

# Economic Competitiveness & Inclusion

## Ramsey County, MN

Jobs and Industry Analysis | November 10, 2020



# Meeting Agenda

**01** Introduction

**02** Driving Growth via Investment in SME's

**03** Incentivizing High-Wage Industries and Jobs

**04** Investing in Infrastructure

**05** Next Steps

# Timeline

- Housing Analysis July 7
- Fiscal Analysis October 6
- Jobs & Industry Analysis November 10
  
- **Review Draft Strategies December 15**
- **Adopt Final Plan February/March**

# Economic Baseline

# Population



US



MN



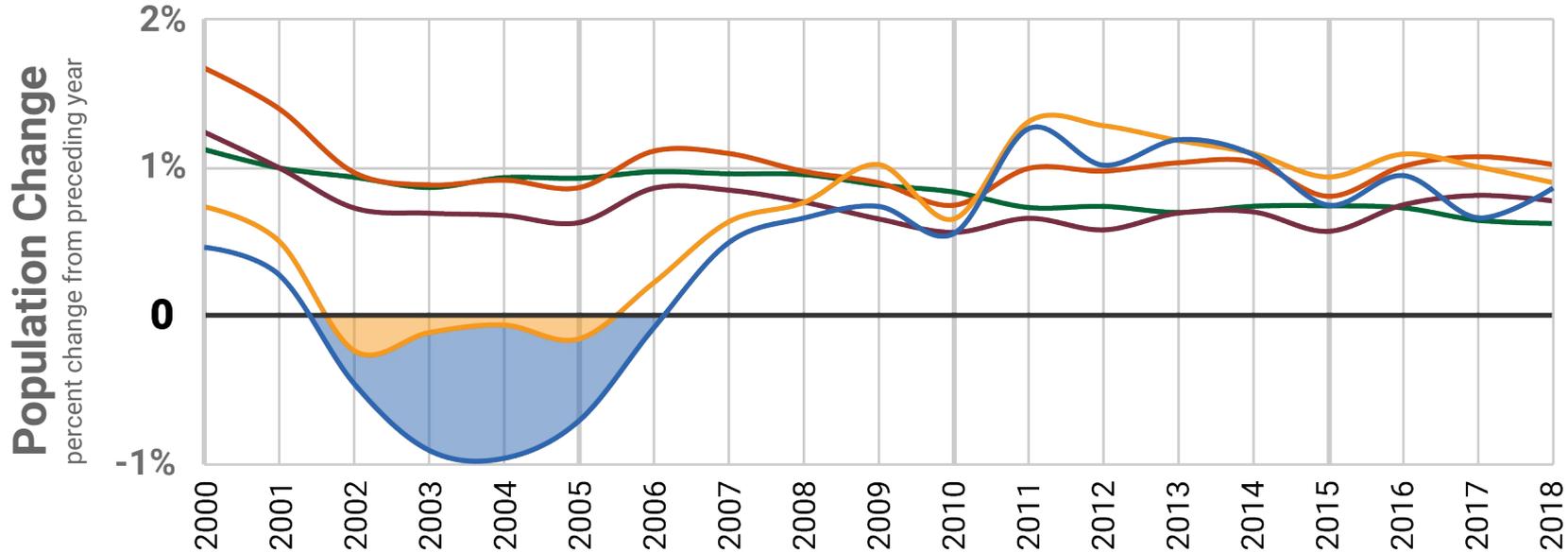
Twin Cities  
MSA



Hennepin



Ramsey



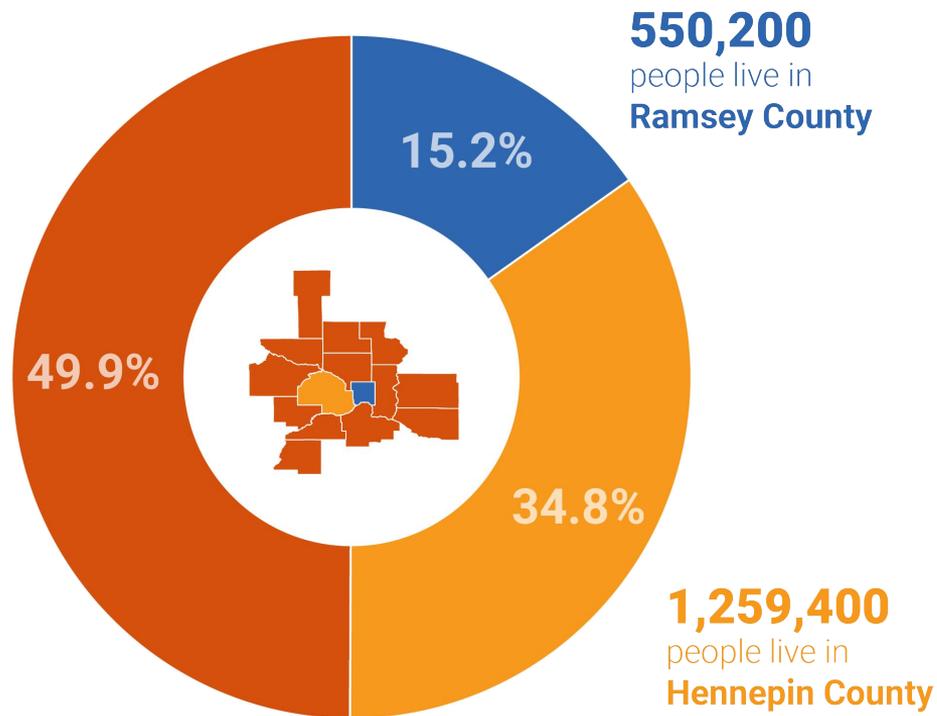
# Population

**Ramsey County** and **Hennepin County** together account for almost exactly half of the 15-county MSA's population.

At 550,200 people, Ramsey County is the 2nd most populous county in MN and the 123rd most populous in the US.

**...But it is the 30th densest in the country!**

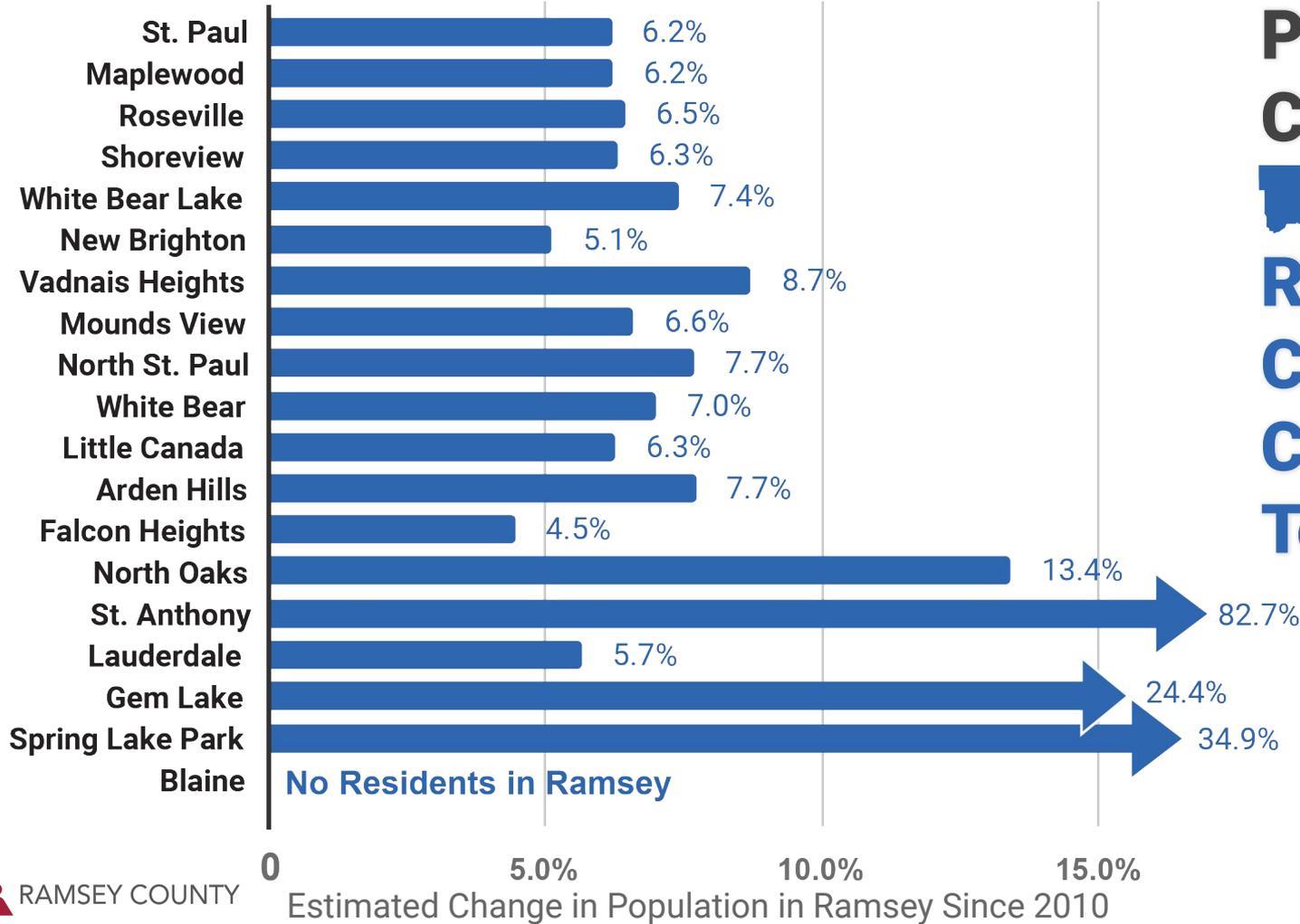
**1,804,500**  
people live in  
**the remainder  
of the MSA**



# Population Change:

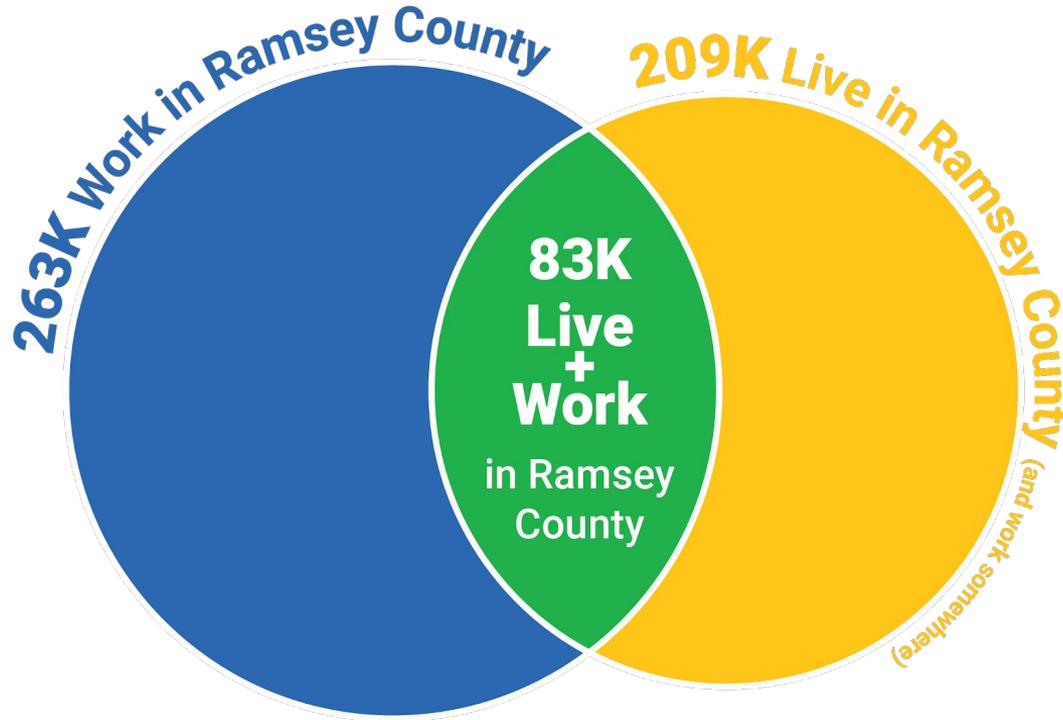


## Ramsey County Cities & Towns



Source: US Census Bureau  
2014-2018 ACS estimates

# Live-Work Analysis

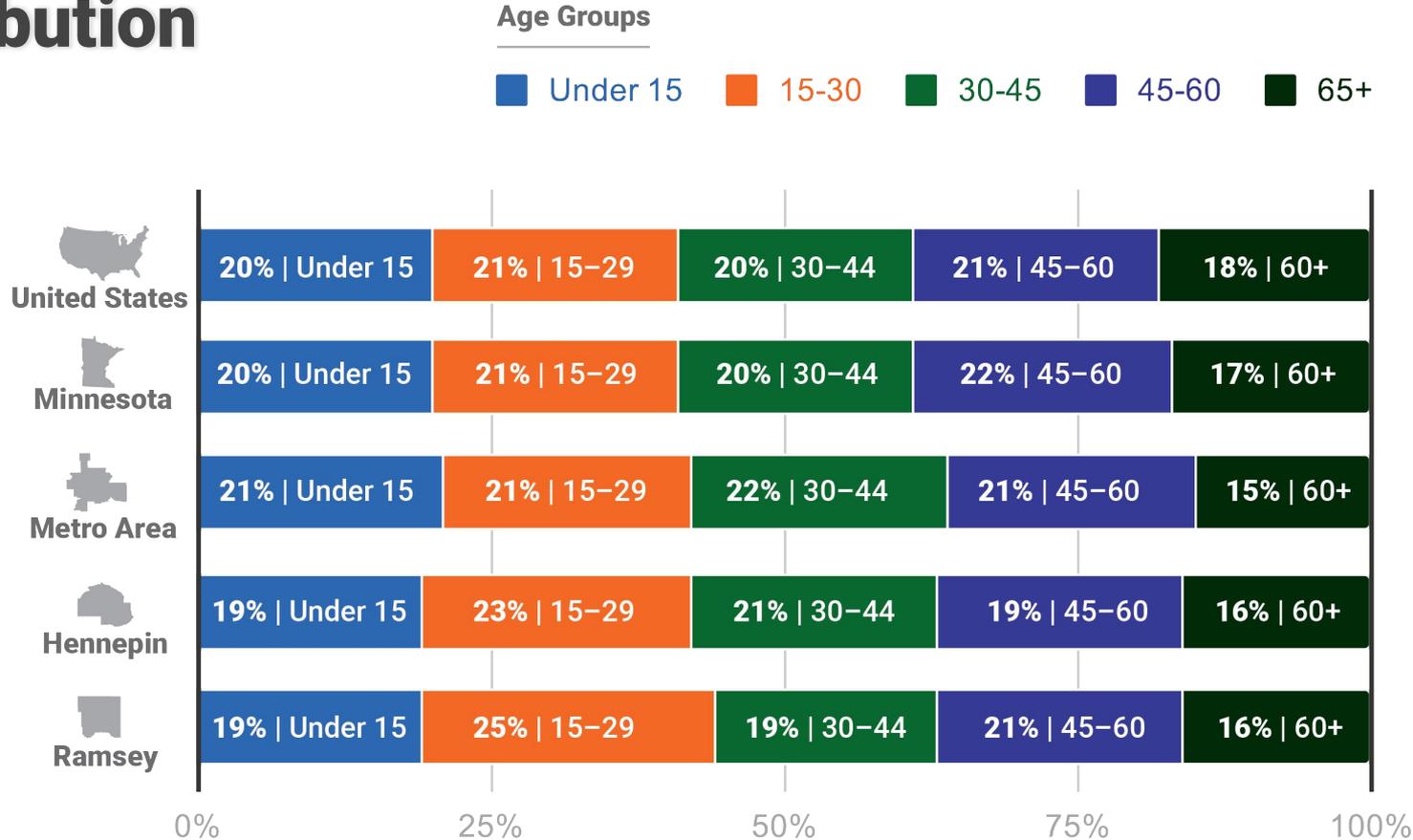


Most people who work in Ramsey County live somewhere else, and most employees who live in Ramsey County work somewhere else.

The "live-work" population represents only 17.6 percent of the total resident and employee workforce.

