

## South Central Minnesota Manufacturing Industry Factsheet

As of second quarter 2010, manufacturing was the largest employment sector in South Central Minnesota. With 17,960 jobs, manufacturing jobs accounted for 17.9 percent of all regional jobs and 6.2 percent of all manufacturing jobs in the state of Minnesota. Table 1 lists manufacturing industries in the region, recent growth trends, and average weekly wages. Most manufacturing industries pay higher than average wages. The average weekly wages in manufacturing were 13.9 percent higher than average weekly wages for all industries in South Central Minnesota (\$786, compared to \$690). At \$1,077 in earning per week, wages were highest in architectural and structural metals manufacturing and highest in the state for that industry (just ahead of the 7-County Twin Cities Metro Region's average weekly wage of \$1,057). Average weekly wages for computer and electronic product manufacturing (\$942); chemical manufacturing (\$929); and ornamental and architectural metal product manufacturing (\$907) were relatively high as well. Fabricated metal product manufacturing as a sector had average weekly wages of \$872, with two of the four highest weekly wages (architectural and structure metals manufacturing, and ornamental and architectural metal product manufacturing).

**Table 1. Manufacturing Industries in South Central Minnesota**

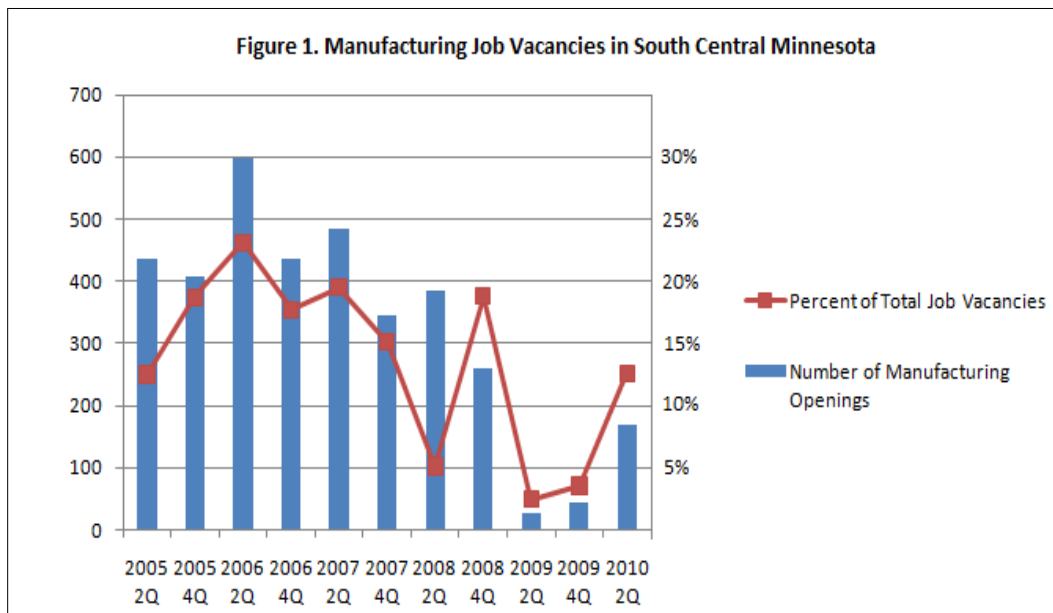
Industry	Average Employment 2Q 2010	Percent Change, 2Q 2007-2Q 2010	Numeric Change, 2Q 2007-2Q 2010	Average Weekly Wage 2Q 2010
<b>Manufacturing Sector</b>	<b>17,960</b>	<b>-18.4%</b>	<b>-4,063</b>	<b>\$786</b>
Food Manufacturing	4,612	-18.8%	-1,065	\$721
Computer and Electronic Product Mfg	1,532	-28.8%	-619	\$942
Fabricated Metal Product Mfg	3,813	-4.3%	-171	\$872
Architectural & Structural Metals Mfg	319	-19.2%	-76	\$1,077
Ornamental & Architectural Metal Product	161	NA	NA	\$907
Machine Shops and Threaded Product Mfg	286	-20.1%	-72	\$717
Other & Miscellaneous Fabricated Metal Product	165	NA	NA	\$853
Machinery Manufacturing	1,195	-19.9%	-297	\$780
Miscellaneous Manufacturing	444	-36.5%	-255	\$764
Medical Equipment and Supplies Mfg	111	25.5%	38	\$641
Other Miscellaneous Mfg	333	46.7%	292	\$805
Nonmetallic Mineral Product Mfg	841	-15.1%	-149	\$763
Printing and Related Support Activities	3,830	-27.4%	-1,449	\$691
Plastics & Rubber Products Mfg	707	-11.6%	-93	\$844
Chemical Manufacturing	400	-27.1%	-149	\$929
Transportation Equipment Mfg	722	-33.5%	-363	\$774
Beverage & Tobacco Product Mfg	224	-5.5%	13	\$803

