# Northeast Minnesota Planning Region

***Covering the following counties:***
**Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis**

# 2023 REGIONAL PROFILE

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# DEMOGRAPHICS

## POPULATION CHANGE

Northeast Minnesota, also known as the Arrowhead region or Economic Development Region 3, includes a total of 7 counties. According to population data from the U.S. Census Bureau, Northeast Minnesota was home to 326,062 people in 2022, accounting for 5.7% of the state's total population. Despite its large geographic size, the Northeast Minnesota planning region is the least populated of the six planning regions in the state and has lost population since 2010 with a small decrease of 163 people. Meanwhile, the state of Minnesota has grown by 7.8% with an increase of over 413,000 people (Table 1).

**Table 1. Population Change 2010-2022**

| Area | 2010 Population | 2022 Population | 2010-2022 Change Number | 2010-2022 Change Percentage |
|---|---|---|---|---|
| **Northeast Minnesota** | **326,225** | **326,062** | ***-163*** | ***-0.0%*** |
| Aitkin Co. | 16,202 | 16,126 | *-76* | *-0.5%* |
| Carlton Co. | 35,386 | 36,708 | *+1,322* | *+3.7%* |
| Cook Co. | 5,176 | 5,708 | *+532* | *+10.3%* |
| Itasca Co. | 45,058 | 45,205 | *+147* | *+0.3%* |
| Koochiching Co. | 13,311 | 11,844 | *-1,467* | *-11.0%* |
| Lake Co. | 10,866 | 10,939 | *+73* | *+0.7%* |
| St. Louis Co. | 200,226 | 199,532 | *-694* | *-0.3%* |
| City of Duluth | 86,265 | 86,372 | *+107* | *+0.1%* |
| **State of Minnesota** | **5,303,925** | **5,717,184** | ***+413,259*** | ***+7.8%*** |

*Source: U.S. Census Bureau, 2010 Decennial Census, 2022 Pop. Estimates*

Three of the 7 counties in the region lost population from 2010 to 2022 with Koochiching County losing 1,467 people, a 11% decline, making it the fastest declining county in the state. Aitkin and St. Louis Counties saw slight declines in the past decade while Itasca and Lake counties increased in population by 147 and 73 people each. Carlton County gained the most people, 1,322 since 2010 which equated to a 3.7% increase. Cook County increased its population by 10.3%, the 11th fastest growing county in the state and the only county in the region to see population growth above the statewide average from 2010-2022 (Table 1).

## COMPONENTS OF POPULATION CHANGE

A recent population increase over the past two years in the Northeast region was fueled primarily by increased in-migration. People moved into the region both from elsewhere in the country (2,890) as well as abroad (211) (Table 2). Positive net migration offset a negative natural increase (more deaths than births) of nearly 3,000 people. The trend of positive domestic in-migration to Northeast Minnesota also countered the statewide losses to other states in the U.S that accelerated in the pandemic period.

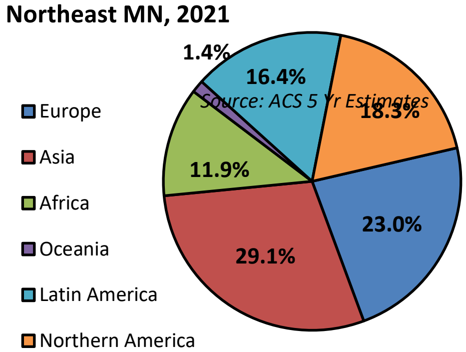
**Table 2. Estimates of the Components of Population Change, 2020-2022**

| | *Total Change* | *Natural Increase* | Vital Events: Births | Vital Events: Deaths | Net Migration: *Total* | Net Migration: *International* | Net Migration: *Domestic* |
|---|---|---|---|---|---|---|---|
| Northeast | *+349* | *-2,925* | 6,453 | 9,378 | *+3,101* | *+211* | *+2,890* |
| Minnesota | *+10,680* | *+26,917* | 144,350 | 117,433 | *-17,365* | *+20,012* | *-37,377* |

*Source: U.S. Census Bureau, Population Estimates Program*

With in-migration, Northeast Minnesota was now home to 6,056 foreign born residents, or 1.9% of the total population. The largest number of immigrants in the region came from Asia, Europe, Canada, or Latin America (Figure 1). However, the fastest increase in immigrants came from Africa or Oceania. The number of people born in Africa living the region more than doubled since 2010. Based on year of entry, Northeast Minnesota's foreign-born population was "older" than the rest of the state. About 37% of the region's immigrants entered the U.S. before 1990, compared to just 19.8% statewide. Compared to the total population, the foreign born population has both a larger share of its population between the ages of 25 and 54 (47.5% to 33.5%), considered the prime working ages. While a higher percentage of foreign-born residents had a bachelor's degree or higher than native born, immigrants were more than twice as likely to have less than a high school diploma.

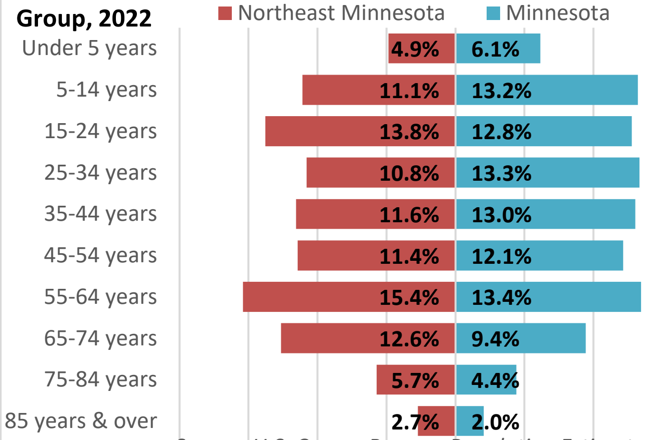
**Figure 1. Place of Birth for the Foreign Born Population in Northeast MN, 2021**



## POPULATION BY AGE GROUP

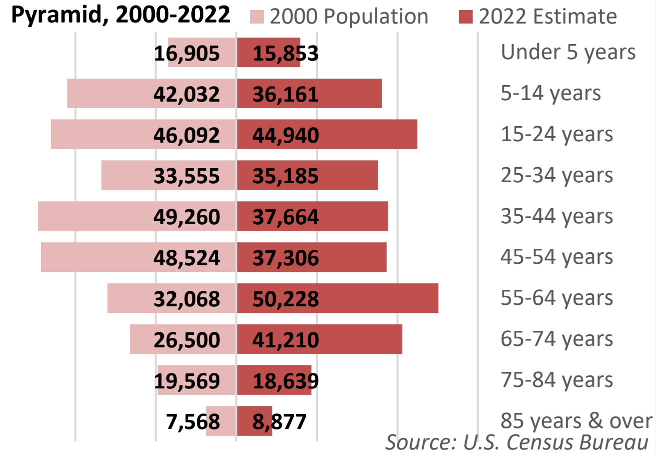
Northeast Minnesota has a much older population than the rest of the state, with 21.1% of residents aged 65 years and over, compared to 15.8% statewide. Consequently, the Arrowhead had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years," as well as a smaller percent of school-aged children. However, having several postsecondary institutions in the region led to a slightly higher percentage of people aged 15 to 24. Over a quarter of the region's population is a part of the Baby Boom generation (people born between 1946 and 1964) which is creating a significant shift in the population over time. The only age group under 55 years that grew was the 25-34 which expanded by 1,630 in 22 years. While the number of younger and middle-aged residents held steady or declined, the number of residents aged 55 years and over increased by over 33,000 individuals (Figures 2 and 3).

**Figure 2. Percentage of Population by Age Group, 2022**




*Source: U.S. Census Bureau, Population Estimates*

**Figure 3. Northeast Minnesota Population Pyramid, 2000-2022**



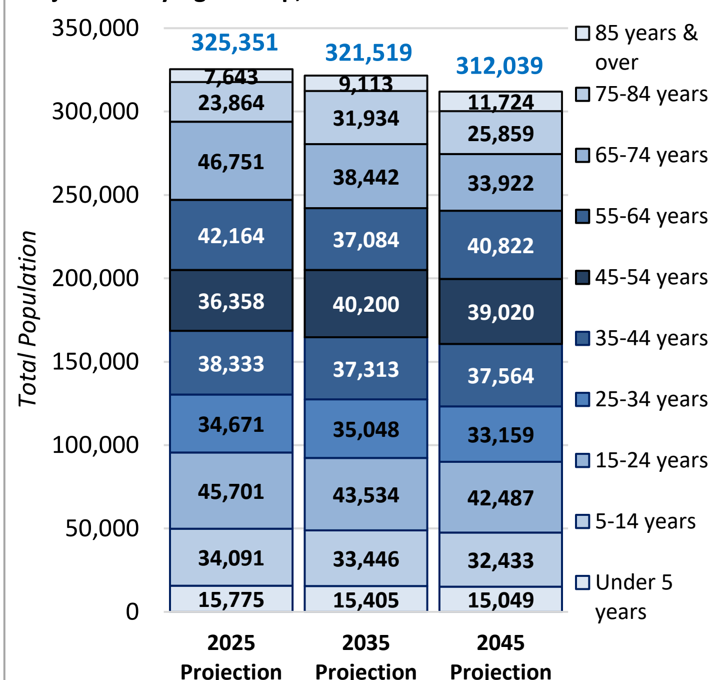

*Source: U.S. Census Bureau*

## POPULATION PROJECTIONS BY AGE GROUP

Population projections indicate an accelerating decline over the next two decades. According to population projections from the [State Demographic Center](), Northeast Minnesota is expected to lose more than 13,300 residents from 2025 to 2045, a 4.1% decline (Figure 4). In comparison, the state of Minnesota is projected to grow 7.4% from 2025 to 2045, closing in on 6.3 million residents.

However, the Arrowhead is expected to add nearly 6,100 people aged 75 years and over, a 19.3% jump. The region is also projected to see a smaller gain in 45-to-54-year-olds (+7.3%). In contrast, the region is expected to lose school-aged children and young adults, as well as people from 55 to 74 years as the current Baby Boom generation ages. The 55-74 age group is expected to shrink by over 14,000 people.

