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January 2013 Data...February 2013 Issue

Feature:

Using Unemployment Rates to Predict Post-Secondary Enrollment

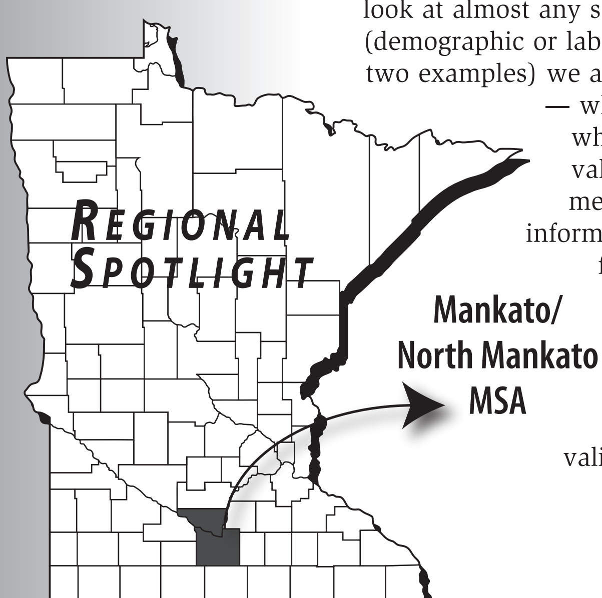
In this issue:

Mankato-North Mankato: An MSA on the Rise

The Mankato-North Mankato Metropolitan Statistical Area (MSA) consists of Blue Earth and Nicollet counties and is a relatively new MSA with a diverse industry mix. It has all the challenges and opportunities of a young MSA with a history of low unemployment and access to a diverse and highly flexible labor force.

With Growth Comes Great(er) Reliability

Relatively speaking, the Mankato-North Mankato MSA is in its infancy. It was officially declared an MSA by the Office of Management and Budget in 2008. This opened the doors for federal funding almost immediately, but it took some time to compile data. Even with advances in real-time analytics and metrics, when we look at almost any set of measurable data (demographic or labor market analytics are two examples) we are looking into the past — where we were, versus where we are. Intrinsic value in a dataset is measured by how much information we can glean from a large sample. Building a large database of useful information takes time. The larger the sample, the more valid the information.



With more information gathered, the Bureau of Labor Statistics (BLS) can produce more labor market information products. This leads to more variety in the information disseminated. Occupational Employment Statistics, for example, are measured first at the MSA level and then aggregated to national levels. The first survey results available for Mankato-North Mankato were published in 2010.

Additionally, the Mankato-North Mankato MSA has a smaller mass of employment than some of the smallest metros. It simply does not have the sample to support the publication of the same number of industries as larger communities. This limits the industry details that can be published. A smaller population means that there are fewer businesses to survey. If there are fewer businesses to survey, there are fewer possible responses. When there are fewer possible responses, there is less empirical evidence from which to glean information.

But even with these limitations, the amount of useful data with which we can paint the economic canvas of the Mankato-North Mankato MSA affords us the opportunity to create a masterpiece using broader strokes. With that in mind, let's take a look at the Mankato-North Mankato MSA.

Regional Spotlight SOUTHEAST MINNESOTA

Table 1 **Minnesota Controlled MSA Population and Labor Force**

MSA	Population (2011 ACS Estimate)	Labor Force (2011 Annual Average)
Minneapolis-St. Paul-Bloomington, MN-WI	3,318,486	1,848,656
Duluth, MN-WI	279,761	147,808
St. Cloud, MN	190,014	109,101
Rochester, MN	187,612	106,958
Mankato-North Mankato, MN	97,204	59,105

Source: U.S. Census American Community Survey, Minnesota Department of Employment and Economic Development

Table 2 **Combined Cities of Mankato and North Mankato Employment 2011**

Industry	Employment
Total, All Industries	40,278
Agriculture, Forestry, Fishing and Hunting	25
Construction	871
Manufacturing	6,650
Wholesale Trade	1,321
Retail Trade	6,075
Transportation and Warehousing	1,026
Information	1,279
Finance and Insurance	1,125
Real Estate and Rental and Leasing	556
Professional, Scientific, and Technical Services	1,034
Management of Companies and Enterprises	680
Administrative and Support and Waste Management and Remediation Services	1,419
Educational Services	3,177
Health Care and Social Assistance	6,985
Arts, Entertainment, and Recreation	385
Accommodation and Food Services	3,533
Other Services (except Public Administration)	1,331
Public Administration	1,224

Source: Minnesota Department of Employment and Economic Development Quarterly Census of Employment and Wages

Size Comparison — 2011 Average Employment

As one of 366 MSAs in the United States, the Mankato-North Mankato MSA with estimated population of 97,204 ranks as the 348th most populous. Additionally, the Mankato-North Mankato MSA had only 55 percent of the total labor force of the next closest comparably-sized MSA in Minnesota, Rochester, and a labor force 30 times smaller than that of the Minneapolis-St. Paul MSA (Table 1).

But with this smaller size the Mankato-North Mankato MSA also reaps many of the benefits of smaller micropolitan areas — most notably, in cost of living. With average housing costs at 80.7 percent of the average for all MSAs, according to the Council for Community and Economic Research's Cost of Living Index, residents enjoy the comforts of big-city living at a fraction of the cost of the larger MSAs.

The Council for Community and Economic Research publishes a quarterly Cost of Living Index that measures relative prices for consumer goods and services among numerous communities across the nation. The average for all participating places equals 100, and each participant's index is measured as a percentage of the average for all participating communities. The composite index is the sum of all six indices and multiplied by the weight of those six indices to produce a number that measures the total comparable cost among the six indices — groceries, housing, utilities, transportation, health care, and miscellaneous goods and services. The Mankato-North Mankato MSA had a composite index of 97.1 percent (2.9 percent below the national baseline) despite high costs in transportation (a 110.3 index, highest among all MSAs in Minnesota) and

Table 3

Minnesota Controlled MSA Annual Unemployment (1998-2012)

Year	Duluth	Mankato-North Mankato	Minneapolis-St. Paul-Bloomington	Rochester	St. Cloud
2012	6.8	4.7	5.5	4.8	5.7
2011	7.4	5.3	6.4	5.4	6.5
2010	8.0	6.1	7.2	6.1	7.4
2009	9.2	6.6	7.9	6.7	8.2
2008	6.2	4.3	5.1	4.5	5.6
2007	5.5	3.8	4.3	4.0	4.7
2006	5.1	3.3	3.8	3.6	4.2
2005	5.3	3.4	3.9	3.7	4.5
2004	5.8	3.8	4.4	4.1	4.7
2003	6.2	3.9	4.7	4.3	4.9
2002	5.8	3.6	4.4	3.9	4.6
2001	5.7	3.0	3.5	3.0	4.0
2000	4.4	2.7	2.7	2.7	3.2
1999	4.1	2.2	2.2	2.2	3.0
1998	4.3	2.0	2.1	2.0	3.2

Source: Minnesota Department of Employment and Economic Development Local Area Unemployment Statistics (LAUS)

health care (108.9). Other notable indices include utilities (106.3), and grocery items (103.6). While making progress, Mankato-North Mankato still lags behind other MSAs in competitive transportation infrastructure, utility costs, and grocery costs.

As the Mankato-North Mankato MSA grows, so does its demand for more public transportation. With its MSA status, Mankato-North Mankato can now access more federal funds to improve its infrastructure. As the region grows, greater innovations and investment opportunities in utilities and perhaps more grocers locating to the region could drive down the overall price of things like grocery items and electricity.

The Mankato-North Mankato MSA already has two key assets that could potentially drive economic growth going forward: Industry diversification and access to low-cost student workers with diverse skill sets and flexible work schedules.

Industry Mix

The Mankato-North Mankato MSA is ripe with retail trade and accommodation and food services (Table 2). There are strong ties to manufacturing, particularly in print manufacturing and fabricated metal production; health care and social assistance; and educational services.

Elementary and secondary school employment and social assistance, with emphasis on individual and family service and elder care, are also strong in the Mankato-North Mankato MSA. Including these pillars, the area is diverse in its industry mix and available workforce.

Diverse Workforce, Low Unemployment

This industry mix is supplemented by a diverse workforce that keeps unemployment low and fuels both the service and retail sectors. The Mankato-North Mankato MSA has had the lowest annual unemployment rate of any Minnesota controlled MSA every year since 1998 (Table 3). It is important to note that the Mankato-North Mankato MSA has not been an MSA since 1990, so the comparison is not strictly apples to apples. It's more like apples to its distant cousin, pears, but the low unemployment is still worth mentioning.

It's reasonable to conclude that diversity of industries breeds low unemployment because there are many different employers to which job seekers can match their skills. Consequently, retail and service sector employment, which typically have lower on-the-job training and afford workers greater flexibility of schedules, are more likely to offer easily transferable skills. A great example is cashiering, a job in which a person with the skills to operate a cash register in a retail establishment can also operate a similar cash register in a food service establishment with little retraining.

The region also has a wealth of college students who can benefit from flexible hours and seasonal work environments in retail and service sector employment. The notion that low unemployment in the Mankato-North Mankato MSA is fueled by the workforce tendencies of service sector and retail employment and a diverse workforce with plenty of college students is perhaps best illustrated in the unemployment rate.

Historically, the Mankato-North Mankato MSA unemployment rate is at its lowest at two times during the calendar year: During the holidays and at the start of summer. Many students are returning to service sector employment jobs during summer and winter semester breaks. With the exception of the pre-recession rates of 2008, the unemployment rate has been at its lowest in one of those two seasons every year since 1990 (Chart 1).

But something happened after the recession. Most notably, the holiday hiring season for service-sector employment ramped up a month later in 2009, shifting from October to November. Apparently, retailers and service sector employers began building their holiday workforces later in the season to accommodate the available workforce in the post-recessionary climate.

Mankato, an MSA in Transition

While the Mankato-North Mankato MSA is new to the game, its designation as an MSA has helped us examine in greater detail the DNA of its economic construct. Low-cost housing, a diverse industry mix fueled by manufacturing, retail and food service, elementary education, and social assistance, and access to a low-cost, diverse, and readily available workforce are foundations upon which the Mankato-North Mankato MSA can continue to build a strong economy.

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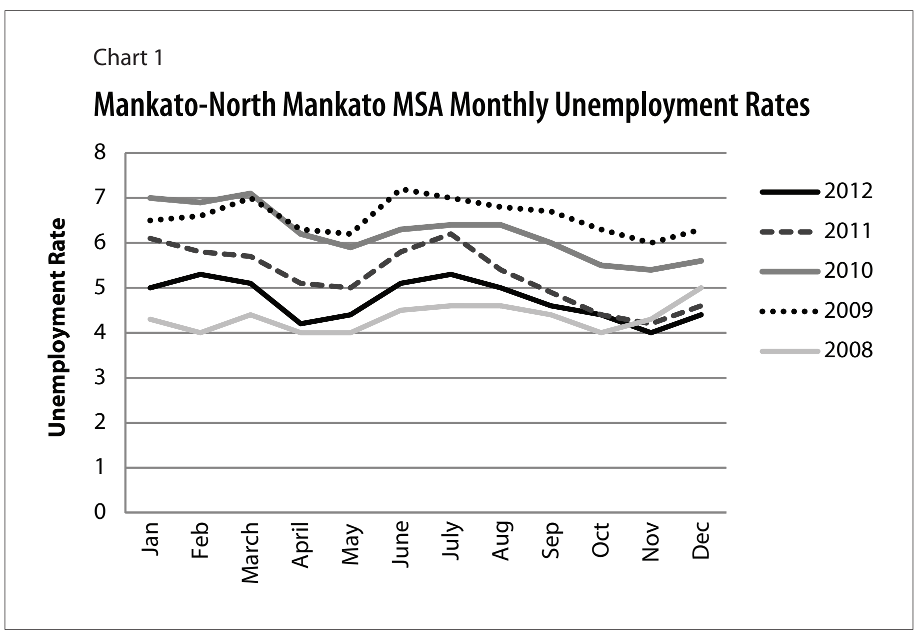


Transportation in Minnesota is the critical infrastructure of our economy. Not only does it give large companies with a need to transport goods and people from place to place an incentive to locate here, it also is a substantial source of jobs in itself.

