



Itasca County Workforce Streams Study

N O V E M B E R 2 0 1 6

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Summary

Itasca County is rich in natural resources that are both beautiful and historically profitable. In addition to the aesthetic and recreational uses of its natural resources, the region has a long history of leveraging its natural resources for employment in logging, mining, and manufacturing.

County leaders recognize that a growing economy with a capable, skilled workforce is an essential element of a strong community. But unemployment that has hovered above the state average in recent years has led many in the region to voice a need for more information and a deeper understanding of today's complex issues affecting the workforce and employment in the county. While Blandin Foundation provided funding and facilitation for this study, the work was developed with broad and ongoing community input, and with an eye towards creating an end product that is useful not only to the Foundation, but also to nonprofit, for-profit, and government partners who share a vested interest in a vibrant Itasca County.

Methods

There is a great deal of employment and worker data available from federal and state agencies like the Minnesota Department of Employment and Economic Development (MN DEED) and the United States Census Bureau. Data for this study was assembled from these and other agencies, but community and regional partners felt strongly that existing data alone is not sufficient to identify gaps in current capacity to serve the un- and under-employed, nor is it sufficient to identify opportunities to build on existing strengths. As a result, we also completed interviews with 11 Itasca County professionals and 48 Itasca County residents facing employment challenges. A more comprehensive description of data collection and sources is available in Appendix A. Results from our collection of existing and interview data are woven together in this final report.

Key findings

Itasca County is in the midst of shifting from an economy based largely in production and natural resources, to one based in service and related industries. Recent job growth is largely attributable to gains in two industries: health care and construction. Strong gains in health care are expected to continue over the next decade, with pronounced gains in nursing and related fields.

While there has been some wage growth in Itasca County since 2000, many jobs in Itasca County still do not pay an average wage capable of supporting a household's basic needs budget. Families with children may find it challenging to find a job that pays a family-sustaining wage.

This dovetails with some of our key findings about barriers to employment. Itasca County's unemployment rate has ticked down every year since the recession, but it remains stubbornly higher than the statewide rate. Of particular note, women with young children have a much higher unemployment rate in Itasca County than mothers of young children statewide. Not only do these women face challenges noted by other job-seekers we interviewed – including transportation and employer flexibility – but they also face challenges associated with child care availability and cost.

With little expected growth in Itasca County's working-age population in coming decades, it is crucial to understand and address the region's challenges associated with matching residents who want to work with employers who need workers. This report is submitted to Blandin Foundation and its regional partners as a next step in informing collective efforts to ensure the region's continued prosperity.

Employment in Itasca County

Employment in Itasca County has historically relied on the county's rich natural resources for jobs in logging, mining, and manufacturing. But the county has recently experienced volatility and declining employment these industries. This has been coupled with tremendous growth in health care, in part due to changing demographics and an aging population. Taken together, recent trends and future projections suggest that the county may be in the midst of transitioning from a production-based economy to a service-based economy.

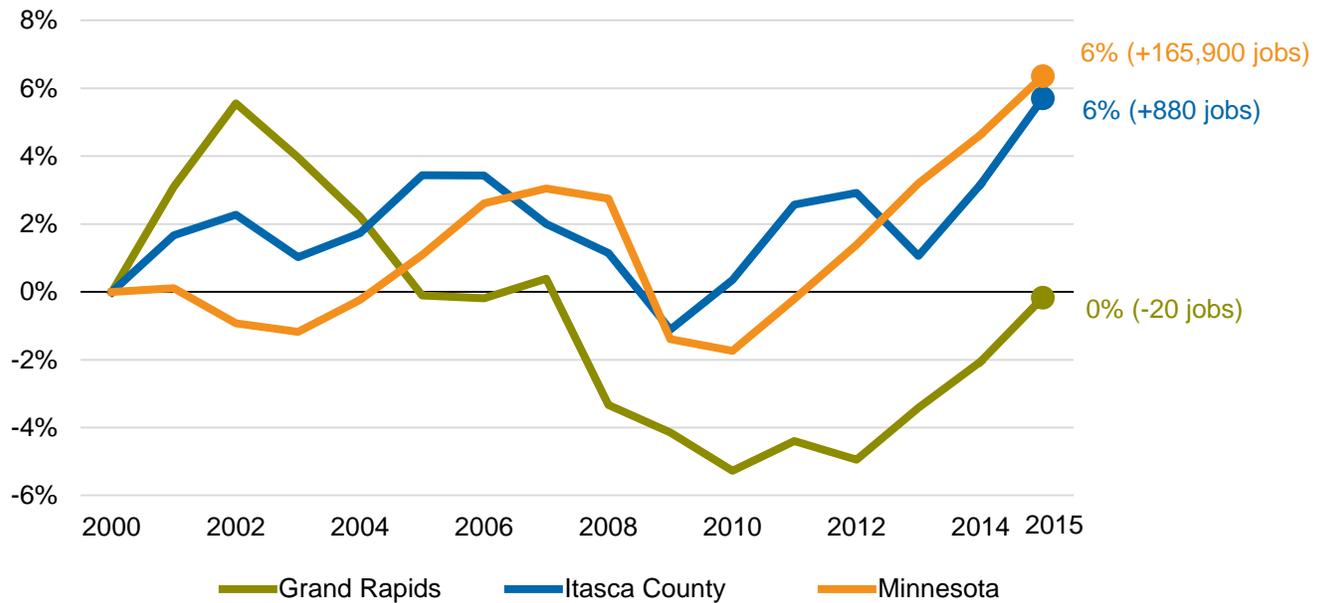
These broad systemic shifts require a high degree of coordinated investment in order to bring the workforce into alignment with the new economy. A thorough understanding of these trends informs all levels of workforce strategies, especially long-term prioritization and planning. This section provides an overview of employment trends and projections in Itasca County, with particular attention to changes by industry. Findings in this chapter suggest that:

- Job growth has been moderate in Itasca County. Between 2000 and 2015, employment grew by 6 percent, representing a net gain of just under 900 jobs.
- Employment growth can be attributed to strong gains in two industries: health care and construction. Growth has been tempered by substantial losses in manufacturing, and ongoing regional decline in mining.
- Over the next decade, employment growth in the region is expected to be dominated by gains in the health care industry. Jobs in nursing and related fields, in particular, are projected to grow significantly.
- While employment has grown in Itasca County since 2000, the number of establishments, or locations where business is conducted or where services or industrial operations are performed, has declined. This suggests that the job market is increasingly composed of larger businesses.

Moderate job growth in Itasca County

Itasca County has posted a net gain of nearly 900 jobs since 2000, representing 6 percent overall growth through 2015 (Figure 1). This is comparable to statewide job growth, also up 6 percent since 2000, while the city of Grand Rapids saw no net growth over the period. Sixty-five percent of overall job gains in the county – or nearly 600 jobs – came from private sector gains.

1. Percent change in jobs in Grand Rapids, Itasca County, and Minnesota since 2000



Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

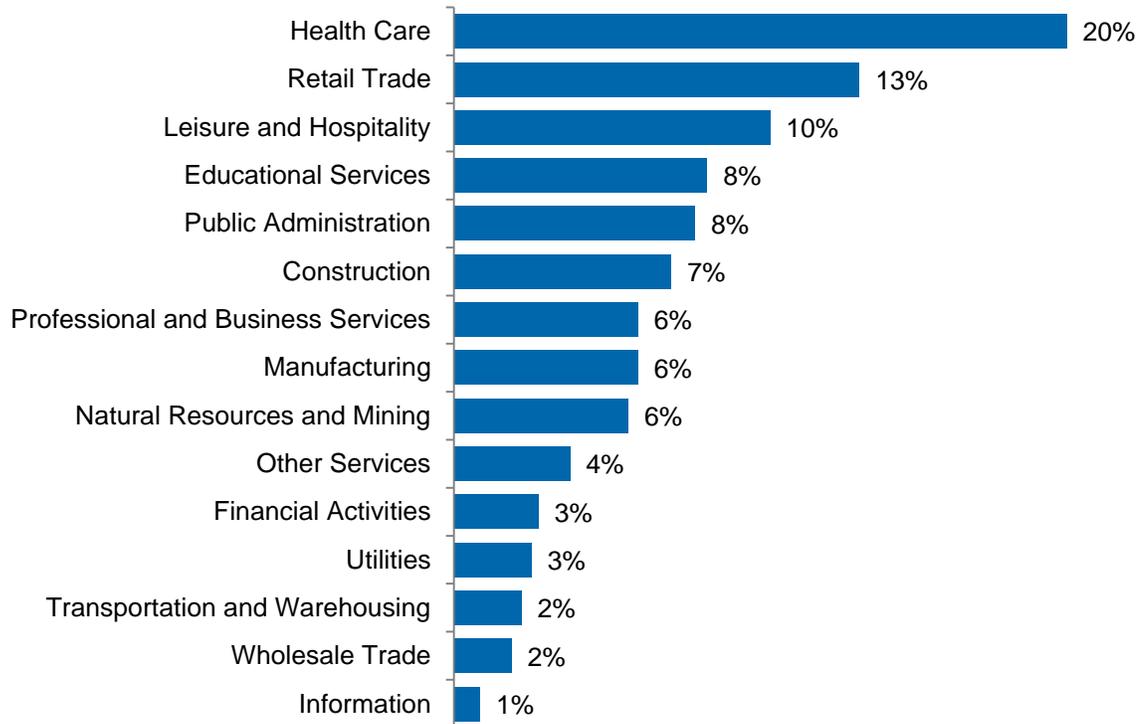
Note. Percent change in jobs is computed from annual averages and includes employment in private and government establishments, but does not include self-employed workers, most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Substantial job losses hit Itasca County from 2006 to 2009, even before the official start of the Great Recession at the end of 2007. The county experienced a net loss of 700 jobs over these three years. But Itasca County also began to pull out of the recession about a year before the statewide recovery, with positive job gains in the county almost every year from 2010 to 2015. There were particularly large gains in both 2014 and 2015, with more than 700 more jobs added in those two years. The subsequent sections show that these gains were primarily in health care.

Itasca County is home to a growing service-based economy

Figure 2 shows that half of all jobs in Itasca County are in four top service-based industries: health care, retail trade, leisure and hospitality, and educational services. About 79 percent of all jobs in Itasca County are in the private sector, while 21 percent are in local, state, and federal government. These shares have remained relatively steady over the last fifteen years.

2. Jobs in Itasca County by industry share, 2015



Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016).

Quarterly Census of Employment and Wages (QCEW). Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Industry shares include both private (including nonprofit) and government jobs. Percentages have been rounded to the nearest whole number.

Job growth and decline are industry-specific

Net job growth between 2000 and 2015 can be attributed to strong gains in health care and construction. Figure 3 shows that these two industries together added 1,480 jobs to the county economy. Positive growth in seven other industries added another 620 jobs, for a gross gain of approximately 2,100 jobs in Itasca County.

But gains in these industries were tempered by large losses in manufacturing and moderate-to-small losses in five other industries. Manufacturing experienced a net loss of 740 jobs between 2000 and 2015, constituting 61 percent of 1,220 total losses across six industry sectors.

3. Employment by industry in Itasca County, 2000 & 2015

Industry	2000	2015	Net change in employment, 2000-2015	
			#	%
Health care	2,200	3,330	1,130	51%
Retail trade	2,220	2,210	-10	<-1%
Leisure and hospitality	1,590	1,720	130	8%
Education services	1,250	1,380	130	10%
Public administration	1,240	1,310	70	6%
Construction	830	1,180	350	42%
Manufacturing	1,740	1,000	-740	-43%
Professional and business services	1,210	1,000	-210	-17%
Natural resources and mining	750	950	200	27%
Other services	770	640	-130	-17%
Financial activities	410	460	50	12%
Utilities	400	430	30	8%
Transportation and warehousing	430	370	-60	-14%
Wholesale trade	390	320	-70	-18%
Information	140	150	10	7%
All industries	15,500	16,390	880	6%

Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

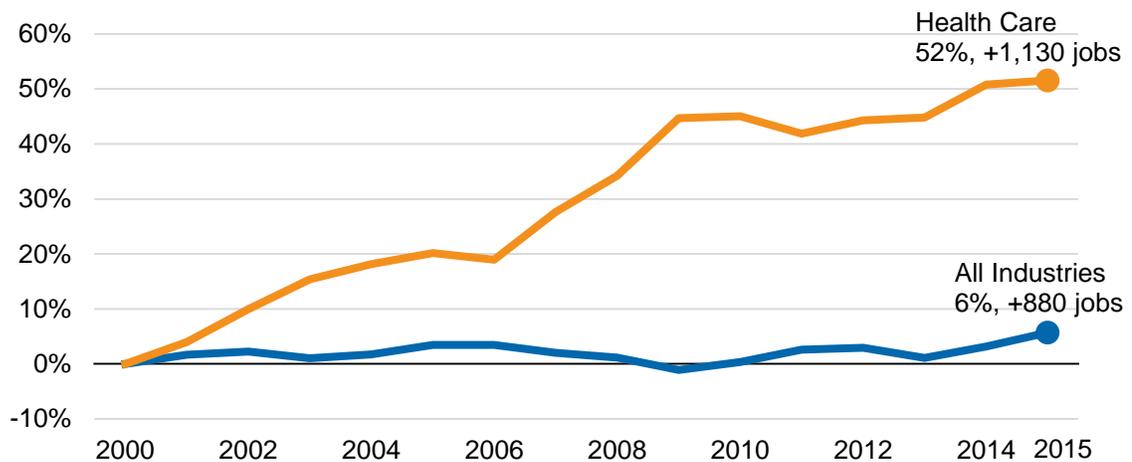
Note. Numeric job counts include both private (including nonprofit) and government jobs. Estimates by industry may not sum to total due to rounding.

Strong and consistent growth in health care

The health care sector is the largest industry in Itasca County, at 3,330 jobs in 2015. The sector accounts for 20 percent of jobs in Itasca County, up from 14 percent in 2000.

Health care has contributed most substantially to net job growth since 2000. The sector posted a net gain of 1,130 jobs through 2015, growing 52 percent in 15 years, as shown in Figure 4. Furthermore, it was the only industry to post positive job growth nearly every year since 2000, including during the Great Recession.

4. Percent change in health care jobs and all jobs in Itasca County since 2000



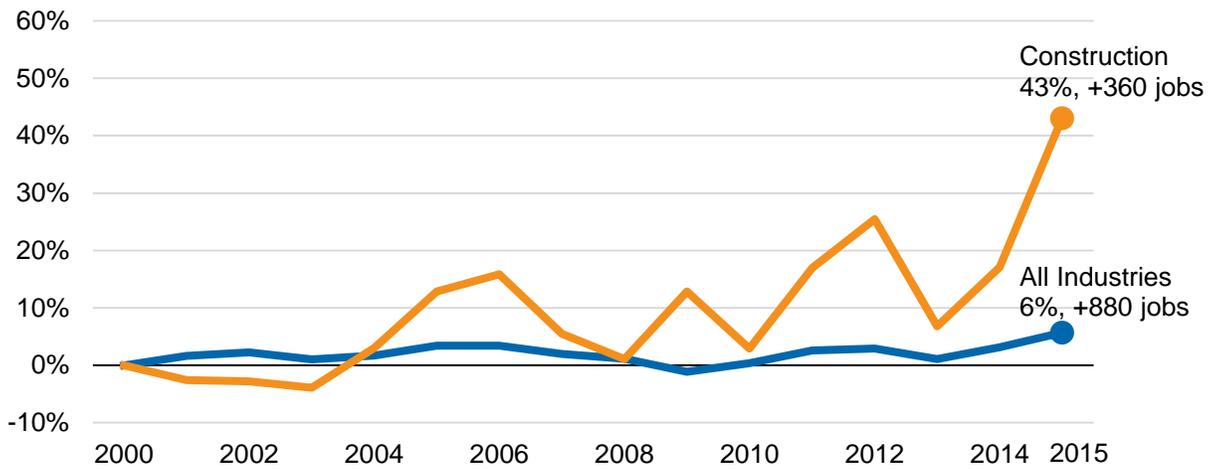
Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Percent change in jobs is computed from annual averages and includes both private (including nonprofit) and government jobs.

Overall growth in construction masks some volatility

The construction sector added 350 jobs over the past 15 years, ranking a distant second to health care. Construction is now the sixth largest industry sector in Itasca County, accounting for 1,180 jobs and 7 percent of employment in the county. The sector grew quickly from 2003 to 2006, then experienced significant volatility during and after the Great Recession, and has again seen significant growth since 2013, as shown in Figure 5. Some recent volatility may be related to delays in the construction of the Essar Steel mine and plant (Kraker, 2016).

5. Percent change in construction jobs and all jobs in Itasca County since 2000



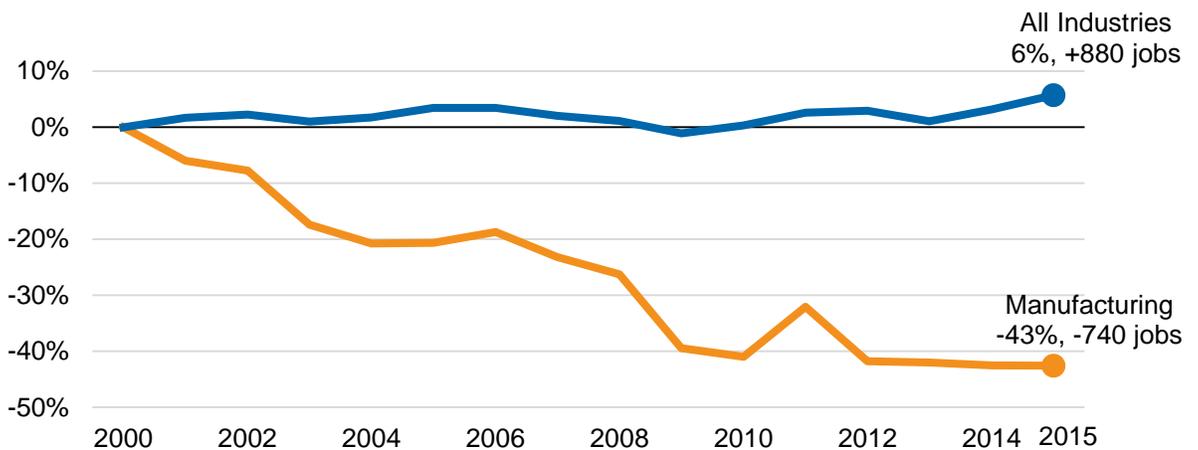
Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Percent change in jobs is computed from annual averages and includes both private (including nonprofit) and government jobs.

Steady decline in manufacturing

Itasca’s third largest industry in 2000, manufacturing, is now the county’s seventh largest industry sector. Jobs in the industry have declined by 43 percent in the last 15 years, constituting a net loss of 740 jobs (Figure 6). Year-over-year losses were fairly consistent from 2000 to 2010. The sector appears to have stabilized in recent years, with manufacturing employment holding steady at around 1,000 jobs since 2012.

6. Percent change in manufacturing jobs and all jobs in Itasca County since 2000



Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Percent change in jobs is computed from annual averages and includes both private (including nonprofit) and government jobs.

