

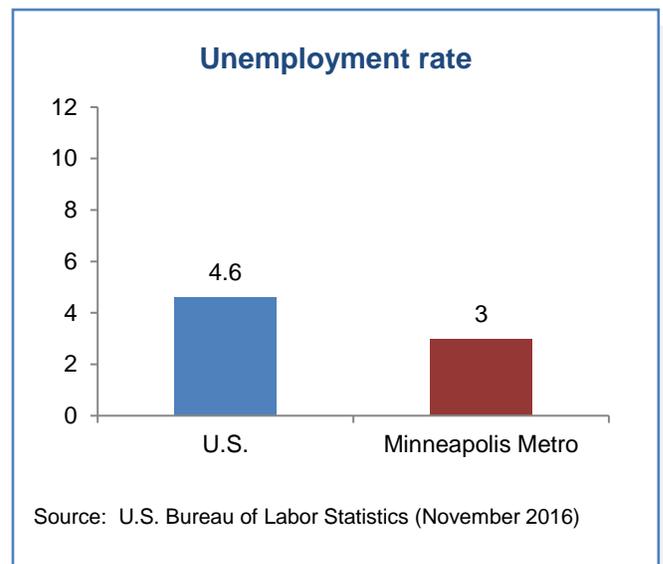


Metro Economic Outlook: Minneapolis/St. Paul

A healthy job market has kept the economy on sound footing in the Minneapolis/St. Paul metro region. But as conditions tighten and demographic changes come into play, training initiatives will be an important tool for future growth.

Among the jobs in high demand at the moment are nursing positions, software engineers, accountants and auditors, said Kevin McKinnon, executive director of business and community development at the Minnesota Department of Employment and Economic Development.

“These are high-paying jobs, and it’s a good situation for the job seeker,” McKinnon said. “On the other side of it, from the employer perspective, the labor market



MINNEAPOLIS/ST. PAUL METRO: VITAL STATS

Total working age population: 2,146,503 out of a total population of 3,524,583

Number of households: 1,354,766

Consumer price index: 232.777 (goods and services that cost \$100 in 1982-1984 cost \$232.78 in 1st half of 2016)

Percentage of local residents with bachelor’s degrees: 26.4

With graduate or professional degrees: 13.9

Workers in STEM industries: 39.7 per 1,000 residents

Sources: U.S. Census Bureau (2015), U.S. Bureau of Labor Statistics (1st half of 2016), American Institute for Economic Research (2015)

is tightening. Our projections show we’ll be adding 130,000 new jobs by 2022, but the number of people in line for retirement or career changes is also around 400,000 during that time. So you’re talking about filling 500,000 jobs, and that will create challenges.”

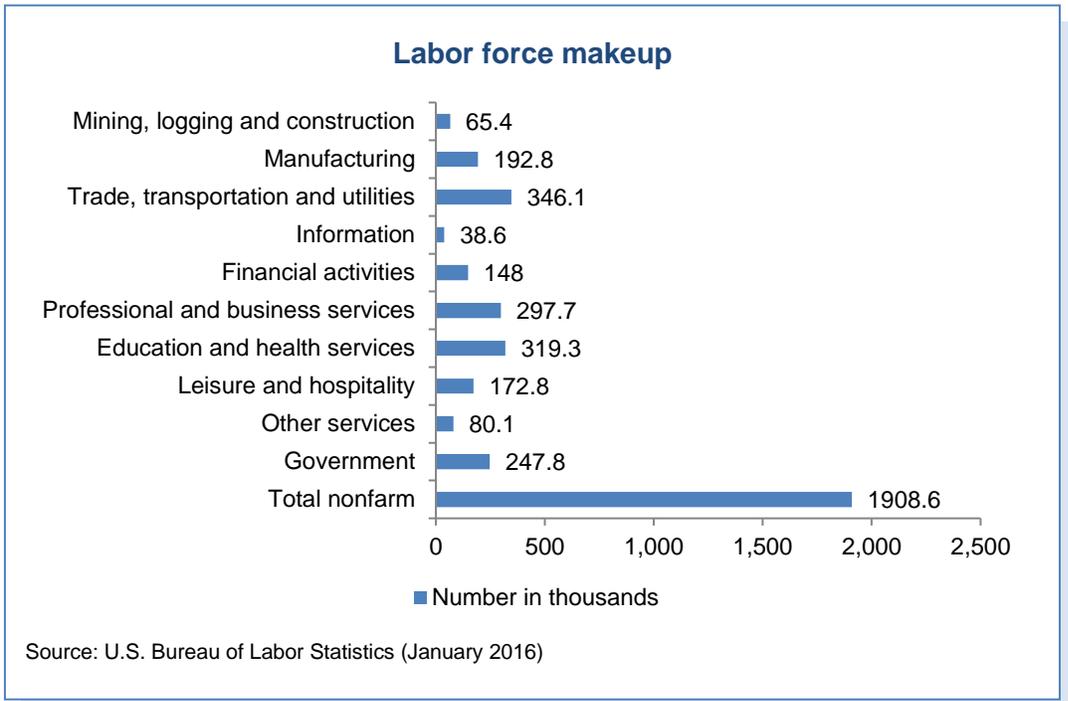
Among the programs designed to bolster the labor force is the Minnesota Job Skills Partnership, a state initiative that awards grants to educational institutions so they can partner with businesses and create training programs.

