



# Areas of Substantial Unemployment & Allocation Formula

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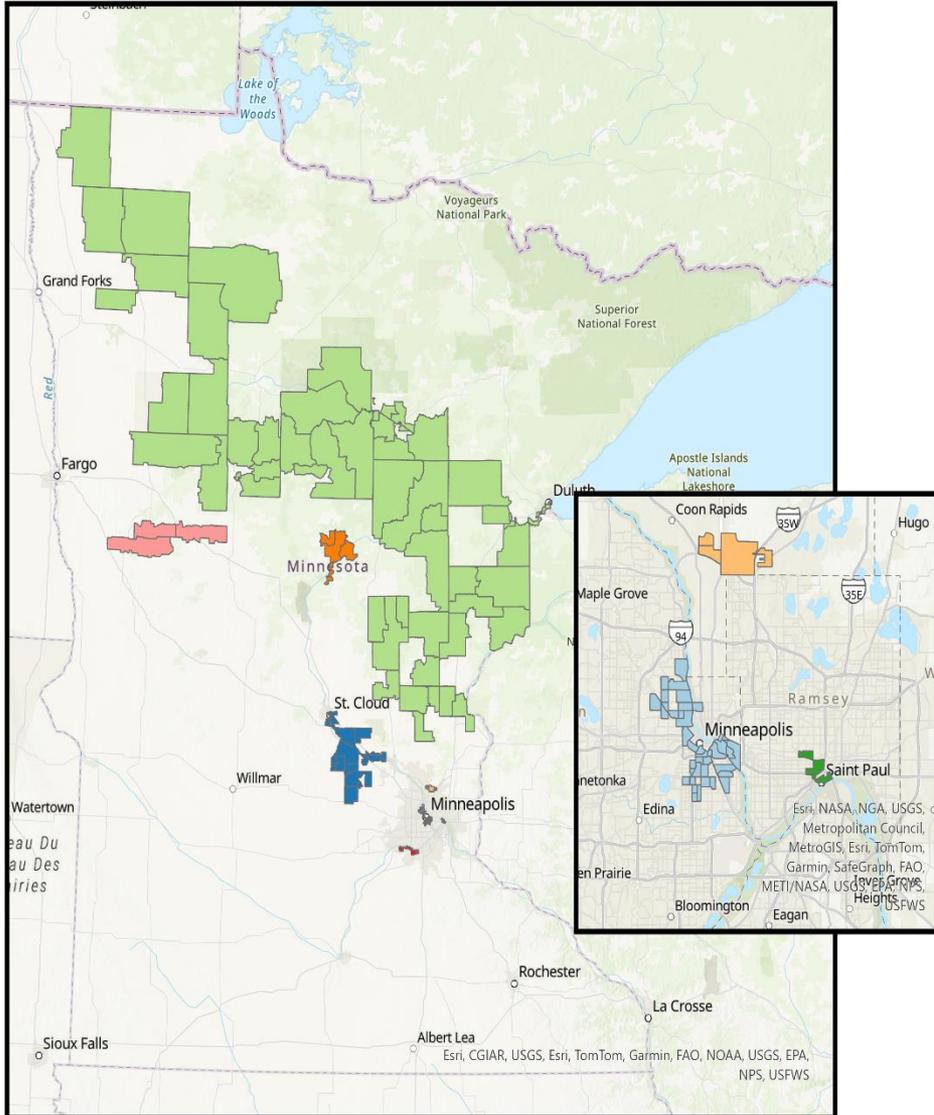
*Labor Market Information Office* | <http://mn.gov/deed/data>

# ASU definition

**ASU Qualification Requirements:** An area must meet three requirements to be an ASU

- *Unemployment rate*—the 12-month average not seasonally adjusted unemployment rate for the reference period (July 2023 benchmarked through June 2024 preliminary) must be **at least 6.5 percent**. Note that ASU *parts* do not need to meet this requirement individually—only the *whole* ASU must meet it.
- *Population*—its population must be **at least 10,000** persons based on Census Bureau figures, as described below.
- *Geography*—it must be **a contiguous geographic area** composed of any combination of counties, cities, census tracts, or other areas within a State. If two areas are separated by a body of water (for example, river, lake, ocean) they can be contiguous if the two areas are directly across the body of water from one another. Contiguity is also achieved when two areas touch at only one point, as four square counties might touch.