Job decline in manufacturing was not unique to Itasca County. All neighboring counties, except Cass, experienced considerable drops in manufacturing. Statewide, employment in manufacturing declined 21 percent since 2000.

Ongoing regional losses in mining

As with other Iron Range counties, taconite mining plays an important role in Itasca County’s economy. The natural resources and mining industry sector – which also includes agriculture, forestry, fishing, and hunting – accounts for 6 percent of all jobs in the county, or 950 jobs in 2015. The sector has added 200 jobs since 2000, representing 28 percent growth in this sector. At least a quarter of these net gains came from natural resources industries like forestry and logging.

While specific information about the mining industry (excluding other natural resource-based industries) in Itasca County is not available due to the data source’s routine employer confidentiality restrictions, the larger region has seen losses. The Northeast Minnesota Workforce Service Area, a region composed of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis Counties included 4,350 mining jobs in the region in 2015, down from 5,590 jobs in 2000.

Employment types in Itasca County remain stable

Although employment by industry has and will continue to shift toward service industries, employer types (e.g., for-profit, nonprofit, and government) have not changed markedly. Figure 7 shows that nearly two-thirds of employed Itasca County residents have jobs in private for-profit companies, nearly the same share as in 2000.

7. Employment by type in Itasca County, 2000 & 2010-2014

	2000	%	2010-2014	%
For-profit (private)	12,552	65%	13,083	66%
Self-employed (incorporated)	699	4%	875	4%
Not-for-profit (private)	1,885	10%	2,186	11%
Government	3,169	16%	3,177	16%
Self-employed (unincorporated) or unpaid family workers	1,616	8%	1,339	7%

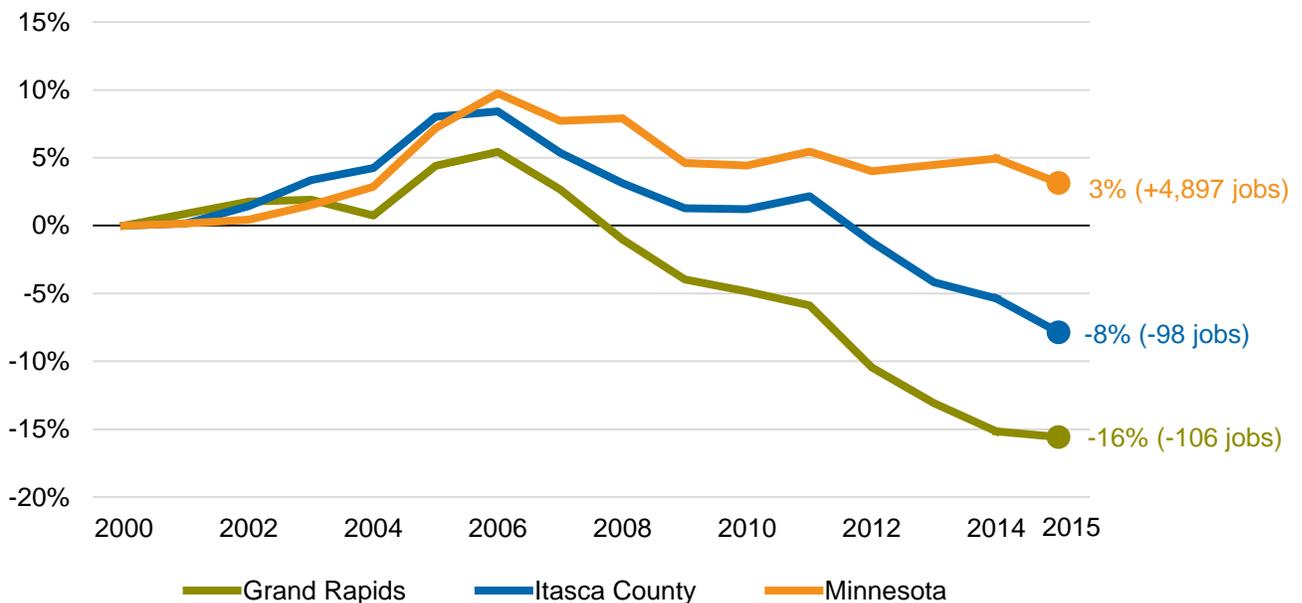
Source. Wilder Research analysis of U.S. Census Bureau data. (2000, 2010-2014). *2000 Decennial Census and American Community Survey*. Retrieved from <http://factfinder.census.gov/>

Note. Employment estimates for 2010-2014 represent average employment over that five-year time period.

More jobs concentrated in fewer establishments in Itasca County

There were 1,150 establishments, or locations where business was conducted or where services or industrial operations were performed, in Itasca County in 2015. The number of establishments in Itasca County began to decline in 2006, and has been on a steady descent since (Figure 8). Notably, while Itasca County has experienced a net loss of establishments, employment has grown. This suggests a consolidation of jobs into larger establishments. On net, the city of Grand Rapids lost just over 100 establishments between 2000 and 2015, with the balance of the county adding eight establishments over the same period.

8. Percent change in number of establishments in Grand Rapids, Itasca County, and Minnesota since 2000



Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Percent change in establishments is computed from annual averages and includes both private (including nonprofit) and government jobs.

Establishment losses between 2000 and 2015 were spread across 10 of 15 major sectors, tempered by gains in five. Retail trade posted the largest net loss, 44 establishments, while health care gained the most, 28 (Figure 9).

9. Number of establishments by industry in Itasca County, 2000 & 2015

Industry	2000	2015	Net change in establishments, 2000-2015	
			#	%
Retail trade	224	180	-44	-20%
Health care	110	138	28	25%
Construction	153	133	-20	-13%
Leisure and hospitality	143	126	-17	-12%
Professional and business services	100	112	12	12%
Other services	103	97	-6	-6%
Financial activities	95	83	-12	-13%
Public administration	64	59	-5	-8%
Education services	41	45	4	10%
Transportation and warehousing	52	44	-8	-15%
Manufacturing	58	39	-19	-33%
Wholesale trade	41	32	-9	-22%
Natural resources and mining	38	31	-7	-18%
Information	16	19	3	19%
Utilities	10	12	2	20%
All industries	1,248	1,150	-98	-8%

Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016).

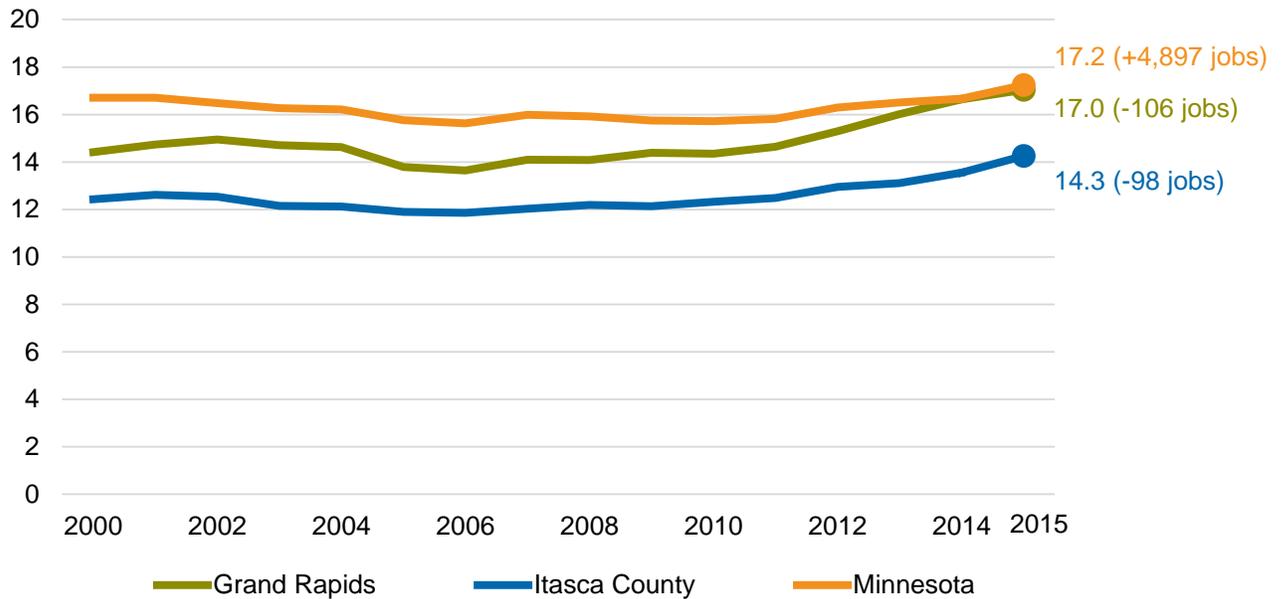
Quarterly Census of Employment and Wages (QCEW). Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Numeric establishment counts include both private (including nonprofit) and government establishments.

Growth in average size of establishments

Figure 10 shows that the average number of jobs per establishment in Itasca County increased from 12.4 in 2000, to 14.3 in 2015. Average employment per establishment has moved in the same direction statewide, but the ratio has grown more dramatically in Itasca County.

10. Average number of employees per establishment in Grand Rapids, Itasca County, and Minnesota, 2000-2015



Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Average jobs per establishment is calculated by dividing the total count of establishments by the total count of jobs. Job and establishment counts include both private and government jobs and establishments.

Compared to 15 years ago, there is a greater degree of consolidation of employment across establishments. There are a number of potential explanations for this increase. Larger establishments, especially in growth industries, may be increasingly developing a foothold in the Itasca area economy. There could be a decline in smaller establishments or small business in the area. Some established business could have grown over time. All told, it may be the case that Itasca County jobseekers now face a job market more heavily influenced by larger establishments' hiring practices and requirements.

The trend toward a greater number of jobs per establishment varies by industry. Growth industries like health care and construction have seen their average number of jobs per establishment rise, as shown in Figure 11. The manufacturing and utilities sectors, on the other hand, have seen their job numbers decline more quickly than the number of

establishments, and manufacturing establishments are, on average, smaller now than they were 15 years ago.

11. Average jobs per establishment by industry in Itasca County, 2000 & 2015

Industry	2000	2015	Change in average jobs per establishment, 2000-2015
Construction	5.4	8.9	3.5
Education services	30.3	30.6	0.2
Financial activities	4.3	5.5	1.3
Health care	19.9	24.1	4.1
Information	8.8	7.5	-1.3
Leisure and hospitality	11.1	13.6	2.5
Manufacturing	30.0	25.6	-4.4
Natural resources and mining	19.5	30.5	11.0
Other services	7.4	6.5	-0.9
Professional and business services	12.1	8.9	-3.2
Public administration	19.2	22.2	2.9
Retail trade	9.9	12.2	2.3
Transportation and warehousing	8.2	8.4	0.2
Utilities	40.0	35.2	-4.8
Wholesale trade	9.4	9.8	0.4
All industries	12.4	14.2	1.8

Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Average jobs per establishment is calculated by dividing the total count of establishments by the total count of jobs within each industry. Job and establishment counts include both private and government jobs and establishments.

Regional job growth expected to continue in health fields

Regionally, employment in the Northeast is expected to grow by 4 percent through 2022, or a net gain of 5,340 jobs. Industry projections for the region, shown in Figure 12, suggest that the vast majority of employment growth in the next decade will come from jobs in the health care industry. Several industries are projected to lose jobs, including: information, manufacturing, other services, transportation and warehousing, utilities, wholesale trade, and government.

12. Projected employment by industry in the Northeast Minnesota Workforce Service Area, 2012-2022

Industry	Estimated employment, 2012	Projected employment, 2022	Projected change in employment, 2012-2022
Health care	29,730	34,620	4,890
Construction	5,630	6,390	760
Professional and business services	8,250	8,890	640
Natural resources and mining	6,160	6,560	400
Leisure and hospitality	17,360	17,670	310
Retail trade	17,400	17,590	190
Financial activities	6,080	6,160	80
Education services	2,130	2,150	20
Other services	6,450	6,340	-110
Wholesale trade	3,400	3,280	-120
Utilities	1,540	1,340	-200
Transportation and warehousing	3,520	3,310	-210
Information	1,670	1,390	-280
Manufacturing	9,110	8,830	-280
Government	27,750	26,690	-760
All industries	145,860	151,200	5,340

Source. Minnesota Department of Employment and Economic Development. (2016). *Employment Outlook*. Retrieved from <https://mn.gov/deed/data/data-tools/employment-outlook/>

Note. The Northeast Minnesota Workforce Service Area includes Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis counties.

Figure 13 shows 14 occupations projected to grow by more than 100 new jobs in the Northeast region through 2022. The top four occupations expected to add the most jobs – personal care aides, home health aides, registered nurses, and nursing assistants – all relate to health care, and combined are expected to add nearly 2,300 new jobs. Other health-related occupations expected to drive employment growth include licensed practical and licensed vocational nurses, and medical secretaries.

Beyond health care, occupations expected to see the most growth in Northeastern Minnesota are in relatively lower-skilled jobs including housekeeping, retail sales, food preparation and serving, and janitorial services. The region is also projected to see gains in some skilled trades, including carpentry and industrial machinery mechanics.

13. Occupations projected to add the greatest number of jobs in the Northeast Minnesota Workforce Service Area through 2022

Occupation	Estimated employment, 2012	Projected employment, 2022	Projected net change in employment, 2012-2022	
			#	%
Personal care aides	2,780	3,500	720	26%
Home health aides	3,200	3,890	700	22%
Registered nurses	4,230	4,810	580	14%
Nursing assistants	2,320	2,610	300	13%
Childcare workers	1,940	2,190	250	13%
Maids and housekeeping cleaners	2,680	2,910	230	9%
Social and human service assistants	2,290	2,510	230	10%
Carpenters	1,180	1,400	220	19%
Licensed practical and licensed vocational nurses	1,350	1,550	200	15%
Retail salespersons	4,390	4,560	170	4%
Combined food preparation and serving workers	3,370	3,520	150	4%
Industrial machinery mechanics	880	1,010	130	15%
Janitors and cleaners, except maids and housekeeping cleaners	2,550	2,660	110	4%
Medical secretaries	560	660	100	18%

Source. Minnesota Department of Employment and Economic Development. (2016). *Employment Outlook*. Retrieved from <http://mn.gov/deed/data/data-tools/employment-outlook/>

Note. Total change is the difference in the number of jobs between the base and projected years. A positive number means employment is growing due to the creation of new jobs. Occupations expected to add at least 100 jobs through 2022 are included in this table.

Employment in Itasca County, some conclusions

Over the last 15 years, incremental shifts from a production-based economy towards a service-based economy have had far-reaching implications for Itasca County's labor market. Employment has grown by 6 percent in the county in the last 15 years, keeping pace with statewide figures. The character of these new jobs differs from those that used to dominate Itasca County, including mining and manufacturing. Job growth has principally taken place in the health care and construction industries, which together compose more than two-thirds of the 2,100 new jobs countywide since 2000.

Concurrent with the changing type of employment in the county, subtle changes in the number and size of establishments in Itasca have also taken place. Itasca County employment has grown while the number of establishments has contracted, resulting in a larger average number of jobs per establishment. Larger establishments may have different hiring practices and requirements than smaller businesses.

Changes to Itasca County's employment mix over the last 15 years are expected to continue into the next decade. Occupations estimated to add the most jobs through 2022 are overwhelmingly in health care and low-skilled service fields, while sectors such as manufacturing, transportation and warehousing, and utilities are expected to see sustained losses. These projections have obvious implications for workforce training opportunities in the county.

Wages in Itasca County

For most families, and especially for middle-class families, the majority of a household's total income comes from wages and salary (Mischel, Bivens, Gould, & Shierholz, 2012). As a result, wage trends are particularly important for understanding Itasca County workers' ability to make ends meet.

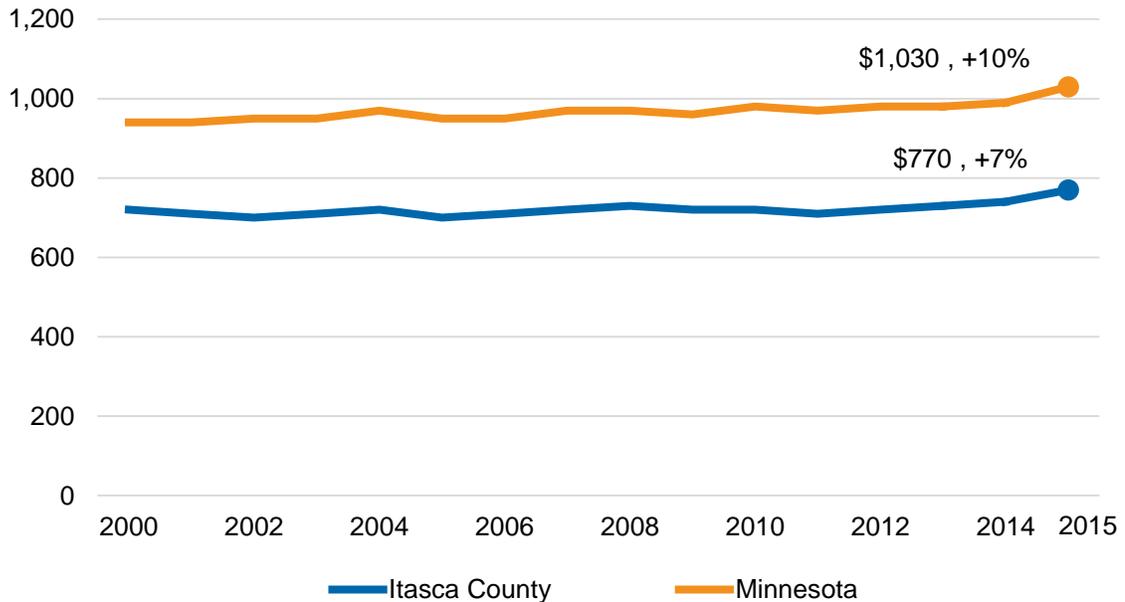
In this chapter, we examine wage trends, and integrate the voices of Itasca County residents who are facing employment challenges. Findings suggest that:

- Wage growth has been moderate in Itasca County. Between 2000 and 2015, average wages have grown by 7 percent, or about \$50 more per week after controlling for inflation, per worker.
- Many jobs in Itasca County do not pay a wage capable of supporting a family's basic needs. More than half of all jobs pay an average wage sufficient to support a household without children, but fewer jobs pay a wage that would support a family with children.
- Sixty percent of the residents we interviewed, all of whom were facing employment challenges, felt that there were not jobs available to them in the Itasca area that could pay a family-sustaining wage.
- Education is the investment most commonly mentioned by Itasca County resident interview respondents that could help them secure a family-sustaining job.

Itasca County wage growth lags behind statewide growth

There has been moderate wage growth in Itasca County over the last 15 years. In 2015 inflation-controlled dollars, workers' average weekly wage increased from \$720 in 2000 to \$770 in 2015, representing 7 percent overall growth during the last 15 years or about \$50 more per week. Figure 14 shows that this lags behind statewide growth in wages, at 10 percent overall. Average weekly wages in Grand Rapids heavily resembled those in Itasca County – they grew 6 percent between 2000 and 2015, from \$727 to \$773.

