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Minnesota Job Vacancy Survey

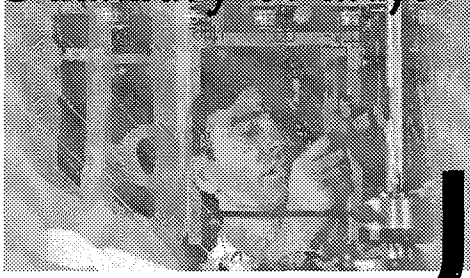
4th Quarter 2004

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Minnesota
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and Economic Development

Labor Market
Information Office

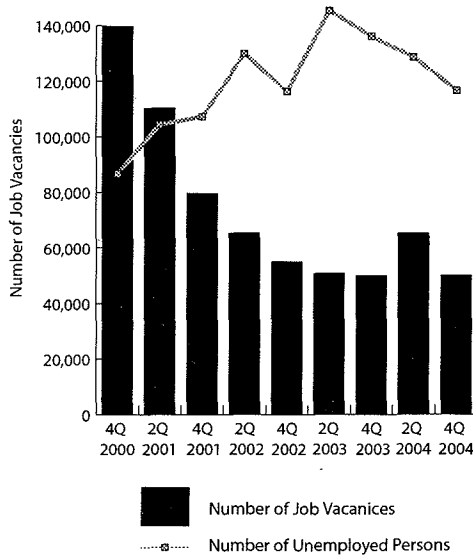
April 2005

Summary of Major Findings



Job vacancies remained virtually unchanged year over year for the first time since the survey began in 2000. This round of the survey did offer some bright spots; there was a significant increase in the number of job vacancies in business and financial operations, computer and mathematical, and architecture and engineering occupations. Occupational groups where job vacancies declined compared to a year ago include healthcare support (1,970 fewer job openings), construction and extraction (1,960 fewer job openings), and healthcare practitioners and technical (1,120 fewer job openings). Overall, we estimate that Minnesota had 50,127 job vacancies during fourth quarter 2004 or 47 additional job vacancies compared to one year ago.

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



These job vacancies translate into a job vacancy rate of 2.0 percent — or 2.0 job vacancies for every 100 filled positions in Minnesota. This is the same job vacancy rate as one year ago. During fourth quarter 2004, we estimate that there were 4.3 job vacancies for every 10 unemployed people statewide. One year ago, there were about 3.7 job vacancies for every 10 unemployed people in Minnesota.

More than half of all job vacancies — 29,400 — are located in the Twin Cities seven-county area. Greater Minnesota has a job vacancy rate of 2.1 percent while the Twin Cities job vacancy rate is 2.0 percent. Job vacancies are down by 2.7 percent from one year ago in Greater Minnesota while job vacancies in the Twin Cities are up by 2.2 percent.

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:

- *Healthcare practitioners and technical occupations* (including registered nurses and licensed practical nurses);
- *Architecture and engineering occupations* (including industrial and mechanical engineers);
- *Business and financial operations occupations* (including business operations specialists and loan officers); and
- *Management occupations* (including marketing and financial managers).

The healthcare sector outstrips all other industry groups in the number of job vacancies. At 2.3 percent, it has a higher-than-average job vacancy rate — or 2.3 job vacancies per 100 filled positions. Since the survey began four years ago, job vacancy conditions in the health-care sector have remained relatively strong.