# 2024 MN ASU

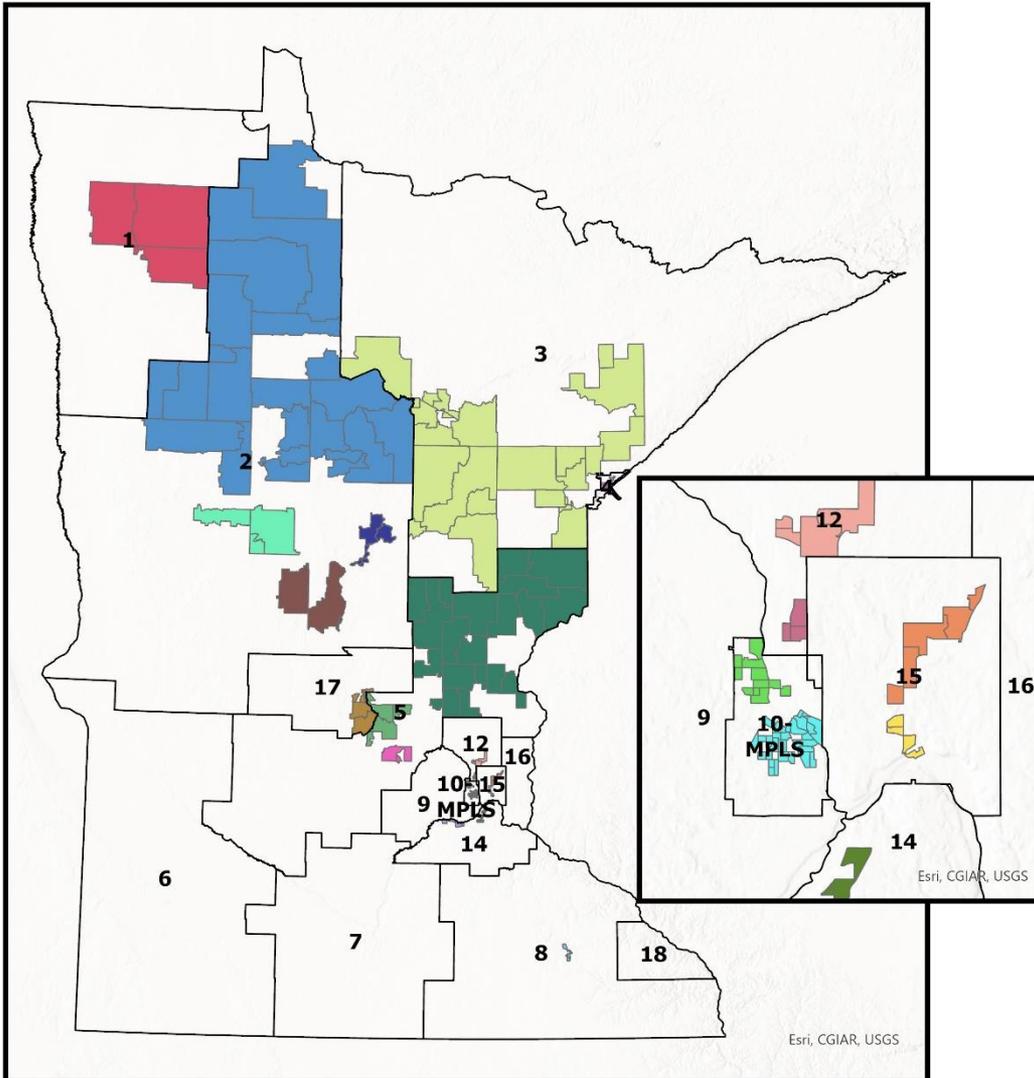


PY	TOTAL Unemployed	TOTAL Rate	ASU Unemployed	ASU Rate
2023	84,024	2.8%	14,962	6.5%
2024	94,307	3.0%	21,268	6.6%
△	10,268		6,306	

# Similar process to identify WDA-level ASU

- We update to most recent calendar year (now 2024) LAUS estimates (6-month forward shift)
- We use ACS 5-year estimates (2019-2023) to distribute most recent calendar year's LAUS county, Duluth and Minneapolis employment and unemployment estimates to Census Tracts
- Limit ASU designations to WDA geographies, subject to same constraints:
  - 6.5% unemployment,
  - 10,000 population,
  - contiguous geographies

# WDA ASUs 2024



--112 of 1,505 (7.4%) census tracts have unemployment rates  $\geq 6.5\%$

--11 of 16 WDAs have tracts with unemployment  $\geq 6.5\%$  and population over 10k within those tracts

# 2024 WDA-ASU Designations

ASU Number	ASU Population	ASU Employment	ASU Unemployment	ASU Unemployment Rate	Number of Tracts included	WDA Number
1	34,926	16,806	1,177	0.0655	11	W10
2	102,871	51,425	3,575	0.0650	29	W10
3	45,309	24,029	1,706	0.0663	10	W17
4	66,387	27,240	1,889	0.0648	23	W02
5	28,226	14,737	1,017	0.0646	10	W04
6	74,467	34,377	2,409	0.0655	20	W05
7	10,559	5,560	384	0.0646	4	W01
8	63,106	27,674	1,916	0.0648	23	W03
9	17,900	9,301	654	0.0657	5	W14
10	19,486	9,210	650	0.0659	5	W02
11	10,060	5,026	352	0.0655	3	W02
12	18,195	8,949	621	0.0649	4	W12
13	11,549	6,050	458	0.0704	3	W14
14	13,743	7,179	510	0.0663	4	W15
15	12,935	6,880	556	0.0748	2	W05
16	16,537	7,898	552	0.0653	3	W02
17	27,109	13,199	920	0.0652	5	W05
18	19,022	9,074	635	0.0654	5	W15
19	20,235	10,616	778	0.0683	6	W08
20	14,024	7,286	509	0.0653	3	W12

