

TARGET strategy for Southwest Minnesota

(Targeting Assets for Regional Growth and Economic Transformation)

By creating detailed economic and workforce profiles for selected industry sectors in our region, we can increase and complement our collective understanding of the sectors that drive our local economies. From this shared understanding, we can identify opportunities and challenges facing those sectors in terms of economic and workforce development, with the ultimate goal being the creation and alignment of regional solutions and investments to support these sectors.

Workforce investment boards can use these reports to provide guidance to the business service specialist initiative in the region, while business service specialists can use this data to guide their interviews with employers in each sector. Their business interview reports may also assist other regional stakeholders as they prioritize investments and programs. Whether it's monetary investments, new training programs, the focused attention of staff, or other resources; using TARGET in this way will help close the skills gap in the region.

This is a concerted joint effort of the WorkForce Center staff in Southwest Minnesota, including but not limited to labor market information staff, business service staff, and the regional administrator. This strategy will help guide workforce investment board, workforce center staff, and business service staff discussion and activities.

Industry Description of Wholesale Trade

Despite providing nearly 6 percent of the covered employment in the region, wholesale trade is an industry that is often overlooked, at least in terms of workforce and economic development efforts. But in addition to a large number of jobs, it also offers significantly higher average annual wages. Because of the growing importance of wholesale trade, the Southwest Minnesota WorkForce Council (SWMNWFC) has decided to study the industry in order to better address the economic and workforce development issues. One of the first steps taken by the SWMNWFC was to request a report on the current status of wholesale trade in the region, as well as recent trends and future projections.

The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.

The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale (i.e., goods sold to other wholesalers or retailers), (b) capital or durable nonconsumer goods, and (c) raw and intermediate materials and supplies used in production.

Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic. Wholesalers do not normally use advertising directed to the general public. Customers are generally reached initially via telephone, in-person marketing, or by specialized advertising that may include Internet and other electronic means. Follow-up orders are either vendor-initiated or client-initiated, generally based on previous sales, and typically exhibit strong ties between sellers and buyers. In fact, transactions are often conducted between wholesalers and clients that have long-standing business relationships.

This sector comprises two main types of wholesalers: merchant wholesalers that sell goods on their own account and business to business electronic markets, agents, and brokers that arrange sales and purchases for others generally for a commission or fee.

(1) Establishments that sell goods on their own account are known as wholesale merchants, distributors, jobbers, drop shippers, and import/export merchants. Also included as wholesale merchants are sales offices and sales branches (but not retail stores) maintained by manufacturing, refining, or mining enterprises apart from their plants or mines for the purpose of marketing their products. Merchant wholesale establishments typically maintain their own warehouse, where they receive and handle goods for their customers. Goods are generally sold without transformation, but may include integral functions, such as sorting, packaging, labeling, and other marketing services.

(2) Establishments arranging for the purchase or sale of goods owned by others or purchasing goods, generally on a commission basis are known as business to business electronic markets, agents and brokers, commission merchants, import/export agents and brokers, auction companies, and manufacturers' representatives. These establishments operate from offices and generally do not own or handle the goods they sell.

Some wholesale establishments may be connected with a single manufacturer and promote and sell the particular manufacturers' products to a wide range of other wholesalers or retailers. Other wholesalers may be connected to a retail chain, or limited number of retail chains, and only provide a variety of products needed by that particular retail operation(s). These wholesalers may obtain the products from a wide range of manufacturers. Still other wholesalers may not take title to the goods, but act as agents and brokers for a commission.

Although, in general, wholesaling normally denotes sales in large volumes, durable nonconsumer goods may be sold in single units. Sales of capital or durable nonconsumer goods used in the production of goods and services, such as farm machinery, medium and heavy duty trucks, and industrial machinery, are always included in wholesale trade.

Industries in the Merchant Wholesalers, Durable Goods subsector sell capital or durable goods to other businesses. Merchant wholesalers generally take title to the goods that they sell; in other words, they buy and sell goods on their own account. Durable goods are new or used items generally with a normal life expectancy of three years or more. Durable goods merchant wholesale trade establishments are engaged in wholesaling products, such as motor vehicles, furniture, construction materials, machinery and equipment (including household-type appliances), metals and minerals (except petroleum), sporting goods, toys and hobby goods, recyclable materials, and parts.

4231 Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers - This industry group comprises establishments primarily engaged in the merchant wholesale distribution of automobiles and other motor vehicles, motor vehicle supplies, tires, and new and used parts.