# Age Distribution

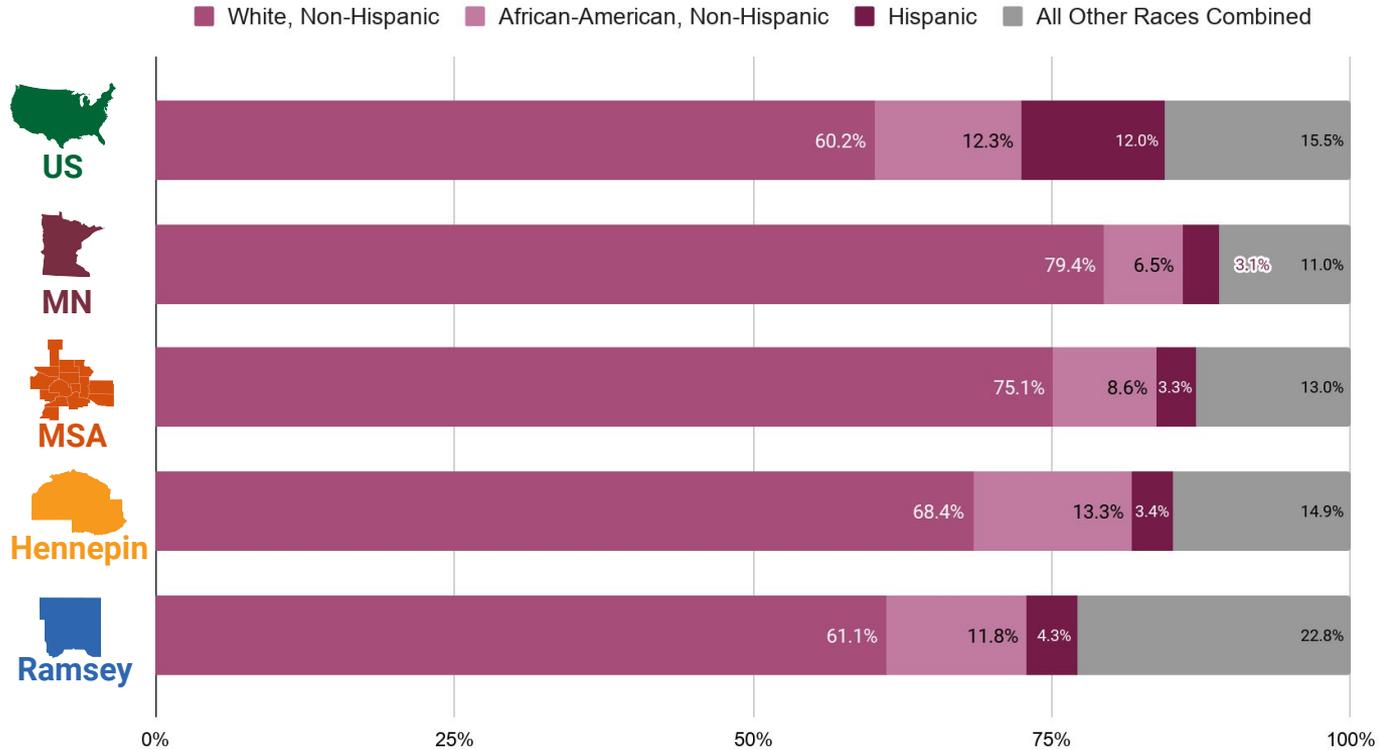
Ramsey County has relatively few 30–45 year-olds, and it has a lot of young people (15–29 years-old).



# Race and Ethnicity

Ramsey County — although majority White, non-Hispanic — is much more diverse than the surrounding area and remainder of the state.

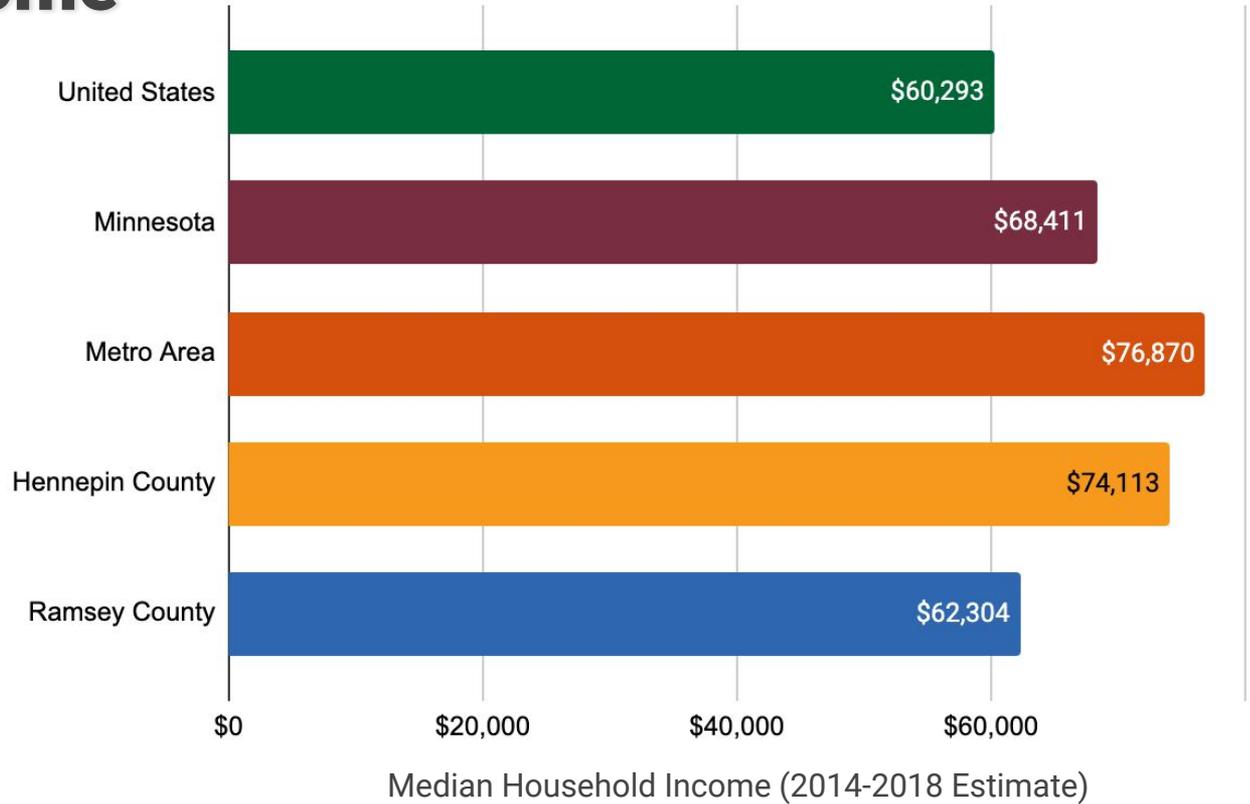
Ramsey County is also demographically similar to the United States.



# Household Income

Households in **Ramsey County** have slightly higher levels of income than the US at large, but relatively lower levels than elsewhere in the state and metro area.

Relatedly, the **cost of living** in the area, though lower than many urban areas, is higher than the US average, with goods and services on average cost about 2% more than US average.



# Labor Force Participation



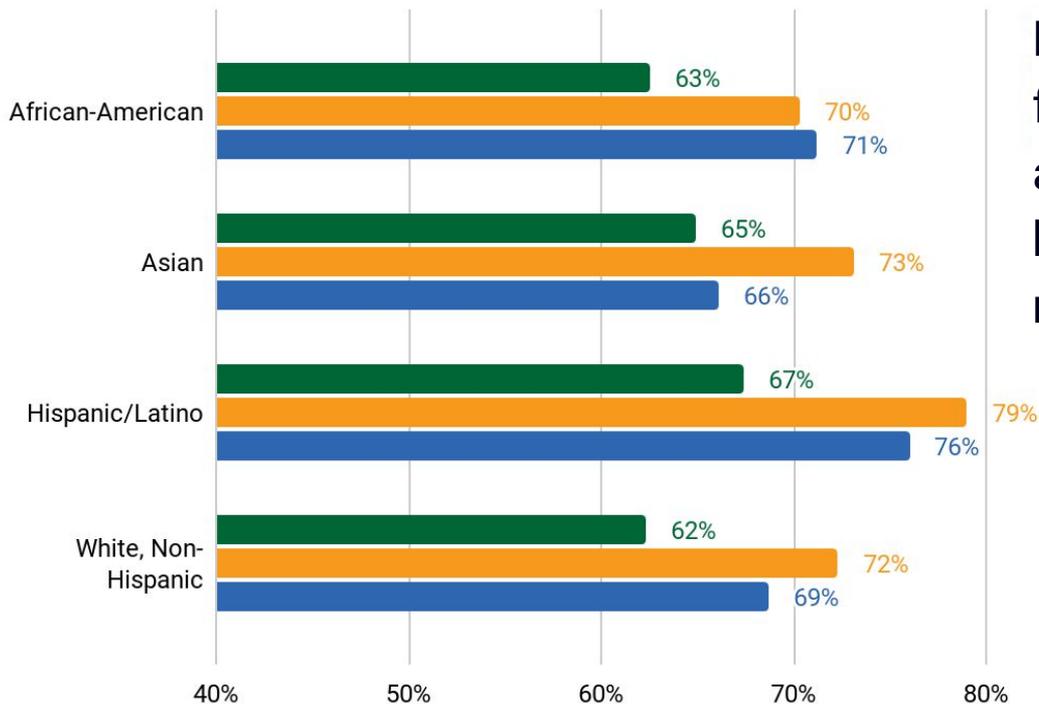
US



Hennepin  
County



Ramsey  
County



Ramsey County has higher labor force participation for all racial and ethnic groups than the US but its advantage for Asian residents is only 1 percent



# Education Attainment



US

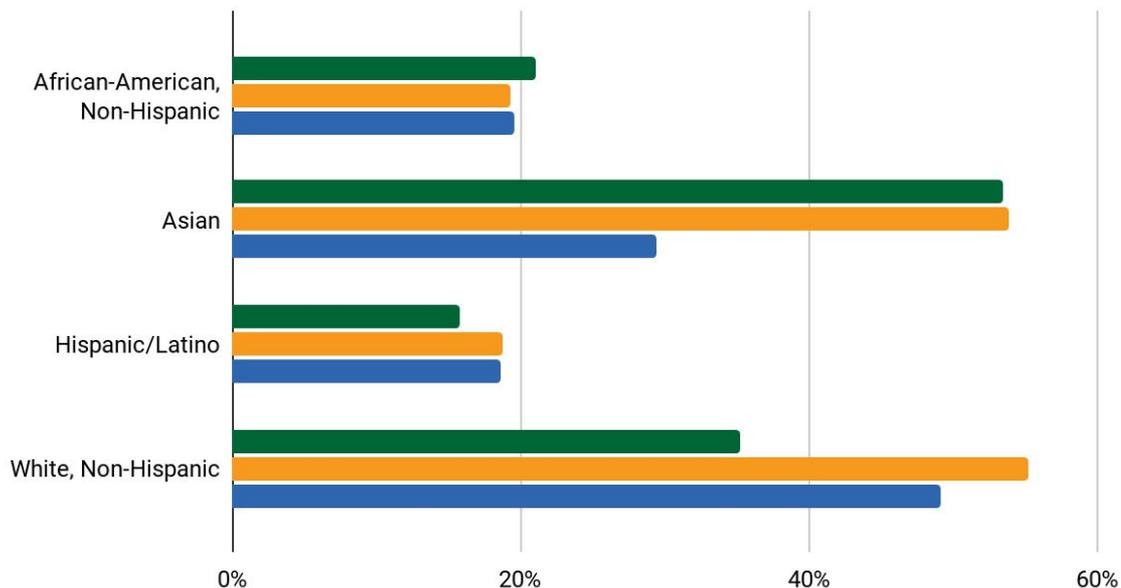


Hennepin  
County



Ramsey  
County

Bachelor's Degree or Higher by Race and Ethnicity

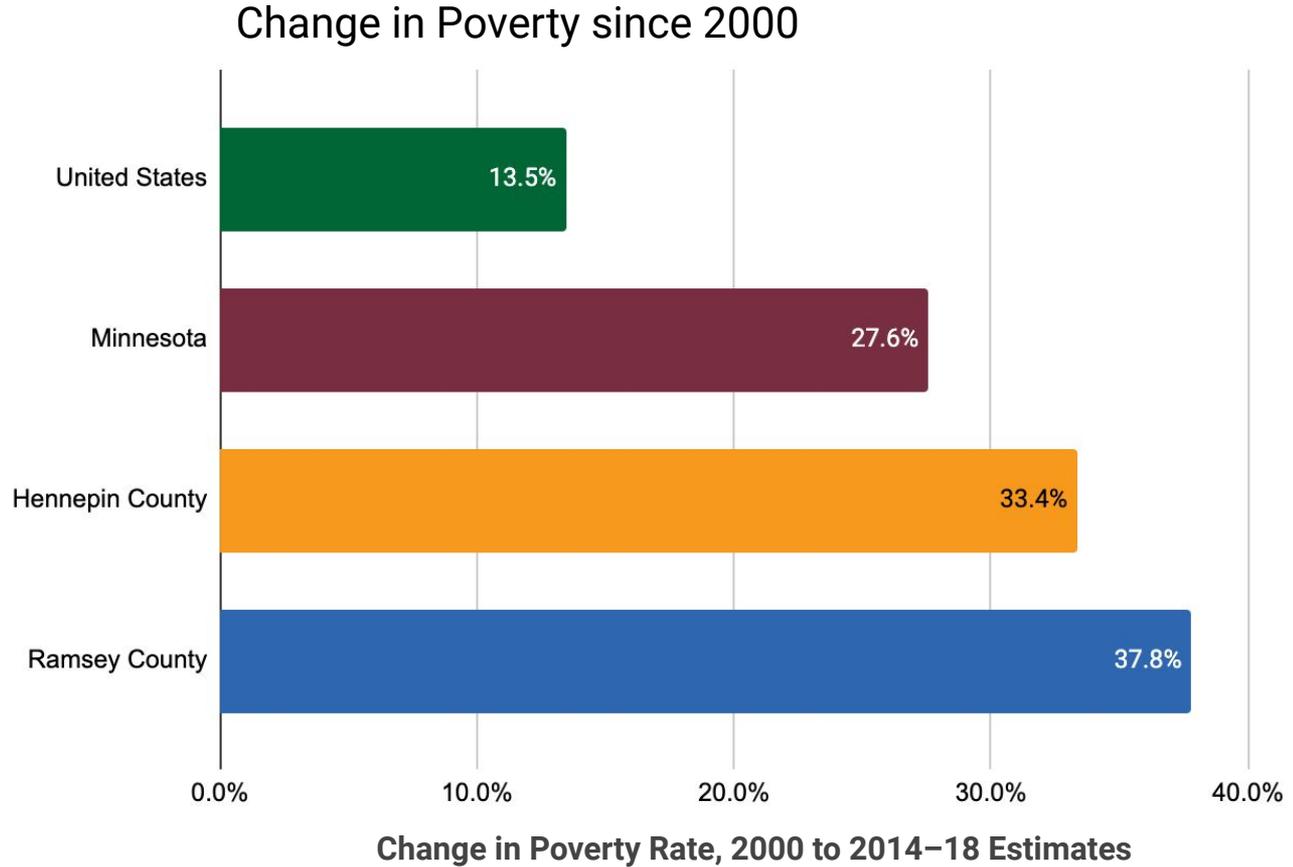


Despite a strong education sector, Ramsey County has a lower percentage of African-Americans and Asians with Bachelor's degree versus the U.S.

# Poverty

Despite slightly higher household income, poverty in Ramsey is slightly higher than in the US at large; also much more pronounced than in Hennepin or the remainder of the Metro Area.

Ramsey County has seen a dramatic increase in poverty in the last two decades. Although the country at large also saw an increase, Ramsey's rate of increase was much higher.

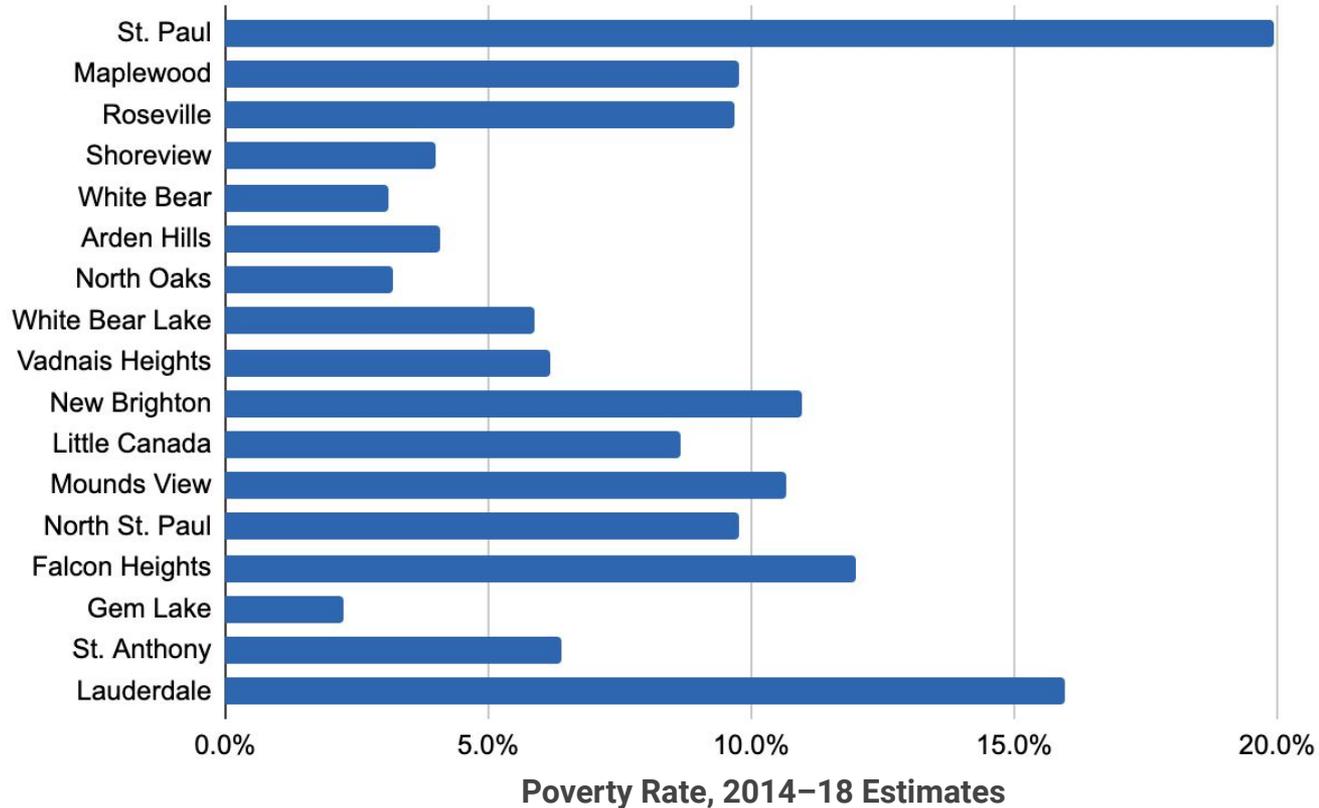


# Poverty

St. Paul has by far the highest rate of poverty among municipalities in the county. Others range from very low rates to moderately high rates.

