



# SOUTHWEST MINNESOTA ECONOMIC DEVELOPMENT REGIONS 6W, 8, and 9

***Covers counties:***

Big Stone, Blue Earth, Brown, Chippewa,  
Cottonwood, Faribault, Jackson,  
Lac qui Parle, Le Sueur, Lincoln, Lyon,  
Martin, Murray, Nicollet, Nobles,  
Pipestone, Redwood, Rock, Sibley, Swift,  
Waseca, Watonwan, and Yellow Medicine

## 2023 REGIONAL PROFILE

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## DEMOGRAPHICS

### POPULATION CHANGE

The Southwest Minnesota planning region includes a total of 23 counties, covering three Economic Development Regions (EDRs) and two Workforce Development Boards (WDBs). In sum, Southwest Minnesota was home to 397,156 people in 2022, about 7% of the state’s total population. The region saw a 0.4% increase in population over the past 12 years, with losses in Region 6W and Region 8 slightly outpaced by the larger increase in Region 9. In comparison, the state of Minnesota saw a 7.8% gain (Table 1).

According to 2022 Census population estimates, only 4 of the 23 counties in the region gained population from 2010 to 2022, with the other 19 seeing declines. The largest counties in the region are Blue Earth and Nicollet County, which make up the Mankato/North Mankato Metropolitan Statistical Area (MSA). With 69,631 people, Blue Earth is the 13<sup>th</sup> largest and 16<sup>th</sup> fastest growing county out of 87 in the state, and Nicollet has 34,441 people after gaining over 1,700 people. Other large counties in the region include Le Sueur with 29,153 people, Lyon with 25,262 people, Brown with 25,723 people, and Nobles with 21,947 people; while Big Stone and Lincoln are the smallest counties in the region and among the smallest in the state.

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

|                            | 2010 Census      | 2022 Census      | 2010-2022 Change |              |
|----------------------------|------------------|------------------|------------------|--------------|
|                            |                  |                  | Number           | Percent      |
| <b>Southwest Minnesota</b> | <b>395,643</b>   | <b>397,156</b>   | <b>+1,513</b>    | <b>+0.4%</b> |
| <b>Region 6W</b>           | <b>45,190</b>    | <b>43,358</b>    | <b>-1,832</b>    | <b>-4.1%</b> |
| Big Stone Co.              | 5,269            | 5,144            | -125             | -2.4%        |
| Chippewa Co.               | 12,441           | 12,284           | -157             | -1.3%        |
| Lac qui Parle Co.          | 7,259            | 6,689            | -570             | -7.9%        |
| Swift Co.                  | 9,783            | 9,755            | -28              | -0.3%        |
| Yellow Medicine Co.        | 10,438           | 9,486            | -952             | -9.1%        |
| <b>Region 8</b>            | <b>119,151</b>   | <b>116,351</b>   | <b>-2,800</b>    | <b>-2.3%</b> |
| Cottonwood Co.             | 11,687           | 11,356           | -331             | -2.8%        |
| Jackson Co.                | 10,266           | 9,893            | -373             | -3.6%        |
| Lincoln Co.                | 5,896            | 5,580            | -316             | -5.4%        |
| Lyon Co.                   | 25,857           | 25,262           | -595             | -2.3%        |
| Murray Co.                 | 8,725            | 8,060            | -665             | -7.6%        |
| Nobles Co.                 | 21,378           | 21,947           | +569             | +2.7%        |
| Pipestone Co.              | 9,596            | 9,355            | -241             | -2.5%        |
| Redwood Co.                | 16,059           | 15,361           | -698             | -4.3%        |
| Rock Co.                   | 9,687            | 9,537            | -150             | -1.5%        |
| <b>Region 9</b>            | <b>231,302</b>   | <b>237,447</b>   | <b>+6,145</b>    | <b>+2.7%</b> |
| Blue Earth Co.             | 64,013           | 69,631           | +5,618           | 8.8%         |
| Brown Co.                  | 25,893           | 25,723           | -170             | -0.7%        |
| Faribault Co.              | 14,553           | 13,926           | -627             | -4.3%        |
| Le Sueur Co.               | 27,703           | 29,153           | +1,450           | +5.2%        |
| Martin Co.                 | 20,840           | 19,650           | -1,190           | -5.7%        |
| Nicollet Co.               | 32,727           | 34,441           | +1,714           | +5.2%        |
| Sibley Co.                 | 15,226           | 14,955           | -271             | -1.8%        |
| Waseca Co.                 | 19,136           | 18,893           | -243             | -1.3%        |
| Watonwan Co.               | 11,211           | 11,075           | -136             | -1.2%        |
| <b>State of Minnesota</b>  | <b>5,303,925</b> | <b>5,717,184</b> | <b>+413,259</b>  | <b>+7.8%</b> |

*Source: U.S. Census Bureau*

### COMPONENTS OF POPULATION CHANGE

Southwest Minnesota has experienced a natural increase – more births than deaths – of 243 over the last two years. Additionally, the region lost population because of out-migration, with about 1,600 more people moving out of the region than moving in. Though there was domestic out-migration of 2,760 people, the region did enjoy positive in-migration of over 1,151 additional residents from international sources (Table 2).

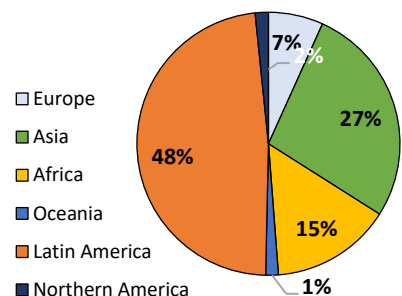
**Table 2. Components of Population Change, 2020-2022**

| Area      | Total Change | Natural Increase | Vital Events |         | Net Migration |                |          |
|-----------|--------------|------------------|--------------|---------|---------------|----------------|----------|
|           |              |                  | Births       | Deaths  | Total         | Inter-national | Domestic |
| Southwest | -1,295       | +243             | 10,060       | 9,817   | -1,610        | +1,151         | -2,761   |
| Minnesota | +10,680      | +26,917          | 144,350      | 117,433 | -17,365       | +20,012        | -37,377  |

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

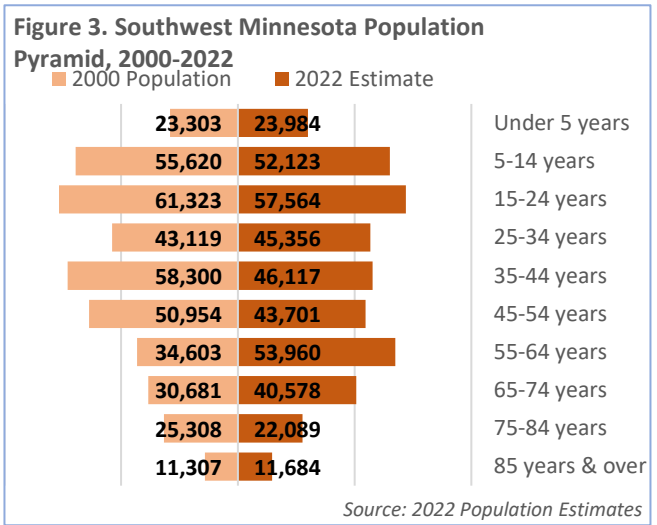
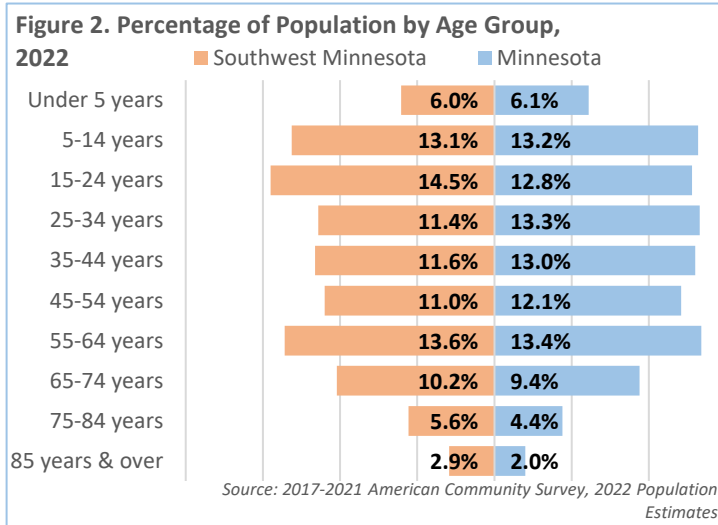
Southwest Minnesota is now home to 20,363 foreign born residents, or about 5.1% of the total population. The number of immigrants in the region increased by 41% since 2010, outpacing the statewide growth rate of 30.6%. About half of these immigrants (9,781 people) were from Latin America, while the second largest number were from Asia, and then Africa (Figure 1).

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



### POPULATION BY AGE GROUP

Southwest Minnesota has an older population than the rest of the state, with 32.3% of residents aged 55 years and over, compared to 29.2% statewide. Consequently, Southwest Minnesota had a lower percentage of people in the 25- to 54-year-old age group, typically considered the “prime working years.” However, having several postsecondary institutions in the region led to a higher percentage of people aged 15 to 24 (Figure 2).

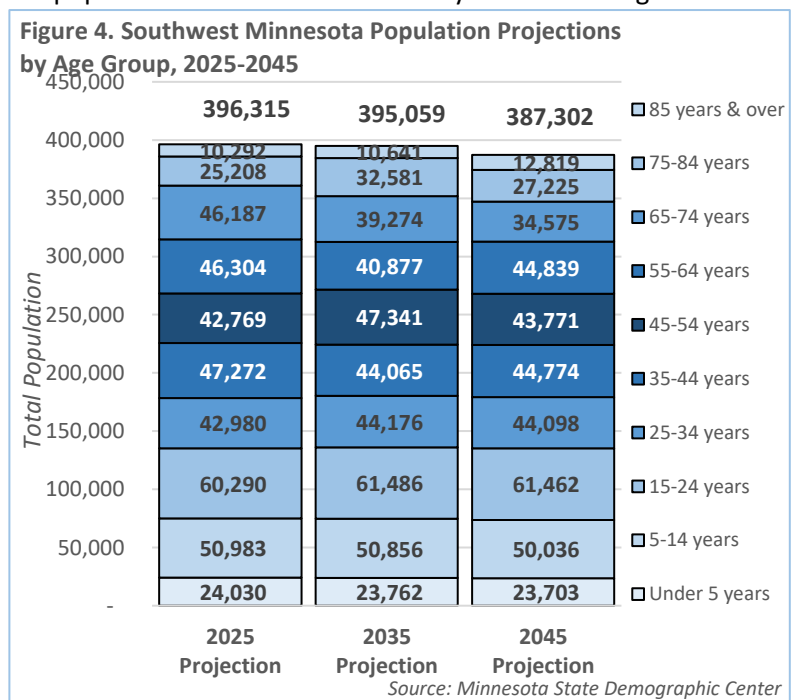


A large portion of the region’s population is a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger and middle-aged residents was declining, the number of residents aged 55 years and over was rapidly increasing. This included a huge jump in the number of people from 55 to 74 years of age, but a more measured change in people aged 75 years and over (Figure 3).

