

COVID-19 IMPACT REPORT

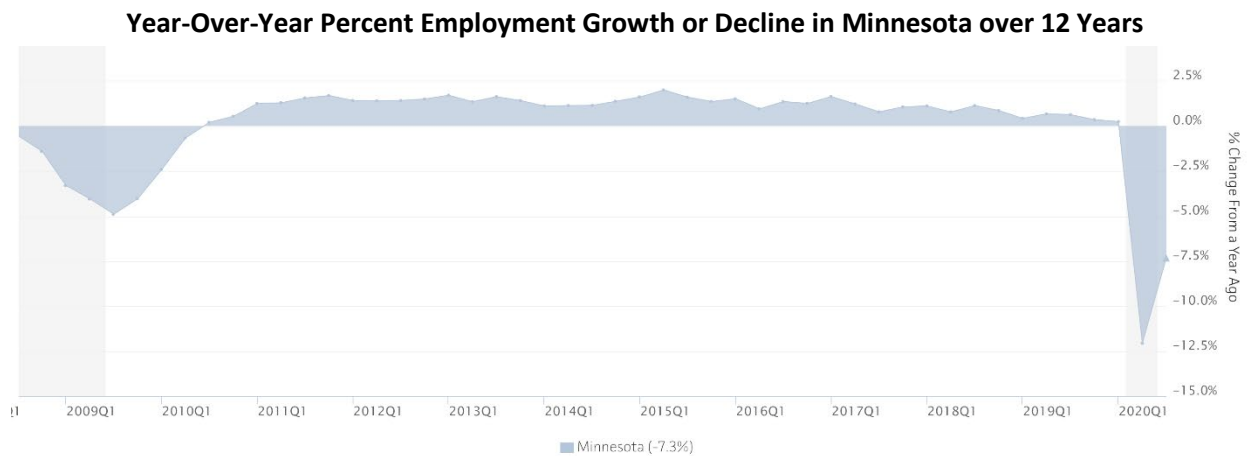
Rising Job Postings Following a Tumultuous Year Signal Employer Optimism at Close of 2020

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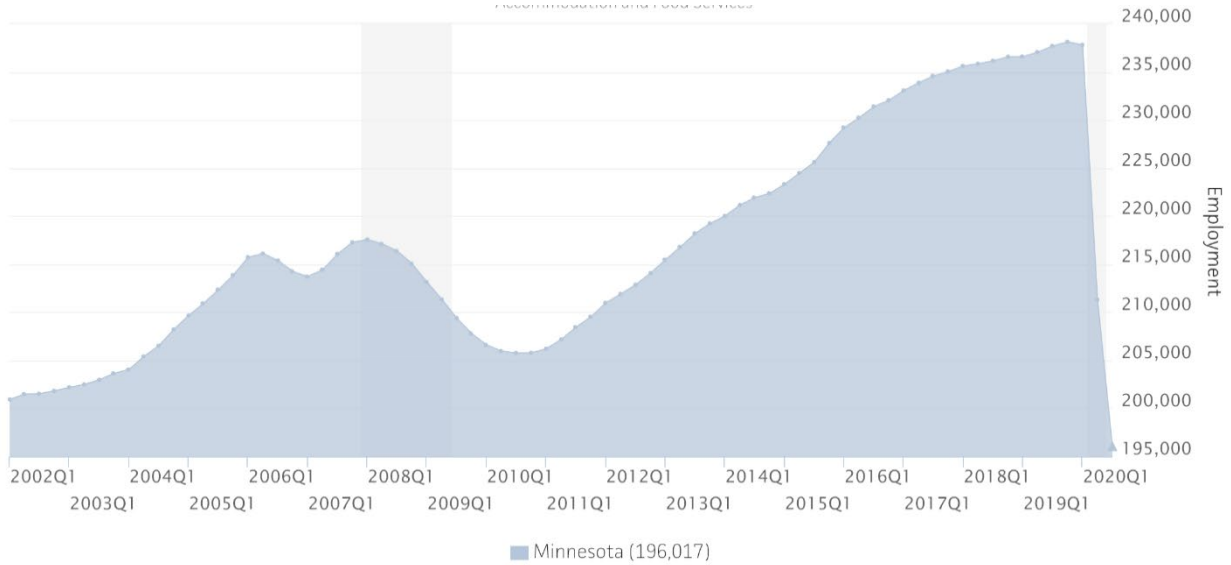
Employment, Unemployment, and “Unprecedented” Shifts

2020 was a challenging year on many fronts—for public health, social justice, politically, and economically. It was a year that tested business both large and small to pivot their supply chains, talent management, and recruitment strategies. Overall statewide, total employment dropped by -12.1% in the second quarter of 2020 compared to 2019, and losses continued at -7.3% year-over-year percent change into the third quarter.



Of course, impacts of the pandemic were unevenly felt across occupations, industries, and communities. Some industries saw declines in overall employment higher than ever before experienced, such as Accommodation and Food Services where employment plummeted from its all-time high in the fourth quarter of 2019 at 238,136 people working in the industry across Minnesota to a 20-year low of just 196,017 by the second quarter of 2020—a drop of 17.7% in less than one year (Chmura 2020Q3).

