Demographic & Economic Information for Benton County

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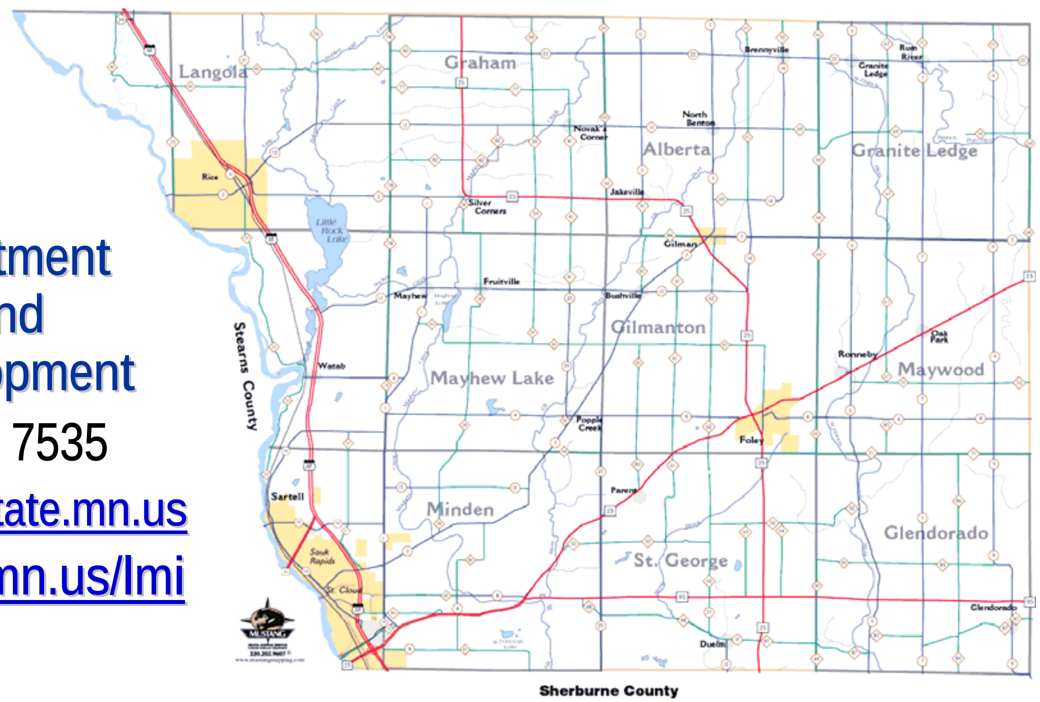
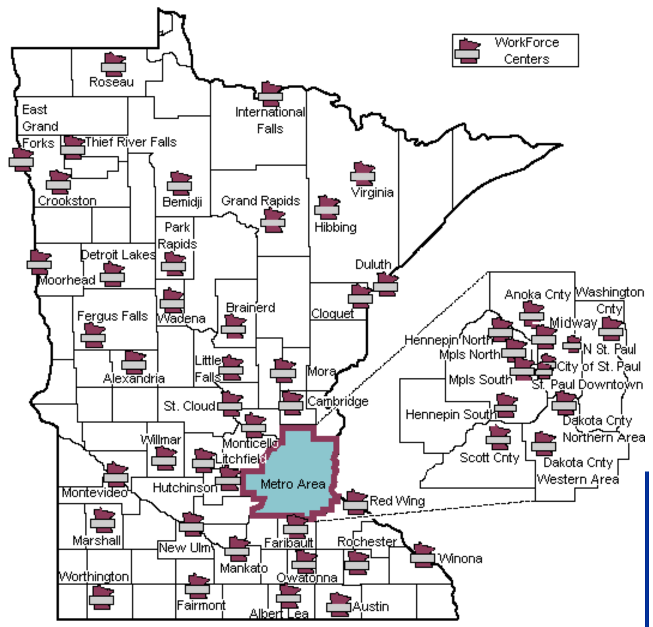


About DEED's Regional Analysts

- Collaborate with regional stakeholders on research
- Extend access to DEED reports and statistics
- Conduct presentations and training on the local and regional economy & labor market
- Original research and analysis intended to answer "the tough questions"
- Five regional analysts stationed across the state
- We're here to help you!



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Pick the most important factors…

