

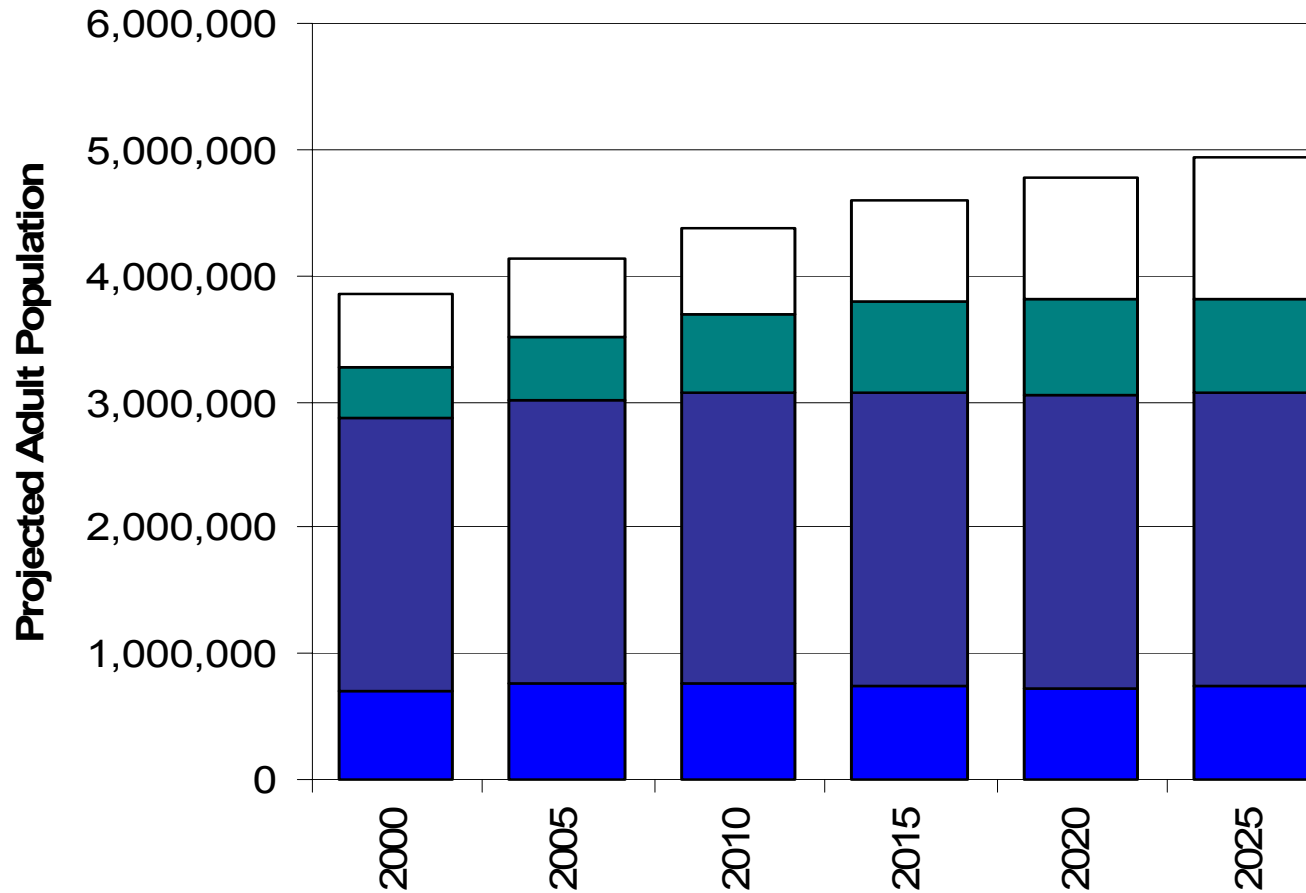
Labor Market Intelligence on the Future Railroad Workforce



