

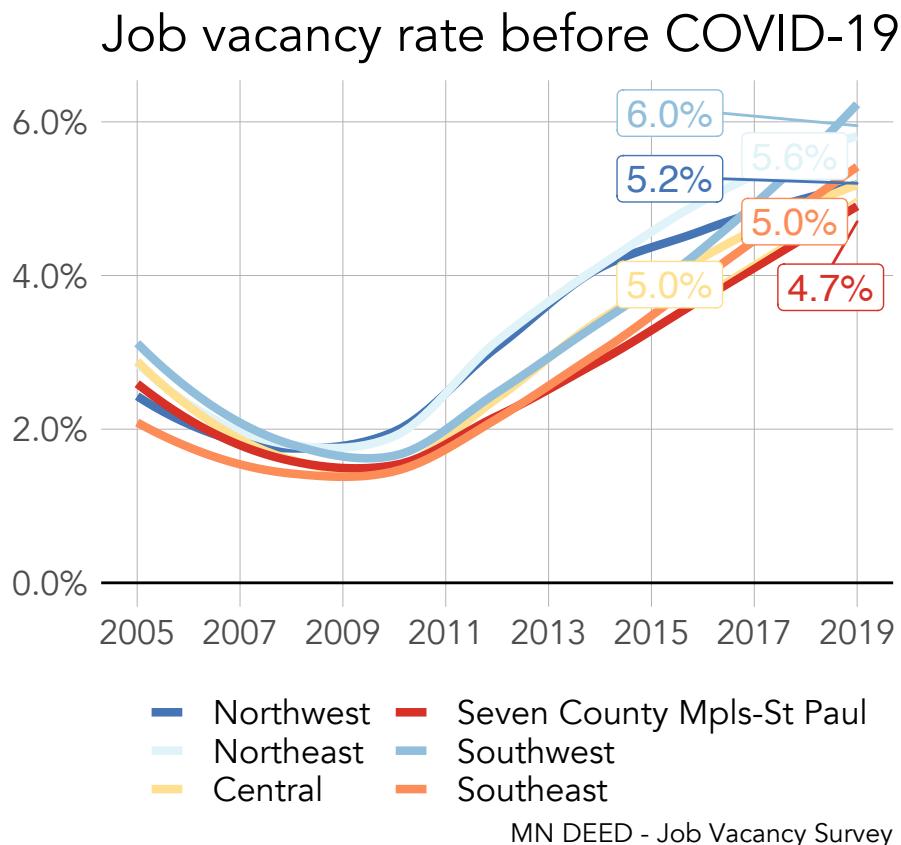


COVID-19 impacts on rural the rural workforce (Preliminary Findings)

An atypical recession requires atypical solutions.

As most labor analysts know, this isn't a typical "recession" where a large number of unemployed face few job opportunities. Before the pandemic, rural Minnesota was already facing a significant shortage of workers in many occupations. The pandemic's impact has been unique in that it has hit a few occupations particularly hard while bolstering other industries and occupations. The result is that despite the high number of unemployment claims, many industries are still searching for workers.

Therefore, state's approach to dealing with the impacts of the pandemic on the workforce is not only about taking care of our unemployed workers but also finding creative and strategic ways to engage unemployed workers to match them with existing employment opportunities.



Job vacancies down but not gone.