14. Wages and wage growth in Itasca County and Minnesota, 2000-2015



Source. Wilder Research Analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>
Note. Average weekly wages includes both private and government jobs.

Moderate growth in both employment and wages are positive signs for Itasca County’s economy. But Figure 15 shows that employment and wage growth have not necessarily gone hand in hand for all types of business ownerships in Itasca County.

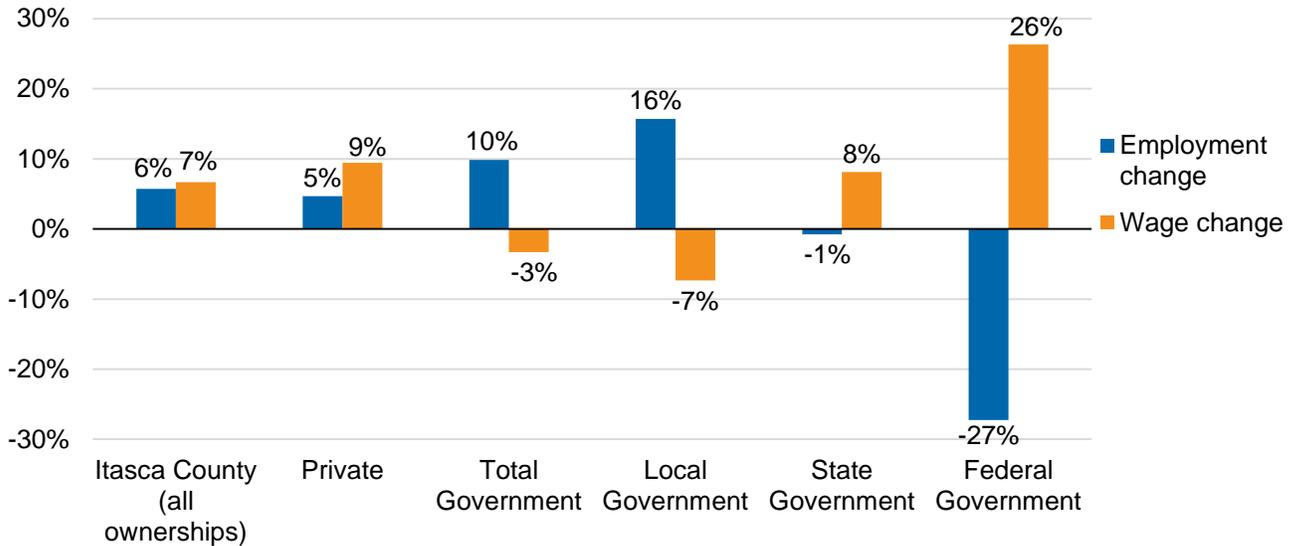
In the private sector, jobs have grown by 5 percent since 2000 and wages have increased 9 percent. Roughly speaking, this translates into an additional \$70 in gross pay per week per private-sector worker compared to 2000.

Employment and wages have diverged in all three government sectors since 2000. Local government employment increased 16 percent between 2000 and 2015, representing nearly 400 new jobs. The largest local government employment gains were in educational services, health care, and public administration. But average weekly wages in local government dropped from \$790 per week in 2000 to \$730 per week in 2015, a 7 percent decline. Conversely, employment is down by about 60 jobs in federal government, while average weekly wages are up to \$1,095 per week from \$870 per week.

These divergent trends in government could be indicative of how demographic shifts in age are influencing employment and wages in the region. Employment gains and wage decline in local government, and especially in education and health care, may reflect a younger and less experienced cohort of workers entering those fields. Employment

decline and wage growth in federal government could signal that experienced workers are remaining in their jobs.

15. Percent change in jobs and average weekly wages in Itasca County by ownership, 2000-2015



Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Quarterly Census of Employment and Wages (QCEW)*. Retrieved from <https://mn.gov/deed/data/data-tools/qcew/>

Note. Percent change in jobs and wages reflects differences between annual averages. Change in wages reflects difference in 2015-adjusted average weekly wage.

Residents facing employment challenges struggle to make ends meet

Another way to understand Itasca County’s wage structure is to examine the share of workers earning a family-supporting wage, or a wage sufficient to cover basic family expenses, including costs associated with food, child care, medical care, housing, transportation, other necessities, and taxes.

This study included interviews with 48 Itasca County residents facing employment challenges. A majority of these respondents reported difficulty paying for basic needs like food and housing, and many reported having to pick one or the other on their limited budget. Figure 16 shows that 30 percent of respondents reported earning only enough money to cover food or housing but not both, and another 40 percent said they could not cover either with their income. Only 30 percent of residents interviewed reported earning enough to cover both expenses.

16. Resident respondents' ability to meet basic needs expenses

During the last month, did you have enough income...	Percent	Count (N=47)
To cover both food and housing expenses?	30%	14
To cover food or housing expenses (only one)?	30%	14
To cover neither food nor housing expenses?	40%	19

Source. Wilder Research interviews with Itasca County residents who were facing or had recently faced employment challenges.

Notably, the residents we interviewed who were working were *less* likely to be able to afford food and housing than non-working respondents. Forty-eight percent of residents who were working at the time of the interview were able to afford neither food nor housing expenses, compared to 28 percent of those who were not working.

Being on the cusp of self-sustainability was echoed in respondents' comments. Even families who are earning well above minimum wage found it difficult to make ends meet.

Even my mother works at a nursing home and doesn't make enough for rent and still struggles. She makes \$14 an hour and has a good job but still needs assistance from the government. I don't know what kinds of jobs pay a living wage. – Resident

The high proportion of working respondents unable to afford basic needs suggests relatively low income, or unpredictable income, among those who have faced employment struggles. This is echoed in existing data sources, which suggest that many Itasca County jobs do not pay a family-sustaining wage.

Many Itasca County jobs do not pay a family-sustaining wage

Figure 17 outlines wages estimated to support a basic needs budget for different household types in Itasca County, which range from a low of \$8.34 per hour for a family of two full-time working adults with no children, to a high of \$31.68 per hour for a single parent working full time with four children. In general, family-sustaining wage estimates tend to be lower for workers without children and for dual-earner families, where expenses can be shared with another working adult.

17. Family-supporting hourly wage estimates in Itasca County, 2015

Household type and number of workers	Family-supporting hourly wage estimate	Share of jobs with average wage at or above estimate
Households with children		
1 adult, 1 child (1 full-time)	\$20.20	41%
1 adult, 2 children (1 full-time)	\$27.74	28%
1 adult, 3 children (1 full-time)	\$29.90	22%
1 adult, 4 children (1 full-time)	\$31.68	19%
2 adults, 1 child (1 full-time)	\$20.69	40%
2 adults, 2 children (1 full-time)	\$23.16	35%
2 adults, 3 children (1 full-time)	\$25.61	32%
2 adults, 4 children (1 full-time)	\$28.32	27%
2 adults, 1 child (2 full-time)	\$12.42	69%
2 adults, 2 children (2 full-time)	\$15.18	57%
2 adults, 3 children (2 full-time)	\$16.32	53%
2 adults, 4 children (2 full-time)	\$17.42	48%
Households without children		
1 adult (1 full-time)	\$9.74	87%
2 adults (1 full-time)	\$16.42	51%
2 adults (2 full-time)	\$8.34	100%

Sources. Wilder Research analysis of Glasmeier, A. K. (2016). *Living Wage Calculator*. Retrieved from <http://livingwage.mit.edu/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Cost of Living in Minnesota*. Retrieved from <http://mn.gov/deed/data/data-tools/col/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Occupation Employment Statistics*. Retrieved from <http://mn.gov/deed/data/data-tools/oes/>
 Note. Family-supporting wage estimates were assembled from two sources. When wage estimates differed, the lesser of the two estimates was used in this analysis. Share of jobs paying a family-sustaining wage is based on median hourly wages reported in Occupation Employment Statistics data. Percentages represent the share of jobs paying, on average, a family-sustaining wage.

When we compare the wages actually paid in Itasca County to the various thresholds associated with “family sustaining,” it becomes obvious that the availability of family sustaining jobs varies greatly depending on what type of family you are in. A family comprised of two wage earners and no kids needs two full-time jobs paying at least \$8.34 per hour each. All jobs in Itasca County pay average wages exceeding that amount. On the other hand, only 19 percent of Itasca County jobs have average wages that meet or exceed the \$31.68 per hour wage needed to sustain a single wage-earning adult supporting four children.

In Itasca County, at least half of jobs pay an average wage that supports working households without children. At most, about two-thirds of jobs pay an average wage that supports working households with children. Figure 17 shows that it is increasingly difficult to obtain a job that pays a family-sustaining wage when more children are present, or when fewer adults are working to support the family.

The majority of working households in Itasca County are childless, as shown in Figure 18. A single earner without children is the most common household type, making up 38 percent of all working households in Itasca County. Altogether, 29 percent of working households in Itasca County are supporting at least one child.

18. Working households by type and number of workers in Itasca County, 2010-2014

Household type and number of workers	Estimated share of households
Working households with child(ren)	29%
1 adult with child(ren) (1 employed)	8%
2 adults with child(ren) (1 employed)	5%
2 adults with child(ren) (2 employed)	16%
Working households without child(ren)	72%
1 adult (1 employed)	38%
2 adults (1 employed)	14%
2 adults (2 employed)	20%

Sources. Wilder Research analysis of U.S. Census Bureau data. (2010-2014). *American Community Survey*. Retrieved from <https://factfinder.census.gov/>

Note. Percentages sum to greater than 100 percent due to rounding. Households without workers were excluded from percentage calculations above. An estimated 4,100 households, or 23 percent of all households in Itasca County, have no members who worked in the previous 12 months. These households often include one or more adults who are age 65 or older.

Workers in lower-skill service occupations have difficulty earning a family-sustaining wage

Figure 19 lists 22 jobs in Itasca County with a median hourly wage below \$9.74 per hour, the estimated family-sustaining wage for a single person working full time. The list includes cashiers (\$9.15), maids and housekeeping cleaners (\$9.42), desk clerks at hotels, motels, and resorts (\$9.51), and numerous occupations in the food services, among others. Thirteen percent of jobs in the county are in one of these occupations, most of which are in low-skill services.

19. Northeast Minnesota Workforce Service Area jobs with median wage below a family-sustaining wage for a single full-time worker, 2015

Occupation	Estimated regional employment	Percent of region's total jobs	Median hourly wage
Cashiers	4,160	3%	\$9.15
Combined food preparation and serving workers, including fast food	3,550	2%	\$9.03
Waiters and waitresses	2,790	2%	\$8.90
Maids and housekeeping cleaners	1,670	1%	\$9.42
Bartenders	1,420	1%	\$8.96
Hotel, motel, and resort desk clerks	720	1%	\$9.51
Hosts and hostesses, restaurant, lounge, and coffee shop	550	<1%	\$8.88
Dishwashers	510	<1%	\$9.12
Counter attendants, cafeteria, food concession, and coffee shop	470	<1%	\$8.90
Amusement and recreation attendants	460	<1%	\$8.97
Driver/Sales workers	420	<1%	\$9.27
Counter and rental clerks	370	<1%	\$9.34

Sources. Wilder Research analysis of Glasmeier, Amy K. (2016). *Living Wage Calculator*. Retrieved from <http://livingwage.mit.edu/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Cost of Living in Minnesota*. Retrieved from <http://mn.gov/deed/data/data-tools/col/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Occupation Employment Statistics*. Retrieved from <http://mn.gov/deed/data/data-tools/oes/>
 Note. Jobs listed in this table pay, on average, less than a family-sustaining wage for a single, full-time employed adult (i.e., \$9.74/hour). A value of "N/A" indicates that the estimate was suppressed by the data source. For large employers, Minnesota's minimum wage was \$8.00/hour as of August 1, 2014, \$9.00/hour as of August 1, 2015, and \$9.50/hour as of August 1, 2016. Minimum wage rates for small employers and workers under a training, youth, or J-1 visa rate were \$6.50/hour as of August 1, 2014, \$7.25/hour as of August 1, 2015, and \$7.75/hour as of August 1, 2016.

19. Northeast Minnesota Workforce Service Area jobs with median wage below a family-sustaining wage for a single full-time worker, 2015

Occupation	Estimated regional employment	Percent of region's total jobs	Median hourly wage
Dining room and cafeteria attendants and bartender helpers	280	<1%	\$9.10
Telemarketers	190	<1%	\$9.67
Nonfarm animal caretakers	120	<1%	\$9.18
Gaming dealers	110	<1%	\$9.00
Parking lot attendants	100	<1%	\$9.63
Library assistants, clerical	50	<1%	\$9.33
Baggage porters and bellhops	40	<1%	\$9.31
Camera operators, television, video, and motion picture	30	<1%	\$9.15
All other food processing workers	30	<1%	\$9.40
Cooks, fast food	N/A	<1%	\$8.93

Sources. Wilder Research analysis of Glasmeier, Amy K. (2016). *Living Wage Calculator*. Retrieved from <http://livingwage.mit.edu/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Cost of Living in Minnesota*. Retrieved from <http://mn.gov/deed/data/data-tools/col/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Occupation Employment Statistics*. Retrieved from <http://mn.gov/deed/data/data-tools/oes/>
 Note. Jobs listed in this table pay, on average, less than a family-sustaining wage for a single, full-time employed adult (i.e., \$9.74/hour). A value of "N/A" indicates that the estimate was suppressed by the data source. For large employers, Minnesota's minimum wage was \$8.00/hour as of August 1, 2014, \$9.00/hour as of August 1, 2015, and \$9.50/hour as of August 1, 2016. Minimum wage rates for small employers and workers under a training, youth, or J-1 visa rate were \$6.50/hour as of August 1, 2014, \$7.25/hour as of August 1, 2015, and \$7.75/hour as of August 1, 2016.

Projecting forward, Figure 20 shows 14 occupations expected to add the greatest number of jobs between 2012 and 2022. Most of these jobs pay a median wage in 2015 that would support a single, full-time worker in Itasca County, but only half pay a family-sustaining wage for households with children. Many of the family-sustaining jobs listed are in health care, in general, and nursing, in particular.

Two occupations listed in Figure 20 pay less than a family-sustaining wage for a single individual: maids and housekeeping cleaners, and combined food preparation and serving workers. Occasionally, workers in these occupations have the opportunity to earn tips for

their work, which may supplement hourly wages and bolster total take-home pay.¹ But, in general, these occupations often tend to offer low wages, sporadic hours, and few benefits.

An additional five higher-growth occupations pay less than a family-sustaining wage for workers with children: personal care aides, home health aides, childcare workers, retail salespersons, and janitors and cleaners. Nearly 2,000 new jobs are expected to be created in these five occupations through 2022. While a few of these jobs may offer greater stability, more predictable hours, and benefits, career advancement beyond these occupations often requires investments in higher education.

By way of example, the two occupations projected to add most jobs over the next decade – personal care aides and home health aides – do not pay a family-sustaining wage for workers with children. Workers in these two occupations provide assistance with self-care and other daily living activities and tasks. Many of these functions serve as strong preparation for a career in nursing, but personal care and home health aides have few opportunities for advancement in health care without additional education or credentialing. Similarly, on-the-job experience acquired in childcare is not easily transferred to careers in teaching without investments in additional education and licensure.

¹ In Minnesota, employers of tipped employees may not use employee tips to offset the minimum wage. As of August 1, 2016, Minnesota's minimum wage rate was \$9.50 for large employers and \$7.75 for small employers or as a training, youth, or J-1 Visa rate (Minnesota Department of Labor & Industry, 2016).

20. Median wage for occupations projected to add the greatest number of jobs in the Northeast Minnesota Workforce Service Area through 2022

Occupation	Total change, 2012-2022	2015 median hourly wage	Family-sustaining wage for a single, full-time worker (\$9.74+)	Family-sustaining wage for a worker with 1+ children (\$12.42+)
Personal care aides	720	\$10.67	Yes	No
Home health aides	700	\$12.01	Yes	No
Registered nurses	580	\$28.47	Yes	Yes
Nursing assistants	300	\$13.08	Yes	Yes
Childcare workers	250	\$10.58	Yes	No
Maids and housekeeping cleaners	230	\$9.42	No	No
Social and human service assistants	230	\$14.28	Yes	Yes
Carpenters	220	\$22.66	Yes	Yes
Licensed practical and licensed vocational nurses	200	\$18.78	Yes	Yes
Retail salespersons	170	\$10.09	Yes	No
Combined food preparation and serving workers	150	\$9.03	No	No
Industrial machinery mechanics	130	\$31.01	Yes	Yes
Janitors and cleaners, except maids and housekeeping cleaners	110	\$11.36	Yes	No
Medical secretaries	100	\$17.15	Yes	Yes

Sources. Wilder Research analysis of Glasmeier, Amy K. (2016). *Living Wage Calculator*. Retrieved from <http://livingwage.mit.edu/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Cost of Living in Minnesota*. Retrieved from <http://mn.gov/deed/data/data-tools/col/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Employment Outlook*. Retrieved from <http://mn.gov/deed/data/data-tools/employment-outlook/>; Wilder Research analysis of Minnesota Department of Employment and Economic Development. (2016). *Occupation Employment Statistics*. Retrieved from <http://mn.gov/deed/data/data-tools/oes/>

Majority of resident respondents believe jobs paying a family-sustaining wage are not available

Complementing the quantitative data above, only 25 percent of residents interviewed for this study felt the Itasca County jobs available to them pay a wage that meets basic family expenses (Figure 21). To provide resident respondents a definition for “family-sustaining wage,” the interview asked about “a wage that would allow families to afford all of their basic expenses, like transportation, housing, medical costs, and child care, without public assistance.”²

Many resident respondents felt that investments in their credentials and skills could improve their chances of securing a family-sustaining wage job. Education was most commonly cited as something that could help respondents get a job that pays a family-sustaining wage. Closely related, 11 percent of respondents mentioned the need for more skills or training and 4 percent noted needing more on-the-job experience.

21. Itasca County resident respondents’ assessment of the availability of and strategies for securing a family-sustaining job

In general, do you think the Itasca area jobs available to you – that is, those that are open, and that you are qualified for – pay a living wage? (Fixed response options)	Percent of respondents	Count (N=48)
Yes	25%	12
No	60%	29
Not sure	15%	7
What could help you get a living wage job? (Open-ended responses, grouped by theme)		
Education	36%	17
Skills/training	11%	5
Higher wages/increase minimum wage	11%	5
Job resources (networking, know what’s available, etc.)	11%	5
Help with criminal record	9%	4
Money to help with student loans or bills while in school, or money for school	9%	4
Transportation	9%	4

Source. Wilder Research interviews with Itasca County residents who were facing or had recently faced employment challenges. Note. Respondents could list multiple strategies to help them secure a living wage job, so percentages do not equal 100 percent. “Other” responses include those only noted by one respondent: starting a business; finding child care; educating employers and service providers on better ways to work with Native American clients and conducting more employment research; securing a government job that does not require a degree, only a test; having flexible hours and the ability to accommodate family emergencies.