## Ramsey County Cities & Towns

### Poverty by Municipality



# TAKEAWAYS

*Responding to the Data:*

**What do these trends reveal about the County's economic challenges and opportunities?**

Strength in Diversity

Significant Labor Shed

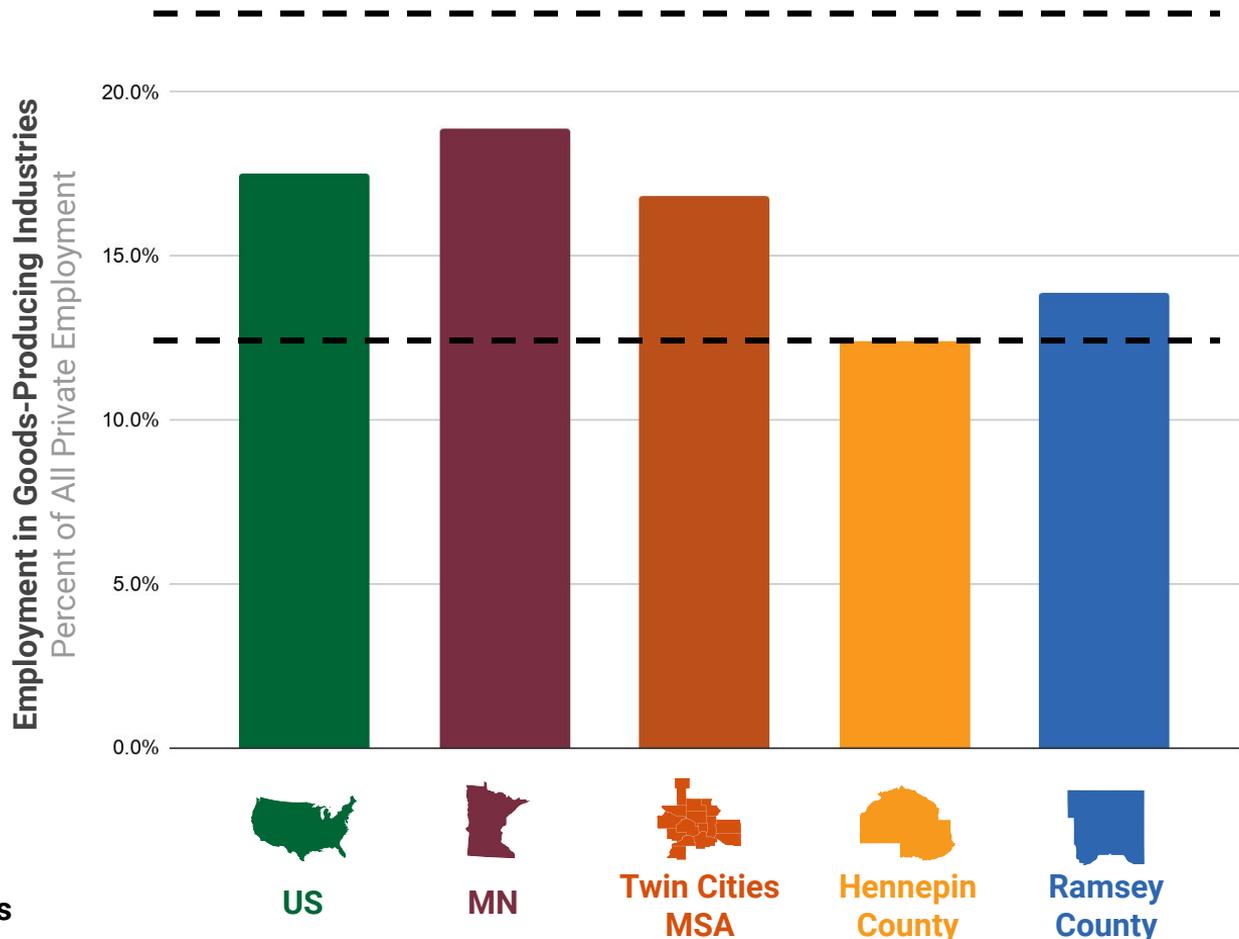
Growth in Suburban Ramsey

Persistent Poverty

Educated Population

# Industry Diversity

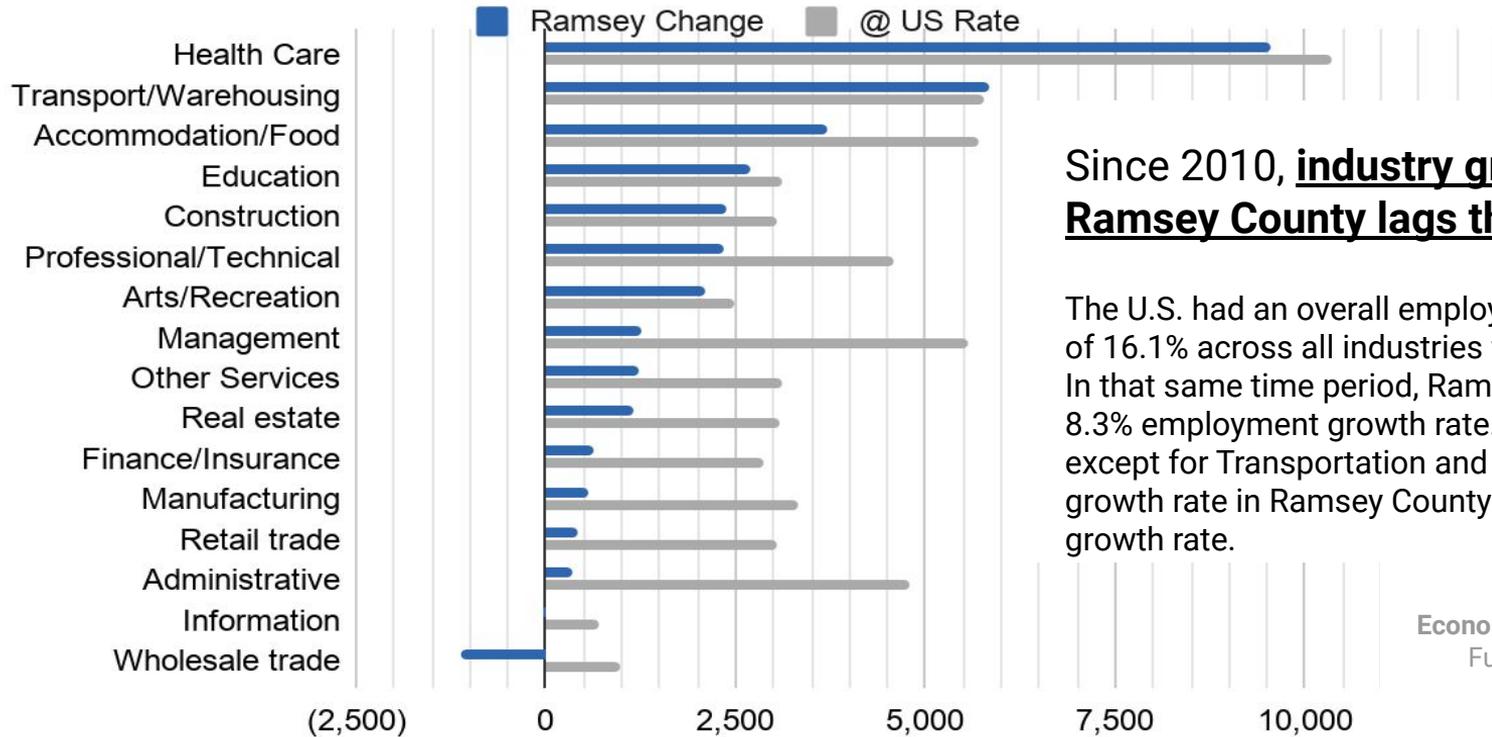
The region's economy has a very similar mix of goods-producing (as opposed to service-providing) activity among private businesses. This level of industry diversity is a positive marker for economic sustainability.



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**About a third of all US counties fall into the dashed band**

# Ramsey County Employment

Change in Employment 2010-2018, Actual in Ramsey and Projected at U.S. Industry Rate



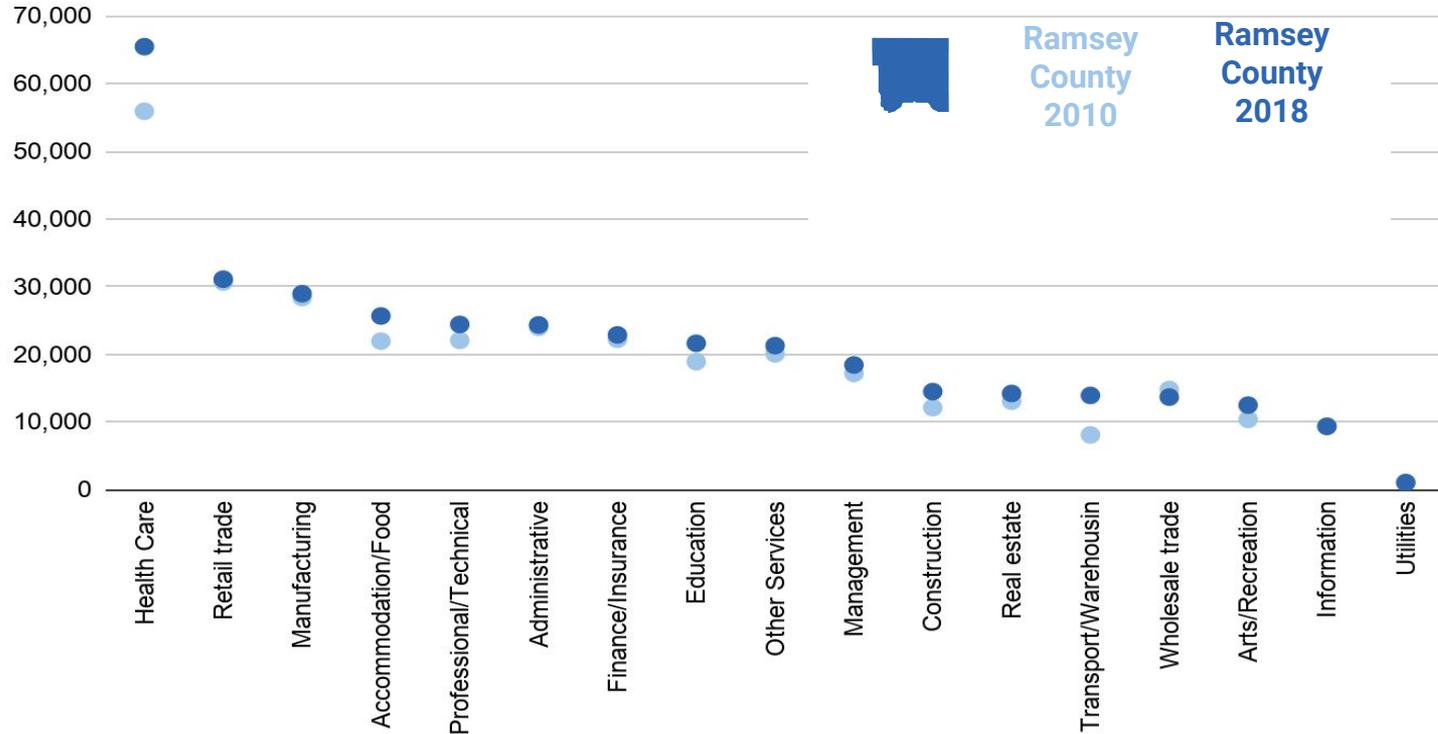
Since 2010, **industry growth in Ramsey County lags the U.S.**

The U.S. had an overall employment growth rate of 16.1% across all industries from 2010 to 2018. In that same time period, Ramsey County had an 8.3% employment growth rate. In every industry except for Transportation and Warehousing, the growth rate in Ramsey County lagged the U.S. growth rate.

Source: **US Bureau of Economic Analysis**. Total and Full-Time Employment by Industry

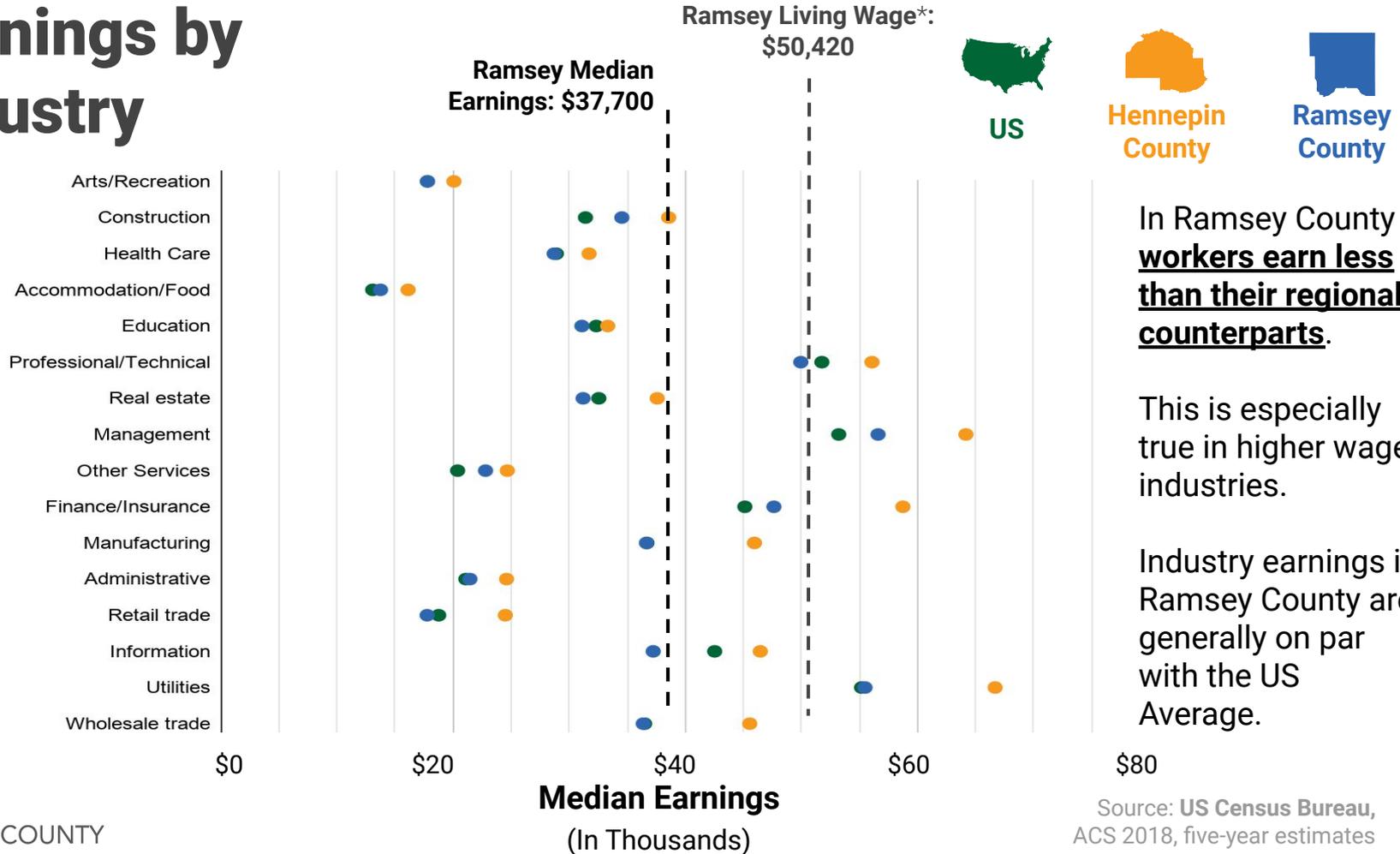
# Ramsey Employment by Industry

## 2010 and 2018



Source: **US Bureau of Economic Analysis:**  
Private Non-Farm  
Employment by  
Industry

