

**Analysis & Evaluation Office, Regional Analysis & Outreach Unit**

To: Steve Renquist, Kandiyohi County & City of Willmar EDC

From: Cameron Macht, DEED Regional Labor Market Analyst, Central and Southwest

Date: June 4, 2007

Re: Information Technology Worker Availability for the Kandiyohi County and Willmar lakes area

We have compiled this brief report in response to your request for labor market information for the Kandiyohi County and Willmar lakes area. The information is organized in two parts: first, a labor market analysis that looks at commute and laborsheds for the area by identifying where workers live versus where they work, including data from the Local Area Unemployment Statistics program that provides information on the total available labor force, employment, and unemployment in the commuting area. Second, the report includes a wage and employment analysis that provides salary information on information technology-related industries and occupations in the Willmar area, as well as workforce quality data. As DEED’s labor market expert in this region, I am available to answer questions and provide additional information. Please contact me if I can be of further assistance.

**Labor Market and Demographic Information**

The city of Willmar serves as a **regional center** for many of the counties in West Central and Southwest Minnesota, especially as an employment destination. In fact, Kandiyohi County is a **net importer of labor** (more available jobs than workers), drawing commuters from many surrounding counties every day in addition to the nearly 18,500 people who both live and work within the county. Kandiyohi County also draws 3,020 workers from other counties each day, primarily from surrounding counties including: Swift, Chippewa, Stearns, Renville, and Meeker. (See Table 1.) This labor market area is the geography from which a new or expanding business can expect to draw its workers.

**Table 1: Labor Market Area for Willmar**

Residence County	Workplace County	Number of Workers	Residence County	Workplace County	Number of Workers
<b>Kandiyohi Co. MN</b>	<b>Kandiyohi Co. MN</b>	<b>18,409</b>	<b>Kandiyohi Co. MN</b>	<b>Kandiyohi Co. MN</b>	<b>18,409</b>
Kandiyohi Co. MN	Stearns Co. MN	561	Swift Co. MN	Kandiyohi Co. MN	646
Kandiyohi Co. MN	Meeker Co. MN	363	Chippewa Co. MN	Kandiyohi Co. MN	511
Kandiyohi Co. MN	Renville Co. MN	302	Stearns Co. MN	Kandiyohi Co. MN	465
Kandiyohi Co. MN	Chippewa Co. MN	168	Renville Co. MN	Kandiyohi Co. MN	422
Kandiyohi Co. MN	Swift Co. MN	157	Meeker Co. MN	Kandiyohi Co. MN	381
<i>Kandiyohi Co. MN</i>	<i>All Other Counties</i>	855	<i>All Other Counties</i>	<i>Kandiyohi Co. MN</i>	595
<b>Total Outgoing Workforce</b>		<b>2,406</b>	<b>Total Resident &amp; Incoming Workforce</b>		<b>21,429</b>

*Source: U.S. Census Bureau Journey-to-Work data*

Combining the populations of all the counties within reasonable commuting distance of the Willmar lakes area yields a market of **401,855 people**, and an estimated commuting labor force of more than **65,000 workers**. Because workers are less mobile than other factors of production, availability of workers is important to firm location. The most available workers are the unemployed, because to be considered “unemployed” these people have to be engaged in job-seeking activities during the survey period. The four-county region currently has more than 3,500 available jobseekers. (See Table 2.)

**Table 2: Local Area Unemployment Statistics**

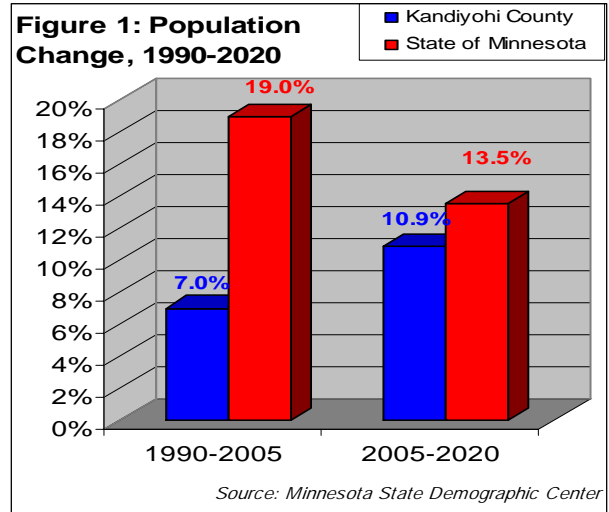
April 2007	Unemployment			
	Labor Force	Employed	Number	Rate
<b>Kandiyohi Co.</b>	<b>23,563</b>	<b>22,395</b>	<b>1,168</b>	<b>5.0%</b>
Swift Co.	5,600	5,280	320	5.7%
Chippewa Co.	7,532	7,200	332	4.4%
Stearns Co.	83,997	79,928	4,069	4.8%
Renville Co.	8,217	7,705	512	6.2%
Meeker Co.	12,930	12,070	860	6.7%
Region 6E	66,540	62,980	3,560	5.4%