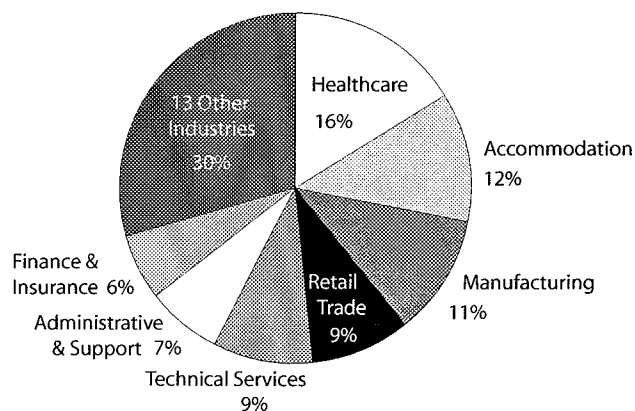
Firms with less than 50 employees account for 47 percent of the total job vacancies. On the other hand, very small (less than five employees) and small (five to 49 employees) firms have higher-than-average job vacancy rates of 3.6 and 2.3 percent respectively.

This report also discusses characteristics associated with the job vacancies, including education and experience requirements, starting wage and

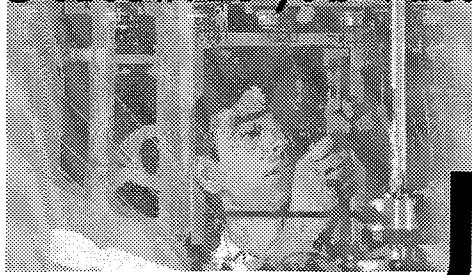
benefit offers, and whether job vacancies are temporary or seasonal, and part or full time. Some key characteristics of job vacancies in fourth quarter 2004 are as follows:

- Sixty-two percent are full time; 38 percent are part time.
- Thirteen percent are temporary or seasonal.
- Thirty-eight percent require a high school diploma but no education beyond that. Forty-one percent require some level of post-secondary education or training.
- Forty-one percent call for experience related to the field.
- The median (50th percentile) wage offer for all job vacancies is \$10.85 per hour. One year ago, the median wage offer for all job vacancies was \$10.28 per hour. Wage offers are highly correlated with experience and education requirements and other occupational characteristics.
- Most offer paid vacation (72 percent), health benefits (70 percent), retirement plans (67 percent), and sick leave (53 percent). Benefits are less common for part-time job vacancies than for full-time job vacancies.

Figure 2: Minnesota Job Vacancies by Industrial Division, Fourth Quarter 2004



Statewide Job Vacancy Findings



Job Vacancies by Occupational Group

- Fifty-nine percent of all job vacancies are concentrated in six of 22 occupational groups.¹
- In Minnesota, firms with fewer than 50 employees account for 47 percent of total job vacancies while they constitute only 38 percent of all employment.
- The job vacancy rates for very small and small firms (3.6 percent and 2.3 percent) are higher than average.

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

Major Occupational Group	Number of Job Vacancies	Percent Change from 4Q 2003	Job Vacancy Rate* (%)	Part-Time (%)	Temporary or Seasonal (%)	New Hire ** (%)	Requiring Education Beyond a High School Diploma (%)	Median Wage Offer*** (\$)
Office and Administrative Support	8,664	0.1%	1.4%	42%	19%	9%	20%	\$10.00
Food Preparation and Serving Related	6,735	12.3%	2.6%	74%	3%	5%	2%	\$6.00
Sales and Related	6,654	-16.0%	1.8%	56%	27%	7%	13%	\$7.50
Transportation and Material Moving	5,884	66.2%	3.0%	32%	20%	21%	9%	\$12.00
Production	5,222	34.7%	1.8%	8%	7%	19%	20%	\$11.00
Healthcare Practitioners and Technical	4,325	-22.4%	2.9%	40%	2%	7%	92%	\$18.00
Business and Financial Operations	3,637	>100%	2.7%	32%	18%	27%	55%	\$9.18
Healthcare Support	3,447	-44.3%	3.5%	70%	1%	8%	44%	\$9.00
Construction and Extraction	3,089	-50.9%	1.6%	31%	51%	5%	6%	\$14.00
Management	2,646	29.6%	1.5%	0%	0%	35%	98%	\$26.44
Personal Care and Service	2,578	49.6%	2.5%	36%	11%	15%	63%	\$9.00
Computer and Mathematical	2,133	99.2%	2.2%	2%	1%	36%	96%	\$28.85
Installation, Maintenance and Repair	2,009	-12.9%	1.6%	15%	3%	37%	57%	\$14.00
Architecture and Engineering	1,612	44.6%	2.4%	0%	2%	32%	100%	\$24.04
Education, Training and Library	1,544	-37.9%	0.7%	49%	10%	25%	91%	\$18.00
Building, Grounds Cleaning and Maintenance	1,237	-26.8%	0.9%	57%	14%	12%	1%	\$9.00
Art, Design, Entertainment and Media	1,050	14.1%	2.1%	28%	11%	17%	62%	\$14.42
Life, Physical and Social Science	989	-16.4%	2.6%	11%	3%	28%	89%	\$17.45
Community and Social Services	508	-43.2%	1.4%	28%	3%	24%	77%	\$13.24
Protective Service	481	-37.6%	0.7%	43%	2%	2%	17%	\$10.25
Legal	454	-7.9%	1.3%	0%	0%	7%	89%	\$19.23
Farming, Fishing and Forestry	438	>100%	NA	0%	0%	9%	3%	\$9.00
All Job Vacancies	50,127	0.1%	2.0%	38%	13%	16%	41%	\$10.85