In 2013, Minnesota committed \$8 million to the program, and then added another \$4 million in response to increased demand. The state approved an additional \$8.5 million for 2015-2016.

“We believe it is incumbent upon us to continue to invest in education and training along with the private sector,” McKinnon said.

One state grant program for employers provides up to \$3,000 per employee for training in specific industries, primarily manufacturing and information technology. Another new initiative from the Minnesota Office of Higher Education provides employers grants of up to \$150,000 for their workers' completion of training, apprenticeship and certification programs.

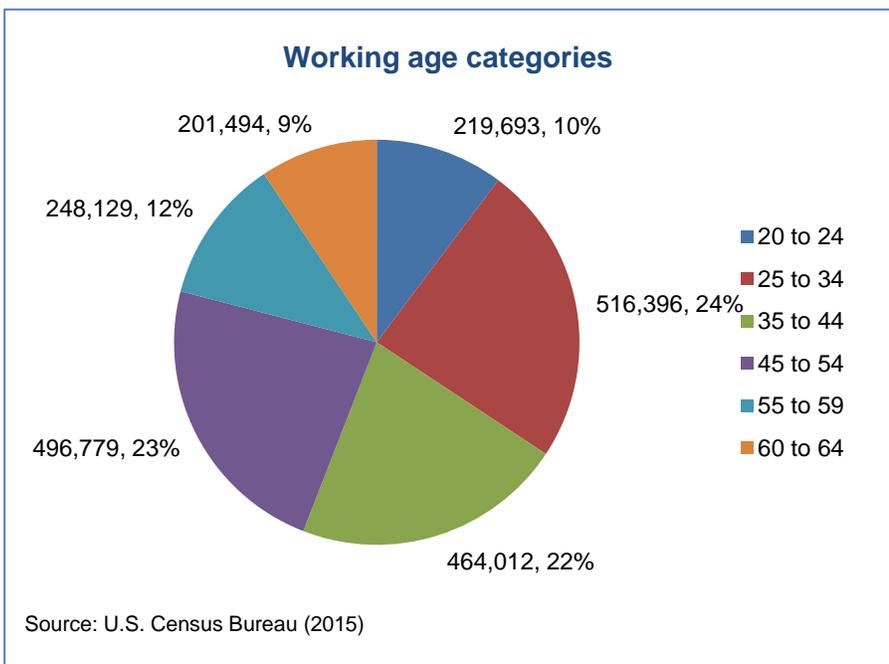
“We’re also enlisting the help of nonprofits to carry out the new programs,” McKinnon said. “We have one in particular that’s aimed at youth, reaching into neighborhoods and giving kids exposure to potential careers. We’re getting very serious about this. We want