### POPULATION PROJECTIONS BY AGE GROUP

Southwest Minnesota is projected to experience population decline in the next 20 years. According to population projections from the [State Demographic Center](#), the region is expected to lose 9,013 residents from 2025 to 2045, a -2.3% decline (Figure 4). In comparison, the state of Minnesota is projected to grow 7.4%.

Southwest Minnesota is expected to add over 4,500 people aged 75 years and over, a 12.8% jump. Gains are also projected for 15-34 year olds and 45-54 year olds. The region is projected to see declines in every other age group. The largest losses are expected in the 65-74 year old age group as the Baby Boom generation moves through the population pyramid. Less intense declines are projected for 55-64 year olds, down just -3.2%. Losses in the youngest age groups are also more moderate, ranging from -1.4% to -1.9%.



**POPULATION BY RACE**

Southwest Minnesota’s population is less diverse than the state’s but is becoming more diverse over time. In 2021, 89.7% of the region’s residents reported white 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, people of Two or More Races, and American Indian & Alaskan Natives. However, at 7.4%, Southwest Minnesota had a higher share of people reporting Hispanic or Latino origin than the state, and a slightly higher percentage of people of some other race. The region’s white population was declining, whereas the population of all other race groups was increasing rapidly (Table 3).

Nobles County had the most diverse populace in the region, including 29.2% of residents reporting Hispanic origin, which was the highest rate in the state. Watonwan, Lyon, Cottonwood, and Blue Earth were also relatively diverse. In contrast, at least 94% of residents in Murray, Rock, Big Stone, Lac qui Parle, Brown, and Lincoln were white alone, making them among the least diverse in the state.

| Table 3. Race and Hispanic Origin, 2021 | Southwest Minnesota |               |                       | Minnesota     |                       |
|---|---------------------|---------------|-----------------------|---------------|-----------------------|
|   | Number              | Percent       | Change from 2011-2021 | Percent       | Change from 2011-2021 |
| <b>Total</b>                            | <b>397,922</b>      | <b>100.0%</b> | <b>+0.8%</b>          | <b>100.0%</b> | <b>+7.4%</b>          |
| White                                   | 356,872             | 89.7%         | -3.8%                 | 80.7%         | +0.4%                 |
| Black or African American               | 7,878               | 2.0%          | +55.2%                | 6.6%          | +42.2%                |
| American Indian & Alaska Native         | 2,479               | 0.6%          | +6.1%                 | 0.9%          | -8.0%                 |
| Asian & Other Pac. Islander             | 7,327               | 1.8%          | +32.4%                | 5.0%          | +35.8%                |
| Some Other Race                         | 9,837               | 2.5%          | +78.9%                | 2.1%          | +66.5%                |
| Two or More Races                       | 13,529              | 3.4%          | +155.5%               | 4.6%          | +121.8%               |
| Hispanic or Latino                      | 29,344              | 7.4%          | +44.9%                | 5.6%          | +31.6%                |

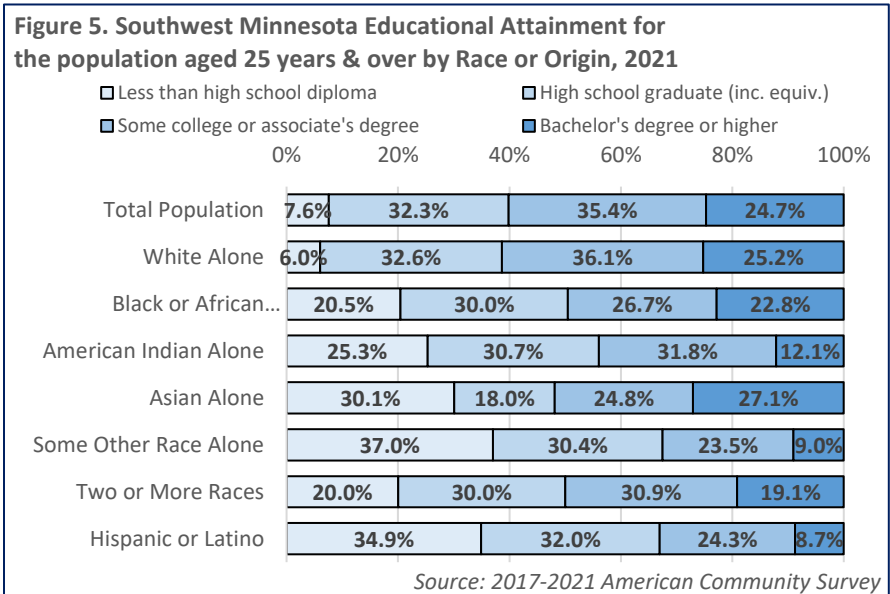
*Source: U.S. Census Bureau, 2017-2021 American Community Survey*

**EDUCATIONAL ATTAINMENT**

With 35.3% of adults aged 18 years and over having a college degree, Southwest Minnesota has lower educational attainment than the state, where 46% of adults have an associate, bachelor’s, or advanced degree. In contrast, Southwest has a slightly higher percentage of people with some college but no degree, and a higher percentage of people with a high school diploma or less (Table 4). Educational attainment varies significantly by race in Southwest Minnesota. About 35% of Hispanic or Latino residents and 37% of people of Some Other Race had less than a high school diploma, compared to just 6% of White residents. However, over 30% of Blacks, American Indians, and people of Two or More Races have attended some college or earned an associate degree, and over 22% of White, Asian, and Black or African American residents had a bachelor’s degree or higher. More than 27.1% of Asian residents held a bachelor’s or higher (Figure 5).

| Table 4. Educational Attainment for the Adult Population, 2021 | Southwest Minnesota |               | Minnesota     |
|--|---------------------|---------------|---------------|
|  | Number              | Percent       | Percent       |
| <b>Total Population, 18 years &amp; over</b>                   | <b>305,903</b>      | <b>100.0%</b> | <b>100.0%</b> |
| Less than high school  | 24,394              | 8.0%          | 7.1%          |
| High school graduate (incl. equiv.)                            | 97,446              | 31.9%         | 24.5%         |
| Some college, no degree  | 76,232              | 24.9%         | 22.4%         |
| Associate’s degree   | 38,178              | 12.5%         | 11.1%         |
| Bachelor’s degree  | 50,523              | 16.5%         | 23.3%         |
| Advanced degree  | 19,130              | 6.3%          | 11.6%         |

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



## LABOR FORCE

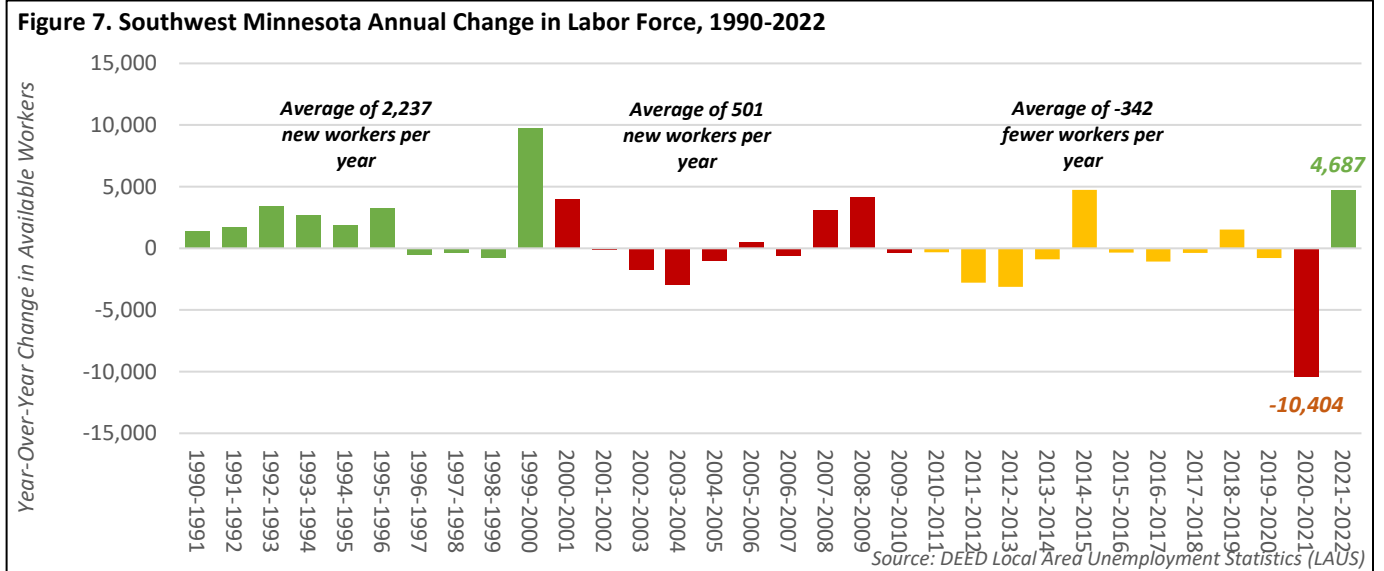
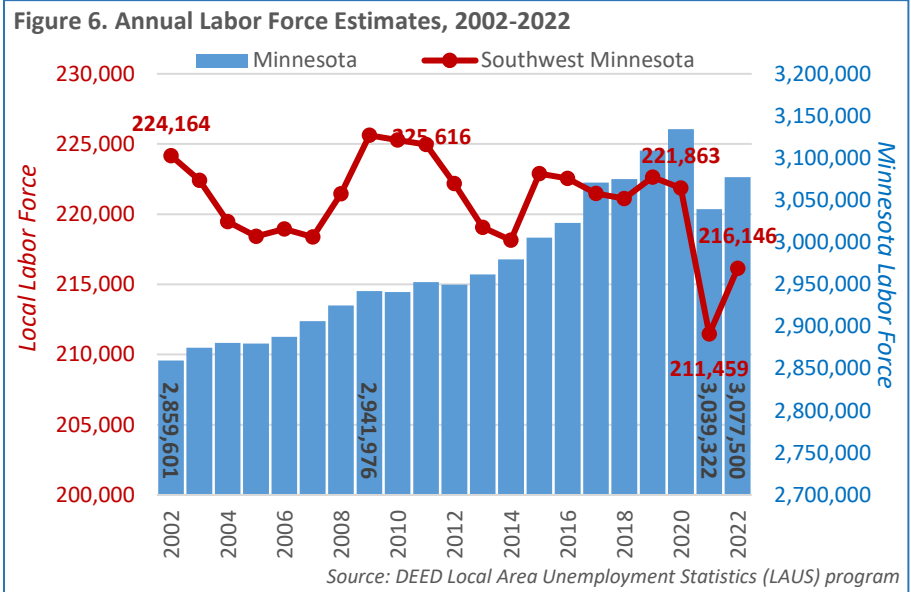
### LABOR FORCE CHANGE

According to data from DEED’s [Local Area Unemployment Statistics](#) program, Southwest Minnesota had an annual average labor force count of just under 216,150 workers in 2022. The regional labor force has fluctuated up and down since 2002, but ended with the fewest people working or looking for work in more than 20 years in 2021 (Figure 6).