- Low Labor Cost
- High Labor Quality
- High Labor Availability

- Access to Markets
- Access to Suppliers
- Access to Transportation

- Low Taxes
- Economic Development Incentives

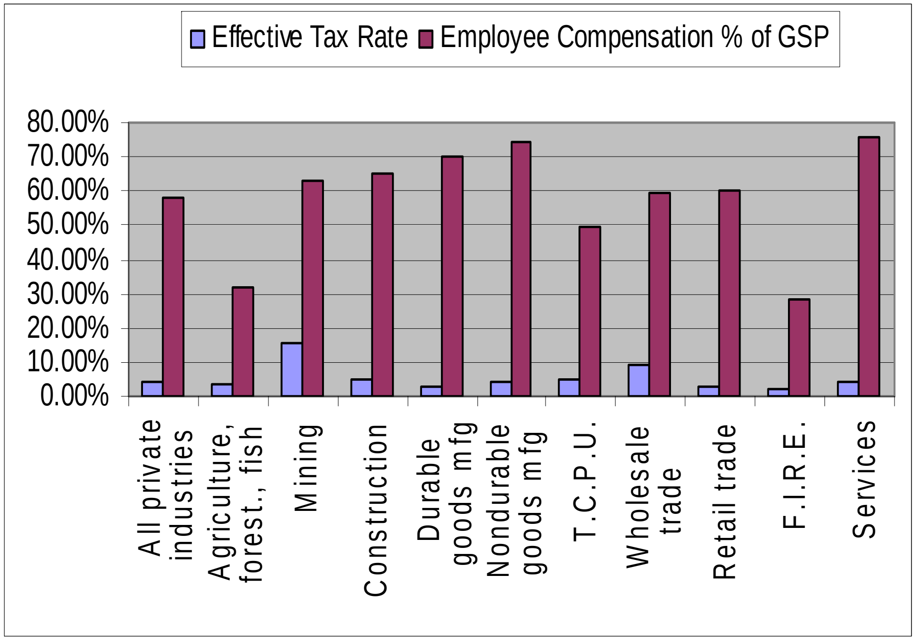
- Public Services
- Industry Clusters
- Infrastructure and Utilities
- Available Buildings/Offices

- Natural Amenities
- Consumer and Cultural Amenities

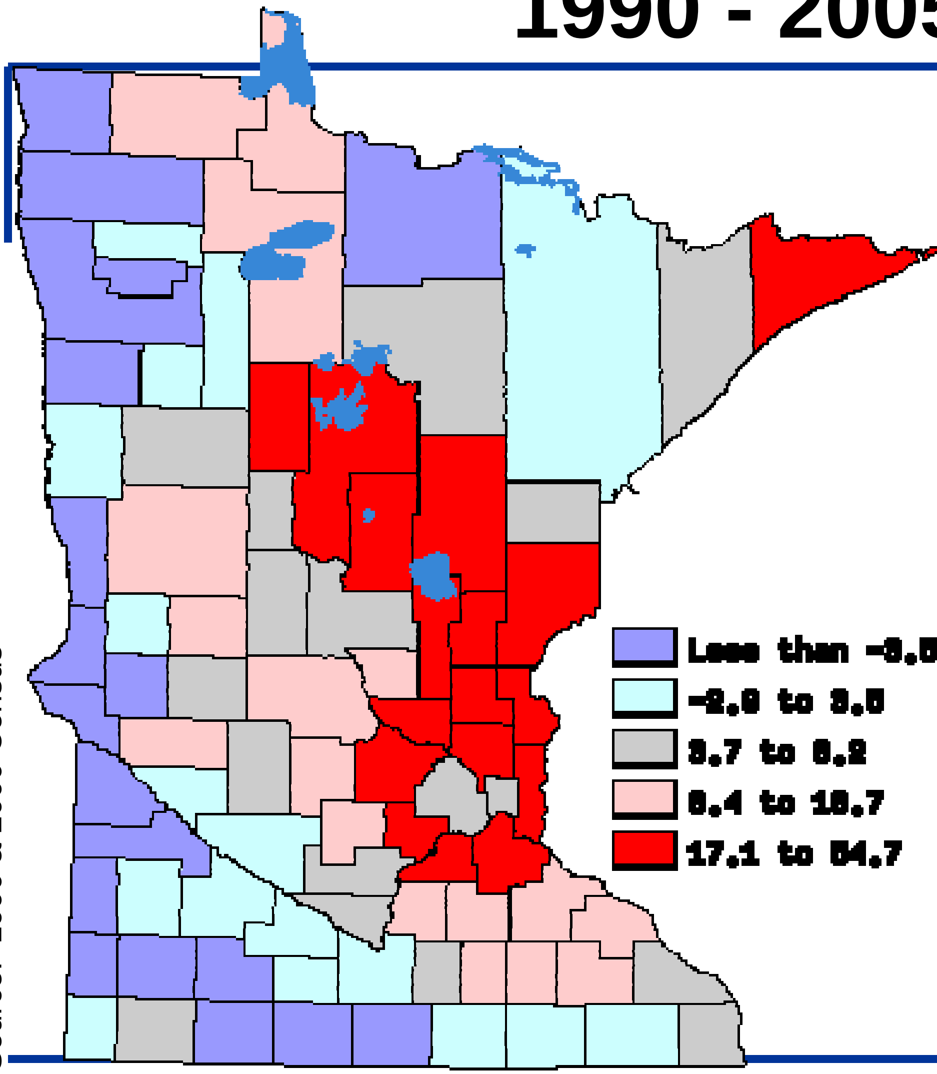
- Quick, Consistent Regulation
- Non-adversarial Regulators