*Source: DEED, Quarterly Census of Employment and Wages*

Between the second quarters of 2005 and second quarter 2010, regional manufacturing employment fell 18 percent (with a net loss of 3,911 jobs). The decline can be attributed to various factors including the effects of the recent recession, increased productivity, globalization, and shifts in consumer demand. The latest recession, reflected in the numbers in Table 1, has had a significant impact on virtually all regional manufacturing industries, forcing total employment down by 4,063 jobs over the two-year period.

Statistics from the Minnesota Job Vacancy Survey indicate that hiring has rebounded slightly but overall has fallen off since the start of the recession. Total job vacancies in the region were down 21.6 percent over the year during second quarter 2010, and 45.7 percent since second quarter 2007. In manufacturing, vacancies actually jumped from 26 to 170 from second quarter 2009 (when manufacturing job vacancies were at a 5-year low) to second quarter 2010, but are down 65 percent since second quarter 2007.

The number of manufacturing vacancies has ranged from a low of 26 during the second quarter of 2009 to a peak of 600 during the second quarter of 2006. From 2005 until the recession, manufacturing job vacancies were typically between 400 – 450, but during the last three quarters of job vacancy data (2<sup>nd</sup> quarter 2009 – 2010) manufacturing job vacancies have been low. Consequently, the share of total vacancies in the region was typically between 12 and 22 percent pre-recession, then bottomed out in 2009, and has rebounded to 12.6 percent.



Despite relatively low percent changes in hiring by the year 2016, there will still be some hiring demand for many manufacturing positions in southwestern and south central Minnesota. Consequently, this hiring demand will exist even if there is little or no new net job growth because some workers will leave their current occupations. The following table lists manufacturing related occupations expected to have the greatest percentage change in hiring from 2006-2016. Separating, filtering, clarifying, and precipitating production workers are expected to increase 32.3 percent from 2006 – 2016, while photographic process workers are expected to increase 30 percent.

**Table 2. Projected Highest Percent Change in Manufacturing and Production related Jobs in South Central and Southwest Minnesota**

Occupation	Projected Employment 2016	Percent Change 2006-2016	Numeric Change 2006-2016	2006-2016 Replacement Openings*	2006-2016 Total Openings
Separating, Filtering, Clarifying, Precipitating,	262	32.30%	64	45	109
Photographic Process Workers	26	30%	6	7	13
Printing Machine Operators	1,064	17.70%	160	200	360
Food and Tobacco Roasting, Baking, and Drying Mach	95	15.90%	13	30	43
Sawing Machine Setters, Operators & Tenders, Wood	53	15.20%	7	9	16
Painting, Coating, and Decorating Workers	29	11.50%	3	5	8
Food Batchmakers	335	10.60%	32	77	109
Plant and System Operators	742	9.30%	63	141	204
Stationary Engineers and Boiler Operators	157	6.80%	10	25	35
Water & Liquid Waste Treatment Plant & System Operators	399	6.40%	24	66	90
Job Printers	290	6.20%	17	26	43
Printing Workers	2,092	5.80%	114	346	524
Paper Goods Machine Setters, Operators, & Tenders	433	4.60%	19	100	119
Cutting and Slicing Machine Setters, Operators, an	524	3.10%	16	77	93
Assemblers and Fabricators, All Other	689	2.80%	19	139	158
Meat, Poultry, and Fish Cutters and Trimmers	345	2.40%	8	107	115
Mixing and Blending Machine Setters, Operators, an	218	2.30%	5	35	40
Food Processing Workers	3,767	1.80%	67	1,148	1,227
Woodworkers	655	1.70%	11	175	191
Laundry and Dry-Cleaning Workers	358	1.40%	5	79	84
Machinists	547	1.30%	7	83	90
Production Workers, All Other	1,071	1.30%	14	218	232
Upholsterers	90	1.10%	1	14	15
Slaughterers and Meat Packers	2,362	0.80%	19	742	761
Supervisors, Production Workers	1,490	0.70%	10	248	258
First-Line Supervisors/Managers of Production and	1,490	0.70%	10	248	258
Computer-Controlled Machine Tool Operators, Metal	284	0.70%	2	34	36
<i>Source: DEED, Employment Projections 2006-2016</i>					