Wages vary widely by industry and occupation, with industry averages ranging from $654 per week for river shipping to $1,893 per week for Great Lakes shipping.

Transportation by the Numbers

2011

GREAT LAKES

Employment : 229
Weekly Wage: $1,893

MISSISSIPPI

Employment : 54
Weekly Wage: $654

Support activities for water: 83 jobs

PLANE

Employment : 13,222
Weekly Wage: $1,267

Support activities: 3,196 jobs

POSTAL & OTHER

Employment : 22,594
Weekly Wage: $896

Support activities: 234 jobs

TRUCK

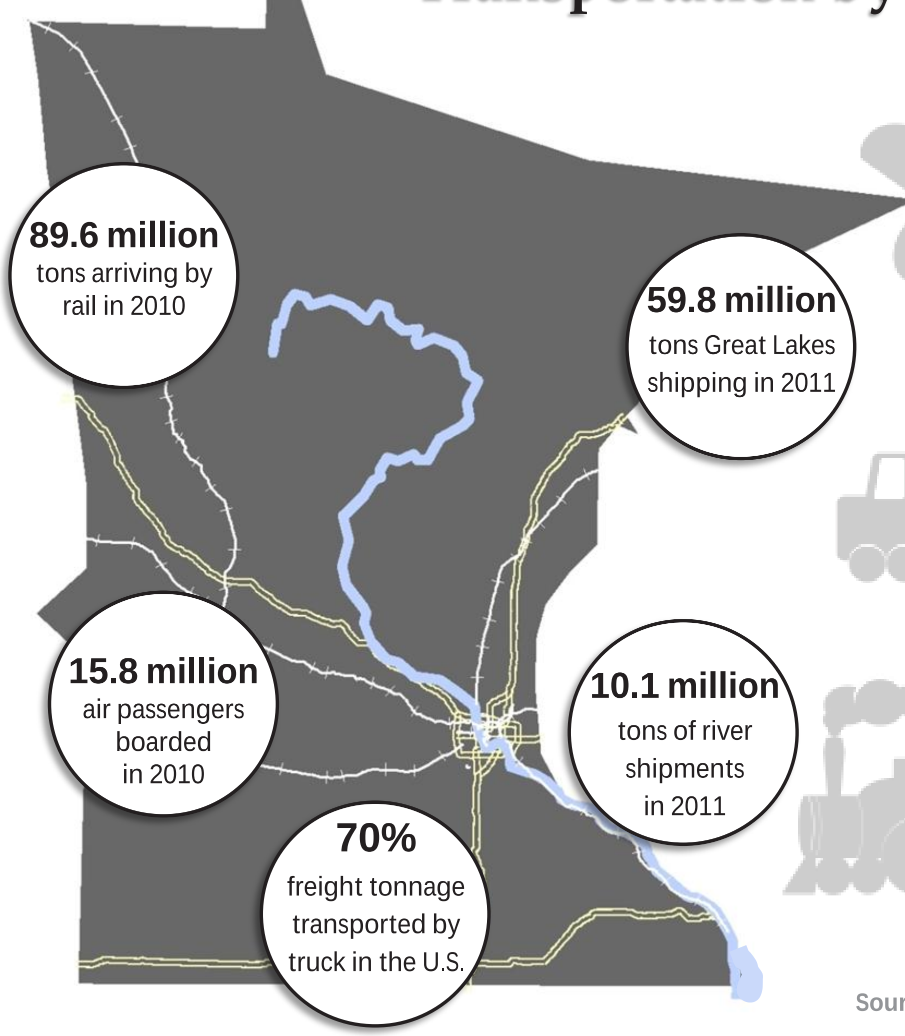
Employment : 23,724
Weekly Wage: $821

Support activities: 18,581 jobs

TRAIN

Employment : 4,500
Weekly Wage: $1,062

Support activities: 3,648 jobs



Sources: QCEW, Minnesota DOT, US DOT

by Amanda Rohrer

Labor Force Estimates

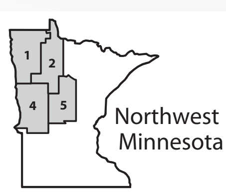
Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development, Local Area Unemployment Statistics, and North Dakota Job Service, 2013.

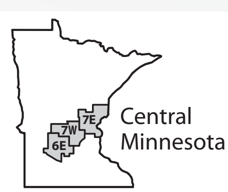
County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Jan 2013	Dec 2012	Jan 2012	Jan 2013	Dec 2012	Jan 2012	Jan 2013	Dec 2012	Jan 2012	Jan 2013	Dec 2012	Jan 2012
United States ('000s)												
(Seasonally adjusted)	155,654	155,511	154,395	143,322	143,305	141,637	12,332	12,206	12,758	7.9%	7.8%	8.3%
(Unadjusted)	154,794	154,904	153,485	141,614	143,060	139,944	13,181	11,844	13,541	8.5	7.6	8.8
Minnesota												
(Seasonally adjusted)	2,982,688	2,975,401	2,970,014	2,816,090	2,813,749	2,799,513	166,598	161,652	170,501	5.6	5.4	5.7
(Unadjusted)	2,964,553	2,959,070	2,934,020	2,765,147	2,797,636	2,742,135	199,406	161,434	191,885	6.7	5.5	6.5
Metropolitan Statistical Areas (MSA)*												
Mpls.-St. Paul MSA	1,861,598	1,857,894	1,834,426	1,747,246	1,762,526	1,725,768	114,352	95,368	108,658	6.1	5.1	5.9
Duluth-Superior MSA	143,421	144,227	141,920	131,735	134,802	131,314	11,686	9,425	10,606	8.1	6.5	7.5
Rochester MSA	104,912	101,560	102,921	99,062	97,000	97,522	5,850	4,560	5,399	5.6	4.5	5.2
St. Cloud MSA	108,436	109,179	108,876	100,479	103,007	101,655	7,957	6,172	7,221	7.3	5.7	6.6
Grand Forks MSA	53,813	54,041	54,661	50,959	51,817	51,856	2,854	2,224	2,805	5.3	4.1	5.1
Fargo-Moorhead MSA	118,902	118,337	117,208	113,263	113,916	112,087	5,639	4,421	5,121	4.7	3.7	4.4
Region One	**51,498**	**51,353**	**51,284**	**47,246**	**48,442**	**47,325**	**4,252**	**2,911**	**3,959**	**8.3**	**5.7**	**7.7**
Kittson	2,774	2,612	2,616	2,530	2,484	2,435	244	128	181	8.8	4.9	6.9
Marshall	5,579	5,585	5,667	4,892	5,102	5,069	687	483	598	12.3	8.6	10.6
Norman	3,645	3,708	3,750	3,384	3,499	3,500	261	209	250	7.2	5.6	6.7
Pennington	9,522	9,727	9,645	8,580	9,136	8,763	942	591	882	9.9	6.1	9.1
Polk	18,398	18,249	17,878	17,217	17,287	16,617	1,181	962	1,261	6.4	5.3	7.1
Red Lake	2,456	2,407	2,464	2,181	2,259	2,200	275	148	264	11.2	6.1	10.7
Roseau	9,124	9,065	9,264	8,462	8,675	8,741	662	390	523	7.3	4.3	5.6
Region Two	**40,469**	**41,137**	**41,400**	**36,307**	**37,808**	**37,531**	**4,162**	**3,329**	**3,869**	**10.3**	**8.1**	**9.3**
Beltrami	22,175	22,805	22,803	20,170	21,173	20,942	2,005	1,632	1,861	9.0	7.2	8.2
Clearwater	4,380	4,249	4,537	3,603	3,716	3,847	777	533	690	17.7	12.5	15.2
Hubbard	9,014	9,196	9,066	7,982	8,362	8,080	1,032	834	986	11.4	9.1	10.9
Lake of the Woods	2,418	2,391	2,436	2,264	2,224	2,304	154	167	132	6.4	7.0	5.4
Mahnomen	2,482	2,496	2,558	2,288	2,333	2,358	194	163	200	7.8	6.5	7.8
Region Three	**167,137**	**168,195**	**166,318**	**152,755**	**156,661**	**153,416**	**14,382**	**11,534**	**12,902**	**8.6**	**6.9**	**7.8**
Aitkin	7,146	7,278	7,378	6,409	6,690	6,658	737	588	720	10.3	8.1	9.8
Carlton	17,744	17,721	17,585	16,181	16,525	16,106	1,563	1,196	1,479	8.8	6.7	8.4
Cook	2,995	3,027	3,030	2,734	2,832	2,794	261	195	236	8.7	6.4	7.8
Itasca	23,530	23,673	23,498	21,312	21,885	21,500	2,218	1,788	1,998	9.4	7.6	8.5
Koochiching	6,507	6,654	6,741	5,825	6,082	6,164	682	572	577	10.5	8.6	8.6
Lake	6,106	6,145	6,181	5,613	5,780	5,782	493	365	399	8.1	5.9	6.5
St. Louis	103,109	103,697	101,905	94,681	96,867	94,412	8,428	6,830	7,493	8.2	6.6	7.4
City of Duluth	45,081	45,454	44,656	41,838	42,805	41,720	3,243	2,649	2,936	7.2	5.8	6.6
Balance of St. Louis County	58,028	58,243	57,249	52,843	54,062	52,692	5,185	4,181	4,557	8.9	7.2	8.0
Region Four												
Becker	**125,655**	**126,825**	**124,259**	**117,109**	**120,222**	**116,304**	**8,546**	**6,603**	**7,955**	**6.8**	**5.2**	**6.4**
Clay	17,697	17,980	17,594	16,218	16,878	16,260	1,479	1,102	1,334	8.4	6.1	7.6
Douglas	35,176	35,782	34,719	33,190	34,198	32,813	1,986	1,584	1,906	5.6	4.4	5.5
Grant	20,694	21,102	20,650	19,411	20,081	19,391	1,283	1,021	1,259	6.2	4.8	6.1
Otter Tail	3,304	3,184	3,166	2,985	2,960	2,880	319	224	286	9.7	7.0	9.0
Pope	30,213	30,876	30,634	27,735	28,995	28,394	2,478	1,881	2,240	8.2	6.1	7.3
Stevens	6,574	6,385	6,171	6,224	6,094	5,823	350	291	348	5.3	4.6	5.6
Traverse	6,536	6,160	5,890	6,225	5,925	5,621	311	235	269	4.8	3.8	4.6
Wilkin	1,686	1,699	1,798	1,572	1,617	1,685	114	82	113	6.8	4.8	6.3
	3,775	3,657	3,637	3,549	3,474	3,437	226	183	200	6.0	5.0	5.5
Region Five												
Cass	**81,374**	**82,954**	**84,527**	**72,941**	**76,195**	**76,481**	**8,433**	**6,759**	**8,046**	**10.4**	**8.1**	**9.5**
Crow Wing	13,379	13,835	14,108	11,749	12,506	12,471	1,630	1,329	1,637	12.2	9.6	11.6
Morrison	31,450	32,381	32,711	28,227	29,736	29,653	3,223	2,645	3,058	10.2	8.2	9.3
Todd	17,692	17,670	18,651	15,783	16,182	16,905	1,909	1,488	1,746	10.8	8.4	9.4
Wadena	12,495	12,619	12,680	11,473	11,811	11,701	1,022	808	979	8.2	6.4	7.7
	6,358	6,449	6,377	5,709	5,960	5,751	649	489	626	10.2	7.6	9.8
Region Six East												
Kandiyohi	**63,860**	**64,885**	**65,505**	**58,747**	**60,906**	**60,563**	**5,113**	**3,979**	**4,942**	**8.0**	**6.1**	**7.5**
McLeod	23,989	24,609	24,190	22,344	23,350	22,630	1,645	1,259	1,560	6.9	5.1	6.4
Meeker	19,214	19,305	20,350	17,568	17,983	18,714	1,646	1,322	1,636	8.6	6.8	8.0
Renville	12,481	12,593	12,637	11,398	11,735	11,552	1,083	858	1,085	8.7	6.8	8.6
	8,176	8,378	8,328	7,437	7,838	7,667	739	540	661	9.0	6.4	7.9

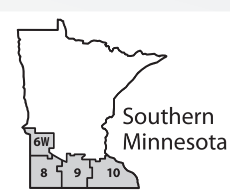
*Minneapolis-St. Paul Metropolitan Statistical Area (MSA) now includes Sherburne County in Minnesota and Pierce County in Wisconsin. St. Cloud MSA is now comprised of Benton and Stearns counties.