# Earnings by Industry



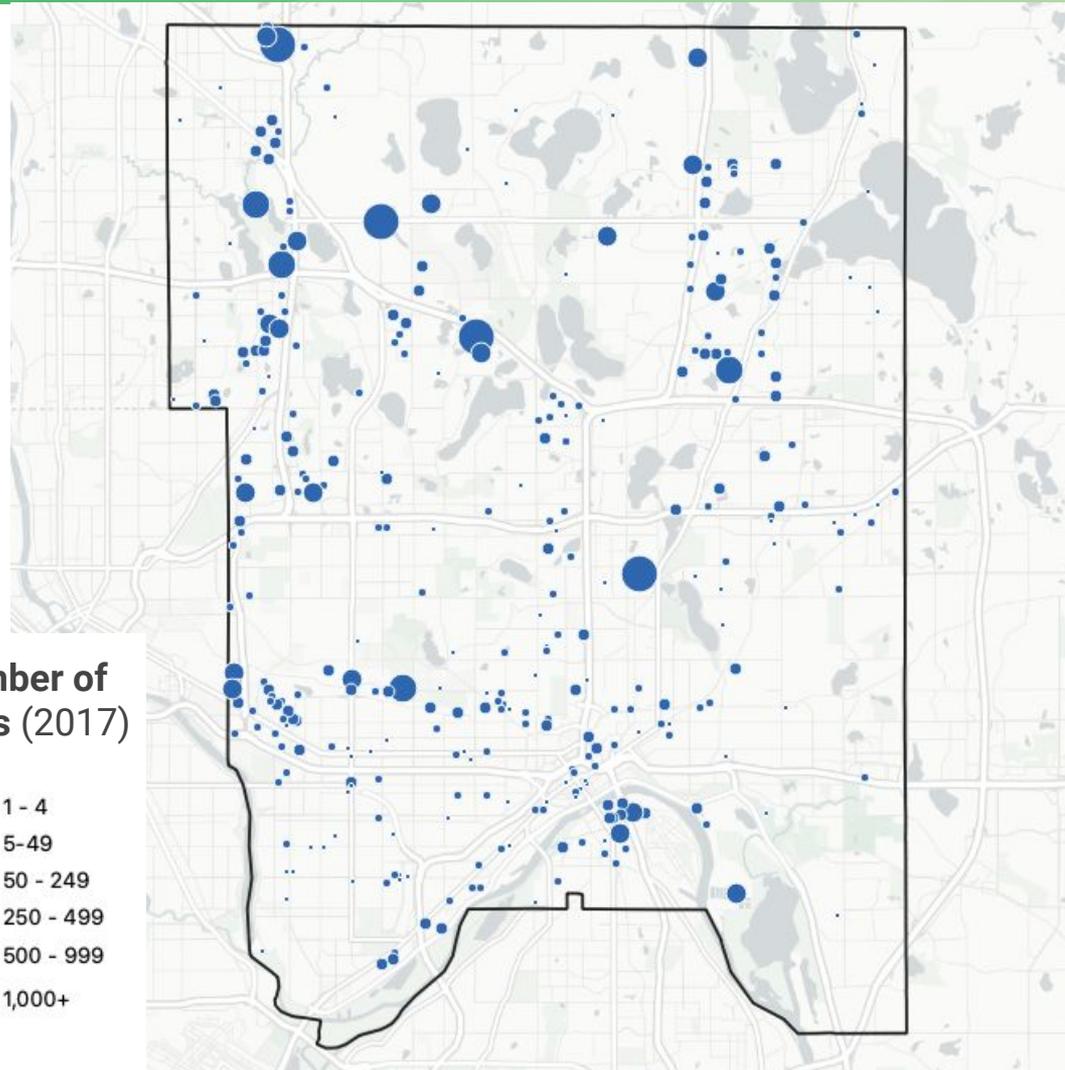
# Industry Growth by Regional Clusters

	2018 Employment	Absolute Change 2014-2018	Percent Change 2014-2018	Average Wages
<b>Not MSP Cluster</b>	218,290	8,021	3.8%	\$53,380
<b>Advanced Manufacturing</b>	15,788	1,047	7.1%	\$109,687
<b>Finance and Insurance</b>	10,984	(213)	-1.9%	\$116,720
<b>Food</b>	1,273	109	9.4%	\$53,329
<b>Health</b>	46,255	4,993	12.1%	\$58,431
<b>HQ and Business Services</b>	40,889	3,120	8.3%	\$112,984
<b>Life Sciences</b>	3,601	1,099	43.9%	\$92,867
<b>Total</b>	<b>337,080</b>	<b>18,175</b>	<b>5.7%</b>	<b>\$66,426</b>

# Geographic Concentration: Manufacturing

Ramsey County's manufacturing companies take advantage of the area's river, rail and highway infrastructure; top issues for firms are accessibility and automation

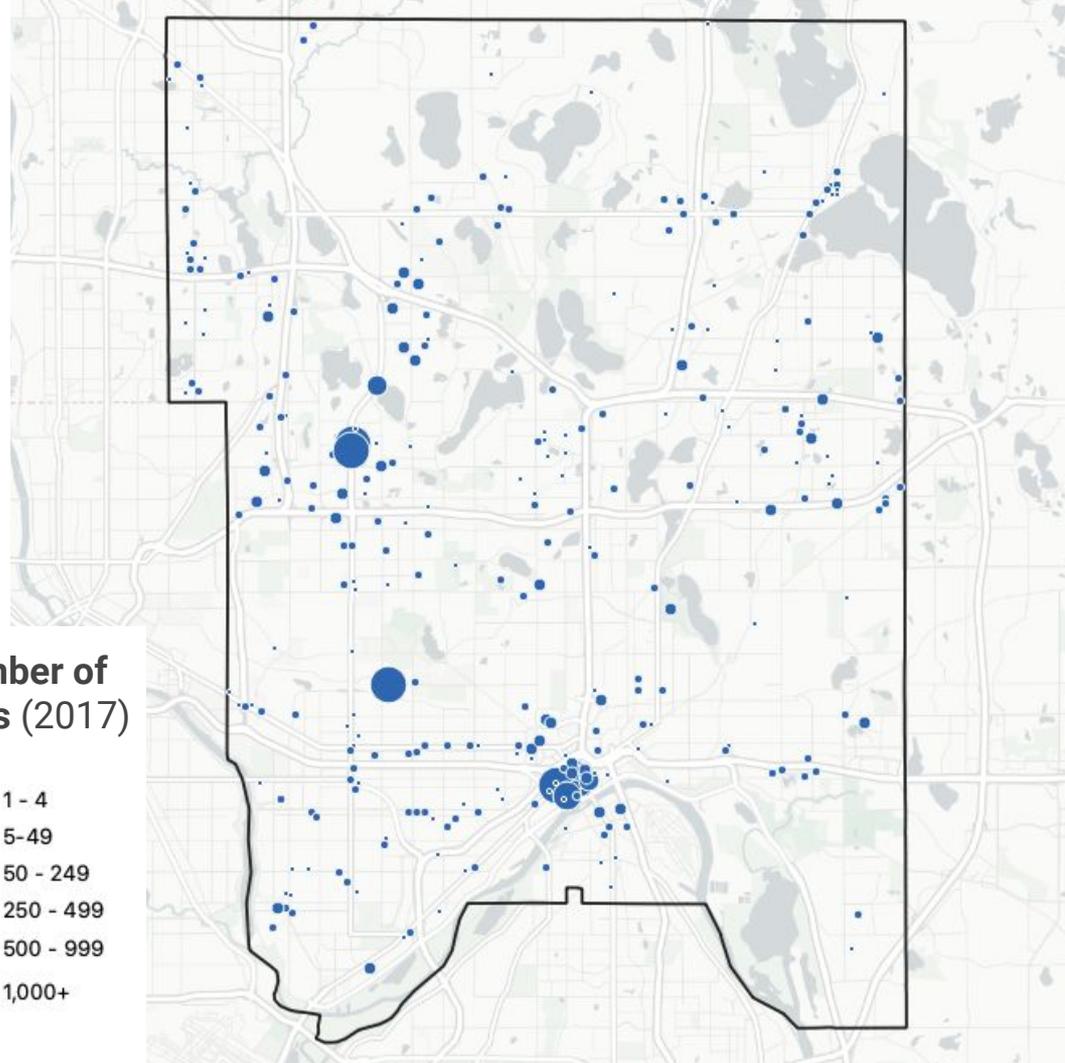
Number of  
Jobs (2017)



# Geographic Concentration: Finance/Insurance

Most Finance/Insurance clusters are in Downtown St. Paul, with growing presence in Roseville.

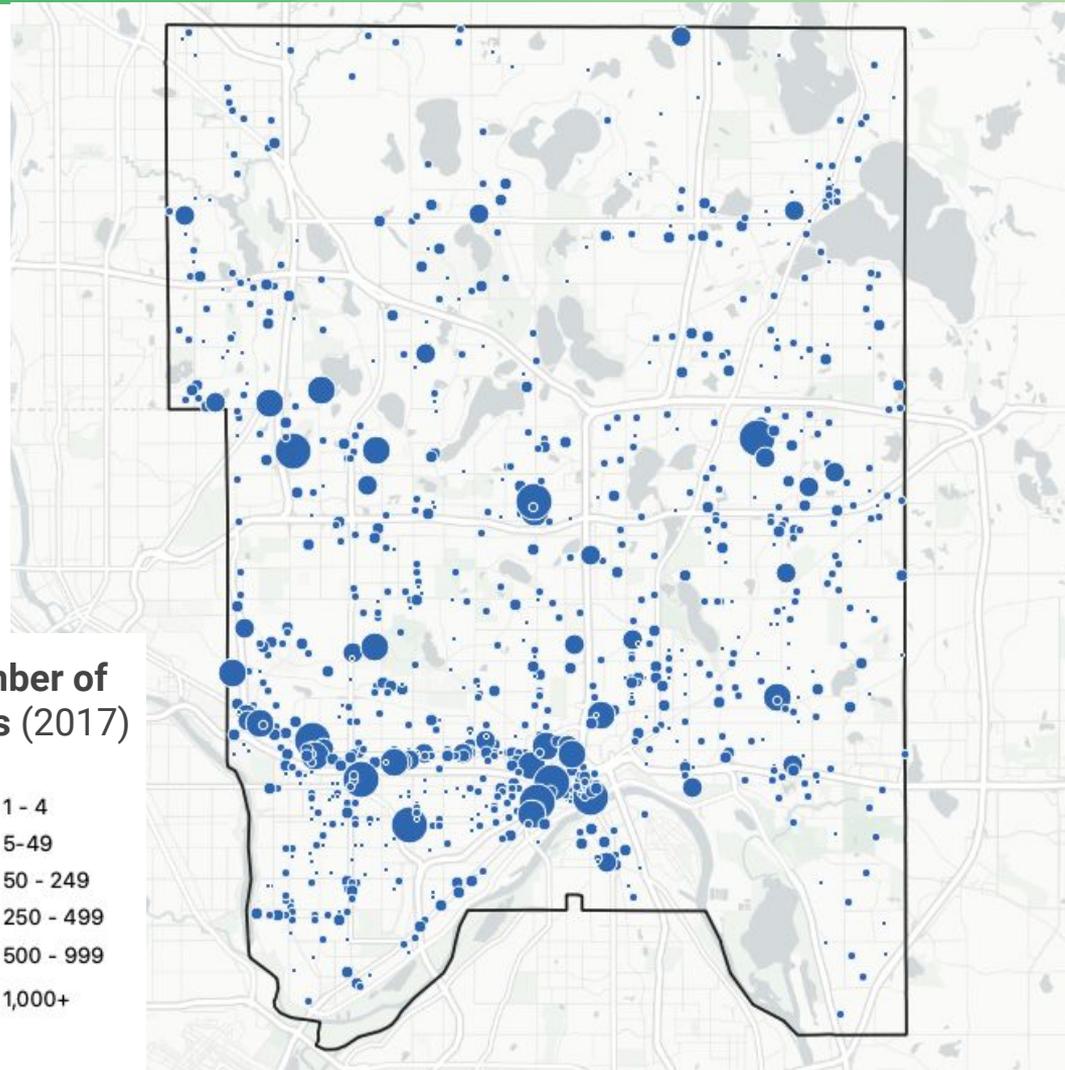
Number of  
Jobs (2017)



# Geographic Concentration: Health Care and Social Assistance

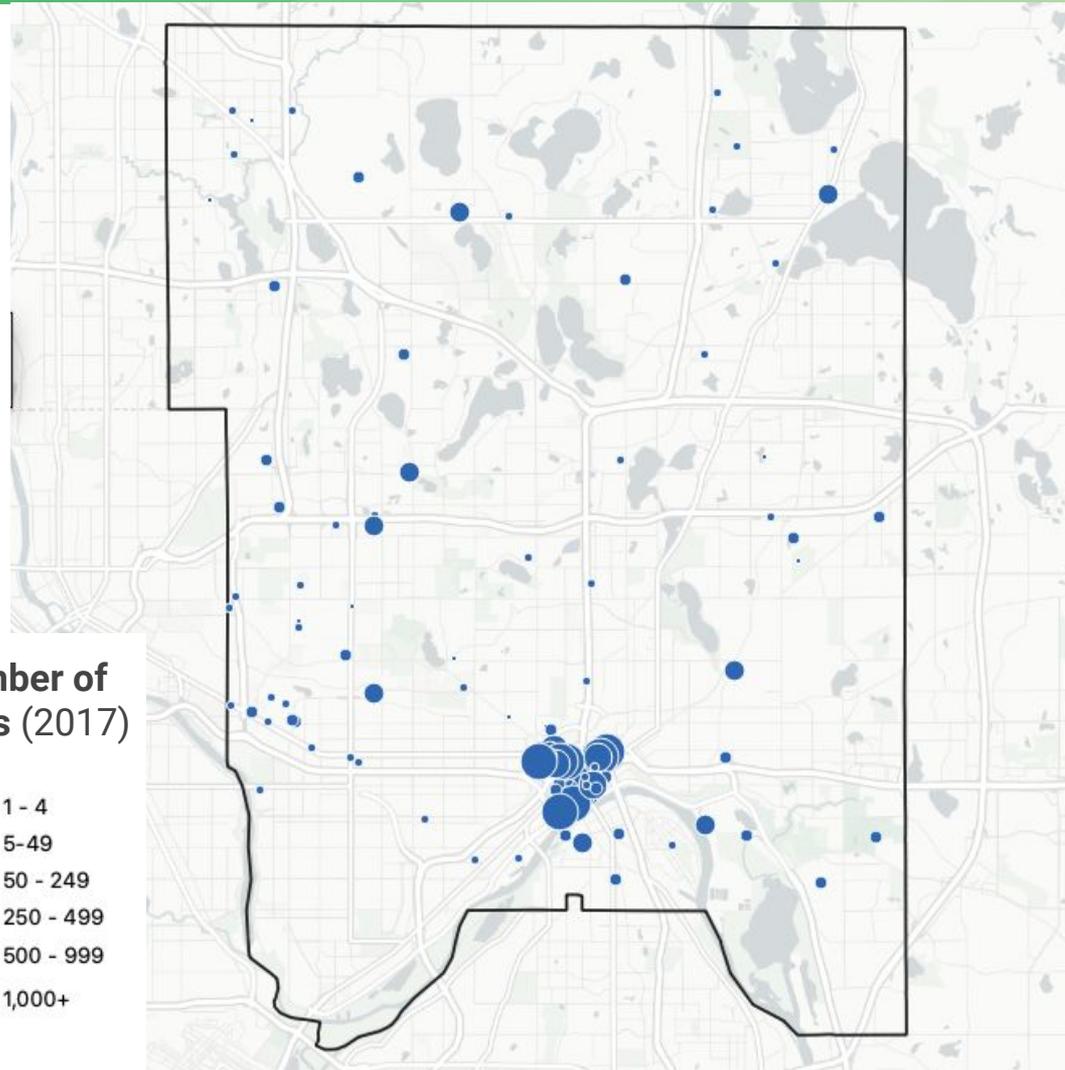
Healthcare is the largest industry by employment in Ramsey County

Number of  
Jobs (2017)



# Geographic Concentration: Public Administration

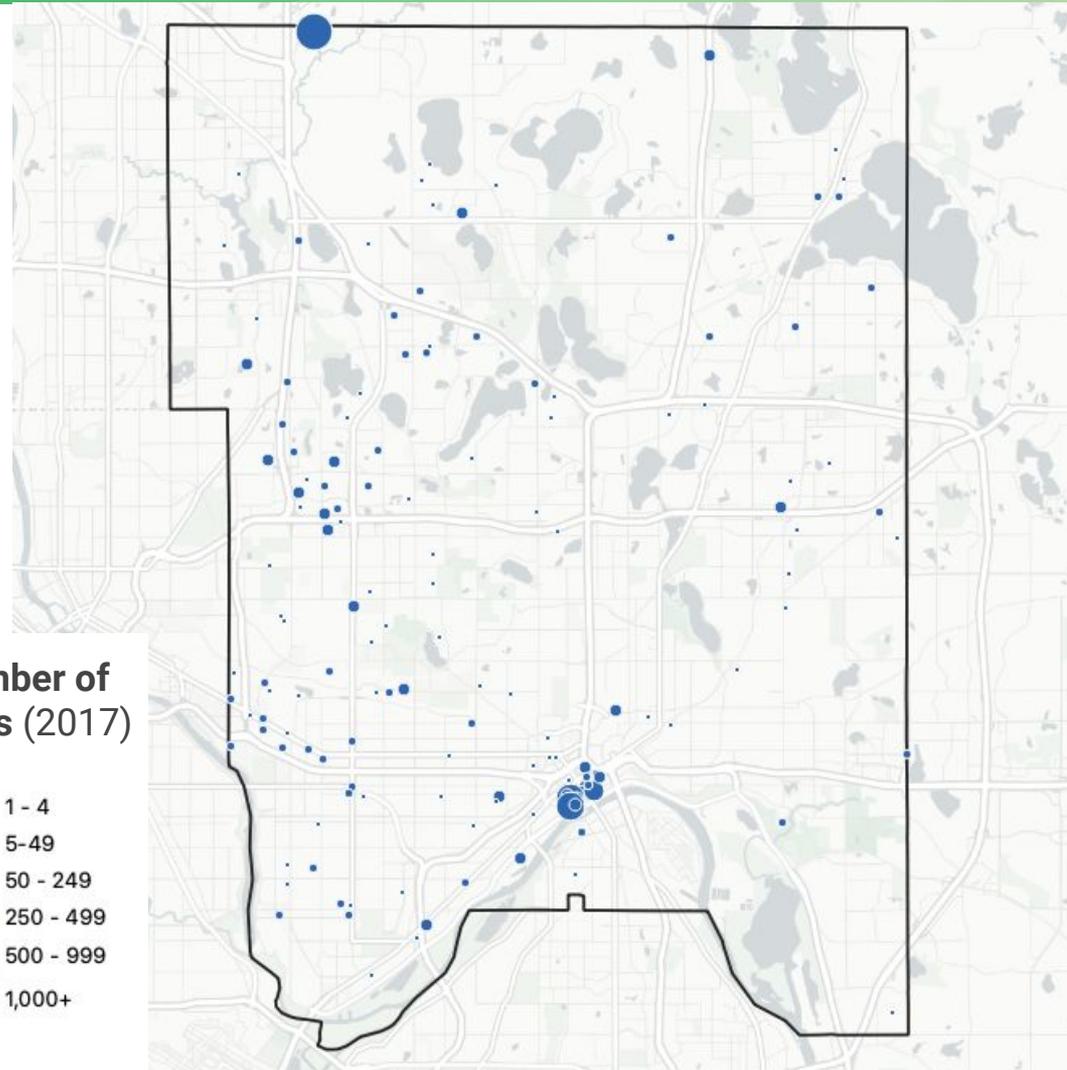
## Number of Jobs (2017)