After growing to nearly 223,000 workers in 2019, Southwest lost about 11,180 workers from 2019 to 2021 due to the pandemic recession. This was the most severe labor force

decline of the 6 planning regions in the state, and Southwest has not seen a full bounceback so far through the first half of 2023. There were just over 5,686 unemployed workers in 2022, the fewest since 1999 and just over half the 2020 average. These labor force constraints will have a substantial impact on the regional economy.

Averaging a net gain of 2,237 additional labor force participants per year between 1990 and 2000, employers in Southwest Minnesota were able to tap into a large and growing pool of talented workers. With recent declines, the region actually averaged a loss of 342 fewer workers per year between 2010 to 2020, before the precipitous declines of 2021 (Figure 7). Increasingly tight labor markets and a growing scarcity of workers is now recognized as one of the most significant barriers to future economic growth in Southwest Minnesota. In the face of these constraints, it has become evident 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 segment of the labor force.





### LABOR FORCE PROJECTIONS

If Southwest Minnesota’s population changes at the projected rates shown in Figure 4 above, the region would be expected to 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 show a steady 1% drop in workforce numbers (Table 5).

In addition to the overall decline, the labor force will also see a significant shift over time, with relatively large gains in the number of workers aged 75 years and over against huge declines in the number of workers aged 55 to 64 years. The region is also expected to lose teenaged workers and workers aged 25-44 in the next decade. However, the region is expected to see gains in the number of 45 to 54 year olds as well as in 20 to 24 year olds. Due to the projected changes, the 25 to 54 year old age group will make up about 57.8% of the total workforce in 2035, up from 55.9% in 2021. Either way, these long-term declines will likely lead to a tight labor market in the future, with employers needing to respond to the changing labor force availability in the region.

|                          | 2025 Labor Force Projection | 2035 Labor Force Projection | 2025-2035 Change |              |
|--------------------------|-----------------------------|-----------------------------|------------------|--------------|
|                          |                             |                             | Numeric          | Percent      |
| 16 to 19 years           | 13,506                      | 12,977                      | -529             | -3.9%        |
| 20 to 24 years           | 25,096                      | 27,102                      | +2,006           | +8.0%        |
| 25 to 44 years           | 79,672                      | 77,897                      | -1,775           | -2.2%        |
| 45 to 54 years           | 36,994                      | 40,949                      | +3,955           | +10.7%       |
| 55 to 64 years           | 34,882                      | 30,794                      | -4,088           | -11.7%       |
| 65 to 74 years           | 14,590                      | 12,406                      | -2,184           | -15.0%       |
| 75 years & over          | 2,752                       | 3,351                       | +599             | +21.8%       |
| <b>Total Labor Force</b> | <b>207,493</b>              | <b>205,476</b>              | <b>-2,017</b>    | <b>-1.0%</b> |

*Source: calculated from MN State Demographic Center projections, and 2017-2021 American Community Survey 5-Year Estimates.*

### EMPLOYMENT CHARACTERISTICS

With 67.1% of the working age population aged 16 years and over in the labor force, Southwest Minnesota had slightly lower labor force participation rates than the state’s 69.2% rate. However, the region actually had higher labor force participation rates than the state in both the younger and older age groups, but the overall rate was lower because of the region’s smaller labor force in the prime working years (Table 6).

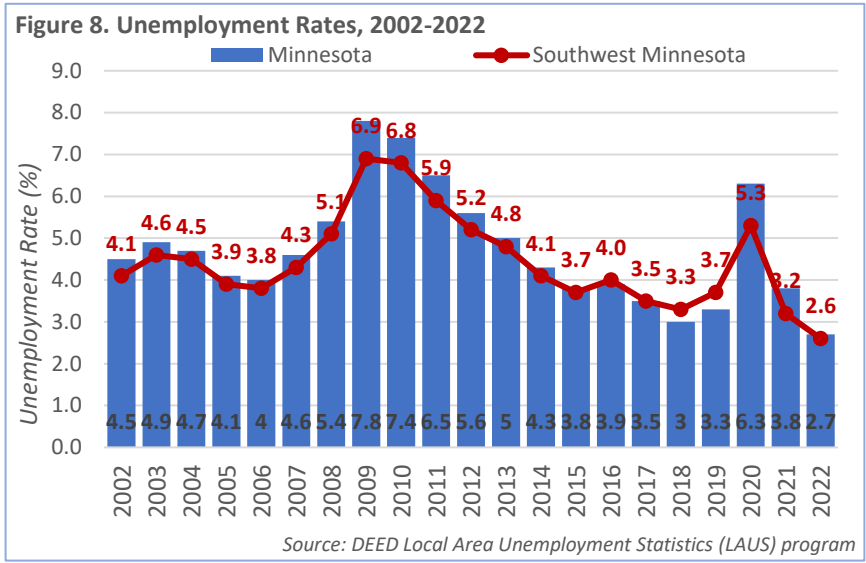
In contrast, the region had lower participation rates than the state for most racial groups; and also had large unemployment rate disparities for BIPOC workers. The region also had 10,594 workers with disabilities in the labor force, participating at rates similar to the state, but lower than the rate for all workers. Unemployment rates were highest for youth, BIPOC workers, people with less education, and workers with disabilities.

| Age Group   | Southwest Minnesota |                          |             | Minnesota                |             |
|---|---------------------|--------------------------|-------------|--------------------------|-------------|
|   | Labor Force         | Labor Force Partic. Rate | Unemp. Rate | Labor Force Partic. Rate | Unemp. Rate |
| <b>Total Labor Force</b>  | <b>212,517</b>      | <b>67.1%</b>             | <b>3.4%</b> | <b>69.2%</b>             | <b>4.0%</b> |
| 16 to 19 years  | 12,783              | 55.5%                    | 9.1%        | 52.3%                    | 10.7%       |
| 20 to 24 years  | 24,763              | 84.0%                    | 4.9%        | 83.3%                    | 6.7%        |
| 25 to 44 years  | 80,905              | 88.3%                    | 2.9%        | 88.8%                    | 3.6%        |
| 45 to 54 years  | 37,873              | 86.5%                    | 2.2%        | 87.6%                    | 3.0%        |
| 55 to 64 years  | 40,728              | 75.3%                    | 3.1%        | 73.1%                    | 3.2%        |
| 65 to 74 years  | 12,843              | 31.6%                    | 2.4%        | 28.0%                    | 3.2%        |
| 75 years & over   | 2,624               | 7.8%                     | 2.1%        | 6.6%                     | 2.9%        |
| <b>Employment Characteristics by Gender</b>                     |                     |                          |             |                          |             |
| Male  | 112,811             | 71.2%                    | 4.0%        | 72.7%                    | 4.4%        |
| Female  | 99,703              | 63.1%                    | 2.7%        | 65.6%                    | 3.6%        |
| <b>Employment Characteristics by Race &amp; Hispanic Origin</b> |                     |                          |             |                          |             |
| White alone   | 193,387             | 66.9%                    | 3.0%        | 68.5%                    | 3.4%        |
| Black or African American                                       | 3,677               | 66.4%                    | 7.6%        | 71.9%                    | 8.6%        |
| American Indian & Alaska Native                                 | 1,068               | 59.0%                    | 3.7%        | 57.4%                    | 12.9%       |
| Asian or Other Pacific Islanders                                | 3,866               | 66.1%                    | 6.3%        | 72.7%                    | 4.1%        |
| Some Other Race   | 4,960               | 73.0%                    | 5.2%        | 75.8%                    | 6.2%        |
| Two or More Races   | 5,563               | 76.1%                    | 8.8%        | 74.1%                    | 7.3%        |
| Hispanic or Latino  | 14,102              | 75.5%                    | 8.4%        | 77.0%                    | 6.6%        |
| <b>Employment Characteristics by Disability</b>                 |                     |                          |             |                          |             |
| With Any Disability   | 10,594              | 51.6%                    | 9.6%        | 53.6%                    | 9.9%        |
| <b>Employment Characteristics by Educational Attainment</b>     |                     |                          |             |                          |             |
| Population 25 to 64 years                                       | 159,513             | 84.2%                    | 2.8%        | 84.4%                    | 3.4%        |
| Less than H.S. Diploma  | 8,909               | 67.9%                    | 3.2%        | 66.6%                    | 4.6%        |
| H.S. Diploma or Equivalent                                      | 41,501              | 78.9%                    | 1.6%        | 77.3%                    | 2.5%        |
| Some College or Assoc. Degree                                   | 63,010              | 86.8%                    | 2.8%        | 85.1%                    | 3.6%        |
| Bachelor's Degree or Higher                                     | 46,073              | 90.0%                    | 1.6%        | 90.3%                    | 2.1%        |

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

### UNEMPLOYMENT RATE

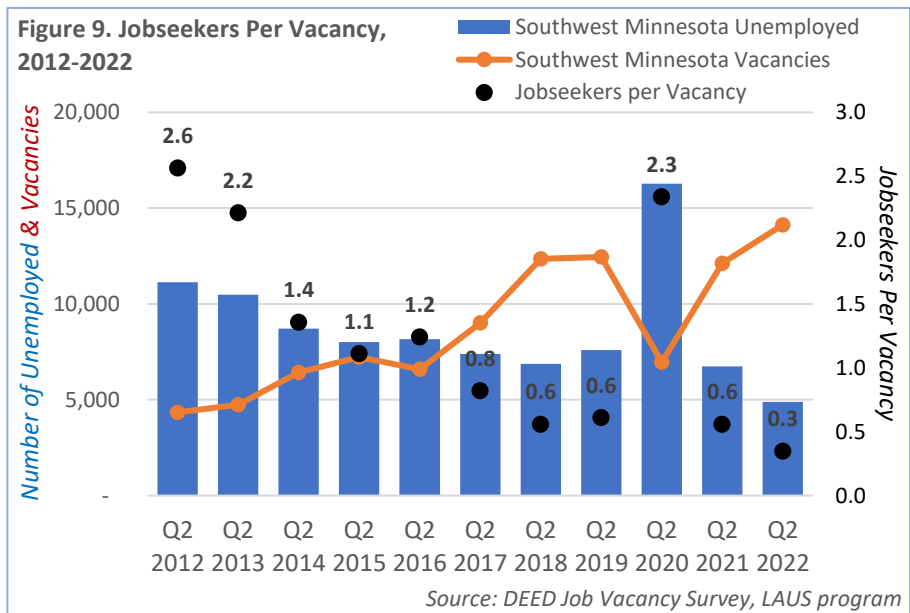
Unemployment rates jumped across the state and in Southwest Minnesota in 2020 due to the pandemic recession, with the highest rates reported in the summer before dropping back down by the end of the year. The 2.6% rate of 2022 is lower to those seen pre-pandemic. According to [Local Area Unemployment Statistics](#), even though rates rose, they did not get as high as during the Great Recession. In general, Southwest Minnesota’s unemployment rate has closely tracked the state rate, staying at 4.0% or lower over the past 5 years (Figure 8).



### JOBSEEKERS PER VACANCY

As the number of available workers has declined and the economy continues to recover, the region’s labor market has tightened. Prior to the pandemic, the region had seen three straight years with less than one jobseeker per vacancy, indicating an extremely tight labor market.