Numbers are unadjusted unless otherwise labeled.
Source: Department of Employment and Economic Development, Local Area Unemployment Statistics, and North Dakota Job Service, 2013.

County/ Area	Labor Force			Employment			Unemployment			Rate of Unemployment		
	Jan 2013	Dec 2012	Jan 2012	Jan 2013	Dec 2012	Jan 2012	Jan 2013	Dec 2012	Jan 2012	Jan 2013	Dec 2012	Jan 2012
Region Six West	**25,575**	**25,384**	**25,483**	**23,653**	**24,020**	**23,842**	**1,922**	**1,364**	**1,641**	**7.5%**	**5.4%**	**6.4%**
Big Stone	2,887	2,843	2,944	2,667	2,692	2,739	220	151	205	7.6	5.3	7.0
Chippewa	7,570	7,311	7,264	6,960	6,914	6,805	610	397	459	8.1	5.4	6.3
Lac Qui Parle	4,205	4,149	4,285	3,935	3,976	4,045	270	173	240	6.4	4.2	5.6
Swift	5,198	5,241	5,218	4,769	4,892	4,837	429	349	381	8.3	6.7	7.3
Yellow Medicine	5,715	5,840	5,772	5,322	5,546	5,416	393	294	356	6.9	5.0	6.2
Region Seven East	**86,174**	**85,467**	**85,348**	**77,424**	**78,756**	**76,864**	**8,750**	**6,711**	**8,484**	**10.2**	**7.9**	**9.9**
Chisago	29,160	29,109	29,250	26,702	27,236	26,672	2,458	1,873	2,578	8.4	6.4	8.8
Isanti	21,304	21,001	20,997	19,337	19,495	19,091	1,967	1,506	1,906	9.2	7.2	9.1
Kanabec	8,336	8,237	8,136	7,174	7,333	7,089	1,162	904	1,047	13.9	11.0	12.9
Mille Lacs	12,779	12,485	12,178	11,291	11,299	10,763	1,488	1,186	1,415	11.6	9.5	11.6
Pine	14,595	14,635	14,787	12,920	13,393	13,249	1,675	1,242	1,538	11.5	8.5	10.4
Region Seven West	**229,613**	**229,085**	**228,333**	**211,847**	**215,320**	**211,640**	**17,766**	**13,765**	**16,693**	**7.7**	**6.0**	**7.3**
Benton	22,588	22,652	22,651	20,683	21,186	20,908	1,905	1,466	1,743	8.4	6.5	7.7
Sherburne	50,393	49,945	49,798	46,195	46,713	45,745	4,198	3,232	4,053	8.3	6.5	8.1
Stearns	85,848	86,527	86,225	79,796	81,821	80,747	6,052	4,706	5,478	7.0	5.4	6.4
Wright	70,784	69,961	69,659	65,173	65,600	64,240	5,611	4,361	5,419	7.9	6.2	7.8
Region Eight	**68,912**	**68,580**	**68,974**	**64,818**	**65,686**	**65,276**	**4,094**	**2,894**	**3,698**	**5.9**	**4.2**	**5.4**
Cottonwood	6,394	6,524	6,517	6,011	6,217	6,180	383	307	337	6.0	4.7	5.2
Jackson	7,405	6,276	7,101	7,080	6,026	6,794	325	250	307	4.4	4.0	4.3
Lincoln	3,559	3,509	3,444	3,331	3,368	3,230	228	141	214	6.4	4.0	6.2
Lyon	14,838	15,371	15,201	13,935	14,723	14,393	903	648	808	6.1	4.2	5.3
Murray	5,877	6,043	5,878	5,461	5,798	5,514	416	245	364	7.1	4.1	6.2
Nobles	11,486	11,603	11,703	10,881	11,183	11,131	605	420	572	5.3	3.6	4.9
Pipestone	5,596	5,446	5,418	5,259	5,220	5,104	337	226	314	6.0	4.1	5.8
Redwood	8,409	8,372	8,292	7,764	7,918	7,736	645	454	556	7.7	5.4	6.7
Rock	5,348	5,436	5,420	5,096	5,233	5,194	252	203	226	4.7	3.7	4.2
Region Nine	**132,733**	**132,335**	**133,099**	**123,646**	**125,509**	**124,805**	**9,087**	**6,826**	**8,294**	**6.8**	**5.2**	**6.2**
Blue Earth	38,739	38,685	39,339	36,516	36,972	37,331	2,223	1,713	2,008	5.7	4.4	5.1
Brown	15,103	15,336	15,373	13,923	14,573	14,300	1,180	763	1,073	7.8	5.0	7.0
Faribault	7,583	7,652	7,593	7,030	7,213	7,068	553	439	525	7.3	5.7	6.9
Le Sueur	14,598	14,605	14,322	13,150	13,497	12,981	1,448	1,108	1,341	9.9	7.6	9.4
Martin	10,974	11,197	11,341	10,247	10,639	10,647	727	558	694	6.6	5.0	6.1
Nicollet	19,692	19,742	20,080	18,625	18,913	19,098	1,067	829	982	5.4	4.2	4.9
Sibley	10,290	9,217	9,044	9,614	8,691	8,436	676	526	608	6.6	5.7	6.7
Waseca	10,189	10,267	10,512	9,419	9,683	9,843	770	584	669	7.6	5.7	6.4
Watonwan	5,565	5,634	5,495	5,122	5,328	5,101	443	306	394	8.0	5.4	7.2
Region Ten	**273,139**	**271,960**	**273,250**	**255,954**	**258,536**	**257,052**	**17,185**	**13,424**	**16,198**	**6.3**	**4.9**	**5.9**
Dodge	11,315	10,904	11,110	10,534	10,324	10,379	781	580	731	6.9	5.3	6.6
Fillmore	11,308	10,893	11,109	10,514	10,307	10,342	794	586	767	7.0	5.4	6.9
Freeborn	16,123	16,482	16,662	15,021	15,562	15,555	1,102	920	1,107	6.8	5.6	6.6
Goodhue	25,920	26,092	26,326	24,196	24,765	24,666	1,724	1,327	1,660	6.7	5.1	6.3
Houston	10,682	10,937	10,850	9,785	10,306	9,947	897	631	903	8.4	5.8	8.3
Mower	21,175	21,536	21,594	19,953	20,574	20,427	1,222	962	1,167	5.8	4.5	5.4
Olmsted	81,696	79,029	79,955	77,369	75,616	76,023	4,327	3,413	3,932	5.3	4.3	4.9
City of Rochester	59,527	57,601	58,219	56,399	55,124	55,420	3,128	2,477	2,799	5.3	4.3	4.8
Rice	32,272	32,997	33,041	29,802	31,023	30,716	2,470	1,974	2,325	7.7	6.0	7.0
Steele	21,339	21,648	21,071	19,962	20,557	19,761	1,377	1,091	1,310	6.5	5.0	6.2
Wabasha	11,901	11,626	11,856	11,159	11,060	11,120	742	566	736	6.2	4.9	6.2
Winona	29,408	29,816	29,676	27,659	28,442	28,116	1,749	1,374	1,560	5.9	4.6	5.3
Region Eleven	**1,618,416**	**1,616,010**	**1,593,646**	**1,522,706**	**1,535,105**	**1,503,291**	**95,710**	**80,905**	**90,355**	**5.9**	**5.0**	**5.7**
Anoka	190,800	191,231	188,888	178,139	180,551	176,809	12,661	10,680	12,079	6.6	5.6	6.4
Carver	51,307	50,847	50,100	48,149	48,293	47,292	3,158	2,554	2,808	6.2	5.0	5.6
Dakota	232,293	232,540	230,019	218,764	221,347	216,760	13,529	11,193	13,259	5.8	4.8	5.8
Hennepin	660,212	659,232	648,709	623,268	627,380	614,378	36,944	31,852	34,331	5.6	4.8	5.3
City of Bloomington	48,258	48,152	47,439	45,518	45,811	44,862	2,740	2,341	2,577	5.7	4.9	5.4
City of Minneapolis	215,758	215,421	211,955	203,194	204,609	200,368	12,564	10,812	11,587	5.8	5.0	5.5
Ramsey	274,460	274,192	270,333	257,587	259,794	254,410	16,873	14,398	15,923	6.1	5.3	5.9
City of St. Paul	146,991	146,743	144,887	137,418	138,602	135,729	9,573	8,141	9,158	6.5	5.5	6.3
Scott	75,433	74,569	73,798	70,767	70,791	69,324	4,666	3,778	4,474	6.2	5.1	6.1
Washington	133,911	133,399	131,799	126,032	126,949	124,318	7,879	6,450	7,481	5.9	4.8	5.7







Industrial Analysis

Monthly analysis is based on ***seasonally adjusted*** employment data; yearly analysis is based on ***unadjusted*** employment data.*

Overview

Following December's job gains of 5,800 (0.2 percent), January employment climbed 12,100 (0.4 percent) for the month. This is the sixth consecutive growth month, but gains continue to be tepid.

Specific industries are faring better — Mining and Logging has been growing rapidly and has surpassed prerecession levels. Construction gains were encouraging, but the larger trend is still toward only slow growth.

Falling between holiday hiring and spring hiring, January is often a month where we see little or no employment growth. Coming months will be better indicators of what to expect in 2013.

Mining and Logging

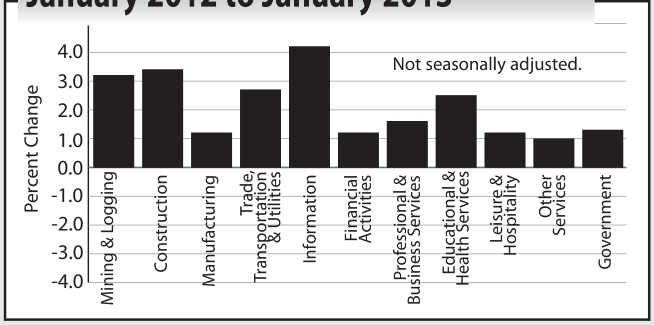
Employment in Natural Resources and Mining increased 100 over the month, a 1.4 percent gain. The industry hasn't been very volatile this year, with no changes of greater magnitude and only one decline. The employment level is now 7,200, the highest the industry has seen since February 2001. Given developments in mining technology and the businesses that have benefited, this rapid growth is expected, but nonetheless welcome.

Construction

Construction employment gained 2,600 jobs (2.8 percent) over the month. Although growth has been inconsistent, this is stronger than in employment overall. However, Construction is a highly seasonal industry and has a large January adjustment; this indicates much slower employment declines than typical, not an adding of jobs.

MN Employment Growth

January 2012 to January 2013



Source: Department of Employment and Economic Development, Current Employment Statistics, 2013.

Manufacturing

Manufacturing employment increased 600 (0.2 percent), the third straight monthly increase. Durable Goods Manufacturing fell 0.3 percent (500), while Non-Durable Goods Manufacturing increased 1.0 percent (1,100). Over the year, employment for all three industry groups is up — Durable is up 1.6 percent, Non-Durable 0.3 percent, and Manufacturing overall is up 1.2 percent, none seasonally adjusted. Although Manufacturing employment is growing, recent growth has been inconsistent and slow.

Trade, Transportation, and Utilities

Employment in Trade, Transportation, and Utilities increased 4,100 (0.8 percent). Wholesale Trade fared better, growing 1.5 percent (1,900) while Retail Trade was a little weaker, growing only 0.4 percent (1,200). Transportation, Warehousing, and Utilities increased 1.1 percent (1,000). Growth in these industries has been weak over the last few years, with the most significant improvement coming from the recent holiday season. Year over year, employment in Trade, Transportation, and Utilities was up 2.7 percent (13,338), not seasonally adjusted.

