Urban/Regional Economics

Recent Survey Findings and Research
UMD Bureau of Business and Economic Research & Minnesota Department of Economic Security, Regional Analysis Unit

Training: The Perspective of Northeast Minnesota Firms and Households

What do NE Minnesota firms think about training?

As part of the Northeast Minnesota Skills Assessment Project, telephone interviewing was conducted by the Minnesota Center for Survey Research at the University of Minnesota during February and March 1998. Interviews were held with the owner, president, or person most knowledgeable about the firm's hiring and training needs and practices. (A sample size of 313 was achieved with a 96% response rate.)

Types of training to create or improve job skills:

- **The primary type of training to create or improve job skills is on the job training (73%).**
- **About half of the firms (45%) provide other types of training.**
- **Retraining current employees is mentioned by 64%.**
- **Formal training of new employees is listed by 52%.**
- **In general, satisfaction with the various types of training is high.**

The lowest level of satisfaction is among the 7% of firms listing other types of programs which used public schools or other public providers where 60% of the 7% were satisfied with that approach.

What do NE Minnesota households think about training?

The workforce in NE Minnesota is interested in training:

- **28% of the respondents are engaged in skill enhancing training.**
- **25% of those are paying for their training out of their own pockets.**
- **The rest are subsidized, or their training is being offered by their employers.**

(Except from Household Survey Table 11b)
Work Plans of All Respondents, Winter, 1998

Item	Range	Port Cities	Total	sig*
Currently taking courses or training to update skills or gain new ones:	30%	26%	28%	ns
If yes, training is at:				
At work place	18%	19%	18%	
Reimbursed by employer	29	21	26	
Paying own expense	35	36	35	ns
Other	9	8	9	
All of above	2	5	3	
Through school	8	11	9	
Totals	100%	100%	100%	
	(112)	(62)	(174)	

****Sig indicates that the Range vs. Port Cities difference is statistically significant at the .05 level of significant. "Ns" indicates that the difference is not statistically signgnificant at that level.***

Learning Skills, Using Skills, and Current Skills: Those who were employed or looking for work were asked about their interest in a standard set of eight skills. For each skill, respondents were asked if they would like to learn the skill, if they could use the skill with some additional training, if it was a current skill that they had, or if they had no interest in using or developing that skill. For two of the skills, finding information on the Internet and summarizing data and writing reports, there is a significant regional difference. Other skills show no regional difference in level of interest that respondents have in that skill. The skill-set included relatively high-tech computer skills as well as writing, repair, instruction and sales skills. About a quarter of respondents had no interest in finding information on the Internet (39% for Range respondents and 20% for Port Cities respondents). Almost half (48%) had no interest in software development and programming. Seventy percent had no interest in machine or process control programming and about the same percentage had no interest in computer or electronic repair skills. Fifty-five percent had no interest in summarizing data and writing reports (61% for Range respondents and 45% for Port Cities respondents). A third of respondents had no interest in instructing others and about two-thirds had no interest in skills involved in repairing mechanical systems (64%) or selling to the general public (67%). No interest suggests that new recruits to these skills will be in limited supply in the future.

Economic Base: Training Implications

The statistics on workforce participation, unemployment and future workforce growth in Minnesota indicate that there are valid reasons for concern about worker shortages in Minnesota, and that the situation is not likely to be resolved soon.

The numbers show that:

- **Employment growth will be faster than workforce growth.**
- **Minnesota unemployment rates are at an all-time low, and workforce participation is high.**
- **Northeast Minnesota's labor force growth grew 2.5-3% annually between 1993 and 1995, which amounted to combined 13,150 new labor force participants.**
- **Real wages, which have been relatively stagnant over the last decade, are now growing.**
- **Education test scores are major concerns as workforce shrinks.**

When comparing employment levels by industry division between 1993 and 1997 (third quarter data), two divisions can be highlighted in the Northeast. The trade division, mostly comprised of the retail sector, is accountable for 1 out of every 4 jobs in the Northeast economy. Also accountable for 1 in every 4 jobs in the Northeast, is the service division, which comes close to be responsible for 1 out of every 3 jobs in the region. Within the service division, health services and business services amount for almost 50 percent of all service related employment throughout Minnesota.

A very interesting regional trend imbedded in these statistics falls under the category of industry employment growth. Northeast Minnesota experienced an 11.9% growth rate between 1993 and 1997. Employment growth in the manufacturing division was 20.14% over the period, one of the highest regional growth rates in the state.