**Figure 4. Northeast Minnesota Population Projections by Age Group, 2025-2045**




*Source: Minnesota State Demographic Center*

## POPULATION BY RACE

Northeast Minnesota's population is less diverse than the state's but is becoming more diverse over time. In 2021, about 91.1% of the region's residents reported White alone as their race, compared to 80.7% of residents statewide. The region had much smaller percentages of Black or African American residents, Asian or Other Pacific Islanders, and people of Hispanic or Latino origin. However, at 2.4%, Northeast Minnesota had a higher share of people reporting as American Indian or Alaska Native than the state, and only a slightly smaller share of people of Two or More Races (Table 3).

| Table 3. Race and Hispanic Origin, 2021 | Northeast Minnesota | | | Minnesota | |
|---|---|---|---|---|---|
| | Number | Percent | *Change from 2011-2021* | Percent | *Change from 2011-2021* |
| **Total** | **325,784** | **100.0%** | ***0.0%*** | **100.0%** | ***+7.4%*** |
| White | 296,770 | 91.1% | *-2.2%* | 80.7% | *+0.4%* |
| Black or African American | 4,427 | 1.4% | *+22.7%* | 6.6% | *+42.2%* |
| American Indian & Alaska Native | 7,695 | 2.4% | *-15.1%* | 0.9% | *-8.0%* |
| Asian & Other Pac. Islander | 2,663 | 0.8% | *+7.5%* | 5.0% | *+35.8%* |
| Some Other Race | 1,549 | 0.5% | *+46.5%* | 2.1% | *+66.5%* |
| Two or More Races | 12,680 | 3.9% | *+105.1%* | 4.6% | *+121.8%* |
| Hispanic or Latino origin | 5,817 | 1.8% | *+48.9%* | 5.6% | *+31.6%* |

*Source: U.S. Census Bureau, 2017-2021 American Community Survey*

Cook County had the most diverse populace in the region, with 14.5% of residents reporting as people of color, including 7.9% of Cook residents that identified as American Indian or Alaska Native. In contrast, Aitkin and Lake Counties had 6.5% and 3.5% of their respective populations reporting a race other than white.

## EDUCATIONAL ATTAINMENT

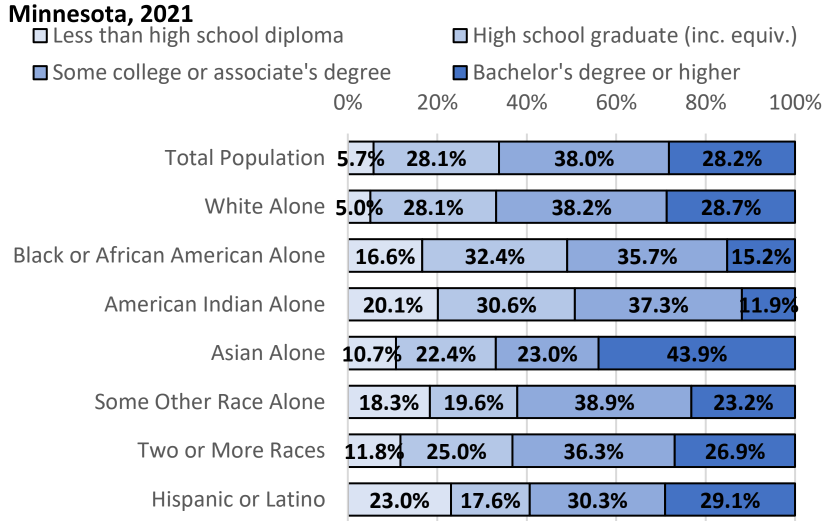
With 38.6% of adults aged 18 years and over holding a college degree, Northeast Minnesota had lower educational attainment than the state in 2021, where 46% of adults have an associate, bachelor's, or advanced degree. In contrast, the region had a higher share of people with some college but no degree, an associate degree, or a high school diploma. (Table 4).

| Table 4. Educational Attainment for the Adult Population, 2021 | Northeast MN | | Minnesota |
|---|---|---|---|
| | Number | Percent | Percent |
| **Total, 18 years & over** | **262,352** | **100.0%** | **100.0%** |
| Less than high school | 16,457 | 6.3% | 7.1% |
| High school grad. (incl. equiv.) | 73,863 | 28.2% | 24.5% |
| Some college, no degree | 70,602 | 26.9% | 22.4% |
| Associate degree | 33,418 | 12.7% | 11.1% |
| Bachelor's degree | 45,439 | 17.3% | 23.3% |
| Advanced degree | 22,573 | 8.6% | 11.6% |

*Source: U.S. Census Bureau, 2017-2021 American Community Survey*

Educational attainment varied significantly by race and ethnicity in Northeast Minnesota. More than 16% of Black or African American, American Indian, Hispanic or Latino, and residents of Some Other Race had less than a high school diploma, compared to just 5.0% of White residents. The shares of Black or African Americans and American Indians with some college or associate degrees were similar to White residents. 43.9% of Asian and 29.1% of Hispanic or Latino residents had a bachelor's degree or higher. Both shares were greater than the White population (Figure 5).

**Figure 5. Northeast Minnesota Educational Attainment for the 25 & over population by Race or Origin in Northeast Minnesota, 2021**



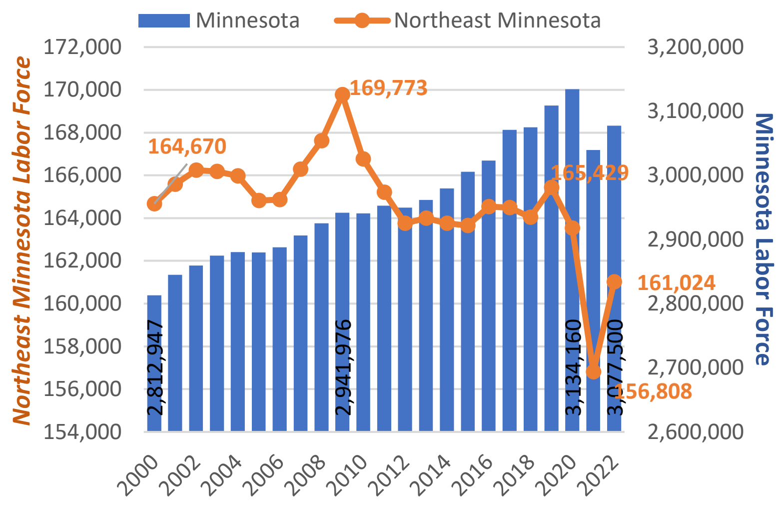

*Source: 2017-2021 American Community Survey*

# LABOR FORCE

## LABOR FORCE CHANGE

According to data from DEED's Local Area Unemployment Statistics program, Northeast had an average of 161,024 workers in 2022. In the depths of the Great Recession in 2009, the region's labor force reached its peak with nearly 170,000 workers, but then declined as the economy recovered, before increasing again from 2018-2019. Even though the region's population declined only slightly over the past decade, the labor force lost 4,344 workers from 2009-2019, a trend that accelerated in 2020 with the onset of the COVID-19 pandemic (Figure 6). From 2019 through 2020, 1,900 workers left the labor force followed by an additional 6,721 the following year. Northeast is one of two regions to see its labor force shrink since 2009 with a relative loss (-7.6%) more than a percentage point greater than that of Southwest Minnesota (-6.3%). In contrast, the steady gains that the state made from 2009-2019 were larger than the losses seen the subsequent two years (Figure 6).

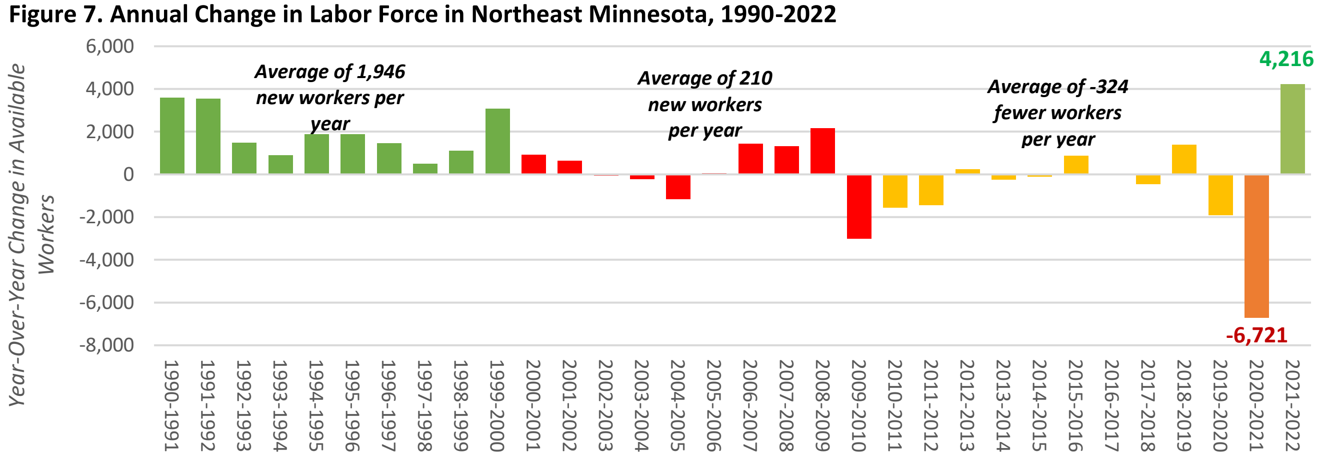
**Figure 6. Annual Labor Force Estimates**




*Source: DEED Local Area Unemployment Statistics (LAUS) program*

Averaging a net gain of about 1,950 additional labor force participants per year between 1990 and 2000, Northeast Minnesota employers were able to tap into a large and growing pool of talented workers. However, from 2001 to 2019, Northeast Minnesota's labor force ceased expanding, losing 155 workers (see Figure 7). This small decrease was then overshadowed by the sizable losses of 2020 and 2021. The region dropped to 156,808 workers in 2021, the lowest number since 1995, before rebounding to over 161,000 in 2022. Prior to the pandemic, an increasingly tight labor market and a growing scarcity of workers was recognized as one of Northeast Minnesota's most significant barriers to future economic growth. After some pandemic-induced uncertainty, tight labor market conditions returned rapidly. In the face of these increasing constraints, it has become more evident than at any point in recent memory that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and immigration has been and will continue to be a vital source of the workers that employers need to succeed. As the White, native-born workforce continues to age, younger workers of different races or from different countries will comprise the fastest growing segments of the labor force.

**Figure 7. Annual Change in Labor Force in Northeast Minnesota, 1990-2022**




*Source: DEED Local Area Unemployment Statistics (LAUS)*

## LABOR FORCE PROJECTIONS

If Northeast Minnesota's population changes at the projected rates shown in Figure 4 above, the region would be expected to also see a decline in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which indicate a -1.6% drop in workforce numbers by 2035. In addition to the overall decline, the labor force will also see the impacts of aging and retirements. The number of workers aged 75 years and over will expand rapidly against large declines in the number of workers aged 55 to 74 years. The region is also expected to lose many of the youngest workers in the next decade. However, the region is expected to see a large gain in the number of 45-to-54-year-olds. (Table 5).