² The term “living wage” was used in place of “family-sustaining wage” during the interview. The definition given to respondents matches the definition for “family-sustaining wage” used in the report.

21. Itasca County resident respondents' assessment of the availability of and strategies for securing a family-sustaining job (continued)

What could help you get a living wage job? (Open-ended responses, grouped by theme) (continued)	Percent of respondents	Count (N=48)
Don't know	6%	3
Getting hired/being given a chance	6%	3
Help with physical/mental health problems/disabilities	6%	3
More hours/40 hours per week	4%	2
On-the-job experience	4%	2
Other	11%	5

Source. Wilder Research interviews with Itasca County residents who were facing or had recently faced employment challenges. Note. Respondents could list multiple strategies to help them secure a living wage job, so percentages do not equal 100 percent. "Other" responses include those only noted by one respondent: starting a business; finding child care; educating employers and service providers on better ways to work with Native American clients and conducting more employment research; securing a government job that does not require a degree, only a test; having flexible hours and the ability to accommodate family emergencies.

Respondents who sought additional education named a variety of barriers that prevented them from securing further schooling. Some had concerns about financing education and paying bills while in school. Other respondents felt trapped between low wages and student loan debt, fearing that if they returned to school they would not be able to pay their student loans, but if they did not return to school they would be stuck in a low-wage job indefinitely.

If I was able to go back to school, but I owe money back for my student loans. If I had money to pay my student loans, then I would be able to go back and finish. – Resident

I have a Bachelor's degree... but there's not jobs available in my field. Getting help with my student loans would help me earn a living wage. I don't mind working a low paying job if it meant that my loans would be forgiven. – Resident

Some respondents had already completed higher education, but were unable to find a job that matched their qualifications, and instead accepted work in fields requiring a high school or less-than-high school education – a four-year degree was not always the answer to employment challenges. Some respondents said their education alone was not enough to secure a job in their field; they described needing additional experience, training, or education to secure a job in their desired field.

Training for a work field I could do. I have a four-year degree, but I don't feel that is enough sometimes in what I would like to do right now. So anything that would get me training for a job would be good. – Resident

Of the employers interviewed for this study, none provided training or continuing education for current employees, even if the training was mandated for advancement. However, several employers reported being unable to find workers to fit certain positions (e.g., maintenance jobs, manufacturing work, etc.). For skilled work, such as maintenance, these job postings generally remain open and unfilled, or are outsourced to contractors. For work requiring fewer skills, employers report moving jobs to other areas or limiting plans for expansion.

Wages in Itasca County, some conclusions

Itasca County residents facing employment challenges struggle to meet basic needs, and many jobs in Itasca County do not pay a family-sustaining wage, particularly for families with children.

Looking to the future, Itasca County can expect job growth in some professions that pay good, family-sustaining wages. Health care positions, especially in nursing, are growing and paying wages that support working families with and without children. But job growth is also expected in low-wage and low-skilled service occupations in food, accommodations, and retail, as well as in health care occupations that do not pay family-sustaining wages for workers with children, such as personal care aides and home health aides. These tend to offer fewer benefits, irregular scheduling, and more limited opportunities for advancement. Under these employment conditions, families' ability to plan for and meet a basic needs budget can be uncertain.

Wages are only one marker of quality employment. The Itasca County workers we interviewed seek benefits such as consistent scheduling, health insurance, retirement contributions, and other forms of compensation (e.g., student loan reimbursement, education stipends) that may not directly contribute to their ability to support their basic needs. Some of these additional considerations are highlighted in the next chapter on workers' barriers to employment.

Work barriers in Itasca County

By and large, the preceding two chapters suggest that employment is available and growing in Itasca County, albeit in select industries and occupations. Wages have also grown moderately, but a notable share of occupations in the county do not pay wages that support a basic needs budget, especially for families with children.

This chapter turns its focus to specific characteristics of Itasca County residents and workers, and the ways that their characteristics and reported barriers impact their engagement in the labor market. It begins with an overview of recent trends in labor force participation and unemployment in Itasca County, followed by a discussion of residents' reported barriers to finding work or getting a better job. Findings in this chapter show that:

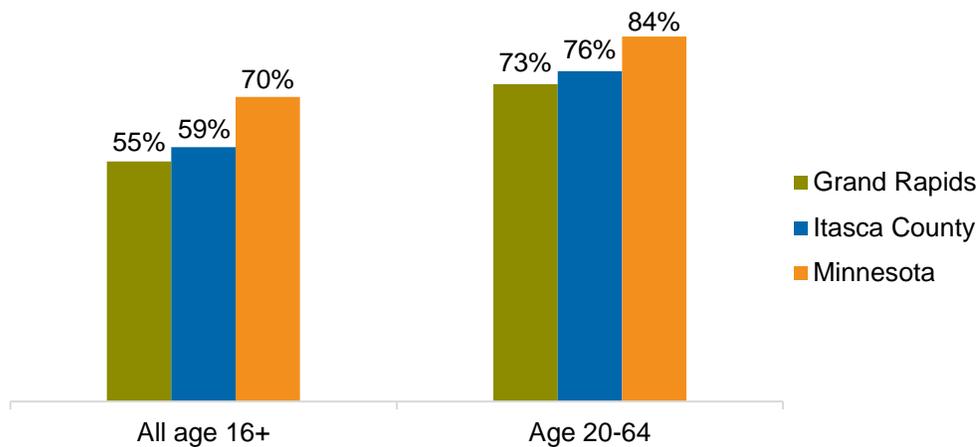
- The share of residents who are working or seeking work in Itasca County is considerably lower than the statewide labor force participation rate. There are notably low labor force participation rates among adults age 55 to 64, women, residents whose highest degree is a high school diploma, and adults with disabilities.
- Itasca County unemployment rates have ticked down every year since the recession, but remain stubbornly higher than statewide rates.
- On a range of key characteristics, Itasca County's unemployed workers are similar to unemployed workers statewide. But, women with young children appear to face particular challenges in securing employment in Itasca County, compared to mothers of young children statewide.
- Itasca County currently has fewer than two job seekers per job opening, which represents a return to the somewhat more favorable job market that existed in the county prior to the Great Recession.
- Itasca County residents facing employment challenges identify a wide range of barriers to employment, and these affect workers to varying degrees.

Labor force participation is lower in Itasca County

Labor force participation reflects the share of individuals who are actively working or seeking work in the labor market. The balance of individuals who are not in the labor force may include those who opt out of employment or who are retired, but also includes those who may have become so discouraged by job prospects that they are no longer actively seeking employment.

Grand Rapids and Itasca County are both home to lower than average labor force participation rates. Figure 22 shows labor force participation rates are 8 to 15 percentage points lower in both locations, compared to the statewide participation rate. This is not only because Itasca County is slightly older than the state, as a whole. Among workers in their prime working years, or age 20 to 64, labor force participation rates remain 8 to 11 percentage points lower in Grand Rapids and Itasca County than the statewide rate.

22. Labor force participation of residents in Grand Rapids, Itasca County, and Minnesota, 2010-2014



Source. Wilder Research Analysis of U.S. Census Bureau data. (2010-2014). *American Community Survey*. Retrieved from <http://factfinder.census.gov/>

Note. Labor force participation rates represent the share of all residents who are working (employed) or actively seeking work (unemployed). Employed individuals are civilians age 16+ who, during the reference week, did any work as a paid employee, worked in their own business or profession, worked on their own farm, worked 15 hours or more as an unpaid worker on a family farm or in a family business, or who had a job but were temporarily absent due to illness, bad weather, industry dispute, vacation, or other personal reasons. Unemployed individuals are civilians age 16+ who were not employed during the reference week, and (a) who were available to start a job and had actively looked for work in the previous four weeks, or (b) who were waiting to be called back to a job from which they had been laid off. Employment and unemployment rates are calculated from the total population in the labor force.

Differences between local and statewide labor force participation rates are statistically significant, and hold across nearly all sub-populations. Figure 23 shows that labor force participation rates in Grand Rapids and Itasca County are particularly low among:

- **Adults age 55 to 64:** Labor force participation among Grand Rapids and Itasca County residents who are age 55 to 64 is much lower than the statewide rate. This is an age cohort just edging up on traditional retirement age, and reasons for lower labor force participation among these residents could include, early retirement or migration to the county for retirement, the availability of a pension or retirement savings, being discouraged about job prospects, or injury or disability.

- **Women:** Labor force participation rates among both men and women are lower in Grand Rapids and Itasca County than the statewide rate. But the difference is notably wide for women – 13 percentage points – between Grand Rapids and statewide rates (68% and 81%, respectively). There may be complex and nuanced reasons for low labor force participation among women in Grand Rapids, many related to the quality and nature of jobs available (e.g., industry and occupation mix, full- or part-time availability, benefits). It is also possible that a greater share of women in Grand Rapids opt out of employment due to availability of jobs that support families on the wages of one earner.
- **Adults with a high school degree:** Among adults whose highest degree is a high school diploma, labor force participation rates are 10 to 20 percentage points lower in Grand Rapids and Itasca County than the statewide rate. Here again, the quality and nature of jobs available to residents may differ locally, contributing to lower labor force participation among specific sub-groups in Grand Rapids and Itasca County. Data from the Job Vacancy Survey, which collects information on the requirements of open jobs, seems to support this. Compared to job vacancies statewide, a greater share of open positions in the Northeast region require some postsecondary education (36% in Minnesota and 43% in the Northeast). Similarly, a greater share of vacancies require a certificate or license for employment (31% in Minnesota, compared to 44% in the Northeast).
- **Individuals with a disability:** Thirty percent of Grand Rapids residents and 42 percent of Itasca County residents with a disability are in the labor force. Both labor force participation rates are much lower than the statewide rate for adults with a disability, at 51 percent. One reason for lower rates locally may be a greater prevalence of specific types of disability among Itasca County’s working-age population. The county is home to a statistically greater share of adults who have cognitive, ambulatory, independent living, and hearing disabilities, compared to statewide rates of disability.

Overall Itasca County’s population is 92 percent non-Hispanic white, with American Indians composing the single largest population of color in the county, at 4 percent. Like the county as a whole, whites in Itasca County are significantly less likely to be engaged in the workforce than whites statewide. Beyond that, existing data sources do not have enough information about the region’s workforce of color to draw detailed conclusions about potential differences with the state’s workforce of color.

23. Labor force participation of residents in Grand Rapids, Itasca County, and Minnesota by demographic characteristics, 2010-2014

Overall labor force participation	Grand Rapids	Itasca County	Minnesota
16+ years*	55%	59%	70%
20-64 years*	73%	76%	84%
Age			
16-19 years	48%	51%	51%
20-24 years	75%	81%	82%
25-44 years*	77%	83%	88%
45-54 years	79%	84%	87%
55-64 years*	61%	58%	72%
65-74 years*	19%	17%	27%
75+ years	N/A	4%	6%
Sex (age 20-64 years)			
Male*	77%	79%	87%
Female*	68%	73%	81%
With own children under 6 years	76%	70%	77%
Race			
Of color**	N/A	60%	70%
White (non-Hispanic)*	56%	58%	70%
Educational attainment (age 25-64 years)			
Less than high school graduate	76%	64%	66%
High school graduate or equivalency*	59%	69%	79%
Some college or associate's degree*	76%	79%	85%
Bachelor's degree or higher*	85%	81%	89%
Poverty status			
Below poverty level	48%	54%	59%
Disability status			
With any disability*	30%	42%	51%

Source. Wilder Research analysis of U.S. Census Bureau data. (2010-2014). *American Community Survey*. Retrieved from <http://factfinder.census.gov/>

Note. Labor force participation rates represent the share of all residents who are working (employed) or actively seeking work (unemployed). A value of N/A indicates that a reliable estimate is not available due to a large margin of error.

* Statistically significant difference between Itasca County (and Grand Rapids) and the state of Minnesota.

** Too few residents of color are included in existing data sources to allow statistically firm conclusions about the difference in workforce participation rates of Itasca County as compared with the state as a whole.

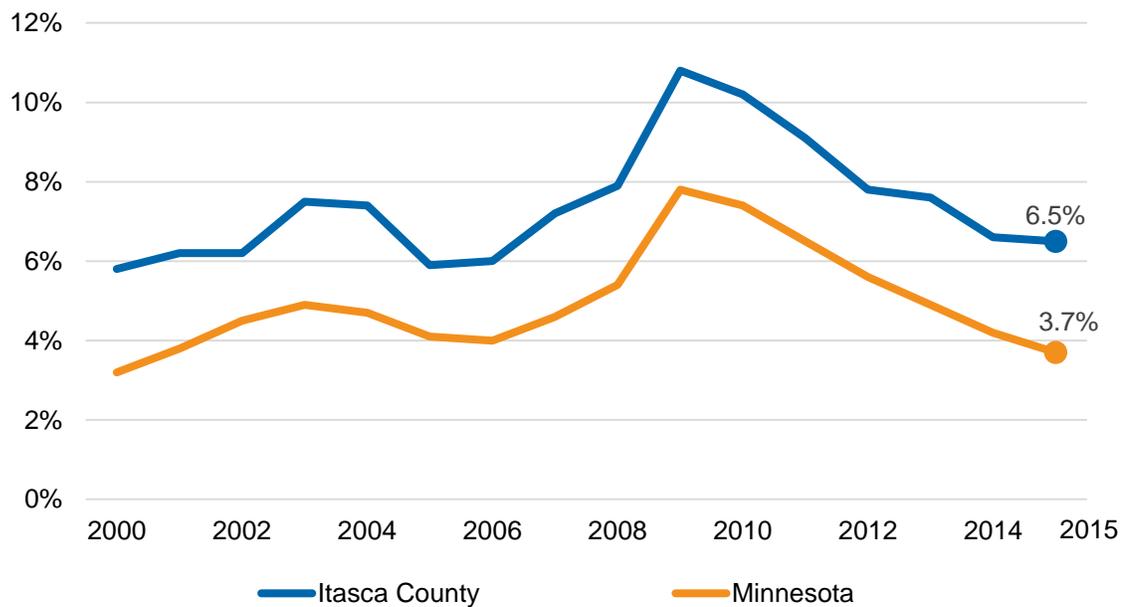
As noted, differences between local and statewide labor force participation rates are statistically significant across nearly all sub-populations. A few sub-groups have labor force participation rates that are statistically similar to the statewide rate, but labor force participation for these sub-groups is nearly always lower than overall labor force participation in the region. In other words, the barriers that prevent some of these sub-groups from being active in the labor market may be more universal barriers that apply to residents statewide. Such sub-groups include:

- **Youth and young adults:** Labor force participation rates for residents under age 25 are similar in Grand Rapids, Itasca County, and across the state. About half of teen residents work in all three locations. These rates are much lower than labor force participation rates for all workers, and are almost certainly due to youth and young adults' enrollment in school.
- **Women with young children:** Women with children under age 6 are equally likely to be in the labor force in Grand Rapids, Itasca County, and Minnesota, and this is one sub-group where rates of labor force participation are not statistically lower than among all adults age 20 to 64. This suggests that there may be relatively strong impetus for women with young children to be active in the labor market, both locally and statewide. It does not, however, speak to specific characteristics of working mothers' labor market experiences (e.g., employed or unemployed, part time or full time, working by choice or by necessity, etc.). These characteristics may differ by location and may mean that the character and quality of employment look different for working mothers locally and statewide. The topic of child care among families struggling with employment is further explored in the resident interview portion of this chapter.
- **Residents below poverty:** The official definition of poverty varies by household size: single adults making less than \$12,000 per year are considered to be in poverty, as are four-person families with incomes below \$25,000. Overall, Itasca County has a higher poverty rate than Minnesota (14.7% compared to 11.5%). However, when looking at labor force participation, about half of residents below poverty in Grand Rapids and Itasca County are in the labor force. This is statistically equivalent to the share of adults below poverty in the labor force statewide. Poverty may both influence the extent to which individuals are able to be active in the labor market (i.e., low or no income may hamper individuals' ability to search for and secure employment), and be influenced by the extent to which individuals are engaged in the labor market (i.e., poverty can be mitigated by the income derived from employment).
- **Individuals with less than a high school degree:** Labor force participation of residents with less than a high school degree are similar locally and statewide. This may speak to a similar availability of low-skill jobs in Grand Rapids, Itasca County, and across the state.

Unemployment in Itasca County remains well above statewide rate

The unemployment rate is an estimate of the share of persons who are active in the labor force but cannot find paid employment. In Itasca County, the unemployment rate has historically hovered two to three percentage points above the statewide rate, including in 2015 when unemployment stood at 6.5 percent in Itasca County (Figure 24).³ This raises questions about the availability of jobs as well as whether residents have the skills, training, and willingness to fill positions that are available.

24. Unemployment rate in Itasca County and Minnesota, 2000-2015



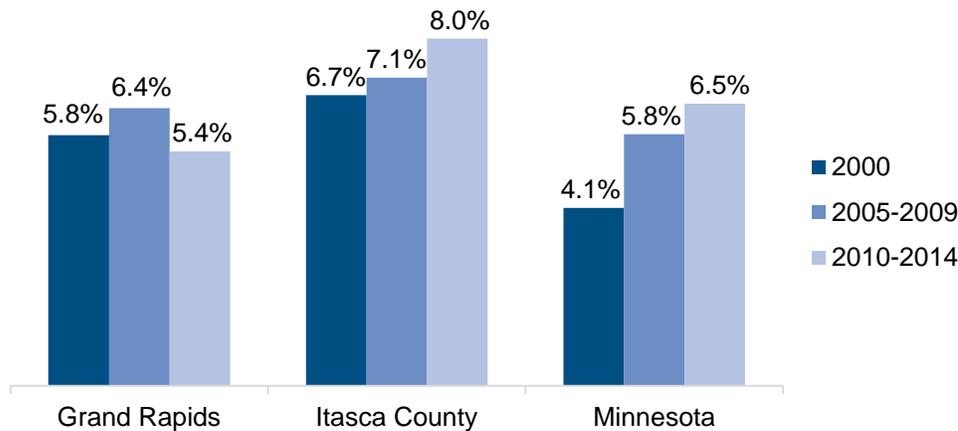
Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Local Area Unemployment Statistics*. Retrieved from <https://mn.gov/deed/data/data-tools/laus/>

Note. Unemployment rates represent annual averages. In July 2016, the Minnesota Department of Employment and Economic Development discovered an error in published unemployment rates for Grand Rapids that will not be revised until late 2016 or early 2017. As a result, unemployment rates for the city are not included in this figure. The corrected data will show that unemployment in Grand Rapids is much lower than previously thought.

³ As this report goes to print, July 2016 unemployment rates stand at 7.6 percent in Itasca County and 3.7 percent statewide. Please note that monthly unemployment rates are not directly comparable with the average annual rates displayed in Figure 24.

In the early and mid-2000s, unemployment in the city of Grand Rapids stood somewhere between unemployment in Itasca County and Minnesota, as shown in Figure 25. In more recent years, the city has seen its unemployment rate dip to a level that is statistically equivalent to the statewide unemployment rate.