*Source: DEED Local Area Unemployment Statistics (LAUS) data*

Kandiyohi County and the surrounding areas have relatively **steady unemployment rates** that track closely with the State of Minnesota, which is consistently lower than the United States. Kandiyohi County's annual unemployment rate has been below the state rate four of the last five years, and under the U.S. rate all five years. At the same time, Kandiyohi County's labor force has jumped nearly 800 workers since 2000, a **3.4% increase** in the available labor force within the county.

Kandiyohi County is also experiencing **steady population growth**, adding 2,726 people over the last decade and a half. Out of 87 counties, Kandiyohi's 7.0% growth rate was 0.1% off the median growth rate. With 41,487 people, Kandiyohi was the 23<sup>rd</sup> largest county in the state, and one of 17 micropolitan statistical areas.

Kandiyohi County also had the 23<sup>rd</sup> largest natural increase in the state between 2000 and 2005 – with 921 more births (2,778) than deaths (1,857). Population projections from the state demographer show **steady growth** over the next 15 years as well, with Kandiyohi County expected to see a 10.9% increase from 2005 to 2020, up to 45,990 people. If growth occurs at that pace, Kandiyohi would still be the 23<sup>rd</sup> largest county in the state. (See Figure 1.)



Personal and family incomes are increasing for Kandiyohi County residents, providing more disposable income for consumers to spend. This population and income growth has provided area businesses with a steady consumer base and a skilled, available work force. Kandiyohi County was home to the sixth-largest Hispanic population in the state of Minnesota, behind five counties in the Twin Cities metro area. The area Hispanic population is expected to more than double (128%) between 2000 and 2030.

Plentiful lakes and other recreational amenities draw many workers, shoppers, and tourists from many surrounding communities and counties. This growth helps the Willmar area continue to provide a diverse group of available consumers to local businesses, as well as an available labor force to local employers. Growing diversity is valuable to employers in meeting changing customer demands and creating innovative ideas.

To meet the needs of the area's expanding population, well over 600 new privately-owned residential building permits have been issued in Willmar and the surrounding area in the last three years. In fact, Willmar has added more new residences than such fast-growing cities as Waite Park, Red Wing, Lindstrom, Annandale, Rogers, Little Canada, Norwood Young America, Waverly, Little Falls, Rice, Princeton, and Spring Lake Park, among others, according to Census Bureau Housing Stats.

The availability measure that is most consistently and strongly related to firm location is the presence of workers in occupations needed for particular industries. The Willmar lakes area has a **technically skilled, affordable workforce** available to businesses. (See Table 3.)

**Table 3: Top 25 Occupations in the "Software Publishing" Industry**

SOC Occupation Title	Industry Percent Dist. of Workers	Region 6E (Willmar area)				Minnesota Median Hourly Wage	Region 6E Percent of State Wage
		25th Percent Wage	Median Hourly Wage	75th Percent Wage	Estimated Regional Workers		
<b>Total, all occupations</b>	<b>100.0</b>	<b>\$10.01</b>	<b>\$13.77</b>	<b>\$20.17</b>	<b>49,170</b>	<b>\$16.48</b>	<b>83.6%</b>
Computer software engineers, applications	16.5	\$23.76	<b>\$29.80</b>	\$38.98	570	\$38.06	78.3%
Computer software engineers, systems software	8.9	\$26.25	<b>\$32.30</b>	\$41.14	150	\$40.26	80.2%
Computer support specialists	7.8	\$15.77	<b>\$17.98</b>	\$21.43	110	\$21.54	83.5%
Computer programmers	7.7	\$18.88	<b>\$21.06</b>	\$23.44	40	\$32.76	64.3%
Computer systems analysts	4.1	\$24.33	<b>\$29.53</b>	\$35.03	340	\$33.44	88.3%
Computer & information systems managers	3.7	\$37.45	<b>\$47.09</b>	\$53.65	70	\$50.09	94.0%
Sales representatives, technical & scientific products	3.4	\$24.52	<b>\$28.80</b>	\$54.34	90	\$35.12	82.0%