## Sub-state allocation formula: Youth

Thirty-three and 1/3 percent of the total funds available for local allocations are allocated based on each local area's relative share of each data factor listed below:

- A. The relative number of unemployed individuals in Areas of Substantial Unemployment (ASUs) in each local area**, compared to the total number of unemployed individuals in ASUs in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period, July 2023 to June 2024.
- B. The relative excess number of unemployed individuals in each local area**, compared to the total excess number of unemployed individuals in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period, July 2023 to June 2024.
- C. The relative number of disadvantaged youth (age 16 to 21**, excluding college students not in the workforce and military), in each local area, compared to the total number of disadvantaged youth in all local areas in the state. The Census Bureau collected this data between January 1, 2016 and December 31, 2020.

# Sub-state allocation formula: Adult

Thirty-three and 1/3 percent of the total funds available for local allocations are allocated based on each local area's relative share of each data factor listed below:

- A. The relative number of unemployed individuals in Areas of Substantial Unemployment (ASUs) in each local area**, compared to the total number of unemployed individuals in ASUs in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period, July 2023 to June 2024.
- B. The relative excess number of unemployed individuals in each local area**, compared to the total excess number of unemployed individuals in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period, July 2023 to June 2024.
- C. The relative number of disadvantaged adults (age 22 to 72**, excluding college students not in the workforce and military), in each local area, compared to the total number of disadvantaged adults in all local areas in the state. The Census Bureau collected this data between January 1, 2016 and December 31, 2020.

# Calculating Excess Unemployment

First, there must be an ASU within the WDA, otherwise excess unemployment is 0 in that WDA.

Excess Unemployment =

Labor Force of the ASU \* (Unemployment Rate of the ASU – 4.5%)

# Excess Unemployment

WDA	Excess Unemployment
W01	117
W02	1,066
W03	584
W04	308
W05	1,260
W08	265
W10	1,468
W12	349
W14	371
W15	362
W17	548

# Sub-state allocation formula: Dislocated Worker

Funds to local areas must be allocated based on a formula created by the Governor using the following 6 data factors:

- Insured unemployment data
  - Unemployment concentrations
  - Plant closing and mass layoff data
  - Declining industries data
  - Farmer-rancher economic hardship data
  - Long-term unemployment data
- The formula will use the most appropriate data available
  - **Minimum:** A local area may not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the past 2 years.
  - **Maximum:** Not required, but allowed

# Dislocated Worker PY25 Share by WDA

Final Share PY25	WDA	Avg Prev 2 Yrs	Delta (FS/AVG)
2.4%	1 - Northwest	2.0%	123.9%
9.7%	2 - Rural CEP	9.8%	98.6%
5.0%	3 - Northeast	5.6%	90.0%
1.2%	4 - Duluth	1.3%	92.3%
10.7%	5 - Central	10.5%	101.6%
3.0%	6 - Southwest	3.2%	92.8%
4.7%	7 - South Central	4.5%	102.7%
6.8%	8 - Southeast	7.3%	93.3%
14.9%	9 - Hennepin	14.9%	100.3%
8.5%	10 - Minneapolis	8.5%	100.4%
6.3%	12 - Anoka	5.9%	105.6%
9.5%	14 - Dakota	9.2%	103.5%
9.2%	15 - Ramsey	9.2%	99.9%
3.8%	16 - Washington	3.7%	103.3%
3.6%	17 - Stearns/Benton	3.7%	97.6%
0.7%	18 - Winona	0.7%	96.5%

# Thank You



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# Percent of Labor Force in WDA ASUs 2024

WDA	Total ASU Employment	Total ASU Unemployment	Percent of Labor Force
<b>WSA 1 - Northwest Minnesota</b>	5,560	384	13.1%
<b>WSA 2 - Rural Minnesota CEP</b>	49,374	3,443	20.6%
<b>WSA 3 - Northeast Minnesota</b>	27,674	1,916	26.3%
<b>WSA 4 - City of Duluth</b>	14,737	1,017	33.7%
<b>WSA 5 - Central Minnesota</b>	54,456	3,885	19.7%
<b>WSA 6 - Southwest Minnesota</b>	-	-	0.0%
<b>WSA 7 - South Central Minnesota</b>	-	-	0.0%
<b>WSA 8 - Southeast Minnesota</b>	10,616	778	4.5%
<b>WSA 9 - Hennepin/Carver</b>	-	-	0.0%
<b>WSA 10 - City of Minneapolis</b>	68,231	4,752	29.0%
<b>WSA 12 - Anoka County</b>	16,235	1,130	8.5%
<b>WSA 14 - Dakota/Scott</b>	15,351	1,112	4.8%
<b>WSA 15 - Ramsey County</b>	16,253	1,145	6.0%
<b>WSA 16 - Washington County</b>	-	-	0.0%
<b>WSA 17 - Stearns/Benton</b>	24,029	1,706	23.2%
<b>WSA 18 - Winona County</b>	-	-	0.0%