40	14	18	26	\$10.00
Food Preparation and Serving Related	6,654	34.4	3.2	68	19	10	2	\$6.00
Transportation and Material Moving	5,884	68.2	3.5	26	18	15	6	\$11.60
Production	5,222	70.5	2.3	5	18	47	17	\$10.00
Healthcare Practitioners and Technical	4,325	3.3	3.2	55	4	6	95	\$17.24
Healthcare Support	3,637	46.9	5.2	59	2	7	49	\$9.90
Construction and Extraction	3,447	-2.9	3.0	2	46	10	19	\$14.00
Building, Grounds Cleaning and Maintenance	3,089	61.2	3.9	46	52	14	4	\$9.00
Personal Care and Services	2,646	-25.0	3.7	66	20	23	48	\$8.00
Business and Financial Operations	2,578	17.2	1.9	3	1	16	73	\$18.03
Installation, Maintenance and Repair	2,133	-1.8	2.3	8	7	31	65	\$14.42
Education, Training and Library	2,009	-31.5	1.3	14	11	20	77	\$14.04
Computer and Mathematical	1,612	>100	2.4	1	1	41	97	\$24.04
Community and Social Services	1,544	-3.1	3.5	60	6	3	43	\$10.25
Management	1,237	6.6	1.0	1	0	19	97	\$29.81
Life, Physical and Social Sciences	1,050	>100	4.2	55	1	54	89	\$12.50
Architecture and Engineering	989	-12.9	1.9	4	17	29	85	\$17.00
Protective Services	508	-29.3	1.1	35	30	3	21	\$10.50
Legal	481	>100	2.6	33	0	38	99	\$12.41
Art, Design, Entertainment and Media	454	-51.9	1.4	30	8	19	72	\$14.79
Farming, Fishing and Forestry	438	NA	NA	74	71	12	10	\$7.00
All Job Vacancies	65,336	28.2%	2.5%	36%	16%	20%	37%	\$10.00

¹ For a definition of occupational groups, please see the Minnesota Job Vacancy Survey Methodological Note available on the Internet at www.deed.state.mn.us/lmi/publications/jobvacancy/

* Employment estimates by occupational group are from the Estimates Delivery System (EDS) 2001, using the 2002 Occupational Employment Statistics (OES) data.
 ** The percent of new hires is calculated based on the total number of permanent job vacancies.
 *** The occupational group wages above are median hourly rates calculated from wages reported by employers.
 NA = Not Applicable

Job Vacancies by Industry

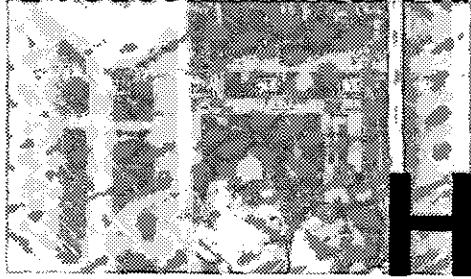
- Sixteen percent of all job vacancies in Minnesota are in the healthcare industry; 14 percent in retail trade; 13 percent in manufacturing.
- The administrative and support industry has the highest job vacancy rate at 5.0 percent.
- The highest concentrations of job vacancies reported as temporary or seasonal are found in agriculture (70 percent), arts and entertainment (67 percent), and construction (40 percent).

Table 2: *Job Vacancies by Industry in Minnesota, Second Quarter 2004*

Industry	Number of Job Vacancies	Percent Change from 2Q 2003	Job Vacancy Rate* (%)	New Hire or Newly Created Job** (%)	Median Wage Offer*** (\$)
Healthcare	10,708	18.0%	3.0%	6%	\$11.00
Retail Trade	8,979	35.3	3.0	13	8.00
Manufacturing	8,427	81.4	2.4	38	10.00
Accommodation	6,025	3.7	3.0	11	6.00
Construction	4,337	17.1	3.3	22	14.00
Administrative and Support	3,780	86.0	5.0	8	10.00
Educational Services	3,306	-9.5	1.6	16	14.08
Transportation and Warehousing	3,065	22.5	3.1	23	14.42
Prof, Scientific and Technical Services	2,969	14.1	2.6	39	14.42
Other Services	2,924	17.6	3.4	30	9.00
Finance and Insurance	2,765	8.8	2.0	22	14.42
Wholesale Trade	1,791	>100	1.5	65	12.50
Management	1,275	81.4	2.2	14	11.10
Arts and Entertainment	1,227	-20.1	2.4	36	6.50
Public Administration	1,132	-24.8	1.0	1	12.77
Information	942	81.9	1.5	9	6.80
Real Estate	914	>100	2.5	13	8.00
Agriculture	478	41.0	2.8	12	7.00
Mining	153	>100	2.8	1	16.17
Utilities	139	-27.2	1.0	1	18.50
Total Job Vacancies	65,336	28.2%	2.5%	20%	\$10.00