**Table 5. Northeast Minnesota Labor Force Projections**

| | 2025 Labor Force Projection | 2035 Labor Force Projection | *2025-2035 Change* | |
|---|---|---|---|---|
| | | | *Numeric* | *Percent* |
| 16 to 19 years | 9,068 | 8,135 | *-932* | *-10.3%* |
| 20 to 24 years | 18,784 | 18,871 | *+88* | *+0.5%* |
| 25 to 44 years | 62,015 | 61,469 | *-546* | *-0.9%* |
| 45 to 54 years | 30,264 | 33,462 | *+3,198* | *+10.6%* |
| 55 to 64 years | 25,842 | 22,728 | *-3,113* | *-12.0%* |
| 65 to 74 years | 9,145 | 7,520 | *-1,625* | *-17.8%* |
| 75 years & over | 1,505 | 1,960 | *+456* | *+30.3%* |
| **Total Labor Force** | **156,622** | **154,146** | ***-2,476*** | ***-1.6%*** |

*Source: calculated from Minnesota State Demographic Center population projections and 2017-2021 American Community Survey 5-Year Estimates*

## EMPLOYMENT CHARACTERISTICS

With just 59.5% of the population over 16 years of age in the labor force, Northeast Minnesota has much lower labor force participation than the state. Each Northeast age group had lower participation rates than those statewide (Table 6).

The region also had lower labor force participation rates than the state for every racial or ethnic group; and also had large unemployment rate disparities for workers of color. Unemployment rates for Black or African Americans and American Indians were more than triple the White rate. The region also had 6,628 veterans and 10,702 workers with disabilities in the labor force. Workers with disabilities had much lower participation rates while veterans exhibited higher labor force participation. Labor force participation was highest for prime age, Asian, and most educated workers. Unemployment rates were highest for youth, people of color, workers with disabilities, and those with the lowest education levels. Unemployment rates were higher than across the state for most groups.

**Table 6. Northeast Minnesota Employment Characteristics, 2021**

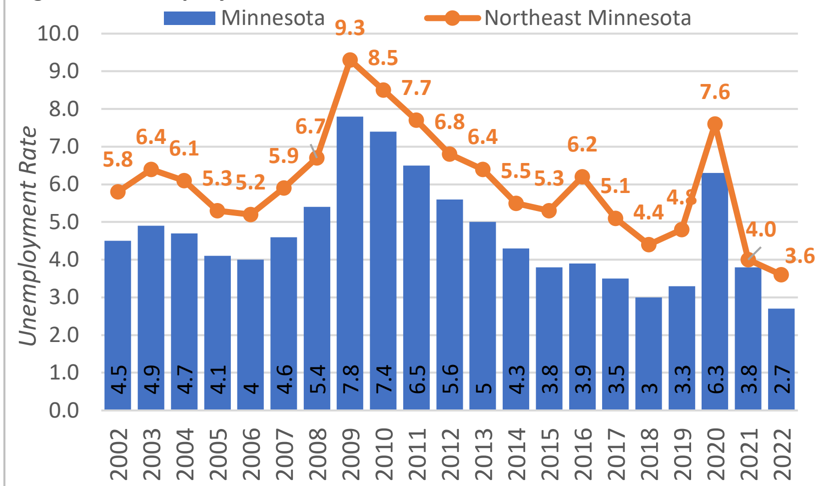
| Age Group | Northeast Minnesota | | | Minnesota | |
|---|---|---|---|---|---|
| | Labor Force | Labor Force Partic. Rate | Unemp. Rate | Labor Force Partic. Rate | Unemp. Rate |
| **Total Labor Force** | **160,909** | **59.5%** | **5.1%** | **69.2%** | **4.0%** |
| 16 to 19 years | 9,129 | 51.2% | 9.0% | 52.3% | 10.7% |
| 20 to 24 years | 18,749 | 79.7% | 7.1% | 83.3% | 6.7% |
| 25 to 44 years | 61,831 | 84.9% | 5.1% | 88.8% | 3.6% |
| 45 to 54 years | 31,026 | 83.2% | 4.1% | 87.6% | 3.0% |
| 55 to 64 years | 30,757 | 61.3% | 3.5% | 73.1% | 3.2% |
| 65 to 74 years | 8,054 | 19.6% | 4.0% | 28.0% | 3.2% |
| 75 years & over | 1,313 | 4.8% | 7.2% | 6.6% | 2.9% |
| Employment Characteristics by Gender | | | | | |
| Male | 84,086 | 61.5% | 5.7% | 72.7% | 4.4% |
| Female | 76,776 | 57.5% | 4.3% | 65.6% | 3.6% |
| Employment Characteristics by Race & Hispanic Origin | | | | | |
| White alone | 148,858 | 59.7% | 4.7% | 68.5% | 3.4% |
| Black or African American | 1,490 | 43.0% | 19.9% | 71.9% | 8.6% |
| American Indian & Alaska Native | 3,170 | 53.4% | 15.0% | 57.4% | 12.9% |
| Asian or Other Pacific Islanders | 1,495 | 67.2% | 3.4% | 72.7% | 4.1% |
| Some Other Race | 780 | 64.1% | 2.0% | 75.8% | 6.2% |
| Two or More Races | 5,021 | 61.6% | 7.2% | 74.1% | 7.3% |
| Hispanic or Latino | 2,471 | 63.1% | 7.8% | 77.0% | 6.6% |
| Employment Characteristics by Veteran Status | | | | | |
| Military Veteran | 6,628 | 71.2% | 5.7% | 80.6% | 3.9% |
| Employment Characteristics by Disability | | | | | |
| With Any Disability | 10,702 | 44.9% | 9.2% | 53.6% | 9.9% |
| Employment Characteristics by Educational Attainment | | | | | |
| Population 25 to 64 years | 123,660 | 77.2% | 4.5% | 84.4% | 3.4% |
| Less than H.S. Diploma | 4,304 | 52.6% | 6.2% | 66.6% | 4.6% |
| H.S. Diploma or Equivalent | 26,974 | 67.1% | 3.1% | 77.3% | 2.5% |
| Some College or Assoc. Degree | 51,341 | 78.8% | 4.4% | 85.1% | 3.6% |
| Bachelor's Degree or Higher | 41,011 | 87.8% | 2.1% | 90.3% | 2.1% |

*Source: 2017-2021 American Community Survey, 5-Year Estimates*

## UNEMPLOYMENT RATES

Northeast has consistently reported higher unemployment rates than Minnesota, typically at least one percentage point above the state rate. Local Area Unemployment Statistics show that the unemployment rate reached its peak in 2009 at 9.3%, then declined to an annual rate of 4.4% in 2018 and landed at 4.8% in 2019. Since then, a steep climb early in the pandemic was erased as rates rapidly fell to a record low 3.6% in 2022 (see Figure 8).

**Figure 8. Unemployment Rates, 2002-2022**

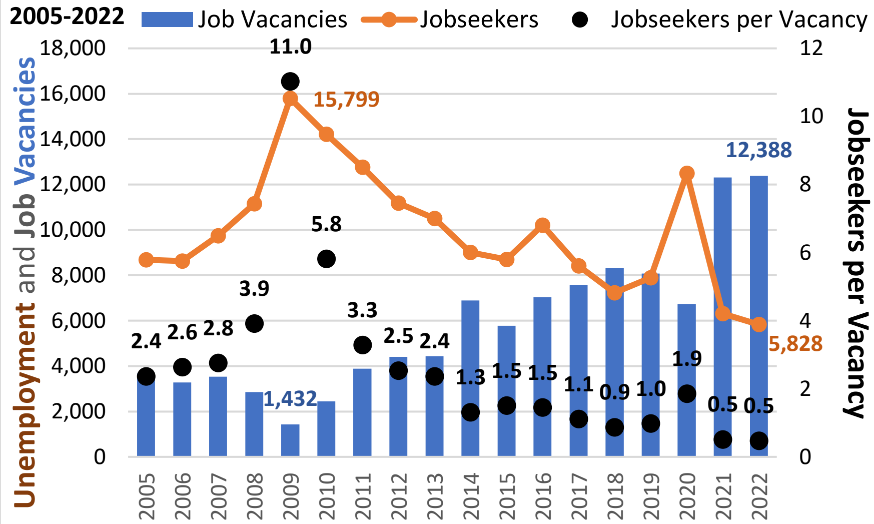



*Source: DEED Local Area Unemployment Statistics (LAUS) program*

## JOBSEEKERS PER VACANCY

Prior to the coronavirus crisis, the labor market had already been tightening. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which in 2019 stood at 1-to-1 in Northeast Minnesota; meaning there were roughly the same number of people looking for work as there were open jobs. After briefly rising to 1.9 in 2020, the ratio has since declined to an all-time low of 0.5 jobseekers per vacancy in 2021 and 2022. According to the most recent job vacancy survey results, there were 12,388 openings (2nd highest on record) reported by employers compared to 5,828 (lowest on record) unemployed jobseekers in the region. By comparison, the ratio climbed as high as 11.0 during the recession in 2009 (Figure 9).

**Figure 9. Jobseekers per Vacancy in Northeast Minnesota, 2005-2022**




*Source: DEED LAUS, DEED JVS*

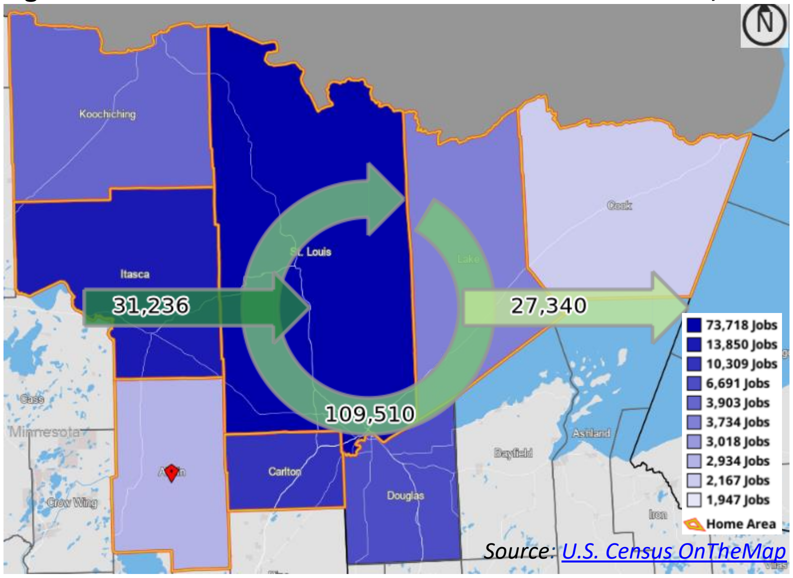
## COMMUTE SHED AND LABOR SHED

According to data from the U.S. Census Bureau, the vast majority – about 80% – of workers who live in the region also work in the region. However, Northeast is a net importer of labor, having more jobs than available workers. Just over 109,500 workers both lived and worked in the region, while another 31,236 workers commuted into the region for work, compared to 27,340 who live in the region but commuted to other counties for work (Table 7 and Figure 10). Since 2010, the share of people employed in the region but living elsewhere grew fastest of the groups in table 7, expanding 16%.