Actually, they're all important…

- Depending on the needs of the individual business, infrastructure might be the most pressing need… or access to supplies… or the quick, consistent regulation…
- Our research on location factors has shown that labor force is among the most important factors – will the workers with the needed skills come to work?
- Taxes and economic devel-opment incentives serve as a tie-breaker when other conditions have been met



Population Change, 1990 - 2005 - 2020



Source: 1990 & 2000 Census

The Fastest Growing Region

- Benton County's population increased 29% (+8,794 people) from 1990-2005
  - 16th fastest in the state
- Benton Co. is projected to grow another 32% from 2005-2020 to 51,490 people
  - The St. Cloud MSA is expected to grow to 225,000 people by 2020, a 23% jump
- Central Minnesota region is projected to grow 36% by 2020; to 893,050 people

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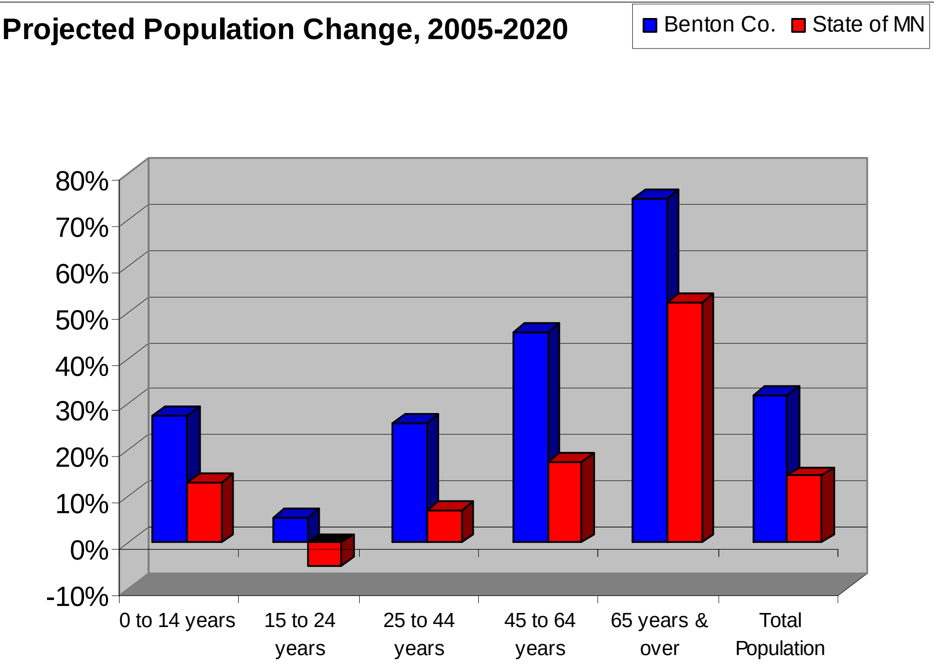
Shifting Demographics

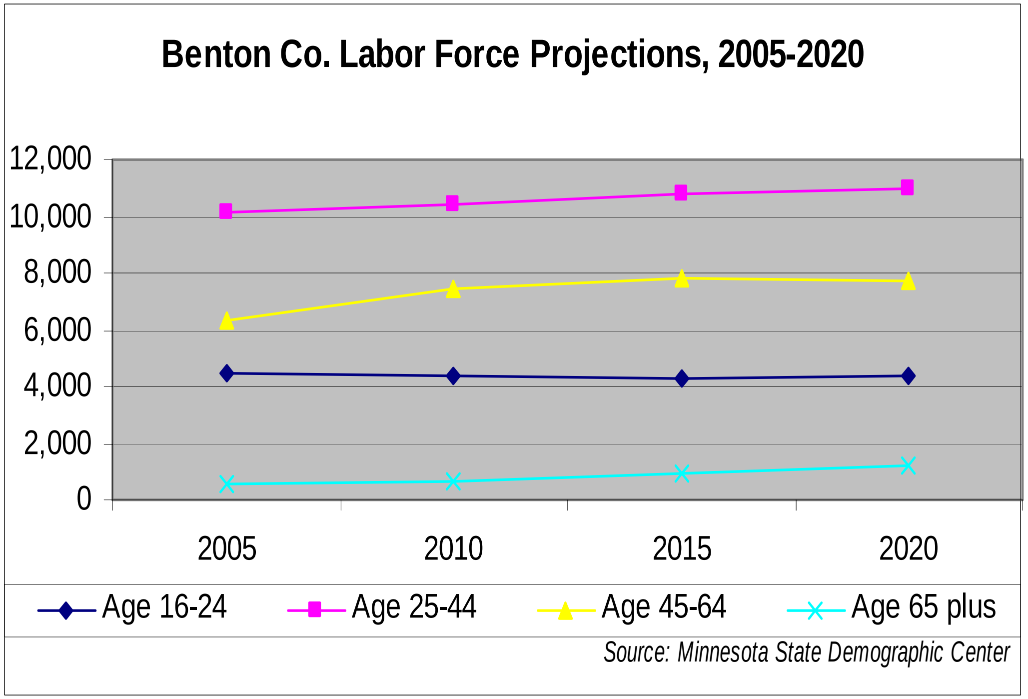
- Benton Co. is expected to outpace the state in population growth from 2005 to 2020 (32.1% vs. 14.5%); with the fastest growing age groups being 45 years & over (Baby Boom)
- Unlike other areas of the state, *especially those in rural areas*, the younger population (under 24) is still increasing
- The percentage of the population aged 65 years & over was 10.2% in 2005; it might be 13.5% in 2020
  - 12% & 16% in Minnesota