25. Unemployment rates in Grand Rapids, Itasca County, and Minnesota, 2000-2014



Source. Wilder Research analysis of U.S. Census Bureau data. *Decennial Census* (2000) and *American Community Survey* (2005-2009 and 2010-2014). Retrieved from <http://factfinder.census.gov/>

Women with young children may face particular barriers to employment

Many characteristics of the unemployed are similar in Itasca County and across the state, as outlined in Figure 26. Throughout the state, youth and young adults have higher-than-average unemployment rates, and unemployment tends to decline for older age groups. We also see higher unemployment among adults below the poverty level, residents of color, residents with a disability, and adults with less than a high school degree.

But women with young children stand out as being more likely to be unemployed, compared to their counterparts statewide. Fifteen percent of women with young children are unemployed in Itasca County, compared to 6.4 percent statewide. As noted earlier, labor force participation rates among women with young children are similar locally and statewide. This means that Itasca County women with young children are as likely to be engaged in the labor market as other mothers statewide, but mothers of young children have pronounced difficulty finding employment in Itasca County. This may speak to a mismatch between the character of open positions in the county and the extent to which they accommodate the specific needs of working mothers with young children.

26. Unemployment rates of residents in Itasca County and Minnesota by demographic characteristics, 2010-2014

Overall unemployment rate	Itasca County	Minnesota
16+ years	8.0%	6.5%
20-64 years	7.8%	5.9%
Age		
16-19 years*	12.6%	18.7%
20-24 years	15.5%	10.2%
25-44 years*	8.5%	5.8%
45-54 years	7.5%	5.0%
55-64 years	3.8%	4.9%
65-74 years	7.7%	4.1%
75+ years	N/A	3.5%
Sex (age 20-64 years)		
Male	8.4%	6.5%
Female	7.1%	5.2%
With own children under 6 years	15.0%	6.4%
Race		
Of color**	18.3%	12.2%
White (non-Hispanic)*	7.4%	5.5%
Educational attainment (age 25-64 years)		
Less than high school graduate	17.0%	13.1%
High school graduate or equivalency	8.7%	7.3%
Some college or associate's degree	6.6%	5.6%
Bachelor's degree or higher	4.0%	3.1%
Poverty status		
Below poverty level	29.6%	24.1%
Disability status		
With any disability	16.5%	14.0%

Source. Wilder Research analysis of U.S. Census Bureau data. (2010-2014). *American Community Survey*. Retrieved from <http://factfinder.census.gov/>

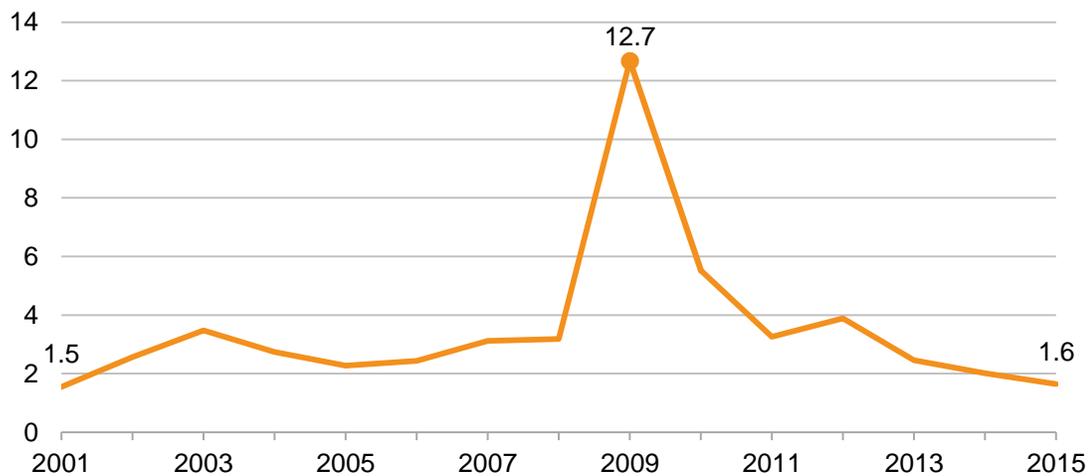
Note. Unemployment rates represent average unemployment over five-year time periods (i.e., 2010-2014). Unemployment is reported with one decimal point to align with the way that rates are widely reported in other public data sources and news coverage. A value of N/A indicates that a reliable estimate is not available due to a large margin of error.

* Statistically significant difference between Itasca County and the state of Minnesota.

** Too few residents of color are included in existing data sources to allow statistically firm conclusions about the difference in workforce participation rates of Itasca County as compared with the state as a whole. Job market is again more favorable to workers

The flip side to the unemployment rate is the job vacancy rate. Unless there is a growing mismatch between worker skills and the demands of the job market, there will be more vacancies as unemployment rates go down; employers will find it increasingly harder to fill their open positions. Indeed that is what happened in Minnesota – and to a lesser degree Itasca County – as the state has recovered from the Great Recession (December 2007 through June 2009)⁴. With the exception of the Great Recession, there have generally been an average of two to four jobseekers per vacancy in Itasca County since 2001 (Figure 27).

27. Jobseekers per vacancy in Itasca County, second quarter of 2001-2015



Source. Wilder Research analysis of Minnesota Department of Employment and Economic Development data. (2016). *Local Area Unemployment Statistics*. Retrieved from <https://mn.gov/deed/data/data-tools/laus/>; Minnesota Department of Employment and Economic Development. (2016). *Job Vacancy Survey*. Retrieved from <https://mn.gov/deed/data/data-tools/job-vacancy/>. Note. The jobseeker-to-vacancy ratio is calculated by dividing the total number of unemployed individuals by the total number of job vacancies, as calculated from a survey of employers. Total unemployed individuals represents an average count over the three months in the second quarter of each year. Total job vacancies represent the number of positions open for hire at the time of the survey, and are provided at the regional level. Here, Northeast region vacancies were allocated to Itasca County based on the share of total regional employment in Itasca County at the time of the survey.

If all vacant positions in Itasca County were filled by unemployed workers, Itasca County’s unemployment rate could be lower than statewide unemployment. Figure 28 shows that Itasca County unemployment stood at 6.2 percent in the second quarter of 2015, but could have been 2.4 percent if all vacant jobs were filled by unemployed workers.

⁴ “US Business Cycle Expansions and Contractions.” National Bureau of Economic Research. Viewed Sept. 1 2016. <http://www.nber.org/cycles.html>

28. Actual and estimated unemployment rates in Itasca County, second quarter of 2001-2015

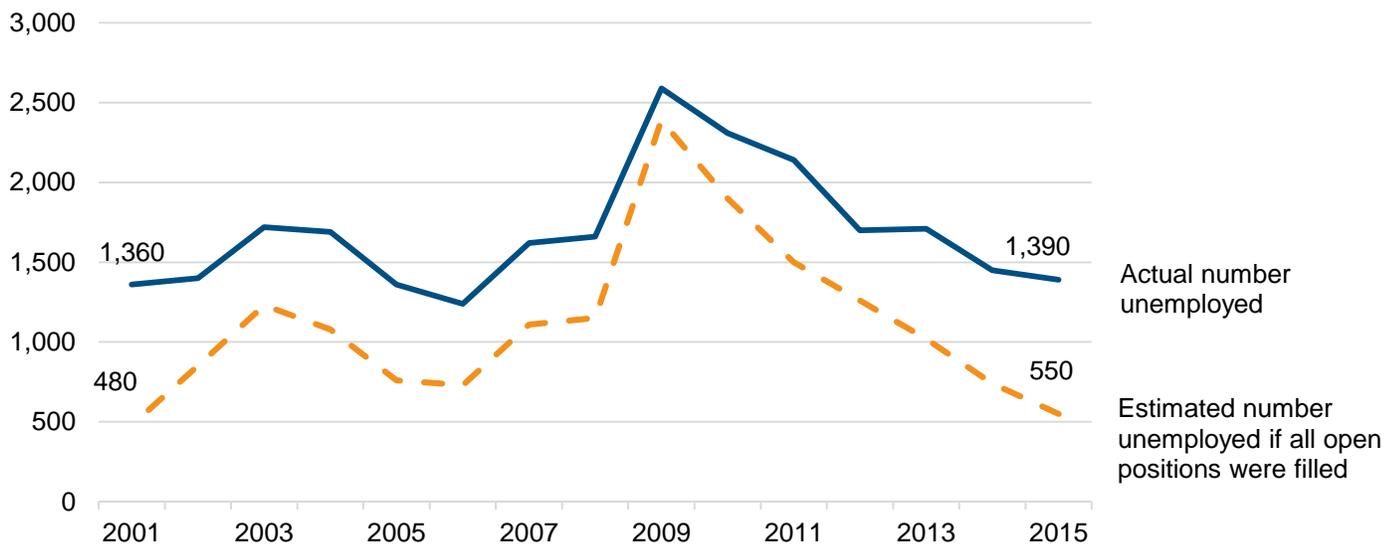
Year	Itasca County unemployment rate (actual)	Itasca County unemployment rate (estimated)	Minnesota unemployment rate (actual)
2001	6.0%	2.1%	3.6%
2002	6.1%	3.7%	4.6%
2003	7.6%	5.5%	4.8%
2004	7.5%	4.8%	4.6%
2005	6.0%	3.4%	4.0%
2006	5.6%	3.3%	3.7%
2007	7.2%	4.9%	4.4%
2008	7.5%	5.2%	5.1%
2009	11.3%	10.4%	7.9%
2010	10.2%	8.4%	7.3%
2011	9.4%	6.6%	6.6%
2012	7.6%	5.7%	5.5%
2013	7.7%	4.6%	5.0%
2014	6.6%	3.3%	4.1%
2015	6.2%	2.4%	3.6%

Source. Minnesota Department of Employment and Economic Development data. (2016). *Local Area Unemployment Statistics*. Retrieved from <https://mn.gov/deed/data/data-tools/laus/>; Minnesota Department of Employment and Economic Development. (2016). *Job Vacancy Survey*. Retrieved from <https://mn.gov/deed/data/data-tools/job-vacancy/>

Note. Actual unemployment rates represent average monthly unemployment in second quarter of each year. Estimated unemployment rate is a calculation of the average monthly unemployment rate in the second quarter of each year, if all vacant positions were filled by an unemployed individual. Unemployment is reported with one decimal point to align with the way that rates are widely reported in other public data sources and news coverage.

Put another way, the number of Itasca County residents who are unemployed could be less than half of where it stands. Figure 29 shows that, in the second quarter of 2015, nearly 1,400 Itasca County residents were unemployed. The balance, after filling open positions with unemployed workers, could be about 550 unemployed workers in the county. While useful for analytic purposes, this scenario is highly hypothetical, representing a situation where all openings are filled by an Itasca County resident with matching skills and experience.

29. Actual and estimated number unemployed in Itasca County, second quarter of 2001-2015



Source. Minnesota Department of Employment and Economic Development data. (2016). *Local Area Unemployment Statistics*. Retrieved from <https://mn.gov/deed/data/data-tools/laus/>; Minnesota Department of Employment and Economic Development. (2016). *Job Vacancy Survey*. Retrieved from <https://mn.gov/deed/data/data-tools/job-vacancy/>
 Note. Number unemployed represents average monthly unemployment in second quarter of each year.

Many Itasca County residents facing employment challenges are working or engaged in other productive activities

The process of matching jobseekers to open positions can be complex, and interviews with Itasca County residents who had faced difficulty in the job market suggest that there are a variety of barriers to finding and securing employment. Residents who were interviewed for this study brought a variety of backgrounds and experiences, but their employment goal was often the same: to find a job with consistent hours that pays a family-sustaining wage and that allows enough flexibility to accommodate family and health needs. They faced a variety of employment barriers, from lack of skills to mental health challenges.

Our sample of 48 interview respondents – all of whom were currently facing, or had recently faced, employment challenges – contained an even mix of residents who were working or not working at the time of the interview, as outlined in Figure 30. Among interview participants, 58 percent were working and the substantial majority of them – 71 percent – said their job matched their skills and experience.

30. Resident respondents' employment characteristics

	Percent	Count (N=45-48)
Not working	42%	20
Working	58%	28
Among those working (n=28; select all that apply)		
Working part time	68%	19
Working full time	18%	5
Earning money through an informal job	18%	5
Working a temporary or seasonal job	21%	6
Working multiple jobs	21%	6
Working at a job that fits skills and experience	71%	20
Asked of all (select all that apply)		
Currently seeking employment	42%	19
Currently working or seeking employment	89%	40
Attending school (college, GED, vocational)	17%	8

Note. Respondents were considered to be “working” if they reported any paid work at the time of the interview, whether the job was permanent, temporary/seasonal, or informal. An “informal job” was described to respondents as something like cutting wood, shoveling, etc. to earn extra money.

Of the residents interviewed, the proportion of residents working varied somewhat based on demographic characteristics. Among all resident respondents:

- Men were more often working (71%) than women (48%).
- People of color were more often working (69%) than those who were white (53%).
- Respondents age 40 or older were more often working (65%) than those age 20 through 39 (55%).
- Residents living in Grand Rapids were more likely to be working (64%) than those who lived elsewhere in Itasca County (42%).

Itasca residents report facing a variety of barriers to employment

The majority of resident respondents – 83 percent – reported facing at least one barrier at the time of the interview that made it difficult for them to find a job, or to find a better job. Figure 31 outlines these barriers. The most frequently cited barriers to finding a job or finding a better job were education or skills (42%) and transportation (29%). Only participants age 50 and older cited age as a barrier.

31. Resident respondents' barriers to employment

Open-ended responses, grouped by theme	Percent of respondents	Count (N=48)
Education or skills	42%	20
Transportation	29%	14
Child care	21%	10
Employment opportunities unavailable	19%	9
Criminal history (other than drug offenses)	17%	8
Mental health of respondent	15%	7
Age	13%	6
Children/family	10%	5
Physical health of respondent	10%	5
Jobs available do not pay enough/not full time	10%	5
Lack of resources needed to look for work	8%	4
Care for child with special needs	4%	2
Discrimination	4%	2
Other	17%	8
None	17%	8

Note. Respondents could list multiple barriers, so percentages do not equal 100 percent. Other themes mentioned by only one respondent included housing, job experience or history, and personal reasons. Drug offenses were identified as an item of interest by the stakeholder group, so “drug offenses” and “criminal history (other than drug offenses)” were coded separately; however, none of the 48 respondents reported drug offenses as an employment barrier, so the category is omitted from the table.

The top three employment barriers cited by interview respondents were education or skills (42%), transportation (29%), and child care (21%) – 63 percent of respondents identified at least one of these three as a barrier to employment. Residents, service providers, and employers spoke to all three of these barriers, and their feedback is summarized below.

When skills are adequate and transportation and child care needs are met, it may be easier for workers to maintain employment. At least one provider spoke to secure transportation and child care being predictors of success among her clients. When asked which clients were most successful, the provider said:

People with the fewest barriers. People with secure transportation – that stands right out as a clear difference, when you're not reliant on someone else [for transportation]. Most of the folks we work with are not that fortunate. Secure child care situation. When I'm working with someone who has four different people providing child care, [their employment] doesn't last very long. – Provider

Education or skills

Lack of education or skills was identified as a barrier to employment by 42 percent of respondents. This category encompasses two primary challenges: the desire to secure a specific certificate or degree (GED, college, etc.) through formal schooling, and the need for additional work experience or specific skills to obtain employment.

Resident respondents who were seeking an additional certificate or degree reported a variety of barriers to their goal, though several respondents were successfully enrolled in school or working toward their GED. Some were interested in returning to school, but faced financial barriers such as existing student loans or the fear of taking on new loans or debt. Others noted shorter-term barriers, such as being unable to afford testing for a Commercial Driver's License:

I still have to take a test for my [Commercial Driver's License]. My test costs \$200 dollars, which I don't have right now - that's a barrier. Soon when I get extra work and funding then I can take that test and be credentialed even more to get a better paying job. That can be money and education. – Resident

Area service providers spoke to a variety of local education and skill-building supports. Among them, vocational training providers include Minnesota Diversified Industries (MDI), which provides employment and employment supports for people with and without disabilities, and Northern Opportunity Works (NOW), which trains people with disabilities in a variety of career fields.

Itasca County has several programs geared toward strengthening the school-to-career pipeline in local public schools. For example, the area Chamber of Commerce partnered with local schools to distribute the Successful Worker Job Description, a checklist that describes attributes of high-quality workers, and support CEOs in the Classroom, where local business leaders present to groups of students about their workplaces. There are also programs for students, such as Teen Works, which coaches teenagers in MA-eligible households on job skills, including resume, interviewing, and networking.

Once young adults leave high school, training or re-training for those beyond the traditional college age (18-22) can be difficult. Maven Perspectives will be providing a new program, Pathways to Prosperity, which will target 18 to 30-year-olds without children to certify them for work in high-demand industries: the medical field, truck driving, construction, electric work, and plumbing.

Most professionals felt the area had a strong school system and school-to-career pipeline, but a few professionals felt the reach and impact of these initiatives is limited. Some programs, such as Teen Works, only have the resources to engage a small number of students, while teachers may not have the time or expertise needed to implement whole-school approaches. Some felt area schools should do more to support career readiness, while others felt schools should better support the trades in schools (e.g., by providing more industrial technology classes). However, more discussion related to skill-building and education is warranted.

Transportation

As in other rural areas, reliable transportation to and from work can be a challenge for under-resourced workers – 29 percent of resident respondents cited it as a barrier to employment. Often, workers who lose access to transportation lack savings or other financial resources, or they may not be aware of resources available to help them. One professional speculated that the cost of Itasca County rental housing could exacerbate these transportation challenges, citing that rental housing in Grand Rapids – where many jobs are located – is expensive relative to rental housing further from the city.⁵ Workers seeking affordable housing in rural areas of the county then become even more dependent on vehicles to keep their jobs.

Currently, Itasca County has two primary programs to address transportation barriers. The first is a bus service provided through Arrowhead Transit, which operates an inter-city bus and reduced-cost taxi services called Dial-A-Ride. The second is Rural Rides, a work-related transportation support program that provides eligible clients with bus tickets, temporary car pool/ride shares, temporary volunteer drivers or cab vouchers, and education on transportation-related services in the area.

Providers feel that these services, particularly Rural Rides, may be under-utilized due to lack of awareness. One resident, who identified transportation as their most serious barrier to employment, described the difficulty of scheduling work around the bus service, though the respondent does not speak to the potential for utilizing Dial-A-Ride or Rural Rides:

⁵ For more information on the housing market in Grand Rapids, see the Maxfield Research report: Comprehensive Housing Market Analysis for Grand Rapids, Minnesota, noted in the references.

Transportation is so difficult because getting a decent running vehicle and maintaining it is expensive. Also, there's public transportation, but it only runs at the morning and then 2pm, so, if you want a job, it would have to be a part-time job and you would need to leave in the morning and come home in the afternoon if you're going to use public transportation. – Provider

One provider added to this, noting that weather and young children can complicate bus service: “when it’s really hot or cold, it’s hard to be standing out half an hour with an infant, to get to child care and then a job.” A lack of funding for public transportation and Rural Rides could be another challenge – for example, Rural Rides relies on volunteer drivers to provide support.