| Table 7. Northeast Minnesota Inflow/ Outflow Job Counts (All Jobs), 2020 | 2020 | |
|---|---|---|
| | Count | Share |
| Employed in the Selection Area | 140,746 | 100.0% |
| Employed in the Selection Area but Living Outside | 31,236 | 22.2% |
| Employed and Living in the Selection Area | 109,510 | 77.8% |
| | | |
| Living in the Selection Area | 136,850 | 100.0% |
| Living in the Selection Area but Employed Outside | 27,340 | 20.0% |
| Living and Employed in the Selection Area | 109,510 | 80.0% |

*Source: U.S. Census Bureau, OnTheMap*

**Figure 10. Northeast Minnesota Labor and Commute Shed, 2020**




Source: [U.S. Census OnTheMap](https://onthemap.ces.census.gov/)

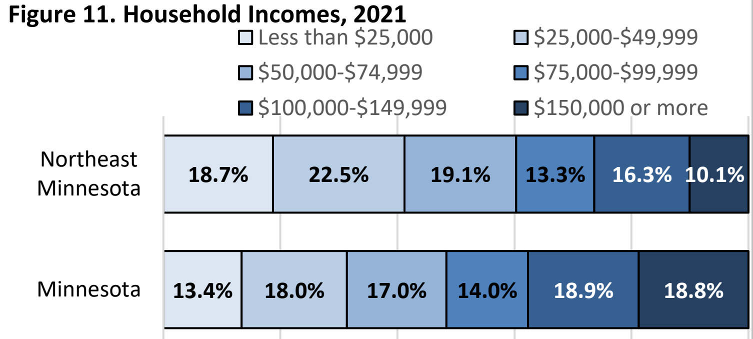
St. Louis County is the largest employment center in the region and the biggest draw for workers living in the region (73,718 jobs), followed by Itasca (13,850), Carlton (10,309), Hennepin (6,691) and Douglas (3,903) (WI) counties (Figure 10). Employers in the region draw workers from Douglas County (7,245) in Wisconsin as well as Hennepin (3,516) and Pine (1,609) counties. The average commute time for workers the region was 21.5 minutes, compared to 23.5 minutes for workers statewide. More than 58% of workers commuted less than 20 minutes each way, compared to 46.5% statewide. As of 2021, about 7.4% of workers worked at home, an increase from 5.4% before the pandemic. About 3.7% were able to walk to work[1].

# INCOMES, WAGES AND OCCUPATIONS

## HOUSEHOLD INCOMES

Household incomes were significantly lower in Northeast Minnesota than the rest of the state. The median household income in the Arrowhead was $61,080 in 2021, compared to $77,706 in Minnesota, ranking last of the six planning regions. More than two out of five households (41.2%) in the region had incomes below $50,000 in 2021, compared to 31.4% of households statewide. Only 10.1% of households had incomes greater than $150,000 in the region (Figure 11).

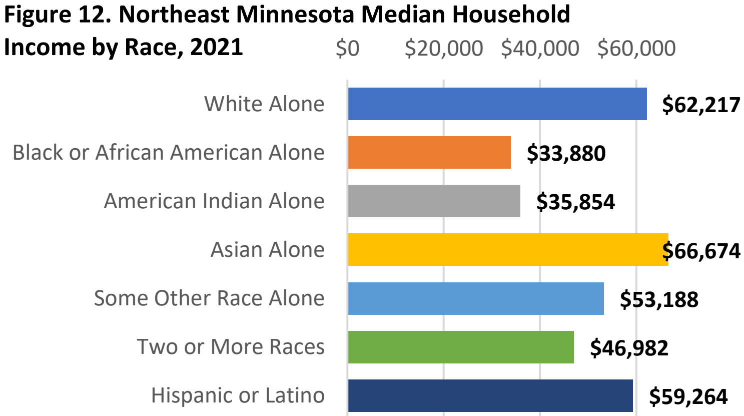
**Figure 11. Household Incomes, 2021**




*Source: 2017-2021 American Community Survey 5-Year Estimates*

Median household incomes varied by race or origin in the region. American Indian and Black or African American households reported the lowest incomes in Northeast Minnesota, with median incomes just over half those of White, Asian and Hispanic or Latino households. Households led by a householder of Two or More or Some Other Race were also likely to have incomes at least $10,000 less than White households. Asian households had the highest median incomes, both over $66,600 a year (Figure 12).

**Figure 12. Northeast Minnesota Median Household Income by Race, 2021**




*Source: 2017-2021 American Community Survey, 5-Year Estimates*

[1] 2017-2021 American Community Survey

## COST OF LIVING

According to DEED's Cost of Living tool, the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was $60,720 in 2022. The cost of living for a similar family in Northeast Minnesota was $50,952 – which was the third lowest of the 6 planning regions in the state. The highest monthly costs were for transportation, food, and housing; though the region's housing, childcare, and taxes were lower than the rest of the state. In order to meet the basic needs cost of living for the region, the two workers in the family scenario described would need to earn an average of $16.33 per hour working a combined 60 hours per week.

DEED's Cost of Living tool provides different estimates for household compositions including single people, partnered couples, and up to 4 children. For a single person living alone and working full-time, the estimated yearly cost in the Arrowhead would be $30,780 which would require an hourly wage of $14.80 to meet the basic needs standard of living (Table 8).

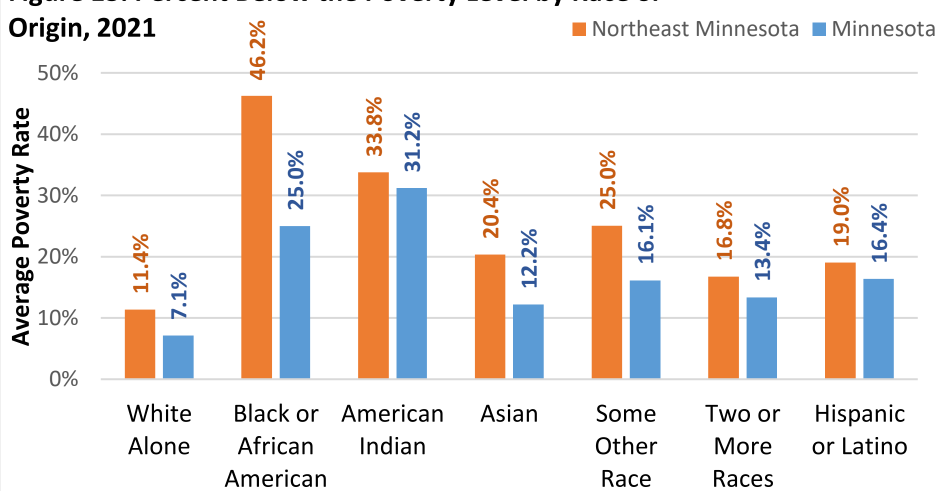
**Table 8. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2022**

| Family Composition | Number of Workers | Yearly Cost of Living | Hourly Wage Required | Monthly Costs | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Child Care | Food | Health Care | Housing | Trans-portation | Other | Taxes |
| **Northeast Minnesota** | | | | | | | | | | |
| Single, 0 children | 1 FT | $30,780 | $14.80 | $0 | $393 | $161 | $909 | $845 | $315 | $313 |
| Single, 1 child | 1 FT | $47,532 | $22.85 | $630 | $581 | $449 | $952 | $776 | $371 | $202 |
| **2 parents, 1 child** | **1 FT, 1 PT** | **$50,952** | **$16.33** | **$316** | **$898** | **$528** | **$952** | **$948** | **$428** | **$161** |
| 2 parents, 2 children | 2 FT | $68,616 | $16.49 | $963 | $1,172 | $539 | $1,237 | $951 | $583 | $273 |
| **State of Minnesota** | | | | | | | | | | |
| Single, 0 children | 1 FT | $34,992 | $16.82 | $0 | $403 | $159 | $961 | $760 | $330 | $303 |
| **2 parents, 1 child** | **1 FT, 1 PT** | **$60,720** | **$19.46** | **$574** | **$921** | **$555** | **$1,216** | **$886** | **$517** | **$391** |

*Source: DEED Cost of Living tool*

In 2021, the Northeast Minnesota poverty rate was 12.6%, which was well above the statewide rate of 9.2%, but down slightly from the previous year. Like incomes, poverty levels varied widely by race and origin. It was estimated that over 46% of the region's Black or African American population was below the poverty level in 2021, compared to just 11.4% of the White population. Likewise, poverty levels hovered around 34% for American Indians, 25% for residents of Some Other Race, 20.4% for Asians, and 19% of people of Hispanic or Latino origin. Almost 17% of people identifying as Two or More Races also were below the poverty level in 2021. In each case, the region's poverty rate was higher than the state's poverty rate (Figure 13).

**Figure 13. Percent Below the Poverty Level by Race or Origin, 2021**




*Source: 2017-2021 American Community Survey, 5-Year Estimates*

## WAGES AND OCCUPATIONS

According to DEED's Occupational Employment & Wage Statistics (OEWS) program, the median hourly wage for all occupations in Northeast Minnesota was $22.57 as of the first quarter of 2023, which was the fourth highest wage level of the six planning regions in the state. Northeast's median wage was $1.68 below the state's median hourly wage, equaling 93.1% of the statewide wage rate, and $3.10 below the median hourly wage in the Twin Cities metro area, which would amount to a difference of nearly $6,448 per year for a full-time worker (Table 9).

| Table 9. Occupational Employment Statistics by Region, 1st Qtr. 2023 | Median Hourly Wage | Estimated Regional Employment |
|---|---|---|
| Central Minnesota | $22.71 | 270,260 |
| ***Northeast Minnesota*** | ***$22.57*** | ***136,490*** |
| Northwest Minnesota | $21.67 | 215,980 |
| Southeast Minnesota | $23.44 | 236,590 |
| Southwest Minnesota | $22.00 | 167,580 |
| Twin Cities Metro Area | $25.67 | 1,718,290 |
| **State of Minnesota** | **$24.25** | **2,827,310** |
| *Source: DEED Occupational Employment & Wage Statistics* | | |

Based on location quotient, Northeast Minnesota stands out for having higher concentrations of Community & Social Service, Protective Service, Installation, Maintenance & Repair, Food Preparation & Serving Related, and Healthcare Practitioners & Technical workers than the state. The largest occupations in the region include Office & Administrative Support, Food Preparation & Serving Related, Sales & Related, Healthcare Practitioners, and Transportation & Material Moving positions. Those occupational groups combined to account for over 45.4% of regional employment.