Information

Employment in Information grew 400 (0.7 percent) over the month. Employment in the industry has remained between 52,000 and 55,000 since early 2009 and has seen balancing declines and gains during that whole time. The current level, 55,000, is comfortably within that range. There has been little obvious trend in the industry's employment.

Financial Activities

Financial Activities employment declined 0.1 percent (100). Its component industries were competing, with Finance and Insurance employment falling 0.3 percent (400) and Real Estate and Rental and Leasing gaining 0.8 percent (300). Growth in these industries has been tepid and inconsistent on a monthly basis, but over-the-year Financial Activities employment is up 1.2 percent (2,131).

*Over-the-year data are not seasonally adjusted because of small changes in seasonal adjustment factors from year to year. Also, there is no seasonality in over-the-year changes.

Professional and Business Services

Professional and Business Services employment was fairly flat for the month, increasing 0.1 percent (200), but growth was unevenly distributed between its component industries. Professional and Technical Services fell 1.5 percent (2,000) over the month, reversing two months' worth of gains; Management of Companies and Enterprises gained 1.1 percent (800), bringing it to a post-recession high of 75,700; and Administrative and Support Services grew 1.1 percent (1,400). In seven of the last eight months Administrative and Support Services saw declines, so January's comparatively strong performance is a hopeful sign.

Educational and Health Services

Educational and Health Services employment grew 700 (0.1 percent) over the month, following more than a year of near-perfectly consistent gains. Over the year, employment is up 11,748 (2.5 percent). The weakness comes from Private Education, which fell 1,100 (1.7 percent) over the month, while the other component industry, Health Care and Social Assistance, increased 1,800 (0.4 percent) and hasn't seen a monthly seasonally adjusted decline since July 2011.

Leisure and Hospitality

Employment in Leisure and Hospitality increased 1,700 (0.7 percent) over the month. After a weak summer for employment, this is the fourth straight month of increase, and over-the-year employment is up 1.2 percent (1,986). Over the month the gains were unevenly divided between Arts, Entertainment, and Recreation (up 2.7 percent, 1,100) and Accommodation and Food Services (up 0.3 percent, 600). Over the year the strength of the industries was reversed, with 1.0 percent growth and 1.3 percent growth, respectively. Arts, Entertainment, and Recreation is the much smaller piece of the Leisure and Hospitality industry.

Other Services

Employment grew 900 (0.8 percent) over the month. The industry has seen equal numbers of gains and losses over the last couple of years. Since it includes as varied industries as Repair and Maintenance, Laundry and Personal Services, and Religious and Grantmaking employment, it's difficult to draw conclusions about overall health of the industries.

Government

Employment increased 900 (0.2 percent). Federal Government saw the only decline, falling 1.3 percent (400), while State Government employment grew 0.4 percent (400), and Local Government employment grew 0.3 percent (900). Recent federal government budget problems likely contribute to the declines.

by Amanda Rohrer

Seasonally Adjusted Nonfarm Employment

In 1,000's

Industry	January 2013	December 2012	November 2012
Total Nonagricultural	**2,764.0**	**2,751.9**	**2,746.1**
Goods-Producing	**410.2**	**406.9**	**407.0**
Mining and Logging	7.2	7.1	7.0
Construction	95.1	92.5	94.2
Manufacturing	307.9	307.3	305.8
Service-Providing	**2,353.8**	**2,345.0**	**2,339.1**
Trade, Transportation, and Utilities	514.1	510.0	507.1
Information	55.0	54.6	54.5
Financial Activities	177.7	177.8	177.6
Professional and Business Services	338.1	337.9	337.7
Educational and Health Services	487.3	486.6	483.9
Leisure and Hospitality	248.6	246.9	245.7
Other Services	116.7	115.8	116.6
Government	416.3	415.4	416.0

Source: Department of Employment and Economic Development Current Employment Statistics, 2013.

Regional Analysis

Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area (MSA)

January employment in the Minneapolis-St. Paul MSA declined 1.8 percent (32,305) over the month and increased 2.0 percent (33,893) over the year. Goods-producing industries saw a disproportionate share of the monthly decline with Mining, Logging, and Construction falling 9.9 percent (5,437) over the month. Manufacturing fell only 0.5 percent (974). Service industries that saw large declines over the month include Trade, Transportation, and Utilities (down 2.4 percent, 7,937) and Professional and Business Services (down 3.3 percent, 9,187), but both were up slightly over the year. Most other industries saw slight to moderate monthly declines in line with seasonal trends. Government employment fell 1.5 percent (3,739) over the month and was up 2.6 percent (6,040) over the year.

Duluth -Superior MSA

Employment in the Duluth MSA declined 3.0 percent (3,882) over the month but increased 1.1 percent (1,349) over the year. Most of the numeric decline over the month was in Private Service-providing industries — notably Trade, Transportation, and Utilities (down 4.0 percent, 1,016) and Leisure and Hospitality (down 3.1 percent, 413). State Government also saw significant declines (down 12.8 percent, 1,025) as did Mining, Logging, and Construction (down 6.7 percent, 502). Over the year the most substantial gains were in Leisure and Hospitality (up 6.3 percent, 759).

Rochester MSA

Employment in the Rochester MSA declined 1.6 percent (1,646) over the month but increased 1.3 percent (1,370) over the year. Significant monthly declines were seen in Mining, Logging, and Construction (down 12.9 percent, 391), a highly seasonal industry that often sees January declines, and in Professional and Business Services (down 6.2 percent, 318). Nearly all other industries saw small to moderate employment losses over the month. On an annual basis the largest gains were in Trade, Transportation, and Utilities (up 2.6 percent, 406), Information (up 7.8 percent, 125), and Educational and Health Services (up 2.9 percent, 1,257), while losses were in Government (down 2.1 percent, 224) and Manufacturing (down 3.0 percent, 311).

St. Cloud MSA

Employment in the St. Cloud MSA fell 2.9 percent (3,022) over the month but gained 1.1 percent (1,109) over the year. Because this is not seasonally-adjusted data, the monthly decline for January is fairly typical, but the moderate over-the-year growth indicates improvement in the local economy. Over the year the strongest industries were Mining, Logging, and Construction (9.5 percent, up 366), Trade, Transportation, and Utilities (2.8 percent, up 548), and Financial Activities (5.1 percent, up 213). Government fell 1.9 percent (312) over the year, while in the Private sector only Leisure and Hospitality (down 1.0 percent, 90) and Other Services (down 1.3 percent, 45) saw significant over-the-year declines. On a monthly basis all industries declined moderately as expected, considering seasonal patterns.

Mankato-North Mankato MSA

Employment in the Mankato-North Mankato MSA declined 1.5 percent (804) over the month, but increased 1.9 percent (1,000) over the year. The largest contributors to over-the-month declines were Goods-producing industries, which declined 3.1 percent (306). Numerically, a larger share of the decline came from Private Service-providing industries, which fell 578 (1.6 percent). Of the estimated industries, only Government employment saw monthly growth — up 0.9 percent (80). Goods-producing industries also provided the largest share of the annual growth — up 4.5 percent (405), although all other estimated industries saw small increases as well.

Fargo-Moorhead MSA

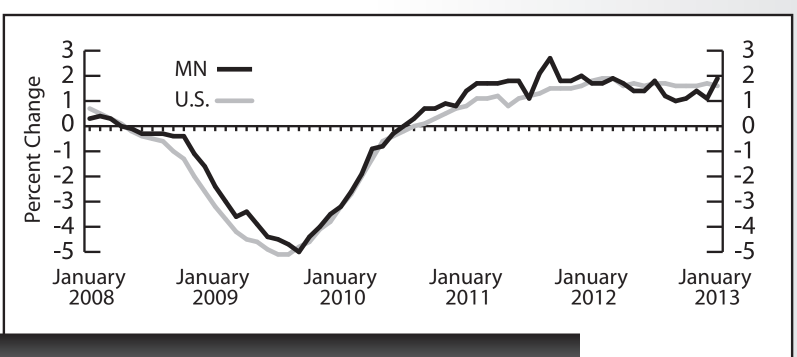
Employment in the Fargo-Moorhead MSA declined 1.9 percent (2,550) over the month but was up 5.0 (6,116) over the year. Losses were fairly evenly spread across industries with the largest percentages coming from Leisure and Hospitality (down 4.1 percent, 557), Government (down 3.5 percent, 611), and Trade, Transportation, and Utilities (down 2.3 percent, 696). Over the year there were large gains in Mining, Logging, and Construction (up 16.8 percent, 1,034) and in Professional and Business Services (up 11.9 percent, 1,660), although most industries saw solid increases.

Grand Forks-East Grand Forks MSA

Employment in the Grand Forks-East Grand Forks MSA declined 2.8 percent (1,577) over the month but increased 1.9 percent (1,015) over the year. The largest monthly declines were in Mining, Logging, and Construction (down 8.9 percent, 253), Professional and Business Services (down 3.4 percent, 93), and Government (down 3.9 percent, 579). No industries saw monthly increases. Over the year, industry change was sporadic with large and small increases and declines. The largest annual increase was in Mining, Logging, and Construction (up 13.0 percent, 298).

by Amanda Rohrer

Source: Department of Employment and Economic Development, Current Employment Statistics, 2013; Bureau of Labor Statistics, U.S. Department of Labor, Current Employment Statistics, 2013.



Total Nonfarm Jobs
U.S. and MN over-the-year percent change

Employer Survey of Minnesota Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

Note: State, regional and local estimates from past months (for all tables pages 11-13) may be revised from figures previously published.