Source: Minnesota State Demographic Center

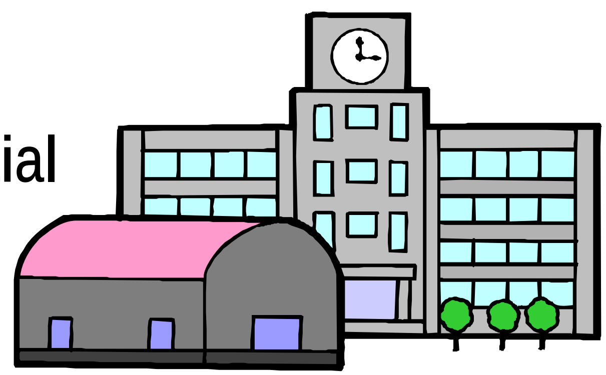
Growing, Aging Workforce

- Benton Co. labor force is still growing in most age groups; but the fastest gains are in 45 years and over age groups
- Unlike other areas of the state, *especially those in rural MN*, Benton Co. is seeing big gains in the "prime working years" from 25 to 64
- The total labor force is projected to increase 12.9%, *but that's likely conservative…*
  - Age 16-24 = -3.5%
  - Age 25-44 = 9.1%
  - Age 45-64 = 21.4%
  - Age 65+ = 128.8%
  - Female = 13.6%
  - Male = 12.4%



Demography and the Economy

- These regional demographic trends impact the local economy
- Despite the region's population growth, when coupled with job gains a long-term tightening of the labor force is predicted
- The slowing *and commuting* of the young adult population leads to a different kind of labor market
  - Right now, there is slower growth in entry-level workers
  - That leaves an available pool of experienced, higher-skilled workers
  - But experienced workers typically demand higher wages, or perhaps health insurance or schedule flexibility…
- Therefore, non-traditional students and continuing education are areas of potential future growth for higher education…
- What does that mean for businesses?



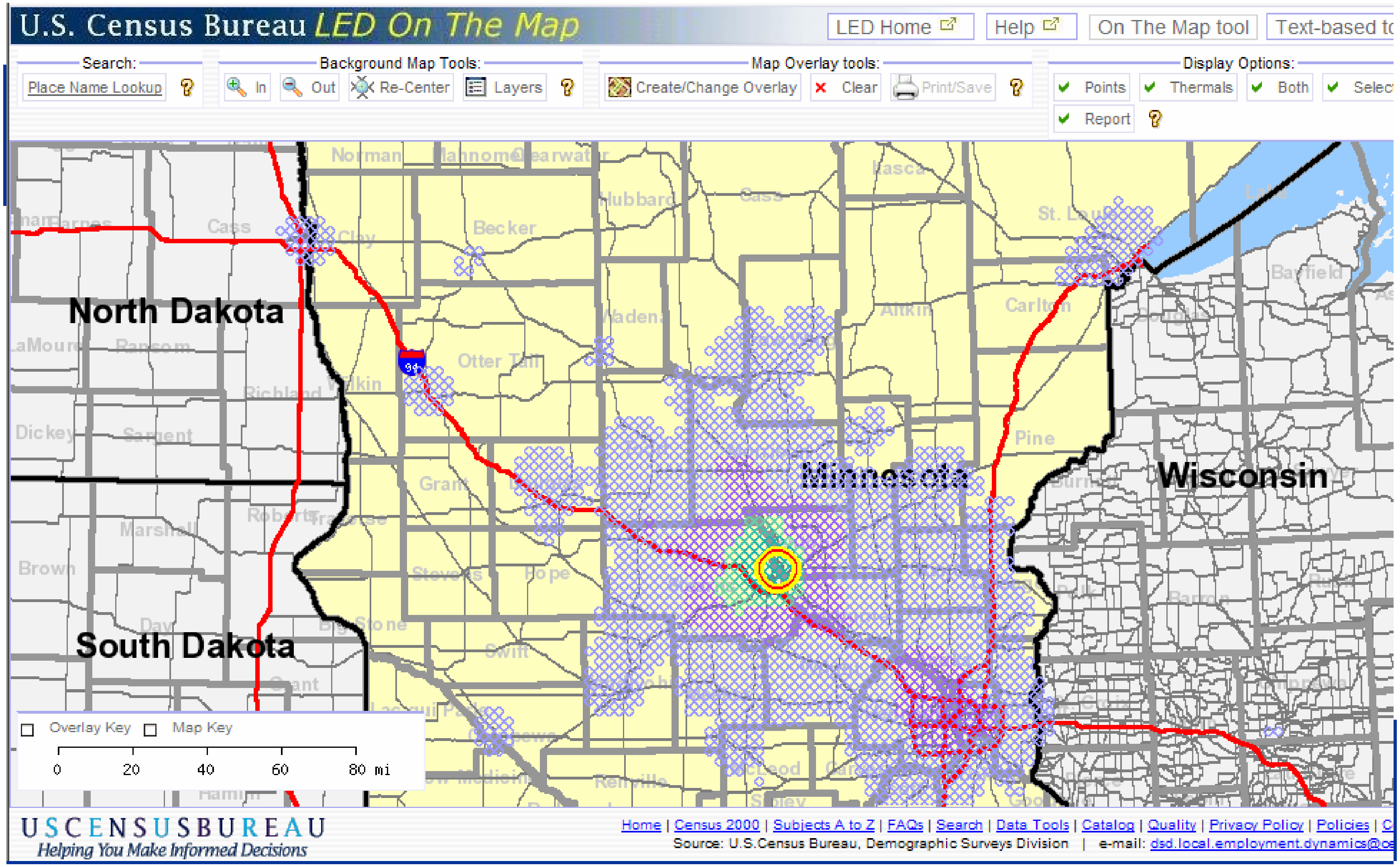
What Does It Mean For Business?