* For a definition of industries, please see the Minnesota Job Vacancy Survey Methodological Note available on the Internet at www.deed.state.mn.us/lmi/publications/jobvacancy/

Greater Minnesota & Twin Cities



H ighlights

- The Twin Cities seven-county area has slightly more than half (57 percent) of all job vacancies in Minnesota.
- Greater Minnesota has a job vacancy rate of 2.9 percent while the Twin Cities job vacancy rate is 2.5 percent.
- Job vacancies are up from one year ago in Greater Minnesota and the in Twin Cities by 13 percent and 43 percent, respectively.

Figure 3: Job Vacancies and Number of Unemployed in Greater Minnesota, 2000-2004

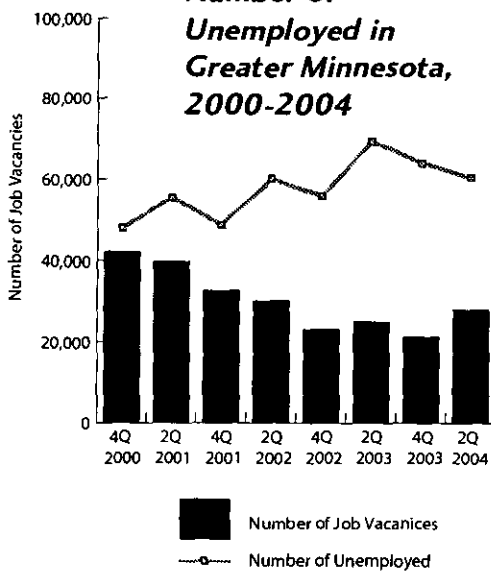
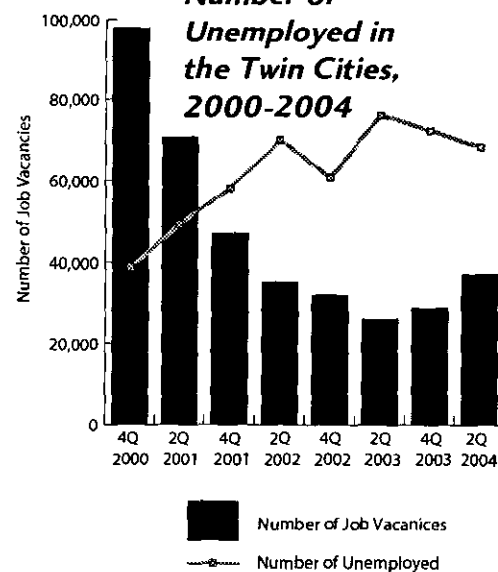


Figure 4: Job Vacancies and Number of Unemployed in the Twin Cities, 2000-2004



J ob Vacancies by Occupational Group

Despite the decrease in job vacancies from last year, higher-than-average job vacancy rates persist in some occupations.

- Four 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: production, healthcare practitioners and technical, computer and mathematical, and healthcare support.

- Four occupational groups in the Twin Cities 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: community and social services; healthcare practitioners and technical; personal care and services; and installation, maintenance and repair.

Table 3: Job Vacancies by Major Occupational Group in Greater Minnesota and the Twin Cities, Second Quarter 2004