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.htm

* Employment estimates by occupational group are from the Estimates Delivery System (EDS) using the 2003 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 Available

J**ob Vacancies by Industry**

- Sixteen percent of all job vacancies in Minnesota are in the healthcare industry.²
- The administrative and support industry has the highest job vacancy rate at 4.9 percent.
- The highest concentrations of job vacancies reported as temporary or seasonal are found in arts and entertainment (44 percent), technical services (31 percent), and retail trade (29 percent).

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

Industry	Number of Job Vacancies	Percent Change from 4Q 2003	Job Vacancy Rate* (%)	New Hire* (%)	Median Wage Offer** (\$)
Healthcare	8,028	-27.9%	2.3%	8%	\$12.00
Accommodation	5,987	23.6%	3.0%	5%	\$6.00
Manufacturing	5,735	-3.2%	1.7%	22%	\$12.02
Retail Trade	4,686	-29.2%	1.5%	8%	\$7.45
Prof., Scientific and Technical Services	4,599	>100%	4.0%	31%	\$9.00
Administrative & Support	3,616	0.2%	4.9%	21%	\$11.54
Finance & Insurance	2,912	34.8%	2.2%	11%	\$10.00
Transportation & Warehousing	2,675	33.8%	2.7%	27%	\$15.00
Other Services	2,638	85.0%	3.2%	22%	\$11.54
Construction	2,050	-46.8%	1.5%	23%	\$14.00
Educational Services	1,633	-20.6%	0.8%	17%	\$15.91
Information	1,281	18.0%	2.0%	12%	\$10.55
Management	1,223	56.4%	2.0%	8%	\$14.00
Wholesale Trade	1,184	>100%	1.0%	16%	\$12.00
Arts & Entertainment	744	-16.0%	1.7%	13%	\$6.00
Public Administration	487	-5.1%	0.4%	12%	\$15.69
Real Estate	370	-49.5%	1.0%	4%	\$20.00
Agriculture	218	58.0%	1.4%	9%	\$9.00
Utilities	43	-67.9%	0.3%	5%	\$19.23
Mining	18	>100%	0.4%	0%	\$15.35
Total Job Vacancies	50,127	0.1%	2.0%	16%	\$10.85

² 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.htm

* The percent of new hires is calculated based on the total number of permanent job vacancies.
 ** The industry wages above are median hourly wage rates calculated from wages reported by employers.

Greater Minnesota & Twin Cities



H Highlights

- The Twin Cities seven-county metropolitan area has slightly more than half — or 59 percent — of all job vacancies in Minnesota.
- Greater Minnesota has a job vacancy rate of 2.1 percent while the Twin Cities job vacancy rate is 2.0 percent.
- Job vacancies are down by 2.7 percent from one year ago in Greater Minnesota while job vacancies in the Twin Cities are up by 2.2 percent.