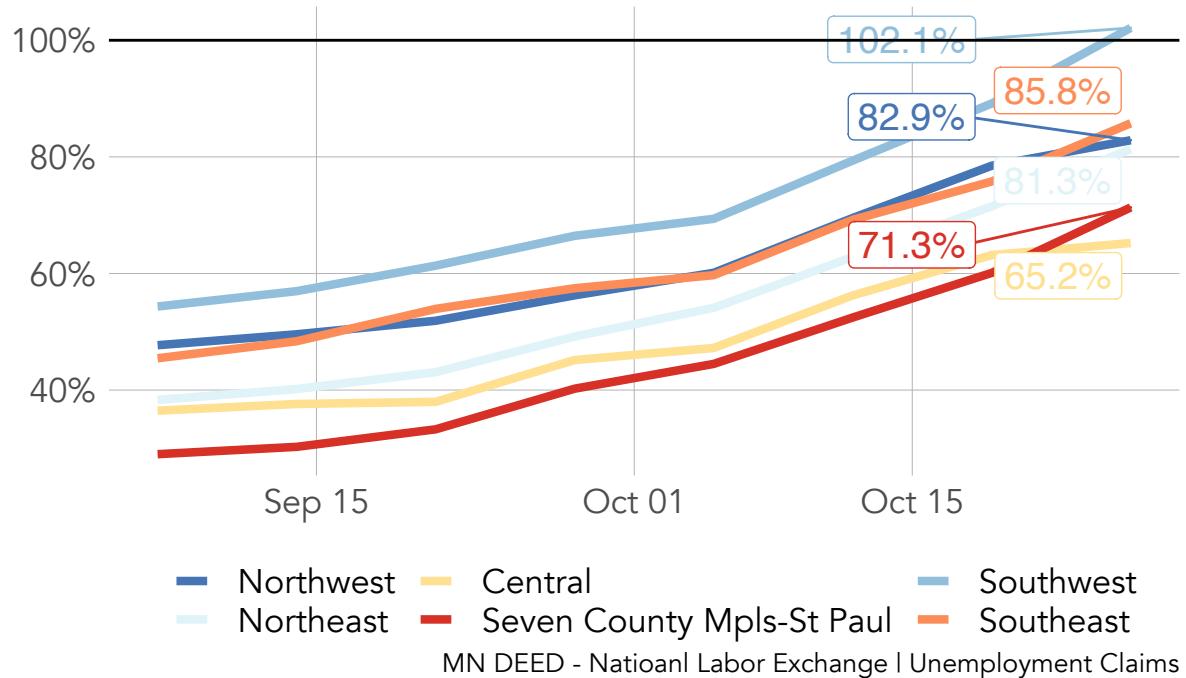
Before the pandemic, finding workers was the number one priority for workforce development organizations in rural Minnesota, where the worker shortage was more acute compared to the Twin Cities area.

Not surprisingly, the job vacancy rate dropped during the pandemic. It is about 2 percentage points less compared to the average in 2019 but still highest in rural Minnesota.



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Job postings as pct of UI claims



Across the state, job postings are equaling a larger share of unemployment claims.

The number of weekly unique job postings as a percentage of weekly continuous unemployment claims compares the speed at which jobs are becoming available against the number of workers claiming unemployment. Since September, weekly job postings have continued to grow as a share of unemployment claims, with most regions outside of the Twin Cities metro at a higher percentage. In fact, in Southwest Minnesota there were more weekly job postings than continuous unemployment claims by the end of October.

However, not every unemployed person can simply take any job available. Training and experience is needed for many employment opportunities in our regions. Therefore, it's important to assess in which occupations there are job opportunities and the labor pool that exists in that occupation. And interviews with our Workforce Development Boards in Greater Minnesota have indicated an interesting situation where they are dealing with exactly this issue. The occupation of our unemployed individuals don't exactly match with the job opportunities available.