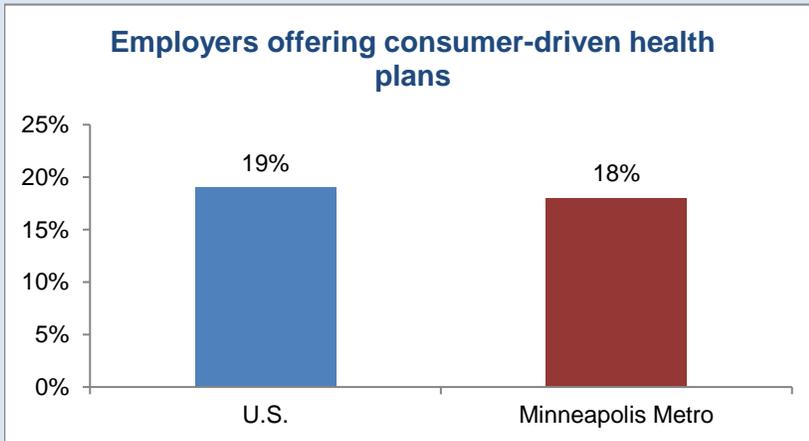
all Minnesotans who are able to participate to be active in the labor force.”

Health-related interests in the Minneapolis/St. Paul region – which spans 11 counties in Minnesota and two counties in Wisconsin – include medical device manufacturing, benefit management organizations and divisions of the renowned Mayo Clinic.

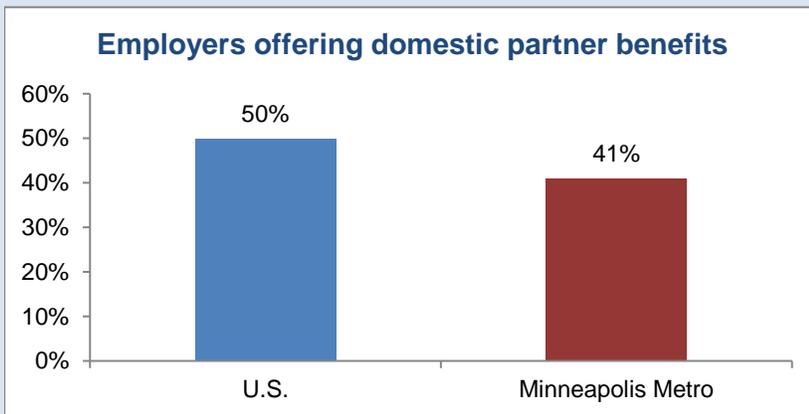
The metro area’s *Fortune* 500 companies include retailer Target, food company General Mills and technology research and development giant 3M. Among the local employers that have recently ramped up hiring include agricultural cooperative Land O’Lakes, which added 200 jobs to its offices in the suburb of Arden Hills. Media and technology company Comcast is also bringing 400 new jobs to its St. Paul division. ♦



Employee Benefits Data



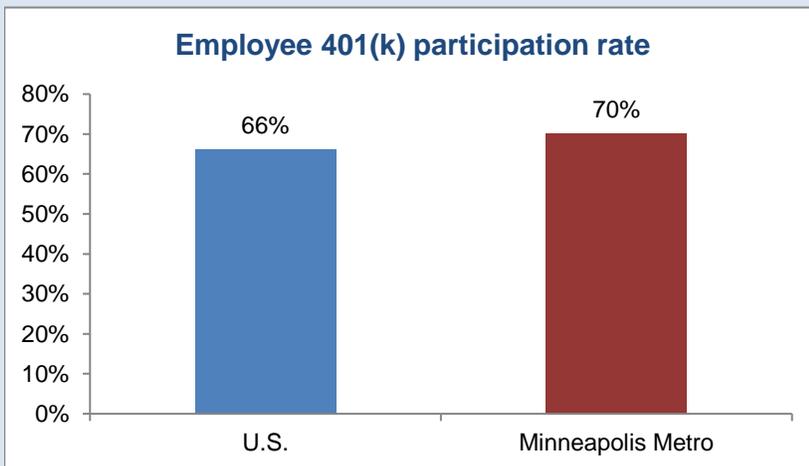
Employers in the Minneapolis/St. Paul metro area are slightly less likely to offer consumer-driven health plans compared with the national level, by a margin of 1 percent.



They are less likely to offer domestic partner benefits compared with the national level, by a margin of 9 percent.

