



Economic Development Awards Create Workforce Needs

Kevin McKinnon, Deputy Commissioner

Economic Development

Overview of Economic Development and Research

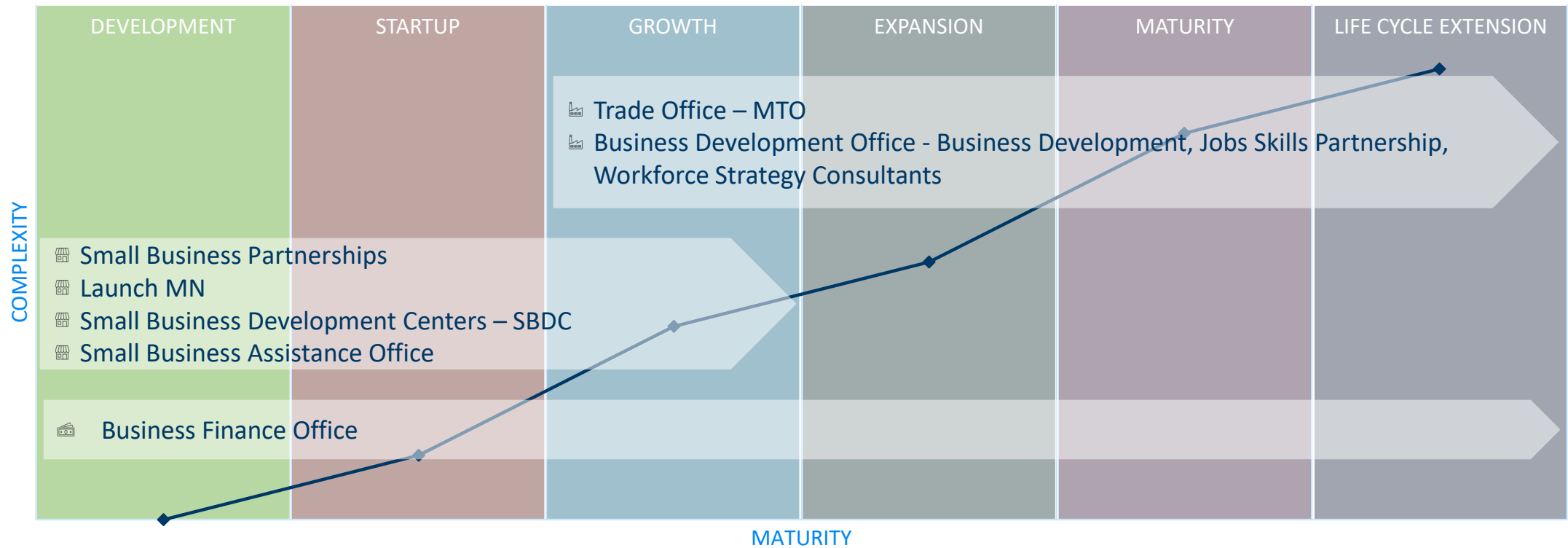
- Broadband: 5 employees
- Business Finance: 14 employees
- Business Development: 15 employees
- Community Finance: 14 employees
- Small Business Development: 11 employees
- Trade: 11 employees
- Workforce Strategy: 7 employees
- Economic Analysis: 9 employees
- Labor Market Information/Career One Stop: 46 employees

The Numbers

- Budget: \$300m
- Operating programs: 49
- Active programs: 34
- Average awards per year: 500
- Customers include:
 - Businesses
 - Communities
 - Higher Education
 - Non-profits

DEED's Economic Development assists communities and businesses of any size and at every stage of their lifecycle

BUSINESS LIFECYCLE



MATURITY

+ COMMUNITY ASSISTANCE

% Community Finance Office

% Broadband Development Office

Current and Future Strategic Efforts

- Two years of Covid
 - WSC Transition to Economic Development
- WIOA
 - Engagement across Career Force
 - ETP - RFP's aligning with training needs
- Objectives and Key Results
 - Create more opportunity for job-seekers and businesses by significantly strengthening the relationship between DEED's workforce and economic development systems.
 - Metric – deliver 20% of needed hires for DEED-Economic Development funded projects from our workforce system.