Though Arrowhead Transit and Rural Rides provide necessary and helpful services, it may be unable to bridge the gap for some workers. Suggestions to improve the transportation infrastructure include expanding bus schedule hours to better accommodate low-wage workers (e.g., more nighttime hours), build a network of carpooling options in the community, encouraging employers to connect employees who may benefit from carpooling, and having options for low-cost or no-cost car repair.

Child care

Child care was identified as an employment barrier by 21 percent of respondents in the sample, and is a likely contributing factor to the high unemployment rate among Itasca County mothers with young children. Though their labor force participation rate is similar to the statewide level, unemployment among mothers with children under age 6 is 15.0 percent in Itasca County, compared to only 6.4 percent statewide.

According to one Itasca County child care professional, finding child care and transportation for children can be serious problems for parents. The respondent identified four primary challenges:

- The supply of child care in the area is limited, particularly with respect to infant and toddler care. Anecdotally, even child care providers have lost employees due to employees’ difficulties finding child care for their own children.
- Transportation to and from child care is a serious challenge for some families, and state funding to support child care transportation is limited. When transportation is a barrier for child care, it can also be a barrier to employment.

- Working-class parents may be unable to afford child care without financial support. Public child care subsidies are often restricted to families earning wages below the poverty line, and the availability of sliding-scale spots is limited. Some working-class parents may be “priced out” of employment; that is, it is more cost-effective for one or more parent to remain at home than to send their children to child care. This can impact future employment prospects for the family.
- The lack of consistent child care can be detrimental to both the child and working parent. When the child does not attend child care regularly due to lack of transportation or financial barriers, “... it’s not consistent and not good for the child. It’s not good for the person who’s trying to work, either, because more than likely things fall through the cracks, then they miss time at work, which leads to unemployment.”

A 2013 study by Wilder Research that surveyed rural Northeastern Minnesota residents and area child care providers found similar themes.⁶ Providers acknowledged limited availability – particularly for early morning or late night hours – and long waiting lists, especially for infant care. During the six months prior to the study, 20 percent of respondents said child care problems prevented them or their spouse/partner from accepting or keeping the kind of job they wanted, 31 percent changed shifts or schedules due to child care, and 6 percent quit a job or were fired due to child care.⁷

Interviews with Itasca County residents experiencing employment problems did not examine child care needs this closely; however, respondents did identify the need for more child care slots. Respondents also spoke to the specific need for child care that accommodates children with disabilities.

Local entities – including Blandin Foundation, United Way, Children’s First Finance, and others – have helped bridge gaps with private funding, allowing centers to provide more sliding-fee slots to accommodate households with incomes above the poverty line. The child care provider interviewed for this study still identified the need for additional space, staff, and funding to update and expand programming.

⁶ Note that this study focuses on rural areas of Northeastern Minnesota, not Itasca County – it excludes Grand Rapids and Duluth, and includes communities such as Hibbing, Virginia, and Eveleth. However, these figures can provide a sense of the issues that could be occurring in Itasca County. For more information, see the report *Child Care Needs in Northeastern Minnesota*, compiled by Wilder Research.

⁷ Data for the child care study were collected via two separate surveys: a representative survey of households, and an opt-in web survey. Percentages reported in the text are from the representative household survey. Opt-in respondents were somewhat more likely to have problems; among respondents or their spouses/partners, 25% were prevented from accepting or keeping a job they wanted, 48% changed shifts or schedules, and 7% quit a job or were fired.

Discrimination

Discrimination was highlighted as a challenge by two resident respondents, one who was discriminated against based on race, and one man who found it difficult to get an interview in a profession traditionally staffed by women. The former described that it was difficult for American Indians to find work:

It's a very classist area. It's cliquy as well. Hiring is done by who you know and not what you can contribute. It's not diverse. When you have people of color trying to get jobs and their unemployment rate is higher than anyone else. Most Natives can only get a job at the casino rather than in town. – Resident

Additional respondents described encountering workplace bias in response to other interview questions, but not necessarily as a current barrier to obtaining unemployment. These respondents identified discrimination in relation to race and disability. One resident spoke to his experience of tokenization at work:

It says something positive about an employer who has some diversity in their staff. A lot of places will be okay with one minority. I've had a few jobs where I was the only black guy and I felt like my input was not valued... I was tokenized as if I was a quota, but there really wasn't a quota. But like they would hire a person of color to keep you in front of the store, it's almost a form of charity rather than based on your skills and how you are an asset. – Resident

Respondents also made suggestions for addressing discrimination issues. One suggested that a professional membership association for people of color could help promote diversity in hiring:

I search for jobs and apply for them, but I hardly get any jobs. There should be a minority representative system that would promote minorities in the workforce, for blacks, Hispanics, Native Americans, and others. Work with the tribes in Itasca County. – Resident

Another resident believed workplace training could help employers better work with people with disabilities:

If you have a disability, having an employer understand and working with employees with their disabilities would be better. Employers need that training. – Resident

Barriers impede employment to varying degrees

In general, an increase in the degree to which residents faced employment barriers translated into a decrease in their likelihood of being employed. Respondents were divided into three primary groups based on the degree to which the barriers they face may impede employment or finding a better job. Respondents were assigned to groups based on the most severe barrier they identified.

Respondents with low-level barriers (n=8) include individuals who said they were not currently facing barriers to finding a new or better job, but may have other work-related challenges (e.g., not enough hours, few or no benefits) or lack the skills or resources needed to look for work (e.g., looking for help with resume writing, interviewing).

Respondents with mid-level barriers (n=21) are those whose challenges must be addressed over the long term or at a systems level, or whose challenges are based on personal characteristics. This includes those who face barriers of discrimination or age, or of a lack of job experience, work history, education or skills, transportation, or child care. Two respondents said their only barriers to employment were market-dependent – that they were unable to find employment opportunities, or said that the jobs available do not pay enough or provide enough hours – and they were also included in this group. Of note, only two residents had service-related barriers (e.g., lack of transportation or child care) without also mentioning barriers related to education or skills training. In other words, among this group of respondents, there was substantial overlap between lack of access to basic needs for work (e.g., transportation and child care) and lack of skills needed to work.

Respondents with high-level barriers (n=19) are those who face serious and persistent barriers to employment, including physical and mental health challenges, criminal history, or the need to care for a child with special needs. A greater percentage of this group identified child care as an employment barrier than the mid-level barrier group (37% vs. 14%), suggesting that, among this group of residents, lack of access to affordable child care may be correlated with other high-level barriers. Smaller shares of residents were working at higher barrier levels, as outlined in Figure 32.

32. Resident respondents' characteristics by level of employment barriers

	Low-level barrier group (n=8)	Mid-level barrier group (n=21)	High-level barrier group (n=19)
Not working	13%	43%	53%
Working	88%	57%	47%
Among those working (select all that apply)			
Working part time	71%	50%	89%
Working full time	14%	33%	0%
Earning money through an informal job	0%	33%	11%
Working a temporary or seasonal job	14%	25%	22%
Working multiple jobs	27%	25%	11%
Working at a job that fits skills and experience	100%	58%	75%
Asked of all (select all that apply)			
Currently seeking employment	13%	55%	41%
Currently working or seeking employment	88%	100%	76%
Attending school (college, GED, vocational)	0%	33%	5%
Age 20-39	38%	67%	74%
Age 40+	63%	33%	26%
Male	25%	62%	32%
Female	75%	38%	68%
White	88%	76%	63%
Of color	13%	24%	37%
Grand Rapids	88%	62%	84%
Elsewhere in Itasca County	13%	38%	16%

Other patterns emerged between residents' characteristics and level of employment barrier. At higher barrier levels, groups tended to have greater shares of young residents (age 20-39). The low-barrier group had a much smaller share of residents of color than the mid- or high-level barrier groups. This may suggest that young residents and residents of color face particular challenges to employment that are more difficult than other groups.

Residents in the mid-level barrier group were an interesting case, as several characteristics distinguished them from the other two barrier groups. These residents were less likely to live in Grand Rapids than residents in the low- or high-level barrier groups. Most respondents in the mid-level barrier group named education or skills as a barrier to employment or finding a better job (67%). This corresponded with residents in the mid-level barrier group most frequently attending school at the time of the interview (33%), compared to low- and high-level barrier groups (0% and 5%, respectively). Residents in the mid-level barrier group were also more likely to work full time and engage in informal work than residents in the low- or high-level barrier groups. Taken together, these results suggest that residents with mid-level barriers were more likely to invest in education, skill development, and gaining on-the-job experience as a longer-term solution to their employment challenges.

Residents interviewed believe education and training would help them secure employment

Respondents were asked what one or two things could be done to help them secure employment. Responses were grouped by theme, and are outlined in Figure 33. The most frequently cited response was additional education, training, or specific vocational training, which was identified by more than one-third of respondents (36%). Most respondents did not specify what kind of education or training they were seeking. Some mentioned training in higher-demand and higher-paid fields (e.g., welding or health care). Some were not sure what fields were in demand, or what type of work they would like to do.

Other respondents suggested bringing new jobs to the area or helping current businesses stay open (14%), receiving assistance with transportation (12%), having a greater availability of job search programs and training on job search skills (12%), and a variety of other subjects.

33. Resident responses to the question, “What one or two things could be done to improve your chance of obtaining work in Itasca County?”

Open-ended responses, grouped by themes	Percent of respondents	Count (N=47)
Education/training/vocational program	36%	15
More jobs/help businesses stay open/bring in new businesses	14%	6
Assistance with transportation (i.e. assistance with second vehicle)	12%	5
More job search programs/training on job search skills (interviewing, resume writing, etc.)	12%	5
Respondent could do more research on jobs/find additional resources/participate in job search programs	10%	4
Assistance with child care/more child care options	7%	3
Employers could overlook criminal history	7%	3
Increase the minimum wage/better paying jobs	7%	3
Increase my willpower/motivation/take initiative	7%	3
Relocation assistance/relocate outside of Itasca County	5%	2
Accommodations for people with disabilities/train employers to work with people with disabilities	5%	2
Improve benefits	5%	2
More full-time work/more hours	5%	2
Assistance with starting a business	5%	2
Other	10%	4

Note. Respondents could give multiple responses, so percentages do not equal 100 percent. “Other” responses include those only noted by one respondent: foster community discussions on diversity issues, employers hiring more young people/recent college graduates, increasing the number of area jobs, ensuring residents have medical needs met regardless of employment situation.

Responses did vary by barrier type. Education and training was the most common response among those with low- and mid-level barriers. However, this strategy fell in the middle of the list for those with high-level barriers, who said that increasing the number of jobs and helping businesses stay open was most important to them. Though not all of these suggestions are immediately actionable, they provide a good sense of needs among the community.

Barriers to employment, some conclusions

Findings in this chapter suggest there is a need to support workers with specific barriers to employment. This includes providing assistance, broadly speaking, to workers who want or require additional training, certification, or education. It also includes providing supports to working families with children and helping workers edging in on traditional retirement age remain in the labor force, if they desire. Transportation also emerged as a theme. In the absence of or in lieu of employment, the next chapter transitions to the types of supports that these and other workers turn to in order to make ends meet.

Worker supports in Itasca County

The two primary supports for jobseekers in Itasca County are public assistance benefits and employment service programs. Most residents interviewed for the study – who were identified as area residents experiencing employment challenges – had accessed both, and described how these benefits helped them meet their basic needs and move toward securing employment. Findings in this chapter suggest that:

- Public assistance helps workers weather common employment challenges, such as inconsistent hours. Most public assistance recipients that we interviewed fear losing benefits if they increase their income, particularly medical insurance and food assistance.
- Most resident respondents have worked with an employment program, and most found them helpful. Respondents with mid-level barriers – generally, barriers related to education, lack of access to child care or transportation, or personal characteristics – were least likely to find them “very helpful,” which suggests these programs may not respond as well to those needs.
- Residents struggling with employment challenges are familiar with services available to help them find employment, but those who have not attended employment programs are sometimes suspicious of their efficacy. These findings could be different with a larger sample, or a sample drawn from different sources.

Many residents report being wary of transition from public assistance to employment

Food Stamps/SNAP is the most frequently used government assistance program, as shown in Figure 34. Participation in Food Stamps/SNAP is significantly higher in Grand Rapids and Itasca County than the statewide rate. Twenty-one percent of households in Grand Rapids and 13 percent of households countywide receive Food Stamps/SNAP. It is a vital safety net for families with children, with 35 percent of Grand Rapids households with children and 26 percent of Itasca County households with children receiving Food Stamp/SNAP benefits. Small shares of Grand Rapids and Itasca County households receive cash public assistance or Supplemental Security Income.

34. Receipt of government assistance in Grand Rapids, Itasca County, and Minnesota, 2010-2014

	Grand Rapids	Itasca County	Minnesota
Food stamps/SNAP	21%	13%	9%
With children <18 years	35%	26%	15%
Public assistance	5%	4%	4%
Supplemental Security Income (SSI)	6%	5%	4%

Source. Wilder Research analysis of U.S. Census Bureau data. (2010-2014). *American Community Survey*. Retrieved from <http://factfinder.census.gov/>

Note. Percentages refer to the share of households – not individuals – that receive each type of assistance. Households may receive more than one type of assistance. Food stamps/SNAP refers to the receipt coupons or cards through the federally-funded Supplemental Nutrition Assistance Program that can be used to purchase food. Public assistance refers to the receipt of General Assistance or Temporary Assistance to Needy Families (TANF; known as MFIP in Minnesota); it does not include Supplemental Security Income (SSI) or noncash benefits such as food stamps. Supplemental Security Income (SSI) is a government assistance program administered by the Social Security Administration that guarantees a minimum level of income for needy aged, blind, or disabled individuals.

A recent report, *Public Assistance in Itasca County* (Barcus, Moren, & Friesen, 2016), analyzes administrative records from Itasca County agencies to explore public assistance receipt in the area. Findings include:

- According to the Itasca County Health and Human Services reports, most participating households have received only one or two types of benefits administered through the county.⁸ Ninety-two percent of participating households with children and 82 percent of participating households without children have utilized only one or two of these benefits.
- On average, cash benefits provided through the Minnesota Family Investment Program (MFIP) pay far below the minimum wage. For example, the average annual MFIP grant for a three-person household in Itasca County is \$8,136; assuming full-time employment, MFIP would yield a wage equivalent to \$3.91 per hour, far below the minimum wage.

⁸ These benefits include MFIP, SNAP, GA, health care, emergency assistance, or child care assistance. They do not include housing subsidies provided through the Itasca County Housing and Redevelopment Authority (ICHRA) and Grand Rapids Housing and Redevelopment Authority (GRHRA).

A majority of residents we interviewed for this study, who were selected based on the employment challenges they face, were receiving or had received public assistance benefits in the past. Benefits included general cash assistance, food stamps, or assistance with child care or other costs. Fully 71 percent of respondents were receiving at least one type of assistance at the time of the interview, with another 21 percent having received benefits in the past. Only 8 percent of resident respondents had never received these types of benefits (Figure 35).

35. Resident respondents' receipt of public assistance

Have you ever received public assistance benefits?	Percent	Count (N=48)
Yes, currently receiving	71%	34
No, but received them in the past	21%	10
No, never received them	8%	4

Note. In the interview, the question about public assistance was worded, "Have you ever received public assistance benefits, like MFIP, food stamps, childcare assistance, or General Assistance?"

Respondents who were receiving or had received public assistance benefits were asked to describe their experiences. Several residents described how public assistance benefits provided families with additional money to purchase essentials like food and medical care, which can be difficult to afford even when working. Some respondents noted that many of the jobs available do not provide consistent hours and, therefore, result in inconsistent incomes for earners. Because public benefits do not adjust to weekly or monthly shifts in hours worked, it can be difficult for households to budget and plan. Finally, residents noted that the way public benefits are calculated may not consider all essential costs for families, including obligations to pay student loans, child support, or other court-imposed costs or time obligations, such as mandatory counseling.

Some respondents receiving public assistance struggled with the decision to work or to continue receiving public assistance benefits when jobs available do not provide the same quality of life:

There's a lot of people out here living in poverty, and there aren't really many jobs that offer enough to equal or better what you already have. When you get a job you lose the benefits that you get, and the job does not provide enough coverage like the benefits.
 – Resident

By way of follow up, respondents were asked how much they agreed with the following statement: “If I improved my employment situation, I would lose benefits that are important to me.” Of those who were currently receiving assistance, three-quarters agreed or strongly agreed with the statement, as outlined in Figure 36.

36. Resident respondents’ attitudes about employment and their potential to lose public assistance benefits

“If I improved my employment situation, I would lose benefits that are important to me.”	Percent	Count (N=34)
Strongly agree	50%	17
Agree	26%	9
Disagree	15%	5
Strongly disagree	6%	2
Do not know	1%	1

Note. Results in this table are based on those who were receiving public assistance benefits at the time of the interview.

Of note, about one in five respondents were not afraid of losing benefits, despite the fact that they were receiving public assistance at the time of the interview. Two respondents insisted that reducing reliance on benefits was the point of increasing one’s income, with one acknowledging that “the point is to get a job so you don’t have to be on any type of assistance.”

For some residents, taking a job increased their income in the short term, but came with the added burden of sporadic hours and inconsistent take-home pay. When public assistance benefits decline and work is unpredictable, some workers noted severe difficulty in weathering the changes.

I've seen it happen to members in this group. They got a good raise and they lost their health insurance. She had a family too. And so by the time she lost all of those benefits, the raise was actually decreased. I'm also afraid of losing my health insurance if my employment situation improved. – Resident

Another resident echoed this sentiment, acknowledging that inconsistent hours contribute to the fear of moving away from public assistance:

I worked before, but when you start to work they take away the cash portion and lessen the food portions. Increasing my income lessened the county benefits, and when the work hours go down then I was unable to afford anything. – Resident

Those who said they were afraid to lose their benefits were most likely to fear losing food assistance (Supplemental Nutrition Assistance Program (SNAP) or food stamps and Medical Assistance. About half of respondents who feared losing benefits cited these

programs. Workers with mid-level barriers were equally likely to fear losing SNAP and Medical Assistance (64% cited each), while workers with low-level barriers were most likely to fear losing SNAP (58%), and those with high-level barriers most feared losing Medical Assistance (54%). This makes sense for the high-level risk group, particularly for those with mental health needs. For one respondent, the cost of court-required mental health counseling was too expensive to afford on a minimum wage job:

Yes, I only made \$14 more working full time versus when I was on Social Security, food stamps, and Medical Assistance. I quit my job because it violated my probation, since I lost my Medical Assistance and I need it for my mental health counseling because I was on a drug court program. My [Parole Officer] told me to quit my job so that I could still qualify for my Medical Assistance. I want to be a self-sufficient person and not rely on government benefits, but when I lose my medical coverage and can't get it on a minimum wage job, it makes sense to quit my job. – Resident

Increasing income can often result in a decrease in benefits. About half of respondents who had received benefits had increased their earned income while on public assistance (52%).⁹ Some said their increases were not substantial enough to impact the amount of benefits they received. Others said they did not mind losing benefits, as that was the point of improving their income. However, some respondents faced challenges without the support of benefits. For example, some residents were forced to whittle any additional or discretionary expenses out of their family budget.

