

## The Importance of Immigration in Southwest Minnesota

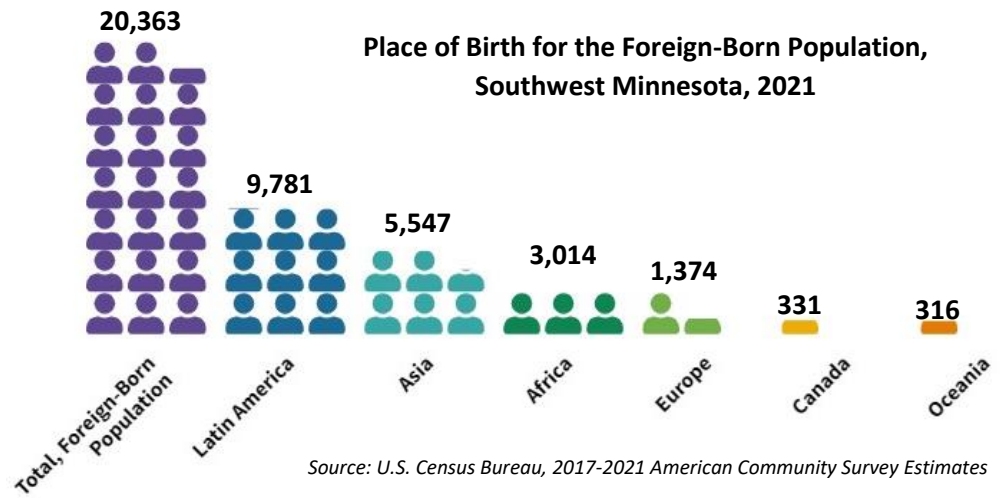
Southwest Minnesota is now home to **just under 400,000 people**. Home to an older and aging population, the 23-county planning region enjoyed a positive rate of natural increase – more births than deaths – of 243 more people from 2020 to 2022. That was offset as Southwest suffered domestic **out-migration of 2,761 people** but welcomed **international net in-migration of 1,151 additional foreign-born residents**. In sum, the region lost about 1,300 residents from 2020 to 2022.

Cumulative Estimates of the Components of Population Change in Southwest Minnesota, 2020-2022							
2022 Population Estimate	2020-2022 Estimated Population Change	April 1, 2020 to July 1, 2022					
		Vital Events			Net Migration		
		Natural Increase	Births	Deaths	Total	Inter-national	Domestic
397,156	-1,295	+243	10,060	9,817	-1,610	+1,151	-2,761

Source: [U.S. Census Bureau, Population Estimates Program](#)

Over time, Immigration has been a small but vital part of Southwest Minnesota’s on-going population growth. According to the U.S. Census Bureau’s 2021 American Community Survey 5-Year Estimates, Southwest is now home to just over **20,000 foreign born residents**, or about **5.1% of the total population**. The number of immigrants in the region increased by just **+41%** from 2010 to 2021, well behind the statewide growth rate of +30.6%.

About half (9,781 people) of these immigrants were from **Latin America**, including 5,260 people from **Mexico**. The region gained 2,286 additional residents from Latin America between 2010 and 2021, a 30.5% gain.



The second largest number of foreign born residents were from **Asia**, accounting for one in every four immigrants. Over half of these immigrants (3,301 people) came from Southeast Asia, and about 1,100 people were from Eastern Asia, including **China** and **Korea**.

The fastest growing wave of new immigrants to Southwest Minnesota came from Oceania, rising by 217 people from 2010 to 2021, a 219.2% jump. This recent surge pushed the region’s Oceania population to 316 people. Africa also has grown since 2010 with an increase of 1,654 people or a 121.6% jump. The largest contingent is from Eastern Africa, primarily **Somalia**, which eclipsed 1,768 people in 2021.

Another 1,374 foreign born residents were from **Europe**, which was a slight -0.2% decrease compared to 2010. Southwest Minnesota saw a drop in the number of immigrants from **Canada** from 2010 to 2021, now comprising just 331 people.

