

## 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

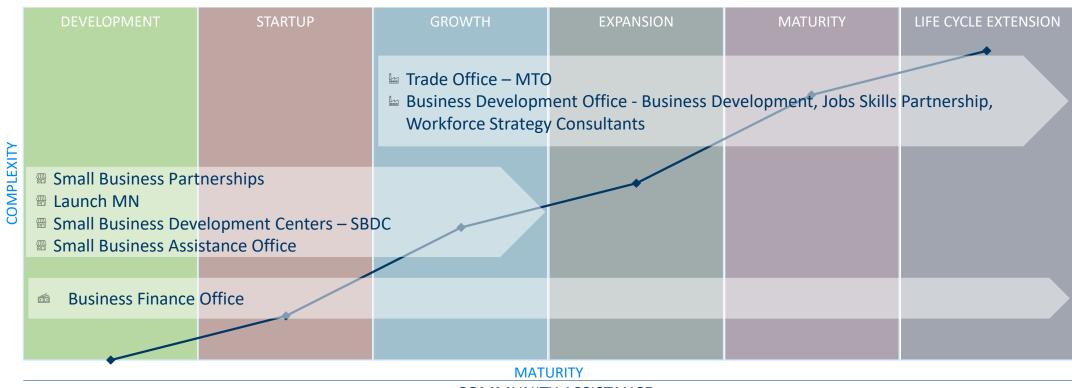
#### The Numbers

- 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**



- + 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.
  - <u>Metric deliver 20% of needed hires for DEED-Economic Development</u> 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
С	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	e
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**

#### **Lead Generation**

## Lead to Project Conversion

## Project Development

Project Win & Implementation

- •ID targets and channels.
- Marketing & outreach
- •MTO/FDI coordination
- Build engagement

- •Follow up outreach
- •One-to-one communication

- Site identification
- •RFP/RFI
- Address follow up questions/requests
- •Connect with partners and resources, including WSC.
- Project assistance