The lowest-paying jobs are concentrated in Food Preparation & Serving, Sales & Related, Personal Care & Service, Building, Grounds Cleaning & Maintenance, and Healthcare Support. Each of these occupational groups paid at least $5.50 below the median for all occupations and tend to have lower educational and training requirements (Table 10).

| Table 10. Northeast Minnesota Occupational Employment Statistics, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Northeast Minnesota | | | | State of Minnesota | | |
| Occupational Group | Median Hourly Wage | Estimated Regional Employment | *Share of Total Employment* | *Location Quotient* | Median Hourly Wage | Estimated Statewide Employment | *Share of Total Employment* |
| **Total, All Occupations** | **$22.57** | **136,490** | ***100.0%*** | ***1.0*** | **$24.25** | **2,827,310** | ***100.0%*** |
| Office & Administrative Support | $20.75 | 16,030 | *11.7%* | *1.0* | $23.06 | 345,830 | *12.2%* |
| Food Preparation & Serving Related | $14.05 | 13,630 | *10.0%* | *1.3* | $14.89 | 216,970 | *7.7%* |
| Sales & Related | $15.06 | 11,540 | *8.5%* | *1.0* | $18.14 | 239,500 | *8.5%* |
| Healthcare Practitioners & Technical | $37.53 | 11,460 | *8.4%* | *1.3* | $41.07 | 186,700 | *6.6%* |
| Transportation & Material Moving | $19.53 | 9,370 | *6.9%* | *0.9* | $21.05 | 227,780 | *8.1%* |
| Healthcare Support | $17.05 | 9,180 | *6.7%* | *1.2* | $17.40 | 162,400 | *5.7%* |
| Education, Training & Library | $25.02 | 8,450 | *6.2%* | *1.1* | $24.82 | 158,830 | *5.6%* |
| Management | $42.60 | 7,720 | *5.7%* | *0.8* | $51.58 | 193,760 | *6.9%* |
| Construction & Extraction | $30.65 | 6,950 | *5.1%* | *1.3* | $31.00 | 113,930 | *4.0%* |
| Production | $22.97 | 6,640 | *4.9%* | *0.7* | $22.07 | 209,380 | *7.4%* |
| Installation, Maintenance & Repair | $29.17 | 6,400 | *4.7%* | *1.3* | $27.95 | 98,670 | *3.5%* |
| Business & Financial Operations | $32.03 | 5,910 | *4.3%* | *0.6* | $38.19 | 201,940 | *7.1%* |
| Building, Grounds Cleaning & Maint. | $16.29 | 4,560 | *3.3%* | *1.2* | $18.26 | 76,210 | *2.7%* |
| Community & Social Service | $24.43 | 4,310 | *3.2%* | *1.6* | $25.82 | 54,820 | *1.9%* |
| Personal Care & Service | $15.33 | 3,110 | *2.3%* | *1.1* | $16.96 | 58,120 | *2.1%* |
| Protective Service | $25.66 | 3,020 | *2.2%* | *1.5* | $25.83 | 40,620 | *1.4%* |
| Architecture & Engineering | $38.75 | 2,340 | *1.7%* | *0.9* | $40.60 | 53,100 | *1.9%* |
| Computer & Mathematical | $39.38 | 2,150 | *1.6%* | *0.4* | $49.73 | 99,250 | *3.5%* |
| Life, Physical & Social Science | $32.18 | 1,680 | *1.2%* | *1.2* | $39.37 | 29,070 | *1.0%* |
| Arts, Design, Entertainment & Media | $23.52 | 1,280 | *0.9%* | *0.7* | $28.80 | 37,630 | *1.3%* |
| Legal | $41.44 | 530 | *0.4%* | *0.6* | $47.87 | 18,730 | *0.7%* |
| Farming, Fishing & Forestry | $23.49 | 240 | *0.2%* | *1.2* | $19.84 | 4,060 | *0.1%* |
| *Source: DEED Occupational Employment Statistics, Qtr. 1 2023* | | | | | | | |

The highest paying jobs in Northeast Minnesota are found in Management, Legal, Computer & Mathematical, Architecture & Engineering, and Healthcare Practitioners & Technical occupations, which all have wages $10 higher than the median wage for all occupations. Many occupations in these groups require higher levels of education and experience, including many that require postsecondary training. The pay gaps at the highest end of the wage scale for the Management and Computer & Mathematical occupational groups, near and exceed $20 more per hour. The highest paying occupational groups are also less concentrated in the region.

## JOB VACANCY SURVEY

Employers in Northeast Minnesota reported 12,388 job vacancies in 2022, the 2nd highest total in the history of the survey. Demand for workers continued to surge after the peak of the pandemic surge in 2020 and was high across most sectors. The sectors with the largest number of openings were Healthcare & Social Assistance (5,960 vacancies), Accommodation & Food Services (2,306), Retail Trade (1,358), and Educational Services (767). More than 83% of regional vacancies were in these industries.

Rising demand has led to rising wages, with the median hourly wage offer from the current survey jumping to $17.36 per hour, which was the highest offer on record, and the third highest among the six planning regions. Wage offers ranged from under $15/hr for Food Prep & Serving, Building, Personal Care, and Healthcare Support to over $31/hr for Architecture & Engineering and Computer & Mathematical positions.

The largest number of vacancies by occupation were in Food Preparation & Serving Related, Healthcare Support, Healthcare Practitioners & Technical, and Community & Social Service occupations. More than 52% of regional vacancies were in these occupational groups. Job vacancy rates, a measure of turnover and demand, were the highest for Community & Social Services, Healthcare Support, and Healthcare Practitioners & technical. Overall, 34% of the openings were part-time, 36% required post-secondary education, and 44% required 1 or more years of experience (Table 11).

**Table 11. Northeast Minnesota Job Vacancy Survey Results, 2022**

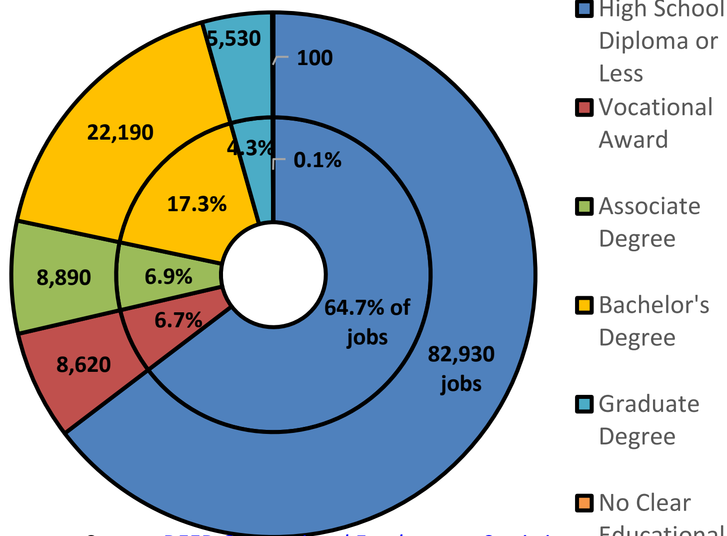
| Northeast Minnesota | Number of Total Vacancies | Median Hourly Wage Offer | Percent Part-Time | Percent Temporary or Seasonal | Requiring Post-Secondary Education | Requiring 1 or More Years of Work Exp. | Requiring Certificate or License | *Job Vacancy Rate* |
|---|---|---|---|---|---|---|---|---|
| **Total, All Occupations** | **12,388** | **$17.36** | **34%** | **11%** | **36%** | **44%** | **57%** | ***9.2%*** |
| Food Preparation & Serving Related | 1,974 | $13.44 | 53% | 24% | 1% | 25% | 8% | *15.8%* |
| Healthcare Support | 1,920 | $14.98 | 29% | 0% | 24% | 12% | 73% | *19.4%* |
| Healthcare Practitioners & Technical | 1,703 | $27.35 | 42% | 2% | 86% | 50% | 97% | *14.7%* |
| Community & Social Service | 862 | $23.99 | 13% | 0% | 82% | 82% | 81% | *22.4%* |
| Transportation & Material Moving | 799 | $16.76 | 62% | 14% | 7% | 26% | 63% | 8.9% |
| Sales & Related | 776 | $20.46 | 21% | 2% | 1% | 21% | 51% | *6.3%* |
| Installation, Maintenance & Repair | 652 | $19.19 | 9% | 4% | 71% | 78% | 81% | *10.0%* |
| Office & Administrative Support | 591 | $17.71 | 34% | 1% | 9% | 66% | 43% | *3.9%* |
| Building, Grounds Cleaning & Maint. | 509 | $15.29 | 51% | 33% | 1% | 29% | 20% | *11.3%* |
| Education, Training & Library | 507 | $17.89 | 45% | 40% | 77% | 83% | 68% | *6.3%* |
| Management | 422 | $24.15 | 10% | 0% | 71% | 89% | 67% | *5.8%* |
| Personal Care & Service | 371 | $14.87 | 36% | 8% | 20% | 63% | 56% | *12.6%* |
| Production | 300 | $16.14 | 2% | 0% | 2% | 16% | 36% | *4.6%* |
| Business & Financial Operations | 273 | $24.50 | 14% | 2% | 61% | 73% | 37% | *4.8%* |
| Construction & Extraction | 214 | $15.77 | 0% | 72% | 7% | 81% | 18% | *3.2%* |
| Protective Service | 165 | $16.15 | 62% | 45% | 15% | 56% | 81% | *5.3%* |
| Architecture & Engineering | 139 | $31.37 | 0% | 1% | 91% | 77% | 57% | *5.9%* |
| Arts, Design, Entertainment & Media | 68 | $16.90 | 62% | 7% | 21% | 33% | 21% | *5.4%* |
| Computer & Mathematical | 65 | $31.98 | 21% | 0% | 93% | 94% | 55% | *3.1%* |
| Life, Physical & Social Sciences | 26 | $30.85 | 32% | 4% | 100% | 96% | 92% | *1.6%* |

*Source: DEED Job Vacancy Survey, 2022*

## EDUCATIONAL REQUIREMENTS

Reflecting the recent job vacancy data, DEED's Occupational Employment Statistics program shows that slightly more than one-third of current jobs held in the region typically require post-secondary education to enter. The other two-thirds require no more than a high school diploma, and sometimes less. However, some amount of on-the-job training is often needed (Figure 14).