4238 Machinery, Equipment, and Supplies Merchant Wholesalers - This industry group comprises establishments primarily engaged in the merchant wholesale distribution of construction, mining, farm, garden, industrial, service establishment, and transportation machinery, equipment and supplies.

Industries in the Merchant Wholesalers, Nondurable Goods subsector sell nondurable goods to other businesses. Nondurable goods are items generally with a normal life expectancy of less than three years. Nondurable goods merchant wholesale trade establishments are engaged in wholesaling products, such as paper and paper products, chemicals and chemical products, drugs, textiles and textile products, apparel, footwear, groceries, farm products, petroleum and petroleum products, alcoholic beverages, books, magazines, newspapers, flowers and nursery stock, and tobacco products.

4245 Farm Product Raw Material Merchant Wholesalers - This industry group comprises establishments primarily engaged in the merchant wholesale distribution of agricultural products

(except raw milk, live poultry, and fresh fruit and vegetables), such as grains, field beans, livestock, and other farm product raw materials (excluding seeds).

424710 Petroleum Bulk Stations and Terminals - This industry comprises establishments with bulk liquid storage facilities primarily engaged in the merchant wholesale distribution of crude petroleum and petroleum products, including liquefied petroleum gas.

424720 Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals) - This industry comprises establishments primarily engaged in the merchant wholesale distribution of petroleum and petroleum products (except from bulk liquid storage facilities).

Illustrative Examples: Bottled liquid petroleum gas merchant wholesalers Gasoline merchant wholesalers (except bulk stations, terminals) Fuel oil merchant wholesalers (except bulk stations, terminals) Lubricating oil and grease merchant wholesalers (except bulk stations, terminals)

4249 Miscellaneous Nondurable Goods Merchant Wholesalers - This industry group comprises establishments primarily engaged in the merchant wholesale distribution of nondurable goods, such as farm supplies; books, periodicals and newspapers; flowers; nursery stock; paints; varnishes; tobacco and tobacco products; and other miscellaneous nondurable goods, such as cut Christmas trees and pet supplies.

The Importance of Wholesale Trade to Region 6W

With 1,097 jobs at 95 business establishments, wholesale trade is the sixth largest employing industry sector in Region 6W - which includes Big Stone, Chippewa, Lac qui Parle, Swift, and Yellow Medicine counties – behind health care and social assistance, manufacturing, educational services, retail trade, and construction. Comprising 5.8 percent of total covered employment in the region, as compared to 5.0 percent statewide and 5.2 percent in the Twin Cities metropolitan area, wholesale trade is an important part of the regional economy. Health care and social assistance provided 3,685 jobs (19.6% of total employment), manufacturing had 2,677 jobs (14.3%), educational services offered 1,800 jobs (9.6%), retail trade provided 1,740 jobs (9.3%), and construction had 1,197 jobs (6.4%).

Perhaps more important, wholesale trade has the third highest average annual wages in Region 6W, at \$39,520 in 2007. In fact, wholesale trade provided 7.9 percent of the covered wages paid in Region 6W, as compared to the 7.2 percent provided by the industry statewide. Health care and social assistance provides 17.8 percent of total covered wages in Region 6W, manufacturing provides 18.0 percent, educational services provides 9.9 percent, and retail trade provides just 5.1 percent. Average weekly wages are 34.5 percent higher in wholesale trade than the total of all industries, a more than \$10,000 difference over the course of a year.

Beyond the 95 covered wholesale trade firms, Region 6W also has 50 wholesale trade “non-employers” – primarily self-employed individuals with no paid employees – providing nearly \$1.2 million in sales receipts in 2006. All told, more than 1,100 people are directly employed in wholesale trade industries in Region 6W, not to mention indirect effects. Many of the wholesale trade firms in the region are considered small businesses, having fewer than 50 employees. In fact, none of the wholesale trade companies in the region had more than 100 employees. In contrast, 35.2 percent had between 1 and 4 employees, and another 26.8 percent had between 5 and 9 employees. In sum, 95.8 percent of wholesale trade employers in Region 6W had less than 50 employees. Statewide, 2.1 percent of wholesale trade firms had 100 or more employees, and 94.3 percent had less than 50 employees.