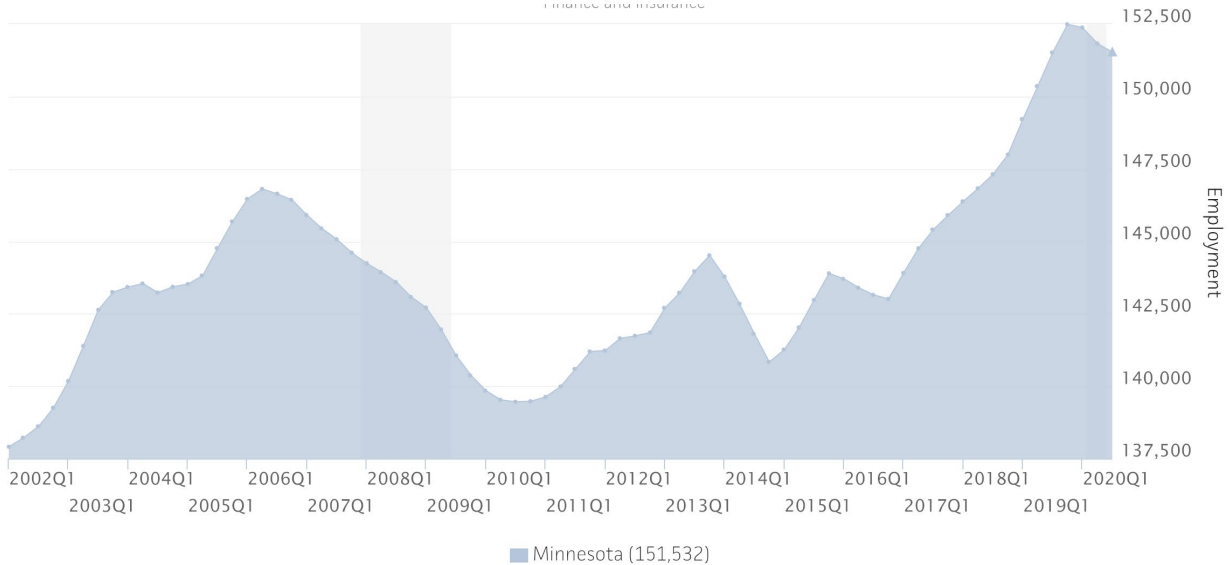
Employment in Minnesota, Four-Quarter Moving Average in the Accommodation and Food Services Industry



Source: JobsEQ®. Data as of 2020Q3. The shaded areas of the graph represent national recessions.

In contrast, other industries experienced much more moderate, and even barely notable declines in overall employment. For instance, the Finance and Insurance Industry saw a decline of just 964 jobs statewide, or 0.6% of all employment during the same time period, taking overall industry employment back to almost an identical level seen in the third quarter of 2019. This is a marked difference from what was seen during the 2008 economic downturn, where Finance and Insurance was one of the hardest-hit sectors of the national economy (Chmura, 2020Q3).

Employment in Minnesota, Four-Quarter Moving Average in the Finance and Insurance Industry



Source: JobsEQ®. Data as of 2020Q3. The shaded areas of the graph represent national recessions.

When it comes to unemployment, communities fared differently in their exposure to job loss. Nationwide, unemployment rates as of December 2020 (6.7%) remained nearly twice their pre-pandemic levels in February (3.5%). For teenagers (16%) and Hispanics (9.3%), unemployment rates increased in December. Although temporary layoffs increased by 277,000 in December 2020 to a total of 3.0 million, this was a noticeable drop from the high of 18.0 million in April. Permanent job losses declined by 348,000 nationwide to just 3.4 million in December, though still over 1 million people higher than February 2020. A total of 2.3 million people reentered the workforce nationwide in December, continuing an upward trend of reentry started a few months prior ([BLS, 2021](#)).

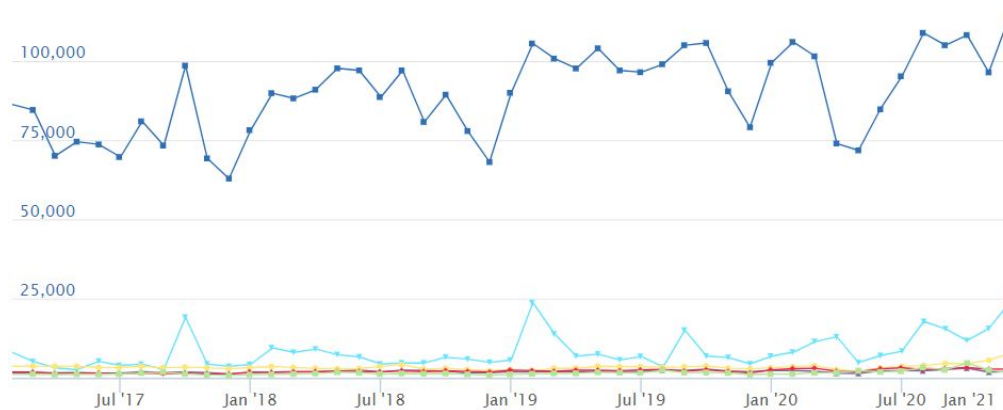
In Minnesota, the unemployment situation overall improved slightly from November to December 2020, hitting 5.3% unemployment on a 6-month moving average statewide according to MN DEED. This remains nearly double the rate observed in December 2019 (2.8%). All racial and ethnic groups saw improvements in overall unemployment rates between November and December 2020, but disparities persist. White job-seekers had the lowest unemployment rates (5.2%) compared to Hispanic (6.0%) and Black (5.5%) job-seekers in December 2020. As of December 2020, about 23.6% of all people unemployed in Minnesota are long-term unemployed (more than 27 weeks), compared to just 13.1% in December 2019. Labor force participation rates also dropped across all race and ethnic groups; by sex, male labor force participation decreased slightly to 72.6% in December from November (73.2%), and was down from 75% from December 2019. Female labor force participation fell to 66.0% in December 2020—a drop from 66.5% in November, but up slightly from 64.9% in December 2019 ([MN DEED, 2021](#)).

Statewide Shifts in Demand for Talent

Analysis of job posting data provides a real-time signal of employer demand, and serves as a strong leading indicator for employment growth. As job postings grow and unemployment falls, job posting data is also a useful indicator of critical talent shortages reemerging.