- With fewer mid-career and less growth in new entrants, employers will probably be looking for:
  - Productivity increases
  - Workforce development
  - Recruitment
  - Relocation

- What comes first, the people or the jobs?
  - Population and income growth generates demand for services; demand for services generates growth
- If everyone is retiring, who will fill the jobs?
  - Labor force participation rates are decreasing for males aged 25 to 54 (93.9% in 1990 to 91.3% in 2000)

St. Cloud Metro Area Labor Shed

(Where Workers in the Metro Area Live)



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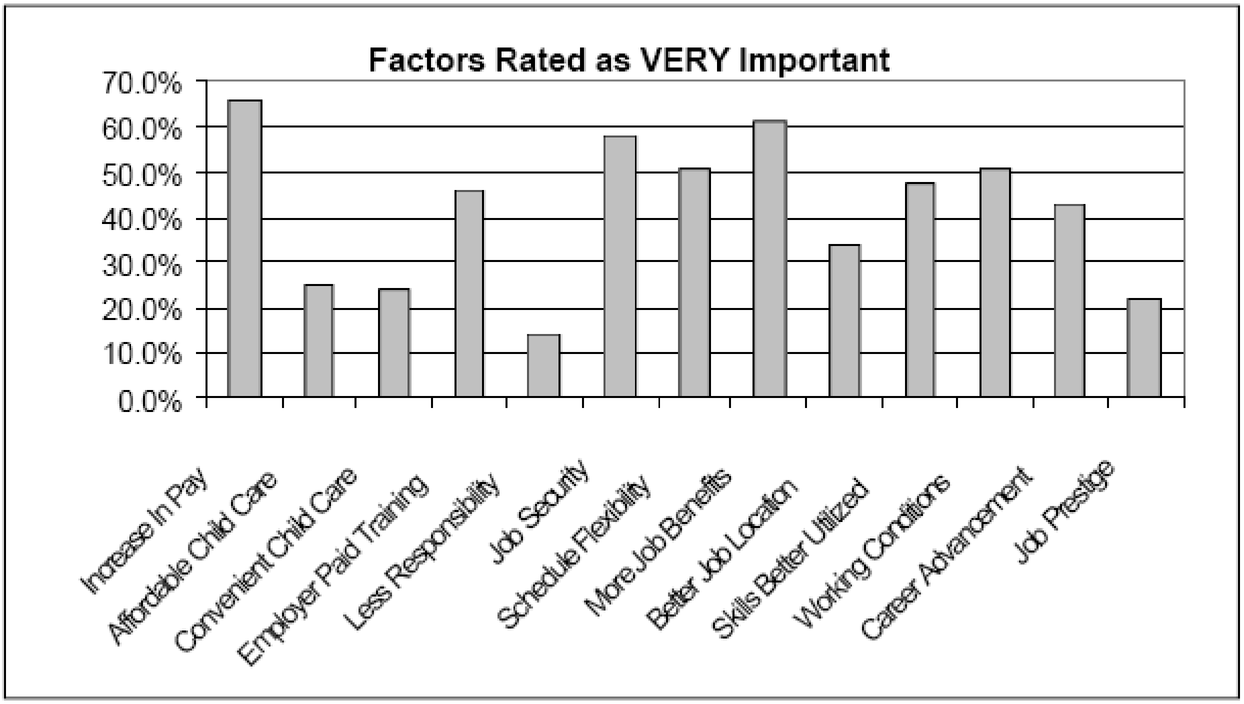
Commuting Patterns