Industry Sectors

The largest wholesale trade industry sectors in Region 6W include merchant wholesalers of nondurable goods (791 jobs) and merchant wholesalers of durable goods (296 jobs). Region 6W has approximately 0.7% of total covered employment in the state of Minnesota, but 0.8% of statewide wholesale trade jobs, giving the region a location quotient of 1.2 in wholesale trade. The region has high concentrations of farm product merchant wholesalers (9.8 location quotient) and petroleum merchant wholesalers (7.5 location quotient). Region 6W also has a strong concentration of machinery and supply merchant

wholesalers (2.2 location quotient) and miscellaneous nondurable goods merchant wholesalers (4.1 location quotient). (See Table 1.)

The highest paying wholesale trade sectors include electronic markets and agents/brokers (\$920 average weekly wages in 2005), petroleum merchant wholesalers (\$835), and machinery and supply merchant wholesalers (\$801). Only one of the region's wholesale trade sectors – motor vehicle/parts merchant wholesalers (\$521 average weekly wages) had lower average weekly wages than the total of all industries in 2007, which was \$565. This again demonstrates wholesale trade's relatively high wages.

NAICS Industry Title	NAICS Code	2007 Firms	2007 Jobs	2007 Total Payroll	Avg. Weekly Wage	Percent of MN Industry Employment	Location Quotient
Total, All Industries	0	1,643	18,763	\$551,500,441	\$565	0.7%	1.0
Wholesale Trade	42	95	1,097	\$43,355,543	\$760	0.8%	1.2
Merchant Wholesalers, Durable Goods*	423	30*	296*	\$11,010,645*	\$716*	0.4%	0.6
Motor Vehicle/Parts Merchant Wholesalers	4231	5	38	\$1,024,784	\$521	0.5%	0.7
Machinery & Supply Merchant Wholesalers	4238	19	247	\$10,304,442	\$801	1.6%	2.2
Merchant Wholesalers, Nondurable Goods	424	66	791	\$30,945,389	\$752	1.8%	2.6
Farm Product Merchant Wholesalers	4245	33	450	\$17,695,172	\$756	6.8%	9.8
Petroleum Merchant Wholesalers	4247	5	79	\$3,417,134	\$835	5.2%	7.5
Misc. Nondurable Goods Wholesalers	4249	21	240	\$9,079,961	\$728	2.8%	4.1
Electronic Markets & Agents/Brokers*	425	3*	7*	\$314,974*	\$920*	0.0%	0.0

Source: DEED Quarterly Census of Employment & Wages (QCEW) program (- 2005 Annual Data)*

Despite a national and statewide slowdown in 2007, the region has been consistently adding new jobs in the last two years. Total employment in the region increased 2.3 percent from 2005 to 2007, an increase of 429 net new jobs, while average weekly wages jumped 10.6 percent. Wholesale trade employment rose 2.0 percent over the last two years, gaining 22 net new jobs. However, average weekly wages went up slightly faster in wholesale trade than in the total of all industries, rising 11.4 percent.

In Region 6W, several wholesale trade sectors were seeing small job growth. Machinery and supply merchant wholesalers added 23 net new jobs, a 10.3 percent increase, from 2005 to 2007. Farm product merchant wholesalers gained 11 net new jobs, as well as a 13.9 percent increase in average weekly wages. And miscellaneous nondurable goods merchant wholesalers enjoyed a 4.8 percent job expansion, netting 11 new jobs from 2005 to 2007. Petroleum merchant wholesalers saw a -4 job loss, but a huge 18.3 percent average weekly wage increase. Motor vehicle/parts merchant wholesalers also saw a slight job loss, and suffered a -25.7 percent wage decrease. (See Table 2.)

NAICS Industry Title	NAICS Code	2007 Firms	2007 Jobs	Avg. Weekly Wage	Change from 2005 to 2007			
					Firms	Jobs	Jobs	Wages
Total, All Industries	0	1,643	18,763	\$565	-48	429	2.3%	10.6%
Wholesale Trade	42	95	1,097	\$760	-2	22	2.0%	11.4%
Merchant Wholesalers, Durable Goods*	423	30*	296*	\$716*	ND	ND	ND	ND
Motor Vehicle/Parts Merchant Wholesalers	4231	5	38	\$521	0	-2	-5.0%	-25.7%
Machinery & Supply Merchant Wholesalers	4238	19	247	\$801	0	23	10.3%	11.7%
Merchant Wholesalers, Nondurable Goods	424	66	791	\$752	2	19	2.5%	12.7%
Farm Product Merchant Wholesalers	4245	33	450	\$756	-1	11	2.5%	13.9%
Petroleum Merchant Wholesalers	4247	5	79	\$835	0	-4	-4.8%	18.3%
Misc. Nondurable Goods Wholesalers	4249	21	240	\$728	1	11	4.8%	9.6%
Electronic Markets & Agents/Brokers*	425	3*	7*	\$920*	ND	ND	ND	ND