Statewide, job posting volumes in 2020 were only down about half of one percent compared to 2019, breaking a ten-year upward trend in year-over-year volume of job postings. Trends in monthly volumes of new postings diverged from the patterns seen over the past ten years, which typically show a dip in overall employer demand each December and a peak in late summer through October. In contrast, new volumes of job postings bottomed out in April and May 2020 and stayed lower than typically seen until returning to a prior range by August 2020. December volumes of postings dropped slightly, but nowhere near usual December volumes of postings—signaling employer optimism for 2021 business needs (Gartner 2021). This is somewhat in contrast to the trend seen nationwide, which saw a moderate cooling of the summer and autumn month's rising volume of postings ([Wall Street Journal, January 12, 2021](#)).

Monthly New Job Posting Volumes in Minnesota 2017-2020 (January 2021 data is preliminary)



Legend

Selected Date: 2020 Dec

Volume	115 087
Top 5: 6-Digit SOC	
Heavy and Tractor-Trailer ...	24 119
Registered Nurses	7 827
Software Developers, App...	2 774
Stock Clerks and Order Fil...	1 514
Customer Service Repres...	2 014

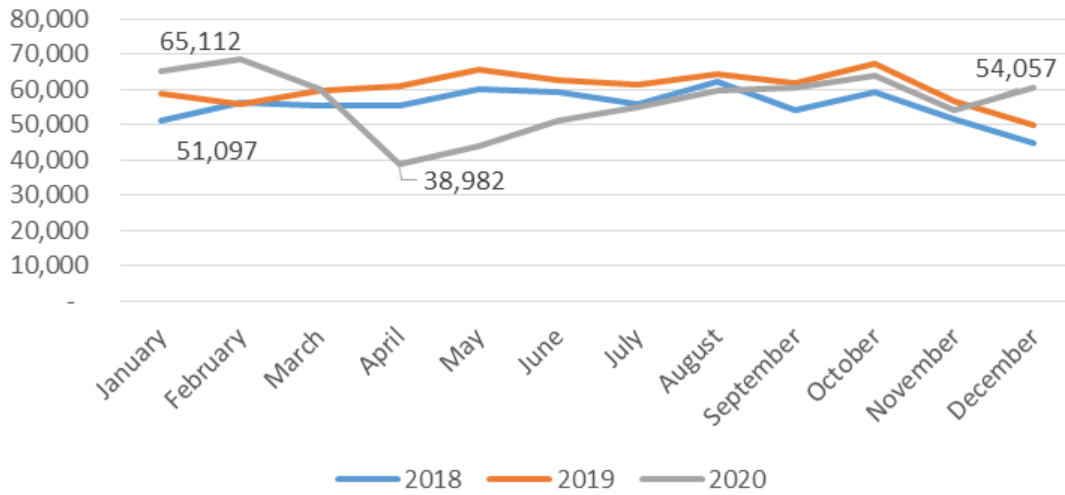
Gartner 2021.

The two occupations with the greatest demand over the past five years both saw noticeable spikes in 2020, with demand for Heavy and Tractor-Trailer Truck Drivers jumping up in August through the end of 2020 (+36% overall), and demand rising markedly for Registered Nurses in November (+23% overall). The mix of jobs represented in 2020 job postings varied from the typical mix seen over the past five years statewide, particularly in logistics, shipping, and home delivery service needs rising beyond historical rates. Demand for Laborers and Freight Movers rose by 215% compared to 2019, along with Stock Clerks (+48%), Light Truck or Delivery Service Drivers (+63%), and Driver/Sales Workers (+62%). Other occupations of noticeable higher demand in 2020 statewide compared to 2018 and 2019 include Personal Care Aides (+73%) and Insurance Sales Agents (+50%).

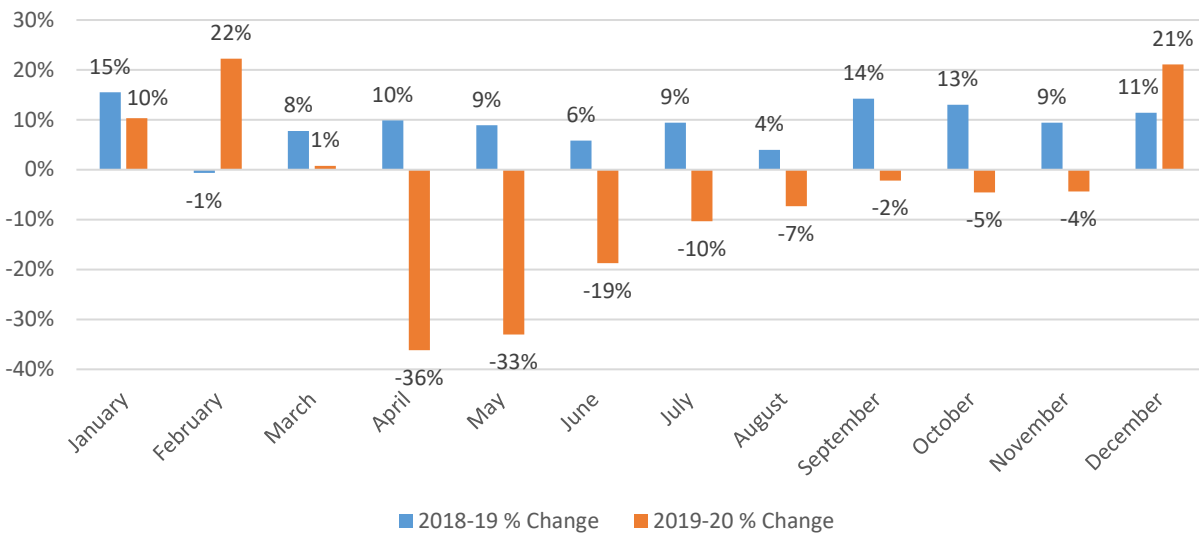
Minneapolis-Saint Paul Metro Job Posting Trends

Similar to patterns seen statewide, 2020 job postings broke with historical trends of high volumes through summer months and declines in December and January. Starting as early as February, the volumes of new job postings were up by 22% from 2019, and by December 2020, volumes of new postings in the metro area were up by 21% compared to the prior year yet again. However, this was after a dismal drop in postings between April and August 2020, where employer demand lagged dramatically behind typical volumes. Overall, 2020 volumes of new job postings were down -6% from 2019 volumes. A dashboard of monthly job posting trends and other real-time indicators of recovery over time are available on GreaterMSP's [Recovery Hub](#), to which RealTime Talent is a contributing partner.