The ratio spiked to 2.3 jobseekers per vacancy at the beginning of 2020, then declined to an all-time low of 0.3 in the beginning of 2022. By that measure, Southwest Minnesota had one of the tightest labor markets in the state (Figure 9).



### COMMUTE SHED AND LABOR SHED

According to commuting data from the [U.S. Census Bureau](#), the vast majority – about 81% – of workers who live in the region also work within the region. However, Southwest is a net exporter of labor, having slightly more workers than available jobs. In sum, 135,923 workers both lived and worked in Southwest in 2020, while another 31,250 workers drove into the region for work, compared to 48,829 workers who lived in the region but drove to surrounding counties for work – that number has been increasing over time (Table 7 and Figure 10).

|   | 2020    |        |
|---|---------|--------|
|   | Count   | Share  |
| Employed in the Selection Area                    | 167,173 | 100.0% |
| Employed in the Selection Area but Living Outside | 31,250  | 18.7%  |
| Employed and Living in the Selection Area         | 135,923 | 81.3%  |
| Living in the Selection Area                      | 184,752 | 100.0% |
| Living in the Selection Area but Employed Outside | 48,829  | 26.4%  |
| Living and Employed in the Selection Area         | 135,923 | 73.6%  |

Source: [U.S. Census Bureau, OnTheMap](#)

Home to Mankato, Blue Earth County is the largest regional employment center, and was the biggest draw for workers, followed by Nicollet, Lyon, Brown, Nobles, Martin, and Le Sueur County. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as Minnehaha County in South Dakota, which includes the fast growing city of Sioux Falls. In sum, most workers both live and work in the region, but more workers commute out of the region than commute in (Figure 10).

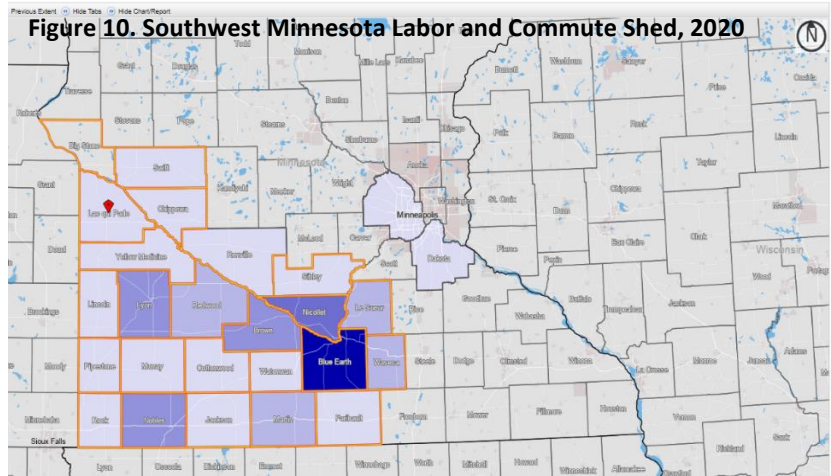
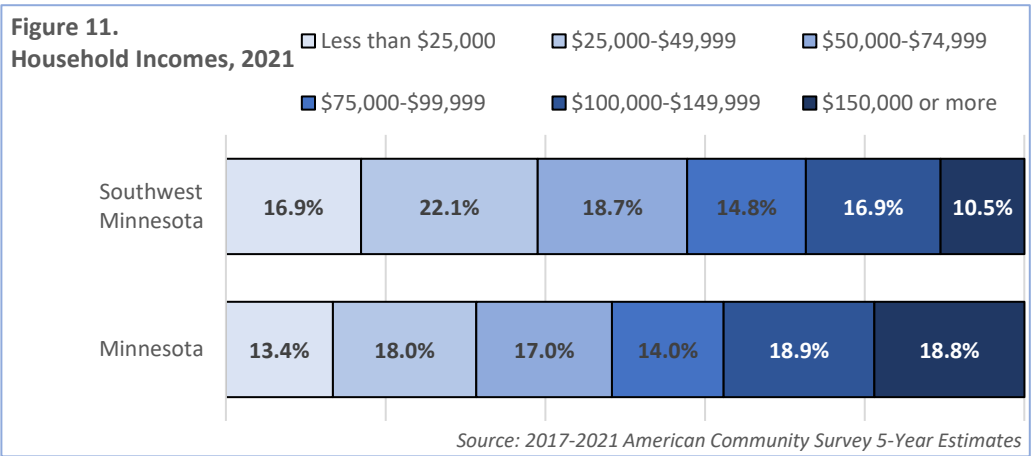


Figure 10. Southwest Minnesota Labor and Commute Shed, 2020

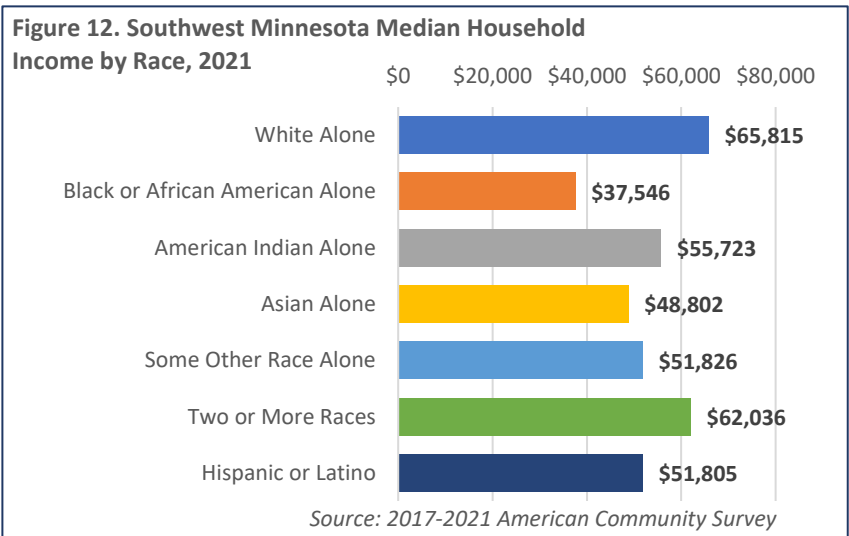
## INCOMES, WAGES AND OCCUPATIONS

### HOUSEHOLD INCOMES

Household incomes were significantly lower in Southwest Minnesota than the rest of the state. The median household income in Southwest Minnesota was \$64,119 in 2021, compared to \$77,706 in Minnesota. Just under 40% of the households in the region had incomes below \$50,000 in 2021, compared to 31.4% of households statewide. Another 33.6% earned between \$50,000 and \$100,000, and 27.3% earned over \$100,000 per year, compared to 31% and 37.7% statewide, respectively (Figure 11).



Median household incomes varied by race or origin in the region. Black or African American households reported the lowest incomes in Southwest Minnesota, with a median income that was more than \$30,000 lower than for white households. With the exception of households of two or more races, all of the other race and origin groups had median incomes around \$50,000 per year, which was about \$16,000 lower than the median household income for whites (Figure 12).





**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 2023. The cost of living for a similar family in Southwest Minnesota was \$47,448 – which was the lowest of the 6 planning regions in the state. The highest monthly costs were for transportation, food, and housing; though the region’s taxes, housing, and child care costs were significantly lower than the rest of the state. In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn \$15.21 per hour over the course of 60 hours per work week.

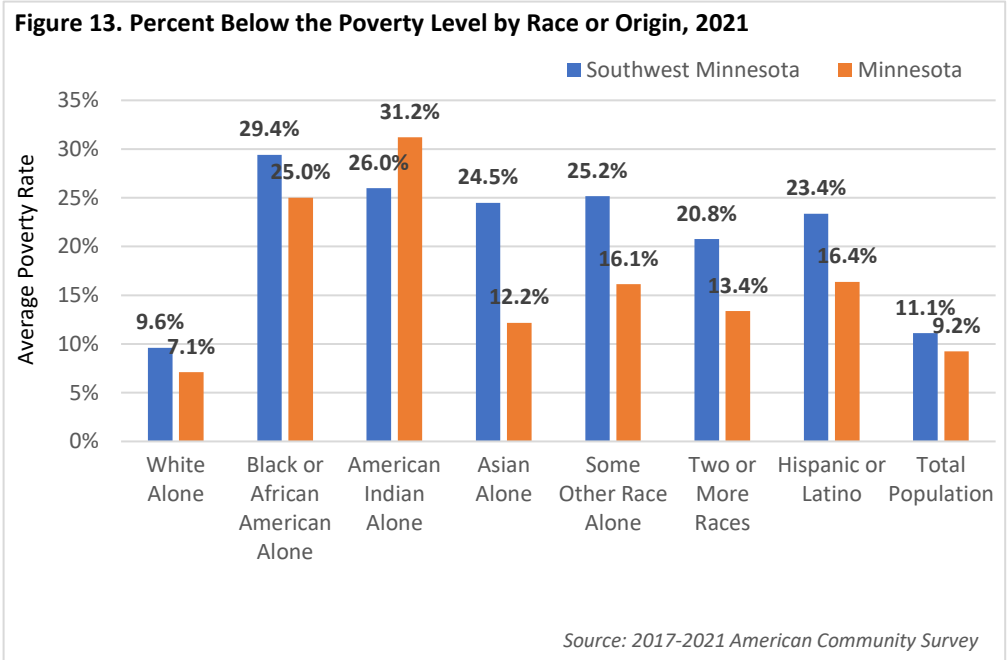
DEED’s Cost of Living tool provides different estimates for household compositions including single people, partnered couples, and up to 4 children. For a single person living alone and working full-time, the estimated yearly cost in Southwest would be \$34,992, which would require an hourly wage of \$16.82 to meet the basic needs standard of living (Table 8). That was also the lowest cost of living in the state.

| Table 8. Southwest Minnesota Cost of Living, 2023 |                   |                       |                      |               |              |              |                |                |              |              |
|---|-------------------|-----------------------|----------------------|---------------|--------------|--------------|----------------|----------------|--------------|--------------|
| Family Composition                                | Number of Workers | Yearly Cost of Living | Hourly Wage Required | Monthly Costs |              |              |                |                |              |              |
|   |                   |                       |                      | Child Care    | Food         | Health Care  | Housing        | Transportation | Other        | Taxes        |
| <b>Southwest Minnesota</b>                        |                   |                       |                      |               |              |              |                |                |              |              |
| Single, 0 children                                | 1 FT              | \$29,100              | \$13.99              | \$0           | \$397        | \$163        | \$678          | \$720          | \$260        | \$207        |
| Single, 1 child                                   | 1 FT              | \$43,224              | \$20.78              | \$495         | \$587        | \$449        | \$880          | \$725          | \$355        | \$111        |
| <b>2 parents, 1 child</b>                         | <b>1 FT, 1 PT</b> | <b>\$47,448</b>       | <b>\$15.21</b>       | <b>\$248</b>  | <b>\$908</b> | <b>\$528</b> | <b>\$880</b>   | <b>\$838</b>   | <b>\$433</b> | <b>\$119</b> |
| 2 parents, 2 children                             | 2 FT              | \$63,360              | \$15.23              | \$746         | \$1,184      | \$539        | \$1,191        | \$883          | \$575        | \$162        |
| <b>State of Minnesota</b>                         |                   |                       |                      |               |              |              |                |                |              |              |
| Single, 0 children                                | 1 FT              | \$34,992              | \$16.82              | \$0           | \$403        | \$159        | \$961          | \$760          | \$330        | \$303        |
| <b>2 parents, 1 child</b>                         | <b>1 FT, 1 PT</b> | <b>\$60,720</b>       | <b>\$19.46</b>       | <b>\$574</b>  | <b>\$921</b> | <b>\$555</b> | <b>\$1,216</b> | <b>\$886</b>   | <b>\$517</b> | <b>\$391</b> |

*Source: DEED Cost of Living tool*

Overall, Southwest Minnesota’s poverty rate was 11.1%, which was higher than the statewide rate of 9.2%.