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jan 2013	Dec 2012	Jan 2012	Dec 2012	Jan 2012	Jan 2013	Jan 2012	Jan 2013	Jan 2012	Jan 2013	Jan 2012
TOTAL NONFARM WAGE AND SALARY	**2,702.4**	**2,750.6**	**2,652.3**	**-1.8%**	**1.9%**	—	—	—	—	—	—
GOODS-PRODUCING	**389.5**	**398.6**	**383.1**	**-2.3**	**1.6**	—	—	—	—	—	—
Mining and Logging	**6.8**	**6.8**	**6.6**	**0.8**	**3.2**	—	—	—	—	—	—
Construction	**80.0**	**86.2**	**77.4**	**-7.2**	**3.4**	—	—	—	—	—	—
Specialty Trade Contractors	51.0	53.5	50.2	-4.6	1.7	$1,171.76	$1,195.43	39.4	38.5	$29.74	$31.05
Manufacturing	**302.6**	**305.6**	**299.1**	**-1.0**	**1.2**	**781.64**	**784.05**	**39.9**	**40.9**	**19.59**	**19.17**
Durable Goods	192.5	194.9	189.4	-1.2	1.6	784.04	784.57	39.3	40.4	19.95	19.42
Wood Product Manufacturing	10.2	10.5	10.3	-2.4	-0.5	—	—	—	—	—	—
Fabricated Metal Production	42.1	42.2	40.1	-0.1	5.1	—	—	—	—	—	—
Machinery Manufacturing	32.0	32.1	31.5	-0.4	1.6	—	—	—	—	—	—
Computer and Electronic Product	45.1	45.1	45.9	-0.1	-1.8	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	24.9	24.9	24.9	0.0	0.0	—	—	—	—	—	—
Transportation Equipment	9.9	10.7	9.6	-8.0	3.0	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	15.6	15.6	15.8	-0.2	-1.4	—	—	—	—	—	—
Nondurable Goods	110.1	110.7	109.7	-0.6	0.3	777.65	785.84	40.8	41.8	19.06	18.80
Food Manufacturing	44.3	44.8	43.0	-1.1	3.0	—	—	—	—	—	—
Paper Manufacturing	33.0	33.5	34.4	-1.5	-4.2	—	—	—	—	—	—
Printing and Related	23.0	23.4	23.6	-1.5	-2.4	—	—	—	—	—	—
SERVICE-PROVIDING	**2,312.9**	**2,352.0**	**2,269.2**	**-1.7**	**1.9**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**508.6**	**519.6**	**495.3**	**-2.1**	**2.7**	—	—	—	—	—	—
Wholesale Trade	130.9	130.5	125.2	0.3	4.5	965.58	934.99	38.0	37.9	25.41	24.67
Retail Trade	284.3	293.6	279.3	-3.2	1.8	361.79	350.15	26.7	27.9	13.55	12.55
Motor Vehicle and Parts	30.4	30.8	30.1	-1.3	1.1	—	—	—	—	—	—
Building Material and Garden Equipment	22.4	23.7	22.2	-5.6	0.9	—	—	—	—	—	—
Food and Beverage Stores	50.2	51.3	49.1	-2.1	2.3	—	—	—	—	—	—
Gasoline Stations	23.4	23.6	22.8	-1.0	2.5	—	—	—	—	—	—
General Merchandise Stores	62.5	65.6	65.3	-4.7	-4.2	308.54	326.63	28.1	29.4	10.98	11.11
Transportation,Warehouse, Utilities	93.5	95.5	90.8	-2.2	2.9	—	—	—	—	—	—
Transportation and Warehousing	80.9	82.9	78.4	-2.4	3.2	688.93	661.20	39.3	38.0	17.53	17.40
Information	**55.2**	**54.7**	**52.9**	**0.8**	**4.2**	**784.90**	**743.40**	**33.4**	**35.0**	**23.50**	**21.24**
Publishing Industries	20.9	21.1	21.0	-1.0	-0.7	—	—	—	—	—	—
Telecommunications	13.6	13.6	13.8	0.1	-1.2	—	—	—	—	—	—
Financial Activities	**176.5**	**177.3**	**174.4**	**-0.5**	**1.2**	—	—	—	—	—	—
Finance and Insurance	138.5	139.3	136.9	-0.6	1.2	865.20	964.93	35.3	37.9	24.51	25.46
Credit Intermediation	54.1	54.0	52.6	0.0	2.9	708.29	640.82	34.5	35.7	20.53	17.95
Securities, Commodity Contracts, and Other	17.9	17.9	18.2	0.0	-1.7	—	—	—	—	—	—
Insurance Carriers and Related	63.3	63.9	62.9	-1.0	0.6	—	—	—	—	—	—
Real Estate and Rental and Leasing	38.0	38.0	37.5	-0.1	1.5	—	—	—	—	—	—
Professional and Business Services	**329.8**	**340.6**	**324.7**	**-3.2**	**1.6**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	131.9	133.5	128.0	-1.2	3.1	—	—	—	—	—	—
Legal Services	18.6	19.0	18.7	-1.8	-0.2	—	—	—	—	—	—
Accounting, Tax Preparation	14.6	14.2	15.6	3.4	-6.1	—	—	—	—	—	—
Computer Systems Design	30.7	31.1	30.4	-1.3	1.0	—	—	—	—	—	—
Management of Companies and Enterprises	75.1	75.5	73.6	-0.6	2.1	—	—	—	—	—	—
Administrative and Support Services	122.8	131.6	123.2	-6.7	-0.3	—	—	—	—	—	—
Educational and Health Services	**481.7**	**487.1**	**470.0**	**-1.1**	**2.5**	—	—	—	—	—	—
Educational Services	61.2	66.6	63.1	-8.2	-3.1	—	—	—	—	—	—
Health Care and Social Assistance	420.6	420.5	406.9	0.0	3.4	—	—	—	—	—	—
Ambulatory Health Care	137.3	136.7	129.1	0.4	6.4	1,095.43	1,024.97	34.2	34.2	32.03	29.97
Offices of Physicians	66.2	66.3	62.4	-0.1	6.0	—	—	—	—	—	—
Hospitals	103.0	103.4	100.9	-0.4	2.1	—	—	—	—	—	—
Nursing and Residential Care Facilities	105.4	105.4	102.2	0.0	3.2	425.00	383.52	28.6	27.2	14.86	14.10
Social Assistance	74.9	75.0	74.8	-0.1	0.2	—	—	—	—	—	—
Leisure and Hospitality	**230.6**	**235.5**	**227.7**	**-2.1**	**1.2**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	34.1	34.8	33.7	-2.1	1.0	—	—	—	—	—	—
Accommodation and Food Services	196.5	200.7	194.0	-2.1	1.3	—	—	—	—	—	—
Food Services and Drinking Places	172.5	176.3	170.5	-2.1	1.2	211.97	206.85	19.7	19.7	10.76	10.50
Other Services	**115.3**	**116.3**	**114.2**	**-0.8**	**1.0**	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	68.2	68.3	67.2	-0.2	1.5						
Government	**415.2**	**420.9**	**410.0**	**-1.4**	**1.3**						
Federal Government	31.0	31.4	31.6	-1.1	-1.8						
State Government	98.3	101.3	97.0	-2.9	1.4						
State Government Education	61.4	64.3	61.5	-4.6	-0.2						
Local Government	285.8	288.3	281.4	-0.8	1.6						
Local Government Education	141.0	143.8	139.6	-1.9	1.1						

Note: Not all industry subgroups are shown for every major industry category.

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2013.

Employer Survey of Twin Cities Nonfarm Payroll Jobs, Hours and Earnings

Numbers are unadjusted.

Note: State, regional and local estimates from past months (for all tables pages 11-13) may be revised from figures previously published.

Industry	Jobs* (Thousands)			Percent Change From**		Production Workers Hours and Earnings					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Jan 2013	Dec 2012	Jan 2012	Dec 2012	Jan 2012	Jan 2013	Jan 2012	Jan 2013	Jan 2012	Jan 2013	Jan 2012
TOTAL NONFARM WAGE AND SALARY	**1,755.7**	**1,788.0**	**1,721.8**	**-1.8%**	**2.0%**	—	—	—	—	—	—
GOODS-PRODUCING	**230.2**	**236.6**	**226.0**	**-2.7**	**1.9**	—	—	—	—	—	—
Mining, Logging, and Construction	**49.4**	**54.8**	**48.1**	**-9.9**	**2.6**	—	—	—	—	—	—
Construction of Buildings	11.7	12.8	11.6	-8.4	0.9	—	—	—	—	—	—
Specialty Trade Contractors	35.3	37.9	32.6	-7.1	8.3	$1,322.72	$1,216.67	41.7	38.6	$31.72	$31.52
Manufacturing	**180.8**	**181.8**	**177.8**	**-0.5**	**1.7**	**815.20**	**828.61**	**40.0**	**41.0**	**20.38**	**20.21**
Durable Goods	125.4	125.8	122.5	-0.4	2.4	832.22	837.63	39.8	40.9	20.91	20.48
Fabricated Metal Production	28.2	28.4	27.0	-0.5	4.5	—	—	—	—	—	—
Machinery Manufacturing	19.8	19.9	19.2	-0.4	3.1	—	—	—	—	—	—
Computer and Electronic Product	35.5	35.5	35.6	-0.1	-0.4	—	—	—	—	—	—
Navigational, Measuring, Electromedical and Control	23.4	23.4	23.3	0.2	0.5	—	—	—	—	—	—
Medical Equipment and Supplies Manufacturing	14.1	14.1	14.4	-0.1	-2.1	—	—	—	—	—	—
Nondurable Goods	55.4	56.0	55.4	-0.9	0.1	782.95	810.82	40.4	41.2	19.38	19.68
Food Manufacturing	12.0	12.2	11.9	-1.9	0.5	—	—	—	—	—	—
Printing and Related	14.7	14.8	14.7	-0.8	-0.4	—	—	—	—	—	—
SERVICE-PROVIDING	**1,525.6**	**1,551.5**	**1,495.9**	**-1.7**	**2.0**	—	—	—	—	—	—
Trade, Transportation, and Utilities	**318.5**	**326.4**	**312.4**	**-2.4**	**2.0**	—	—	—	—	—	—
Wholesale Trade	81.7	82.2	79.1	-0.5	3.2	973.09	976.00	37.6	37.8	25.88	25.82
Merchant Wholesalers - Durable Goods	43.5	43.8	41.8	-0.7	4.2	—	—	—	—	—	—
Merchant Wholesalers - Nondurable Goods	24.1	24.3	24.0	-0.8	0.4	—	—	—	—	—	—
Retail Trade	174.6	180.3	171.4	-3.2	1.9	335.76	352.50	26.5	28.2	12.67	12.50
Food and Beverage Stores	28.7	29.3	27.8	-2.3	3.1	—	—	—	—	—	—
General Merchandise Stores	38.7	40.5	40.2	-4.4	-3.8	319.28	329.48	29.4	30.2	10.86	10.91
Transportation, Warehouse, Utilities	62.1	63.9	61.8	-2.8	0.5	—	—	—	—	—	—
Utilities	7.3	7.3	7.3	-0.5	0.5	—	—	—	—	—	—
Transportation and Warehousing	54.8	56.6	54.6	-3.1	0.5	770.85	711.20	42.1	40.0	18.31	17.78
Information	**39.0**	**39.0**	**38.4**	**0.1**	**1.7**	**788.91**	**908.95**	**33.4**	**37.7**	**23.62**	**24.11**
Publishing Industries	16.4	16.5	16.3	-0.7	0.1	—	—	—	—	—	—
Telecommunications	9.5	9.5	9.6	-0.5	-1.7	—	—	—	—	—	—
Financial Activities	**140.3**	**140.4**	**138.4**	**0.0**	**1.4**	—	—	—	—	—	—
Finance and Insurance	109.4	109.1	108.1	0.3	1.3	980.78	1,086.98	35.6	38.6	27.55	28.16
Credit Intermediation	37.5	37.3	36.2	0.4	3.4	—	—	—	—	—	—
Securities, Commodity Contracts, and Other	16.1	16.0	16.6	0.3	-2.8	—	—	—	—	—	—
Insurance Carriers and Related	52.8	53.0	52.3	-0.3	1.0	—	—	—	—	—	—
Real Estate and Rental and Leasing	30.9	31.3	30.3	-1.2	1.8	—	—	—	—	—	—
Professional and Business Services	**266.9**	**276.0**	**265.6**	**-3.3**	**0.5**	—	—	—	—	—	—
Professional, Scientific, and Technical Services	105.7	108.0	102.8	-2.1	2.7	—	—	—	—	—	—
Legal Services	15.7	16.0	15.7	-1.7	0.2	—	—	—	—	—	—
Architectural, Engineering, and Related	14.7	15.1	14.6	-2.5	0.8	—	—	—	—	—	—
Computer Systems Design	26.2	26.5	25.3	-1.4	3.5	—	—	—	—	—	—
Management of Companies and Enterprises	66.8	67.2	67.3	-0.6	-0.7	—	—	—	—	—	—
Administrative and Support Services	94.4	100.9	95.5	-6.4	-1.1	—	—	—	—	—	—
Employment Services	47.0	51.5	45.8	-8.7	2.4	—	—	—	—	—	—
Educational and Health Services	**291.9**	**293.4**	**280.3**	**-0.5**	**4.1**	—	—	—	—	—	—
Educational Services	43.8	45.6	42.3	-4.0	3.5	—	—	—	—	—	—
Health Care and Social Assistance	248.1	247.8	238.0	0.1	4.2	—	—	—	—	—	—
Ambulatory Health Care	81.5	80.9	75.9	0.7	7.3	—	—	—	—	—	—
Hospitals	59.8	60.0	58.0	-0.5	3.0	—	—	—	—	—	—
Nursing and Residential Care Facilities	55.3	55.5	53.4	-0.4	3.7	—	—	—	—	—	—
Social Assistance	51.5	51.3	50.7	0.4	1.6	—	—	—	—	—	—
Leisure and Hospitality	**154.7**	**157.1**	**153.3**	**-1.5**	**1.0**	—	—	—	—	—	—
Arts, Entertainment, and Recreation	25.3	26.1	25.7	-3.0	-1.5	—	—	—	—	—	—
Accommodation and Food Services	129.4	131.0	127.6	-1.2	1.4	243.86	241.23	21.6	21.5	11.29	11.22
Food Services and Drinking Places	117.9	118.9	115.2	-0.8	2.3	240.75	226.93	21.4	20.8	11.25	10.91
Other Services	**76.3**	**77.6**	**75.6**	**-1.6**	**0.9**	—	—	—	—	—	—
Repair and Maintenance	13.3	13.4	13.0	-0.8	1.9	—	—	—	—	—	—
Religious, Grantmaking, Civic, Professional Organizations	42.7	43.2	42.2	-1.3	1.1	—	—	—	—	—	—
Government	**237.9**	**241.7**	**231.9**	**-1.5**	**2.6**						
Federal Government	20.0	20.1	20.5	-0.6	-2.5						
State Government	66.0	68.4	63.5	-3.5	3.9						
State Government Education	40.9	43.3	39.6	-5.5	3.3						
Local Government	151.8	153.1	147.8	-0.8	2.7						
Local Government Education	86.9	88.3	84.6	-1.7	2.7						

Note: Not all industry subgroups are shown for every major industry category.