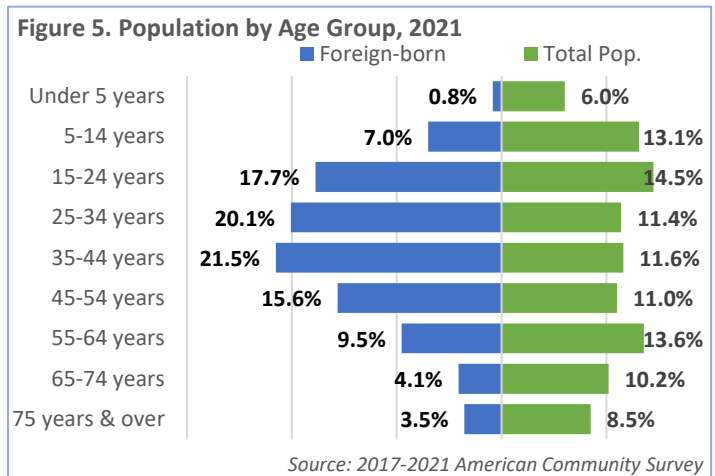
Based on year of entry, **Southwest Minnesota’s foreign born population was “newer”** than the rest of the state and the nation. Just under 32.5% of the region’s immigrants entered the U.S. since 2010 and another 28.6% entered since 2000, compared to 27.6% and 30.9% statewide, respectively. The remaining 38.9% of immigrants in the region settled in the U.S. prior to 2000 compared to 41.5% at the state level. Just over 60% of foreign born residents in Southwest Minnesota were not U.S. citizens, compared to 44.3% of immigrants in the state. The other 39.1% of immigrants in the region have become naturalized citizens.

## Ready and Willing to Work

Not surprisingly, **immigrants have a much younger age profile** than the native born population. In 2021, 57.3% of the foreign born population were in their prime working years between 25 and 54 years of age, compared to just 34% of the total population. Twenty percent of immigrants in the region was between 25 and 34 years of age, which was nearly double the share in the region’s total population. In contrast, 7.6% of the region’s foreign born population was 65 years and over, compared to 18.7% of the total population.

Population by Age Group for the Foreign Born Population in Southwest, 2021			Total Population
	Number	Percent	Percent
Under 5 years	168	0.8%	6.0%
5-14 years	1,428	7.0%	13.1%
15-24 years	3,614	17.7%	14.5%
25-34 years	4,092	20.1%	11.4%
35-44 years	4,383	21.5%	11.6%
45-54 years	3,184	15.6%	11.0%
55-64 years	1,939	9.5%	13.6%
65-74 years	834	4.1%	10.2%
75 years & over	721	3.5%	8.5%
<b>Total</b>	<b>20,363</b>	<b>100.0%</b>	<b>100.0%</b>

*Source: 2017-2021 American Community Survey*



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.