**Figure 14. Share of Jobs by Educational Requirements in Northeast Minnesota, 2022**



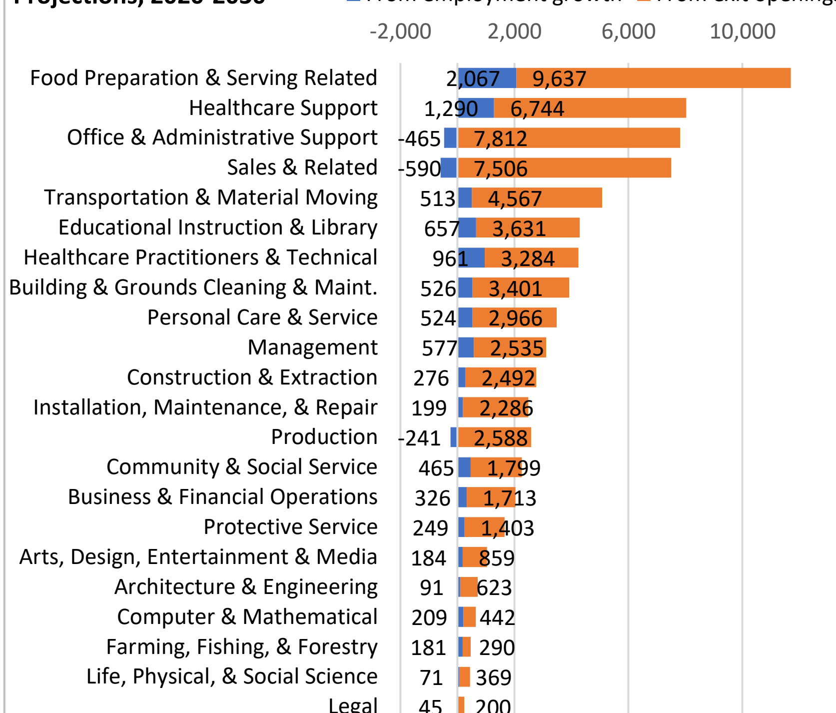

*Source: DEED Occupational Employment Statistics*

Certain careers – such as dentists, lawyers, and teachers – require a college education, while other jobs – including cost estimators, sales representatives, and correctional officers – do not. College is an excellent way to move up career ladders and open windows of opportunity to fields that would otherwise be closed, such as nursing or engineering. Many of these occupations offer high wages and are in high demand in the marketplace. While education is typically a worthwhile investment, college can be expensive – with average annual expenses ranging between $20,600 and more than $53,600 per year in Minnesota[2]. For those who go to college, choice of major matters – different programs lead to different jobs that earn different amounts of money.

## EMPLOYMENT PROJECTIONS

Overall, the Northeast planning area is projected to grow 5.5% from 2020 to 2030, a gain of 8,115 new jobs. In addition, the region is also expected to need 174,485 replacement openings to fill jobs left vacant by retirements and other career changers. The notable increase in projected employment growth is largely attributable to the continued recovery from pandemic-related employment losses. Accordingly, Food Prep. & Serving is the occupational group expected to add the most jobs, followed by Healthcare Support, Office & Admin. Support, and Sales & Related occupations (Figure 15). The largest percent growth is expected for Farming, Fishing, & Forestry, Food Prep., Healthcare Support, and Personal Care.

**Figure 15. Northeast Minnesota Regional Employment Projections, 2020-2030**




*Source: DEED 2020-2030 Employment Outlook*

[2] http://www.ohe.state.mn.us/mPg.cfm?pageID=94

## OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are over 471 occupations in demand (OID) in Northeast Minnesota, and 282 occupations are showing relatively high demand. Training and education requirements of these occupations range from short-term on-the-job training to postsecondary education and advanced degrees. Most OID require a high school diploma or less, and less than one-third require a bachelor's degree or higher. While OID exist in every sector, the region's major industries are well represented as many of the jobs are concentrated in Health Care, Accommodation & Food Service, Other Services, and other related industries (Table 12).

**Table 12. 2022 Occupations in Demand by Education Level, Northeast Minnesota**

| High School or Less | Vocational Training | Some College or Assoc. Degree | Bachelor's Degree or Higher |
|---|---|---|---|
| Home Health and Personal Care Aides $32,409/yr | Nursing Assistants $38,023/yr | Registered Nurses $78,829/yr | Substance abuse, behavioral disorder, & mental health counselors $47,421/yr |
| Retail Salespersons $30,436/yr | Licensed Practical and Licensed Vocational Nurses $50,965/yr | Police and Sheriff's Patrol Officers $69,705/yr | General and Operations Managers $74,719/yr |
| Cashiers $28,649/yr | Automotive Service Technicians and Mechanics $48,638/yr | Clinical Laboratory Technologists & Technicians $62,998/yr | Secondary School Teachers, exc. Spec. Educ. $64,162/yr |
| Maintenance & Repair Workers, General $51,214/yr | Medical Assistants $44,580/yr | Dental Hygienists $80,434/yr | Social & Community Service Managers $65,308/yr |
| Waiters and Waitresses $23,385/yr | Industrial Machinery Mechanics $67,655/yr | Radiologic Technologists and Technicians $67,078/yr | Elementary School Teachers, Except Special Education $62,554/yr |
| Janitors & Cleaners, exc. Maids & Housekeeping Cleaners $34,993/yr | Dental Assistants $54,500/yr | Surgical Technologists $62,349/yr | Accountants and Auditors $66,865/yr |
| Driver/Sales Workers $27,752/yr | Electricians $77,859/yr | Forest and Conservation Technicians $49,163/yr | Pharmacists $137,104/yr |
| Fast Food & Counter Workers $28,490/yr | First-Line Supervisors of Personal Service Workers $41,164/yr | Respiratory Therapists $75,469/yr | Human Resources Specialists $63,477/yr |
| Stockers & Order Fillers $32,400/yr | Computer User Support Specialists $56,023/yr | Cardiovascular Technologists & Technicians $79,749/yr | Preschool Teachers $34,916/yr |
| Maids & Housekeeping Cleaners $30,367/yr | Mobile Heavy Equipment Mechanics, exc. Engines $63,006/yr | Computer Network Support Specialists $70,683/yr | Child, Family, & School Social Workers $66,072/yr |

*Source: DEED Occupations in Demand*

# ECONOMY

## INDUSTRY EMPLOYMENT

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Northeast Minnesota was home to 9,153 business establishments providing 136,532 covered jobs through 2022, with a total payroll of over $7.4 billion (Table 13). That was 4.8% of total employment in the state of Minnesota, and the smallest share of the six planning regions. Average annual wages were $54,704 in the region, which was about $15,000 lower than the average annual wage statewide, but a 4.5% increase from 2021 and 10.5% increase from 2020 wages.

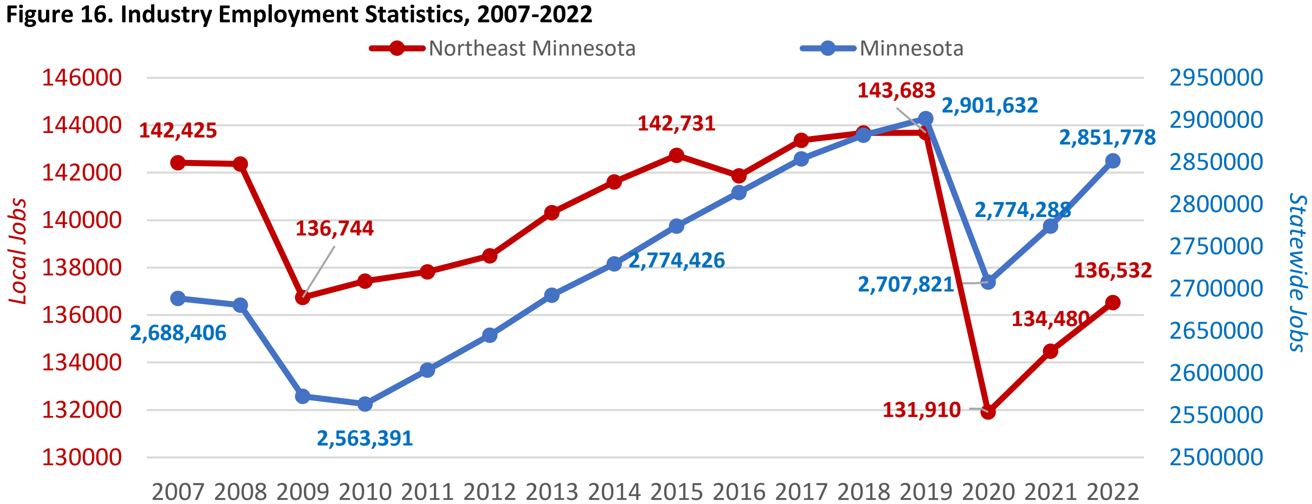
| Table 13. Northeast Minnesota Industry Employment, 2022 | | | | Average Annual Wage | 2021-2022 | | 2019-2022 | |
|---|---|---|---|---|---|---|---|---|
| Geography | Number of Firms | Number of Jobs | Total Payroll | | *Change in Jobs* | *Percent Change* | *Change in Jobs* | *Percent Change* |
| **Northeast Minnesota** | **9,153** | **136,532** | **$7,468,837** | **$54,704** | ***+2,052*** | ***+1.5%*** | ***-7,151*** | ***-5.0%*** |
| Aitkin Co. | 474 | 4,218 | $186,901 | $44,310 | *+71* | *+1.7%* | *+81* | *+2.0%* |
| Carlton Co. | 782 | 13,007 | $702,643 | $54,020 | *+328* | *+2.6%* | *-170* | *-1.3%* |
| Cook Co. | 332 | 2,528 | $104,192 | $41,215 | *-23* | *-0.9%* | *-353* | *-12.3%* |
| Itasca Co. | 1,297 | 15,721 | $794,035 | $50,508 | *+143* | *+0.9%* | *-570* | *-3.5%* |
| Koochiching Co. | 422 | 4,403 | $238,123 | $54,082 | *+153* | *+3.6%* | *-151* | *-3.3%* |
| Lake Co. | 355 | 3,770 | $192,387 | $51,031 | *-121* | *-3.1%* | *-436* | *-10.4%* |
| St. Louis Co. | 5,492 | 92,886 | $5,250,555 | $56,527 | *+1,504* | *+1.6%* | *-5,549* | *-5.6%* |
| **State of Minnesota** | **199,603** | **2,851,778** | **$198,839,399** | **$69,725** | ***+77,490*** | ***+2.8%*** | ***-49,854*** | ***-1.7%*** |

*Source: DEED Quarterly Census of Employment & Wages (QCEW)*

St. Louis County is the largest employment center in the region with 92,886 jobs at 5,492 firms; followed by Itasca County and Carlton County with 15,721 and 13,007 jobs, respectively. Of the seven counties, only Aitkin added jobs between 2019 and 2022. Of the other six, Cook lost over 12.3% and Lake lost 10.4% of jobs over three years. Carlton and Koochiching counties' percent losses were the smallest. The regional decline was driven by employment losses in 2020 during the COVID-19 pandemic. Over the year, employment rebounded slightly, growing by 2,052 (Table 13). Over the last year employment grew in all counties except Cook and Lake.