Anthony Schaffhauser Regional Analysis & Outreach Unit

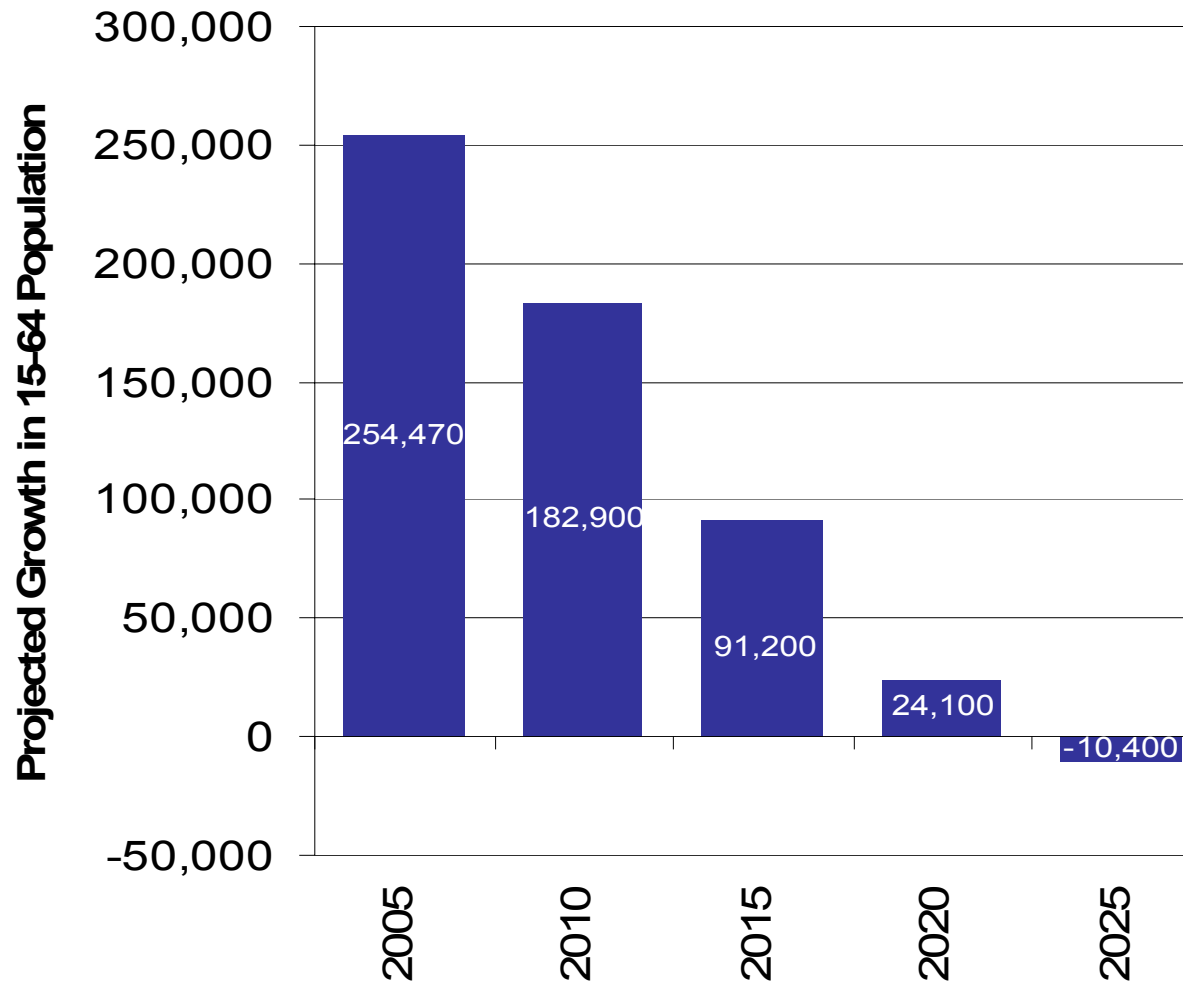
- Minnesota Department of Employment and Economic Development (DEED)
- Labor Market Information Office
- www.deed.state.mn.us/lmi