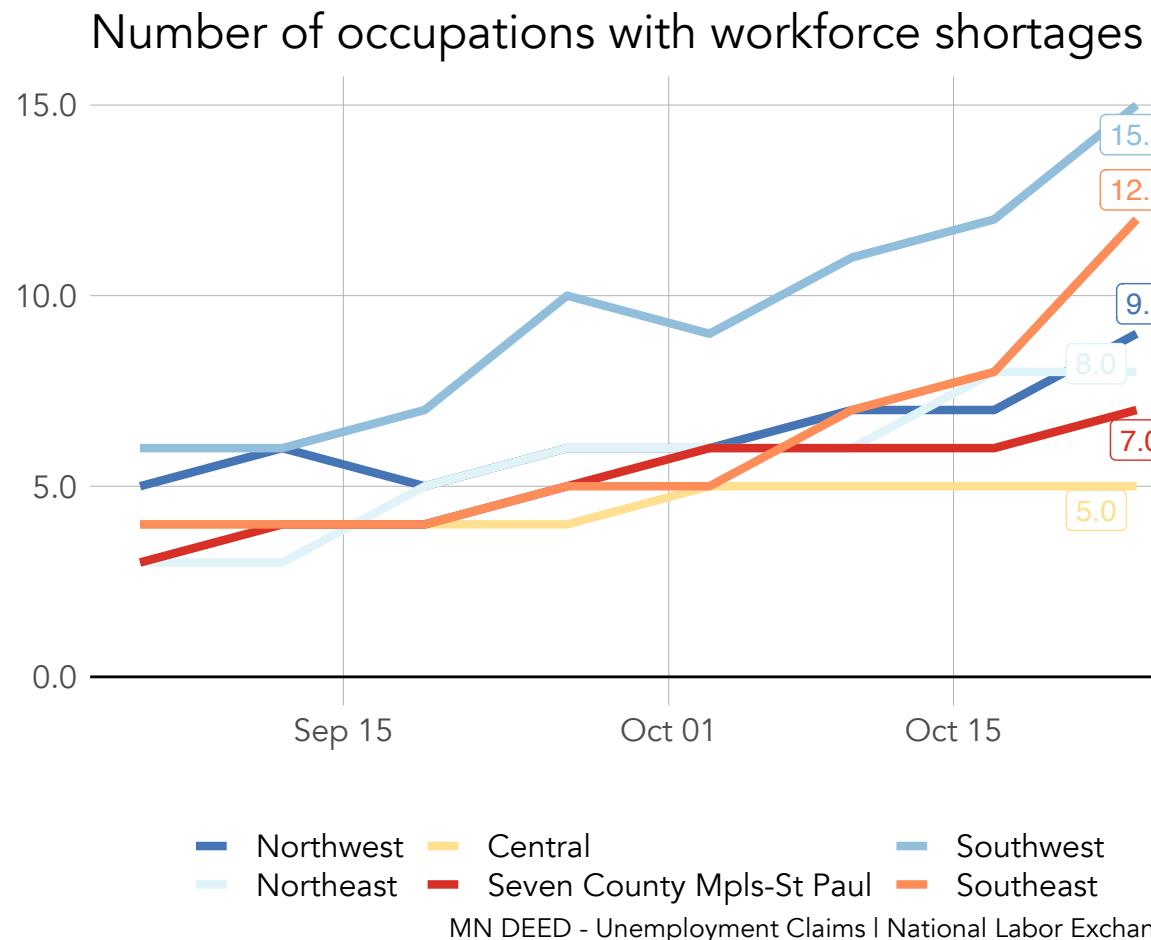


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Despite the number of unemployment claims, worker shortages remain in many occupations and most regions of the state.

In Northern Minnesota one of the highest number of job postings is in food preparation and serving-related occupations, but it also has one of the highest rates of people filing continuous unemployment claims, indicating that there is a ready labor pool within that category.

The number of occupation categories (out of 23 total) with *more job postings* than people filing continuous unemployment claims has been growing since September (see chart below). The Southwest and Southeast regions show the largest increases in categories with worker shortages, while the Twin Cities and Central Minnesota regions have the lowest number of occupations experiencing workforce shortages.



To read the full report, visit our website at ruralmn.org.

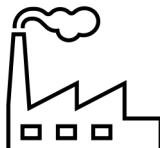
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A skills mismatch exists between jobs needing workers and workers needing jobs.

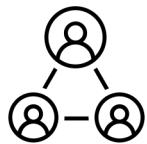
Across all of Minnesota, the healthcare practitioners and technical occupations category was in the top five labor force shortage occupations in every Economic Development Region in the state. Beyond that, however, there was significant nuance among occupation categories experiencing labor force shortages throughout Greater Minnesota.



Transportation and material moving: Shortages in this occupation were particularly prevalent in the western side of Minnesota such as Northwest and Southwest planning regions.



Production: Some of the largest workforce shortages have been in production occupations (manufacturing), particularly in Northwest and Southwest Minnesota.



Community and social services: Shortages in this occupation were particularly large in Central Minnesota.



Farming, fishing and forestry: Shortages in this occupation were particularly large in Southern Minnesota.

Other occupations: When breaking it down by EDR, there was a significant amount of variation in which occupations were facing workforce shortages. Other occupations include computer and mathematical, architecture, legal, and other more professional occupations.

What this analysis tells us is that this isn't a typical "recession" with a large number of unemployed with very few job opportunities. The pandemic has been unique in that it has hit a few occupations particularly hard while bolstering other industries and occupations. The state's approach to dealing with the impacts of the pandemic on the workforce is not only about taking care of our unemployed workers but also finding creative and strategic ways to engage unemployed workers and matching them with other employment opportunities in rural Minnesota.



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A special thanks

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