



BUSINESS

Amazon is bringing 500 jobs to Fargo. Is an already tight labor market ready?

What do Fargo-Moorhead area employers think of Amazon's arrival? Simply put, it depends who you ask, Chamber CEO Shannon Full said. "There are mixed emotions depending upon the company that you're talking to," she said. "The other side of this is if it is companies that have the same type of workforce, there is a significant concern about local talent erosion."



Amazon is coming to Fargo and the mega-retailer is bringing along 500 new jobs. Is an already taxed labor market ready for the influx of open positions? Illustration by Troy Becker



By **Thomas Evanella**

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FARGO — Over ten months ago on Wednesday, Oct. 30, 2020, the city of Fargo [lifted the veil on Project Force](#)(<https://www.inforum.com/business/6740965-Amazon-facility-could-bring-more-than-500-jobs-to-Fargo-area>) — the covert name used for the one-million-square-foot Amazon Fulfillment Center under construction in north Fargo — to significant fanfare from local officials including Sen. John Hoeven, Gov. Doug Burgum and Mayor Tim Mahoney.

Project Force, Amazon’s Director of Regional Operations Mike Flannery boasted, was expected to bring over 500 jobs to the metro area. Citing statistics from Dean Bangsund, an applied economist for North Dakota State University, CEO of the Greater Fargo-Moorhead Economic Development Corporation Joe Raso estimated the payroll and benefits from Project Force and those in its orbit to be \$33.7 million annually across an estimated **820** jobs.



Directions for visitors are seen Wednesday, Aug. 25, 2021, at the Amazon distribution center in north Fargo. Michael Vosburg / Forum Photo Editor

After [speculation days](#)
[prior](https://www.inforum.com/business/real-estate/6738285-)(<https://www.inforum.com/business/real-estate/6738285->

[Announcement-of-presumed-Amazon-facility-expected-Friday](#)), the A-to-Z retail behemoth had officially added “F” for Fargo to its ever-growing list of cities with an Amazon presence, [complemented by a last-mile delivery station in West Fargo](#)(<https://www.inforum.com/business/6988522-Amazon-to-open-West-Fargo-distribution-facility>) . Saying it would “fortify” the local economy, civic leaders from Mahoney on down praised the news. “In a time of economic questions, I could not be more pleased to see a project that will provide steady employment to many people in our region,” he said [at a time when North Dakota’s COVID-19 outbreak was the worst in the nation](#)(<https://www.inforum.com/newsmd/coronavirus/6761429-How-did-North-Dakotas-COVID-19-outbreak-become-the-worst-in-the-country>) .

‘Mixed emotions’

With the Amazon Fulfillment Center expected to open in the coming weeks, the optimism on display at the Project Force announcement remains fervent among local leaders.

However, seeing the writing on the wall and anticipating the ramifications of the retailer’s arrival, some of the Fargo-Moorhead area’s largest employers have adapted to the changing reality of having Amazon in their backyard.

Fargo Moorhead West Fargo Chamber of Commerce CEO Shannon Full told The Forum that Amazon’s presence hasn’t gone unnoticed. Whether or not Amazon is welcome, however, depends who you ask.

While some, specifically subcontractors and supply-chain firms, are eager to work with Amazon, others competing for similar employees are less enthused. “There are mixed emotions depending upon the company that you’re talking to,” she said. “The

other side of this is if it is companies that have the same type of workforce, there is a significant concern about local talent erosion.”



The Amazon distribution center is seen Wednesday, Aug. 25, 2021, in north Fargo. Michael Vosburg / Forum Photo Editor

Making the math work

In Cass County, very little has been adding up for employers seeking to fill open positions, stoking fears that Amazon will narrow the job market even further.

According to [data from Job Service North Dakota's Labor Market Information](#)

[Center\(https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi_apcasscounty.pdf\)](https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi_apcasscounty.pdf), active resumes numbered 1,555 in the state's largest county in July while job openings totaled 5,729.