Source: DEED Quarterly Census of Employment & Wages (QCEW) program (- 2005 Annual Data)*

Long term, most wholesale trade sectors in the 23-county Southwest Minnesota planning region are projected to grow slightly. Most notably, merchant wholesalers of durable goods is expected to add over 200 net new jobs from 2004 to 2014, a 7.2 percent jump. In contrast, merchant wholesalers of nondurable goods is expected to hold steady, adding just 56 jobs from 2004 to 2014. Farm product merchant wholesalers, which is highly concentrated in Region 6W, is projected to decline more than -10 percent, a drop of -176 jobs. Miscellaneous nondurable goods merchant wholesalers, which includes nursery stock, flowers, and Christmas trees, is projected to add nearly 100 jobs in the planning region. (See Table 3.)

NAICS Industry Title	NAICS Code	2004 Estimated Employment	2014 Projected Employment	Change in Jobs, 2004-2014	
Total, All Industries	0	209,742	225,258	7.4%	15,516
Wholesale Trade	42	8,827	9,080	2.9%	253
Merchant Wholesalers, Durable Goods	423	2,854	3,060	7.2%	206
Motor Vehicle/Parts Merchant Wholesalers	4231	483	550	13.9%	67
Machinery & Supply Merchant Wholesalers	4238	1,480	1,450	-2.0%	-30
Merchant Wholesalers, Nondurable Goods	424	5,579	5,635	1.0%	56
Farm Product Merchant Wholesalers	4245	1,688	1,512	-10.4%	-176
Petroleum Merchant Wholesalers	4247	195	210	7.7%	15
Misc. Nondurable Goods Wholesalers	4249	1,785	1,880	5.3%	95
Electronic Markets & Agents/Brokers	425	394	385	-2.3%	-9

Source: DEED 2004-2014 Employment Projections program

The wholesale trade workforce tends to be both significantly younger and significantly older in Region 6W than in the state, thanks to a much higher proportion of workers aged 24 years and younger (15.3% vs. 9.3%) and a much higher proportion of workers aged 45 years and older (48.5% vs. 42.9%). Consequently, the region had a much smaller percentage of workers in the prime 25 to 44 year old age groups than the state (35.0% vs. 47.8%). This would appear to suggest that most wholesale trade firms in the region are run by older workers who are likely nearing retirement age, and they have been working to bring in younger workers. Also, the workforce is predominantly male (79.8%), much more so than the state as a whole (69.1%), leaving an opportunity for females to enter the field. (See Table 4.)

	Region 6W	Percent of Workforce	Turnover	State of Minnesota	Percent of Workforce	Turnover
Total Workforce	1,273	100.0%	7.6%	134,125	100.0%	7.8%
14-18 years	69	5.4%	25.3%	2,134	1.6%	23.2%
19-21 years	49	3.8%	19.3%	4,016	3.0%	20.3%
22-24 years	78	6.1%	13.3%	6,363	4.7%	14.9%
25-34 years	193	15.2%	8.6%	28,378	21.2%	9.4%
35-44 years	252	19.8%	5.6%	35,665	26.6%	6.8%
45-54 years	362	28.4%	4.6%	35,442	26.4%	5.8%
55-64 years	199	15.6%	5.3%	17,640	13.2%	5.6%
65-99 years	57	4.5%	10.6%	4,485	3.3%	7.8%
Male	1,016	79.8%	7.2%	92,615	69.1%	7.6%
Female	255	20.0%	9.1%	41,509	30.9%	8.3%

Source: LEHD Quarterly Workforce Indicators

According to the 2nd Quarter 2008 Job Vacancy Survey, some of the occupational groups that are showing current demand in the region include transportation and material moving occupations, which had 32 job vacancies and a median wage offer of \$10.40; installation, maintenance, and repair occupations, which offered 7 vacancies and a \$21.64 median wage offer; office and administrative support occupations, which had 15 openings and a \$10.00 median wage offer, and business and financial operations occupations, which had 7 vacancies and a \$17.31 median wage offer.