Like incomes, poverty levels varied widely by race and origin. It was estimated that just under 30% of the region’s Black or African American population was below the poverty level in 2021, compared to just 9.6% of the white population. Likewise, poverty levels hovered around 26% for American Indians and Asians. Every group of color counted more than a fifth of its members below the poverty threshold. In all cases except for American Indians, the region’s poverty rate was higher than the state’s poverty rate, a reflection of the lower household incomes as noted above (Figure 13).



**WAGES AND OCCUPATIONS**

According to DEED’s [Occupational Employment & Wage Statistics](#) program, the median hourly wage for all occupations in Southwest Minnesota was \$22.00 in the first quarter of 2023, which was the second lowest wage level of the six planning regions in the state. Southwest’s median wage was \$2.25 below the state’s median hourly wage, equaling 91% of the statewide wage rate, and \$3.67 below the median hourly wage in the Twin Cities metro area. At \$20.82, EDR 6W had the lowest median wage in the region, just below EDR 8 at \$21.23, and well below EDR 9 at \$22.61 (Table 9).

|                            | Median Hourly Wage | Estimated Regional Employment |
|----------------------------|--------------------|-------------------------------|
| Central Minnesota          | \$22.71            | 270,260                       |
| Twin Cities Metro Area     | \$25.67            | 1,718,290                     |
| Northeast Minnesota        | \$22.57            | 136,490                       |
| Northwest Minnesota        | \$21.67            | 215,980                       |
| Southeast Minnesota        | \$23.44            | 236,590                       |
| <b>Southwest Minnesota</b> | <b>\$22.00</b>     | <b>167,580</b>                |
| EDR 6W - Upper MN Valley   | \$20.82            | 16,160                        |
| EDR 8 - Southwest          | \$21.23            | 51,900                        |
| EDR 9 - South Central      | \$22.61            | 99,520                        |
| <b>State of Minnesota</b>  | <b>\$24.25</b>     | <b>2,827,310</b>              |

Source: [DEED Occupational Employment & Wage Statistics](#)

Based on location quotient, Southwest Minnesota stands out for having higher concentrations of Farming, Production, Installation, Maintenance, & Repair, Education, Training, and Library, and Transportation & Material Moving workers than the state. The largest occupations in the region include Production, Office and Administrative Support, Transportation & Material Moving, and Sales & Related positions. Not surprisingly, the lowest-paying jobs are concentrated in Food Prep & Serving, Personal Care & Service, Sales & Related, Healthcare Support, and Building, Grounds Cleaning & Maintenance, which tend to have lower educational and training requirements. For the most part, the gap in pay between Southwest Minnesota and the state is also much lower in these jobs (Table 10).

|                                      | Southwest Minnesota |                               |                           |                   | State of Minnesota |                                |                           |
|--------------------------------------|---------------------|-------------------------------|---------------------------|-------------------|--------------------|--------------------------------|---------------------------|
|                                      | Median Hourly Wage  | Estimated Regional Employment | Share of Total Employment | Location Quotient | Median Hourly Wage | Estimated Statewide Employment | Share of Total Employment |
| <b>Total, All Occupations</b>        | <b>\$22.00</b>      | <b>167,580</b>                | <b>100.0%</b>             | <b>1.0</b>        | <b>\$24.25</b>     | <b>2,827,310</b>               | <b>100.0%</b>             |
| Management                           | \$43.35             | 9,240                         | 5.5%                      | 0.8               | \$51.58            | 193,760                        | 6.9%                      |
| Business & Financial Operations      | \$31.64             | 6,450                         | 3.8%                      | 0.5               | \$38.19            | 201,940                        | 7.1%                      |
| Computer & Mathematical              | \$37.64             | 1,770                         | 1.1%                      | 0.3               | \$49.73            | 99,250                         | 3.5%                      |
| Architecture & Engineering           | \$36.19             | 2,330                         | 1.4%                      | 0.7               | \$40.60            | 53,100                         | 1.9%                      |
| Life, Physical & Social Science      | \$31.10             | 1,450                         | 0.9%                      | 0.8               | \$39.37            | 29,070                         | 1.0%                      |
| Community & Social Service           | \$25.25             | 3,730                         | 2.2%                      | 1.1               | \$25.82            | 54,820                         | 1.9%                      |
| Legal                                | \$34.91             | 540                           | 0.3%                      | 0.5               | \$47.87            | 18,730                         | 0.7%                      |
| Education, Training & Library        | \$24.54             | 11,720                        | 7.0%                      | 1.2               | \$24.82            | 158,830                        | 5.6%                      |
| Arts, Design, Entertainment & Media  | \$23.57             | 1,600                         | 1.0%                      | 0.7               | \$28.80            | 37,630                         | 1.3%                      |
| Healthcare Practitioners & Technical | \$37.65             | 9,520                         | 5.7%                      | 0.9               | \$41.07            | 186,700                        | 6.6%                      |
| Healthcare Support                   | \$17.32             | 9,980                         | 6.0%                      | 1.0               | \$17.40            | 162,400                        | 5.7%                      |
| Protective Service                   | \$26.23             | 2,190                         | 1.3%                      | 0.9               | \$25.83            | 40,620                         | 1.4%                      |
| Food Preparation & Serving Related   | \$14.29             | 13,750                        | 8.2%                      | 1.1               | \$14.89            | 216,970                        | 7.7%                      |
| Building, Grounds Cleaning & Maint.  | \$17.86             | 4,870                         | 2.9%                      | 1.1               | \$18.26            | 76,210                         | 2.7%                      |
| Personal Care & Service              | \$15.52             | 3,110                         | 1.9%                      | 0.9               | \$16.96            | 58,120                         | 2.1%                      |
| Sales & Related                      | \$16.29             | 14,590                        | 8.7%                      | 1.0               | \$18.14            | 239,500                        | 8.5%                      |
| Office & Administrative Support      | \$21.34             | 19,020                        | 11.3%                     | 0.9               | \$23.06            | 345,830                        | 12.2%                     |
| Farming, Fishing & Forestry          | \$19.96             | 620                           | 0.4%                      | 2.6               | \$19.84            | 4,060                          | 0.1%                      |
| Construction & Extraction            | \$27.54             | 7,140                         | 4.3%                      | 1.1               | \$31.00            | 113,930                        | 4.0%                      |
| Installation, Maintenance & Repair   | \$25.34             | 7,770                         | 4.6%                      | 1.3               | \$27.95            | 98,670                         | 3.5%                      |
| Production                           | \$20.48             | 20,020                        | 11.9%                     | 1.6               | \$22.07            | 209,380                        | 7.4%                      |
| Transportation & Material Moving     | \$20.47             | 16,180                        | 9.7%                      | 1.2               | \$21.05            | 227,780                        | 8.1%                      |

Source: [DEED Occupational Employment Statistics, Qtr. 1 2023](#)

In contrast, the highest paying jobs are found in Management, Healthcare Practitioners, Computer & Mathematical, Architecture & Engineering, Legal, Business & Financial Operations, and Life, Physical, & Social Science occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations.

### JOB VACANCY SURVEY

After reaching a record high in the 4<sup>th</sup> quarter of 2021, the number of job vacancies dropped in the second quarter of 2022. Employers in Southwest Minnesota reported 14,128 job vacancies in the second quarter of 2022, which was up 2,012 openings compared to the past year. The median hourly wage offer was \$16.55 across all occupations but ranged from a low of around \$12.78 per hour for Personal Care & Service occupations, to about \$31.75 per hour or more for Computer & Mathematical occupations. The median wage offer increased from Q2 2021 by \$1.53.

The largest number of vacancies were in Food Preparation & Serving Related occupations. There were also a lot of openings in Production, Sales, and Healthcare Support occupations. The number of vacancies dropped for Business & Financial Operations, Arts, Design, Entertainment, Sports, & Media, Healthcare Support, Personal Care & Service, and Transportation and Material Moving Occupations compared to 2021 quarter 2. Overall, about two out of five openings were part-time, 31% required postsecondary education, and 32% required a year or more of experience (Table 11). In sum, educational requirements in the region had been stable or declining over the past 5 years, while work experience requirements were rising.