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

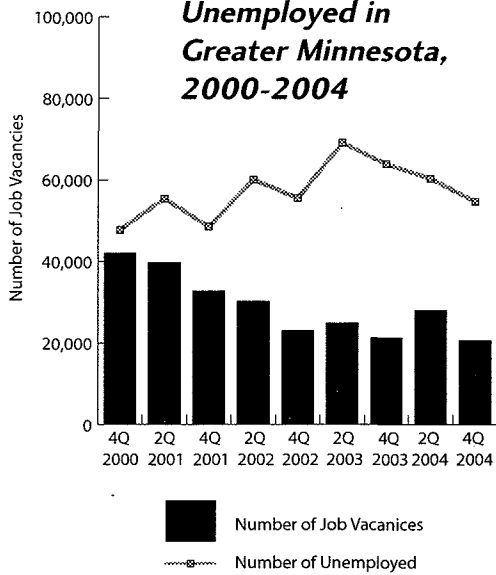
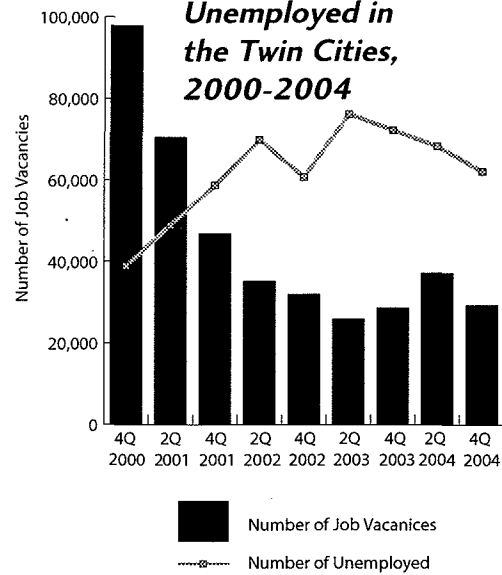


Figure 4: Job Vacancies and Number of Unemployed in the Twin Cities, 2000-2004



J Job Vacancies by Occupational Group

- Despite the slight 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: healthcare practitioners and technical; construction and extraction; installation, maintenance and repair; and production.
- Although job vacancies increased slightly in the Twin Cities from last year, higher-than-average job vacancy rates persist in some occupations. 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: business and financial operations; management; architecture and engineering; and healthcare practitioners and technical.