The largest occupations in this industry, according to the Industry-Occupation Employment Matrix (which tracks the number of jobs in each industry), include the typical wholesale trade occupations, such as sales representatives, parts salespersons, office clerks, general and operations managers, laborers and freight movers, truck drivers, stock clerks, secretaries, and first-line supervisors of office and administrative workers; as well as related jobs like farm equipment and diesel engine mechanics, agricultural equipment operators, and general farmworkers and laborers. Career possibilities range from low paying, low skills jobs like retail salespersons, stock clerks, and agricultural workers to high paying, high skill jobs like general and operations managers, accountants and auditors, purchasing agents, and sales representatives. (See Table 5, 6, 7, and 8.)

Occupational Title	Industry Percent Dist.	Median Hourly Wage	Median Annual Wage	Regional Jobs	Percent Change	Replace Hires	Total Hires	Common Education
Farm equipment mechanics	21.1	\$17.59	\$36,587	ND	1.9%	120	131	Postsecondary vocational award
Sales representatives, wholesale & mfg.	13.0	\$19.18	\$39,894	160	9.4%	320	435	Moderate-term on-the-job training
Parts salespersons	9.3	\$14.84	\$30,867	20	ND	ND	ND	Moderate-term on-the-job training
Retail salespersons	4.5	\$7.95	\$16,536	270	11.4%	2,070	2,719	Short-term on-the-job training
Bookkeeping, accounting, and auditing clerks	4.2	\$13.20	\$27,456	220	1.0%	630	662	Moderate-term on-the-job training
Office clerks, general	3.2	\$10.34	\$21,507	420	4.4%	1,040	1,245	Short-term on-the-job training
General and operations managers	2.6	\$28.99	\$60,299	190	11.3%	390	622	Bachelor's plus experience ^a
Laborers & freight, stock, & material movers	2.5	\$13.30	\$27,664	180	-1.5%	710	710	Short-term on-the-job training
First-line mgrs. of mechanics, install & repair	2.4	\$22.91	\$47,653	60	13.2%	180	273	Work experience in a related occupation
Truck drivers, heavy and tractor-trailer	1.8	\$14.31	\$29,765	320	12.7%	740	1,312	Moderate-term on-the-job training
Sales representatives, wholesale & mfg., tech. & sci. products	1.8	\$25.68	\$53,414	ND	18.5%	50	82	Moderate-term on-the-job training
Secretaries	1.7	\$14.10	\$29,328	80	-9.4%	170	170	Moderate-term on-the-job training
First-line mgrs. of non-retail sales workers	1.7	\$27.91	\$58,053	40	-4.1%	70	70	Work experience in a related occupation
Shipping, receiving, and traffic clerks	1.5	\$13.44	\$27,955	80	5.4%	190	239	Short-term on-the-job training
Customer service representatives	1.4	\$15.11	\$31,429	160	19.3%	310	708	Moderate-term on-the-job training
Truck drivers, light or delivery services	1.4	\$12.55	\$26,104	120	2.7%	130	169	Short-term on-the-job training
Stock clerks and order fillers	1.3	\$10.94	\$22,755	230	-10.7%	740	740	Short-term on-the-job training
Outdoor pwr equip & small engine mechanics	1.2	\$14.55	\$30,264	30	6.3%	20	24	Moderate-term on-the-job training
First-line managers of retail sales workers	1.2	\$13.29	\$27,643	110	0.9%	390	410	Work experience in a related occupation

Occupational Title	Industry Percent Dist.	Median Hourly Wage	Median Annual Wage	Regional Jobs	Percent Change	Replace Hires	Total Hires	Common Education
Laborers & freight, stock, & material movers	13.5	\$13.30	\$27,664	180	-1.5%	710	710	Short-term on-the-job training
Farmworkers, farm and ranch animals	11.3	\$12.50	\$26,000	ND	1.3%	80	84	Short-term on-the-job training
Truck drivers, heavy and tractor-trailer	6.5	\$14.31	\$29,765	320	12.7%	740	1,312	Moderate-term on-the-job training
Sales representatives, wholesale & mfg.	6.4	\$19.18	\$39,894	160	9.4%	320	435	Moderate-term on-the-job training
Conveyor operators and tenders	5.9	\$12.14	\$25,251	ND	6.7%	20	24	Short-term on-the-job training
Bookkeeping, accounting, and auditing clerks	4.8	\$13.20	\$27,456	220	1.0%	630	662	Moderate-term on-the-job training