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

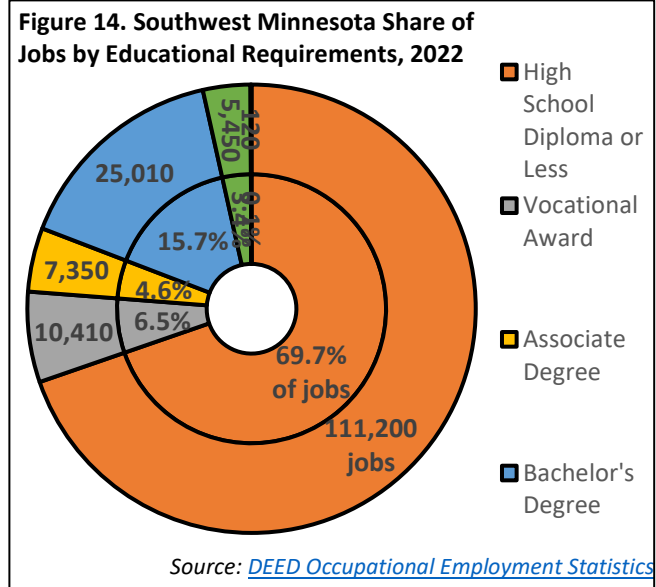
|                                      | Number of Total Vacancies | Median Hourly Wage Offer | Percent Part-Time | Percent Temporary or Seasonal | Requiring Postsecondary Education | Requiring 1 or More Years of Work Exp. | Requiring Certificate or License |
|--------------------------------------|---------------------------|--------------------------|-------------------|-------------------------------|-----------------------------------|--|----------------------------------|
| <b>Total, All Occupations</b>        | <b>14,128</b>             | <b>\$16.55</b>           | <b>42%</b>        | <b>16%</b>                    | <b>31%</b>                        | <b>32%</b>                             | <b>37%</b>                       |
| Management                           | 430                       | \$27.04                  | 28%               | 0%                            | 68%                               | 77%                                    | 55%                              |
| Business & Financial Operations      | 151                       | \$24.64                  | 1%                | 6%                            | 72%                               | 80%                                    | 35%                              |
| Computer & Mathematical              | 99                        | \$31.77                  | 0%                | 1%                            | 70%                               | 90%                                    | 40%                              |
| Architecture & Engineering           | 130                       | \$27.09                  | 1%                | 0%                            | 94%                               | 78%                                    | 47%                              |
| Life, Physical & Social Sciences     | 69                        | \$20.91                  | 1%                | 1%                            | 42%                               | 84%                                    | 50%                              |
| Community & Social Service           | 159                       | \$25.21                  | 3%                | 1%                            | 95%                               | 77%                                    | 77%                              |
| Education, Training & Library        | 731                       | \$17.88                  | 34%               | 24%                           | 86%                               | 92%                                    | 80%                              |
| Arts, Design, Entertainment & Media  | 183                       | \$13.88                  | 36%               | 65%                           | 19%                               | 59%                                    | 12%                              |
| Healthcare Practitioners & Technical | 1,252                     | \$25.17                  | 32%               | 1%                            | 88%                               | 47%                                    | 88%                              |
| Healthcare Support                   | 1,290                     | \$14.92                  | 52%               | 1%                            | 51%                               | 18%                                    | 62%                              |
| Protective Service                   | 142                       | \$19.76                  | 43%               | 6%                            | 68%                               | 78%                                    | 93%                              |
| Food Preparation & Serving Related   | 2,626                     | \$13.56                  | 77%               | 28%                           | 5%                                | 11%                                    | 6%                               |
| Building, Grounds Cleaning & Maint.  | 379                       | \$15.50                  | 40%               | 20%                           | 1%                                | 14%                                    | 31%                              |
| Personal Care & Service              | 135                       | \$12.78                  | 80%               | 21%                           | 5%                                | 9%                                     | 14%                              |
| Sales & Related                      | 1,467                     | \$14.33                  | 59%               | 11%                           | 5%                                | 18%                                    | 30%                              |
| Office & Administrative Support      | 766                       | \$14.07                  | 71%               | 10%                           | 11%                               | 38%                                    | 8%                               |
| Construction & Extraction            | 165                       | \$17.90                  | 0%                | 16%                           | 12%                               | 38%                                    | 27%                              |
| Installation, Maintenance & Repair   | 554                       | \$22.90                  | 11%               | 3%                            | 39%                               | 45%                                    | 55%                              |
| Production                           | 1,782                     | \$18.26                  | 9%                | 24%                           | 12%                               | 19%                                    | 4%                               |
| Transportation & Material Moving     | 786                       | \$17.46                  | 44%               | 35%                           | 1%                                | 24%                                    | 55%                              |

Source: DEED Job Vacancy Survey, 2022

### EDUCATIONAL REQUIREMENTS

Similar to Job Vacancy Survey results, data from DEED’s Occupational Employment Statistics program shows that only about 30% of jobs in the region require postsecondary education for entry. The other 70 percent can be started with a high school diploma or less and some amount of on-the-job training (Figure 14).

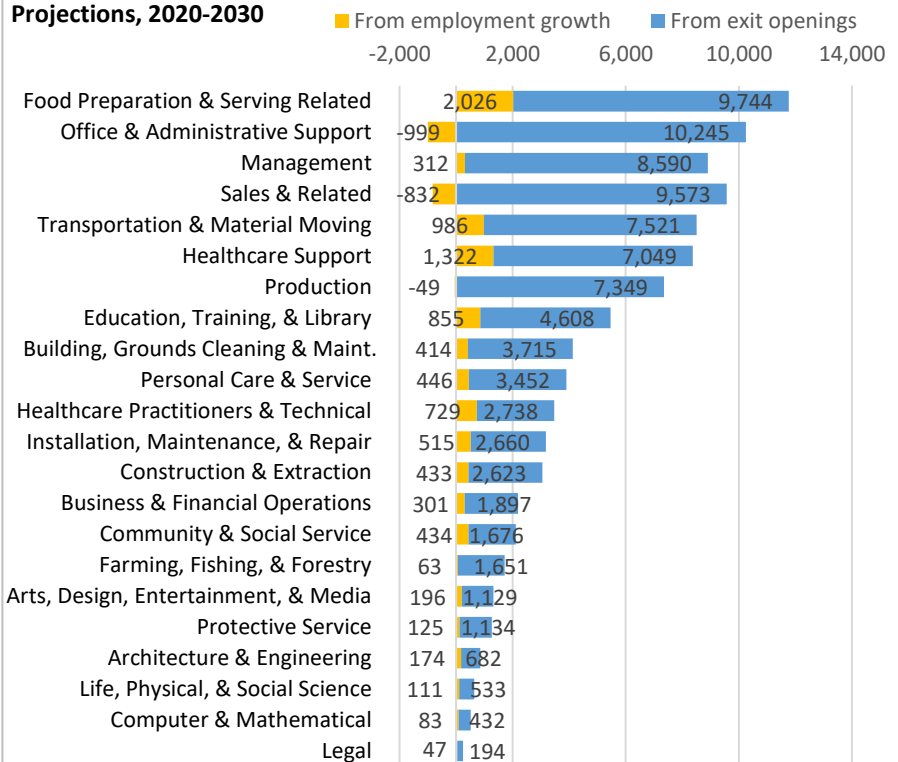
Certain careers – such as dentists, lawyers, and teachers – require a college education, while other jobs – including cost estimators, sales representatives, and correctional officers – do not. College is an excellent way to move up career ladders and open windows of opportunity to fields that would 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 \$20,500 and more than \$53,000 per year in Minnesota<sup>1</sup>. 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 23-county Southwest Minnesota planning area is projected to grow 3.9% from 2020 to 2030, a gain of 7,692 new jobs. That is the slowest of the 6 planning regions in the state. In addition, the region is also expected to need 89,195 replacement openings to fill jobs left vacant by retirements. Food Prep, Healthcare Support, Transportation & Material Moving, and Education, Training, & Library occupations are expected to see the most new growth – some attributable to the continuing pandemic recovery – but every occupational group will show some future demand either through new jobs or replacement openings (Figure 15).

Figure 15. Southwest Minnesota Regional Employment Projections, 2020-2030



<sup>1</sup> <http://www.ohe.state.mn.us/mPg.cfm?pageID=94>

## OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are well over 200 occupations showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees. These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, Nursing Assistants, Personal Care Aides, Teachers, Mechanics and Repair workers, and Heavy and Tractor Trailer Truck Drivers are among the top occupations in demand based on the consistent need for workers in these fields. Many of the jobs are concentrated in Manufacturing, Healthcare, Transportation, and other related industries (Table 12).

**Table 12. Southwest Minnesota Occupations in Demand, 2022**

| High School or Less   | Vocational Training  | Associate Degree  | Bachelor's Degree or Higher                       |
|---|--|---|---|
| Home Health & Personal Care Aides<br>\$32,800/yr                  | Nursing Assistants<br>\$38,146/yr                              | Registered Nurses<br>\$80,694/yr                                  | Substitute Teachers, Short-Term<br>\$46,668/yr    |
| Retail Salespersons<br>\$30,660/yr                                | Licensed Practical & Licensed Vocational Nurses<br>\$52,242/yr | Police & Sheriff's Patrol Officers<br>\$66,050/yr                 | General & Operations Managers<br>\$78,383/yr      |
| Heavy & Tractor-Trailer Truck Drivers<br>\$51,299/yr              | Automotive Service Technicians & Mechanics<br>\$49,362/yr      | Dental Hygienists<br>\$82,983/yr                                  | Elementary School Teachers<br>\$63,391/yr         |
| Cashiers<br>\$29,092/yr   | Dental Assistants<br>\$54,422/yr                               | Clinical Laboratory Technologists & Technicians<br>\$61,801/yr    | Secondary School Teachers<br>\$64,067/yr          |
| Fast Food & Counter Workers<br>\$29,393/yr                        | Machinists<br>\$49,288/yr                                      | Industrial Engineering Technologists & Technicians<br>\$49,646/yr | Accountants & Auditors<br>\$66,142/yr             |
| Waiters & Waitresses<br>\$24,271/yr                               | Electricians<br>\$63,396/yr                                    | Radiologic Technologists & Technicians<br>\$66,703/yr             | Preschool Teachers<br>\$35,451/yr                 |
| Laborers & Freight, Stock, & Material Movers, Hand<br>\$39,654/yr | Computer User Support Specialists<br>\$57,870/yr               | Computer Network Support Specialists<br>\$72,682/yr               | Medical & Health Services Managers<br>\$95,320/yr |
| Office Clerks, General<br>\$41,160/yr                             | Medical Assistants<br>\$46,233/yr                              | Electrical & Electronic Engineering Technologists<br>\$66,192/yr  | Industrial Production Managers<br>\$99,559/yr     |
| Maintenance & Repair Workers, General<br>\$49,219/yr              | Industrial Machinery Mechanics<br>\$59,803/yr                  | Civil Engineering Technologists & Technicians<br>\$71,840/yr      | Lawyers<br>\$103,321/yr                           |
| Teaching Assistants, exc. Postsecondary<br>\$36,756/yr            | Farm Equipment Mechanics & Service Technicians<br>\$51,684/yr  | Environmental Science & Protection Technicians<br>\$39,218/yr     | Personal Financial Advisors<br>\$78,180/yr        |

Source: DEED Occupations in Demand

## ECONOMY

### INDUSTRY EMPLOYMENT

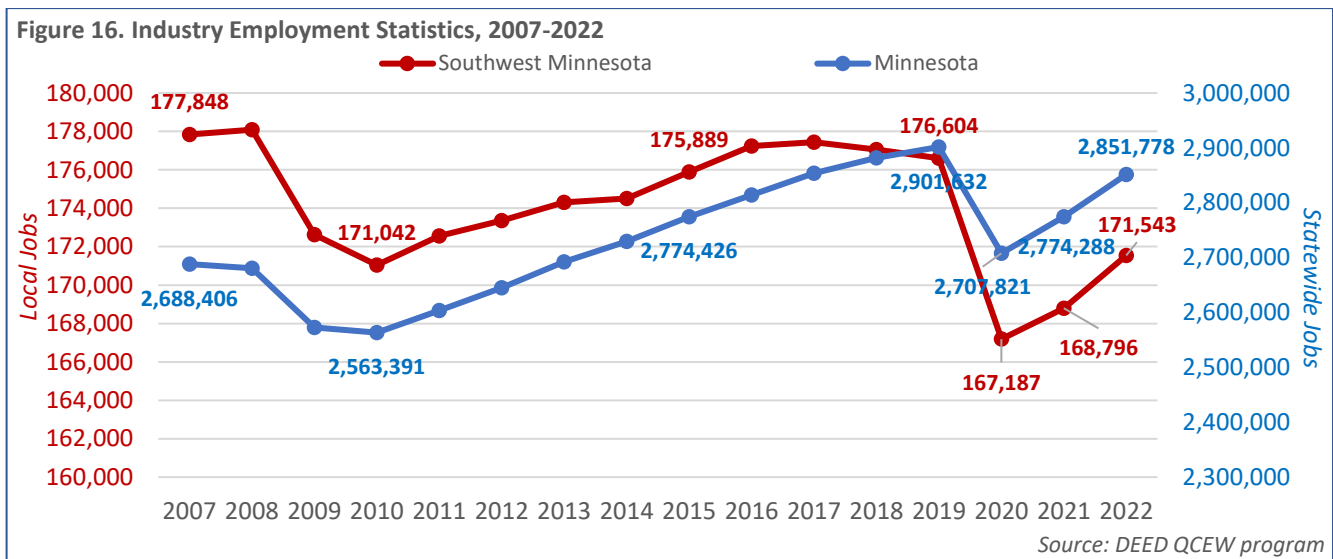
According to DEED's [Quarterly Census of Employment & Wages \(QCEW\) program](#), Southwest Minnesota was home to 12,805 business establishments providing an average of 171,543 covered jobs through 2022, with a total payroll of just under \$8.75 billion. That was about 6% of total employment in the state of Minnesota. Average annual wages were \$51,000 in the region, which was nearly \$19,000 lower than the state's average annual wage (Table 13). With 102,120 jobs at 7,098 business establishments, EDR 9 accounts for about 60% of total employment in the Southwest Minnesota planning region. In contrast, EDR 6W had the smallest number of firms and jobs, with 16,417 jobs at 1,604 firms, and suffered the fastest jobs loss over from 2019 to 2022. EDR 8 had 4,103 establishments providing 53,005 jobs in 2022, but experienced the smallest job decline from 2019 to 2022. EDR 9 had the highest average annual wages at \$52,252 though that was still nearly \$17,475 below the state average (Table 13).