Those two figures placed Cass County at 0.27 active resumes per job opening, meaning that even if every job seeker with an active resume filled open positions, 73% of jobs would still remain vacant. The 3,863 unemployed Cass County residents could fill 70% of the county's job openings, which would still leave a sizable gap.

The situation, while exacerbated by COVID-19, is nothing new for the Fargo area, Full noted. “The tight labor market was occurring far before COVID,” she said. “COVID definitely added to the complexity of this, but it’s really got multiple factors that are driving this challenge.”

Those factors include a decreasing number of people in the labor market, increasing retirements, slumping birth rates and a decline in enrollment at the area’s two- and four-year colleges, [most notably at North Dakota State University](https://www.inforum.com/news/education/7166357-NDSU-sees-lowest-enrollment-count-in-15-years-preliminary-numbers-show)(<https://www.inforum.com/news/education/7166357-NDSU-sees-lowest-enrollment-count-in-15-years-preliminary-numbers-show>) . Additionally, Full cited rising costs of child care, another issue worsened by COVID-19, as a driving force in shutting mothers out of the workforce.

The metro area is held back by the fact that there isn’t a cohesive plan to draw employees as well, Full noted. “The other factors also include a lack of a talent attraction strategy,” she said. “For a long time, we have had enough workers in our marketplace, so we don’t have strategies in place right now to do significant talent attraction to the region.”



The recruiting office is seen to the right of the Amazon distribution center's main entrance Wednesday, Aug. 25, 2021, in north Fargo. Michael Vosburg / Forum Photo Editor

In Moorhead, American Crystal Sugar's Vice President of Administration Lisa Borgen said the company has experienced similar issues. The Moorhead plant of 300 workers currently has between 15 and 20 openings, which she said is manageable but "more than we're used to," though the company is ramping up hiring in the city.

"Maybe Moorhead is struggling a little more than we have recently and it might be because of some new companies in town. I'm not sure," she continued. "We haven't heard that though and it hasn't been something that people are saying to us."

Playing 'a numbers game'

When the pandemic first struck and workers nationwide faced massive layoffs, American Crystal Sugar was able to pick up several employees, Borgen recalled. That, coupled with heavy investments in recruiting, "really paid off for us," she added.

Since then, Borgen has seen first-hand the rift between the amount of job openings compared to the number of qualified job seekers.

“It’s a numbers game,” she remarked. “If there are people, we can attract them, but if there are no people, it’s hard to get people when there aren’t any.”

"National and international companies like Amazon definitely put us on the map even further for more people to explore and identify this region as a thriving region to work and live in."

— **Shannon Full, CEO, Fargo Moorhead West Fargo Chamber of Commerce**

Cairn Reisch, the Community Relations Manager for Marvin in Fargo’s northside industrial park, said conditions have tilted the scales in favor of employees, who have a plethora of job openings from which to choose and comparably fewer competitors for those jobs.

While researching a recent job opening for Marvin, Reisch found six other equivalent job listings in the F-M area at the same time. “It’s an employee market and we’re just trying to attract them the best we can,” she commented.

Asked when the situation may eventually moderate, Reisch said she couldn’t give an exact time frame. “I can’t say I see a fix, per se,” she said. “We’re just really focusing on the successes we’ve had this summer and keeping that ball rolling into next summer,” referencing [a successful hiring event Marvin hosted in May](https://www.inforum.com/community/events/7044626-Marvin-fills-hiring-need-amid-worker-shortage-company-tries-new-tactics-to-attract-talent)(<https://www.inforum.com/community/events/7044626-Marvin-fills-hiring-need-amid-worker-shortage-company-tries-new-tactics-to-attract-talent>) .

“To be frank with you, I don’t see a light at the end of the tunnel. It’s got to be coming,” she continued. “It’s got to be there, but I couldn’t even make an educated guess.”