General & operations managers	2.0	\$24.17	<b>\$31.93</b>	\$48.05	560	\$41.29	77.3%
Customer service representatives	2.0	\$12.20	<b>\$14.20</b>	\$17.42	310	\$15.58	91.1%
Market research analysts	1.9	\$22.58	<b>\$31.12</b>	\$39.48	60	\$29.86	104.2%
Executive secretaries & administrative assistants	1.8	\$14.13	<b>\$17.04</b>	\$19.79	270	\$19.09	89.3%
Network & computer systems administrators	1.8	\$20.38	<b>\$24.12</b>	\$30.22	110	\$29.76	81.0%
Management analysts	1.7	\$32.07	<b>\$41.06</b>	\$52.56	60	\$33.07	124.2%
Network systems & data communication analysts	1.6	\$21.16	<b>\$28.67</b>	\$35.62	50	\$34.69	82.6%
Computer specialists, all other	1.6	\$30.55	<b>\$42.96</b>	\$48.03	50	\$31.31	137.2%
Marketing managers	1.5	\$34.72	<b>\$41.04</b>	\$57.98	80	\$53.44	76.8%
Business operations specialists, all other	1.5	\$17.45	<b>\$20.14</b>	\$23.24	770	\$22.74	88.6%
Sales representatives, wholesale & manufacturing	1.5	\$17.27	<b>\$22.33</b>	\$30.77	450	\$25.47	87.7%
Accountants & auditors	1.4	\$19.50	<b>\$23.36</b>	\$27.81	320	\$25.75	90.7%
Technical writers	1.4	\$24.03	<b>\$26.45</b>	\$28.86	20	\$27.98	94.5%
Sales managers	1.2	\$39.65	<b>\$54.49</b>	\$71.99	80	\$50.17	108.6%
Office clerks, general	1.1	\$9.31	<b>\$10.80</b>	\$13.02	1,130	\$12.76	84.6%
Multi-media artists & animators	1.1	\$16.80	<b>\$24.47</b>	\$27.06	40	\$20.13	121.6%
Sales representatives, services, all other	1.0	\$13.51	<b>\$17.55</b>	\$22.14	110	\$25.62	68.5%
Managers, all other	1.0	\$27.33	<b>\$33.17</b>	\$48.16	70	\$44.29	74.9%
<b>Total, Regional Software Publishing Workers</b>					<b>5,910</b>		

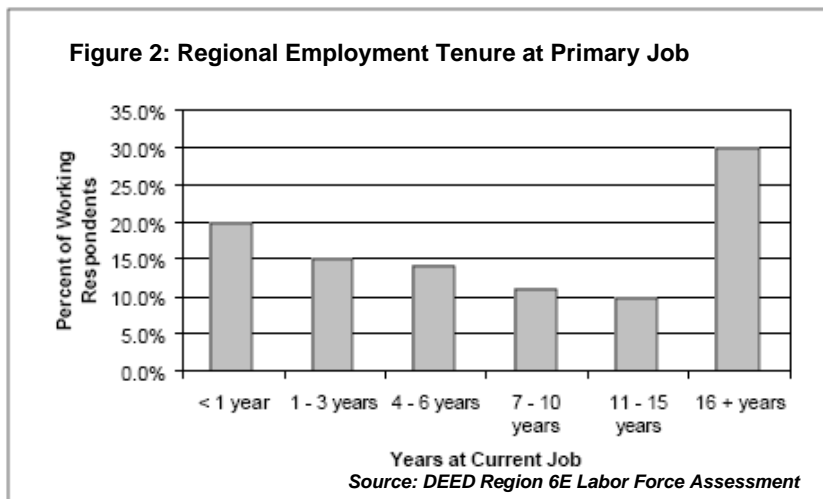
Source: Bureau of Labor Statistics Industry-Occupation Matrix; DEED Minnesota Salary Survey 4th Quarter 2005

<http://data.bls.gov/oeep/Servlet/oeep.nioem.servlet.ActionServlet?Action=empios&Type=Industry>; <http://www.deed.state.mn.us/lmi/tools/oes/geog.asp>

### Employment Information

Research shows that Americans are changing jobs and careers more frequently, regardless of the economy. The median number of years that wage and salary workers across the United States had been with their current employer was **3.7 years** in January 2002, according to the Bureau of Labor Statistics.