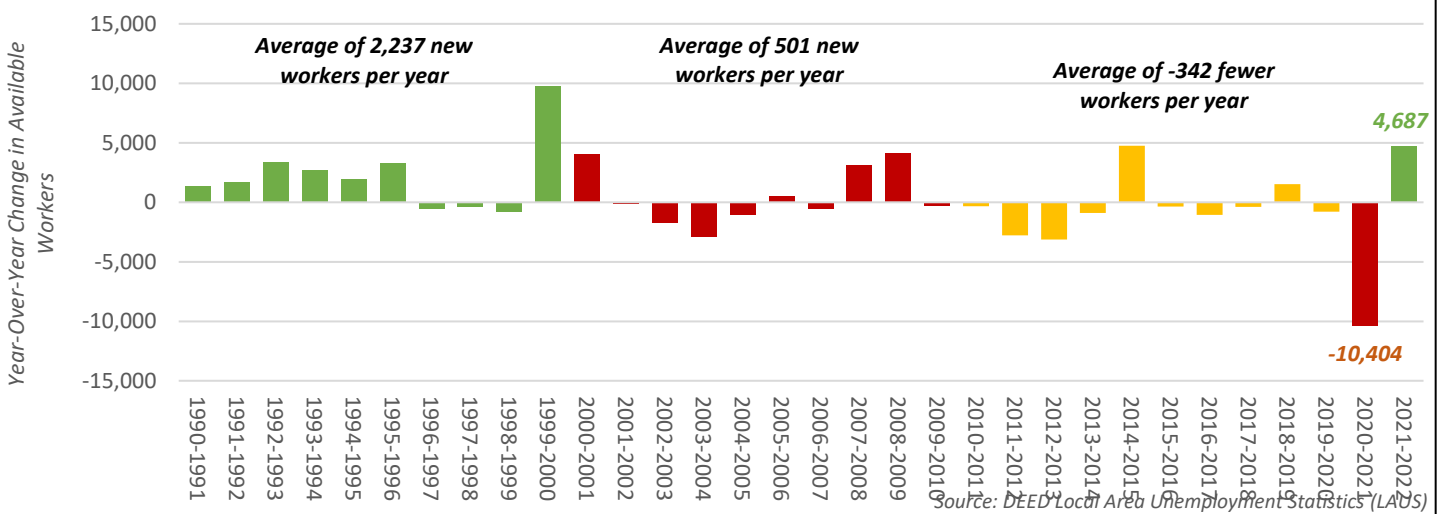
	Minnesota Labor Force Change		Change from 2011-2021	
	2011 Labor Force	2021 Labor Force	Number	Percent
Total	2,955,746	3,115,022	+159,276	+5.4%
Native	2,702,643	2,778,107	+75,464	+2.8%
Foreign Born	254,573	334,774	+80,201	+31.5%

*Source: American Community Survey, S0501*

In Southwest Minnesota, that would equal about **13,400 available immigrant workers**, comprising **6.3%** of the region’s workforce in 2021. If the region matched state growth rates, that would be an addition of nearly 3,200 additional workers over the past decade, which would have been a vital source of growth since the region’s labor force was declining from 2011 to 2021.

After averaging a net gain of just under 2,250 additional labor force participants per year between 1990 and 2000, Southwest Minnesota employers were able to tap into a large and growing pool of talented workers. However, from 2000 to 2010, Southwest Minnesota’s labor force growth slowed considerably, averaging about 500 workers per year. The region peaked with 225,616 available workers in 2009, but had dropped to 211,459 workers by 2021 due to the pandemic. Although Southwest Minnesota is not back to pre-pandemic employment levels, it has rebounded to 216,146 workers in 2022.

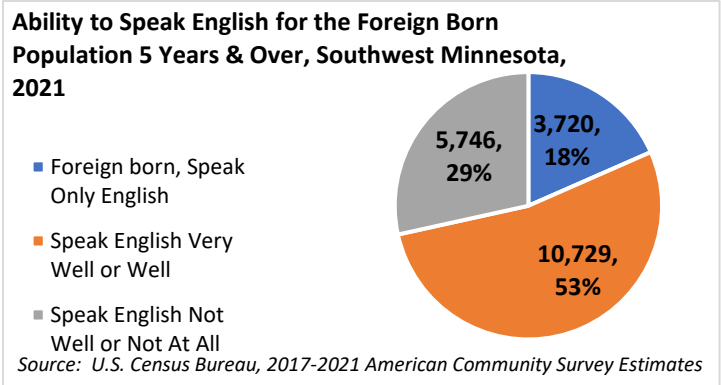
**Figure 9. Annual Change in Southwest Minnesota's Labor Force, 1990-2022**