Connection of Business and Workforce Development

- Project management and representation of all economic development programs offered by DEED and other partners.
- 116L.66 Subdivision 1. **List of vacancies.** A business or private enterprise receiving grants or loans from the state in amounts over \$200,000 a year shall as part of the grant or loan agree to list any vacant or new positions with the state workforce centers. 102 awarded projects since July 1, 2020.
- Project management and representation for all workforce aspects of economic development projects.

ED Analysis of Recent Projects

- Consolidated awards since July 1, 2020 for primary job creation programs:
 - Minnesota Investment Fund – 2020-21 average wage = **\$23.04/\$28.71**
 - Projects must create jobs within 2-3 years of benefit date (date equipment can be productive)
 - Benefit date begins when project being financed is complete
 - Job Creation Fund – 2020-21 average wage = **\$27.23/\$35.59**
 - Projects must create 10 jobs for 1 year to get a reimbursement and all jobs within 3 years
 - Projects must start construction within 1 year of award to be eligible (10 jobs for reimbursement)
 - Job Training Incentive Program – 2020-21 average wage = **\$20.87/\$26.12**
 - Projects must create at least 3 jobs within one year of the award and start training program

ED Analysis of Recent Awarded Projects

- Statewide, this resulted in 102 projects, with over \$26 million in awards, 2,582 new jobs and 6,112 retained jobs.
- Breakdown by region:

Region	Awards (#)	Awards (\$)	New Jobs	Retained Jobs
NW	16	\$2,106,044	165	355
NE	6	\$4,579,677	245	679
C	13	\$2,598,037	440	748
SW	10	\$2,424,998	276	871
SE	14	\$3,346,546	249	443
TC	43	\$10,997,524	1,207	3,016

Industry Information

- Manufacturing makes up the majority of projects, with almost (70%) businesses being in manufacturing

Industry (Grouping)	Companies (%)	New Jobs
Natural Resources and Construction	8%	168
Food and Beverage Mfg	12%	380
Textiles, Wood, Paper and Printing Mfg	7%	340
Chemical Mfg	8%	165
Plastic and Rubber Mfg	2%	8
Nonmetallic Minerals Mfg	1%	12
Primary Metal Mfg	2%	10
Fabricated Metal Mfg	10%	146
Machinery Mfg	8%	110
Computer and Electronics Mfg	4%	52
Electrical Equipment Mfg	2%	36
Transportation Equipment Mfg	5%	247
Miscellaneous Mfg	8%	675
Trade and Transportation	12%	206
Services	11%	27
Total	100%	2,582

High Level Occupations of the New Jobs

* Assembly operators	457
• Engineers (manufacturing, design, process, product, quality, sales)	361
• Manufacturing associates (planner, technician, handler, operator)	276
• Quality and product technicians	275
• Manufacturing/product managers/supervisors/leads	224
• Warehouse associates	172
• Administrative/customer service	103
• Procurement/Buyer/Supply Chain	51
• Other (less than 50 per category)	663

Information Received By Programs

Job Title	Number of New Jobs	Wage w/o Benefits
A&P/IA	2	\$35.00
Restoration Specialist	3	\$23.50
Repair Technician	2	\$23.50
Fabrication Specialist	2	\$25.00

Title	# of Positions	Cash Wage
Plant Manager	1	\$ 50.00
Supervisor	4	\$ 32.00
Lab Technician	3	\$ 22.00
Maintenance Technician	4	\$ 30.00
Operating Technician	22	\$ 25.00
Administrative Asst	1	\$ 18.00