Opportunity and responsibility

In terms of its ability to spur economic growth in the city, Burgum raved about Amazon's potential. "They're bringing a lot more to North Dakota than just the 500 jobs," he said at the Project Force announcement.

A company like Amazon, Burgum posited, would help the region attract young adults who value modern-day amenities like the same-day delivery the Amazon Fulfillment Center could offer. He anticipated Amazon would put Fargo in the same stratosphere as other larger metro areas in the United States, helping the city draw the younger population it needs to relieve its workforce woes. "I know from my time in the private sector that when you're an employer like Amazon, you pick great places to live because you know that's going to help you grow your workforce," he said while discussing Fargo's attractiveness to would-be residents.

"National and international companies like Amazon definitely put us on the map even further for more people to explore and identify this region as a thriving region to work and live in."

— Shannon Full, CEO, Fargo Moorhead West Fargo Chamber of Commerce

Full noted that staffing is "without a doubt" the top issues facing companies in the F-M area. Like Burgum though, she expects Amazon will help rather than hurt current staffing strains, saying there are two schools of thought to the issue. "One is, as we bring in companies, it actually puts more pressure on the local labor market, but the other side of this — and you actually see this in other thriving markets — is that they're continuing to attract companies," she explained. "As you attract those companies, that

also attracts people, so you're drawing in more people and you're adding to the diverse base of the industries within your region.”

Full argued that the metro area not only stands to benefit from Amazon's presence but is obliged to use the newfound spotlight to boost the city's profile. “National and international companies like Amazon definitely put us on the map even further for more people to explore and identify this region as a thriving region to work and live in,” she said.

Likewise, the Fargo-Moorhead Diversion offers an opportunity for the city to showcase itself to people who may be in town on a short-term basis. [The \\$3.2 billion flood deterrent\(https://www.inforum.com/news/government-and-politics/7151342-Steak-dinner-rides-on-race-to-finish-3.2B-flood-diversion-project\)](https://www.inforum.com/news/government-and-politics/7151342-Steak-dinner-rides-on-race-to-finish-3.2B-flood-diversion-project) proves to companies that the area is investing in their security and safety and also offers the opportunity for the city to make its pitch. “Both the diversion project and the Amazon project are allowing us not only the opportunity but the responsibility to showcase this community as the vibrant community it is,” she said.

To keep the ball rolling in the right direction, Full said the region needs to continue attracting new businesses, even if existing ones are impacted. “If we want to continue being a thriving region, we need to excel on business attraction and bringing companies here as well as business retention,” she said.

‘I don't think they can compete with us’

If there's one area where F-M area businesses feel they stack up favorably with Amazon, it's in compensation.

As of Tuesday, Aug. 31, a [job posting on Amazon's website\(https://www.amazon.jobs/en/jobs/SF210070598/delivery-warehouse-team-member-1-000-sign-on-bonus\)](https://www.amazon.jobs/en/jobs/SF210070598/delivery-warehouse-team-member-1-000-sign-on-bonus) listed wages up to \$16.10 per hour for a “Delivery Warehouse Team Member”

position at the Fargo facility, The position also came with a \$3,000 sign-on bonus and \$100 COVID-19 vaccination bonus. A “Warehouse Team Member” opening in West Fargo(<https://www.amazon.jobs/en/jobs/SF210054375/warehouse-team-member>) advertised wages at \$15.50 per hour as well as the vaccination bonus.

A total of 19 job openings were listed across the Fargo and West Fargo sites, though other positions did not list hourly pay rates. The company is hosting a virtual [Amazon Career Day](https://www.amazoncareerday.com/)(<https://www.amazoncareerday.com/>) Wednesday, Sept. 15 and Thursday, Sept. 16. Citing company policy not to discuss ongoing site plans, Amazon declined to confirm to The Forum whether or not the Fulfillment Center was still expected to hire 500 employees as initially announced.