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

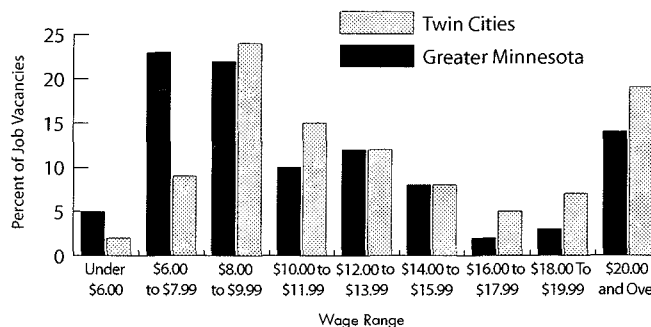
Major Occupational Group	Greater Minnesota				Twin Cities			
	Number of Job Vacancies	Percent Change from 4Q 2003	Job Vacancy Rate* (%)	Median Wage Offer** (\$)	Number of Job Vacancies	Percent Change from 4Q 2003	Job Vacancy Rate* (%)	Median Wage Offer** (\$)
Office and Administrative Support	1,520	-42.6%	1.1%	\$8.71	4,694	31.9%	1.7%	\$10.00
Food Preparation and Serving Related	3,302	33.6%	3.7%	\$6.00	2,051	-10.7%	1.8%	\$7.00
Sales and Related	1,670	-18.8%	1.8%	\$6.25	3,348	-14.5%	2.1%	\$8.00
Transportation and Material Moving	2,212	57.9%	3.3%	\$12.00	2,710	73.6%	3.1%	\$12.02
Production	2,271	62.9%	2.2%	\$9.50	1,787	10.4%	1.5%	\$14.00
Healthcare Practitioners and Technical	2,027	-21.9%	3.4%	\$19.23	1,862	-23.0%	2.5%	\$16.58
Business and Financial Operations	420	-0.7%	1.3%	\$14.00	3,311	>100%	3.4%	\$9.00
Healthcare Support	1,366	-44.0%	4.0%	\$8.92	1,106	-44.7%	3.5%	\$10.00
Construction and Extraction	1,612	-6.0%	4.0%	\$14.00	274	-87.1%	0.5%	\$12.00
Management	175	-23.6%	0.5%	\$25.96	1,655	39.9%	2.0%	\$28.85
Personal Care and Service	985	74.6%	4.4%	\$6.00	804	27.2%	2.5%	\$9.00
Computer and Mathematical	152	33.3%	1.1%	\$19.23	1,388	>100%	2.4%	\$28.85
Installation, Maintenance and Repair	853	-7.5%	2.6%	\$12.00	641	-19.3%	1.3%	\$18.27
Architecture and Engineering	409	>100%	2.9%	\$21.63	882	19.5%	2.7%	\$24.04
Education, Training and Library	375	-49.3%	0.5%	\$25.96	755	-30.1%	0.9%	\$18.00
Building, Grounds Cleaning and Maintenance	414	28.6%	1.3%	\$7.54	340	-52.0%	0.8%	\$9.50
Art, Design, Entertainment and Media	368	>100%	5.5%	\$14.42	328	-23.7%	1.6%	\$19.23
Life, Physical and Social Science	60	-87.4%	0.8%	\$15.35	603	91.4%	4.2%	\$18.75
Community and Social Services	157	-16.9%	1.0%	\$9.86	433	-49.1%	2.1%	\$14.00
Protective Service	38	-73.2%	0.2%	\$14.42	290	-24.5%	1.4%	\$10.25
Legal	108	>100%	2.6%	\$18.03	137	-40.2%	0.8%	\$22.45
Farming, Fishing and Forestry	231	>100%	5.6%	\$9.00	3	NA	0.2%	\$10.96
All Job Vacancies	20,725	-2.7%	2.1%	\$10.00	29,402	2.2%	2.0%	\$12.00

* Employment estimates by occupational group are from the Estimates Delivery System (EDS) 2001, using the 2003 Occupational Employment Statistics (OES) data.
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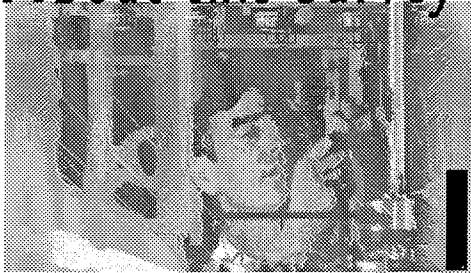
Wages

- The median wage offer for all job vacancies in Greater Minnesota is \$10.00 per hour. One year prior, it was \$9.35 per hour.
- The median wage offer for all job vacancies in the Twin Cities is \$12.00 per hour. One year prior, the median wage was \$11.00.

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



About this Survey



Information on job vacancies comes from a survey of 8,392 Minnesota employers conducted over a three-month period from October to December 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 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 the 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 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 fourth quarter 2004.

Job titles were coded into 492 detailed occupations using the Standard Occupational Classification (SOC) System. After survey data collecting 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 employers statewide.

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.

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Acknowledgements

We would like to thank the firms and organizations that responded to the fourth 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 businesses, jobseekers and the state's workforce development efforts.