Source: SHRM Health Care Benchmarking Database (2016)

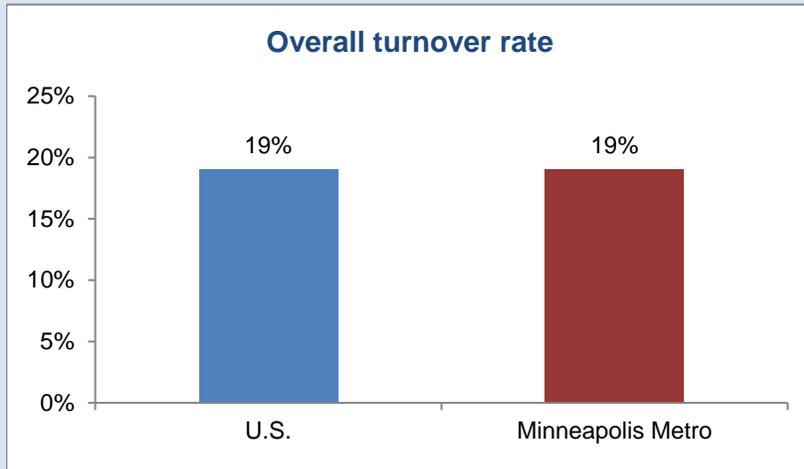
Retirement



The rate of 401(k) participation in the Minneapolis/St. Paul metro area's workforce is slightly higher than the national level, by a margin of 4 percent.

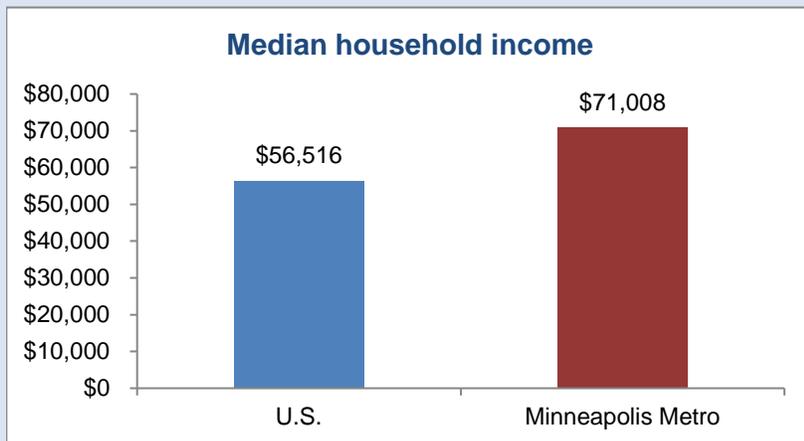
Source: SHRM Retirement & Welfare Benefits Database (2016)

Income and Turnover Data



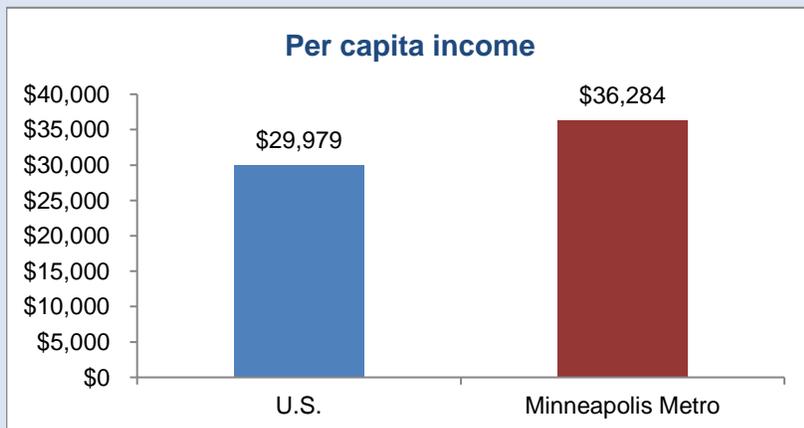
Source: SHRM Human Capital Benchmarking Database (2016)

The turnover rate in the Minneapolis/St. Paul metro area's workforce is on par with the national average.



Source: U.S. Census Bureau (2015)

Median household income in the Minneapolis/St. Paul metro area is significantly higher than the national level, by more than \$14,000 annually.



Source: U.S. Census Bureau (2015)

Per capita income in the region is also higher than the national level, by more than \$6,000 annually.

Top Management Salaries Data



Median salaries for top management level employees in the Minneapolis/St. Paul area are generally lower than national levels.

Source: Willis Towers Watson Data Services 2016 Survey Report on Top Management Compensation

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