Growing and Graying Workforce

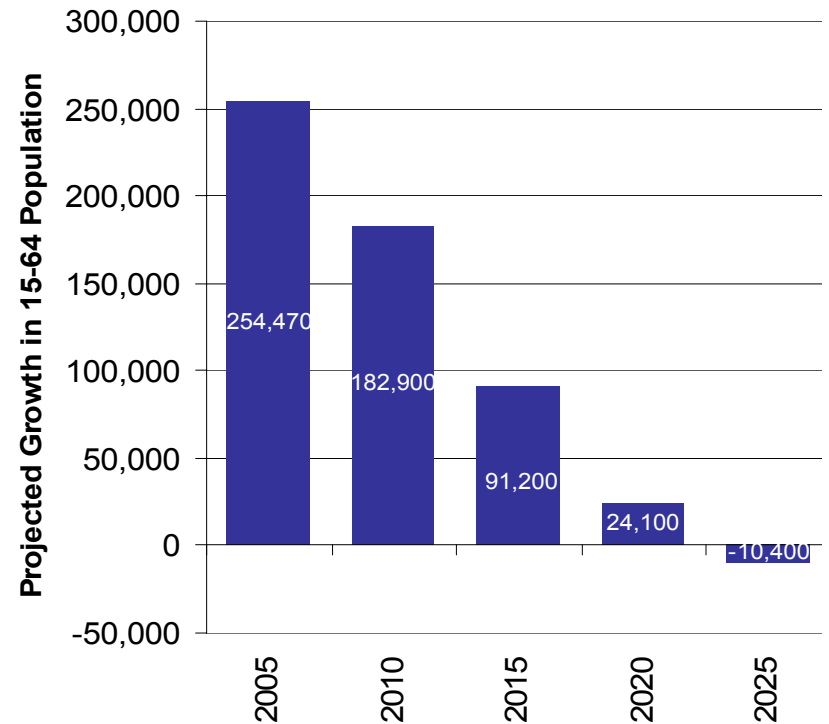
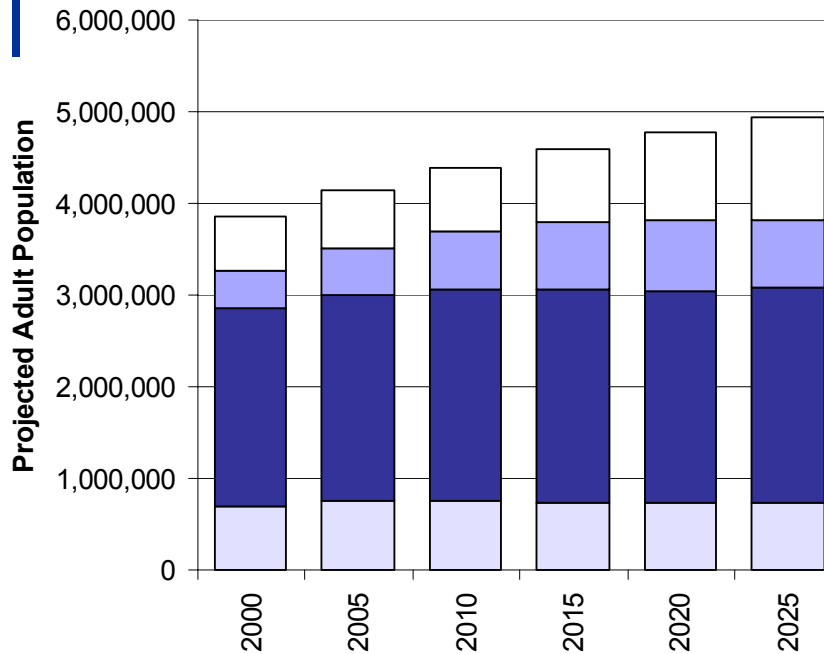