- •Incentives award process assistance
- •Follow up on progress



## 2021 Project Pipeline Overview









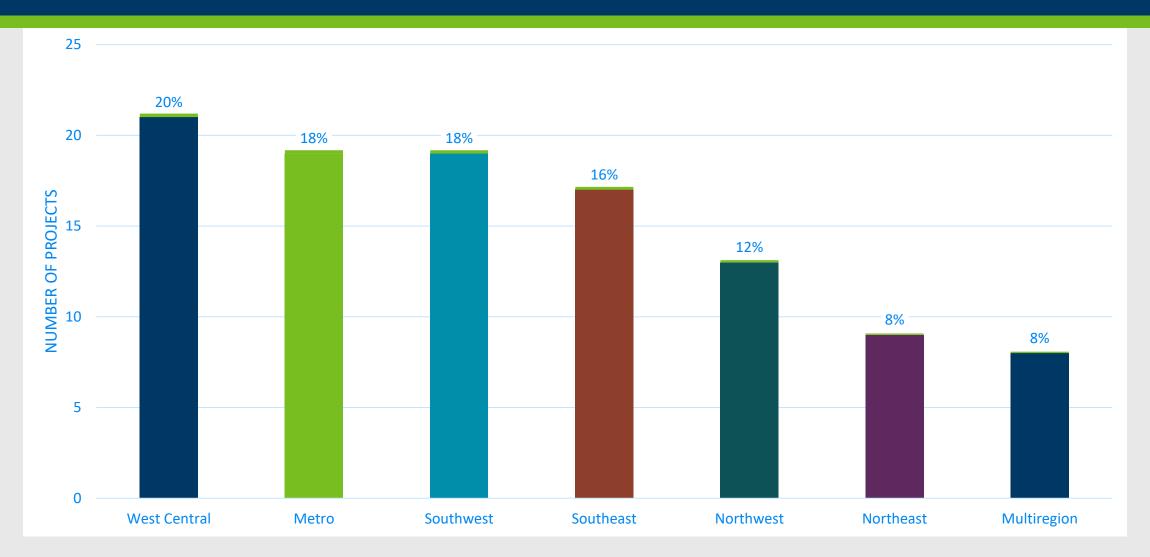
106 pipeline ~\$8.4B **CAPEX** 

~8,500 jobs

**77%** companydriven

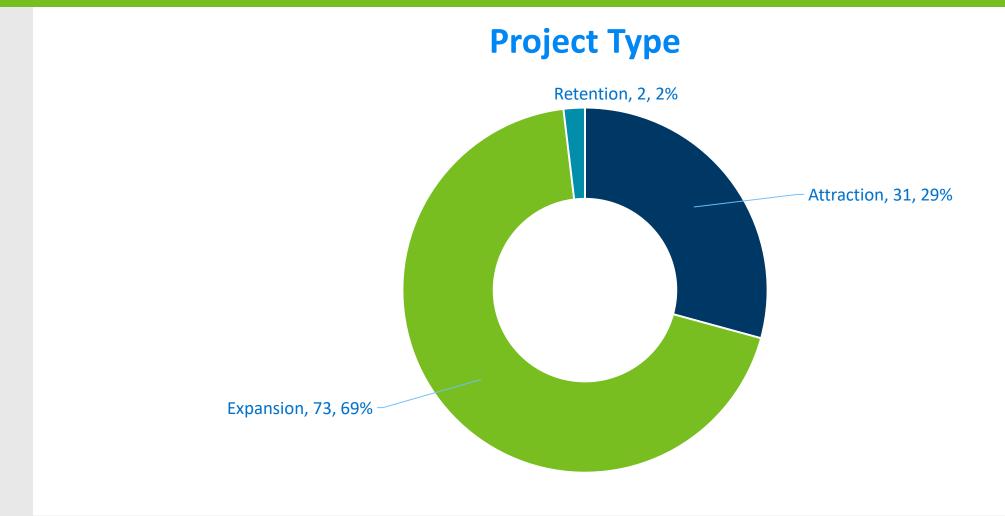


# Project pipeline overview – We have a good spread of projects across the state



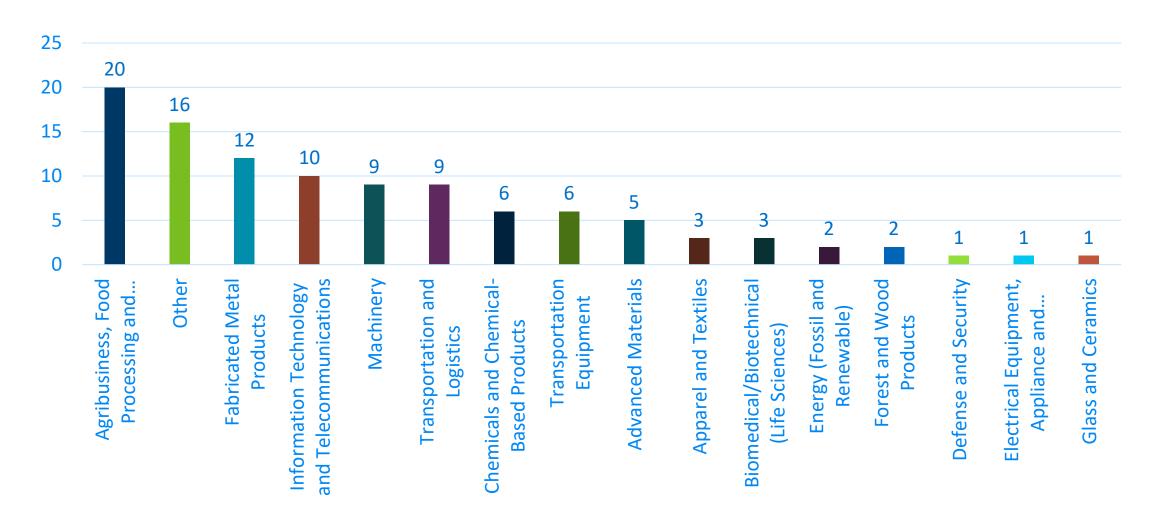


## Project pipeline overview – Most opportunities are existing business expansions



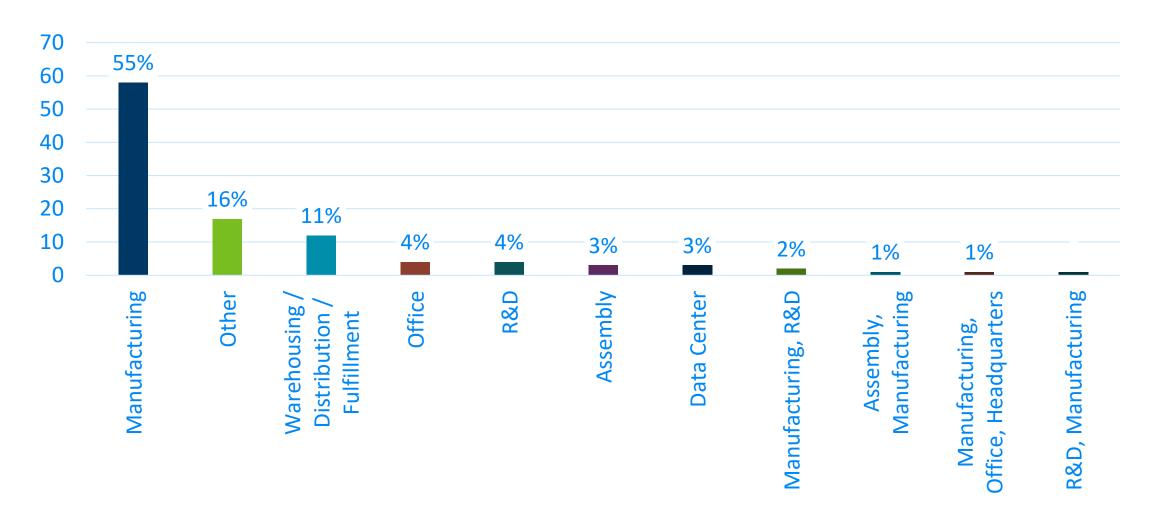


# Project pipeline overview – Agribusiness & food processing lead the way





# Project pipeline overview – Manufacturing is the dominant type of operation



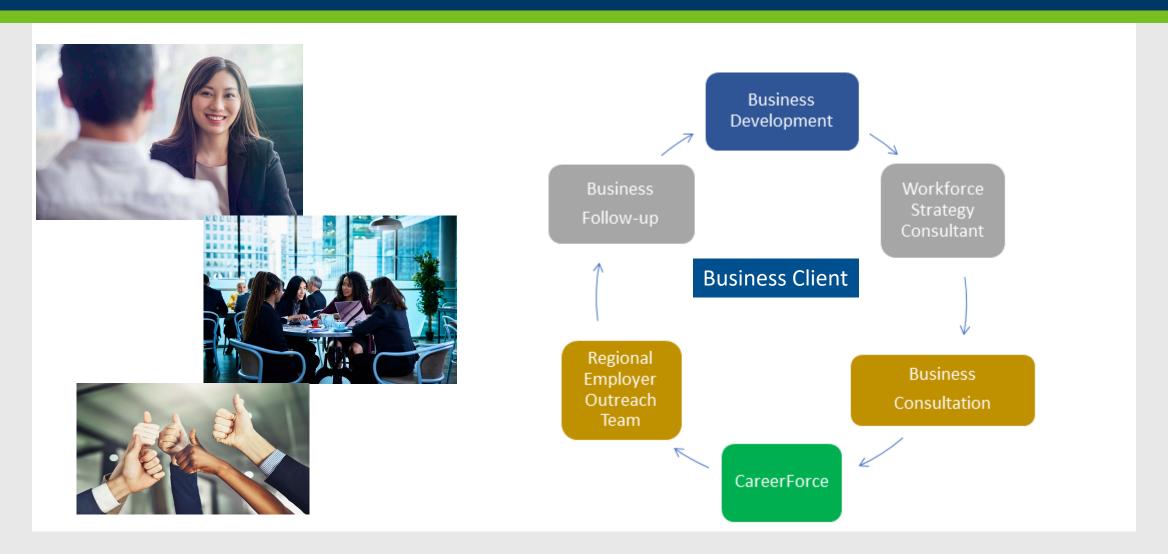


## Key Business Development Partners





## Workforce Strategy Consultant Process for ED projects





### **WSC Process**

**Business** Development Manager

- Communication begins amongst the Regional Business Development Manager and Regional WSC regarding Economic Development funded project
- BD Manager and Business Finance share project scope and funding

**Regional WSC** 

- Research business, labor market and project
- Schedule initial Q & A meet-up with business
- When applicable, share basic workforce tools and resources (I.e Minnesotaworks.net and CareerForceMN.com)

**Business** Consultation

- Meet with business and HR leaders to increase familiarity with the company, workforce needs, skills required, career pathways, obstacles faced, successful strategies
- Workforce consultation report narrative created for business client

#### **WSC Process**



• Share information about ED business project and workforce needs with local workforce staff and DEED Job Service

CareerForce

• Identify and share key resources within the community with business

Regional Employer Outreach team + other partners

- Collaborate and communicate with Regional Employer Outreach team and partners on job openings, hiring needs, skills, connections, referrals, grants and partnership opportunities
- May include CareerForce, educators, training providers, MJSP, community and economic developers, Veterans, Vocational Rehabilitation, Rapid Response, etc.

Business Engagement

- Communicate recommendations through the business consultation report including immediate, short-term and long-term workforce strategies.
- Connect business with key talent attraction, retention and DEI resources
- Partner with business on next steps and implement strategies.



## Thank You!

#### **Kevin McKinnon**

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