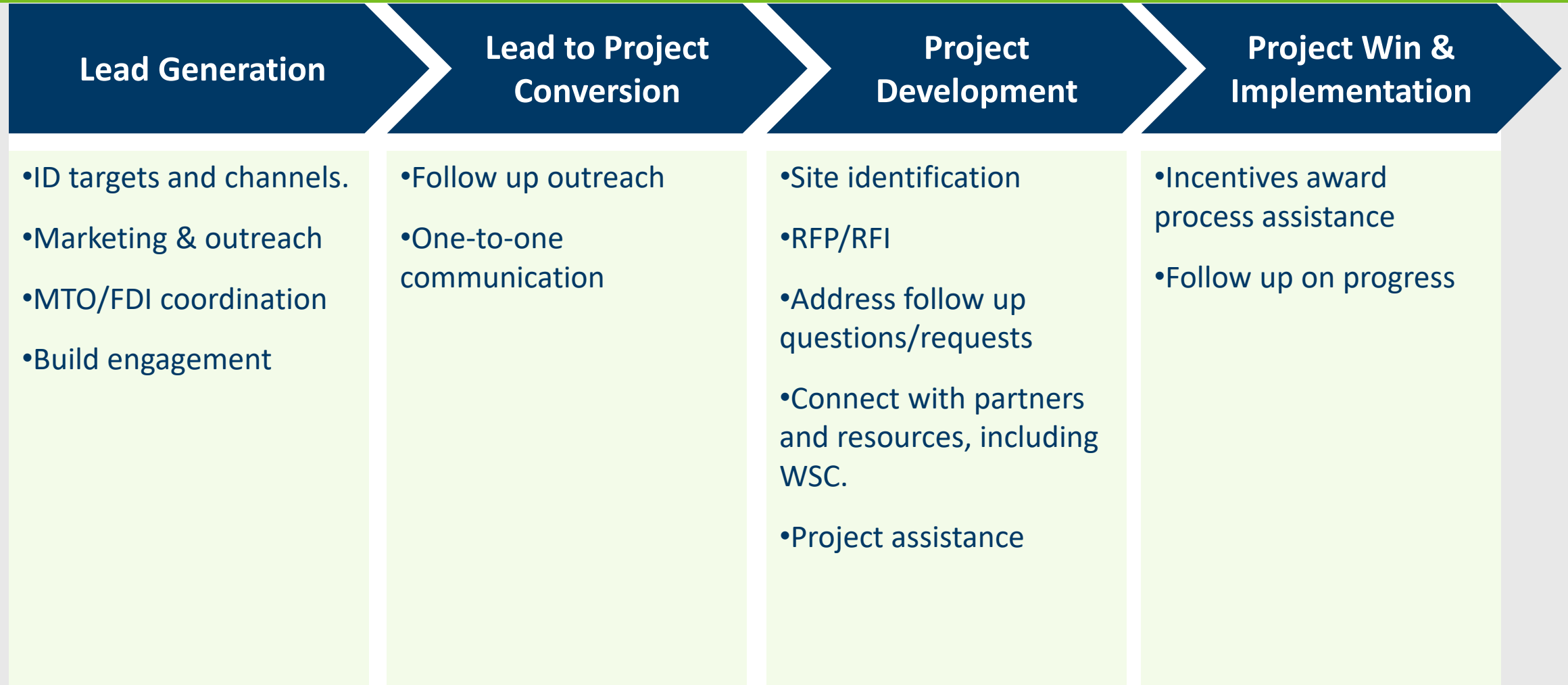
Title	# of Positions	Cash Wage
Plant Manager	1	\$ 50.00
Supervisor	4	\$ 32.00
Lab Technician	3	\$ 22.00
Maintenance Technician	4	\$ 30.00
Operating Technician	22	\$ 25.00
Administrative Asst	1	\$ 18.00

Information Received By Programs

Title	# of Positions	Cash Wage
Director, Reg. Affairs	1	\$ 75.00
IT Service Delivery Mgr.	1	\$ 50.00
Medical Assembly Tech	10	\$ 26.55
Medical Device Sr. Electrical Engineer	4	\$ 66.36
Program Manager	4	\$ 53.86
R & D Scientist	8	\$ 79.62
Sr. Electrical Engineer	4	\$ 66.36
Sr. Engineering Program Mgr.	4	\$ 66.36
Sr. Mechanical / Microfluidics Eng.	10	\$ 66.36
Sr. R & D Scientist	4	\$ 79.63
Sr. Scientist - Surface Functionalization	4	\$ 78.44

Title	# of Positions	Cash Wage
Production	83	\$ 17.00
Engineer / Quality	16	\$ 39.00
Admin / Sales	6	\$ 36.00