| Geography                  | Number of Firms | Number of Jobs   | Total Payroll        | Average Annual Wage | 2021-2022      |                | 2019-2022      |                |
|----------------------------|-----------------|------------------|----------------------|---------------------|----------------|----------------|----------------|----------------|
|                            |                 |                  |                      |                     | Change in Jobs | Percent Change | Change in Jobs | Percent Change |
| <b>Southwest Minnesota</b> | <b>12,805</b>   | <b>171,543</b>   | <b>\$8,748,745</b>   | <b>\$51,000</b>     | <b>+2,747</b>  | <b>+1.6%</b>   | <b>-5,061</b>  | <b>-2.9%</b>   |
| Region 6W                  | 1,604           | 16,417           | \$797,208            | \$48,560            | +187           | +1.2%          | -831           | -4.8%          |
| Region 8                   | 4,103           | 53,005           | \$2,615,540          | \$49,345            | +804           | +1.5%          | -228           | -0.4%          |
| Region 9                   | 7,098           | 102,120          | \$5,335,997          | \$52,252            | +1,755         | +1.7%          | -4,002         | -3.8%          |
| <b>Minnesota</b>           | <b>199,603</b>  | <b>2,851,778</b> | <b>\$198,839,399</b> | <b>\$69,725</b>     | <b>+77,490</b> | <b>+2.8%</b>   | <b>-49,854</b> | <b>-1.7%</b>   |

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

The pandemic recession caused significant job loss in the region, dropping to lower employment levels than suffered during the Great Recession in 2009 and 2010. However, like in the past recession, Southwest Minnesota was less impacted than the state as a whole, and showed a smaller year-over-year decline from 2019 to 2020 than the state. The region lost about -5.3% of employment, compared to a -6.7% decline statewide. Since 2020, the region’s recovery has also been slower than the state’s, adding back only 4,356 of the nearly 9,400 jobs lost (Figure 16).



With 32,109 jobs at 634 firms, Manufacturing is the largest employing industry, accounting for 18.4% of total jobs in the region. Southwest is the only region of the state where Manufacturing is still the largest industry. At \$61,942 in 2022, average annual wages were nearly \$11,000 higher in Manufacturing than the total of all industries. The region has strong concentrations of employment in Food Manufacturing, Machinery Manufacturing, Printing, Fabricated Metal Product Manufacturing, and Electrical Equipment Manufacturing.

After several years of growth, the region’s Health Care and Social Assistance industry cut 2,300 jobs over the last three years, but still offered with 29,207 jobs at 1,651 firms. Due to the region’s older population, the largest sector was Nursing & Residential Care Facilities, followed by Hospitals, Ambulatory Health Care Services, and Social Assistance. Retail Trade is the third largest industry, with 19,312 jobs at 1,438 establishments, while Educational Services was the fourth largest, providing 15,472 jobs at 246 establishments. Combined, these four largest industries accounted for 56% of the region’s employment.

Other important industries that are more concentrated in the region include Accommodation & Food Services, Public Administration, Construction, and Wholesale Trade. Fifteen of 20 industries in the region cut jobs over the last three years. However, half of industries added jobs back over the past year, with the largest gains occurring in Manufacturing, Accommodation and Food Services, and Educational Services. Recent job gains were spread across the most impacted industries as well as those that fared relatively well under the effects of the pandemic (Table 14).

| Southwest Minnesota                | 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 |
| <b>Total, All Industries</b>       | <b>12,805</b>    | <b>171,543</b> | <b>\$8,748,745</b>       | <b>\$51,000</b>  | <b>+2,747</b>  | <b>+1.6%</b>   | <b>-5,061</b>  | <b>-2.9%</b>   |
| Agriculture, Forestry, Fish & Hunt | 718              | 5,133          | \$256,173                | \$49,907         | -195           | -3.7%          | -259           | -4.8%          |
| Mining                             | 23               | 210            | \$14,484                 | \$68,973         | -11            | -5.0%          | -109           | -34.2%         |
| Construction                       | 1,562            | 7,924          | \$501,659                | \$63,309         | +36            | +0.5%          | -366           | -4.4%          |
| Manufacturing                      | 634              | 32,109         | \$1,988,895              | \$61,942         | +1,069         | +3.4%          | +762           | +2.4%          |
| Utilities                          | 77               | 900            | \$89,736                 | \$99,707         | -15            | -1.6%          | -48            | -5.1%          |
| Wholesale Trade                    | 649              | 7,451          | \$581,360                | \$78,024         | +200           | +2.8%          | -275           | -3.6%          |
| Retail Trade                       | 1,438            | 19,312         | \$597,436                | \$30,936         | +418           | +2.2%          | +142           | +0.7%          |
| Transportation & Warehousing       | 780              | 6,913          | \$339,621                | \$49,128         | -78            | -1.1%          | -366           | -5.0%          |
| Information                        | 201              | 2,031          | \$118,869                | \$58,527         | -23            | -1.1%          | -466           | -18.7%         |
| Finance & Insurance                | 714              | 5,902          | \$444,555                | \$75,323         | -89            | -1.5%          | +10            | +0.2%          |
| Real Estate & Rental & Leasing     | 278              | 1,372          | \$48,273                 | \$35,185         | +68            | +5.2%          | -55            | -3.9%          |
| Professional & Technical Services  | 608              | 3,738          | \$259,707                | \$69,478         | +122           | +3.4%          | -77            | -2.0%          |
| Management of Companies            | 53               | 1,440          | \$143,257                | \$99,484         | -36            | -2.4%          | +13            | +0.9%          |
| Admin. Support & Waste Mgmt. Svcs. | 408              | 3,890          | \$179,150                | \$46,054         | +182           | +4.9%          | -149           | -3.7%          |
| Educational Services               | 236              | 15,472         | \$767,766                | \$49,623         | +322           | +2.1%          | -626           | -3.9%          |
| Health Care & Social Assistance    | 1,651            | 29,207         | \$1,501,261              | \$51,401         | -130           | -0.4%          | -2,362         | -7.5%          |
| Arts, Entertainment, & Recreation  | 246              | 1,960          | \$41,222                 | \$21,032         | +123           | +6.7%          | -54            | -2.7%          |
| Accommodation & Food Services      | 848              | 11,670         | \$199,778                | \$17,119         | +504           | +4.5%          | -581           | -4.7%          |
| Other Services                     | 1,096            | 4,963          | \$165,264                | \$33,299         | +149           | +3.1%          | -70            | -1.4%          |
| Public Administration              | 587              | 9,942          | \$510,280                | \$51,326         | +131           | +1.3%          | -126           | -1.3%          |

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

## INDUSTRY EMPLOYMENT

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. About one-quarter (24.5%) of workers in the region were 55 years or older, compared to 22.1% statewide and just 21.1% in the region one decade earlier. The percentage of teenaged workers was also rising, along with wages and the number of hours worked as high demand attracted the youngest workers into the workforce (Table 15).

As noted above, wages were climbing across the board for all workers due to rising demand and a tight labor market. While wages were still lowest for the youngest and oldest workers who tend to fill lower-skilled, less-than-full time jobs in industries like Retail Trade and Accommodation & Food Services, people aged 20 to 24 years old enjoyed the fastest percentage increase in wages from 2012 to 2022. Wages were highest for workers between 45 and 64 years of age, and men earned higher wages than women, though the gap was narrowing.

| Southwest Minnesota | Percentage of Workers |        | Percent of Workers, Minnesota |        | Median Hourly Wage |         | Median Hours Worked (Per Qtr.) |      |
|---------------------|-----------------------|--------|-------------------------------|--------|--------------------|---------|--------------------------------|------|
|                     | 2022                  | 2012   | 2022                          | 2012   | 2022               | 2012    | 2022                           | 2012 |
| Total, all ages     | 100.0%                | 100.0% | 100.0%                        | 100.0% | \$20.34            | \$13.48 | 409                            | 403  |
| 19 years & under    | 8.5%                  | 8.1%   | 6.6%                          | 6.3%   | \$13.42            | \$7.98  | 116                            | 113  |
| 20 to 24 years      | 10.6%                 | 12.4%  | 9.2%                          | 11.3%  | \$17.31            | \$10.16 | 275                            | 258  |
| 25 to 44 years      | 40.0%                 | 37.5%  | 43.6%                         | 42.3%  | \$23.19            | \$15.09 | 471                            | 461  |
| 45 to 54 years      | 16.6%                 | 20.9%  | 18.4%                         | 21.9%  | \$25.50            | \$16.54 | 487                            | 480  |
| 55 to 64 years      | 17.2%                 | 16.1%  | 16.7%                         | 14.7%  | \$23.52            | \$16.25 | 483                            | 474  |
| 65 years & over     | 7.3%                  | 5.0%   | 5.4%                          | 3.5%   | \$17.93            | \$12.04 | 229                            | 197  |
| Male                | 48.4%                 | 47.6%  | 49.1%                         | 49.1%  | \$23.15            | \$15.41 | 475                            | 474  |
| Female              | 51.6%                 | 52.4%  | 50.9%                         | 50.9%  | \$19.40            | \$12.31 | 368                            | 348  |

Source: DEED Quarterly Employment Demographics

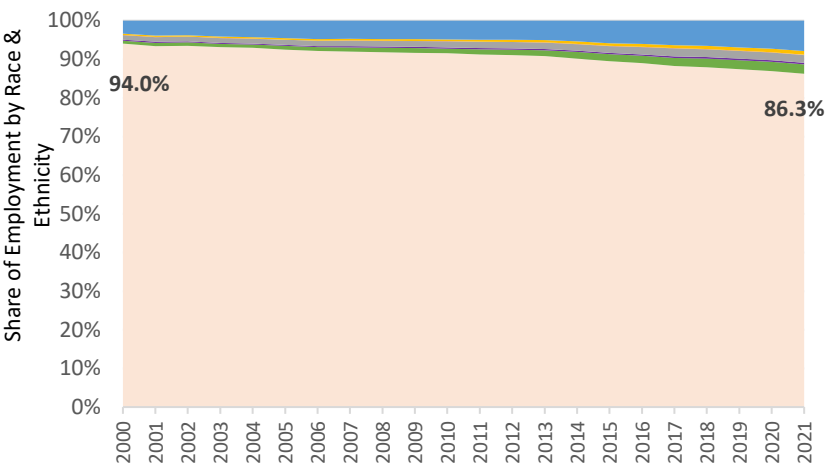
**EMPLOYMENT DIVERSITY**

People of color account for 13.9% of the total population in Southwest Minnesota and hold roughly the same share of jobs, compared to the state overall where they amount to 22.5% of the population but only hold 15.2% of jobs. According to data from the Quarterly Workforce Indicator program people of color held 23,323 jobs compared to 146,486 jobs held by white Workers.

