The Importance of Immigration in Central Minnesota

After decades of steady population growth, Central Minnesota is now home to **just under 745,000 residents**. Since 2020, the 13-county planning region has enjoyed a natural increase – more births than deaths – of 4,088 people, and also enjoyed domestic **in-migration of 11,004 people** and **international net in-migration of 1,966**

new foreign-born Minnesotans. In sum, the region added 17,220 residents from 2020 to 2022.

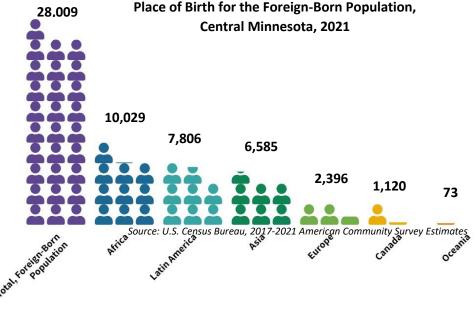
Immigration has been a small but critical part of Central Minnesota's growth. According to the U.S. Census Bureau's 2021 American Community Survey 5-

Cumulative Estimates of the Components of Population Change in										
Central Minnesota, 2020-2022										
	2020-2022	April 1, 2020 to July 1, 2022								
2022	Estimated	Vital Events			Net Migration					
Population	Population	Natural				Inter-				
Estimate	Change	Increase	Births	Deaths	Total	national	Domestic			
743,173	+17,220	+4,088	19,190	15,102	+12,970	+1,966	+11,004			
Source: U.S. Census Bureau, Population Estimates Program										

Year Estimates, Central Minnesota is now home to about **28,000 foreign born residents**, or about **3.9% of the total population**. The number of immigrants in the region increased by **+56.5%** from 2010 to 2021, outpacing the statewide growth rate of +30.6%.

The largest and fastest growing wave of new immigrants to Central Minnesota came from **Africa**, increasing by more than 7,500 people from 2010 to 2021, a 322% jump. The largest contingent – more than 7,000 people – is from Eastern Africa, primarily **Somalia**, which swelled 366% since 2010.

There were 7,806 people were from Latin America, including 4,764 people from Mexico. The region gained 1,229 additional residents from Latin America between 2010 and 2021, a 18.7% gain.



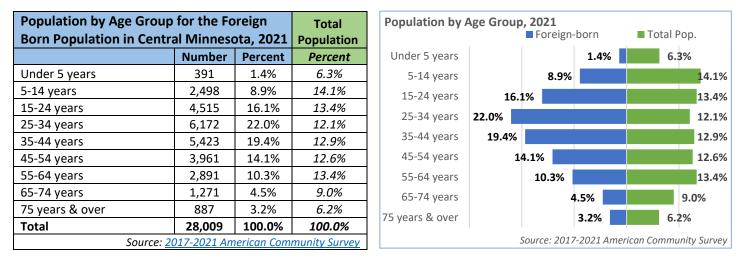
The third largest number of foreign born residents were from **Asia**. Over 2,900 of these immigrants came from Southeast Asia, primarily from the **Philippines**, **Vietnam** and **Laos**; and 2,300 people were from Eastern Asia, including **Korea** and **China**. Another 2,400 foreign born residents were from **Europe**, which was a 18.7% decline since 2010. Central Minnesota saw a 31.9% increase in the number of immigrants from **Canada** from 2010 to 2021, now comprising 1,120 people. The smallest number (73 people) of foreign born residents in the region was from **Oceania**, which includes Australia and New Zealand.

Based on year of entry, **Central Minnesota's foreign born population was "newer"** than the rest of the state and the nation. Just under 39% of the region's immigrants entered the U.S. since 2010 and another 27% entered since 2000, compared to 27.6% and 30.9% statewide, respectively. The remaining 34.5% of immigrants in the region settled in the U.S. prior to 2000. A little over half (50.9%) of foreign born residents in Central Minnesota were not U.S. citizens, compared 44.3% of immigrants in the state. The other 49.1% of immigrants in the region have become naturalized citizens.