[Losing public assistance benefits] makes the budget tight, so I choose to pay my bills over taking my son out to eat. I just have myself – everyone in my family is in the same situation. I don't know what I'll do when the time comes when my son graduates and I no longer get my housing benefits. – Resident

Low-income workers often struggle to pay other expenses on top of affording their basic needs. Some of these additional expenses include child support, student loans, and court fees. When these additional payments are not factored into benefit calculations, it can be hard to keep up with expenses. One respondent said he was most afraid to lose food support:

Food. I pay regular child support, but they don't count that. I'm left with only about \$300 a month really, and that's not helpful. They dropped me off of my food stamps just because I went up \$100. The state didn't really care that I had to pay child support, too. When my income went down, then the state and county assistance helped a little. – Resident

As evidenced by these responses, low-income families sometimes have a constellation of expenses that middle-income families often do not have. Public assistance benefits can

⁹ The question wording asked respondents to think about earned income: “Have you ever increased your income – through working more hours, getting a raise, or getting a better job – while on public assistance?”

help bridge the gap, but some households cannot earn enough money to continue on without benefits.

Even though only one-quarter of respondents believed they could secure a family-sustaining job, the majority of survey respondents were seeking a job at the time of the interview. Many were currently working with a job program to help them secure employment.

When service providers were asked what kinds of new initiatives could help improve employment conditions in Itasca County, one spoke directly to this challenge:

My perspective is different than your average person because I deal mostly with people receiving some form of public assistance – it's a huge range of people. There are families who've been working for years but are eligible for public assistance because their wages are too low. I don't know what initiative would help raise that wage. – Provider

Other professionals expressed similar sentiments, acknowledging that area wages in many industries were too low, but were unsure what could be done to address the problem. Another service provider described recent wage increases by employers elsewhere in the state, such as Costco and Punch Pizza, and wished there could be at least one local employer to “champion” wage increases in Itasca County.

From their side of the table, employers spoke to the challenges related to increasing wages. For example, some local employers, such as manufacturers, are competing in a global market, which puts downward pressure on wages for low-skill jobs. Meanwhile, other industries, such as health care and technology firms, face stiff competition for high-skill employees (e.g., doctors, software engineers). According to employers, attracting highly-skilled candidates to a rural area can be difficult, and they therefore feel pressure to pay wages that are equal to or higher than wages in urban areas. Ultimately, this could result in decreased wages for those in less-skilled positions within the same industries.

By and large, residents rated employment assistance programs as very helpful

Employment assistance programs have been one of the traditional sources of help available for unemployed workers. Three-quarters of resident respondents had worked with one of these programs.¹⁰ Figure 37 outlines the employment assistance programs identified by resident respondents. Most said they had received help with traditional job search activities, such as finding jobs online, writing resumes, and interview skills. A few received more in-depth assistance, such as stipends for transportation.

¹⁰ This high percentage is, in part, due to the fact that interview referrals drew heavily from area employment programs.

37. Resident respondents' participation in employment assistance programs

	Percent of respondents	Count (N=48)
Participated in any employment assistance program	73%	35
Of those who participated (open-ended responses, grouped by category):		
Workforce Center, AEOA, or NEMOJT	51%	18
Northern Opportunity Works (NOW)	17%	6
Temporary employment agencies	26%	9
Other program/website	17%	6
Do not know	3%	1

Note. The Workforce Center, Arrowhead Economic Opportunity Agency (AEOA), and Northeast Minnesota Office of Job Training (NEMOJT) are combined; during the course of interviews, respondents sometimes had difficulty distinguishing between the three, likely because they are located within the same building. Responses incorporate participation in multiple programs.

Half of resident respondents who had worked with a program found it “very helpful” (50%). Another 32 percent reported that the resources provided through employment assistance had been “somewhat helpful,” while 18 percent felt that employment assistance was “not very helpful” for them.

Notably, all six respondents who had engaged with Northern Opportunity Works (NOW) felt the assistance they received was very helpful. NOW is a program created specifically for people with “serious and persistent mental health issues” that includes vocational rehabilitation training. One respondent said that he or she contacted the NOW program and “tried a couple of times to get in, but they never called me back. It might just be that there are too many people trying to access the vocational training.”

By barrier level, a greater share of residents with low- and mid-level barriers had worked with an employment assistance program (75% and 76%, respectively), followed by those with high-level barriers (68%). But, workers with low-level and high-level barriers more frequently said these resources were very helpful (83% and 54%, respectively) than those with mid-level barriers (33%).

Non-participant residents had mixed impressions of job programs

Many residents who had not participated in an employment assistance program were open to working with an agency, but only half believed a job program would help them reach their employment goals better than they could on their own (Figure 38).

Of the twelve respondents who had not worked with a job program before, most said they knew of at least one organization that could help with their job search (83% strongly agree/agree) and believed that they would be treated with respect if they participated in a job program (92% strongly agree/agree). However, fewer agreed that job programs would help them reach their employment goals better than they could on their own, help them overcome their employment barriers, or that employment programs generally help people find high-quality employment (50% strongly agree/agree for each).

38. Impressions of employment assistance programs among non-participants

	Agree or strongly agree	Disagree or strongly disagree	Don't know
I know of at least one organization that could help me with a job search. (N=13)	83%	17%	0%
Job program staff would treat me with respect. (N=12)	92%	8%	0%
A job program would help me reach my employment goals better than I could on my own. (N=12)	50%	42%	8%
A job program would know how to help me overcome my employment barriers. (N=12)	50%	42%	8%
Job programs help people find high-quality employment. (N=12)	50%	42%	8%
I'm not interested in working with a program on my job search. (N=12)	33%	58%	8%

Worker supports, some conclusions

Public assistance and employment support services are two key supports for individuals struggling with employment. Most residents interviewed had accessed both of these, but they only represent the tip of the iceberg for residents facing more complicated circumstances, such as health problems or criminal records.

According to residents, benefit payment structures can dis-incentivize moving to full employment. Many doubt their ability to afford basic needs if they were to increase their hours worked. Most feared losing specific benefits, such as food assistance or health insurance.

Though respondents who had worked with employment programs were generally satisfied with their experience, programs were not always successful at matching clients with high-quality employment. Only half of respondents who had not worked with an employment program believed these programs could help them better than they could help themselves, calling into question the efficacy of these programs for some workers.

Employment strategies

Our interviews with both residents and employers point to several strategies for increasing employment and retention of workers in Itasca County. These include:

- Maintaining and attracting workplaces that meet the needs of workers, both in terms of wages and benefits, as well as workplace culture
- Developing local, centralized mechanisms for communicating about job openings, employment support services, and other opportunities
- Taking lessons from innovative strategies and organizations in the region
- Improving career ladders in high-growth occupations and industries, such as health care
- Developing high-quality resources for individuals with high-level barriers, such as criminal history
- Examining hiring practices in high-growth industries in order to determine what changes could be made to expand the pool of acceptable applicants

Residents identify characteristics of high-quality workplaces

The Itasca County residents who we interviewed for this study were asked what two or three things they value most in a workplace, and their responses provide insight into several strategies for boosting employment and retention in the county. The five most valued workplace characteristics are described below. It is worth noting that these same characteristics were mentioned by the employers we interviewed as explanations for why employees left jobs.

Residents seek good or fair wages

Residents emphasized the need for good or fair wages. Residents were seeking wages that were enough to support their families and “pay the bills.” Though many respondents sought out flexible schedules, most valued full-time work, noting that part-time employment – which was a primary source of income for most respondents – usually does not pay enough to get by.

Part-time [employees] are usually not able to go over 40 [hours], and some places will only give you 25-30 hours. Many people can't make it on that wage anymore. – Resident

Additionally, residents felt that wages were a marker of their value as an employee to their employer, and sought out higher wages to reflect that.

Paying people a decent wage for the work. They should pay more than \$10 an hour, and at least \$12 an hour. Take care of employees. Value employees more. – Resident

Residents seek effective leadership

Residents emphasized the need for communication between employers and employees, especially in terms of expectations and knowing “what employers expect from me.”

You are hired for one job, but you end up helping someone on their job, then you fall behind on your job. Employers shouldn't expect you to do your job and someone else's because that person is slacking. – Resident

Residents also sought respectful management, who recognized employees’ contributions and who were courteous in their interactions. For example, one respondent suggested that employers should “discipline a person alone, not in front of others.” Another said:

Employers replace the employees and have no loyalty, employers do not trust their employees, employers don't care about employee's families. They only care about their bottom line. – Resident

These common courtesies can make employees feel respected, even when other elements of the job are not ideal.

Residents seek teamwork and collegiality

Residents had a strong interest in getting along with other employees. Noting that there are differences across individuals, residents still believed that coworkers should be able to work together as a team.

Personality conflict – two people can disagree, but there should be no reason why they can't work together. I have been to prison, and people in [this area] tend to judge me based on my past and don't give me a second chance... That was who I once was, but that's not who I am today. I feel like people don't want to accept me. – Resident

At least one resident respondent noted that employers have a role in promoting respect and collegiality across employees.

I had enough of dealing with that mean and evil coworker. I couldn't work there. That coworker stole medication and money out of my wallet. The boss should understand how to fix that situation. – Resident

Residents seek a positive and friendly work environment

Residents used many words to describe what a positive work environment could look like, and these descriptors included comfortable, safe, friendly, relaxed, and fun. There was a feeling that employers could do more to understand workplace culture.

They need to look more into actual working conditions. Many employers don't tend to know what goes on in a job that they rely on. Many employers are sitting in their office where they assume nothing wrong is happening unless someone tells them about it, or they rely on just listening to people who sugar coat things. – Resident

At least one respondent felt that some employers demonstrated preferences for specific workers, which runs counter to a positive work environment.

There is favoritism... and sometimes they favor some employees over others with wages and scheduling. Some people have to work every weekend and that wears on you, especially if you have a family... Favoritism impacts employees by making it become a high turnover rate, unhappy workers, and makes people come in late. – Resident

Residents seek a flexible schedule

Finally, residents identified the need for flexibility to allow them to make necessary appointments, to arrange child care, and to attend to family needs as they arise.

There are personal things that can occur in people's lives. My [family member] was in a bad car accident. My employer did not let me take time off when no one else could be with them. I had to quit that job... they wouldn't even let me use my [...paid time off] for that situation. – Resident

At least one respondent left a job because requests for time off were denied, seemingly without warning.

No flexible hours. People need a normal balanced life and can't have that when employers change the schedule so much to benefit them instead of the employees. I quit many jobs because I requested time off in the beginning but then the employers changed everything...– Resident

Interestingly, employment priorities varied across barrier groups. In the low-level and mid-level barrier groups, good wages and raises were the most valued quality in the workplace (named by 50% and 33% of respondents, respectively). In the high-level barriers group, a good/friendly work environment, good communication with leadership, and good communication/teamwork were the most valued qualities (37% of respondents).

To a certain extent, desirable workplace characteristics listed by resident respondents mirror those that have long-existed in Itasca County. Industries that traditionally supported workers in the area – like manufacturing and mining – offered good wages, opportunities for teamwork, and were well-established and trustworthy employers. As these industries have declined over time, growth in other industries – especially lower-skilled service industries – calls into question the degree to which employers are providing the positive work conditions sought by employees.

Professionals and residents identify ways to expand worker supports

The employers, service providers, and residents we interviewed for this study shared ideas about how worker supports could be expanded or improved to boost employment in Itasca County.

Better communicate employment services and job openings

Employers and providers agreed that communication of their services and job openings was challenging and could be improved with increased coordination. Some providers felt that their services were not well-communicated to those in need. In particular, they felt that the services available through their offices were not well-known, and while many people understand the basics of their work, they are not familiar with some of the more in-depth services provided.

Employers felt that their ability to communicate employment needs was also a challenge. In recent years, the diffusion of media sources away from newspapers and into social media, job boards, and other platforms has made recruiting more difficult and costly. Unlike in some areas, many Itasca County employers are small businesses that may need different kind of support structures and guidance to advertise their openings outside of their existing social circles. These employers may not have time to attend networking meetings or have a dedicated human resources department, but may be able to assist in other ways. Several felt that a central place for area job postings would help to spread their message and better attract applicants. One service provider suggested that local agencies might be able to assist small businesses with interviewing or accepting applications.

Though populations with high-level barriers may receive more targeted resources than those facing fewer hurdles, the services available may still not respond to their employment needs effectively. For example, though clients with a criminal history may participate in a variety of high-intensity services, the services will not be effective if local employers cannot hire people with these types of criminal histories. Service providers noted a recent increase in criminal histories among women. This can be particularly challenging if jobs traditionally sought by women are incompatible with criminal histories.

I'm seeing more women with felony criminal histories. [This is a] newer barrier, [which] seems harder [to overcome]. Mostly theft and drugs. More challenging for women than men, because I think when you're looking at men with a felony history, they're able to get out and get some construction and labor based jobs. It's more difficult for a woman to do that. They're applying at retail establishments that aren't able to give them a chance.... A lot of people with domestic violence criminal histories or misdemeanors, that shoots them in the foot for PCA work. – Provider

Some providers suggested that a more resource-intensive intervention – supported employment – could be a solution to barriers related to criminal history. According to respondents, Itasca County does not currently offer a substantial amount of funding available for supported work.

Supported work works well. You can function as an advocate for your client, you can get them into the workforce that way. You can work around those challenges and barriers.

(Interviewer: Is there enough funding for supported work?) Off and on, depends on funding that comes from the county. Depends on the amount of money that is funded each year. St. Louis County has money for that right now, but it's been several years since Itasca has. We have some smaller programs that we use for limited supported work and subsidized employment. – Provider

Service providers suggested that “bridging funds” could also provide additional support, especially for employees with specific high-level barriers such as mental health or substance use challenges. Bridging funds are dedicated funds that would help recipients cover specific needs that employees are unable to afford with earned income or employer-provided benefits. For example, if a new employee needs mental health counseling, but counseling is not adequately covered by his or her insurance, bridging funds could pay for those expenses. These flexible funding sources could help recipients gain work experience while working on existing barriers.

Learn from the “innovative solutions” implemented by specific agencies

Although residents who had participated in employment programs were mostly satisfied with their experiences in these programs, Itasca area providers and employers felt there could be room for improvement. Both groups agreed that Itasca County needed “innovative solutions” to improve employment coaching in the area. Five organizations were mentioned as specific examples of groups implementing new strategies in the region:

- **Maven Perspectives:** This is a for-profit employment service provider that has implemented innovative solutions for changing the “culture of work” in the area, according to one professional respondent. They expect their clients to arrive on time, wearing appropriate clothing, etc. to each appointment. Although this approach may

not be appropriate for every individual facing employment challenges, those facing low-level barriers could benefit from these methods.

- **Aitkin County Workforce Center:** The professional respondent who mentioned this organization hypothesized that the agency works with a smaller group of clients than Itasca County, thereby enabling staff to collaborate more effectively about solutions for clients.
- **Itasca Community College:** One professional respondent suggested that the college’s job counselors provide a “different perspective” and “are more current on how they’re teaching soft skills” than what one may find at other job training programs.
- **Northern Opportunity Works (NOW):** All six respondents who had engaged with NOW found its assistance very helpful. NOW is a vocational rehabilitation training program created specifically for people with serious and persistent mental health issues.
- **Minnesota Diversified Industries (MDI):** MDI is a manufacturing company that employs people with and without disabilities, providing employment support and other services to help workers build skills and work experience.

Improve career ladders, especially in health care

Occupations expected to grow in the coming decade reflect an educational divide between those requiring postsecondary credentials and those requiring little or no education beyond high school. Workers in the lower-skilled positions who either desire or need higher-paying positions, and employers who will be seeking to fill the higher-skilled positions, may benefit from more well-defined career pathways. The health care sector offers a special case study in this educational divide. Some of today’s largest and fastest growing occupations in Itasca County are in health care and related fields, but career pathways in health care are not without barriers. Regionally, we expect to see an additional 1,420 jobs as personal care aides and home health aides in the next decade – two occupations with the first and second highest expected net gain of any occupations in the region. By and large, these are occupations that require little training or credentialing beyond a high school degree.¹¹

Short of obtaining a postsecondary credential, degree, or licensure, workers employed as personal care or home health aides may face gaps in the career ladder between direct care and more highly paid and skilled occupations in nursing. Regionally, we expect to see an additional 880 jobs as registered nurses and nursing assistants in the next decade – two occupations with the third and fourth highest expected net gain of any occupations in the

¹¹ Postsecondary programs exist for these occupations, but a credential, degree, and/or licensure is not required to work in one of these positions.

region. High growth in these occupations could provide a logical and lucrative next step for workers employed as personal and home care aides, but further investment in education is a requirement for career advancement beyond direct care. Registered nursing assistants are required to obtain a postsecondary credential, while the majority of registered nurses will be required to have a four-year degree by 2020.

Minnesota State Colleges and Universities has campuses across Minnesota that offer postsecondary credential and degree programs in a variety of fields. Itasca Community College, for example, offers credentialing through their home health aide and nursing assistant programs, both of which serve as preparation for the practical nursing program. Other credential and degree programs are offered in regional high-growth fields, including child development and early childhood education, health sciences, and engineering. To date, four-year degrees in these and other areas are only available from institutions outside of the county.

Itasca County residents struggling with employment recognized the need for additional education and training to qualify for high-growth and well-paying careers. Not all residents will be interested in additional education or training – particularly those who are older or who face high-level barriers – but most employees recognize the need for returning to school. Likewise, those interested in education also expressed the need for supports, such as access to student loans and help affording regular expenses.

Developing high-quality resources for individuals with high-level barriers, such as a criminal history

Respondents spoke to the fact that there are limited resources available for individuals with criminal backgrounds, particularly felonies or thefts. Professional service providers agreed that there were a lack of resources available for this group, but the New Leaf program may meet some of these needs. The program works with people with criminal histories to complete applications, attend interviews, and explain their offenses. The provider who identified New Leaf could not speak to the effectiveness of the program.

Providers also noted that the number of individuals with criminal histories that preclude their employment seems to be expanding and changing. They cited higher numbers of women with criminal records who are unable to find employment, often due to charges of assault or theft. Careers typically staffed by women may be less likely to allow these types of offences. Programming geared at this group could be useful.

Examining hiring practices in high-growth industries in order to determine what changes could be made to expand the pool of acceptable applicants

Existing data sources suggest that jobs are consolidating into a shrinking number of establishments. This appears to be the case for some high-growth sectors, such as health care, where hiring may be more concentrated in the hands of larger employers. Interviews suggest that larger employers may have more stringent hiring requirements than smaller counterparts; likewise, hiring practices for larger organizations are more likely to be governed by entities not rooted in the community and less invested in Itasca County's workforce.

One suggestion that came directly from the resident interviews was the need for stronger connections between employers and both people of color and those with disabilities. With respect to people of color, respondents felt a professional network could improve hiring prospects for jobseekers, and advocacy activities could help educate employers on how to better serve their employees of color. Similarly, respondents suggested more training for employers related to accommodating and engaging people with disabilities.