- St. Cloud is the largest labor importer in Central MN
  - Stearns and Benton form the MSA, but Sherburne is also part; and Todd & Morrison send many workers into Stearns
  - Benton Co. sends 8,918 workers in to Stearns and has a net labor export of 2,964 *(11,457 out; 8,493 in; 7,195 stay)*
- Workers in surrounding counties are more and more willing to commute to work
  - Wright, Sherburne, Chisago, & Isanti are the largest labor exporters – mostly to the Twin Cities
  - Average commute times are zooming past a half-hour
  - In a 2001 Labor Force Assessment, workers were willing to accept less money to reduce their commute

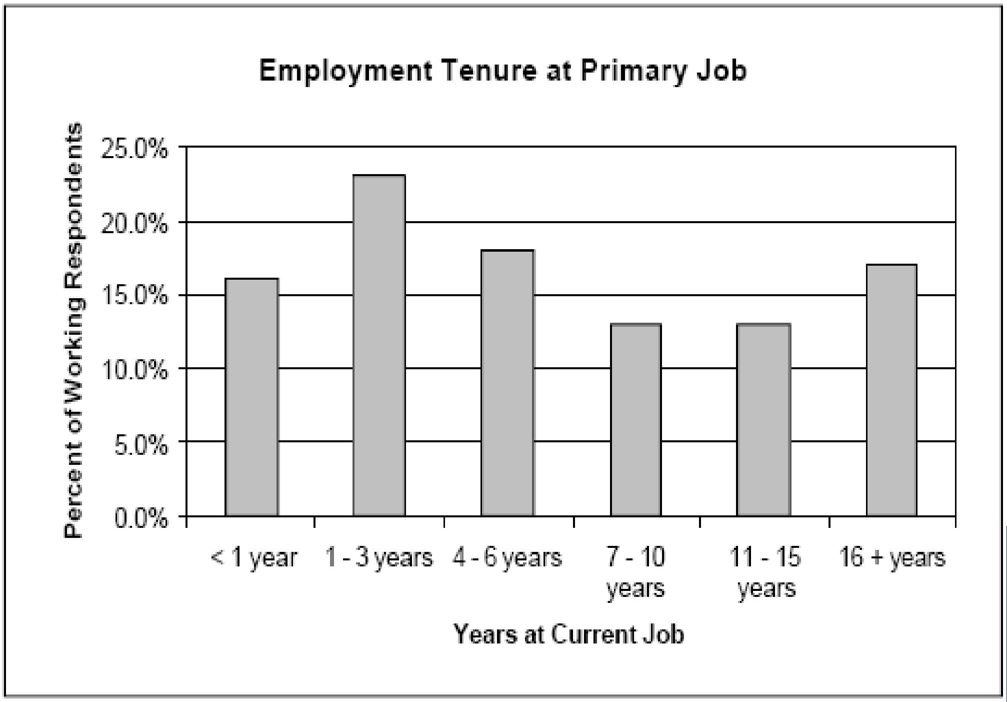
Show Me The Money!

- 93% of respondents rated an increase in pay as important* with 66% rating it as very important
- 86% of respondents rated an increase in job benefits as important* with 61% rating it as very important
- Better use of skills = 82%
- More job security = 82%
- Employer-paid training = 80%
- Improved work conditions =79%
- More schedule flexibility = 78%



The Loyalty Effect

- Research shows that Americans are changing jobs and careers more frequently, regardless of the economy
- Median number of years that wage and salary workers had been with their current employer was 3.7 years in January 2002
- Despite contrary trends, workers in Benton Co. continue to display a high amount of loyalty to their employers
- According to the LFA, median employee tenure was set almost twice as high at 6 years; average tenure was 10 years!