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Ready and Willing to Work

Immigrants have a much younger age profile than the native born population. In 2021, 55.5% of the foreign born population were in their prime working years between 25 and 54 years of age, compared to just 37.6% of the total population. Over one in every five (22.0%) immigrants in the region was between 25 and 34 years of age, which was 10% higher than the share in the region's total population. In contrast, just 7.7% of the region's foreign born population was 65 years and over, compared to 15.2% of the total population.



In the face of increasingly tight labor markets, a growing scarcity of workers is now recognized as one of Minnesota's most significant barriers to sustained economic growth. Because of these constraints, it has become evident that immigration has been and will continue to be a vital source of the workforce that employers need to succeed. Immigrants have become critical to Minnesota's economy, providing a rapid stream of new workers in the face of an aging native-born workforce.

Statewide, 74.3% of the foreign born population aged 16 years and over was actively participating in the labor force, which was higher than the labor force participation rate for the native born population (69.2%). And while the state's overall labor force growth was slowing, the number of immigrant workers in the state

increased by more than **80,000 workers** from 2011 to 2021, a **+31.5% increase**. In comparison, the native born workforce expanded by 75,500 workers, a **+2.8%** increase. In sum, immigrants accounted for over half of the state's labor force growth between 2011 and 2021.

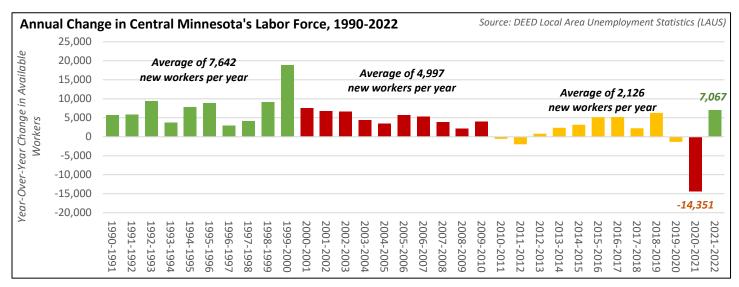
Minnesota La	bor Force Chan	Change from						
	2011	2021	2011-2021					
	Labor Force	Labor Force	Number	Percent				
Total	2,955,746	3,115,022	+159,276	+5.4%				
Native	2,702,643	2,778,107	+75,464	+2.8%				
Foreign Born	254,573	334,774	+80,201	+31.5%				
Source: American Community Survey, S0501								

In Central Minnesota, that would equal about **17,990 available immigrant workers**, comprising **4.6%** of the region's workforce in 2021. Assuming the region matched state growth rates, that would be an addition of nearly 4,300 additional workers over the past decade, which would also have accounted for just over half of the region's total labor force growth from 2011 to 2021.

Averaging a net gain of 7,642 additional labor force participants per year between 1990 and 2000, Central Minnesota employers were able to tap into a large and growing pool of talented workers. From 2000 to 2010, the labor force began to slow in the region, averaging 4,997 new workers per year. Even as the regional economy recovered and grew following the Great Recession, the region's labor force averaged just 2,126 additional workers per year from 2010 to 2020.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

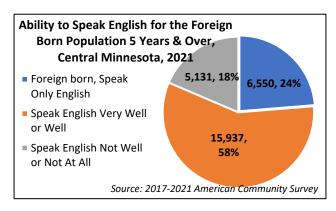
After reaching a new peak with just over 400,000 workers in 2019, the region lost almost 15,000 workers from 2020 to 2021, in part due to the COVID-19 pandemic as people permanently or temporarily left the labor force. Though over 7,000 workers have re-entered, the region's labor force is still behind pre-pandemic levels, but has gotten nearly back to normal by the middle of 2023.



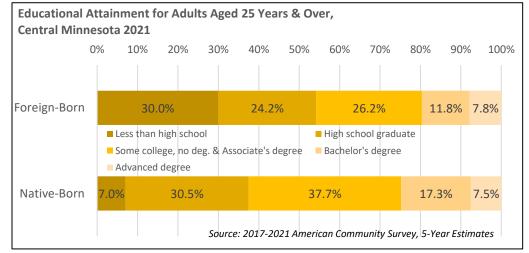
Recently released labor force projections from the Minnesota State Demographic Center suggest this trend will become even more apparent, with **the region expected to add about 16,500 workers between 2025 and 2035**, an average of 1,650 new workers per year. This will make it more challenging for employers to grow, but will also shine a light on the importance of immigration.