Northeast Minnesota has seen employment ups and downs over the past decade but ended 2019 with 6,939 more jobs than it had in 2009, surpassing pre-Great Recession levels in 2015. However, a decade of employment gains was eliminated in a few months in 2020 as the regional economy finished the year with nearly 12,000 fewer jobs. Early pandemic losses in the region (-8.2%) exceeded the statewide losses which amounted to a decline of -6.7% (Figure 16). 2022 employment remained below pre-pandemic levels, at 95% of 2019 levels, despite a recovery of 4,622 jobs over two years.

**Figure 16. Industry Employment Statistics, 2007-2022**




*Source: DEED QCEW program*

With 32,249 jobs at 1,042 firms, Health Care & Social Assistance is the largest employing sector in the Northeast region, accounting for 23.6% of total jobs in the region. That is nearly 6.3 percentage points higher than the state's concentration of employment in the sector. As in most sectors, employment declined since 2019. That decline was relatively larger than for all industries combined. Health Care & Social Assistance employment is one of the six sectors that saw employment declines over the year into 2022. At $60,938 in 2022, average annual wages were about $6,200 higher in Health Care than all industries.

The next largest sectors were Retail Trade and Accommodation & Food Service as these two industries made up another 22.6% of all the jobs in the region. While both sectors lost jobs over the 2+ years of the pandemic, Retail employment declined by 2.4%, relatively better than the 7% decline experienced by Accommodation & Food Services. With Accommodation & Food Service averaging $21,400 a year and Retail paying an average of $32,900 per year, both sectors are among the lowest paying. Combined, the two sectors added 1,005 jobs over the year.

Employment in Educational Services and Public Administration comprise the fourth and fifth largest industries in the region, accounting for 16.2% of total employment. Since 2019, Public Administration lost 444 jobs, mostly in the last year. Educational Services saw even greater losses with a decline of 476 but had slight job growth into 2022. Manufacturing was the 6th largest industry in 2021 – accounting for 6.4% of employment – and experienced a slight contraction since 2019. Perhaps the most well-known industry in the region is Mining, which offered 3,985 jobs (2.9% of total) at 35 firms. The Mining industry saw the largest percent employment losses over the year. Professional & Technical Services and Construction were the only industries to gain jobs over the past three years. The largest percent declines since 2019 occurred in Information (-16.7%), Arts, Entertainment, & Recreation (-11.6%), and Other Services (-11.2%). Of those three industries only Information continued to decline from 2021-2022 (Table 14).

**Table 14. Northeast Minnesota Industry Employment Statistics, 2022**

| NAICS Industry Title | 2022 Annual Data | | | | *2021-2022* | | *2019-2022* | |
|---|---|---|---|---|---|---|---|---|
| | Number of Firms | Number of Jobs | Total Payroll ($1,000s) | Avg. Annual Wage | *Change in Jobs* | *Percent Change* | *Change in Jobs* | *Percent Change* |
| **Total, All Industries** | **9,153** | **136,532** | **$7,468,837** | **$54,704** | ***+2,052*** | ***+1.5%*** | ***-7,151*** | ***-5.0%*** |
| Health Care & Social Assistance | 1,042 | 32,249 | $1,965,188 | $60,938 | *-426* | *-1.3%* | *-2,339* | *-6.8%* |
| Retail Trade | 1,260 | 16,677 | $548,864 | $32,911 | *+179* | *+1.1%* | *-406* | *-2.4%* |
| Accommodation & Food Services | 967 | 14,142 | $302,755 | $21,408 | *+826* | *+6.2%* | *-1,071* | *-7.0%* |
| Educational Services | 263 | 11,400 | $588,027 | $51,581 | *+97* | *+0.9%* | *-476* | *-4.0%* |
| Public Administration | 381 | 10,712 | $642,822 | $60,010 | *-53* | *-0.5%* | *-444* | *-4.0%* |
| Manufacturing | 338 | 8,746 | $598,927 | $68,480 | *+368* | *+4.4%* | *-145* | *-1.6%* |
| Construction | 1,056 | 7,258 | $528,808 | $72,859 | *+309* | *+4.4%* | *+251* | *+3.6%* |
| Professional & Technical Services | 575 | 4,646 | $348,376 | $74,984 | *-72* | *-1.5%* | *+288* | *+6.6%* |
| Other Services | 939 | 4,569 | $148,842 | $32,576 | *+216* | *+5.0%* | *-576* | *-11.2%* |
| Mining | 35 | 3,985 | $507,745 | $127,414 | *-202* | *-4.8%* | *-233* | *-5.5%* |
| Finance & Insurance | 431 | 3,904 | $294,234 | $75,367 | *+45* | *+1.2%* | *-432* | *-10.0%* |
| Transportation & Warehousing | 347 | 3,790 | $230,921 | $60,929 | *+106* | *+2.9%* | *-427* | *-10.1%* |
| Arts, Entertainment, & Recreation | 273 | 3,334 | $96,104 | $28,825 | *+142* | *+4.4%* | *-437* | *-11.6%* |
| Admin. Support & Waste Mgmt. Svcs. | 349 | 3,198 | $112,617 | $35,215 | *+339* | *+11.9%* | *-236* | *-6.9%* |
| Wholesale Trade | 257 | 2,883 | $201,951 | $70,049 | *+124* | *+4.5%* | *-102* | *-3.4%* |
| Utilities | 50 | 1,462 | $153,488 | $104,985 | *+22* | *+1.5%* | *-4* | *-0.3%* |
| Real Estate & Rental & Leasing | 279 | 1,214 | $47,672 | $39,269 | *+40* | *+3.4%* | *-76* | *-5.9%* |
| Information | 146 | 1,092 | $55,145 | $50,499 | *-14* | *-1.3%* | *-219* | *-16.7%* |
| Management of Companies | 45 | 730 | $73,313 | $100,428 | *+21* | *+3.0%* | *-24* | *-3.2%* |
| Agriculture, Forestry, Fish & Hunt | 125 | 536 | $23,039 | $42,983 | *-15* | *-2.7%* | *-43* | *-7.4%* |

*Source: DEED Quarterly Census of Employment & Wages (QCEW) program*

## EMPLOYMENT DEMOGRAPHICS

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. Over one-fifth (22.8%) of workers in the region were 55 years or older, compared to 22.1% statewide and 20.6% in the region one decade earlier. In contrast, the percentage of workers under 25 years old fell from 18.6% in 2012 to 17.2% in 2022 (Table 15). The share of workers 19 years and under grew slightly and was higher in Northeast Minnesota than the rest of the state.

As noted above, wages climbed across the board for all workers due to rising demand and a tight labor market. Wages were lowest for the youngest and oldest workers who tend to fill lower-skilled, less-than-full time jobs in industries like Retail Trade, Arts, Entertainment & Recreation, and Accommodation & Food Services. Despite having the lowest wages, workers aged 19 and under of age saw the highest relative wage growth (+83%) over the past decade, followed by workers aged 20-24 (+76%). The age groups with the highest wages were those between 45 and 64 years, with median hourly wages greater than $25.50.

By gender, the share of women workers in the regional workforce declined slightly from 2012 to 2022. And while the median hourly wage for women increased relatively faster than it did for men over the last 10 years, women still earn only 80% of the male median wage. In 2012 that ratio was 75.1% so the pay gap is narrowing but still significant.

Lastly, QED tracks the number of hours worked per quarter. A full-time, 35 hours a week worker would equate to 455 hours per quarter. Males and workers between ages 45 and 54 had median hours worked that exceeded that figure. The fewest median hours worked were by workers 19 and under and those 65 years and older. Women worked a median 358 hours per quarter in 2021, 79% of the male median. From 2012, median hours worked for all workers fell from 409 to 391. Hours increased the most for workers over 64 and 20-24, growing 7% and 5% respectively. Median hours declined or remained the same for all other age groups (Table 15).

**Table 15. Workforce Demographics by Age Group and Gender, Total of All Industries, 2012-2022***

| Northeast Minnesota | Percentage of Workers | | *Percent of Workers, Minnesota* | | Median Hourly Wage | | Median Hours Worked (Per Qtr.) | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | 2022 | 2012 | 2022 | 2012 | 2022 | 2012 | 2022 |
| **Total, all ages** | 100.0% | 100.0% | *100.0%* | *100.0%* | $15.56 | $22.12 | 409 | 391 |
| 19 years & under | 6.4% | 6.9% | *6.3%* | *6.6%* | $7.95 | $14.55 | 129 | 129 |
| 20 to 24 years | 12.2% | 10.3% | *11.3%* | *9.2%* | $10.02 | $17.63 | 244 | 257 |
| 25 to 44 years | 38.4% | 41.6% | *42.3%* | *43.6%* | $16.94 | $25.03 | 448 | 445 |
| 45 to 54 years | 22.4% | 18.3% | *21.9%* | *18.4%* | $20.04 | $28.66 | 480 | 470 |
| 55 to 64 years | 17.2% | 17.2% | *14.7%* | *16.7%* | $20.00 | $25.58 | 464 | 460 |
| 65 years & over | 3.4% | 5.6% | *3.5%* | *5.4%* | $12.51 | $18.25 | 206 | 220 |
| Male | 49.3% | 49.8% | *49.1%* | *49.1%* | $18.50 | $25.64 | 456 | 451 |
| Female | 50.7% | 50.2% | *50.9%* | *50.9%* | $13.90 | $20.52 | 367 | 358 |

** Through 3rd Qtr. 2022. Source: DEED Quarterly Employment Demographics*

## EMPLOYMENT DIVERSITY

While people of different races make up 8.9% of the overall population, they held 9.4% of total jobs in Northeast Minnesota, according to data from the Quarterly Workforce Indicators program. In 2022, that equaled 13,390 workers of color, compared to 129,385 White alone workers. However, workers of color held just 4.8% of total jobs in the region in 2002, meaning their share of employment nearly doubled over 20 years (Figure 17).

Workers of color have filled an additional 7,057 jobs in the region since 2002, accounting for 65% of the 10,902 new jobs added. With 3,078 jobs, Hispanic or Latino workers were the largest racial or ethnic group in the regional economy and gained 1,941 jobs since 2002. The next largest group was workers of more than one race, who held 2,921 jobs in 2022, an increase of 1,585 from 2012. Indigenous workers were the next largest group with 2,768 jobs. After increasing 225% from 2002 to 2022, Black or African Americans held 2,649 jobs. Asians held 1,906 jobs in 2022. (Figure 18).