Despite these trends to the contrary, workers in the Willmar lakes area continue to display a remarkable amount of loyalty to their employers. According to recent Labor Force Assessments conducted in Region 6E, the median employee tenure was **7 years**, and the average tenure was **12 years**. Plain and simple, the data shows that workers in the Willmar lakes area **are more likely to stay with their employers for the long term.** (See Figure 2.)



Beyond that, the Willmar lakes area and the state of Minnesota are known for their skilled, motivated workforce and hard work ethic. Minnesota is the nation's "hardest working" state, with the highest proportion of people participating in the labor force, as well as low absenteeism. Analysts have ranked Minnesota as the third best state to work in the country based on indicators such as workplace fairness and job opportunities – and the **top state for job quality.**

Minnesota ranks third in the "Camelot Index" with particularly high rankings in "healthy people" (1), "healthy society" (1), and "healthy economy" (8). Minnesota has the nation's lowest percent of people without health insurance and the second lowest percentage of people living in poverty, according *State Policy Reports*. It's also been the healthiest state in the country—and has been among the top two since the rankings began in 1990. Nearly 77 percent of Minnesotans own their homes, ranking fifth nationwide.

Minnesota's array of cultural attractions, outdoor recreations options, and scenic landscapes appeals to both residents and visitors. For the seventh straight year, Minnesota tops the "**Most Livable State**" rankings from Morgan Quitno Press, based on indicators like affordable housing, safe streets, a strong education system, and excellent health care. The Willmar lakes area boasts an extremely diverse population and countless recreational amenities, creating a wide spectrum of family entertainment opportunities for local residents and visitors alike.

**Table 4: Percentage of the Population with an Associate Degree**

	City of Willmar	Kandiyohi County	Minnesota	United States
18 to 24 years	1.0%	1.1%	0.8%	0.5%
25 to 34 years	2.3%	2.4%	2.0%	1.4%
35 to 44 years	2.8%	3.0%	2.3%	1.8%
45 to 64 years	1.9%	2.6%	2.0%	1.9%
65 years & over	0.4%	0.4%	0.4%	0.4%
<b>Total</b>	<b>8.4%</b>	<b>9.5%</b>	<b>7.5%</b>	<b>6.0%</b>
<i>Source: U.S. Census Bureau</i>				

Minnesota has the highest percentage of residents aged 25 years and older with a high school diploma (92.3 percent) and the 9th highest percentage of people with college degrees (32.5 percent) among all states in 2004, according to the U.S. Census. Beyond that, the Willmar lakes area is home to a high quality education system and a well-trained technical workforce. Of particular note, Kandiyohi County has a much **higher percentage of workers with an associate degree** than the state and the U.S. (See Table 4.)

The Willmar area is home to an excellent post-secondary institution providing technical and advanced educational programs. Ridgewater College, with locations in Willmar and Hutchinson, served well over 4,000 students in 2005. Ridgewater College's Center for Customized & Continuing Education provides many educational opportunities to develop new skills, to broaden knowledge base, and to increase technical proficiency, benefiting both a business organization and individual employees.

The Granite Falls campus of Minnesota West Community & Technical College is located about a half hour away, and serves close to 3,000 students. About 50 miles away, the St. Cloud area also has several post-secondary institutions serving more than 22,000 students. There are many different majors offered at these colleges and universities, but some of the most common are Business Management & Admin Services; Health Professions and Related Sciences; Education; Engineering-Related Technologies; Computer & Information Sciences; and Precision Production Trades. (See Table 5.)

Institution	City	Size	Distance
<b>Ridgewater College</b>	<b>Willmar</b>	<b>4,142</b>	<b>0 mi.</b>
Minnesota West Community & Technical College	Granite Falls	2,828	33 mi.
Ridgewater College	Hutchinson	4,142	36 mi.
St. John's University	Collegeville	2,015	45 mi.
College of St. Benedict	St. Joseph	2,033	47 mi.
St. Cloud State University	St. Cloud	16,077	50 mi.
St. Cloud Technical College	St. Cloud	3,400	50 mi.

The UnitedHealth Foundation ranks Minnesota the **second healthiest state in the nation**, and Minnesota has very low absenteeism rates. Today, based on labor costs, state and local tax burden, energy costs, and office rents, Minnesota can claim to be one of 29 states with an "average cost" of doing business, according to a study by the respected analysts from Economy.com. Just nine states were considered "low cost" places to do business, while 12 were described as "high cost." Labor costs, land costs, and local tax burden are significantly lower in Kandiyohi County than the state of Minnesota.