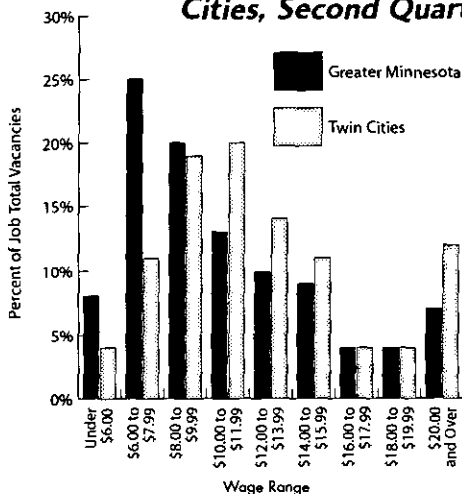
Major Occupational Group	Greater Minnesota				Twin Cities			
	Number of Job Vacancies	Percent Change from 2Q 2003	Job Vacancy Rate* (%)	Median Wage Offer** (\$)	Number of Job Vacancies	Percent Change from 2Q 2003	Job Vacancy Rate* (%)	Median Wage Offer** (\$)
Sales and Related	2,939	46.7%	2.9%	\$7.00	5,725	42.7%	3.3%	\$8.50
Office and Administration Support	2,858	>100	2.0	8.50	3,877	48.5	1.4	11.00
Food Preparation and Serving Related	4,254	38.4	4.7	6.00	2,400	27.7	2.1	6.00
Transportation and Material Moving	2,687	35.8	3.9	12.00	3,197	>100	3.6	10.00
Production	3,441	>100	3.3	9.62	1,781	25.6	1.5	10.00
Healthcare Practitioners and Technical	2,182	15.5	3.6	15.00	2,143	-6.7	3.0	20.67
Healthcare Support	2,046	>100	6.0	9.00	1,591	-1.7	5.2	12.00
Construction and Extraction	1,569	-37.6	3.9	14.00	1,878	81.4	3.7	19.23
Building, Grounds, Cleaning and Maintenance	1,420	47.5	4.6	8.00	1,669	75.1	4.0	10.00
Personal Care and Services	807	-60.0	3.7	6.00	1,839	21.9	5.6	9.00
Business and Financial Operations	321	-42.6	1.0	14.42	2,257	37.5	2.4	18.03
Installation, Maintenance and Repair	789	-52.8	2.3	14.42	1,344	>100	2.7	15.20
Education, Training and Library	688	-61.9	1.0	18.29	1,321	17.1	1.6	11.00
Computer and Mathematical	503	>100	3.7	19.23	1,109	>100	2.0	24.04
Community and Social Services	254	-72.8	1.5	10.57	1,290	95.8	6.3	10.15
Management	193	-39.1	0.5	28.85	1,044	23.8	0.1	29.81
Life, Physical and Social Sciences	109	>100	1.5	20.25	941	>100	6.7	12.20
Architecture and Engineering	279	-38.8	1.9	21.63	710	4.0	2.3	14.42
Protective Services	205	17.8	1.2	10.18	303	-44.4	1.4	10.75
Legal	50	-55.0	1.1	12.41	431	>100	2.5	14.42
Art, Design, Entertainment and Media	150	-77.9	2.2	14.79	304	14.7	1.5	16.83
Farming, Fishing and Forestry	342	NA	NA	6.00	96	NA	NA	7.00
All Job Vacancies	28,086	12.5%	2.9%	\$9.25	37,250	43.2%	2.5%	\$11.00

* Employment estimates by occupational group are from the Estimates Delivery System (EDS) 2001, using the 2003 Occupational Employment Statistics (OES) data.
 ** The occupational group wages above are median hourly wage rates calculated from wages reported by employers.
 NA=Not Applicable

Wages

- The median wage offer for job vacancies in Greater Minnesota is \$9.25 per hour. One year ago, it was \$9.00 per hour.
- The median wage offer for all job vacancies in the Twin Cities is \$11.00 per hour. This is the same as one year ago.

Figure 5: Percent of Job Vacancies by Hourly Wage Range in Greater Minnesota and the Twin Cities, Second Quarter 2004



About this Survey



Information on job vacancies comes from a survey of 8,391 Minnesota employers conducted over a three-month period from April to June 2004. Surveyed employers were randomly selected from Minnesota's Quarterly Census of Employment and Wages (QCEW). The sample was stratified by major industry and size class to represent the universe of employers 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 65 percent of those surveyed participated, enabling 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 2004.

Job titles were coded into 532 detailed occupations using the Standard Occupational

Classification (SOC) System. After survey data collection and editing were completed, 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.

Prepared by

Minnesota Department of Employment and Economic Development

Labor Market Information Office
390 North Robert Street
Saint Paul, MN 55101
www.deed.state.mn.us/lmi/

For more information, contact Rachel Hillman at 651.296.6545 or deed.lmi@state.mn.us

For additional copies of this report, call 651.296.6545 or toll free 888.234.1114.

Acknowledgements

We would like to thank the firms and organizations that responded to the second quarter 2004 *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.