Office clerks, general	4.6	\$10.34	\$21,507	420	4.4%	1,040	1,245	Short-term on-the-job training
Graders and sorters, agricultural products	3.9	\$15.36	\$31,949	ND	-4.3%	30	30	Work experience in a related occupation
Purchasing agents & buyers, farm products	2.4	\$24.33	\$50,606	ND	1.9%	40	42	Work experience in a related occupation
General and operations managers	2.3	\$28.99	\$60,299	190	11.3%	390	622	Bachelor's plus experience ⁸
Secretaries,	1.6	\$14.10	\$29,328	80	-9.4%	170	170	Moderate-term on-the-job training
Truck drivers, light or delivery services	1.5	\$12.55	\$26,104	120	2.7%	130	169	Short-term on-the-job training
First-line managers of helpers, laborers, & material movers, hand	1.3	\$18.10	\$37,648	ND	9.2%	60	85	Work experience in a related occupation
Agricultural equipment operators	1.2	\$14.09	\$29,307	ND	5.0%	30	36	Moderate-term on-the-job training
Industrial truck and tractor operators	1.2	\$12.55	\$26,104	70	3.8%	160	192	Short-term on-the-job training
Agricultural workers, all other	1.2	\$9.95	\$20,696	ND	ND	ND	ND	Moderate-term on-the-job training
Farmworkers & laborers, crop, nursery, etc.	1.2	\$10.82	\$22,506	ND	4.9%	810	949	Short-term on-the-job training
Maintenance and repair workers, general	1.1	\$14.62	\$30,410	120	7.9%	300	422	Moderate-term on-the-job training
Billing & posting clerks & machine operators	1.0	\$14.28	\$29,702	50	0.4%	90	92	Moderate-term on-the-job training
Shipping, receiving, and traffic clerks	1.0	\$13.44	\$27,955	80	5.4%	190	239	Short-term on-the-job training

Table 7: Occupations in Demand in Petroleum Merchant Wholesalers

Occupational Title	Industry Percent Dist.	Median Hourly Wage	Median Annual Wage	Regional Jobs	Percent Change	Replace Hires	Total Hires	Common Education
Truck drivers, heavy and tractor-trailer	21.4	\$14.31	\$29,765	320	12.7%	740	1,312	Moderate-term on-the-job training
Sales representatives, wholesale & mfg.	8.8	\$19.18	\$39,894	160	9.4%	320	435	Moderate-term on-the-job training
Cashiers, except gaming	5.6	\$7.92	\$16,474	500	-4.9%	2,670	2,670	Short-term on-the-job training
Truck drivers, light or delivery services	5.2	\$12.55	\$26,104	120	2.7%	130	169	Short-term on-the-job training
Bookkeeping, accounting, and auditing clerks	4.2	\$13.20	\$27,456	220	1.0%	630	662	Moderate-term on-the-job training
Office clerks, general	3.8	\$10.34	\$21,507	420	4.4%	1,040	1,245	Short-term on-the-job training
General and operations managers	3.0	\$28.99	\$60,299	190	11.3%	390	622	Bachelor's plus experience ⁸
Retail salespersons	2.5	\$7.95	\$16,536	270	11.4%	2,070	2,719	Short-term on-the-job training
Maintenance and repair workers, general	2.4	\$14.62	\$30,410	120	7.9%	300	422	Moderate-term on-the-job training
Laborers & freight, stock, & material movers	2.3	\$13.30	\$27,664	180	-1.5%	710	710	Short-term on-the-job training
Secretaries	2.0	\$14.10	\$29,328	80	-9.4%	170	170	Moderate-term on-the-job training
Driver/sales workers	1.7	\$11.72	\$24,378	ND	ND	ND	ND	Short-term on-the-job training
Customer service representatives	1.7	\$15.11	\$31,429	160	19.3%	310	708	Moderate-term on-the-job training
First-line mgrs. of transportation workers	1.7	\$17.19	\$35,755	40	10.6%	130	186	Work experience in a related occupation
Service station attendants	1.5	\$11.12	\$23,130	20	-1.1%	40	40	Short-term on-the-job training
Billing & posting clerks & machine operators	1.4	\$14.28	\$29,702	50	0.4%	90	92	Moderate-term on-the-job training
Accountants and auditors	1.3	\$22.26	\$46,301	120	19.8%	280	572	Bachelor's degree
Sales representatives, wholesale & mfg., tech. & sci. products	1.3	\$25.68	\$53,414	ND	18.5%	50	82	Moderate-term on-the-job training
Dispatchers, except police, fire, & ambul.	1.2	\$18.33	\$38,126	ND	0.6%	40	41	Moderate-term on-the-job training
Order clerks	1.1	\$12.87	\$26,770	260	-21.4%	90	90	Short-term on-the-job training
First-line supervisors of office & admin. support workers	1.0	\$18.91	\$39,333	160	2.0%	340	371	Work experience in a related occupation
Petroleum pump system operators	1.0	ND	ND	ND	ND	ND	ND	Long-term on-the-job training
Bus & truck mechanics & diesel specialists	1.0	\$18.69	\$38,875	40	11.8%	140	203	Postsecondary vocational award