Business Development Process



2021 Project Pipeline Overview



106
pipeline



~\$8.4B
CAPEX

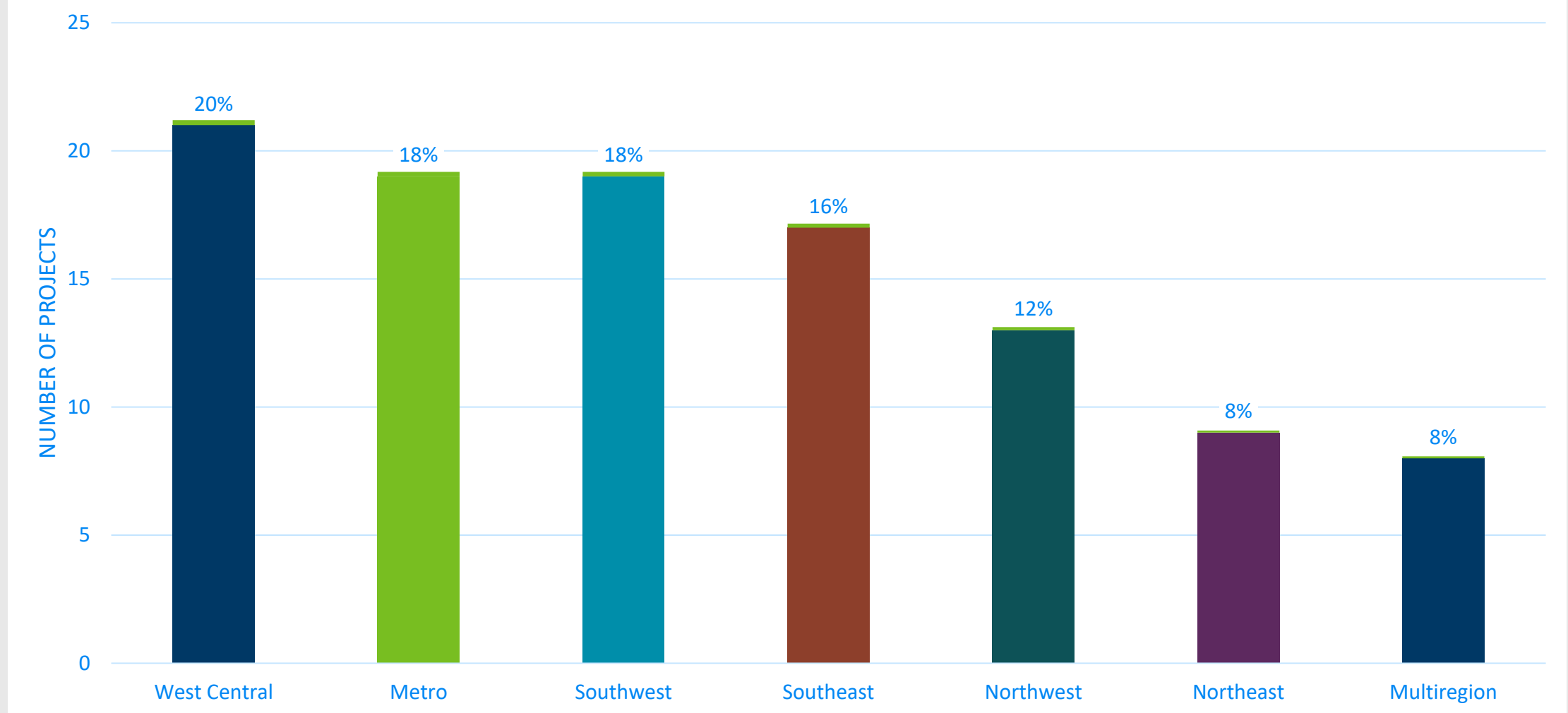


~8,500
jobs