# Geographic Concentration: Information

Medtronic HQ in Mounds  
View responsible for nearly  
4,000 tech/manufacturing  
jobs with room to grow

## Number of Jobs (2017)



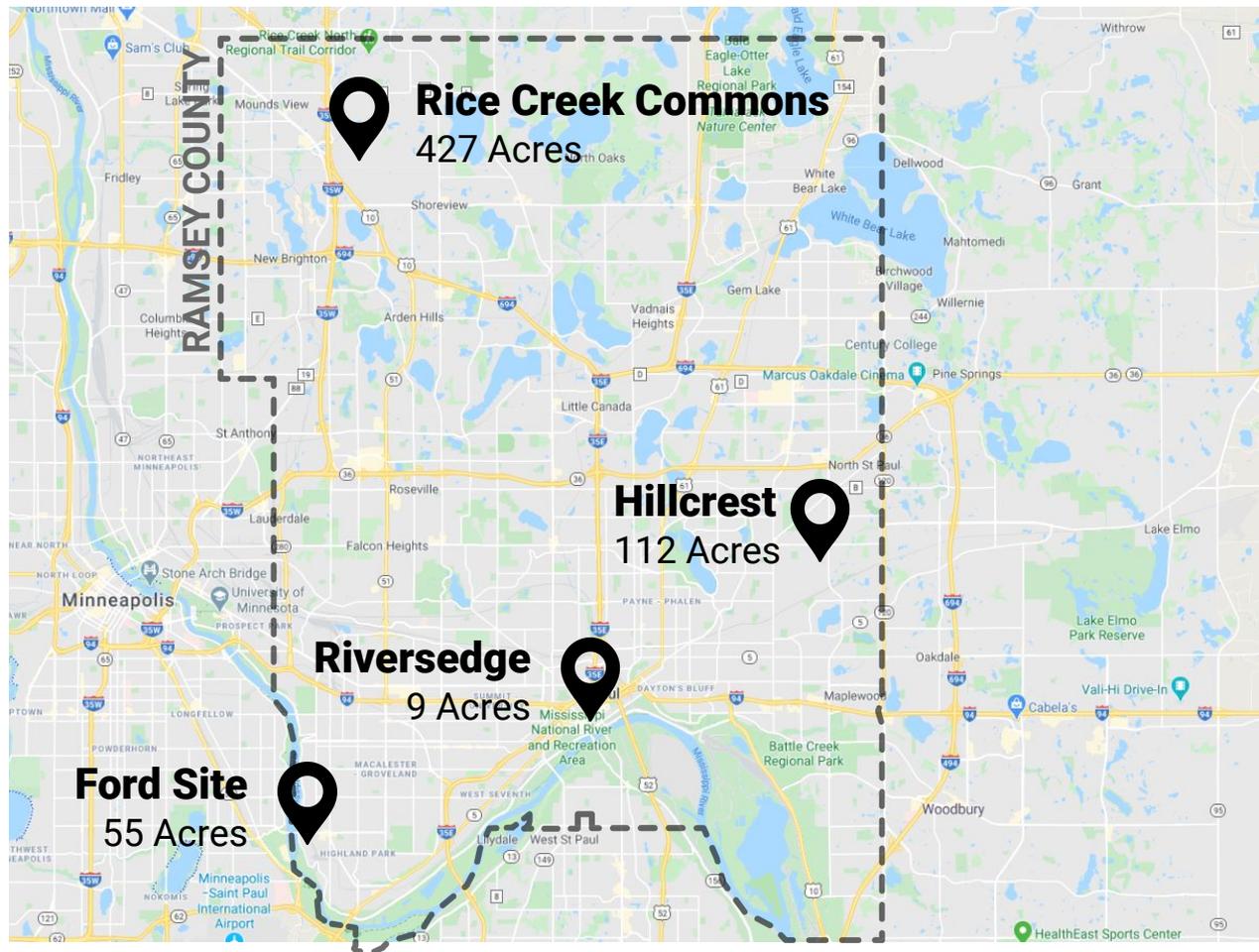
# Ramsey County Development Sites

## Other Projects:

- 1-64 corridor (Shoreville)
- City Center (Vadnais Heights)
- County Road E (White Bear Lake)
- Mall Redevelopment (Maplewood, Shoreview and Rosedale)

## Clusters:

- High-tech and medical (Shoreview)
- Manufacturing (St. Paul River Terminals)



# Business Births

Business Births, Percent of Initial Establishments in Prior Year



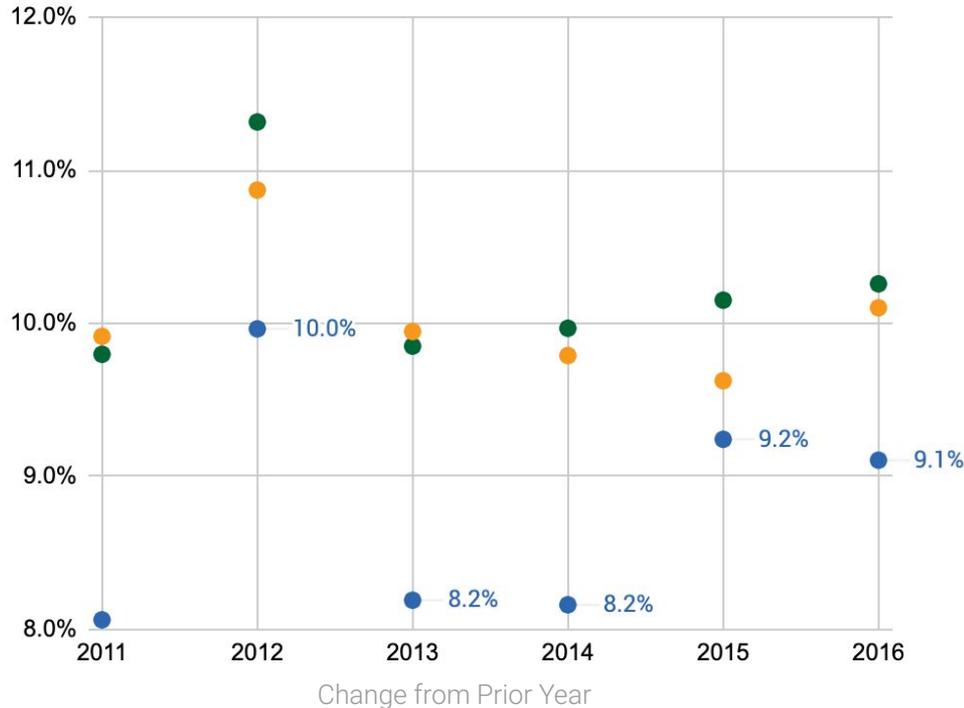
US



Hennepin  
County

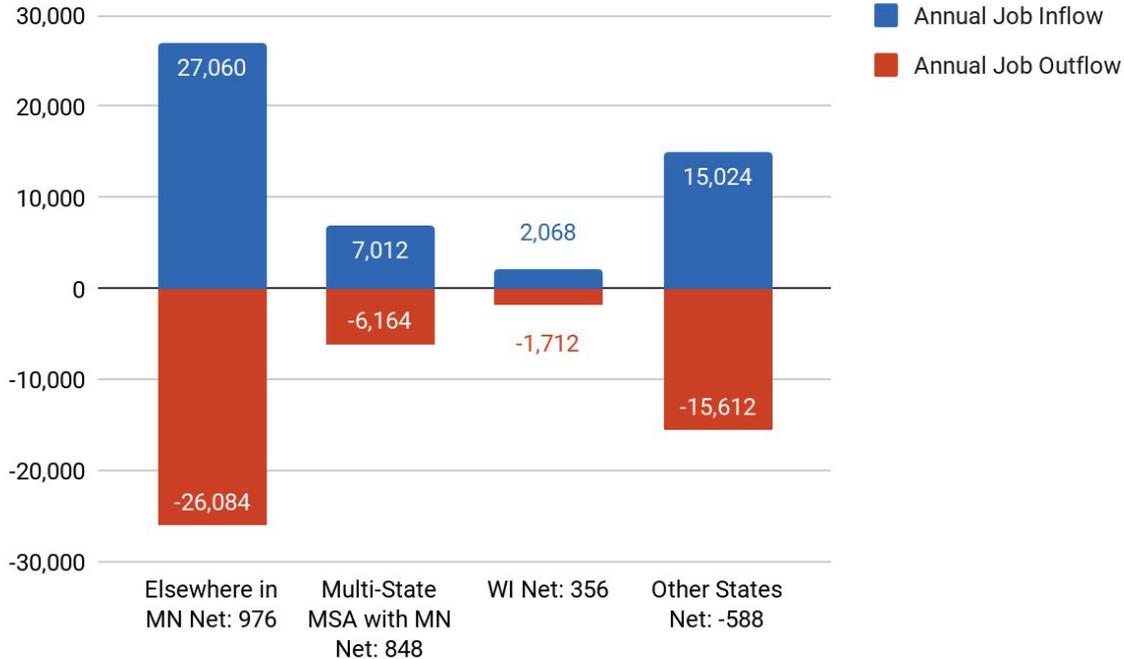


Ramsey  
County



The rate of business births is consistently lower in Ramsey County than in the U.S. or Hennepin County

# Business Dynamics - Job Attraction and Retention



About half of the jobs moving in (+51,200) or out (-49,500) of Ramsey go elsewhere in Minnesota

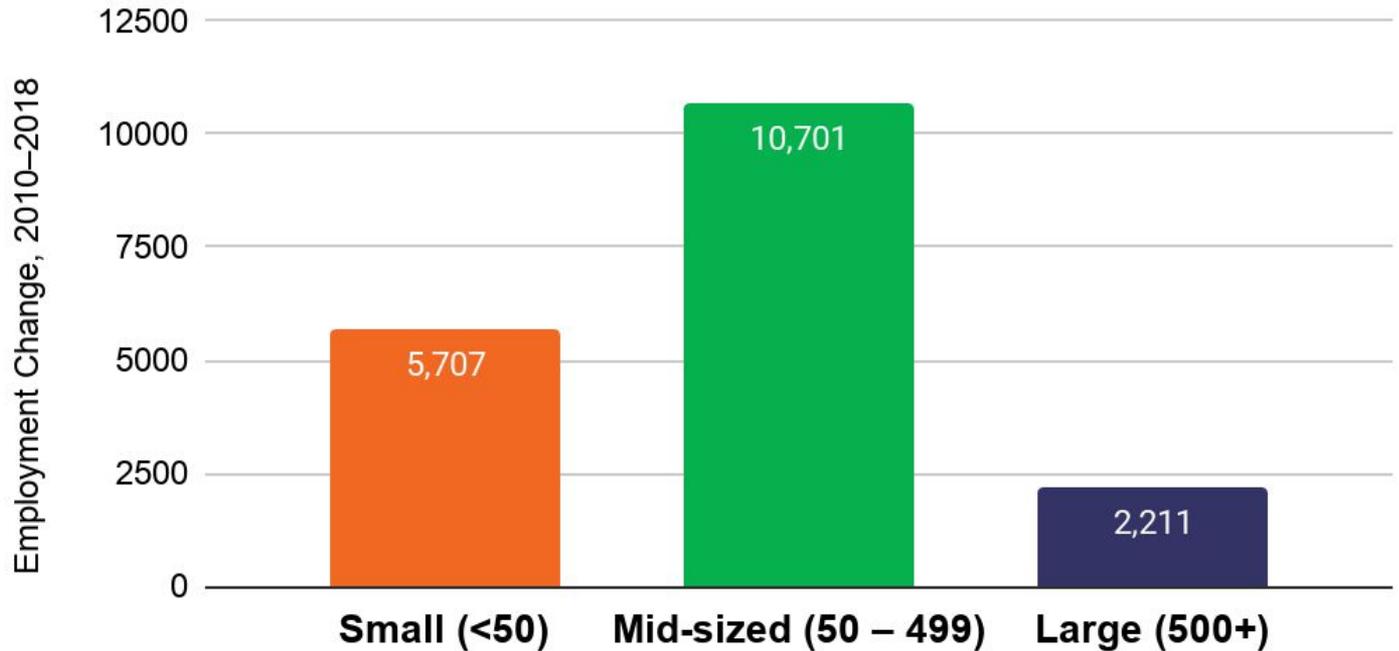
Metropolitan areas along the Minnesota borders account for less than 15 percent of the job flows.

The rest are scattered across other states.

# Employment Growth by Business Size (2010-2018)



Small and mid-sized business account for the vast majority of Ramsey County's post-recession economic growth among private employment.

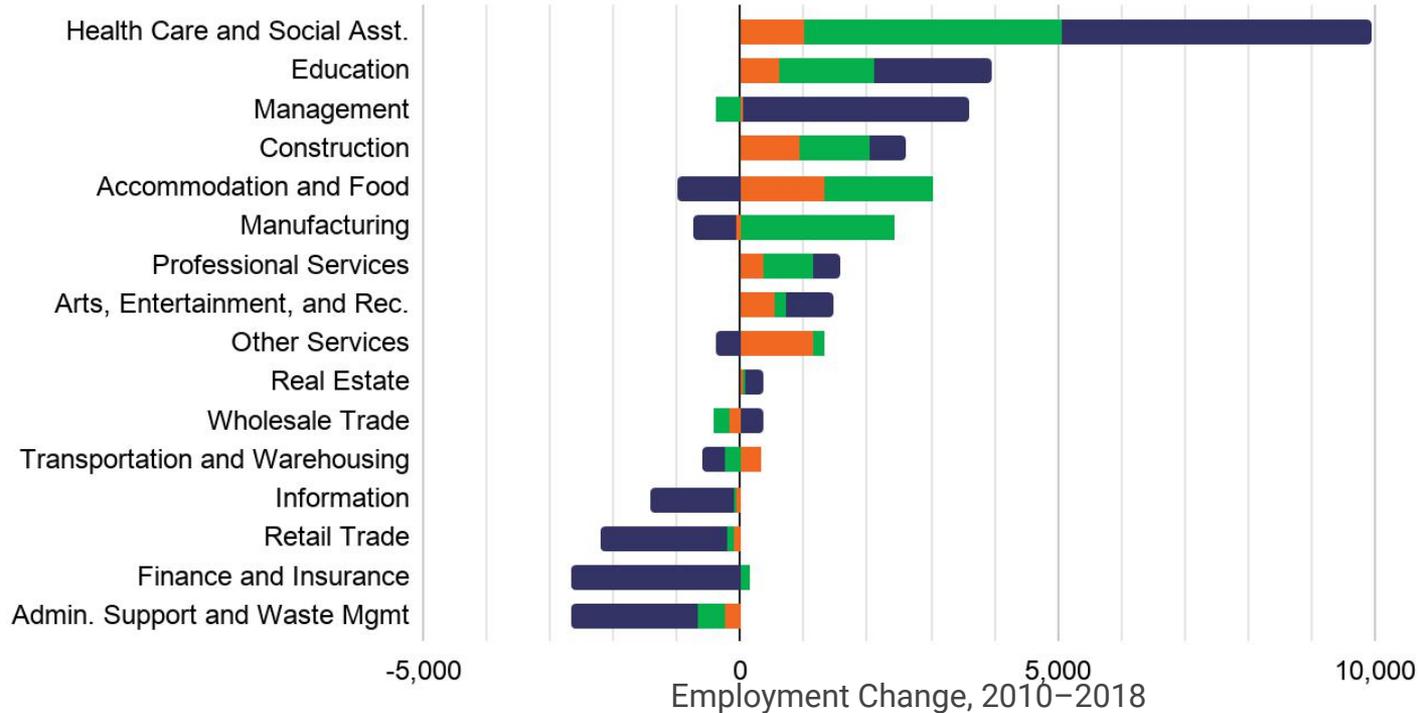


# Employment Growth by Size + Industry



■ Small (<50)
 ■ Mid-sized (50–249)
 ■ Large (500+)

The story is more complicated when we layer in industry sectors. While large firms are driving employment growth in high-growth industries, they are also declining most sharply elsewhere.



