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Aging population leaves jobs unfilled

BY ERIC KILLELEA
 HIBBING DAILY TRIBUNE

The jobs market in northeast Minnesota has reached an inflection point: there are now more openings than there are workers.

In general, unemployment rates are still relatively low—4.3 percent not seasonally adjusted—in the state, with the Arrowhead region at 6.1 percent, and St. Louis County at 5.2 percent, indicating a healthy economy in January, according to the latest released data from the state’s Department of Employment and Economic Development. The figures, are significantly lower than they were a decade ago during the Great Recession at 7.9 percent, 10 percent and 8.2 percent.

The state reported more than 3 million people were employed in January, as the region has 164,386 workers and the county has 102,093. But, though the state gained 152,925 workers since the height of the recession in 2009, the plunge in northeast figures is evident, with data showing there were 3,500 fewer workers in the region and 2,544 fewer in the county.

“There were 151,187 people in the Arrowhead Region who had jobs in January of 2009, and there are now 154,362 people who have jobs,” said Cameron Macht, a regional analysis and outreach manager for the state’s DEED, in a series of interviews this week. “So more people have jobs now, but the number of people in the labor force is much smaller now.”

Macht added: “A lot of jobseekers

Year-Month	State of Minnesota	EDR 3 - Arrowhead	Saint Louis County	Duluth, Saint Louis	Grand Rapids, Itasca	Hibbing, Saint Louis	Virginia, Saint Louis
2019-01	3,076,855	164,386	102,093	45,486	5,183	7,222	3,526
2018-12	3,082,219	165,218	103,100	46,308	5,077	7,328	3,564
Monthly Change	-5,364	-832	-1,007	-822	+106	-106	-38
2018-01	3,042,812	166,744	103,914	46,420	5,124	7,371	3,596
Annual Change	+34,043	-2,358	-1,821	-934	+59	-149	-70
2017-01	3,034,152	160,632	100,759	44,529	4,849	7,222	3,528
2-year Change	+42,703	+3,754	+1,334	+957	+334	0	-2
2009-01	2,923,930	167,895	104,637	45,239	6,017	8,730	4,121
10-year Change	+152,925	-3,509	-2,544	+247	-834	-1,508	-595

Source: DEED Local Area Unemployment Statistics program

poured into the labor force during the recession to help earn money, but have since dropped back out as the economy has recovered. That has accelerated more with the aging and retirements of the labor force in the region. There are also way fewer unemployed workers now than during the recession.”

The narrative is similar in cities across the Northland. Duluth is a different animal in the sense that the city reported an increase of 247 workers over the past decade, but the city has experienced a decline of 822 over the past year to arrive at 45,486 in January. Meanwhile, Hibbing has

7,222 workers, while Grand Rapids has 5,183 and Virginia has 3,526. But the trio experienced a decline in overall labor force with a reported loss of 1,508 workers, 834 and 595 in the same time period.

Last September, Erik White, an analyst for the Duluth Workforce Center, organized a regional profile in which he found that the seven counties included in the Arrowhead Region had 324,914 residents in 2017, roughly 5.8 percent of the state’s population.

Despite its large geographic size, the region is the least populated of the six economic development regions

statewide and has gained only 2,841 people, or 0.9 percent since 2000. For comparison, the Twin Cities saw its population grow by 435,350 people, or 16.5 percent during the same time period.

Four counties in the region gained population during this time including Aitkin, Carlton, Cook and Itasca, with three others experiencing a decline including Koochiching, Lake and St. Louis,, the last being where population dropped 0.3 percent to 200,000 people in 2017.

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Discussing career opportunities for people with disabilities



SUBMITTED PHOTO

Pictured, this week, from left, are Senator Justin Eichorn, Jeanne Eglinton (MDI), Senator David Tomassoni, Kristie Armbruster (MDI), and Peter McDermott (MDI president) presenting to the Committee on Jobs & Economic Growth in effort to provide more career opportunities for people with disabilities.

Essar makes a big arrival as its Nashwauk options narrow

BY JERRY BURNES
 MESABI DAILY NEWS

The 151-seat Boeing 737 lifted off in Mumbai, before touching down in Moscow, London and finally at the Range Regional Airport in Hibbing. The jet, owned by the Bank of Utah’s trust, took about one week to travel across the Atlantic to land six passengers on Minnesota’s Iron Range at about 8:30 a.m. Wednesday.

The arrival of a contingent of Essar officials and potential business partners went unannounced. But their presence was noticed, emphasized by the 737 that dwarfed daily flights out of the regional airport.

Along with Essar officials were representatives from a hot-briquetted iron technology company and a U.S. engineering and construction company, according to Essar spokesperson Jon Austin. HBI licensor Tenova has long been linked to project since it emerged from bankruptcy in 2017, but details were not provided.

“They’re looking at how the construction timeline could be compressed for the pellet plant and getting an on-the-ground feel for how the pre-construction engineering drawings for the HBI plant can be used,” Austin said. “The visit builds on some work done in the fall and it underscores our continued belief that this



MARK SAUER | MESABI DAILY NEWS

A private 737 carrying Essar officials pulls away from the General Aviation building at the Hibbing Airport Wednesday afternoon.

project is viable and can be brought to completion.”

The contingent returned to Minneapolis on Wednesday afternoon.

Essar’s financial presence at its former iron ore project in Nashwauk, which fell into bankruptcy in 2016 and has been revived in small parts by Mesabi Metallics, has raised the guard of state officials and local legislators.

Last month, the India-based conglomerate announced it purchased about \$260 million in debt from Mesabi Metallics, prompting rebuke and an official effort by the Minnesota Department of Natural Resources to ban the company from doing business in the state.

Jess Richards, assistant commissioner of the DNR, said the state was aware of Essar’s arrival Wednesday

but it was not communicated prior to with the DNR.

State officials told legislators and local representatives of the Range Association of Municipalities and Schools that Essar has requested to meet with the state since it returned to the project, but the state has rebuffed those requests, according to multiple people on the conference call with the DNR last week.

“Our position on Essar’s potential involvement in the project has not changed,” Richards said Wednesday.

While Essar’s most recent visit to Nashwauk suggests it’s accelerating efforts on the plant, sources with expertise on the filings surrounding the project, speaking on background, said they believe Essar is trying to slow down proceedings as it waits on the state’s debarment attempt and the ultimate fate of state mineral leases.

Essar is challenging the debarment and the project faces a Dec. 31 deadline to complete the pellet plant.

Outside of finishing the pellet plant, the project and its leadership have few places to navigate in the interim. Essar could remain a part of the project to various extents or can foreclose on the Mesabi Metallics debt to control all the assets. It could also seek to be bought out, or the project could fall back into bankruptcy.

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