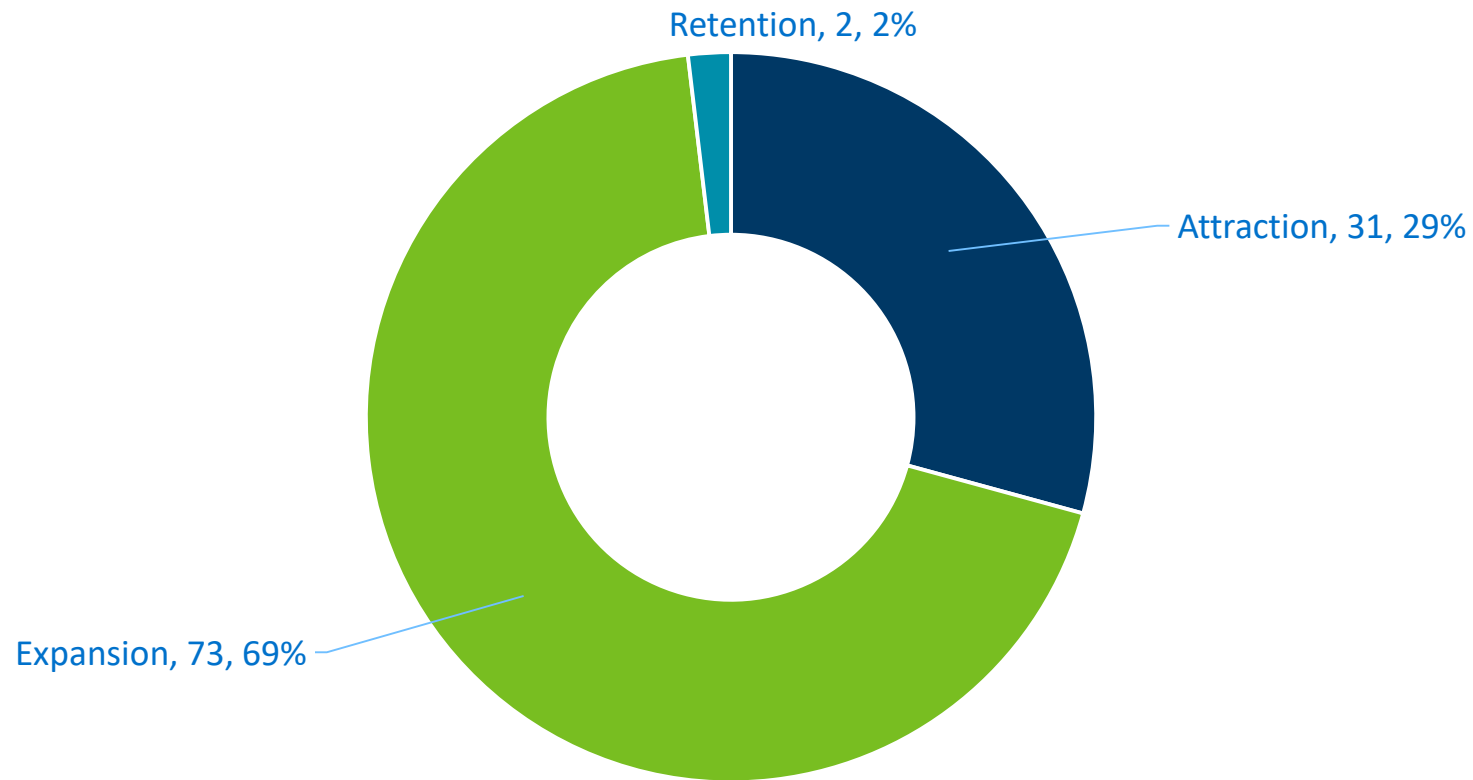
77%
company-
driven

Project pipeline overview – We have a good spread of projects across the state

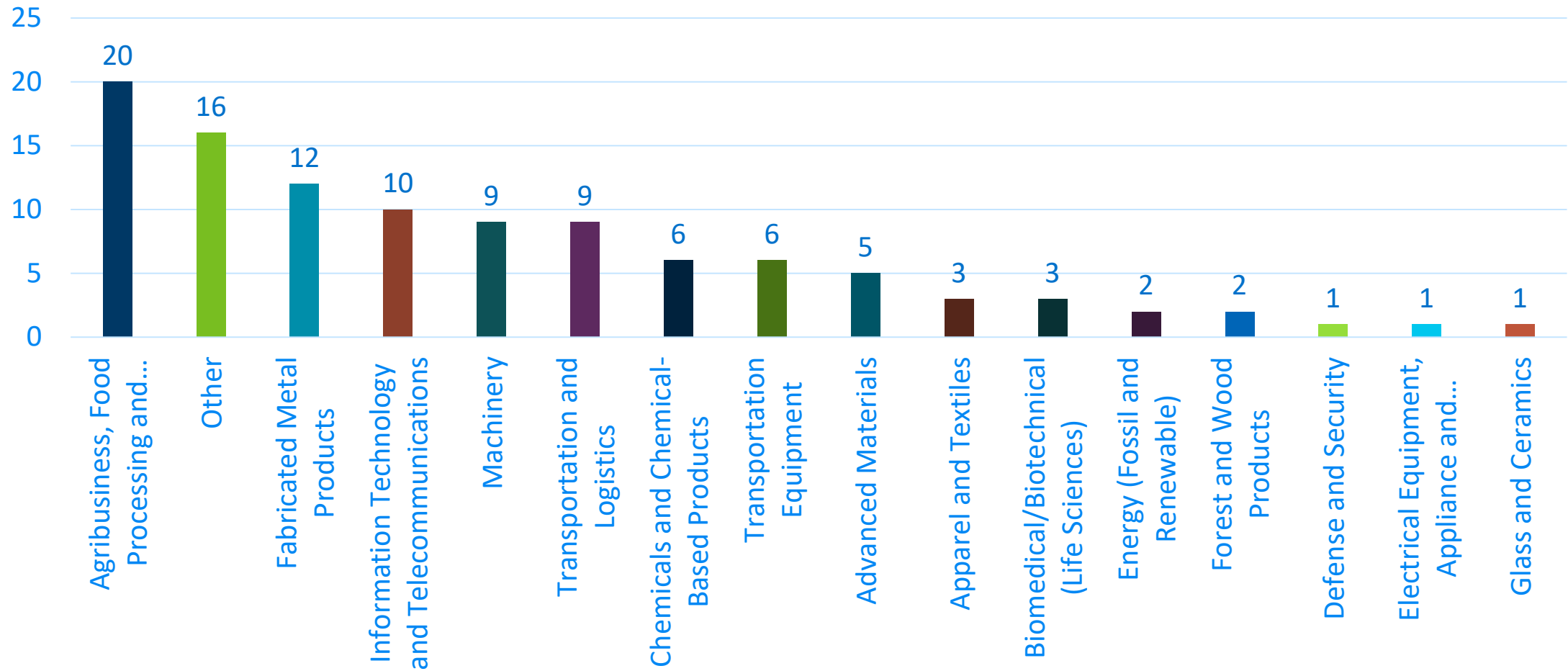