# Business Dynamics - Job Creation/ Destruction

About 43,000 jobs are created annually in Ramsey County and 37,000 are destroyed, for a net gain of 6,000 jobs. New firms less than one year old create 9 net jobs per 1,000 total jobs compared to 7 for firms 11 years or older. Firms with less than 20 employment create far more net jobs than large employers.

Net Jobs (Created - Destroyed) per 1,000 Total Jobs			
Firm Age	Minnesota	Hennepin	Ramsey
0-1 Years	10	11	9
2-3 Years	1	2	1
4-5 Years	1	1	1
6-10 Years	2	2	3
11+ Years	9	7	7

Net Jobs (Created - Destroyed) per 1,000 Total Jobs			
Firm Size	Minnesota	Hennepin	Ramsey
0-19 Employees	12	11	10
20-49 Employees	3	3	2
50-249 Employees	3	4	5
250-499 Employees	1	1	2
500+ Employees	4	5	1

# Small Business Lending

Aggregate Amount of Small Business Loans per Capita



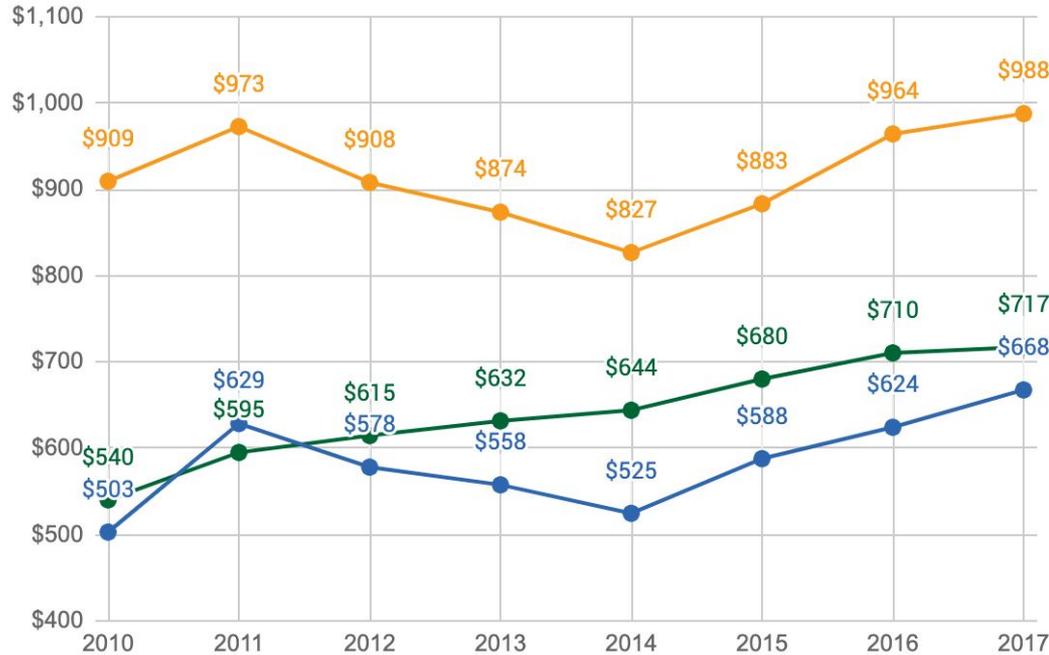
US



Hennepin  
County

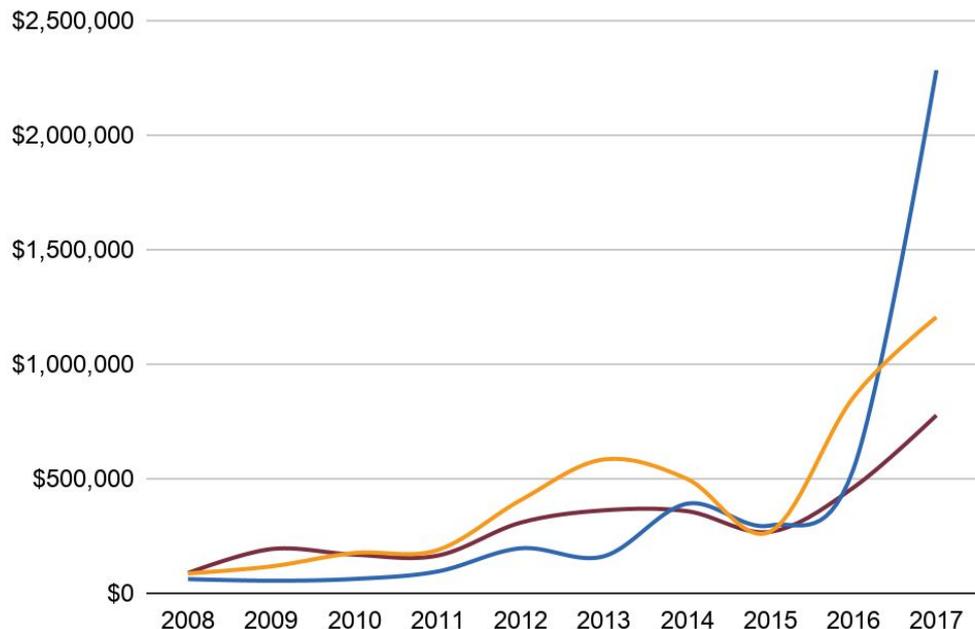


Ramsey  
County



Per capita small business lending is lagging in Ramsey County compared to the US and Hennepin County

# Businesses - CDFI Funding



CDFI to Business Per 10,000 Employees



Ramsey  
County



Hennepin  
County



MN

2017 is an outlier, but Ramsey County has steadily been increasing CDFI funding to businesses.

Source: Community Development Financial Institutions Fund, US Department of the Treasury, 2010-2017.

# Minority-Owned Firms



US



MN



Twin Cities  
MSA

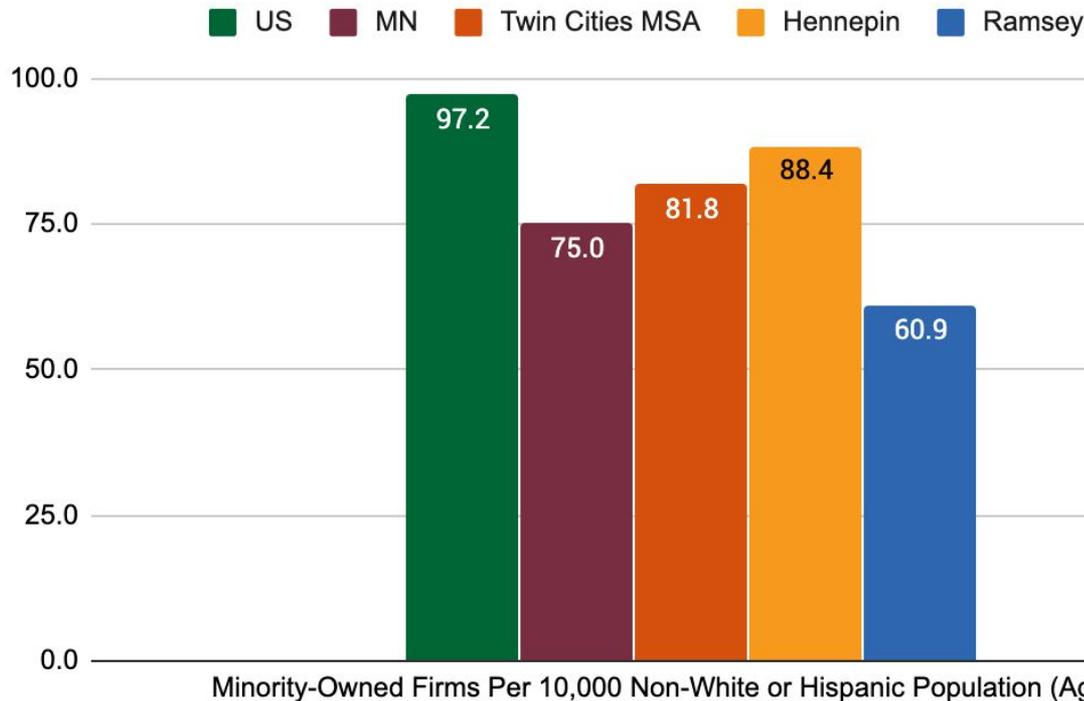


Hennepin  
County



Ramsey  
County

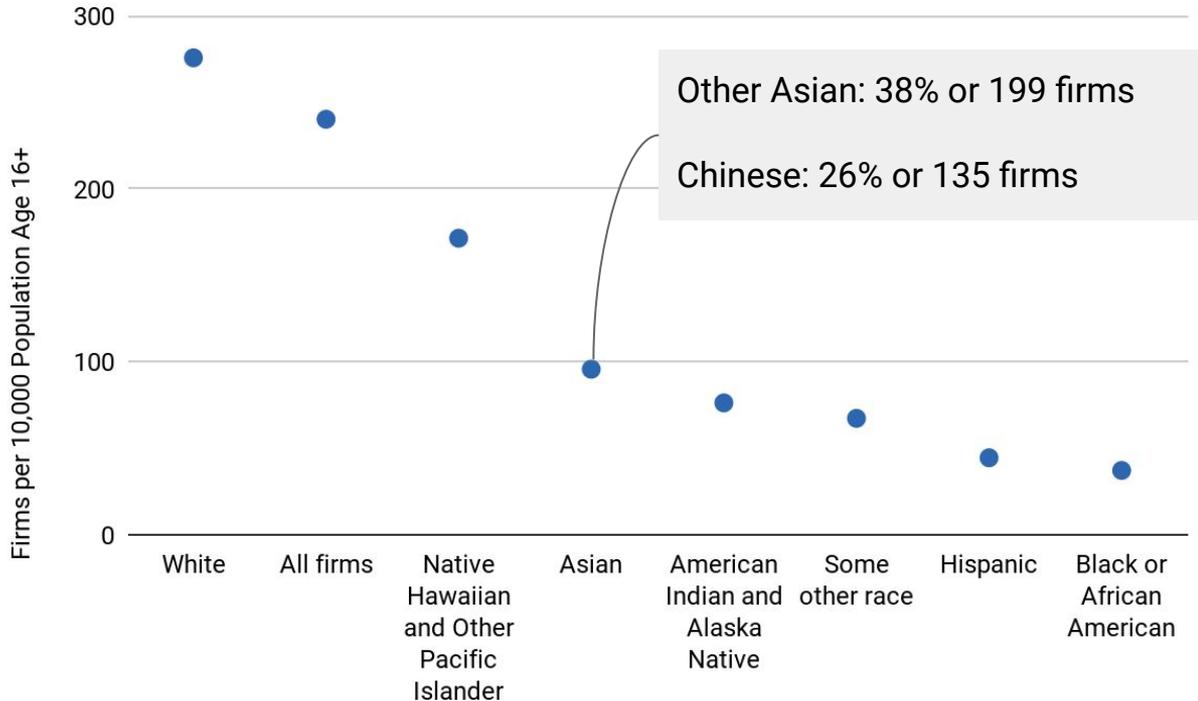
## Minority-Owned Firms, 2012 (Paid Employees)



Minority business ownership is significantly lagging in Ramsey County

(2012, Census Survey of Business Owners and Self-Employed Persons, SBO)

# Business Ownership by Race/Ethnicity



Ownership for all minority groups is significantly below the rate of White ownership.

*Note: Native Hawaiian and Other Pacific Islanders own 3 businesses, but the population is also very small. There are no businesses reported where the owner is two or more races.*

# Women-Owned Firms



US



MN



Twin Cities  
MSA

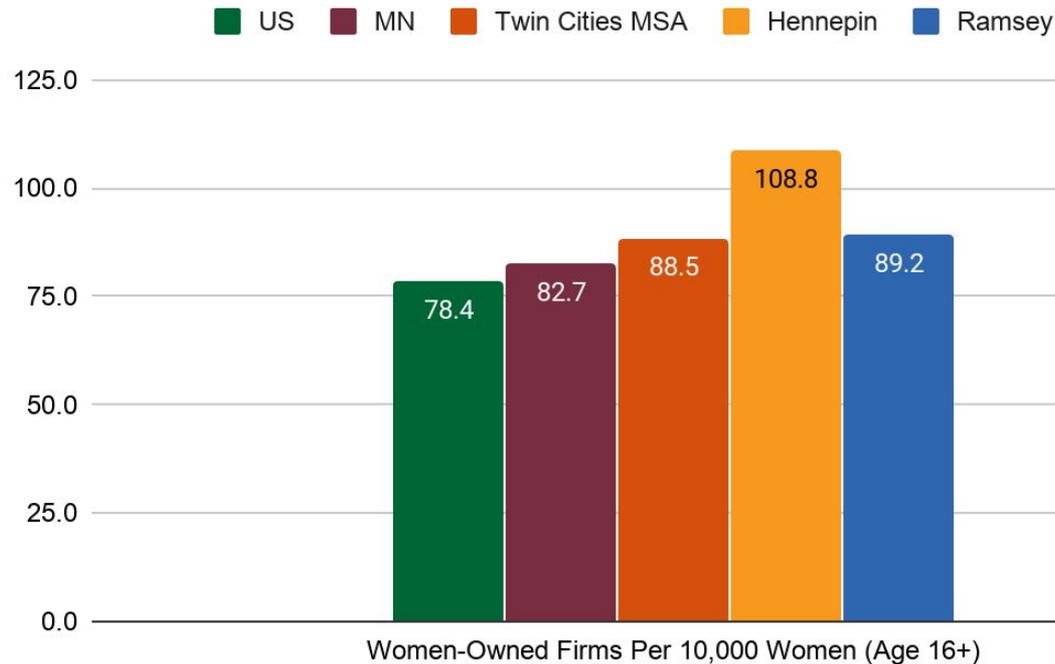


Hennepin  
County



Ramsey  
County

Women-Owned Firms, 2012 (Paid Employees)



Women own businesses at a higher rate in Ramsey County compared to the US, MN, and the MSA, but lower than in Hennepin County

(2012, Census Survey of Business Owners and Self-Employed Persons, SBO)

# Trends in Labor Force and Jobs



The number of jobs exceeds the labor force in the MSA and both counties. They are job centers that import workers.

The growth in jobs is outpacing the labor force growth. This may indicate a rise in part-time jobs and workers with multiple jobs, but it is not a sustainable trend.

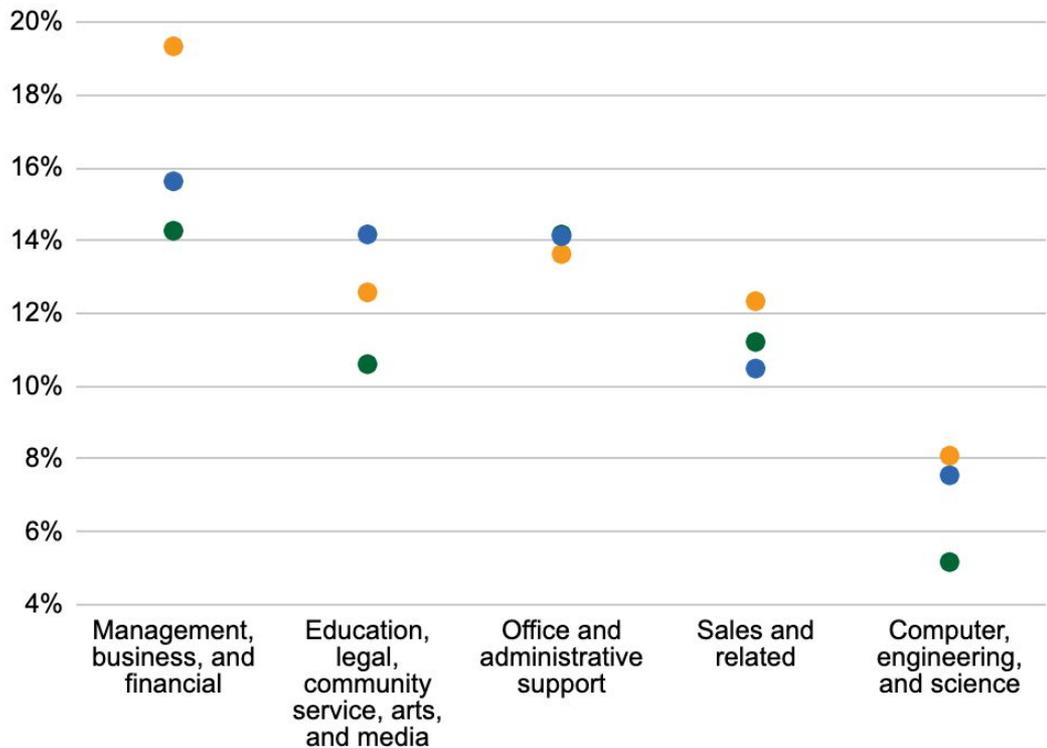
Labor Force data is from the BLS, Employment data is from the BEA Private Non-Farm Employment.

	Labor Force 2018	Employment 2018
<b>Twin Cities MSA</b>	2,001,278	2,268,272
<b>Hennepin</b>	703,310	1,090,438
<b>Ramsey</b>	288,814	363,898

Average Annual Change 2010-2018		
	Labor Force	Employment
<b>Twin Cities MSA</b>	14,017	35,168
<b>Hennepin</b>	5,235	18,203
<b>Ramsey</b>	2,023	3,341

# Largest Occupations

Sorted by the five largest occupations in Ramsey County



US



Hennepin  
County



Ramsey  
County

- US
- Hennepin
- Ramsey

Comprehensive Plan review highlights industry concentrations in Vadnais Heights (23.8% Manufacturing); in Roseville (12.5% Healthcare/Social Assistance);

# Occupations with Highest Specialization in Ramsey County



Ramsey County is more specialized in these eight occupations.

