

City of Austin

Labor Market Analysis

Population and Labor Market Area

Mower County is located in the Southeast region of Minnesota. With almost 24,000 people, Austin is the largest city in Mower County. The city's population has been steady in recent years, gaining more than 400 residents between 2000 and 2008. Mower County's population was 38,080 in 2008.

With more than 13,700 jobs, Austin is also one of the largest employment centers in the region, and local employers benefit from good transportation networks that bring commuters to Austin. In fact, only 59 percent of Austin jobs are filled by city residents. Another 2,000 workers come from other parts of Mower County, but local employers also attract workers from surrounding counties in both Minnesota and Iowa. Census commuting data identify Austin's labor market area, which is the area from which a new or expanding business can expect to draw its workers. That labor market area includes five counties, listed in the table below. Together Freeborn, Steele, Olmsted and Mitchell county residents account for 1,300 of Austin's workers.

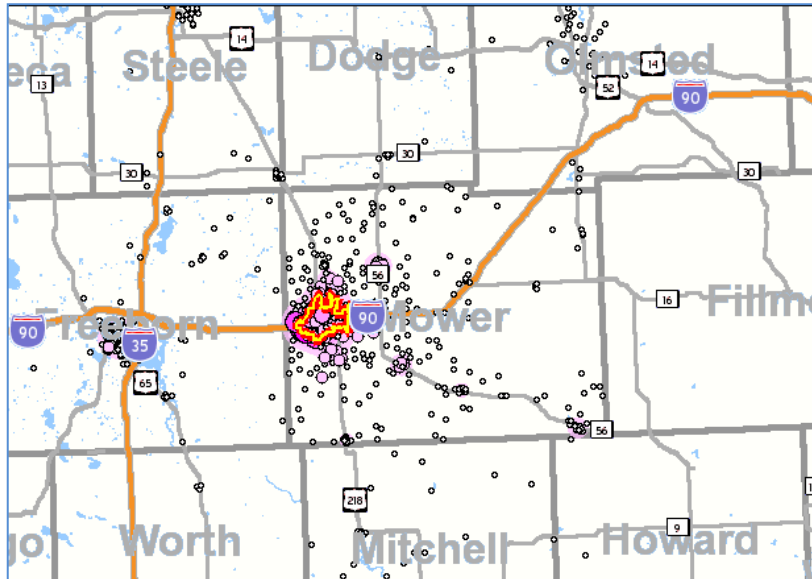
Within just 20 miles of Austin's city center there are more than 28,000 workers. Within 25 miles there are 36,000 workers—including 8,700 manufacturing workers and 5,900 health care and social assistance workers. Some of these workers currently commute to other employment centers like Rochester, Albert Lea, and Owatonna, but new and expanding businesses have the potential to regain out-commuters that would rather stay closer to Austin.

Austin Labor Market Area

Residence County	Share of Workers
Mower Co. MN	75%
Freeborn Co. MN	5%
Steele Co. MN	2%
Olmsted Co. MN	2%
Mitchell Co. IA	2%

Source: US Census Bureau, LED Origin-Destination Data Base (2006)

Austin Labor Market Area: Where Workers Live



Labor Force Availability

The standard measure of available workers is the unemployment rate. The table below displays unemployment statistics for each county in the labor market area. It also provides comparison with state and national unemployment rates. Unemployment rates in the labor market area are highest in neighboring Freeborn County and Steele County. In the five-county labor market area there were an estimated 9,446 unemployed workers during the third quarter of 2009—more than 1,200 in Mower County alone—providing new and expanding employers with a large supply of unemployed people who are available for work.

Unemployment Statistics, 3rd Quarter 2009

Area	Labor Force	Employed	Unemployed	Unemployment Rate
City of Austin	12,049	11,298	751	6.2%
Mower Co. MN	21,236	19,997	1,239	5.8%
Freeborn Co. MN	17,022	15,661	1,361	8.0%
Steele Co. MN	21,909	20,108	1,801	8.2%
Olmsted Co. MN	82,527	77,792	4,735	5.7%
Mitchell Co. IA	5,680	5,370	310	5.5%
		Comparative MN Unemployment Rate		7.5%
		Comparative US Unemployment Rate		9.6%

Source: MN DEED, LAUS

However, while many unemployed workers will apply for a job with a new employer, research shows that the majority of new hires come from job switchers. Austin is a prime location for those companies interested in a solid manufacturing base.

Industry Employment

Manufacturing employment in the City of Austin accounts for one in four jobs, and similarly high manufacturing concentrations are also seen in almost every county in the labor market area. The large number of manufacturing workers demonstrates that these communities embrace the industry. It also shows that area residents have experience in and aptitude for manufacturing work.