Monthly New Job Posting Volumes in the 7-County MSP Metro, 2018-2020



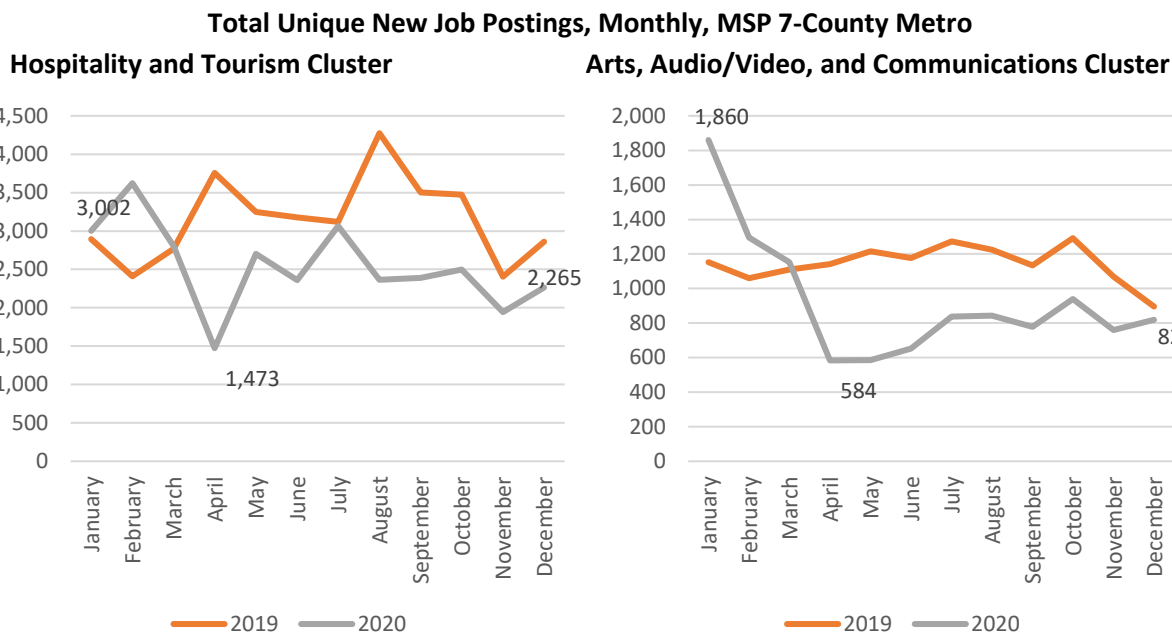
Year-Over-Year Percent Change in Volume of New Job Postings in the 7-County MSP Metro, 2018-2020



Gartner 2021.

Varied Experiences by Career Field

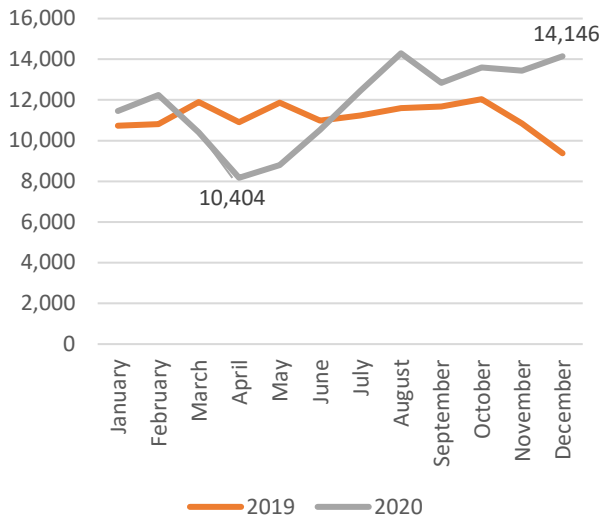
As described above in statewide employment trends, not every industry and occupation fared equally during the first eight months of the COVID-19 pandemic. Echoing trends observed on employment and unemployment, employer demand for talent dropped considerably from April through August 2020, particularly for occupations in the Hospitality and Tourism career cluster (-20% YOY) and Arts, Audio/Visual, and Communications career cluster (-19% YOY)—though Hospitality and Tourism observed an almost mirror image of typical talent demand see in prior years, and Arts, Audio/Visual, and Communications saw a more gradual decline in demand that started prior to the pandemic and has been more steadily sustained around 30% below 2019’s monthly volumes.



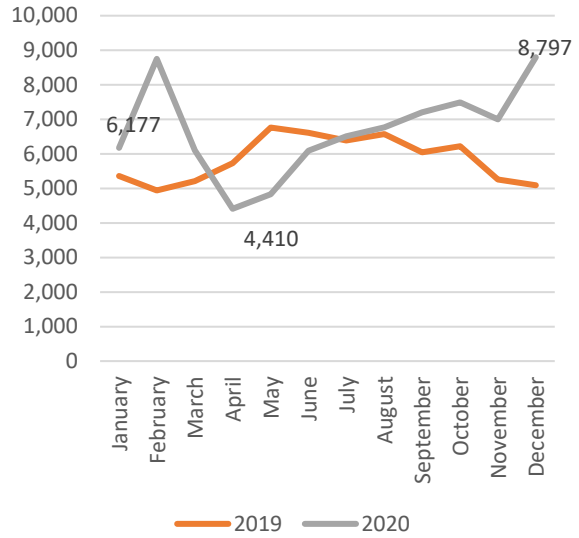
Gartner 2021.