■ 15 to 24 ■ 25 to 54 ■ 55 to 64 □ 65 and over

Slowing Workforce Growth



Aging Workforce, Slowing Growth



15 to 24
 25 to 54
 55 to 64
 65 and over

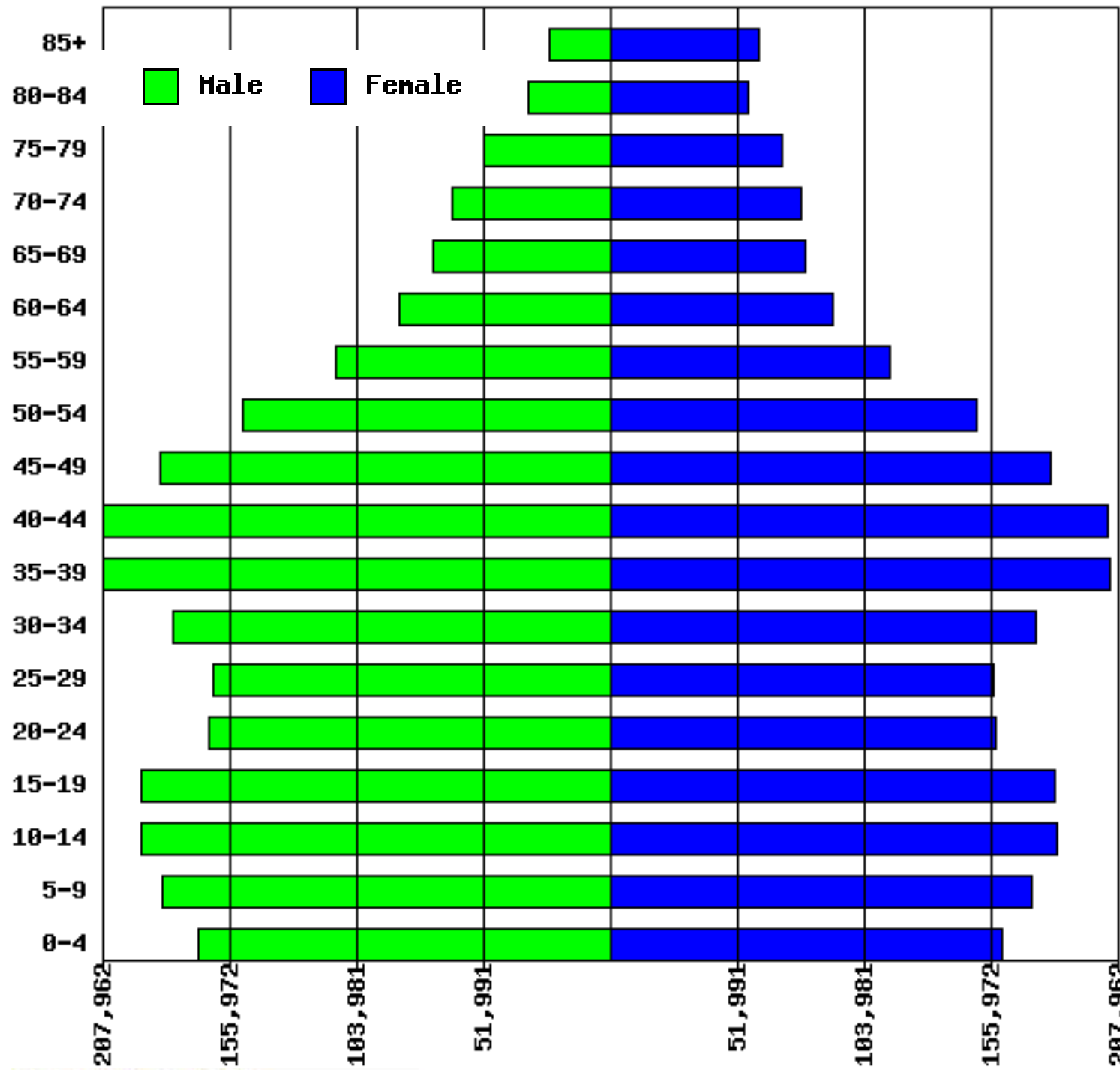
MN 2000 Population by Age



Baby Boom

Baby Bust

Echo Boom

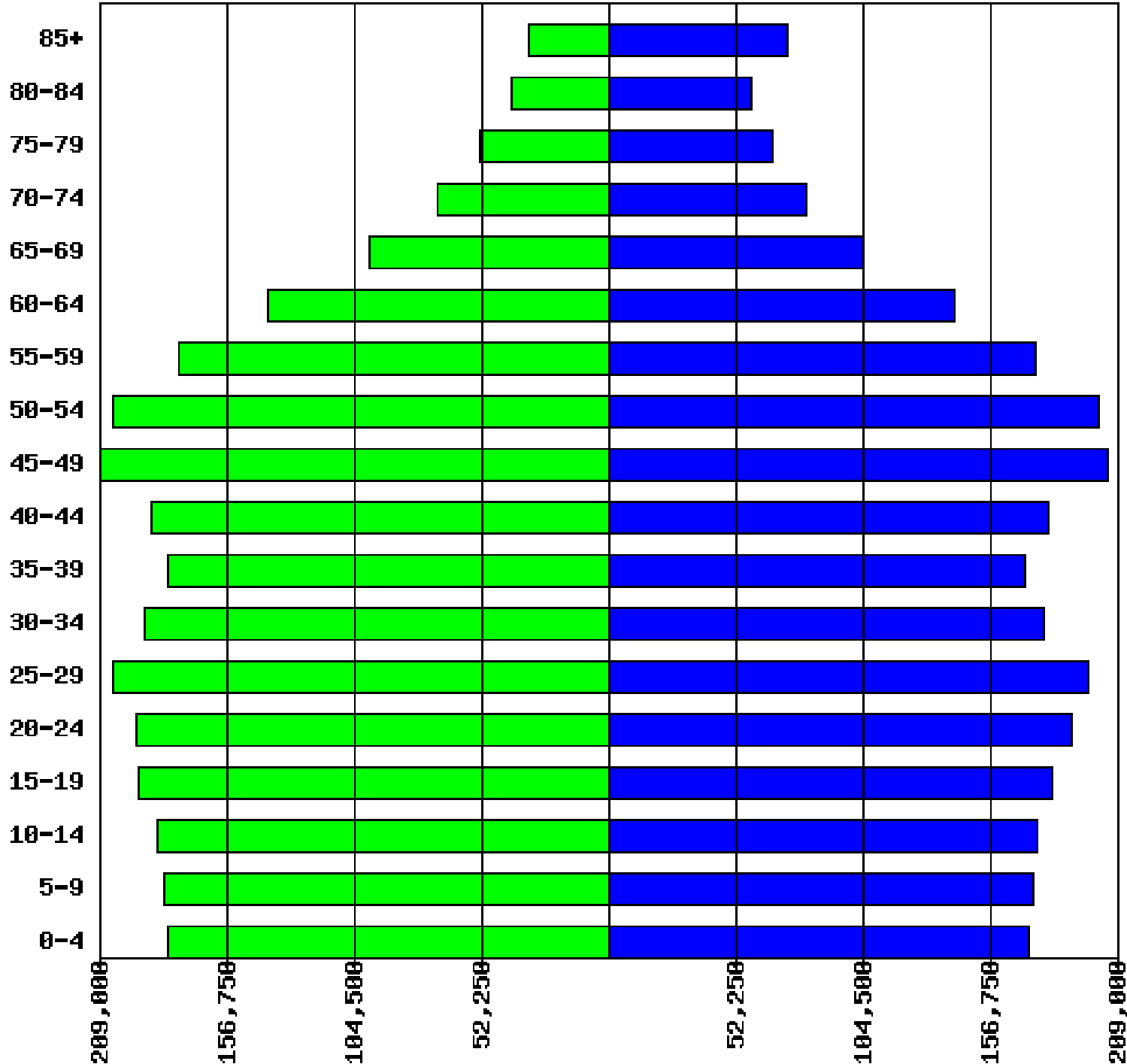


MN 2010 Population by Age

Baby Boom

Baby Bust

Echo Boom

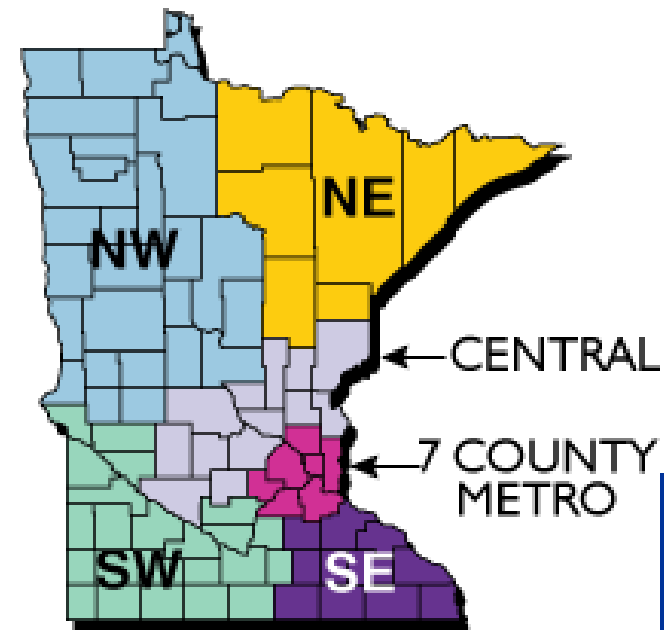


What does this mean for your future workforce?

- 2010 demographic double whammy:
 - Boomers turning 65
 - Busters kids are the new labor force entrants – dearth of busters, dearth of buster kids.
- Today's 16 to 25 year olds 2nd largest working-age group in 2010 (behind 45 to 54 year olds).
- Are they getting the knowledge and skills you need?

About DEED's Regional Analysts

- Collaborate with regional stakeholders on research
- Extend access to DEED [reports and statistics](#)
- Conduct [presentations and training](#) on the local and regional economy & labor market
- Original research and analysis intended to answer “the tough questions”
- [Five regional analysts](#) stationed across the state



Back to the Future: The New Old Economy

- Greater Minnesota: Job Growth in Goods Production and Distribution, 2003 to 2005