Table 8: Occupations in Demand in Misc. Nondurable Goods Merchant Wholesalers

Occupational Title	Industry Percent Dist.	Median Hourly Wage	Median Annual Wage	Regional Jobs	Percent Change	Replace Hires	Total Hires	Common Education
Sales representatives, wholesale & mfg.	14.3	\$19.18	\$39,894	160	9.4%	320	435	Moderate-term on-the-job training
Laborers & freight, stock, & material movers	9.9	\$13.30	\$27,664	180	-1.5%	710	710	Short-term on-the-job training

Truck drivers, light or delivery services	5.6	\$12.55	\$26,104	120	2.7%	130	169	Short-term on-the-job training
Stock clerks and order fillers	5.3	\$10.94	\$22,755	230	-10.7%	740	740	Short-term on-the-job training
Farmworkers & laborers, crop, nursery, etc.	4.7	\$10.82	\$22,506	ND	4.9%	810	949	Short-term on-the-job training
Truck drivers, heavy and tractor-trailer	4.4	\$14.31	\$29,765	320	12.7%	740	1,312	Moderate-term on-the-job training
Shipping, receiving, and traffic clerks	3.3	\$13.44	\$27,955	80	5.4%	190	239	Short-term on-the-job training
Office clerks, general	3.2	\$10.34	\$21,507	420	4.4%	1,040	1,245	Short-term on-the-job training
Bookkeeping, accounting, and auditing clerks	2.8	\$13.20	\$27,456	220	1.0%	630	662	Moderate-term on-the-job training
Packers and packagers, hand	2.8	\$10.84	\$22,547	100	8.3%	340	492	Short-term on-the-job training
Customer service representatives	2.4	\$15.11	\$31,429	160	19.3%	310	708	Moderate-term on-the-job training
Retail salespersons	2.2	\$7.95	\$16,536	270	11.4%	2,070	2,719	Short-term on-the-job training
General and operations managers	2.2	\$28.99	\$60,299	190	11.3%	390	622	Bachelor's plus experience ⁸
Industrial truck and tractor operators	1.9	\$12.55	\$26,104	70	3.8%	160	192	Short-term on-the-job training
Driver/sales workers	1.8	\$11.72	\$24,378	ND	ND	ND	ND	Short-term on-the-job training
Order clerks	1.5	\$12.87	\$26,770	260	-21.4%	90	90	Short-term on-the-job training
Secretaries	1.4	\$14.10	\$29,328	80	-9.4%	170	170	Moderate-term on-the-job training
First-line supervisors/managers of non-retail sales workers	1.4	\$13.29	\$27,643	110	0.9%	390	410	Work experience in a related occupation
First-line supervisors of office & admin. support workers	1.3	\$18.91	\$39,333	160	2.0%	340	371	Work experience in a related occupation
Sales representatives, wholesale & mfg., tech. & sci. products	1.2	\$25.68	\$53,414	ND	18.5%	50	82	Moderate-term on-the-job training
Team assemblers	1.2	\$12.83	\$26,686	240	8.2%	550	723	Moderate-term on-the-job training

Source: Bureau of Labor Statistics Industry by Occupation Matrix; DEED Salary Survey

Although the region has a higher percentage of younger workers, many employers feel that the pipeline of new skilled workers into the industry has been tight in recent years. The only postsecondary institution located within the five-county Region 6W area is Minnesota West Community & Technical College, with campuses in Granite Falls and Canby (as well as other locations in Jackson, Pipestone, and Worthington). According to data from the National Center for Education Statistics, there were just over 150 program completers in wholesale trade-related programs in the 2006-2007 school year, although nearly one-third were certificate completers in the popular farm and ranch management program. Exclude that program, and most of the other wholesale trade related programs are much smaller, including accounting (7 completers), administrative assistant and secretarial science (20 completers), business administration and management (13 completers), diesel mechanics technology (17 completers), small engine mechanics and repair (14 completers), and truck and bus driver/commercial vehicle operation (4 completers). In addition, there were 5 completers in the small business administration and management course in 2006-2007. (See Table 9.)