The LQ or Location Quotient compares Ramsey County to the U.S.

Occupation	Ramsey County Employment	Ramsey County LQ
Life, physical, and social science	4,662	1.79
Arts, design, entertainment, sports, and media	8,032	1.43
Computer and mathematical	12,084	1.42
Community and social service	6,872	1.41
Legal	4,371	1.41
Healthcare support	12,571	1.38
Educational instruction, and library	20,811	1.23
Business and financial operations	17,971	1.20

Source: **Census American Community Survey**, 2018 5-year

# Accessible Occupations with the Most Projected Openings



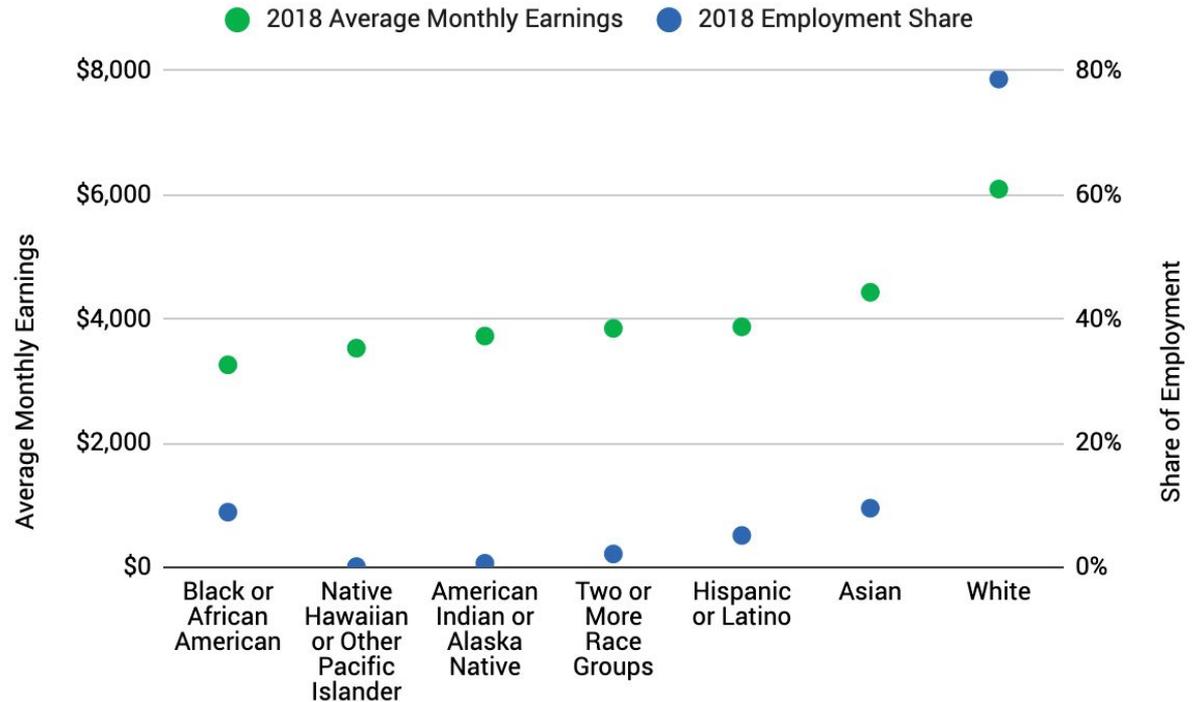
Job Title	Median Wage	MSA Projected Growth Rate	MSA Projected Openings	Education Requirements	Training Requirements
Sales Representatives, Wholesale and Manufacturing	\$73,225	3.80%	25,106	High school or equivalent	Moderate term OJT
Heavy and Tractor-Trailer Truck Drivers	\$52,337	3.90%	18,437	High school or equivalent	Short term OJT
First-Line Supervisors of Office and Administrative	\$63,964	2.30%	16,361	High school or equivalent	None
Construction Laborers	\$59,834	10.90%	10,400	Less than high school	Short term OJT
Insurance Sales Agents	\$63,035	9.30%	7,317	High school or equivalent	Moderate term OJT
Securities, Commodities, and Financial Services Sales	\$94,071	4.10%	6,791	High school or equivalent	Moderate term OJT
Loan Officers	\$78,565	10%	4,745	High school or equivalent	Moderate term OJT
First-Line Supervisors of Construction Trades	\$82,056	9%	4,683	High school or equivalent	None
Production, Planning, and Expediting Clerks	\$53,279	4.30%	4,382	High school or equivalent	Moderate term OJT
First-Line Supervisors of Mechanics, Installers, etc.	\$73,352	5.60%	3,897	High school or equivalent	None

Source: Minnesota DEED, Occupations in Demand, 2017-2027. Data for the Metropolitan Area.

# Earnings by Race and Ethnicity

Black or African American workers have the largest wage gap with White workers and they represent 9% of the overall workforce.

Due to this wage gap, the next slides focus on Black or African American workers.



Source: **Census Quarterly Workforce Indicators** 2018. This source does **not** have more detailed racial or ethnic disaggregation. The race and ethnicity groups are not exclusive so the shares do not sum to 100%.

# Employment in Living Wage and Growing/Declining Industries

34% of the jobs in Ramsey County are in growing industries that pay above a living wage

30% of Black workers are mostly in growing industries that pay below a living wage

14% of Black workers are in industries losing more than 50 jobs per year AND pay below a living wage

All Workers by Industry Change	Above Living Wage	Below Living Wage	Total
Increase +50 or more/yr	34%	21%	55%
Increase 1 to 49/yr	11%	3%	15%
Decrease 0 to -49/yr	11%	5%	16%
Decrease -50 or more/yr	7%	7%	15%
All Jobs	64%	36%	100%

Black Workers by Industry Change	Above Living Wage	Below Living Wage	Total
Increase +50 or more/yr	21%	35%	55%
Increase 1 to 49/yr	6%	4%	10%
Decrease 0 to -49/yr	6%	9%	15%
Decrease -50 or more/yr	6%	14%	20%
All Jobs	38%	62%	100%

# Wages Gaps in Growing and Declining Industries

Overall some of the industries declining the most have high average wages, but there are also high wages in the industries with high growth.

Black workers in high growth industries make just above the living wage but also the industries that are declining significantly pay above living wages

Average Wages - All Workers - Industry Change	Above Living Wage	Below Living Wage	Avg
Increase +50 or more/yr	\$85,465	\$29,434	\$61,808
Increase 1 to 49/yr	\$79,451	\$34,998	\$64,448
Decrease 0 to -49/yr	\$75,560	\$11,122	\$34,173
Decrease -50 or more/yr	\$89,318	\$28,447	\$63,565
All Jobs	\$80,416	\$19,822	\$50,340

Average Wages - Black Workers - Industry Change	Above Living Wage	Below Living Wage	Avg
Increase +50 or more/yr	\$58,436	\$24,719	\$44,200
Increase 1 to 49/yr	\$47,129	\$24,420	\$39,464
Decrease 0 to -49/yr	\$45,779	\$18,260	\$28,521
Decrease -50 or more/yr	\$54,297	\$24,449	\$41,669
All Jobs	\$49,608	\$20,986	\$35,669

# What Industries pay Black Workers More?

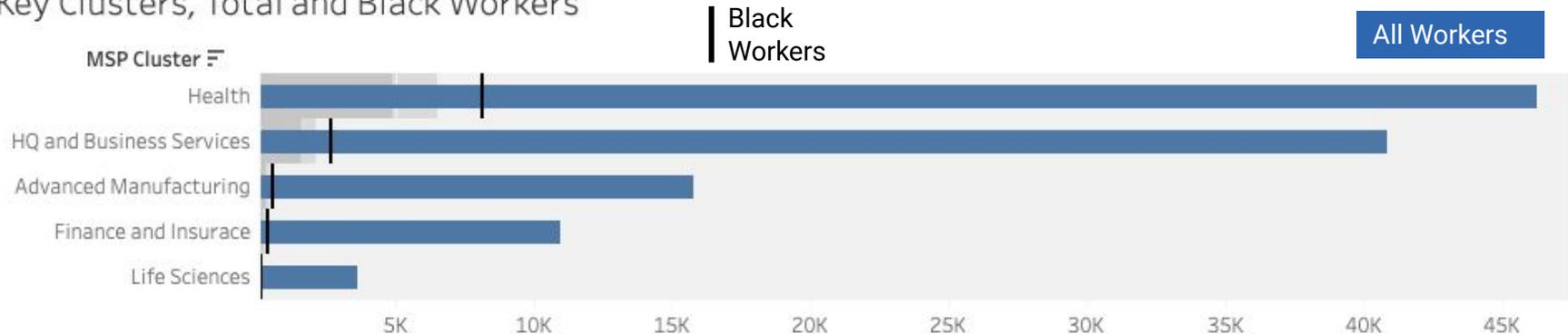
Ten small industries that employ 1,016 black workers at wages that are higher than non-Black workers, but 82% of these are still below living wage

Industry	2018 Emp	Absolute Change 2013-2018	Percent Change 2013-2018	Black Emp	BlackWages
Used merchandise stores	382	(195)	-33.9%	59	\$23,808
Urban transit systems	642	(499)	-43.7%	148	\$72,675
Sound recording industries	12	(11)	-46.2%	4	\$63,696
Technical and trade schools	307	12	4.1%	48	\$40,863
Other residential care facilities	1,647	1,435	677.6%	510	\$28,698
Spectator sports	421	37	9.6%	8	\$228,603
Agents and managers for public figures	140	(114)	-44.8%	5	\$60,183
Grantmaking and giving services	446	(60)	-11.9%	27	\$85,782
Civic and social organizations	2,174	189	9.5%	180	\$24,393

# Employment Regional Key Clusters in Ramsey County

The Health cluster and HQ & Business Services are the dominant clusters by total employment in 2018. It is also the dominant cluster for Black Workers. However these clusters only account for 60 percent of Black Employment and 65 percent of total employment.

Key Clusters, Total and Black Workers



Fourth Economy approximated the Greater MSP key clusters. One notable difference is that the Health and Life Sciences are separated, rather than combined.

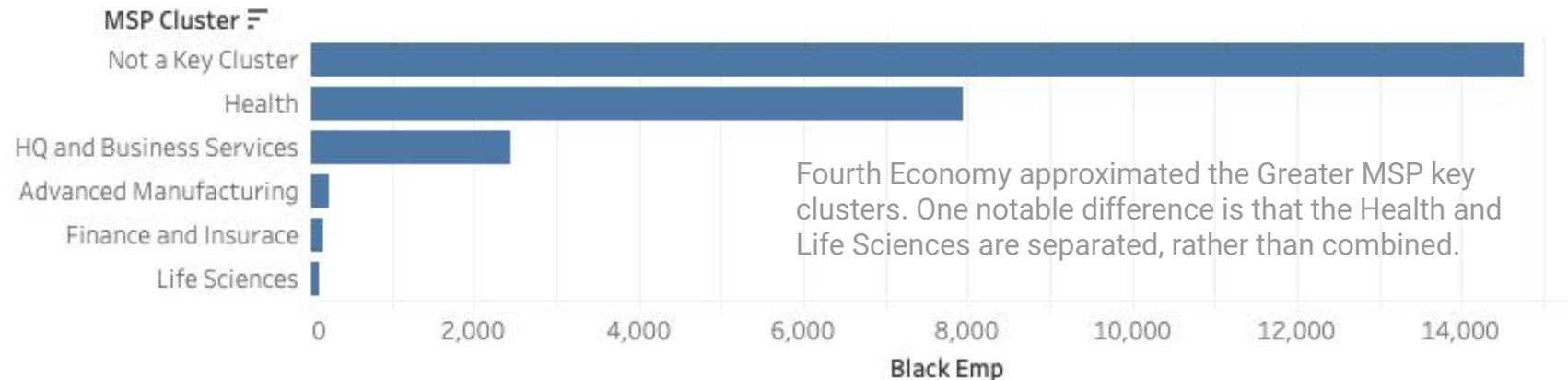
# Regional Cluster and Black Workers

There are more than 18,100 black workers in industries outside the key clusters

More than 8,100 black workers are in Health industries

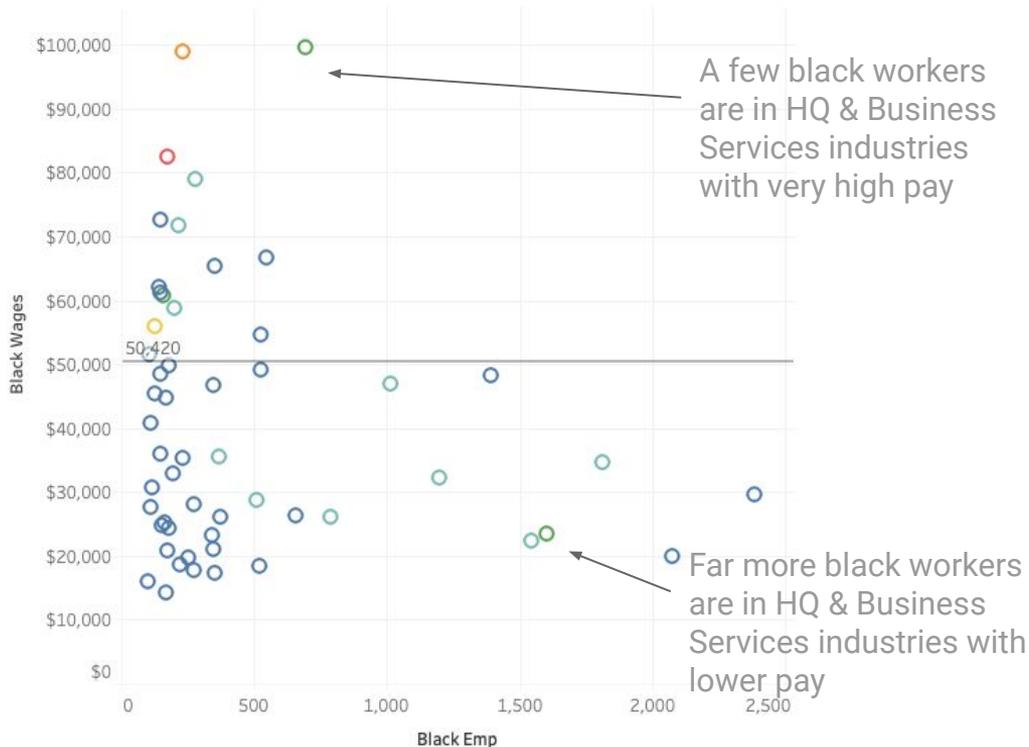
Nearly 2,700 are in HQ and Business Services

## Cluster Industries Employing more than 100 Black Workers



# Black Workers and Wages

Industries Employing more than 100 Black Workers



Many black workers are in industries that pay below the living wage. Few black workers are employed in industries that pay above the living wage.