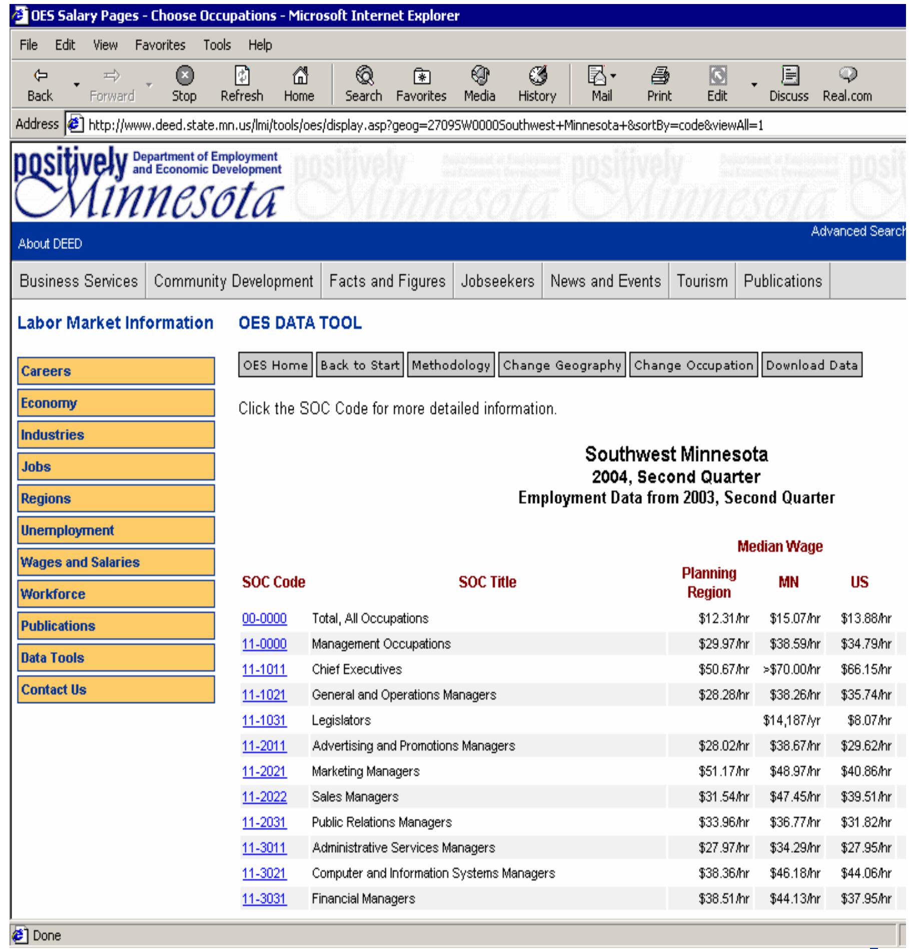


Wage Comparison Analysis

- Unfortunately, wages in the St. Cloud MSA are lower than the Twin Cities ($18.02)
- The median hourly wage for the St. Cloud MSA is $13.27 *(74%)*
- The highest paying jobs are typically:
  - Management occupations ($35.51 – 77%)
  - Architecture and engineering occupations ($24.70 – 82%)
  - Business and financial operations occupations ($22.08 – 83%)
  - Computer & mathematical occupations ($25.58 – 75%)
  - Life, physical, and social sciences occupations ($26.72 – 92%)
- The lowest paying jobs are concentrated in:
  - Food preparation and serving related occupations ($8.45 – 92%)
  - Sales and related occupations ($10.60 – 77%)
  - Building, grounds cleaning, and maint. occupations ($10.61 – 90%)
  - Healthcare support occupations ($11.43 – 83%)

Minnesota Salary Survey

- Occupational Employment & Wage Stats (OES) are based on a rolling 3-year survey of more than 22,000 employers
- Updated quarterly for the state, regions, and MSAs
  - First Quarter 2007
- Distribution statistics for the 10^{th}, 25^{th}, 50^{th}, 75^{th}, and 90^{th} percentiles
- deed.state.mn.us/lmi/tools/oes
- Data Tool or Salary Tool


OES Salary Pages - Choose Occupations - Microsoft Internet Explorer

Address http://www.deed.state.mn.us/lmi/tools/oes/display.asp?geog=27095W0000Southwest+Minnesota+&sortBy=code&viewAll=1

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OES DATA TOOL

OES Home | Back to Start | Methodology | Change Geography | Change Occupation | Download Data

Click the SOC Code for more detailed information.

Southwest Minnesota
2004, Second Quarter
Employment Data from 2003, Second Quarter

SOC Code	SOC Title	Median Wage: Planning Region	Median Wage: MN	Median Wage: US
00-0000	Total, All Occupations	$12.31/hr	$15.07/hr	$13.88/hr
11-0000	Management Occupations	$29.97/hr	$38.59/hr	$34.79/hr
11-1011	Chief Executives	$50.67/hr	>$70.00/hr	$66.15/hr
11-1021	General and Operations Managers	$28.28/hr	$38.26/hr	$35.74/hr
11-1031	Legislators		$14,187/yr	$8.07/hr
11-2011	Advertising and Promotions Managers	$28.02/hr	$38.67/hr	$29.62/hr
11-2021	Marketing Managers	$51.17/hr	$48.97/hr	$40.86/hr
11-2022	Sales Managers	$31.54/hr	$47.45/hr	$39.51/hr
11-2031	Public Relations Managers	$33.96/hr	$36.77/hr	$31.82/hr
11-3011	Administrative Services Managers	$27.97/hr	$34.29/hr	$27.95/hr
11-3021	Computer and Information Systems Managers	$38.36/hr	$46.18/hr	$44.06/hr
11-3031	Financial Managers	$38.51/hr	$44.13/hr	$37.95/hr

Done

Benton County Economy

- Benton County had 962 firms and 16,596 jobs in 2006
  - 62.0% of employment in Benton Co. is in services-producing industries; 38.0% of jobs are in the goods-producing domain
    - State of Minnesota = 18.9% of jobs in goods-producing
  - 90.5% of jobs are at private sector companies, only 9.5% of jobs are in the public sector
    - State of Minnesota = 14.2% of jobs in the public sector
  - Benton County added +2,346 jobs from 2001 to 2006
  - *Average Weekly Wages increased 18.9%, from $518 to $616*
    - State of Minnesota added +57,395 jobs from 2001 to 2006
    - *Average Weekly Wages increased 15.2%, from $704 to $811*