One possible area of focus could be support for small business and entrepreneurship. Stakeholders and professionals have expressed interest in expanding entrepreneurship in the area, partially based on the success of some regional business ventures (e.g., Minnesota Twist Drill) and to encourage workers laid off during plant closures to continue to use their specialized skills. There was little interest in entrepreneurship among the particular group of residents interviewed. However, many respondents only had work experience in low-wage fields (e.g., retail, food service) and were struggling to meet basic needs, which could be perceived as a barrier to entrepreneurship.

Another strategy to reduce area unemployment could be to support diverse hiring among existing small businesses. Residents and professionals alike voiced concerns over small business hiring practices, indicating that it can be difficult to get hired by a small business without having a personal connection to the business. Several professionals agreed that it would be extremely important to engage small businesses in upcoming employment initiatives. One provider suggested that Itasca County agencies or nonprofits could support more diverse hiring among the small business community, perhaps by helping take applications or conduct interviews. Along similar lines, professionals and residents alike agreed that Itasca County could benefit from a more centralized source for job postings. A one-stop internet job portal that includes support for small businesses could be a useful tool for engaging the small business community. However, the community should first open discussions with small business owners to further assess their interests and needs.

Concluding thoughts

This report aims to inform the work that Itasca County stakeholders do to promote a strong economy, and to help residents attain and retain gainful employment. This is a community with an unemployment rate that hovers stubbornly above the statewide average. It is also a community with enough job vacancies to cut unemployment by two-thirds if all openings were filled.

Trends in employment and unemployment are, in no small measure, intertwined with the major transition that the county is undergoing with regard to the character of its economy, moving from an economy dominated by manufacturing and extractive industries towards a more service-oriented future. Such a transition certainly presents challenges, but also opportunities to change the systems and tactics that influence Itasca's workforce issues.

On a systemic scale, ensuring that the county's workforce is adequately prepared to take positions in growth industries, especially health care fields, will require significant coordinated investments from multiple institutional actors. The story does not end with employment, however. Residents need jobs that pay family sustaining wages, and many of the jobs that currently exist in the county fail to meet this threshold, especially for families with children. It is particularly concerning that some of the occupations expected to grow most quickly in coming years, such as personal care aides, home health aides, child care workers, and maids and housekeeping cleaners, on average, do not pay family-sustaining wages.

Shifting workforce qualifications and wage rates are broad, systemic changes that no single actor is likely to be able to effect alone. On a smaller scale, individual service providers can innovate their programming to create new resources for jobseekers with employment barriers, and employers can examine their hiring practices in an effort to expand applicant pools for their positions. To retain current employees, targeted, low-investment actions that foster loyalty include training for managers on high-quality workplaces, fostering friendly, collegial work environments, and providing flexibility for workers to care for themselves and families. Additionally, employment support programs can seek out new strategies to address unemployment in the area and deepen partnerships with one another and area employers. These expanded partnerships can serve as the foundation for improving employment prospects among all workers facing employment challenges.

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Appendix A:

Data collection and data sources

Assembly and analysis of existing data

Wilder staff compiled and analyzed existing data from multiple state and federal data sources for this report. Detailed descriptions of these data sources appear below.

American Community Survey (ACS)

The American Community Survey (ACS) is a program of the U.S. Census Bureau. Every year, 3 million addresses are sampled to provide demographic, social, economic, and housing data as both single-year and multi-year estimates. By combining populations from multiple years, this nationwide survey produces reliable data for small counties, neighborhoods, and other local areas.

Job Vacancy Survey (JVS)

The Job Vacancy Survey (JVS) is a survey program of the Minnesota Department of Employment and Economic Development, conducted to provide information on the number of job openings, typical wage offers, and typical education requirements for job vacancies by occupation and industry, by region, and for the state. Data are collected biannually from a stratified sample of about 10,000 establishments in 13 regions of Minnesota.

Local Area Unemployment Statistics (LAUS)

Local Area Unemployment Statistics (LAUS) is a joint program between the U.S. Bureau of Labor Statistics and state agencies providing data on labor force, employment, and unemployment by county, region, state, and for the nation. Estimates are produced using both current and historical data from the Current Population Survey, the Current Employment Statistics program, and the Unemployment Insurance Statistics program.

Occupational Employment Statistics (OES)

The Occupational Employment Statistics (OES) program is part of a joint effort between the U.S. Bureau of Labor and Statistics and state agencies to provide employment and wage estimates of about 800 occupation classifications. A sample of approximately 6,000 Minnesota non-farm employers are surveyed annually to provide data for this program.

Quarterly Census of Employment and Wages (QCEW)

The Quarterly Census of Employment and Wages (QCEW) gathers and processes data on employment and wages from federal government establishments and establishments covered under the Unemployment Insurance Program. Quarterly wage and employment statistics are reported to the Minnesota Department of Employment and Economic Development (MN-DEED). Employment and wage data are available by industry, ownership type, states, regions, counties and minor civil divisions. Industry classifications used in this report follow the North American Industry Classification System (NAICS).

Interviews with Itasca County professionals and residents

Wilder Research staff conducted 11 interviews with professionals in Itasca County to gather perspectives on area employment. Interviewees included four employers, five employment support providers, and two additional specialists in Itasca County. Professional respondents were selected based on their familiarity with different aspects of the area employment landscape.

Wilder Research staff also completed 48 interviews with Itasca County residents facing unemployment, underemployment, and other employment-related challenges. Respondents were recruited by one of five partner agencies: a food bank, a social service provider, and three employment programs. Interviews generally lasted between 20 and 30 minutes, and each respondent received a \$20 gift card for their participation. Resident interviews are intended to provide insights on a segment of Itasca County's unemployed and under-employed population – they are not necessarily representative of this population. Of note, the residents who were interviewed only include those with a current or recent connection to some kind of service provider; as such, they may not represent the hardest-to-employ people in the county who are disconnected from the labor market and its service access points, whether through lack of knowledge or their own choosing. Though the study team gave loose guidelines to balance the sample's demographics and work experience, there was no comprehensive screening for participation, nor were interview data matched to administrative data sources (e.g., public service receipt, employment service program participation, etc.); all data are self-reported.

Appendix B: Demographic change in Itasca County

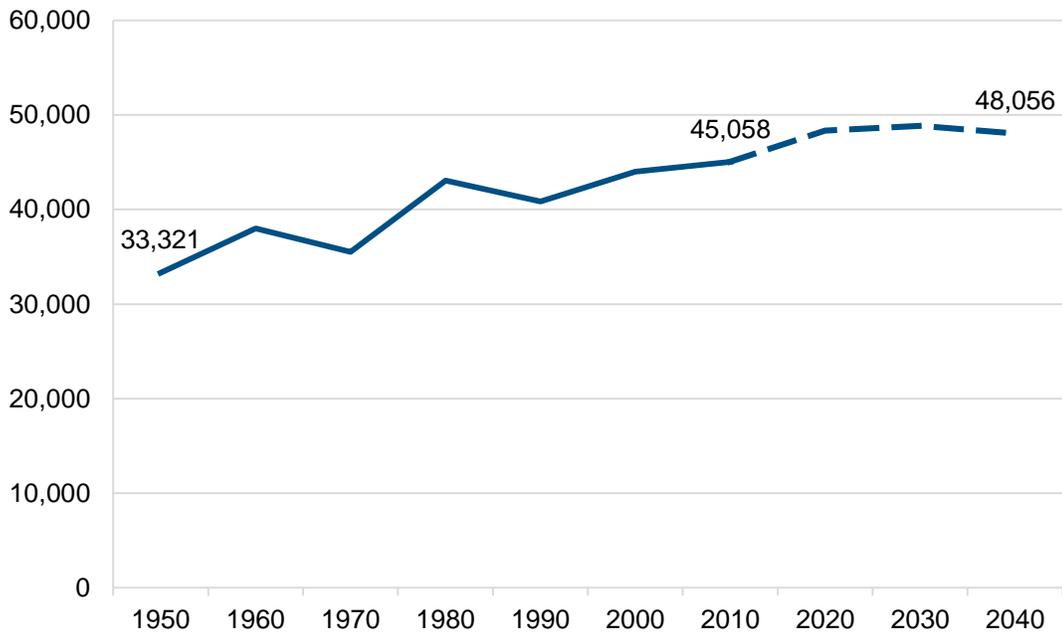
Itasca County’s current and future well-being depends in large part on the composition and distribution of its population. This appendix provides a brief overview of demographic trends and change in Itasca County, including:

- The retirement-age population is growing more quickly than the working-age population
- The county tends to lag behind the state in terms of economic and educational indicators, but generally falls in line with neighboring counties

Total population expected to stagnate and grow older

Itasca County’s population is expected to grow by about 2,300 people over the next three decades, or 7 percent growth between 2010 and 2040 (Figure B1). Statewide, population is expected to grow 17 percent over the same period.

B1. Itasca County population and forecast, 1950-2040



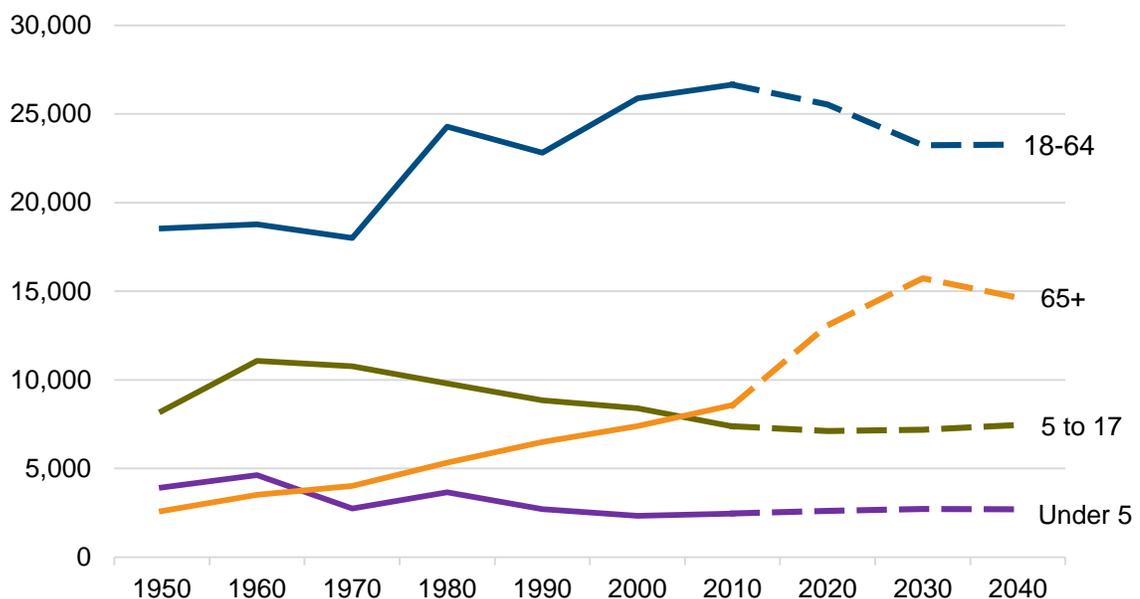
Sources. U.S. Census Bureau Decennial Census (1950-2000 and 2010), Intercoastal Estimates (2001-2009), and Population Estimates (2011-2015). Minnesota State Demographic Center County Projections (2020-2045).

The relative age of Itasca County’s population has implications for population growth as well as the county’s workforce. The median age in Itasca County is 46.0 years, making it the 16th oldest county in the state. Minnesota, by contrast, has a median age of 37.9 years. Because the county’s population is already older, on average, than the state as a whole, it has unique expected growth trends.

Whereas Minnesota’s working-age population is expected to grow by 6 percent between 2010 and 2040, Itasca County’s working-age population is expected to decline by 13 percent over those three decades (Figure B2). This means that there would be 3,000 fewer traditional working-age adults.

On the other hand, the retirement-age population in the county is expected to grow by more than 7,000 people by 2030, after which it will start to decline. Still, the retirement-age population in Itasca County will be 71 percent larger in 2040 than in 2010. Statewide, the retirement-age population is expected to grow by 93 percent through 2040, with no signs of shrinking. The divergent trends in expected growth for this population between the state and Itasca County likely owe to the fact that the county is already older on average than the state and, as such, its existing retirement-age population is likely older than the statewide retirement-age population.

B2. Itasca County population and projections by select age groups, 1950-2040



Sources: Wilder Research analysis of U.S. Census Bureau. (2016). *Decennial Census and Population Estimates*. Retrieved from <http://factfinder.census.gov>; Minnesota State Demographic Center. (2014). *County Projections*. Retrieved from <http://mn.gov/admin/demography/data-by-topic/population-data/our-projections/>

A shrinking working-age population juxtaposed with substantial growth in the retirement-age population would result in a dramatic shift in the county's retirement to working-age ratio. As of 2015, there are 2.7 working-age adults for each retirement-age adult in the county. By 2040, that number is expected to drop to 1.6 working-age adults for each retirement-age adult. This means that in 2040, for each retirement-age adult in Itasca County, there will be nearly one fewer working-age adult in the county to support them. This makes education and training for today's youth and young working-age adults a particularly critical issue.

Economic and education indicators mixed

The socioeconomic indicators in Figure B3 are closely related to the county's workforce, and generally reflect various dimensions of well-being in the county. Relative to neighboring counties, Itasca County finds itself towards the middle of the pack in terms of many of these indicators. The county is home to a high homeownership rate, both relative to neighboring counties, as well as the state as a whole.

Grand Rapids struggles on most economic indicators relative to the county. The poverty rate is higher and median income is nearly \$10,000 lower, and housing appears to pose a particular challenge in the city. The homeownership rate is nearly 20 percentage points lower than the countywide rate, and the share of households that are cost-burdened is nearly 7 percentage points higher.

B3. Select socioeconomic indicators for counties in the Northeast region of Minnesota

	Proportion of adults working	Poverty rate	Residents under age 65 without health insurance	Median household income	Homeownership rate	Households paying 30% or more of their income for housing
Minnesota	77.3%	11.5%	6.8%	\$61,481	71.7%	28.3%
Northeast region	68.6%	15.7%	10.1%	\$49,258	74.2%	30.4%
Aitkin County	67.6%	14.9%	12.6%	\$40,676	82.6%	32.5%
Carlton County	68.9%	12.1%	10.0%	\$53,291	78.2%	30.1%
Cook County	76.6%	10.4%	13.9%	\$48,593	73.3%	25.9%
Itasca County	67.9%	14.7%	11.3%	\$48,525	80.1%	29.1%
Grand Rapids (city)	67.1%	17.2%	11.3%	\$39,974	61.2%	36.6%
Koochiching County	68.9%	15.3%	12.0%	\$44,113	76.4%	27.1%
Lake County	71.2%	10.5%	8.9%	\$52,381	82.1%	27.5%
St. Louis County	68.5%	17.0%	9.5%	\$49,714	70.9%	31.1%

Source. U.S. Census Bureau. (2010-2014). *American Community Survey*; U.S. Census Bureau. (2014). *Small Area Income and Poverty Estimates*; U.S. Census Bureau. (2014). *Small Area Health Insurance Estimates*.

Note. All data were retrieved from Minnesota Compass (www.mncompass.org).

On education indicators, the story is similarly mixed (Figure B4). The county's standardized test scores on 3rd grade reading and 5th grade science are approximately even with statewide averages, but its share of 8th graders achieving math standards is almost 20 percentage points lower than Minnesota's. There is stark variation within the county at the district level on this measure – Grand Rapids School District is 15 percentage points behind the statewide average, but Nashwauk-Keewatin bests the statewide average by almost 5 percentage points. The Greenway School District, by contrast, has a proficiency rate of only 18 percent on this measure, nearly 40 percentage points lower than the statewide average.

In spite of some mixed performance at the elementary standardized testing level, the county's high schoolers are graduating at higher rates than the statewide average – this is true for both Grand Rapids and Greenway School Districts, but not for Nashwauk-Keewatin, where on-time graduation rates lag behind the statewide rate by 3 percentage points. Relative to neighboring counties, Itasca is again near the middle of the pack – its on-time graduation rate is higher than 3 neighboring counties (Cook, Koochiching, and St. Louis), and lower than the remaining 3 (Aitkin, Carlton, and Lake).

In terms of postsecondary educational attainment, here again, the county lags behind the state as a whole, but basically keeps pace with its neighbors. Just over 1 in 5 adults in Itasca County has a bachelor's degree or higher – this proportion is lower in Grand Rapids (18 percent). Neighboring counties range from 15 percent (Aitkin) to 41 percent (Cook), and statewide approximately 1 in 3 adults has a bachelor's degree or higher. The fact that the county seems to be doing well in terms of on-time high school graduation, but lags behind the state in terms of postsecondary educational attainment, supports the idea that improving pathways from high school graduation to postsecondary degrees could help the county move the needle on economic indicators.

B4. Select educational indicators for counties in the Northeast region of Minnesota

	3 rd grade students achieving reading standards	5 th grade students achieving science standards	8 th grade students achieving math standards	High school students graduating on time	Adults with a bachelor's degree or higher
Minnesota	58.7%	61.5%	58.0%	81.9%	33.2%
Northeast region	61.0%	63.3%	49.5%	82.3%	24.4%
Aitkin County	48.3%	50.3%	57.7%	87.8%	14.8%
Carlton County	67.4%	67.7%	52.4%	88.1%	22.3%
Cook County	43.2%	47.4%	53.7%	80.0%	40.6%
Itasca County	56.9%	63.6%	38.8%	84.4%	21.7%
Grand Rapids School District	57.2%	64.4%	43.8%	88.8%	17.8%
Greenway School District	60.3%	57.6%	18.4%	98.5%	15.5%
Nashwauk-Keewatin School District	46.8%	64.0%	62.0%	78.1%	15.0%
Koochiching County	58.4%	59.0%	46.3%	82.9%	18.4%
Lake County	51.5%	70.1%	60.9%	93.5%	23.2%
St. Louis County	62.6%	63.7%	50.5%	79.1%	26.4%

Source. Minnesota Department of Education. (2016). *Assessment and Growth Files*; U.S. Census Bureau. (2010-2014). *American Community Survey*.

Note. All data were retrieved from Minnesota Compass (www.mncompass.org).

Demographic change in Itasca County, some conclusions

As with the rest of the state, dramatic demographic changes will be taking place in Itasca County in coming decades. With regard to its population's age, Itasca has something of a head start on the rest of the state – the county is already seeing increasing shares of its population at retirement-age. This trend is expected to continue through at least 2030, at which point there will be fewer than two working-age adults for every retirement-age adult in the county. In order to maintain standards of living for everyone, this will mean that the county's workforce will need to become more productive and efficient – this need will be layered on top of other larger shifts in the demands of the economy (e.g., shifts in employment towards a service-based economy).

While this message applies to the state as a whole as well, it is particularly resonant for Itasca (as well as the rest of Northeast Minnesota), which continues to see lower incomes than the rest of the state, slightly higher poverty rates, and lower postsecondary educational attainment. Changing demographics reaffirm the importance of preparing Itasca County's workforce of tomorrow to thrive in the economy they inherit.