 - Agriculture added 570 jobs (+4%) from 2003 to 2005
 - Mining added 41 jobs (+1%)
 - Construction added 1,533 jobs (+2.9%)
 - Manufacturing added 4,036 jobs (+2.6%)
 - Wholesale Trade added 1,772 jobs (+3.8%)
 - Transportation and warehousing added 581 jobs (+2.5%)
- All this stuff needs to be delivered.

Economic Growth Increases Demand for Workers

- It's not just goods production, services are growing as well.
 - From 2003 to 2005, MN added a total of **56,967** jobs or **2.6%**.
- With continued growth, labor markets will tighten.
- Even in today's buyer's (employer's) market, there are many occupations in short supply.

Worker Shortages can Develop due to high demand in other industries.

- Occupations in high demand in other industries
 - Metal and plastic workers including machinists, welders and fabricators
 - Over **7.5%** of employment in MN railroad industry
 - Installation, Maintenance & Repair Occupations
 - Have similar skills and aptitude as railroad occupations: rail car repairers, signal and track switch repairers
 - These skills are transferable to many industries.
 - Managers and business operations specialists are in all industries.

Worker Shortages can Develop due technological advances.

- New technologies can reduce required labor, but also create demand for different knowledge and skills.
 - Rail transportation “will be affected by innovations such as larger, faster, more fuel efficient trains and classification yards; computerized tracking of freight cars to match empty cars with the closest loads; and computer-assisted dispatching of trains. Computer-assisted devices alert engineers to train malfunctions.”

(Bureau of Labor Statistics, Occupational Projections and Training Data, 2004-05 Edition)

- Where will you get the workers that know these technologies?

New Labor Force Reality

Slowing Workforce Growth

+ Economic growth

+ Technology advancements

= Emerging Skill Shortages



Industries need to take actions to ensure their future workforce.

Conclusions

- Demographic trends foretell slowing workforce growth.
- Growth in commodity demand and manufacturing, here and globally, increases the demand for transportation of goods.
- Job growth in any industry tightens labor markets because many skills and knowledge are transferable.
- Technological advancements create demand for new knowledge and skills.
- All these trends imply a greater need for the rail transportation industry to work collectively to ensure it's future workforce.