Overall, Engineering, Manufacturing, and Technology career field talent have been in the highest demand of the ten clusters and fields analyzed below, hitting an eight-year high in local online job posting volumes in August of 2020. This career field, which includes careers in construction, manufacturing, logistics, transportation, and other technology and engineering pathways, has seen varied shifts in supply chain needs in response to the pandemic. Overall, there were 6% more Engineer, Manufacturing, and Technology job postings in 2020 than in 2019. The Health Science field saw the greatest year-over-year increase in employer demand, despite a strong initial drop-off in new job postings—primarily in elective and non-essential occupations—at 11% higher volumes of new postings in 2020 compared to 2019.

**Total Unique New Job Postings, Monthly, MSP 7-County Metro
Engineering, Manufacturing, and Technology Field**



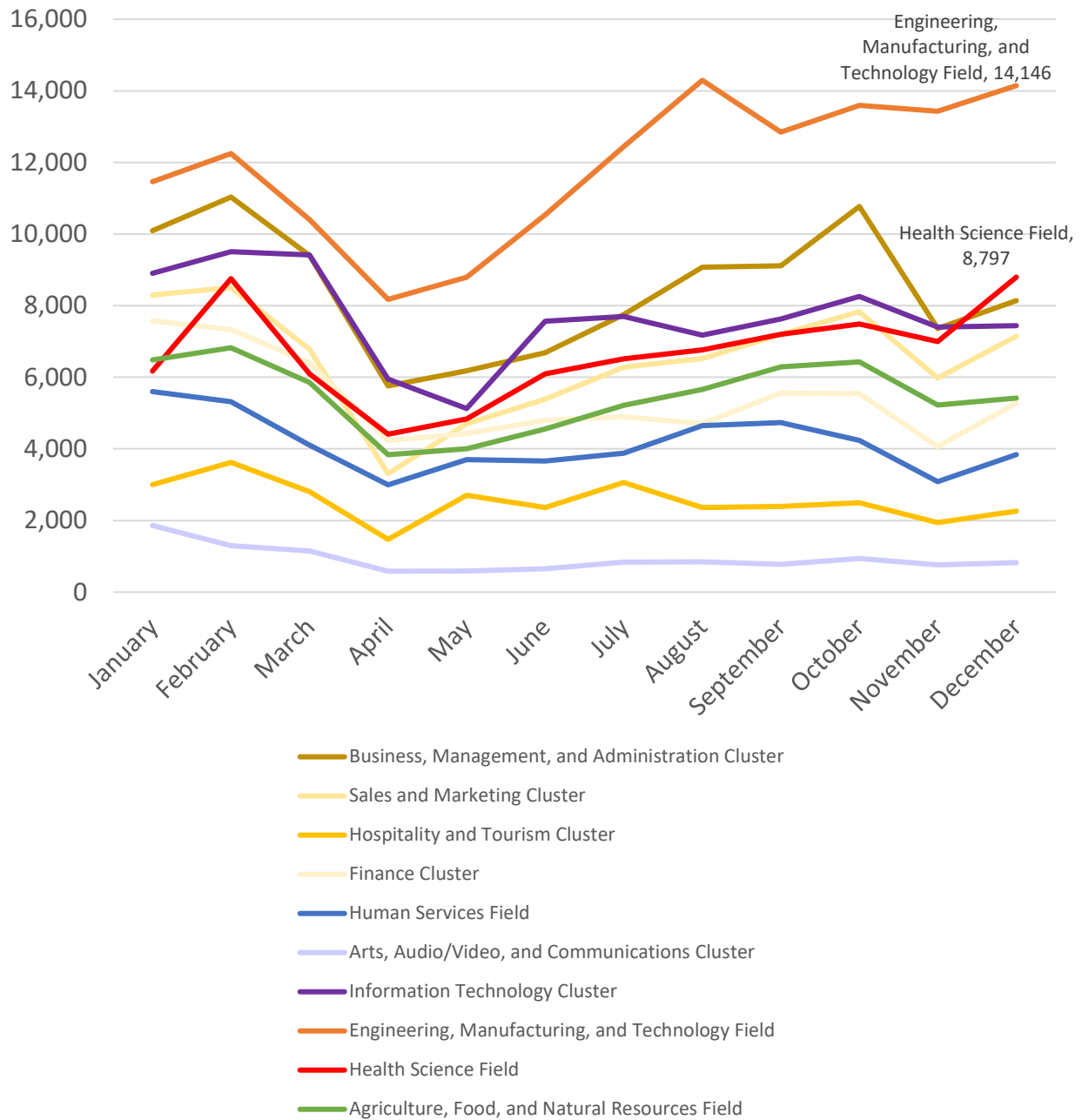
Health Science Field



Gartner 2021.