Project pipeline overview – Most opportunities are existing business expansions

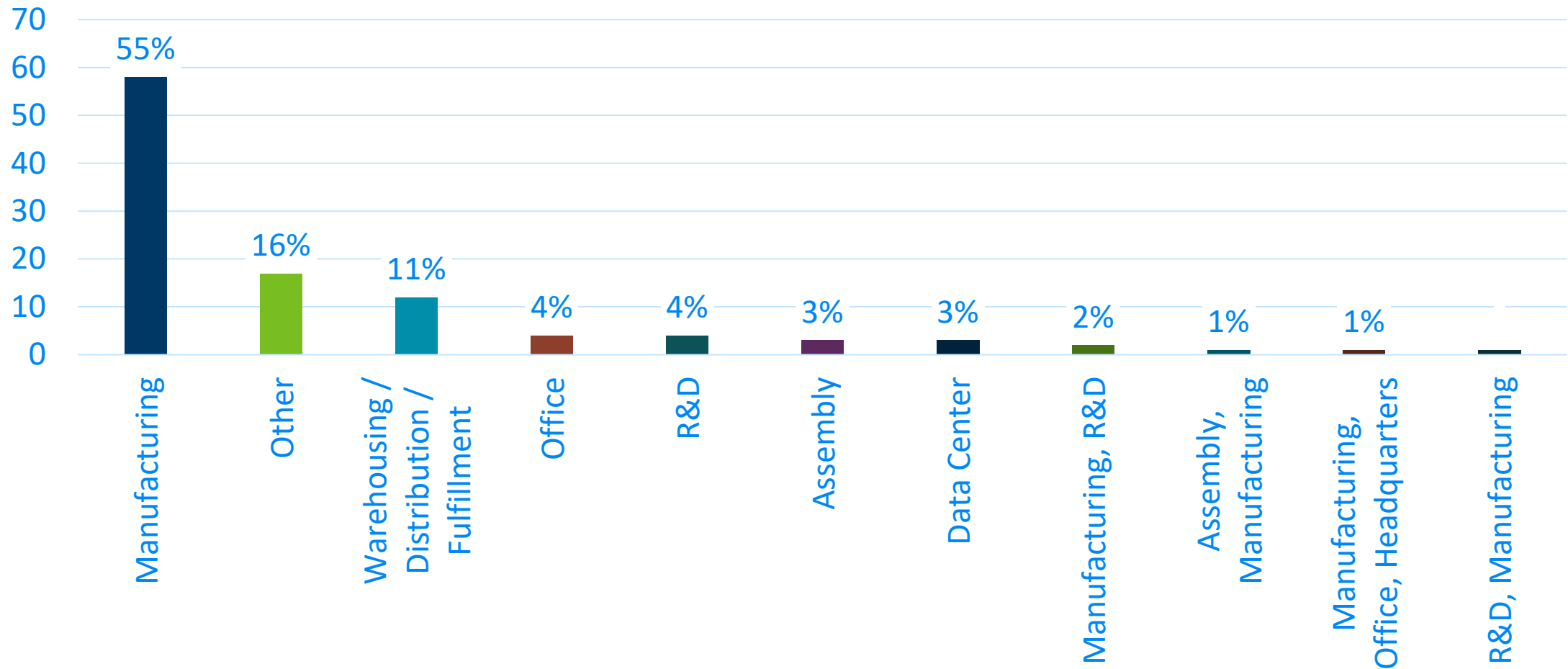
Project Type



Project pipeline overview – Agribusiness & food processing lead the way



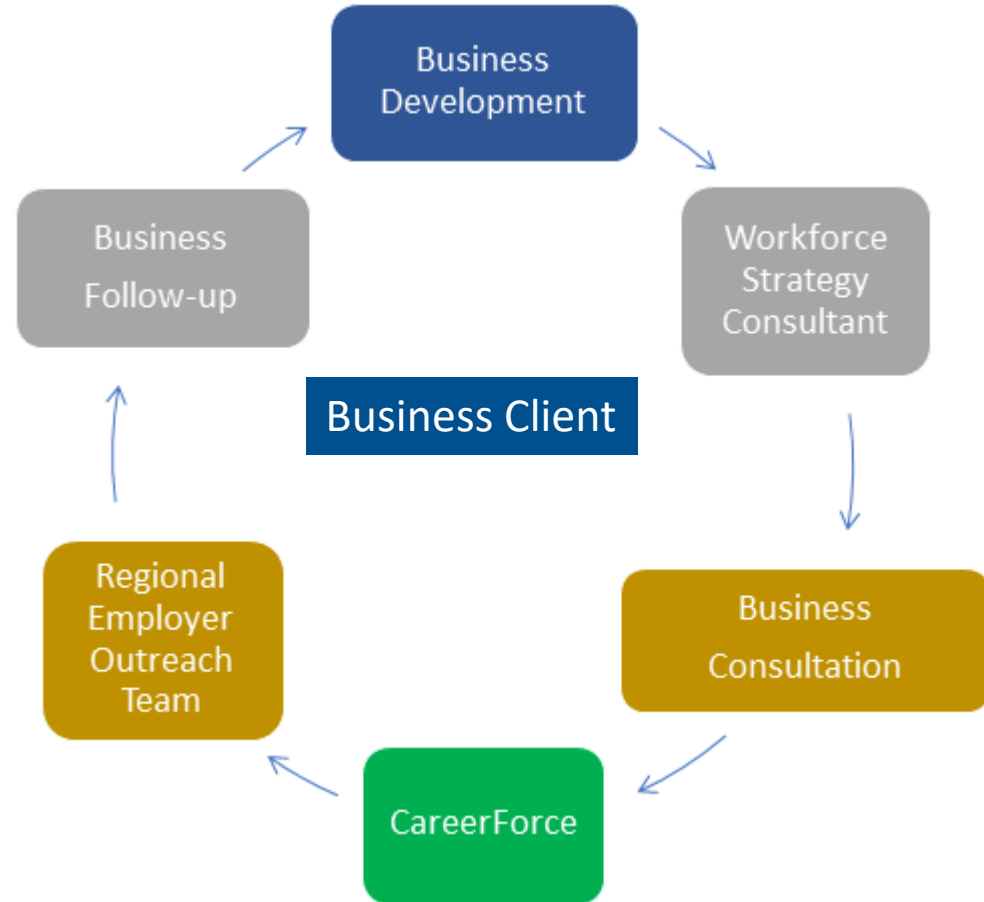
Project pipeline overview – Manufacturing is the dominant type of operation



