

MSP Sector Analysis Regional Forecast Overview

Released November 2017

Introduction

The 7-county Minneapolis-Saint Paul region faces a worker shortage of over 62,000 by 2020. We need “all hands on deck” if we are to maintain our region’s growth and competitiveness.

If you are a jobseeker, the two most important questions are:

- 1) What’s the best job I can get?
- 2) What training program can help me become a skilled candidate for that job?

Workforce development professionals must be able to quickly answer these questions in a customized way for each jobseeker; using data analytics on a regular basis creates stronger coordination between organizations and the best results for both jobseekers and employers.

In the last few years, a range of online analytical tools have enabled a clear view of our dynamic and constantly changing labor market. For the first time, this data is available to job counselors not just as information for reflection, but as a real-time action tool to direct jobseekers to the best opportunities.

These Sector Analysis Reports – the regional overview document and its one-page profiles of IT, manufacturing, construction, healthcare, business and financial services, and government – provide an analytical methodology to know and react to demand, supply, and training program outcomes. In other words, these tools can help us more efficiently close the worker gap. We hope that you see value in this data and decide to replicate this kind of analysis in your own sectors and communities. See the back page of this report for more on the methodology used to identify the most promising middle skill (Associate Degree or less), living wage jobs (over \$30k annually) in the Minneapolis-Saint Paul region.

We believe workforce development must now be based on a real-time feedback loop. If you don’t know the analytics and if you can’t easily answer the top two jobseeker questions in an informed way, you can’t advise jobseekers well and you can’t help close the gap. So let’s start doing things differently. Take a look at our historic employment trends and where we are expected to grow by 2020, and we guarantee that it will have implications for how you serve your clients.

Sincerely,

Bryan Lindsley
Executive Director of MSPWin

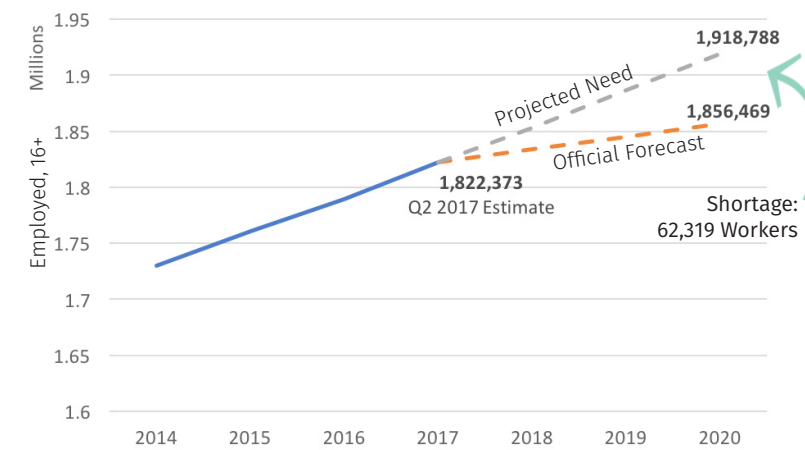
Erin Olson
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7-County Labor Shortage Forecast



Industry Hiring Trends

Industry	2010-2016 Employment Growth		2016 Share of Sector Employment	
	Total Growth	Minority Growth	Total Employment	Share of Total Employment
Total - All Sectors	174,166 (11%)	86,036 (39%)	1,727,977	100%
Healthcare	46,310 (22%)	24,676 (50%)	259,263	15%
Finance & Insurance	2,001 (2%)	2,029 (18%)	106,557	6%
Professional, Scientific, and Technical Services	29,320 (28%)	7,781 (72%)	133,356	8%
Manufacturing	16,091 (10%)	8,183 (33%)	171,927	10%
Construction	22,167 (43%)	2,506 (119%)	73,615	4%
Public Administration	7,778 (13%)	2,961 (52%)	68,121	4%
All Other Sectors	50,499 (5.8%)	37,900 (17%)	915,138	53%

7-County Metro Supply & Demand Outlook

	Current Year through Q2 2017				Immediate Need Q3 2017			Expected Employment 2020				MSPWin/RealTime Talent Scenario 2020				
	Employment	Average Annual % Change in Employment	Government Jobs (%)	LQ	Job Postings	Requiring Some College or More (%)	Full-Time, Permanent (%)	New Openings	Replacement Openings	Annual Change (%)	Expected Shortfall	Additional Employment Possible	Adults (%)	Youth (%)	Immigration (%)	Remaining Shortfall
Total - All Sectors	1,822,372	1.7% Δ	21%	1.00	237,488	59%	82%	34,097	138,319	0.6%	62,319	Analysis in Progress				
Healthcare	202,758	2.7% Δ	6%	1.07	30,803	78%	78%	10,998	11,712	1.8%						
Finance	210,605	2.3% Δ	6%	1.15	19,645	63%	84%	2,067	17,664	0.3%						
Information Technology	80,296	1.9% Δ	7%	1.45	28,508	98%	80%	2,573	3,485	1.1%						
Manufacturing	112,538	0.1% ▷	1%	1.05	9,379	24%	79%	-1,202	8,946	-0.4%	-					
Construction	88,239	1.3% Δ	23%	0.79	3,751	33%	91%	2,534	5,306	0.9%						
Government	383,446	2.5% Δ	100%	0.80	3,674	85%	76%	1,736	14,168	0.5%						
All Other Sectors*	951,664	1.5% Δ	0%	1.01	141,728	52%	81%	16,692	91,366	0.5%						