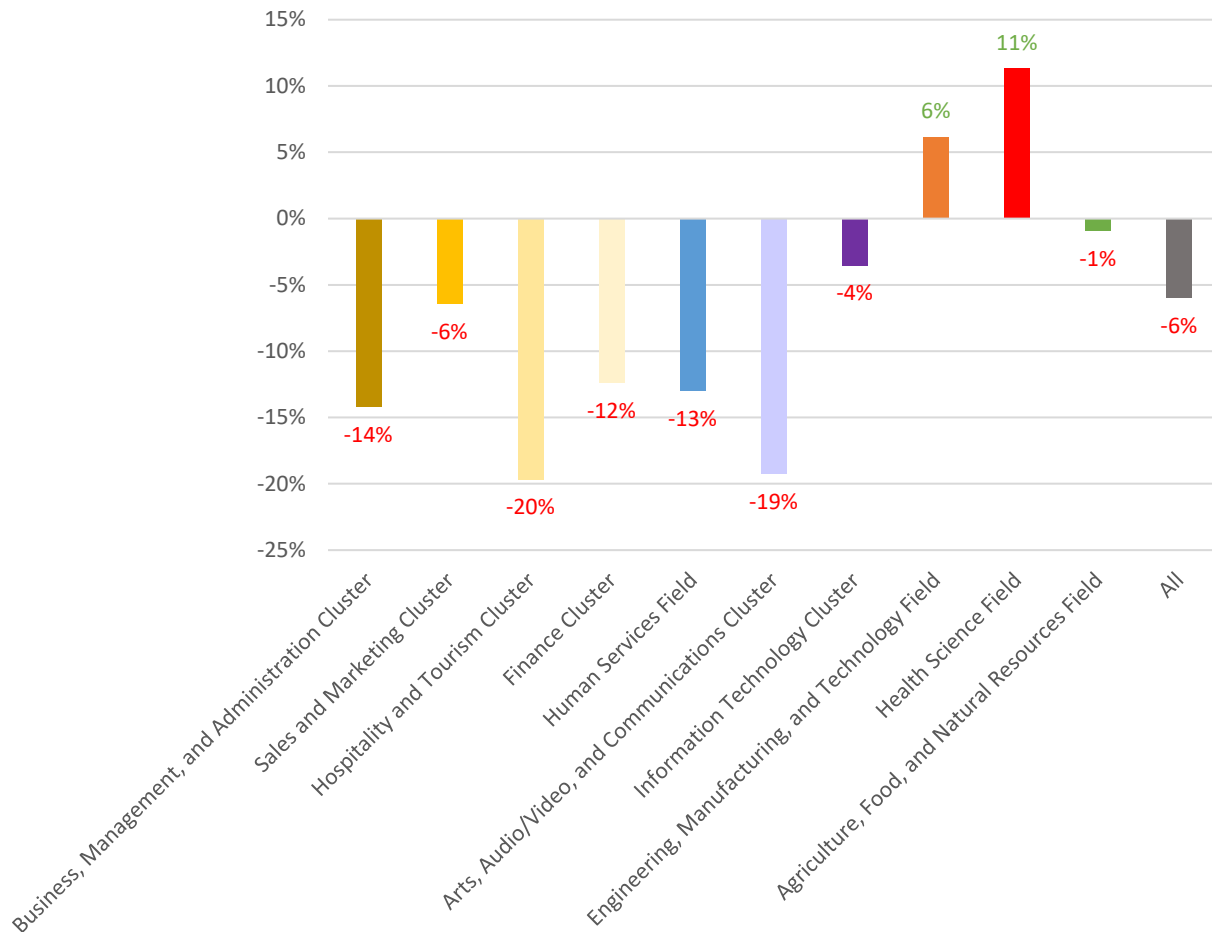
Compared broadly, all ten career fields and clusters experienced similar overall trends of early and heavy impacts to employer demand in March, April, and May as uncertainty about future business viability set in. The Health Science field gained momentum late in 2020 in line with the nationwide rollout of the first vaccines, while Sales and Marketing, Finance, Information Technology, and Business, Management, and Administration Clusters all saw fluctuating demand through the summer and fall due to shifts in market demands.

Total Unique New Job Postings, Monthly, MSP 7-County Metro, Ten Clusters and Fields, 2020



Note: Agriculture, Food, and Natural Resources Field talent includes some overlap with other clusters and fields due to the nature of careers in this area. All other clusters and fields are distinct. Gartner 2021.

Percent Change in Volume of Unique New Job Postings, Monthly, MSP 7-County Metro, Ten Clusters and Fields, 2020

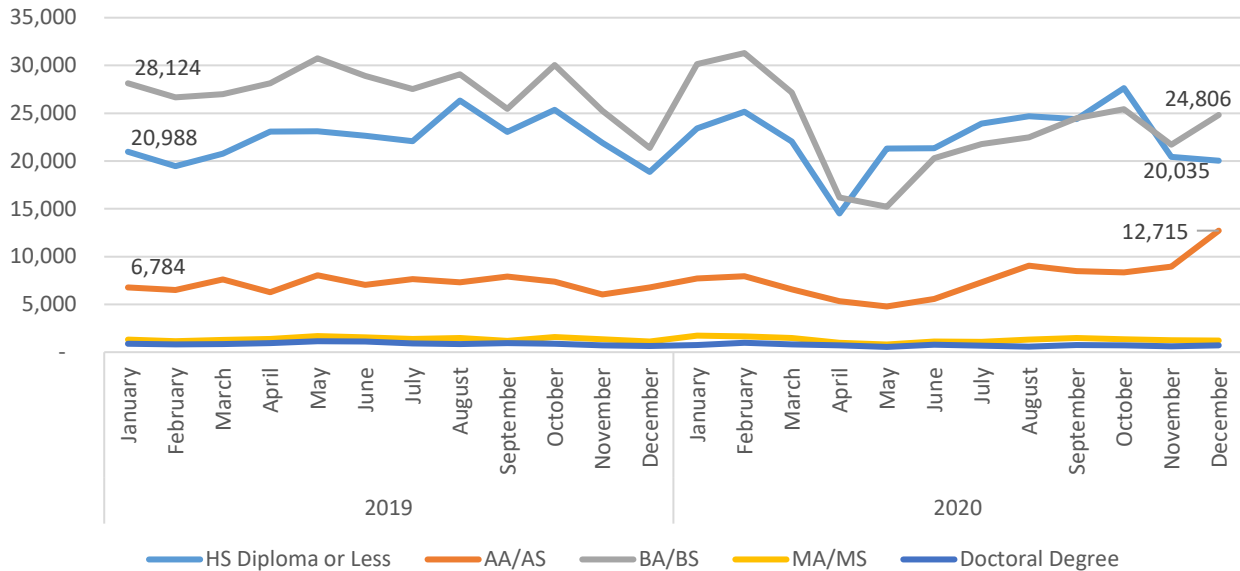


Note: Agriculture, Food, and Natural Resources Field talent includes some overlap with other clusters and fields due to the nature of careers in this area. All other clusters and fields are distinct. Gartner 2021.