Removing Barriers to Growth

One challenge to assimilating in a new culture is language, but many new Minnesotans have made headway. About 76% of immigrants in Central Minnesota reported speaking a foreign language, but many of them also had some ability to speak English, including 58% who reported being able to speak English "very well" or "well." Another 24% speak only English, while the remaining 18% reported being able to speak English less than "not well or not at all."



Educational attainment also creates challenges in the workplace. Over half (54.2%) of foreign-born residents aged 25 years and over in the region had a high school diploma or less. This is a sizeable number and shows that many immigrants may need access to education to be prepared for the workforce, where jobs for high school graduates are in



high demand. However, foreign born adults also had a comparable percentage of bachelor's degrees or higher, helping to fill other high demand openings in health care and computer-related fields.

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Perhaps due in part to the language and educational barriers described above, immigrants were more likely to work in certain occupation and industry groups than native born workers. For example, foreign born workers were found more often in service occupations, which includes healthcare support, protective service, food preparation & serving, building & grounds cleaning, and personal care. Immigrants were also more concentrated in production, transportation, and material moving occupations.

Some of these occupations are already showing critical workforce shortages in Minnesota, including Nursing

Top Occupations Employing Foreign Born Workers in Minnesota						
Occupation	Foreign Born Share of Total Employment*	Estimated Regional Foreign Born Employment	Regional Median Hourly Wage			
Home Health & Personal Care Aides	25.8%	2,590	\$15.62			
Janitors & Cleaners	19.5%	798	\$17.67			
Laborers & Freight, Stock, & Material Movers, Hand	12.2%	619	\$19.15			
Registered Nurses	10.2%	604	\$41.68			
Packaging & Filling Machine Operators & Tenders	53.3%	480	\$18.90			
Waiters & Waitresses	11.7%	438	\$11.82			
Construction Laborers	10.9%	383	\$24.00			
Food Preparation Workers	14.2%	281	\$15.40			
Food Batchmakers	26.6%	239	\$16.11			
Licensed Practical & Licensed Vocational Nurses	12.5%	230	\$25.46			
Accountants & Auditors	9.4%	184	\$33.55			
Butchers & Meat Cutters	38.7%	182	\$18.65			
Software Developers	26.5%	172	\$50.95			
Cleaners of Vehicles & Equipment	25.2%	171	\$17.34			
Inspectors, Testers, Sorters, Samplers, & Weighers	13.5%	144	\$23.05			
Food Processing Workers, All Other	36.4%	116	\$19.03			
Computer User Support Specialists	12.6%	96	\$29.54			
HelpersProduction Workers	16.6%	78	\$18.64			
Electrical, Electronic, & Mechanical Assemblers	33.2%	76	\$18.63			
Clinical Laboratory Technologists & Technicians	17.9%	61	\$30.29			
Source: U.S. Census Bureau, DEED Occupational Employment & Wage Statistics (OEWS)						
* - foreign-born share of total employment by occupation in Minnesota						

Assistants, Home Health and Personal Care Aides, as well as other Healthcare, Production, and Computerrelated occupations. Along those same lines, foreign born workers were much more likely to be found in industries like Manufacturing, Leisure & Hospitality, and Administrative Support & Waste Management Services – which includes temporary staffing services. In contrast, immigrants were less likely to be employed in Retail Trade, Public Administration, Finance, Real Estate, and Construction.

Wherever they work, these new Minnesotans are a vital part of the state's economy, providing rapid growth to an otherwise aging and slowing labor force. Immigrants have proven to be ready and willing contributors, with high and rising labor force participation rates. While some have educational and language barriers to certain jobs, there are a variety of occupations, including many that are in critical need of workers, where immigrants already contribute in significant numbers. In the years ahead, it is likely that labor force constraints will require that every employer consider our growing foreign-born population as a source of the workforce they will need.



For more information about the importance of immigration in Central Minnesota, contact: <u>DEED Regional Analysis & Outreach Unit</u> Luke Greiner

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