**Figure 17. Employment by Race and Ethnicity, All Industries, Northeast Minnesota, 2001-'22**

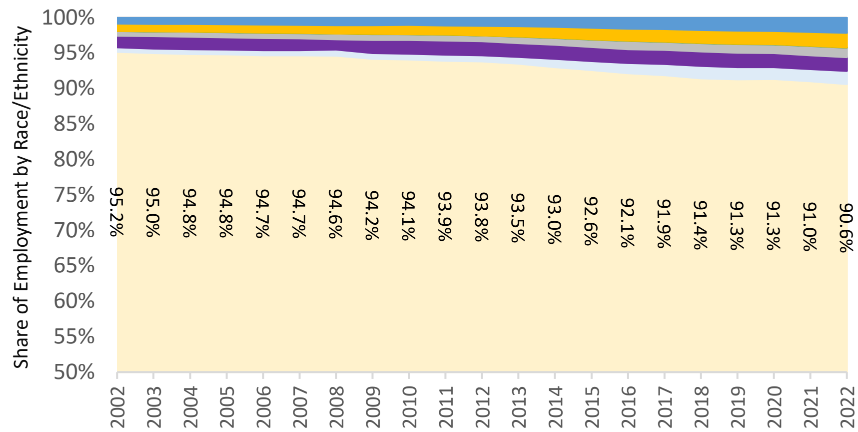



**Figure 18. Workers of Color Employment, All Industries, Northeast Minnesota, 2002-2022**

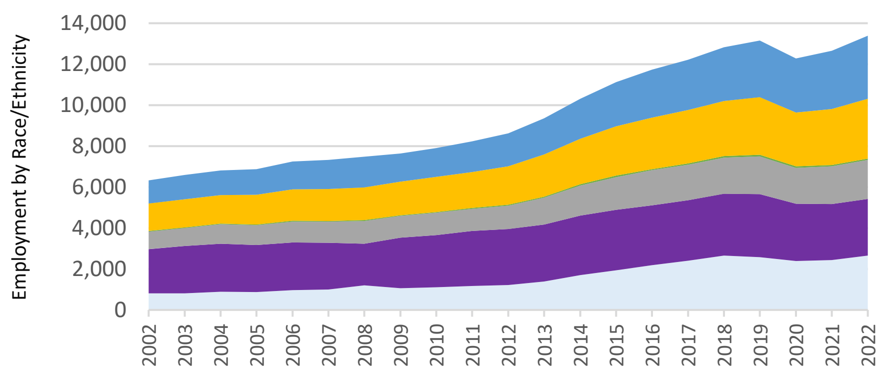
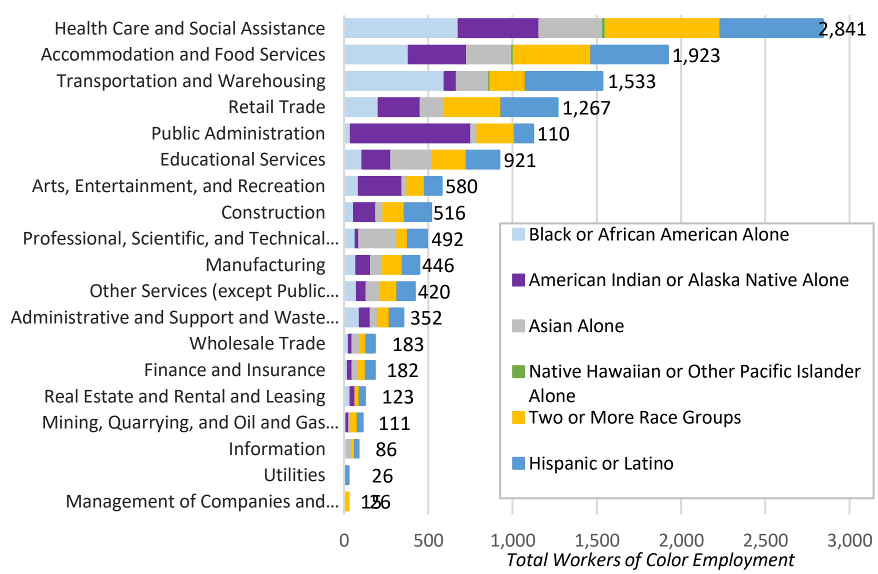



**Figure 19. People of Color Employment by Industry, Northeast Minnesota, 2022**




*Source: DEED, Census LEHD Quarterly Workforce Indicators*

People of color employment rebounded quicker following the pandemic peak, growing 9.1% as White employment grew 0.2%. Most sectors in Northeast Minnesota are non-diverse, but there are a couple sectors that rely more heavily on workers of other races. For example, 17.2% of the Transportation & Warehousing and 17% of Arts, Entertainment & Recreation workforces are people of color. The largest number of workers of color were employed in Health Care & Social Assistance (2,841), Accommodation & Food Services (1,923), Transportation & Warehousing (1,533), and Retail Trade (1,267) (Figure 19). Other than Transportation & Warehousing, each of these sectors is among the four lowest paying in the region.

## INDUSTRY PROJECTIONS

The Northeast Minnesota planning region is projected to grow 5.5% from 2020 to 2030, a gain of 8,115 new jobs. By comparison, the state is projected to grow 5.7% over the same period. The sectors expected to grow the fastest are also those more likely to have seen large employment losses in 2020. Arts, Entertainment, & Rec., Accommodation & Food Services, and Other Services are all projected to see double digit percent growth. Health Care and Accommodation & Food Services alone are expected to account for 2/3rds of new jobs added. Among the sectors predicted to decline are Retail, Manufacturing, Mining, Utilities, and Real Estate. (Table 16).

**Table 16. Northeast Minnesota Industry Projections, 2020-2030**

| Industry | Estimated Employment 2020 | Projected Employment 2030 | *Percent Change 2020-2030* | *Numeric Change 2020-2030* |
|---|---|---|---|---|
| **Total, All Industries** | **148,527** | **156,642** | ***+5.5%*** | ***+8,115*** |
| Health Care & Social Assistance | 32,183 | 35,151 | *+9.2%* | *+2,968* |
| Public Administration | 14,780 | 15,572 | *+5.4%* | *+792* |
| Retail Trade | 16,275 | 15,391 | *-5.4%* | *-884* |
| Accommodation & Food Services | 11,734 | 14,134 | *+20.5%* | *+2,400* |
| Educational Services | 11,884 | 12,440 | *+4.7%* | *+556* |
| Manufacturing | 8,329 | 8,166 | *-2.0%* | *-163* |
| Construction | 6,111 | 6,368 | *+4.2%* | *+257* |
| Other Services | 5,703 | 6,304 | *+10.5%* | *+601* |
| Transportation & Warehousing | 4,783 | 4,977 | *+4.1%* | *+194* |
| Professional & Technical Services | 4,617 | 4,948 | *+7.2%* | *+331* |
| Finance & Insurance | 4,616 | 4,755 | *+3.0%* | *+139* |
| Mining | 3,911 | 3,659 | *-6.4%* | *-252* |
| Arts, Entertainment & Recreation | 2,613 | 3,397 | *+30.0%* | *+784* |
| Wholesale Trade | 3,122 | 3,127 | *+0.2%* | *+5* |
| Admin. Support & Waste Mgmt. | 2,916 | 3,095 | *+6.1%* | *+179* |
| Agriculture, Forestry, Fish & hunt | 1,027 | 1,359 | *+32.3%* | *+332* |
| Information | 1,145 | 1,210 | *+5.7%* | *+65* |
| Real Estate & Rental & Leasing | 1,144 | 1,128 | *-1.4%* | *-16* |
| Utilities | 1,295 | 1,097 | *-15.3%* | *-198* |
| Management of Companies | 742 | 747 | *+0.7%* | *+5* |

*Source: DEED 2020-2030 Employment Outlook*

## NONEMPLOYER ESTABLISHMENTS

Northeast Minnesota was home to 20,441 self-employed businesses or "nonemployers" in 2019, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Unlike covered employment, Northeast Minnesota saw a slight but steady decline in nonemployers over the past decade, responding to economic changes. In sum, the region lost 383 nonemployers from 2009-2019, a -1.8% decrease. These non-employers generated sales receipts of over $823 million in 2019 (Table 17).

**Table 17. Nonemployer Statistics, 2019**

| | 2019 | | *2009-2019* | |
|---|---|---|---|---|
| | Number of Firms | Receipts ($1,000s) | *Change in Firms* | *Percent Change* |
| **Northeast MN** | **20,441** | **$823,893** | ***-383*** | ***-1.8%*** |
| Aitkin Co. | 1,149 | $52,899 | *22* | *2.0%* |
| Carlton Co. | 1,906 | $70,406 | *-177* | *-8.5%* |
| Cook Co. | 749 | $28,691 | *-55* | *-6.8%* |
| Itasca Co | 2,932 | $122,279 | *-328* | *-10.1%* |
| Koochiching Co. | 843 | $29,006 | *-2* | *-0.2%* |
| Lake Co. | 871 | $38,256 | *31* | *3.7%* |
| St. Louis Co. | 11,991 | $482,356 | *126* | *1.1%* |
| **Minnesota** | **418,080** | **$20,377,253** | ***39,926*** | ***10.6%*** |

*Source: U.S. Census, Nonemployer Statistics program*

## CENSUS OF AGRICULTURE

Unlike other parts of Greater Minnesota, agriculture is not a key industry in Northeast Minnesota, but there are 2,362 farms producing just over $55 million in the market value of products sold in 2017 according to the U.S. Department of Agriculture. All of the counties in the planning region rank near the bottom in Minnesota in regard to the market value of products sold (Table 18).

**Table 18. Census of Agriculture, 2017**

| | Number of Farms | Market Value of Products Sold | *State Rank* |
|---|---|---|---|
| **Northeast MN** | **2,362** | **$55,215,000** | ***6*** |
| Aitkin Co. | 462 | $12,461,000 | *81* |
| Carlton Co. | 529 | $10,985,000 | *82* |
| Cook Co. | 32 | $381,000 | *86* |
| Itasca Co. | 337 | $8,004,000 | *83* |
| Koochiching Co. | 181 | $6,887,000 | *84* |
| Lake Co. | 42 | $358,000 | *87* |
| St. Louis Co. | 779 | $16,139,000 | *80* |
| **Minnesota** | **68,822** | **$18,395,390,000** | |

*Source: 2017 Census of Agriculture*

***Upon request, this information can be made available in alternate formats for people requiring additional accommodations by contacting Carson Gorecki at* (218) 302-8413 *or at* carson.gorecki@state.mn.us.**