Percentage change, however, is not the only indicator used to determine the projected manufacturing and production labor market in 2016. Net job growth – as indicated by the total number of job openings is also important. Net replacement openings are an estimate of the need for new work force entrants to replace workers who leave an occupation. Total job openings represent the sum of employment increases and net replacements. Table 3 shows these projected net openings in 2016. “Other Production Occupations” is a catch-all title for job occupations that do not fit in one of the more than 800 occupations specific in the Standard Occupational Classification System. While net employment is expected to increase in 2016 for food processing workers by over 1,200 jobs, the percent change is only 1.8 percent. Many of the higher net openings have either a negative or relatively low percent change from 2006-2016. This indicates that there will be a high number of replacement openings, but still a loss (or only a moderate gain) in overall employment for a particular occupation.

**Table 3. Projected Highest Net Openings in Manufacturing and Production related Jobs in South Central and Southwest Minnesota**

Occupations	Estimated Employment 2006	Projected Employment 2016	Percent Change 2006-2016	Numeric Change 2006-2016	2006-2016 Replacement Openings	2006-2016 Total Openings
Other Production Occupations	6,805	6,583	-3.30%	-222	1,345	1,498
Food Processing Workers	3,700	3,767	1.80%	67	1,148	1,227
Assemblers and Fabricators	4,522	4,140	-8.40%	-382	892	936
Slaughterers and Meat Packers	2,343	2,362	0.80%	19	742	761
Metal Workers and Plastic Workers	3,564	3,355	-5.90%	-209	688	702
Printing Workers	1,978	2,092	5.80%	114	346	524
Team Assemblers	2,342	2,266	-3.20%	-76	487	487
Printing Machine Operators	904	1,064	17.70%	160	200	360
Helpers--Production Workers	1,113	1,012	-9.10%	-101	273	273
Supervisors, Production Workers	1,480	1,490	0.70%	10	248	258
First-Line Supervisors/Managers of Production and	1,480	1,490	0.70%	10	248	258
Welders, Cutters, Solderers, and Brazers	1,175	1,145	-2.60%	-30	249	249
Production Workers, All Other	1,057	1,071	1.30%	14	218	232
Plant and System Operators	679	742	9.30%	63	141	204

Source: DEED, Employment Projections 2006-2016

While net jobs, as previously indicated, include demand for jobs that replace workers anticipated to be leaving an occupation, numeric change, represents the projected increase or decrease of employment as an occupation overall. Print production is expected to increase by 274 occupations from 2006-2016 (160 print machine operators, and 114 printing workers general). The following table represents a handful of production and manufacturing occupations with anticipated job growth from 2006-2016. While percent change and net total openings (as indicated in the previous two tables) are relatively high for some occupations, overall employment growth is relatively low.

**Table 4. Projected Highest Total Openings in Manufacturing and Production related Jobs in South Central and Southwest Minnesota**

Occupation	Estimated Employment 2006	Projected Employment 2016	Percent Change 2006-2016	Numeric Change 2006-2016
Printing Machine Operators	904	1,064	17.70%	160
Printing Workers	1,978	2,092	5.80%	114
Food Processing Workers	3,700	3,767	1.80%	67
Separating, Filtering, Clarifying, Precipitating,	198	262	32.30%	64
Plant and System Operators	679	742	9.30%	63
Food Batchmakers	303	335	10.60%	32
Water & Liquid Waste Treatment Plant & System Operators	375	399	6.40%	24
Slaughterers and Meat Packers	2,343	2,362	0.80%	19
Assemblers and Fabricators, All Other	670	689	2.80%	19
Paper Goods Machine Setters, Operators, & Tenders	414	433	4.60%	19
Job Printers	273	290	6.20%	17
Power Plant Operators	107	123	15%	16
Cutting and Slicing Machine Setters, Operators, an	508	524	3.10%	16

*Source: DEED, Employment Projections 2006-2016*