One of the most recent changes is a law passed by the Minnesota Legislature creating up to 10 tax-free zones intended to encourage business and economic development in Greater Minnesota. These Job Opportunity Building Zones (JOBZ) stimulate economic activity by providing exemptions to local and state taxes, including the corporate franchise tax, income tax for operators and investors, certain sales taxes and property taxes, and wind energy production taxes. In addition, businesses can claim employment tax credits for the creation of high-paying jobs.

Since 1992, the legislature has passed major reforms resulting in a 40 percent drop in employer costs for workers' compensation coverage. Other key pieces of legislation have reduced litigation costs, provided safety incentives, controlled the cost of workers' compensation benefits over an employee's lifetime, and increased compliance provisions, enabling Minnesota to be more competitive. Another significant change in recent years has been the elimination of the sales tax on capital equipment. Minnesota and the Willmar lakes area has created a climate that encourages business expansion and creates high quality jobs.

### Industry Economic Information

The Willmar lakes area has a growing, relatively diverse economy with employment spread across agriculture, manufacturing, retail trade, healthcare and social assistance, educational services, construction, financial services and insurance, information, and professional and technical services sectors. Kandiyohi County's economy grew 5.0% from 2002 to 2006, as compared to a 3.4% growth rate for the entire state.

According to data from the Quarterly Census of Employment & Wages (QCEW) program, the information industry provided 586 jobs – including 189 jobs at data processing and related services and 145 jobs in other information services – and 376 jobs in the professional and technical services industry in Kandiyohi County in the 3<sup>rd</sup> Quarter of 2006. This included more than 100 jobs at architectural and engineering services and over 100 jobs at accounting and bookkeeping services, as well as just over 90 jobs at management and technical consulting services and other professional and technical services.

The fastest growing industries in the county included administrative services and information services, which also hire technically skilled workers; as well as arts, entertainment and recreation, transportation and warehousing, and retail trade. Professional and technical services are projected to grow 36.8% from 2004 to 2014, and information is expected to grow jobs about 8%. Administrative and waste services, educational services, and health care and social assistance are also projected to be among the fastest growing industries in the region into the future. (See Table 6.)

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Percent of Total County Jobs	Average Weekly Wage	Job Change from 2002-2006
<b>Total, All Industries</b>	<b>0</b>	<b>1,383</b>	<b>22,678</b>	<b>100.0%</b>	<b>\$558</b>	<b>5.0% (+1,090 jobs)</b>
Construction	23	179	1,530	6.7%	\$866	2.1% (+32)
Manufacturing	31	69	3,080	13.6%	\$691	0.7% (+20)
Utilities	22	3	65	0.3%	\$1,099	-4.4% (-3)
Wholesale Trade	42	79	985	4.3%	\$791	-6.8% (-72)
Retail Trade	44	229	3,029	13.4%	\$367	5.9% (+170)
Transportation and Warehousing	48	73	388	1.7%	\$581	18.7% (+61)
Information	51	30	586	2.6%	\$467	13.6% (+70)
Finance and Insurance	52	73	527	2.3%	\$736	-20.9% (-139)
Real Estate and Rental and Leasing	53	49	124	0.5%	\$435	-23.5% (-38)
Professional and Technical Services	54	75	376	1.7%	\$653	2.5% (+9)
Administrative and Waste Services	56	58	920	4.1%	\$335	20.7% (+158)
Educational Services	61	24	1,469	6.5%	\$638	NA (NA)
Health Care and Social Assistance	62	127	4,963	21.9%	\$571	NA (NA)
Arts, Entertainment, and Recreation	71	21	347	1.5%	\$232	49.6% (+115)
Accommodation and Food Services	72	76	1,472	6.5%	\$202	-7.4% (-118)
Other Services, Ex. Public Admin	81	102	658	2.9%	\$314	-4.9% (-34)
Public Administration	92	46	963	4.2%	\$688	3.2% (+30)

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

The city of Willmar and Kandiyohi County have seen retail activity expand quickly in the last decade, as Kandiyohi County surpassed \$750 million in retail sales in the year 2004. This was a 68.7% increase over a four-year time span. The city of Willmar contributes the lion's share of the retail sales activity in the county. Kandiyohi County also had more than \$50 million in sales in Accommodation (including hotels & lodging places) and food services and drinking places. (See Table 7.)

Year	City of Willmar Sales	Kandiyohi Co. Sales
2004	\$458,299,531	\$759,721,036
2003	\$418,862,455	\$810,954,696
2000	\$349,609,239	\$450,349,123
1998	\$344,018,491	Not Available
1996	\$330,011,429	\$402,622,519

Source: Minnesota Dept. of Revenue