Sector Salaries & Educational Awards

	Salary Levels			Award Level										Dislocated Worker Program		Pathways to Prosperity		WIOA Adult Program			
	Entry Level Salary	Median Salary	Experienced Salary	Award < 1 academic year	Award > 1 but < 2 academic years	Associates degree	Award > 2 but < 4 academic years	Bachelors degree	Postbaccalaureate certificate	Masters degree	Post-masters certificate	Doctors degree	All Certificates	All Degrees	All Completions	Attained a Credential	Credentialed with Related Employment	Attained a Credential	Credentialed with Related Employment	Attained a Credential	Credentialed with Related Employment
Total - All Sectors	\$36,000	\$50,700	\$62,900	4,268	2,604	9,785	312	21,896	2,316	20,528	382	5,097	9,882	57,306	67,188	929	30%	607	41%	166	51%
Healthcare	\$44,500	\$60,800	\$70,000	10%	5%	14%	0.1%	20%	2%	38%	0.1%	9%	18%	82%	24%	55	67%	294	81%	79	90%
Finance	\$42,000	\$61,300	\$81,200	2%	0%	0.5%	0%	89%	0%	8%	0%	1%	2%	98%	1%	400	44%			11	
Information Technology	\$61,300	\$89,100	\$107,500	8%	3%	20%	0%	41%	6%	20%	0%	3%	16%	84%	4%	148	39%	52	25%	34	38%
Manufacturing	\$28,500	\$38,700	\$45,900	20%	34%	32%	13%	0.3%	0%	0%	0%	0%	68%	32%	2%	61	16%	86			
Construction	\$39,300	\$57,200	\$67,900	38%	30%	16%	11%	4%	0%	0%	0%	0%	79%	21%	1%			32			
Government	\$43,500	\$62,500	\$76,700													14					
All Other Sectors	\$33,300	\$50,700	\$62,900	4%	2%	14%	0.2%	37%	4%	30%	1%	8%	12%	88%	69%	251		143		42	

Developed by Erin Olson (erin@realtimealentmn.org). Published 11/15/2017 by RealTime Talent. Sources: TalentNeuron Recruit aggregate online job postings. www.wantedanalytics.com accessed October 27, 2017. Counts of job postings in 2017 by employer were available July 1 - September 30, 2017 in the 7-County Minneapolis-Saint Paul Metro Area. Includes staffing agencies. Employment counts are modeled from Bureau of Labor Statistics Occupational Employment Statistics (OES) from 2002 to 2017 and the Employment Outlook 2024, by JobsEQ. Graduate counts for government jobs were not able to be determined and were omitted from the Sector Salaries and Educational Awards table.

Our Approach

To demonstrate our method for these sector reports, here's how we analyzed the best middle skill (Associate degree or less) and living wage jobs (over \$30k annually) in IT.

- 1) We ran a **sector overview**. Employment is at 80k workers, and the sector is averaging almost 2% annual growth. 98% of jobs in the sector currently require some postsecondary education. Also, minority growth in the sector has grown by 72% over the last 7 years, outpacing overall hiring by 2.5 times. Entry-level salary is much higher than the region's living wage at \$61,300.
- 2) We then ran list of the **top 25 occupations in demand** by number of online job postings advertised in Q2 2017. Based on that list, we looked at the share of jobs in each occupation requiring an Associate degree or less that also pay a living wage.
- 3) Taking the top three occupations, we considered the short and long-term **employment outlook**, connecting career pathways, and number of degree completions locally. We then reflected on whether we could advise someone in good faith to pursue these careers. The number of people employed as Computer User Support Specialists, for example, is projected to grow over next two years by 1% and there are a range of training programs available.
- 4) We also looked at the **top employers** recruiting candidates with an Associate degree or less. With demand for IT workers very high, it's possible candidates could get hired without a degree, or could work in the field while also pursuing a degree. Reviewing immediate job opportunities with those employers would definitely be recommended.
- 5) Finally, we looked at several **training options** to obtain industry-recognized credentials (such as A+ certification) outside of a 2 or 4-year program.

There's also a whole range of training program outcome tools we highly recommend using to get a sense of how well training programs are working, and how likely it is that trained jobseekers are hired in the sector. The best approach will take into consideration multiple sources and types of data. Even after you are familiar with all of the information above, it is still wise to get out in the field and talk to employers, training program managers, and postsecondary directors get their take on the accuracy of the data and your conclusions from it.

Each sector report addresses similar questions tailored to the unique nature of the sector. These initial drafts will be honed and adjusted over the next few quarters. If you have thoughts about what should and should not be included, or have a correction, or think we are missing something, please let us know.

Project Contacts

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Additional industry contacts, career pathways fund investor information, and meeting dates coming soon.

For more Information

- MSPWin Career Map: <http://mispwin.org/wp-content/uploads/2016/06/Career-Pathway-Maps.pdf>
- RealTime Talent Reports: realtimentalent.org/research/reports