While those figures fall closely in line with initial wage quotes from the Project Force announcement, they aren’t intimidating the metro area’s existing large employers.



A sign recruiting workers is seen Wednesday, Aug. 25, 2021, on the Amazon distribution center in north Fargo. Michael Vosburg / Forum Photo Editor

American Crystal Sugar did not express concern over Amazon's wages. "I don't know what the entry-level wage is at the Amazon facility," Borgen remarked. "I've heard it's about \$15. Our low wage is \$19-something. I don't think we compete with them. I don't think they can compete with us, to be honest with you."

Likewise, Reisch expressed that Marvin would be able to hold its own in terms of wages, though she said she wouldn't truly know Amazon's impact until their opening. "We can make educated guesses around what they're hiring for and who will be attracted to their jobs, but we're not sleeping soundly yet," she said. "It's healthy competition."

Twylah Blotsky, the CEO of Butler Machinery, also believes her company would be able to hang in with Amazon. While Butler [has faced its own workforce issues in the Fargo-Moorhead area](https://www.inforum.com/business/workplace/7147684-Butler-Machinery-opening-three-new-facilities-across-Midwest-while-hiring-lags-locally)(<https://www.inforum.com/business/workplace/7147684-Butler-Machinery-opening-three-new-facilities-across-Midwest-while-hiring-lags-locally>) , she expects their pay to surpass Amazon's. "I don't know where Amazon is going to have their pay, but I'm speculating that our jobs are at a higher pay scale than theirs," she said. "Hopefully I'm not being naive in this, but I think we're going to be OK."

'Not stopping anytime soon'

Despite the fallout of Amazon's arrival, companies expressed optimism and confidence that they'd be able to go toe-to-toe with the retailer.

Reisch said that Marvin has had to start "banging pots and pans" to get their name out there. It has largely paid off and also illustrates one key difference between them and Amazon: a local touch.

That local touch gives Marvin an extra arrow in the quiver that Reisch feels sets the firm apart. "We hope to stay competitive, but if

nothing else, we'll just go back to the drawing board," she said. "We're a fourth generation, family-owned company and that sets us apart from Amazon and the diversion."

After their hiring events this summer, Marvin noted a slight drop-off in applications but Reisch said the company would be ramping up again soon. "We were able to take a breather at the end of the summer, but we're not ready to take our foot off the gas," she commented. "We're not stopping anytime soon."

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For American Crystal Sugar, Borgen expects the company will be able to grow alongside others in the region, also highlighting its status as a longtime Red River Valley employer. "I think we have a lot of real positive things coming our way and we're just hoping that we can capitalize on that," she said.

Full echoed the optimism, believing there is enough room for everyone, presuming both sides of the Red River continue to grow in population. Census figures showed that [both Fargo and West Fargo](https://www.inforum.com/news/government-and-politics/7150845-Fargo-Bismarck-Oil-Patch-see-huge-population-gains-in-new-census-figures)(<https://www.inforum.com/news/government-and-politics/7150845-Fargo-Bismarck-Oil-Patch-see-huge-population-gains-in-new-census-figures>) as well as [Moorhead](https://www.inforum.com/news/government-and-politics/7151742-Moorhead-sees-rapid-population-growth-as-Clay-County-outpaces-northern-Minnesota-in-census)(<https://www.inforum.com/news/government-and-politics/7151742-Moorhead-sees-rapid-population-growth-as-Clay-County-outpaces-northern-Minnesota-in-census>) posted sizable population jumps over the past decade.

For that reason, having a mega-corporation like Amazon lay down roots in the F-M area is worth whatever trouble it may bring in the short term. "I am extremely optimistic for the future of this region," Full remarked. "There will be challenges that come with growth. (Despite) those challenges, as long as we have a diverse group of thought leaders coming together on how we solve these problems

and co-create solutions, we will be very well positioned for the future.”

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