* Totals may not add because of rounding.

** Percent change based on unrounded numbers.

Source: Department of Employment and Economic Development, Current Employment Statistics, 2013.

Employer Survey

Industry	St. Cloud MSA Jobs Jan 2013	Dec 2012	Jan 2012	% Chg. From Dec 2012	Jan 2012	Rochester MSA Jobs Jan 2013	Dec 2012	Jan 2012	% Chg. From Dec 2012	Jan 2012
TOTAL NONFARM WAGE AND SALARY	**99,792**	**102,814**	**98,683**	**-2.9%**	**1.1%**	**104,457**	**106,103**	**103,087**	**-1.6%**	**1.3%**
GOODS-PRODUCING	**18,972**	**19,824**	**18,545**	**-4.3**	**2.3**	**12,688**	**13,108**	**13,029**	**-3.2**	**-2.6**
Mining, Logging, and Construction	4,236	4,772	3,870	-11.2	9.5	2,633	3,024	2,663	-12.9	-1.1
Manufacturing	14,736	15,052	14,675	-2.1	0.4	10,055	10,084	10,366	-0.3	-3.0
SERVICE-PROVIDING	**80,820**	**82,990**	**80,138**	**-2.6**	**0.9**	**91,769**	**92,995**	**90,058**	**-1.3**	**1.9**
Trade, Transportation, and Utilities	20,447	21,247	19,899	-3.8	2.8	16,036	16,468	15,630	-2.6	2.6
Wholesale Trade	4,078	4,193	3,819	-2.7	6.8	2,302	2,331	2,226	-1.2	3.4
Retail Trade	12,990	13,516	12,727	-3.9	2.1	11,344	11,649	11,115	-2.6	2.1
Transportation, Warehouse, Utilities	3,379	3,538	3,353	-4.5	0.8	2,390	2,488	2,289	-3.9	4.4
Information	1,622	1,652	1,621	-1.8	0.1	1,731	1,719	1,606	0.7	7.8
Financial Activities	4,351	4,385	4,138	-0.8	5.1	2,353	2,373	2,344	-0.8	0.4
Professional and Business Services	7,920	8,292	7,924	-4.5	-0.1	4,791	5,109	4,787	-6.2	0.1
Educational and Health Services	18,886	19,139	18,515	-1.3	2.0	44,126	44,274	42,869	-0.3	2.9
Leisure and Hospitality	8,503	8,638	8,593	-1.6	-1.0	8,738	8,877	8,755	-1.6	-0.2
Other Services	3,360	3,397	3,405	-1.1	-1.3	3,566	3,635	3,415	-1.9	4.4
Government	15,731	16,240	16,043	-3.1	-1.9	10,428	10,540	10,652	-1.1	-2.1

Employer Survey

Industry	Duluth-Superior MSA Jobs Jan 2013	Dec 2012	Jan 2012	% Chg. From Dec 2012	Jan 2012	Mankato-North Mankato MSA Jobs Jan 2013	Dec 2012	Jan 2012	% Chg. From Dec 2012	Jan 2012
TOTAL NONFARM WAGE AND SALARY	**127,194**	**131,076**	**125,845**	**-3.0%**	**1.1%**	**53,249**	**54,053**	**52,249**	**-1.5%**	**1.9%**
GOODS-PRODUCING	**14,158**	**14,749**	**14,552**	**-4.0**	**-2.7**	**9,426**	**9,732**	**9,021**	**-3.1**	**4.5**
Mining, Logging, and Construction	7,032	7,534	7,499	-6.7	-6.2	--	--	--	--	--
Manufacturing	7,126	7,215	7,053	-1.2	1.0	--	--	--	--	--
						--	--	--	--	--
SERVICE-PROVIDING	**113,036**	**116,327**	**111,293**	**-2.8**	**1.6**	**43,823**	**44,321**	**43,228**	**-1.1**	**1.4**
Trade, Transportation, and Utilities	24,155	25,171	23,538	-4.0	2.6	--	--	--	--	--
Wholesale Trade	3,150	3,193	2,949	-1.3	6.8	--	--	--	--	--
Retail Trade	15,000	15,712	14,799	-4.5	1.4	--	--	--	--	--
Transportation, Warehouse, Utilities	6,005	6,266	5,790	-4.2	3.7	--	--	--	--	--
Information	1,349	1,339	1,369	0.7	-1.5	--	--	--	--	--
Financial Activities	5,342	5,443	5,341	-1.9	0.0	--	--	--	--	--
Professional and Business Services	7,317	7,507	7,239	-2.5	1.1	--	--	--	--	--
Educational and Health Services	30,407	30,544	29,834	-0.4	1.9	--	--	--	--	--
Leisure and Hospitality	12,892	13,305	12,133	-3.1	6.3	--	--	--	--	--
Other Services	5,792	5,846	5,765	-0.9	0.5	--	--	--	--	--
Government	25,782	27,172	26,074	-5.1	-1.1	9,073	8,993	8,983	0.9	1.0

Employer Survey

Industry	Grand Forks-East Grand Forks MSA Jobs Jan 2013	Dec 2012	Jan 2012	% Chg. From Dec 2012	Jan 2012	Fargo-Moorhead MSA Jobs Jan 2013	Dec 2012	Jan 2012	% Chg. From Dec 2012	Jan 2012
TOTAL NONFARM WAGE AND SALARY	**55,593**	**57,170**	**54,578**	**-2.8%**	**1.9%**	**129,482**	**132,032**	**123,366**	**-1.9%**	**5.0%**
GOODS-PRODUCING	**6,293**	**6,580**	**5,731**	**-4.4**	**9.8**	**17,210**	**17,552**	**16,024**	**-1.9**	**7.4**
Mining, Logging, and Construction	2,586	2,839	2,288	-8.9	13.0	7,189	7,319	6,155	-1.8	16.8
Manufacturing	3,707	3,741	3,443	-0.9	7.7	10,021	10,233	9,869	-2.1	1.5
SERVICE-PROVIDING	**49,300**	**50,590**	**48,847**	**-2.5**	**0.9**	**112,272**	**114,480**	**107,342**	**-1.9**	**4.6**
Trade, Transportation, and Utilities	12,473	12,722	11,894	-2.0	4.9	29,002	29,698	27,459	-2.3	5.6
Wholesale Trade	2,010	2,034	1,941	-1.2	3.6	8,452	8,556	8,016	-1.2	5.4
Retail Trade	8,330	8,476	7,999	-1.7	4.1	15,851	16,283	14,912	-2.7	6.3
Transportation, Warehouse, Utilities	2,133	2,212	1,954	-3.6	9.2	4,699	4,859	4,531	-3.3	3.7
Information	600	615	635	-2.4	-5.5	3,229	3,231	3,254	-0.1	-0.8
Financial Activities	1,662	1,681	1,634	-1.1	1.7	9,124	9,246	8,923	-1.3	2.3
Professional and Business Services	2,684	2,777	2,796	-3.3	-4.0	15,615	15,468	13,955	1.0	11.9
Educational and Health Services	9,436	9,582	9,228	-1.5	2.3	20,546	20,851	19,186	-1.5	7.1
Leisure and Hospitality	6,209	6,373	6,296	-2.6	-1.4	12,874	13,431	12,477	-4.1	3.2
Other Services	1,943	1,968	1,977	-1.3	-1.7	4,985	5,047	5,053	-1.2	-1.3
Government	14,293	14,872	14,387	-3.9	-0.7	16,897	17,508	17,035	-3.5	-0.8

Source: Department of Employment and Economic Development, Current Employment Statistics, and North Dakota Job Service, 2013.

Minnesota Economic Indicators

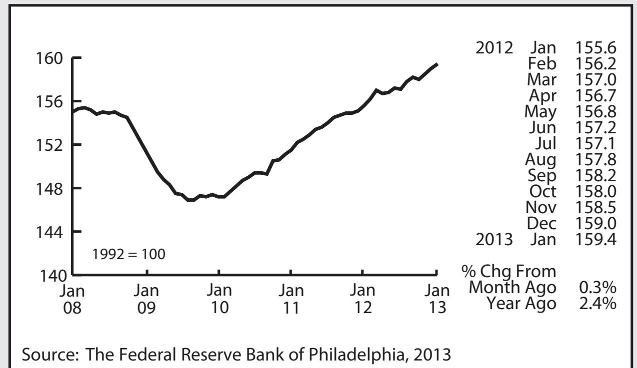
Highlights

The **Minnesota Index** advanced for the third straight month in January, repeating the 0.3 percent increase posted in each of the previous two months. The index, revised this month to incorporate the annual benchmarked employment data, was up 2.5 percent between December 2011 and December 2012. The index is a monthly proxy for the state's GDP, so the 2.5 percent increase last year is an early estimate of the state's GDP growth in 2012. Last year's economic growth fell just a tad below the 2.6 percent growth in 2011.

The U.S. index increased for the 39th consecutive month, climbing 0.2 percent. Minnesota's economy has expanded faster than the U.S. economy over the last three months. Minnesota's index hasn't run ahead of the U.S. index for three consecutive months since the first three months of 2012. Steady job growth in Minnesota has kept the index headed upward over the last few months.

Minnesota's **Wage and Salary Employment** spiked in January with payroll numbers increasing 13,500. January's 0.5 percent jump was the strongest since last April. Job growth was broad based with all super sectors except financial activities adding jobs. Job growth hasn't been recorded across this many sectors since August 2011. Private sector job growth was positive for the ninth straight month. Hiring was robust in trade, transportation, and utilities; construction; leisure and hospitality; and government.

Minnesota's over-the-year job growth, based on unadjusted job numbers, was 1.9 percent in January. Benchmarked job data now shows that annual average job growth in 2012 was down from 2011, 1.4 percent versus 1.8 percent. Last year's job growth is likely to be revised upward next February when April through December 2012 job data are benchmarked for the final time.

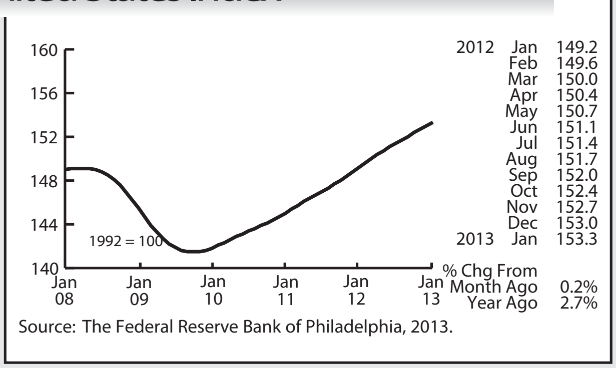


Minnesota Index

Minnesota's adjusted online **Help-Wanted Ads** which had been showing signs of slipping during the second half of 2012 were revised in January. Online job advertising, as reported by Conference Board, Inc., now shows that labor demand remained strong during the last six months. January's 4.0 percent increase was the highest jump since last June. Minnesota's share of national online help-wanted ads continues to run around 2.5 percent suggesting that labor demand is stronger than nationally since Minnesota's share of national wage and salary employment is around 2.0 percent.