Higher Demand for Lower Education and Higher Experience Levels

The experience requirements of job postings in 2020 departed from recent trends in the Minneapolis-Saint Paul Metro, moving from a favoring of Bachelors degrees and (to a lesser extent) advanced degrees to a greater share of openings for this with an Associate’s degree or less. Demand for talent with a high school diploma or less in, particular began, to rise unseasonably in May and continued throughout the summer of 2020 (up 0.5% overall); Associate degree demand stayed low until August, then hit a four-year peak in December 2020, up 8.8% overall from 2019 demand levels. Demand for talent with a Bachelor’s degree (-14.4%) or a Doctoral Degree (-19.1%) has been most significantly impacted in comparison to demand in 2019.

Volume of Unique New Job Postings, Monthly by Minimum Education Level Requirements, MSP 7-County Metro, 2019-2020



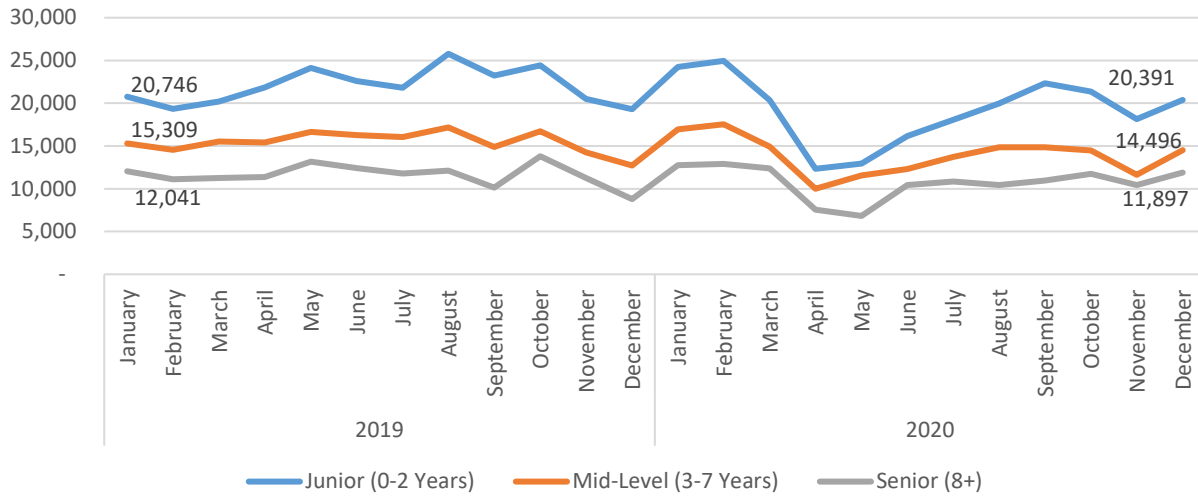
Share of Total Job Postings Pre- and Post-Pandemic, MSP 7-County Metro

	HS Diploma or Less	AA/AS	BA/BS	MA/MS	Doctoral Degree
Pre-Pandemic	38%	12%	46%	2.4%	1.5%
Post-Pandemic	41%	14%	41%	2.2%	1.3%

Pre-Pandemic refers to as January 2019 – February 2020; Post-Pandemic refers to March 2020-December 2020. Gartner 2021.

Interestingly, there has not been dramatic change in the desired number of years of experience that employers seek in talent. If anything, there is a slightly higher demand for talent with eight or more years of experience and slightly less demand for entry-level talent than in years past, though estimates are still within a reasonable margin of error. Senior-level positions rebounded slightly more rapidly than entry and mid-level roles (around June 2020) and experienced little to no drop in demand in November 2020.

Volume of Unique New Job Postings, Monthly by Minimum Experience Level Requirements, MSP 7-County Metro, 2019-2020



Share of Total Job Postings Pre- and Post-Pandemic, MSP 7-County Metro

	Junior	Mid-Level	Senior
Pre-Pandemic	45%	32%	24%
Post-Pandemic	44%	32%	25%

Pre-Pandemic refers to as January 2019 – February 2020; Post-Pandemic refers to March 2020-December 2020. Gartner 2021.

Not All Occupations Were Affected Equally

Macro-level trends observed across the state and in the Minneapolis-Saint Paul Metro were heavily impacted by micro-level demand for specific talent, whether in reaction to market demands, vaccine rollout, or replacing talent that had been temporarily laid off from early on in the pandemic. In the Marketing career cluster, Other Sales and Related Worker job postings were up by 238% in 2020 compared to 2019, mostly due to on-demand home delivery positions advertised by companies like Shipt.

The Information Technology career cluster, which only saw a -4% decline in overall volumes of postings in 2020, experienced higher than usual demand for Applications Software Developers (+20%) and Information Security Analysts (+21%), with this high demand relatively sustained throughout the year. According to feedback from Economist Nick Bunker at Indeed, reported by the Wall Street Journal, national volumes of senior Software Developer positions have declined on their platform due to employers holding back on posting new positions due to uncertain outlook ([Wall Street Journal, January 12, 2021](#)). Human Services, which took an overall hit of about -13%, saw dramatic fluctuation over the course of the year with some key positions like Supervisors of Protective Service Workers (+26%), Interpreters and Translators (+156%), Occupational Health and Safety Specialists (+21%), and Marriage and Family Therapists (+182%) all rising well beyond volumes seen in either 2018 or 2019. All jobs associated with the U.S. Postal Service were up dramatically, between 42 and 394% depending on the specific role.