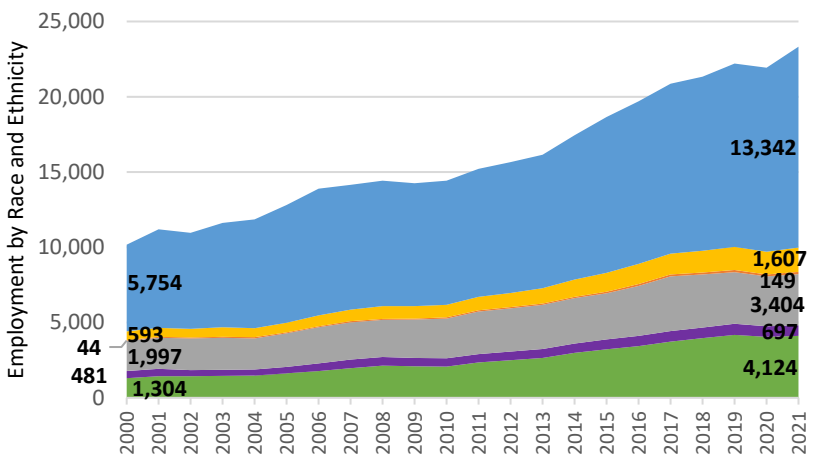
The number of jobs held by minorities has more than doubled since 2000 when people of color held 6% of jobs (See Figure 17). People of color have filled an additional 13,150 jobs since 2000 compared to a decline of 14,281 jobs held by White workers. Hispanic/Latino workers hold the largest number of jobs after white workers with 13,342 jobs in 2021, over half of all Black, indigenous, and people of color (BIPOC) jobs. The next largest number of jobs held by a BIPOC group was Black or African Americans, holding 4,124 jobs in 2021. The number of jobs held by this group increased by 2,820 since 2000, amounting to a 216% increase. Only Native Hawaiian or Other Pacific Islander employment grew faster (Figure 18).

The Manufacturing, Administrative Support, Agriculture, and Accommodation & Food Services sectors have the highest share of non-White employment at 29%, 22%, 21%, and 19% respectively. The largest numbers of non-White workers are employed by Manufacturing (9,135 jobs), Healthcare & Social Assistance (3,572 jobs), Retail Trade, and Accommodation & Food Services (both 2,274 jobs) (Figure 19).

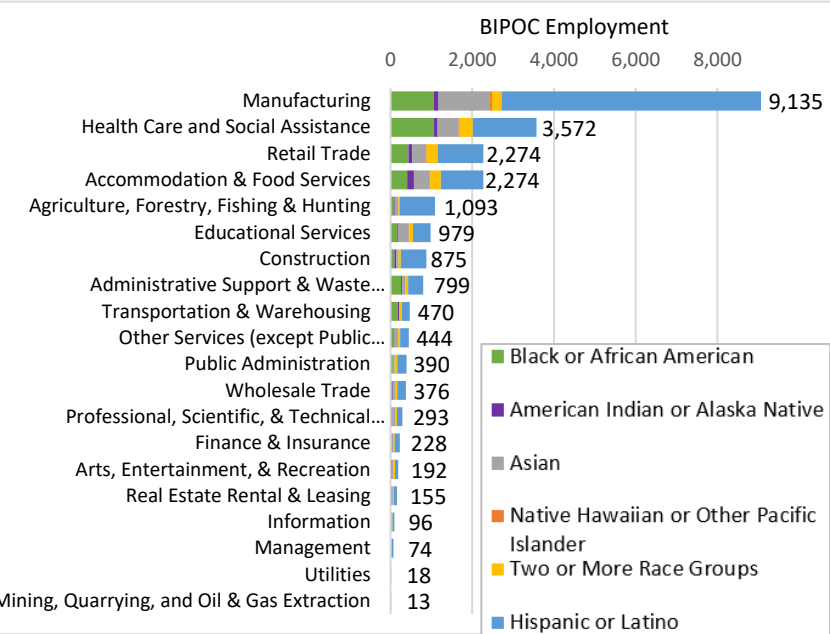
**Figure 17. Employment Share by Race & Ethnicity in Southwest, 2000-2021**



**Figure 18. People of Color Employment in Southwest Minnesota, 2000-2021**



**Figure 19. People of Color Employment by Industry in SW Minnesota, 2021**



Source: U.S. Census Quarterly Workforce Indicators

## INDUSTRY PROJECTIONS

As noted above, Southwest is projected to grow 3.9% from 2020 to 2030, a gain of 7,692 new jobs. Arts, Entertainment & Recreation, Accommodation & Food Services, and Other Services are expected to grow the fastest as the pandemic employment recovery continues. However, these were also the industries hit hardest during the pandemic recession.

Health Care & Social Assistance is projected to add the most new jobs over the next decade and in doing so would surpass Manufacturing as the region's largest industry. Educational Services is also projected to see strong growth and recovery. Real Estate & Rental, Information, and Retail Trade are the only industries projected to lose jobs (Table 16).

| Industry                           | Estimated Employment 2020 | Projected Employment 2030 | Percent Change 2020-2030 | Numeric Change 2020-2030 |
|------------------------------------|---------------------------|---------------------------|--------------------------|--------------------------|
| <b>Total, All Industries</b>       | <b>195,812</b>            | <b>203,504</b>            | <b>+3.9%</b>             | <b>+7,692</b>            |
| Health Care & Social Assistance    | 29,352                    | 32,081                    | +9.3%                    | +2,729                   |
| Accommodation & Food Services      | 10,089                    | 12,268                    | +21.6%                   | +2,179                   |
| Educational Services               | 15,564                    | 16,274                    | +4.6%                    | +710                     |
| Other Services                     | 6,756                     | 7,462                     | +10.4%                   | +706                     |
| Manufacturing                      | 30,107                    | 30,719                    | +2.0%                    | +612                     |
| Construction                       | 7,573                     | 8,082                     | +6.7%                    | +509                     |
| Arts, Entertainment & Recreation   | 1,655                     | 2,114                     | +27.7%                   | +459                     |
| Transportation & Warehousing       | 7,385                     | 7,817                     | +5.8%                    | +432                     |
| Public Administration              | 13,193                    | 13,517                    | +2.5%                    | +324                     |
| Professional & Technical Services  | 3,788                     | 4,006                     | +5.8%                    | +218                     |
| Admin. Support & Waste Mgmt.       | 3,421                     | 3,636                     | +6.3%                    | +215                     |
| Finance & Insurance                | 6,780                     | 6,921                     | +2.1%                    | +141                     |
| Agriculture, Forestry, Fish & hunt | 5,674                     | 5,753                     | +1.4%                    | +79                      |
| Wholesale Trade                    | 8,045                     | 8,118                     | +0.9%                    | +73                      |
| Utilities                          | 713                       | 735                       | +3.1%                    | +22                      |
| Mining                             | 257                       | 273                       | +6.2%                    | +16                      |
| Management of Companies            | 1,495                     | 1,506                     | +0.7%                    | +11                      |
| Real Estate & Rental & Leasing     | 1,318                     | 1,311                     | -0.5%                    | -7                       |
| Information                        | 2,152                     | 2,001                     | -7.0%                    | -151                     |
| Retail Trade                       | 18,569                    | 17,653                    | -4.9%                    | -916                     |

*Source: DEED 2020-2030 Employment Outlook*

## NONEMPLOYER ESTABLISHMENTS

Southwest Minnesota was home to 26,918 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)." Southwest Minnesota saw a small decline in nonemployers over the past decade. In sum, the region lost 307 nonemployers from 2009 to 2019, a -1.1% decrease. In sum, these nonemployers generated sales receipts of over \$1.3 billion in 2019 (Table 17).

|                            | 2019            |                     | 2009-2019       |                |
|----------------------------|-----------------|---------------------|-----------------|----------------|
|                            | Number of Firms | Receipts (\$1,000s) | Change in Firms | Percent Change |
| <b>Southwest Minnesota</b> | <b>26,918</b>   | <b>\$1,300,424</b>  | <b>-307</b>     | <b>-1.1%</b>   |
| Region 6W                  | 3,280           | \$149,065           | -161            | -4.7%          |
| Region 8                   | 8,306           | \$405,837           | -110            | -1.3%          |
| Region 9                   | 15,332          | \$745,522           | -36             | -0.2%          |
| <b>Minnesota</b>           | <b>418,080</b>  | <b>\$20,377,253</b> | <b>+39,926</b>  | <b>+10.6%</b>  |

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

## CENSUS OF AGRICULTURE

Like other parts of Greater Minnesota, agriculture is also a key industry in Southwest Minnesota, including 18,319 farms producing just under \$7.8 billion in the market value of products sold in 2017 according to the U.S. Department of Agriculture. Several of the highest ranked agriculture counties in the state are in Southwest Minnesota, including Martin (#2), Nobles (#4), Blue Earth (#5), Redwood (#6), and Rock (#9). Like the state, the number of farms in the region declined over the past 5 years, but Southwest Minnesota still accounts for 26.6 percent of the farms in the state (Table 18).

|                            | Number of Farms | Market Value of Products Sold | State Rank |
|----------------------------|-----------------|-------------------------------|------------|
| <b>Southwest Minnesota</b> | <b>18,319</b>   | <b>\$7,758,272,000</b>        | <b>1</b>   |
| Region 6W                  | 3,526           | \$1,185,918,000               | 8          |
| Region 8                   | 7,287           | \$3,350,135,000               | 1          |
| Region 9                   | 7,506           | \$3,222,219,000               | 2          |
| <b>Minnesota</b>           | <b>68,822</b>   | <b>\$18,395,390,000</b>       |            |

*Source: 2017 Census of Agriculture*

*Upon request, this information can be made available in alternate formats by contacting Luke Greiner at 320-223-6992 or at [luke.greiner@state.mn.us](mailto:luke.greiner@state.mn.us) or Amanda O'Connell at 320-441-6571 or at [amanda.oconnell@state.mn.us](mailto:amanda.oconnell@state.mn.us)*