Key Business Development Partners



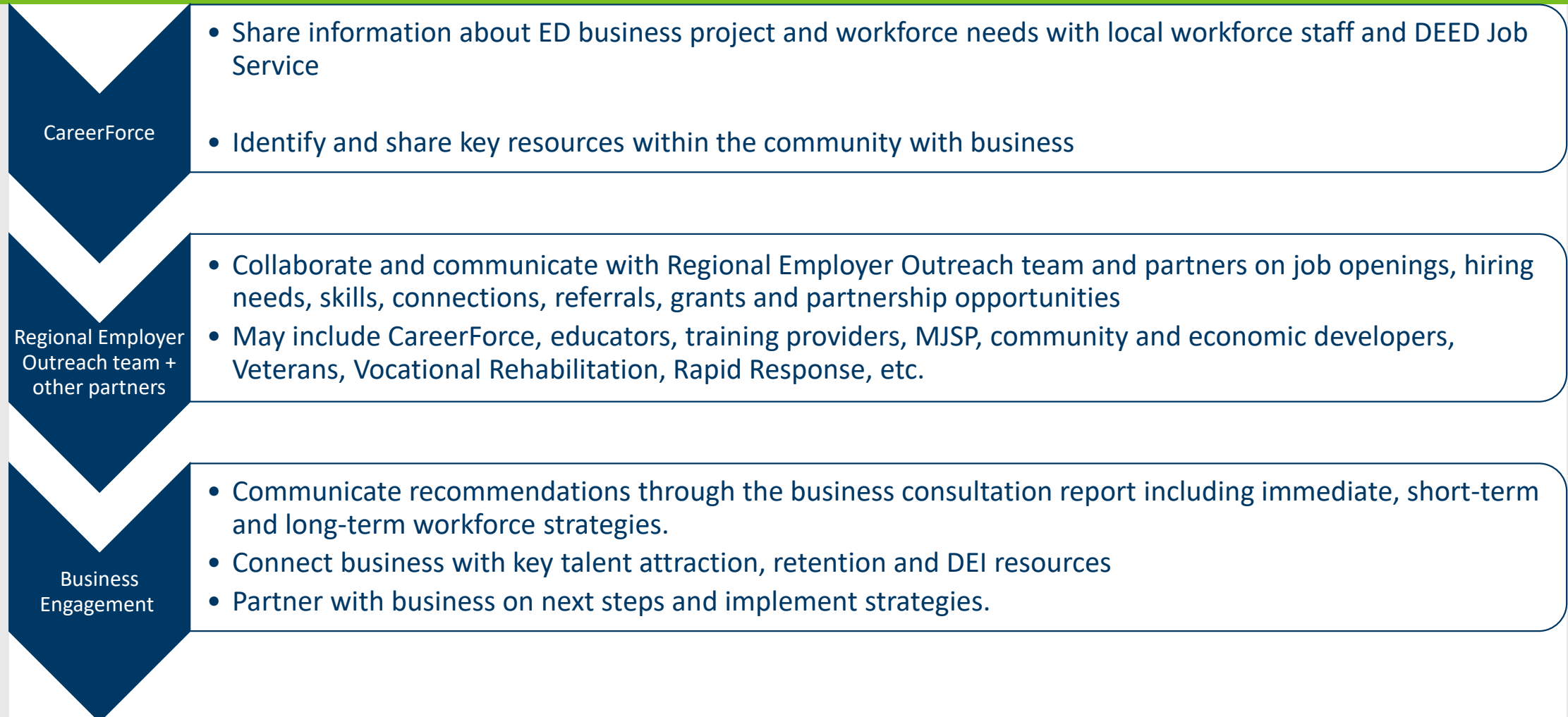
Workforce Strategy Consultant Process for ED projects



WSC Process



WSC Process



Thank You!

Kevin McKinnon

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