Austin was one of only a few communities still adding jobs in 2008, as the rest of the country slid into the recession. However, manufacturing employment in the city has scaled back slightly in recent years—a result of both changes in demand and increases in productivity.

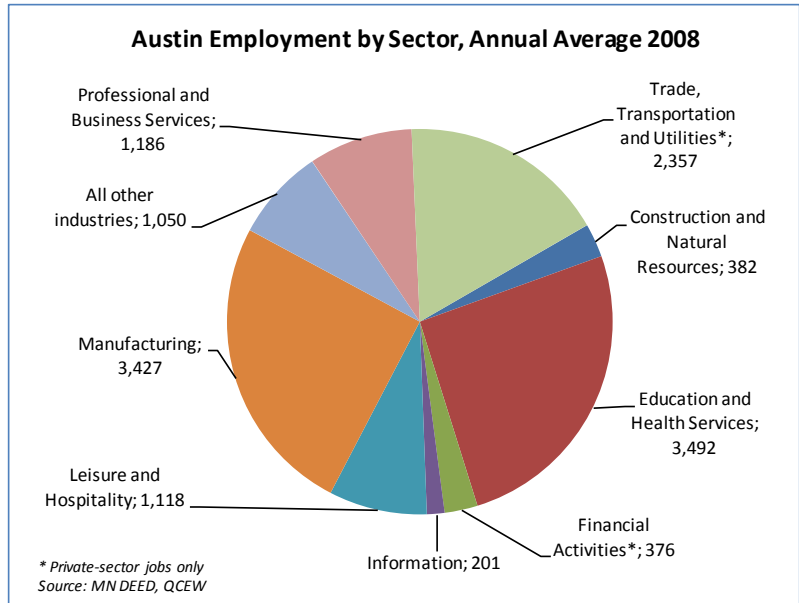
Payroll Employment, Annual Average 2008

Area	Total Employment	Manufacturing Employment	Manufacturing Share of Total Employment
City of Austin	13,773	3,427	24.9%
Mower Co. MN	16,369	3,585	21.9%
Freeborn Co. MN	12,701	2,657	20.9%
Steele Co. MN	21,378	6,057	28.3%
Olmsted Co. MN	90,033	8,513	9.5%
Mitchell Co. IA	3,790	973	25.7%

Source: MN DEED, QCEW

Between 2007 and 2008, manufacturing jobs in the city were down 2.5 percent (94 jobs), compared with a 3.3 percent drop nationally.

A large share of Austin’s manufacturing employment is in food manufacturing, but other prominent industries in the labor market area include printing, machinery, fabricated metal, furniture, computer and electronic product, wood product, and nonmetallic mineral product (including glass) manufacturing. Thanks to local corporate headquarters, there is also a pool of professional and technical workers in the city.



Other large employment sectors in the city include trade, transportation and utilities, as well as education and health services. Schools and health care providers account for the largest share of employment in education and health services, but there is also growing employment in research and development jobs at places like the Hormel Institute.

Competitive Wages

The Occupational Employment Statistics program provides the best source of information for comparing wages by occupation. Competitive wages indicate the level at which workers may switch jobs. In Minnesota, these estimates are available for regions and Metropolitan Statistical Areas. The following table displays median hourly wage and employment information for the Southeast Region (the eleven counties in Southeast Minnesota, including the Minnesota counties of the Austin labor market area), the State of Minnesota, and the US.

Average Employment and Median Hourly Wages for Manufacturing Jobs: Southeast Region, State of Minnesota, and US

Occupation	Average # Jobs			Median Wage		
	SE MN	MN	US	SE MN	MN	US
Industrial Machinery Mechanics	1,020	7,160	280,620	\$20.23	\$22.38	\$21.50
Maintenance Workers, Machinery	90	490	73,650	\$16.45	\$16.88	\$18.12
Team Assemblers	2,940	30,940	1,131,060	\$13.09	\$13.44	\$12.56
Slaughterers and Meat Packers	1,420	5,320	97,000	\$12.70	\$12.48	\$11.29
Food Cooking Machine Operators and Tenders	100	620	39,300	\$13.23	\$12.74	\$11.22
Machinists	880	9,930	419,070	\$19.19	\$19.48	\$17.75
Welders, Cutters, Solderers, and Brazers	1,110	9,310	392,520	\$17.74	\$17.91	\$16.45
Helpers--Production Workers	560	8,960	499,870	\$10.36	\$11.38	\$10.69
Packers and Packers, Hand	1,660	16,410	777,630	\$9.37	\$10.42	\$9.31

Source: MN DEED, OES