Minnesota's **Purchasing Managers' Index (PMI)** retreated in January after rebounding during the previous two months. January's 52.6 reading, however, is above the growth neutral 50 and suggests that Minnesota's manufacturing sector will continue to expand during the first half of 2013. The five-month string of sub-50 readings in the second half of last year seems to have been a false indicator of troubles ahead for Minnesota's economy. Manufacturing may have downshifted to a lower gear toward the end of 2012 but other sectors picked up Minnesota's economy.

United States Index



Adjusted **Manufacturing Hours** rebounded slightly in January after having been on a five-month downward trend. The uptick in factory hours may be a sign that Minnesota's manufacturers have started to regain some traction after slowing down in late 2012. Adjusted **Manufacturing Earnings** jumped 2.3 percent to $788.19, the largest one-month increase since October 2010. Factory paychecks, adjusted for inflation, are still lower than a year ago. Longer factory workweeks and higher paychecks in the near future would be a good indicator that the state's manufacturers were accelerating production.

The **Minnesota Leading Index**, which was also revised with the release of benchmarked employment data, spiked up in January, reaching its highest level in six months. The index's plunge from August through October last year is hard to reconcile given the state's steady job growth rate over the last two months. If the index is right this time around, Minnesota's economy will continue to expand at a solid pace over the first half of 2013.

Adjusted **Residential Building Permits** tumbled in January, but the decline is expected to be temporary as most housing related indicators point toward a budding housing recovery. Solid job growth in 2013 will help boost the rebound in home building which will accelerate construction hiring.

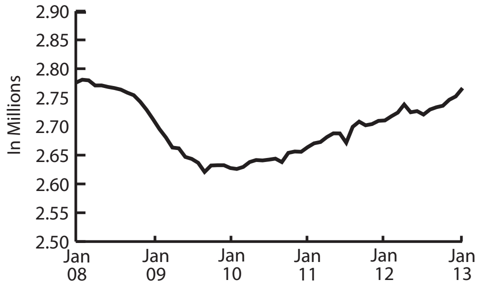
After drifting upward over the previous three months adjusted **Initial Claims for Unemployment Benefits (UB)** dipped for the second month in a row in January. Unadjusted claim numbers are down 10.8 percent from a year ago indicating that the layoff rate continues to wane.

by Dave Senf

Note: All data except for Minnesota's PMI have been seasonally adjusted. See the feature article in the Minnesota Employment Review, May 2010, for more information on the Minnesota Index.

Minnesota Economic Indicators

Wage and Salary Employment



seasonally adjusted

2012	Aug	2.7291
	Sep	2.7331
	Oct	2.7357
	Nov	2.7461
	Dec	2.7519
2013	Jan	2.7654

% Chg From Month Ago 0.5%

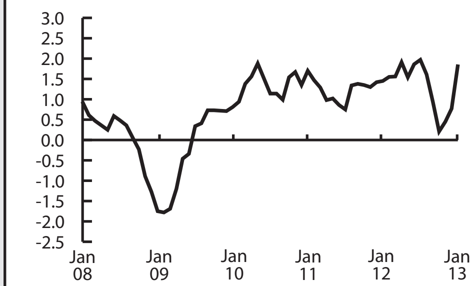
unadjusted

2012	Jan	2.6523
2013	Jan	2.7037

% Chg From Year Ago 1.9%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2013.

Minnesota Leading Index

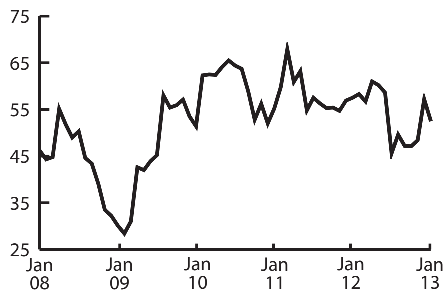


2012	Jan	1.45
	Feb	1.55
	Mar	1.56
	Apr	1.91
	May	1.54
	Jun	1.86
	Jul	1.97
	Aug	1.61
	Sep	0.94
	Oct	0.21
	Nov	0.45
	Dec	0.77
2013	Jan	1.84

% Chg From Month Ago 139.8%
Year Ago 26.6%

Source: The Federal Reserve Bank of Philadelphia, 2013

Purchasing Managers' Index

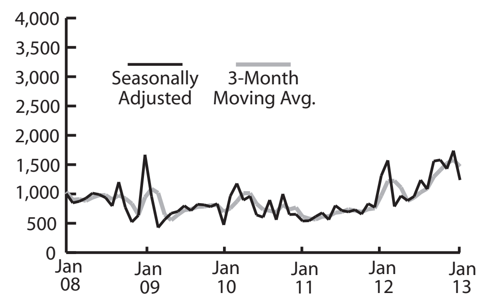


2012	Jan	57.5
	Feb	58.3
	Mar	56.7
	Apr	61.0
	May	60.2
	Jun	58.6
	Jul	45.6
	Aug	49.6
	Sep	47.2
	Oct	47.1
	Nov	48.4
	Dec	57.2
2013	Jan	52.6

% Chg From Month Ago -8.0%
Year Ago -8.5%

Source: Creighton University, Mid-America Survey of Business Conditions, 2013.

Residential Building Permits



seasonally adjusted

2012	Aug	1,082
	Sep	1,560
	Oct	1,580
	Nov	1,429
	Dec	1,739
2013	Jan	1,238

% Chg From Month Ago -28.8%

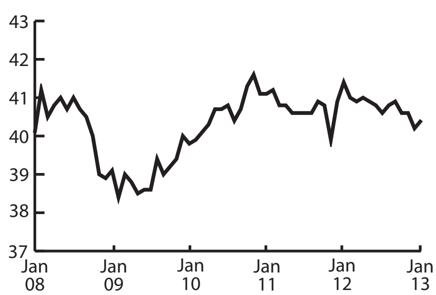
unadjusted

2012	Jan	586
2013	Jan	554

% Chg From Year Ago -5.5%

Source: Residential Building Permits, Census Bureau, U.S. Department of Commerce, 2013.

Average Weekly Manufacturing Hours



seasonally adjusted

2012	Aug	40.8
	Sep	40.9
	Oct	40.6
	Nov	40.6
	Dec	40.2
2013	Jan	40.4

% Chg From Month Ago 0.4%

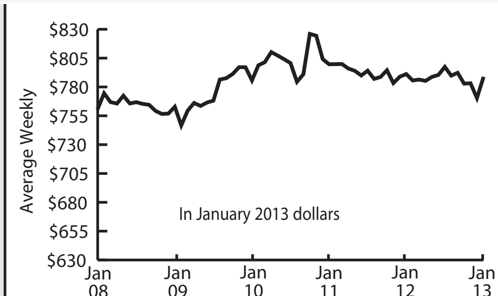
unadjusted

2012	Jan	40.9
2013	Jan	40.3

% Chg From Year Ago -1.5%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2013.

Manufacturing Earnings



seasonally adjusted

2012	Aug	789.82
	Sep	792.27
	Oct	782.89
	Nov	783.22
	Dec	770.40
2013	Jan	788.19

% Chg From Month Ago 2.3%

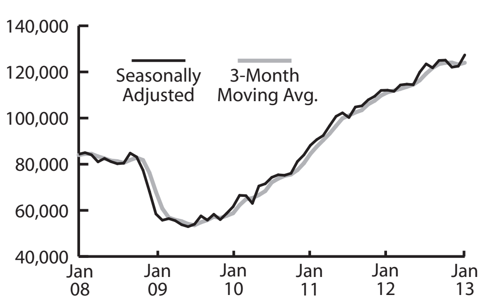
unadjusted

2012	Jan	793.45
2013	Jan	790.69

% Chg From Year Ago -0.3%

Source: Department of Employment and Economic Development, Current Employment Statistics Program, 2013.

Online Help-Wanted Advertising

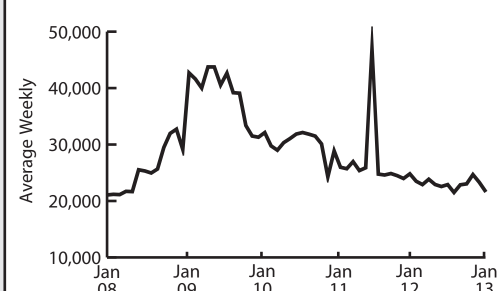


2012	Jan	112,080
	Feb	111,606
	Mar	114,352
	Apr	114,697
	May	114,456
	Jun	119,892
	Jul	123,486
	Aug	121,796
	Sep	124,973
	Oct	125,104
	Nov	122,066
	Dec	122,500
2013	Jan	127,366

% Chg From Month Ago 4.0%
Year Ago 13.6%

Source: The Conference Board Inc., 2013.

Initial UB Claimants



seasonally adjusted

2012	Aug	21,507
	Sep	22,864
	Oct	23,029
	Nov	24,679
	Dec	23,317
2013	Jan	21,693

% Chg From Month Ago -7.0%

unadjusted

2012	Jan	34,315
2013	Jan	30,609

% Chg From Year Ago -10.8%

Source: Department of Employment and Economic Development, Unemployment Insurance Program, 2013.

Minnesota Employment Review

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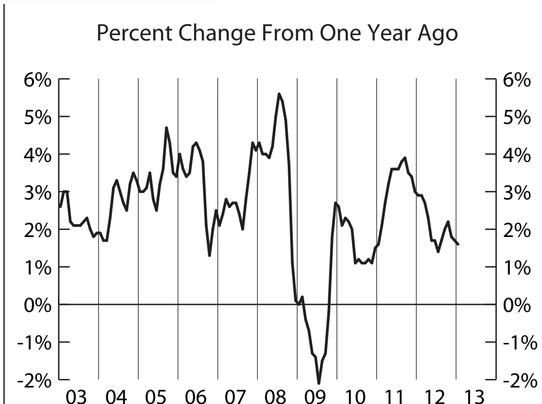
651.259.7384

U.S. Consumer Price Index for All Urban Consumers (CPI-U)

On a seasonally adjusted basis the January CPI-U for all items was unchanged over the month. The index increased 1.6 percent from January 2012, not seasonally adjusted. A 0.3 percent increase in the index for all items less food and energy was offset by a 1.7 percent decline in the energy index. The largest energy declines were in the index for gasoline, which was down 3.0 percent, the fourth consecutive monthly decline. In the index for all items less food and energy, all major categories saw minor increases, but the largest was in apparel — up 0.8 percent over the month.



For more information on the U.S. CPI or the semi-annual Minneapolis-St. Paul CPI, call: 651.259.7384 or toll free 1.888.234.1114.

What's Going On?

A new MSA is born! Welcome, Mankato

This month we introduce the Mankato-North Mankato Metropolitan Statistical Area (Blue Earth and Nicollet counties) to the monthly Regional Analysis. Although officially declared an MSA by the Office of Management and Budget in 2008, it took some time to compile data for purposes of comparison.

Take a look at the masterpiece that is Mankato in regional analyst Brent Pearson's Regional Spotlight, "Mankato-North Mankato: An MSA on the Rise."

The employment and unemployment data in this publication were produced in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

Positively Minnesota
Department of Employment and Economic Development

Using Unemployment Rates to Predict Post-Secondary Enrollment

When individuals lose their jobs, one option is to seek further education, be it to expand or update existing skills or learn a new field. Thus, it makes sense when unemployment increases, so does enrollment in post-secondary institutions. The increase in enrollments is a two-pronged effect, precipitated by actual unemployed people returning to school and the motivation of the general population to get ahead of the storm. To what extent can new enrollments in post-secondary institutions be predicted by looking at area unemployment rates?

New Enrollments

Each fall post-secondary institutions in Minnesota send enrollment data to the Office of Higher Education (OHE). Enrollment data are thus a snapshot in time. To find new enrollments for this study, all students classified as transfers, continuing, or re-admitted were excluded from the data set. Also, in this study, state of residence is limited to Minnesota only to concentrate on the unemployment rates within the state.