- Benton Co. also had 2,603 nonemployer establishments in 2005
  - Jumped 325 businesses (14.3%); $112 million in sales receipts in 2005
  - Largest areas include Other Services; Retail Trade; Construction; Healthcare & Social Assistance; and Transportation & Warehousing

Benton County Economy

- Manufacturing is the largest employing *non-ag* industry in Benton Co., with 29.9% of total countywide jobs (4,960 jobs)
  - Statewide, manufacturing lost -32,398 jobs, an -8.6% decline, during the recession and recovery (2001 to 2006)
  - Benton County added +916 mfg. jobs, a 22.7% increase
  - Furniture & Related Product Mfg. had 965 jobs at 19 establishments, added +180 jobs (22.9%), and had $721 average weekly wages (19.2%)
  - Food Mfg. had 651 jobs at 15 establishments, added +90 jobs (16.0%), and had $657 average weekly wages (5.5%)
  - Nonmetallic Mineral Mfg. (224 jobs) and Plastics & Rubber Products Mfg. (127 jobs) lost jobs; but had average weekly wages jump more than 30%
  - Wood Product Mfg. (295 jobs) and Machinery Mfg. (262 jobs)
- Retail Trade makes up 10.4% of total county jobs (1,721 jobs)
  - Retail Trade added 132 jobs (8.3%) from 2001 to 2006
  - Food & Beverage Stores (431 jobs), General Merch. Stores (354 jobs), Motor Vehicle & Parts Dealers (283 jobs), and Gas Stations (204 jobs)

Benton County Economy

- Healthcare & Social Assistance had only 10.3% of jobs (1,703 jobs)
- Construction had 20% of countywide establishments and 7.0% of jobs (1,155 jobs) in 2006 – lost -46 jobs from 2001 to 2006
- Educational Services had 6.5% of total county jobs (1,071 jobs; +26%)
- Accommodation & Food Services had 6.2% of county jobs (1,035 jobs)
  - Added +132 jobs from 2001 to 2006
- Wholesale Trade had 6.1% of total jobs (1,011 jobs); $782 in avg. wage
  - Durable Goods – 635 jobs; Nondurable Goods – 364 jobs
- Other Services had 543 jobs, and added +52 jobs
- Transportation & Warehousing had 514 jobs, but lost -10 jobs
- Professional & Technical Services had 441 jobs
- Public Administration had 398 jobs, and added +30 jobs
- Finance & Insurance had 247 jobs with $628 wages
- Information had 134 jobs and $798 wages

Benton County Economy

- Benton County generated $1.7 billion in sales & use taxes in 2005
- The largest industries include Nonmetallic Mineral Product Mfg. ($169 million), Furniture Mfg. ($159 million), Wholesale Trade – Durable Goods ($110 million), Food & Beverage Stores ($104 million), and Printing ($85 million)
- Benton County had 965 farms in 2002 (+73 farms since '97) with 195,949 acres in farmland (+10,500 acres since '97)
- Most of the farms are between 50 and 500 acres
  - Government payments were up 37% from 1997 to 2002
- Benton County was 48th in the state for total value of agricultural products sold in 2002 ($88.3 million)
  - 7th in Poultry & Eggs
  - 3rd in Broilers & Other Meat-type Chickens
  - 7th in Corn for Silage
  - 11th in Milk & Other Dairy Products from Cows
- Average age of principal operators is 50.5 years
- 59 percent of principal operators are farmers; 41 percent work off the farm

Industry Employment Projections, 2004-2014: Central Minnesota

Industry	Projected Job Change 2004-2014	Projected Percent Change 2004-2014
Total, All Industries	53,395	18.6%
Goods-Producing Domain	*6,144*	9.6%
Agriculture, Forestry, Fishing & Hunting	64	1.3%
Mining	8	2.2%
Construction	2,879	17.2%
Manufacturing	3,193	7.6%
Service-Providing Domain	*47,160*	24.3%
Utilities	241	12.8%
Wholesale Trade	1,192	12.1%
Retail Trade	6,353	18.3%
Transportation and Warehousing	1,051	16.0%
Information	275	7.9%
Finance and Insurance	2,168	31.6%
Real Estate and Rental and Leasing	396	19.1%
Professional and Technical Services	1,947	36.8%
Management of Companies and	605	60.8%
Administrative and Waste Services	4,050	48.4%
Educational Services	4,768	20.5%
Health Care and Social Assistance	12,798	36.2%
Arts, Entertainment, and Recreation	954	32.1%
Accommodation and Food Services	5,510	28.1%
Other Services, Ex. Public Admin	1,308	10.9%

Questions?

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Thank You!

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