	1 Year Certificate	1 to 2 Year Certificate	Associate	2 to 4 Year Certificate
Agribusiness/Agricultural Business Operations			2	
Agricultural & Food Products Processing	5		4	
Agricultural Production Operations			3	
Agriculture, General			5	
Farm & Ranch Management	49	8		
Accounting Technology & Bookkeeping		2		
Accounting			5	
Administrative Assistant & Secretarial Science		7	13	
Business Administration & Management			13	
Small Business Administration/Management		5		
Diesel Mechanics Technology	1	14	2	
Small Engine Mechanics & Repair		14		
Truck & Bus Driver/Commercial Vehicle Operation	4			

Source: National Center for Education Statistics

According to the InfoUSA Employer Database, some of the largest wholesale trade firms in the region include Dooley's Petroleum in Murdock, Kibble Equipment in Montevideo, Farmers Co-op in Canby, Runnings Farm & Fleet in Montevideo, Pepsi-Cola of Ortonville, Commerford Gravel of Danvers, Cenex Ag. Center of Montevideo, Madison Implement of Madison, Lac qui Parle Co-op Oil in Dawson, Swift County Implement in Benson & De Graff, Nassau Farmers Oil in Nassau, Pluswood-A Division of Nevamar in Montevideo, Minnesota Feed Distributors in Granite Falls, Chamberlain Oil in Clontarf, Equity Elevator Feed Mill in Wood Lake, Farmers Co-op Oil/Cenex in Clara City, and many more.

Business Visit Information

1. *In the specific sector, what are the main workforce development issues? Are the workforce issues the same for large versus small employers?*

The main workforce development issues for **wholesale trade industry** would be recruitment of skilled workers and the ability to retain them. The wholesale trade businesses are not as visible to the general public, therefore, they are in some cases not even aware that the business exists. Smaller businesses are more likely to be paying a lower wage and recruiting the more difficult to locate seasonal worker.

2. *Are there any specific occupations they're having a hard time filling? If so, why do they think they're having a hard time? If different, why do you think they're having a hard time?*

Positions hard to fill include truck and delivery drivers, warehouse workers, mechanical positions, and sales representatives. It is difficult to locate individuals that have clean driving records and enough driving experience to meet the requirements of the insurance companies. Sales representatives are more difficult to locate individuals that are willing to travel, relocate and or work within the region, as well as, having "good" sales skills. There is a shortage of mechanically skilled individuals to be working and maintaining warehouse equipment and buildings.

3. *Do they have any concerns about bringing in or retaining younger workers? If so, what are they doing to address it? (i.e. job fairs, career days at schools, scholarships, internships, etc.)*

They have concerns about bringing in and retaining younger workers. They have experienced a "disconnect" in a certain age group (early 20's to lower 30's) in the younger workers that just have a different work ethic. They don't stay in one place for very long. The industry is concerned with the work ethics and retention of their younger workforce.

4. *Do they have any concerns about bringing in or retaining older workers? If so, what are they doing to address it? (i.e. succession planning, mentoring, etc.)*

Many of the businesses do have a number of older workers – not aware of what they may be doing to address issue.

5. *How is their business currently performing? Are they growing, holding steady, or declining?*

A number of businesses in this area are suppliers to the agricultural industry, which is relatively strong right now but they all continue to struggle with the ever increasing and changing costs of commodities and fuel, businesses in all industries have been forced to change pricing and in some cases decrease profits.

6. *What are their business plans for the future? Are they planning to expand or contract?*

Considering the volatile market and the changing economy this can vary from business to business. With continued increase in agricultural production, the suppliers to that market should be able to

maintain or grow but the wholesalers in the construction related industries have experienced about a 50% decrease in business and have to be really on their bottom line in order to maintain a profit.

7. Are they introducing new technology? Do they seek outside money for the equipment?

Not aware of new technologies being introduced.

8. Do they spend money or time on incumbent worker training? Is it handled in-house or through local education partners? If so, who do they work with?

Wholesalers are training most of their new employees in-house, on-the-job, as they can recruit some unskilled or semi-skilled workers for labor and warehouse work.

It is also quite common to have some of the higher skilled workers as very long term employees. These employees have more than likely worked their way through the ranks to where they are today – incumbent worker training. These positions would include inside sales, warehouse supervisor, purchasing, etc.

9. What have we (DEED, PIC, etc.) done to help them?

DEED and PIC have assisted some of these businesses with recruitment, utilization of the job bank, tax credit assistance and on-the-job training dollars where appropriate.

10. What have other government agencies done to help – or hinder – them?

Not aware of specifics for this industry.