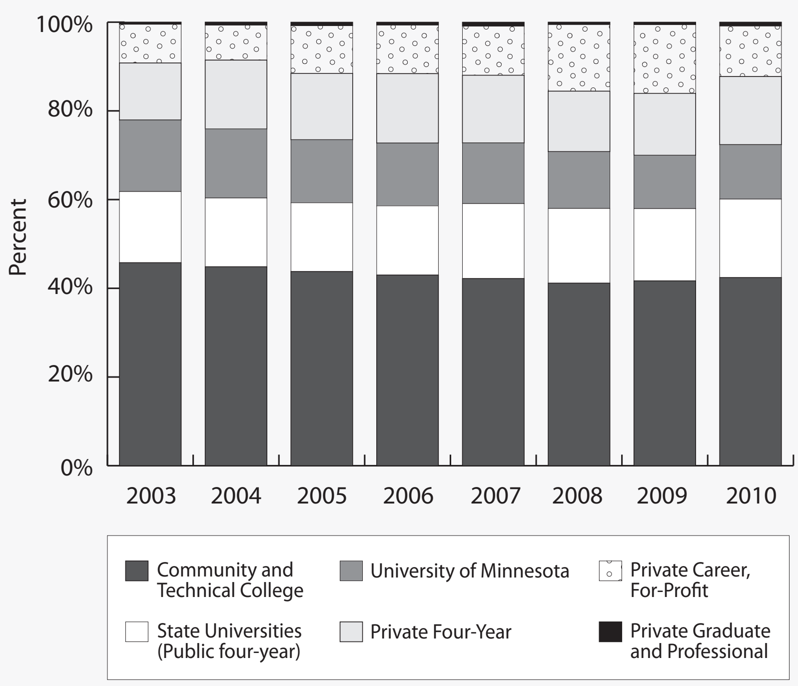
A greater number of females enroll every year, yet the difference between males and females in enrollment does not vary substantially throughout the eight years of this study. In fall 2003 whites made up 86 percent of new enrollees and by 2010, this number was down to 80 percent. This is not a large decrease and may be part of a larger trend completely unassociated to unemployment rates. During this time blacks increased new enrollments from 5 to 7 percent, and others increased from 9 to 13 percent. Included in 'other' are Hispanics, who still represent 4 percent — a small percentage — of new enrollments.

Roughly 70 percent of new enrollees are classified as "Degree Seeking", meaning they intend to complete a degree, diploma, or certificate. This percentage drops somewhat at the onset of the recession.

The types of institutions in which students enroll changed somewhat (Chart 1). The schools in the Minnesota State Colleges and Universities (MnSCU) system — community and technical colleges and four-year state universities — make up about three-fifths of total

Chart 1

Share of New Enrollments by Institution Type



Source: Minnesota Office of Higher Education enrollment. This share is being cut into mostly by private career, for-profit institutions. From fall 2003 to fall 2009 MnSCU schools went from 62 percent of new enrollees to 58 percent. This four percent decrease in share comes mostly from students enrolling in private schools, which went from a share of nine percent in 2003 to 16 percent in 2009. Again, this may be a part of an overall trend.

Measuring the Relationship

The number of new enrollments in Minnesota's post-secondary institutions increased from 2003 to 2010 (Chart 2). During this same period seasonally adjusted unemployment rates in Minnesota reached a high of 8.9 percent in May and June 2009. Chart 2 shows that both unemployment rates and new enrollments increased during the recession and began to decrease at the same time. Chart 2 seems to show a clear relationship between unemployment and new enrollments as they both trend upward in the same time period. However, if you look carefully at correlations among the two variables, you see that there is more involved in this relationship. As in Chart 2, the following analysis is based on the average adjusted unemployment rate from the months of January through June of the year preceding fall enrollment. The six-month average unemployment rate was used in order to gauge fully the tenor of the job market in the time period before fall enrollment.

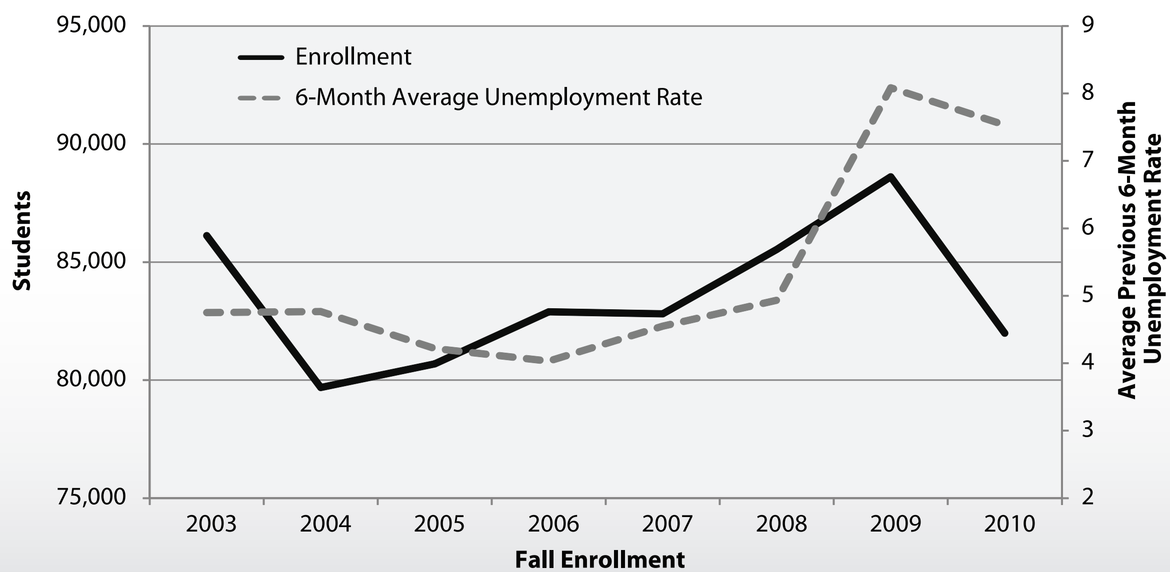
The Pearson coefficient measures the correlation between two continuous variables. The coefficient has a range of -1 to +1, with larger absolute values indicating stronger correlations. The sign of the coefficient indicates the direction of the correlation: Positive values mean as one variable increases, so does the other. The Pearson coefficient measuring the linear relationship between unemployment and new enrollment is 0.462, a moderately strong, positive relationship. This means as the unemployment rate rises, so does the number of new enrollees.

In addition to the coefficient, the correlation measure also estimates the chances the relationship is real, versus similarities that come purely from chance. It does this by estimating the p-value. If it is less than or equal to .05 (five percent), the result is considered real and the correlation is statistically significant. Here there is an 83 percent chance of no-significance. So even though the correlation coefficient shows a moderately strong relationship, there is a strong probability this relationship is from chance alone.

Chart 3 represents the correlation between unemployment and new enrollment. This is a scatterplot of

Number of New Enrollments in Minnesota Post-Secondary Institutions

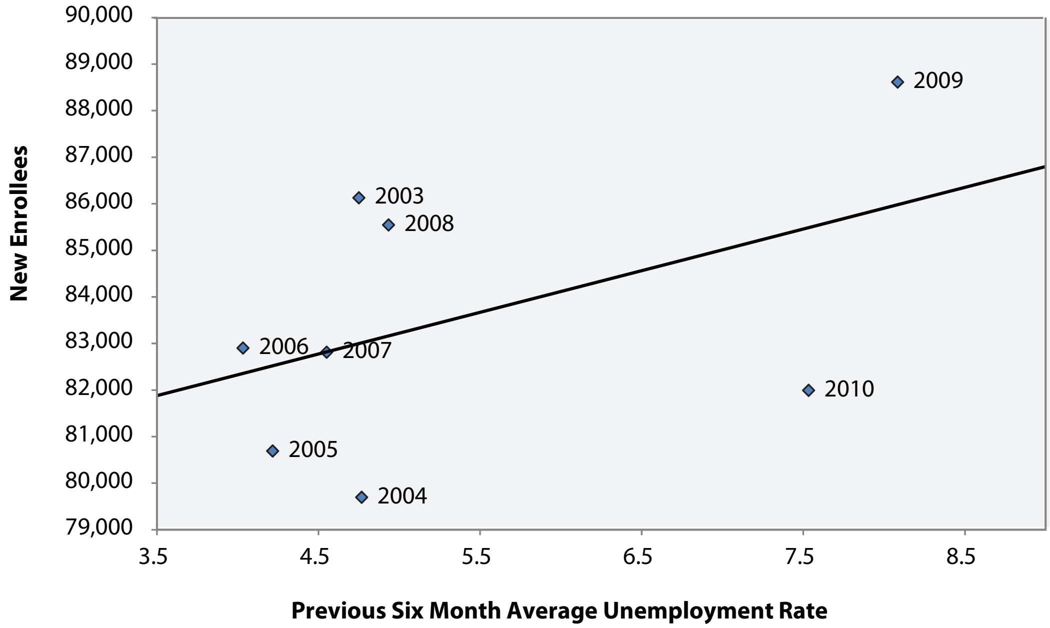
Chart 2



Source: Minnesota Office of Higher Education

Chart 3

New Enrollees by Previous Six-Month Average Unemployment Rate



Source: Minnesota Office of Higher Education and Local Area Unemployment Statistics

the intersections of the variables by year. If there were a stronger relationship, the points would be more tightly grouped along the straight line. Yet there is a general upward trajectory, represented in the trend line showing the positive slope of the relationship. This trend line is calculated using regression analysis and the linear equation: Y = a + bX.

In this case Y (the dependent variable) is new enrollment, and X (the independent variable) is the unemployment rate. The value of Y (new enrollments) depends on the value of X (unemployment rate). Using the regression coefficients, if the unemployment rate is 9.0, the new enrollments would equal roughly 87,000 students. Yet, looking at Chart 3, if higher education used this formula to predict fall enrollments, they would have been expecting 3,500 more new enrollees in fall 2010 than there were.

This discrepancy occurs because there are many more variables affecting new enrollments than just the unemployment rate. The Analysis of Variance (ANOVA) calculates how much of the variation in new enrollments comes from the regression equation. Using unemployment rates accounts for only 21 percent of the total variance in new enrollments. Thus, unemployment helps in predicting the number of new enrollments, but the help is minimal.

Intervening Variables

Since the regression equation explains only one-fifth of the variability in new enrollments, more factors must be included in the analysis. One such intervening variable is geographical location in Minnesota. Running correlations by planning regions reveals that only one area in Minnesota has a statistically significant relationship between unemployment rates and new enrollment — the northwest region. With a Pearson coefficient equal to 0.755, this is a fairly strong, positive relationship, and there is only a 3 percent probability this correlation is from chance alone. In the northwest region, unemployment rates explain 57 percent of the variation in new enrollments, compared to only 21 percent statewide. While other planning regions also had positive relationships, they were neither strong nor significant.

Another variable to include in the analysis is the type of post-secondary institutions available. If people react to unemployment rates by enrolling in only one type of school, this could explain the high variability in the equation. In fact, only public, four-year state universities have a significant relationship between new enrollment and the unemployment

rate. More than half of the variation in new enrollments for state universities can be explained by the unemployment rate. Both private four-year and private graduate and professional institutions actually have a negative association, meaning when unemployment rates increase, new enrollments decrease. These associations are not significant, however, and therefore could be from chance.

To this point, we have measured the correlation between new enrollments and the statewide or planning region unemployment rates, but not an individual's connection to job loss. People may decide to enroll in post-secondary education for the sake of expediency but also if they become unemployed. Yet the number of new enrollees with Unemployment Insurance initial claims in the months preceding their enrollment is quite small. The highest percentage of new enrollees with an initial claim in the three quarters preceding enrollment is five percent in 2009. This isn't a sign of more people enrolling in school, but rather that the overall number of initial claims was very high that year. If we looked at the figures from another angle, we see that between seven and nine percent of people filing initial claims enrolled in post-secondary education between 2003 and 2010, with the exception of 2009 when the number increased to 11 percent.

Conclusion

While enrolling in post-secondary education during hard economic times seems a reasonable option, a relationship between new enrollment and unemployment rates is spurious, according to this research which looks only at Minnesota students. The effect unemployment has is filtered through other variables including region and institution type. Even for people on UI, only a low percentage enrolls in post-secondary education in the months following their initial claim.

by Amy Gehring
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