Source: **Census**  
**Quarterly Workforce**  
**Indicators 2013-2018**

# Unemployment



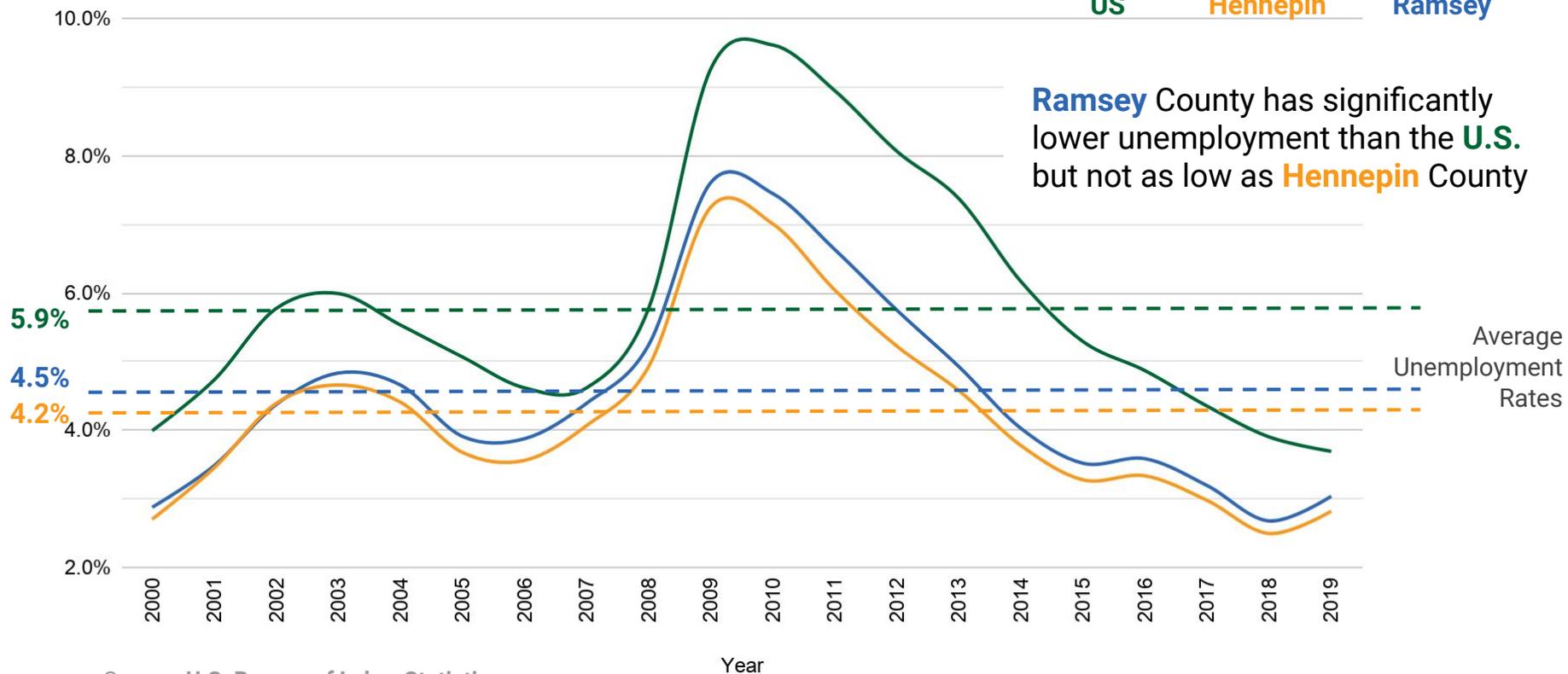
US



Hennepin



Ramsey



Source: U.S. Bureau of Labor Statistics  
Accessed from fred.stlouisfed.org

# Unemployment by Race and Ethnicity



US

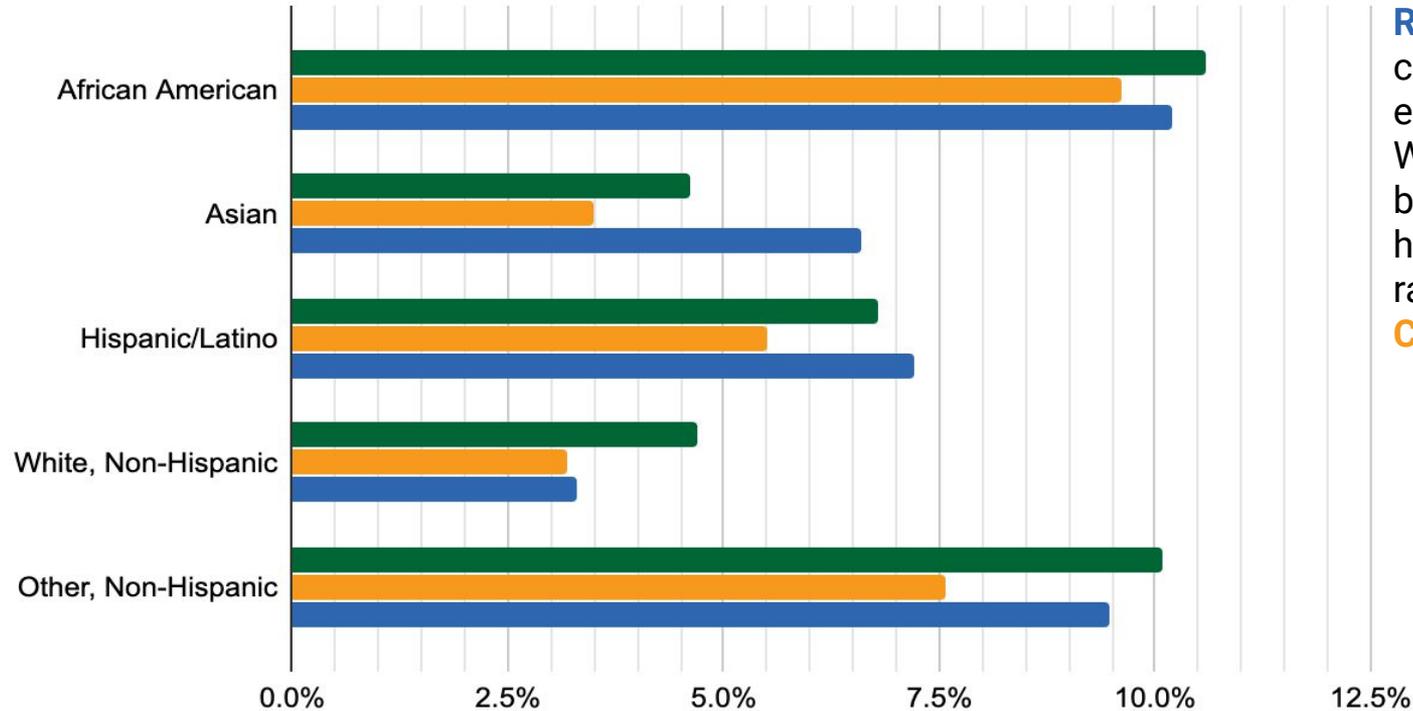


Hennepin  
County



Ramsey  
County

■ US ■ Hennepin ■ Ramsey



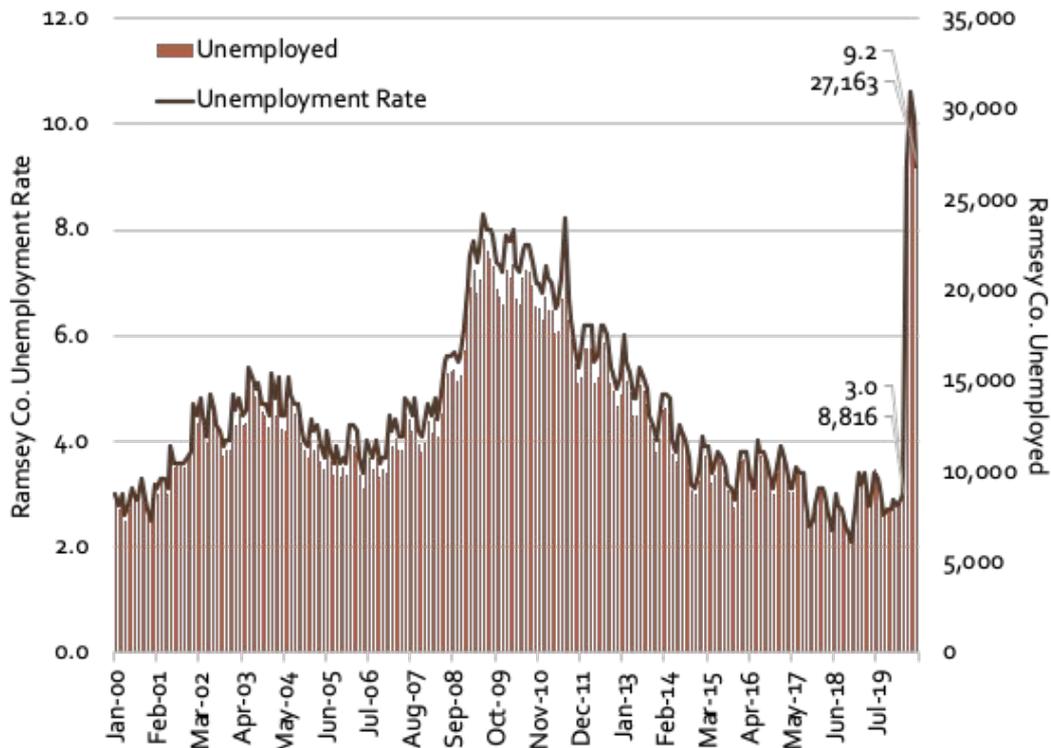
**Ramsey County** is comparable to the **U.S.** except for Asians and White, Non-Hispanics but has consistently higher unemployment rates than **Hennepin County**.

Source: Census American Community Survey, 2018 5-year

# Recent Unemployment Data

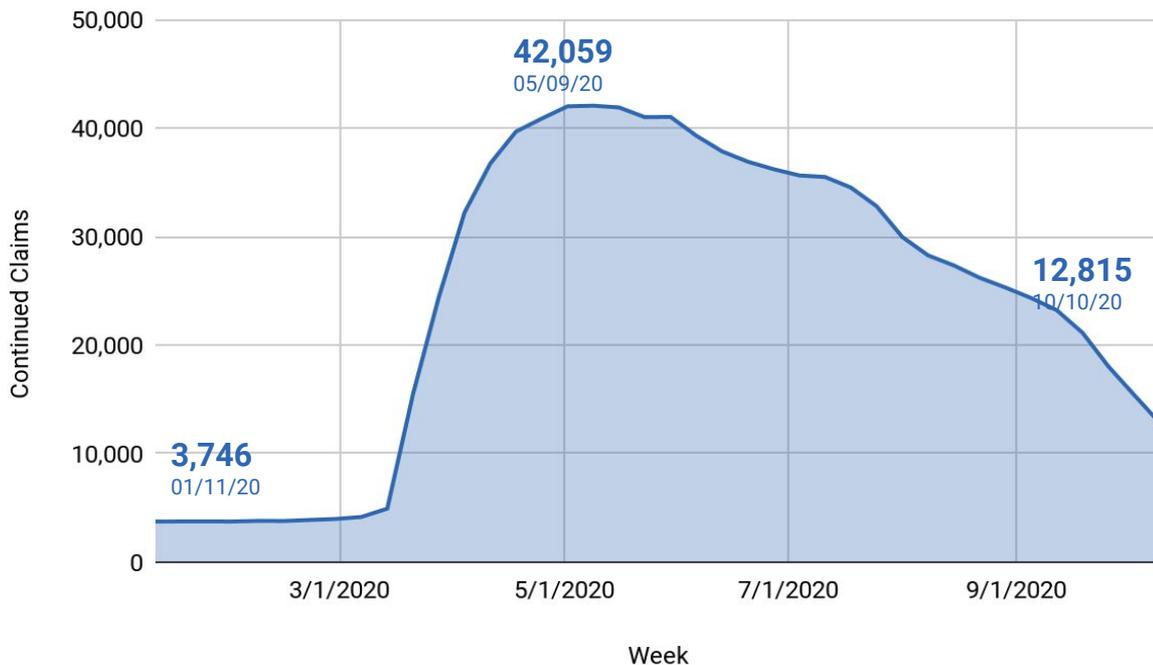
Increase of more than 27,000 unemployed from June to July

A much more rapid and significant increase compared to the Great Recession



Source: Tim O'Neill, Labor Market Analyst, **Minnesota Department of Employment and Economic Development**, Sep 16, 2020 Presentation to the Community Innovation Fund Cohort

# Unemployment

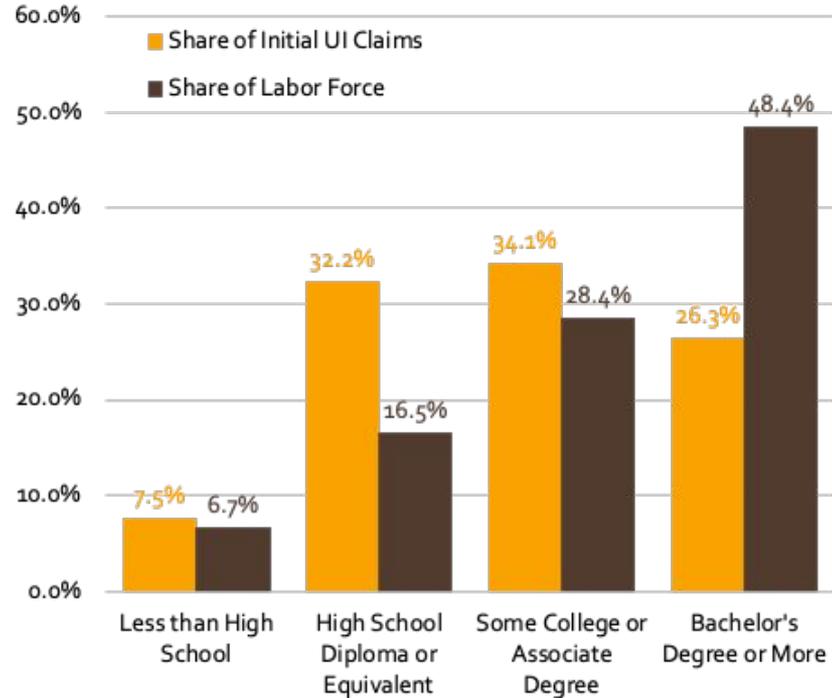
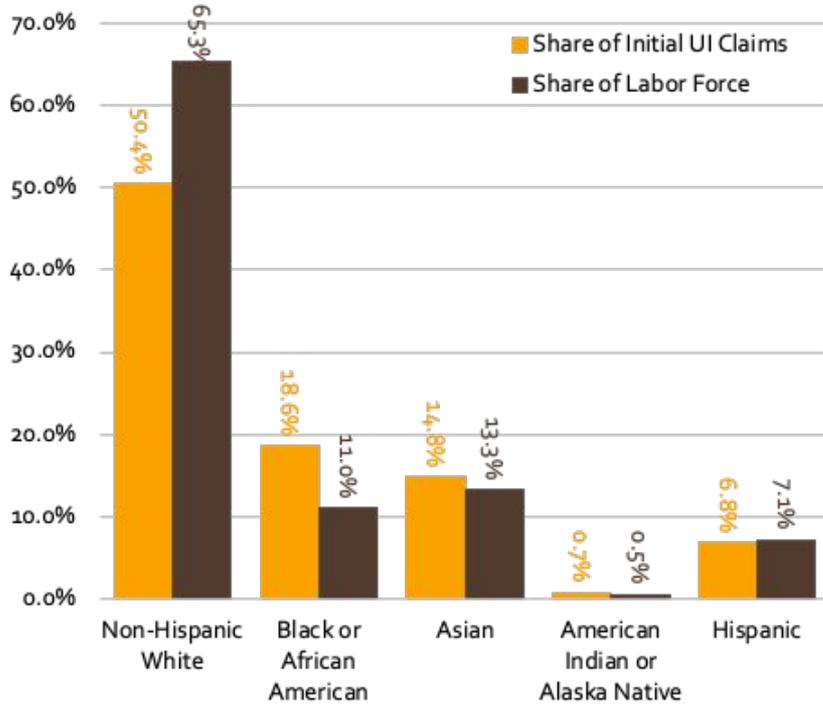


Weekly continued UI Claims in **Ramsey County** peaked at more than 42,000 claims in May.

Continued UI Claims have steadily fallen but remain 3x higher than in January 2020.

Source: **Minnesota Department of Employment and Economic Development**, Weekly Continued Claims January 11, 2020 to October 10, 2020. Unemployment Insurance Statistics PROMIS Tool

# Claims by Race/Ethnicity Claims by Education



# Ramsey County UI Claims by Occupation

The top ten occupations impacted between March and September account for 40% of the initial UI claims

Source: Tim O'Neill, Labor Market Analyst, **Minnesota Department of Employment and Economic Development**, Sep 16, 2020 Presentation to the Community Innovation Fund Cohort. Data for 03/16/20 to 9/7/20.

<b>Ramsey County</b>	<b>Initial UI Claims 3/16 – 9/7</b>
<b>Total, All Claims</b>	<b>96,096</b>
Food and Beverage Serving Workers	6,522
Retail Sales Workers	6,249
Cooks and Food Preparation Workers	3,783
Construction Trades Workers	3,698
Motor Vehicle Operators	3,664
Other Healthcare Support Occupations	3,376
Information and Records Clerks	3,194
Other Production Occupations	2,856
Other Food Preparation and Serving Related Workers	2,840
Health Diagnosing and Treating Practitioners	2,607

# Key Takeaways & Possible Solutions

## OPPORTUNITY

**Ramsey County is experiencing steady and slow industry growth (8.3%), driven largely by small firms**

## CHALLENGE

**Low levels of small business lending, particularly for BIPOC firms and in light of COVID-19, slows potential growth**

# DISCUSSION

## *Possible Solution Pathways*

- Strengthening local CDFI capacity to provide patient, flexible capital to BIPOC businesses; create BR&E fund
- Encourage, advocate and fund underutilized business finance programs (St. Paul STAR and MN Job Creation Fund)
- Work with existing partners to expand technical assistance opportunities for Phase I Business Development, ensure cultural competency (e.g. MEDA, BIPOC chambers, etc.)
- Expand the County's MWBE Procurement services, including CERT/ESBE Certification expansion

**What level of intervention is needed and what resources can the County provide to support growth in this area?**

## OPPORTUNITY

**The County is a significant labor hub, with high labor participation rates and relatively affordable cost of living.**

## CHALLENGE

**Yet, wages are low across most industries and wage disparities exist across racial groups, softening competitiveness**

# DISCUSSION

## *Possible Solution Pathways*

- Support accelerated training models in high-wage, high-demand occupations (e.g. software and engineering technicians)
- Develop economic incentives that bring new business and industries to account for providing higher wage jobs
- Strengthen education pathways for entrepreneurs, particularly BIPOC residents; partnering with UEL and Full Stack St. Paul
- Lead/champion inclusive hiring efforts and working alongside employers to build the training capacity to upskill employees

**What level of intervention is needed and what resources can the County provide to support growth in this area?**

OPPORTUNITY

**Projected employment growth in suburban Ramsey County, driven by emerging medical, manufacturing and tech clusters.**

CHALLENGE

**Communities aren't prepared to position its sites for redevelopment, land is limited, construction is costly, office market slow**

# DISCUSSION

## *Possible Solution Pathways*

- Work alongside County communities to reimagine aging malls and spaces for productive, industry reuse (e.g. makerspaces)
- Leverage Ramsey Means Business site to host central repository of sites for investment/development.
- Create fund to support site redevelopment and infrastructure investment for communities within limited capacity; advocate competitiveness for state funds
- Target investments in key commercial corridors; aligning East Team around marketing these areas for business investment; explore land banking models

**What level of intervention is needed and what resources can the County provide to support growth in this area?**