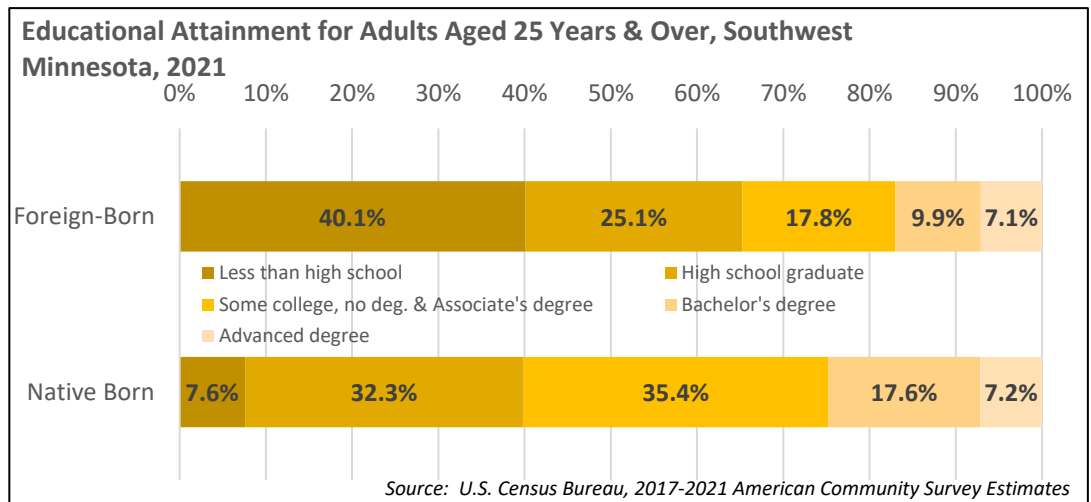
Recently released labor force projections from the Minnesota State Demographic Center suggest this trend will become even more apparent in the years ahead, with **Southwest Minnesota expected to lose about 2,000 workers between 2025 and 2035**, an average of about 200 fewer workers per year. This will make it even 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 83% of immigrants in Southwest Minnesota reported speaking a foreign language, but many of them also had some ability to speak English. Just over 70% percent reported speaking only English or being able to speak English “well” or “very well”, while the remaining 29% spoke English “not well” or “not at all.”



Nearly two-thirds (65.2%) 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 similar percentage who had earned advanced degrees compared to the native born residents, helping to fill high demand openings in health care and computer-related fields. A lower percentage had associate or bachelor’s degrees compared to native born residents.



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

Southwest Minnesota, including Nursing Assistants, Home Health and Personal Care Aides, as well as other Healthcare, Production, and Computer-related 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 and region’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 Southwest Minnesota, contact:



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<b>Top Occupations Employing Foreign Born Workers in Minnesota</b>			
<b>Occupation</b>	<b>Foreign Born Share of Total Employment*</b>	<b>Estimated Regional Foreign Born Employment</b>	<b>Regional Median Hourly Wage</b>
Home Health & Personal Care Aides	25.8%	1,582	\$15.77
Packaging & Filling Machine Operators & Tenders	53.3%	762	\$19.62
Janitors & Cleaners, exc. Maids & Housekeeping	19.5%	503	\$17.34
Laborers & Freight, Stock, & Material Movers, Hand	12.2%	412	\$19.06
Food Batchmakers	26.6%	367	\$16.68
Registered Nurses	10.2%	324	\$38.80
Waiters & Waitresses	11.7%	229	\$11.66
Construction Laborers	10.9%	189	\$23.21
Food Preparation Workers	14.2%	182	\$14.96
Electrical, Electronic & Mechanical Assemblers	33.2%	143	\$17.81
Licensed Practical & Licensed Vocational Nurses	12.5%	134	\$25.12
Inspectors, Testers, Sorters, Samplers, & Weighers	13.5%	127	\$21.92
Cleaners of Vehicles & Equipment	25.2%	121	\$16.93
Accountants & Auditors	9.4%	119	\$31.80
Software Developers	26.5%	119	\$47.67
Food Processing Workers, All Other	36.4%	116	\$19.24
Butchers & Meat Cutters	38.7%	89	\$18.48
Helpers--Production Workers	16.6%	60	\$18.76
Computer User Support Specialists	12.6%	47	\$27.82
<i>Source: U.S. Census Bureau, DEED Occupational Employment &amp; Wage Statistics (OEWS)</i>			
<i>* - foreign-born share of total employment by occupation in Minnesota</i>			