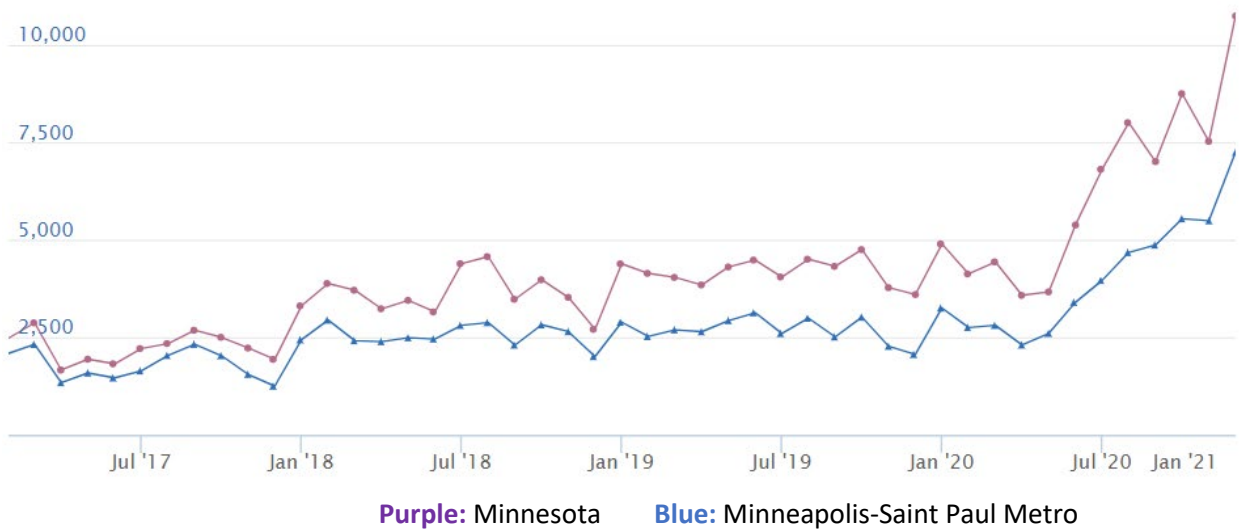
Even Hospitality and Tourism saw some occupations with inflated employer demand. There were 132% more postings for Baristas and Supervisors of Personal Service Workers in 2020 than in 2019, likely due to the dramatic fluctuations in demand in these roles brought on by the closing and reopening of restaurants and bars during this first period of the pandemic (Gartner 2021).

Recruitment Patterns are Changing

Not only were there observable shifts in demand for specific types of talent across the Minneapolis-Saint Paul Metro during 2020, but there were shifts in the sources used to advertise postings and the mix of in-person versus remote work opportunities advertised. When including duplicate job postings across multiple platforms, Indeed reported declines in overall job posting volumes in 2020 compared to 2019, and a decline was also observed on MinnesotaWorks (-8.5%), CareerBuilder (-5.8%), MinneapolisCareerSite.com (-12.2%), ZipRecruiter (-47.2%), and Corporate sites (-20.9%). However, SnagAJob (+53.8%), LocalJobNetwork (+13.2%), JobsHQ (+81.2%), and Nurse.com (+287.2%) all saw increases in postings across Minnesota.

2020 was also a booming year for remote, telecommute, distance, and work-from-home opportunities. Statewide, volumes of new remote work postings were up by 49% in 2020 compared to 2019, with remote work for Insurance Sales Agents (+311%), Software Developers (+108%), and Customer Service Representatives (+448%) being highest in volume and seeing dramatic increases compared to 2019. Demand for remote talent in interpretation and translation services grew by over 2,000% or over 1,000 unique job postings for work-from-home interpreters. The only remote positions that saw a decline in the volume of postings in 2020 compared to 2019 were Computer User Support Specialists (-16%), Electronic Home Entertainment Equipment Installers (-21%), Sales Engineers (-10%), and General and Operations Managers (-26%).

Volume of Unique New Remote, Telecommute, and Work-From Home Job Postings in Minnesota and the MSP 7-County Metro, 2020



Gartner, 2021.

A large share of remote and work-from-home opportunities (67.5% as of December 2020) are concentrated in the Minneapolis-Saint Paul Metro. Metro remote job posting volumes rose nearly 52% in 2020 compared to 2019, with 48,948 total positions indicating they were remote or work-from-home opportunities. The highest job growth was seen in many of the same occupations observed at the statewide level (shown below, Gartner, 2021).

Volume of Unique New Remote, Telecommute, and Work-From Home Job Postings in the MSP 7-County Metro, 2020

Occupation	2020 Volume	Percent Change from 2019
Software Developers, Applications	4,298	+119.3%
Insurance Sales Agents	2,282	+223.2%
Management Analysts	1,794	+8.8%
Customer Service Representatives	1,725	+211.9%
Computer User Support Specialists	1,668	-19.7%
Total	48,948	+51.5%

Gartner, 2021.

Conclusions

Significant volatility in the economy during the first eight months of the COVID-19 pandemic has led to very different recruitment and hiring behaviors by employers across most industries. While it is difficult to draw broad conclusions across all employer types, sizes, and groups, it is evident that changes in supply chains and unexpected market demand (or, elimination of demand) have influenced employer behaviors around job postings and signaling demand for talent.

Nationally, economists note employers offering in-person services, such as restaurants, bars, and salons, slowed their recruitment activities consistently whenever facing renewed restrictions and weaker market demand ([Wall Street Journal, January 2, 2021](#)). Several industries are outpacing the broader services-based economy. Both locally and nationally, December job postings exceeded last year's levels in loading and stocking, construction, transportation, and manufacturing. Strength in those industry sectors likely reflects intensified demand for goods purchased online, technology, and new homes. But, Minnesota has not always followed national trends in employer demand, as we have observed in rising local demand for Software Developers and Finance talent, which was not observed nationally. Although it remains to be seen whether postings result in hires and growing employment in the months ahead, the rise in job posting volumes observed in Minnesota in December 2020 may suggest employer optimism in the future economic outlook as we move into 2021 with a vaccine rollout and changing political environment.

References

Employment Forecast Data Source

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