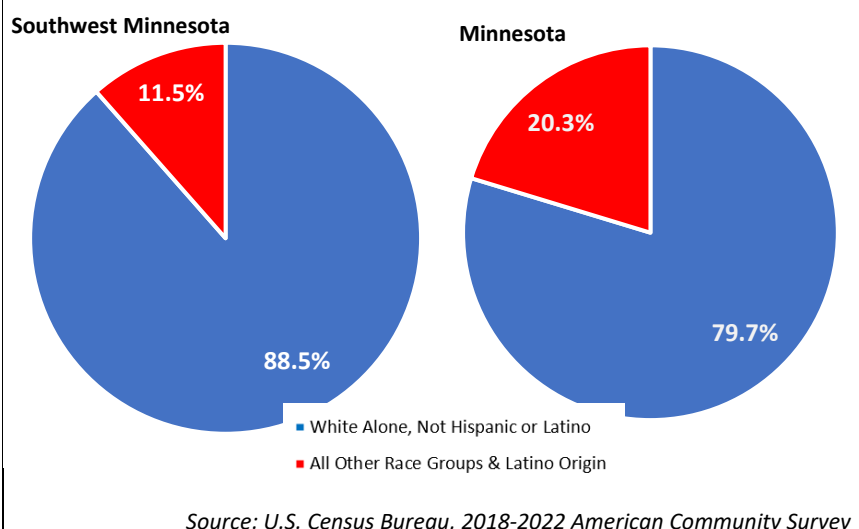


Southwest Minnesota Regional Disparities by Race and Origin

Southwest Minnesota’s population is relatively non-diverse, but is becoming more racially diverse over time. Through 2022, about 88.5% of the region’s population reported being white alone, and not of Hispanic or Latino origin; while the other 11.5% of the population reported a different race – such as Black or African American, American Indian, Asian, Some Other Race, or Two or More Races – or Hispanic or Latino origin. That was about 8.8% lower than the population statewide, where 20.3% of residents reported a race or origin other than white alone (see Figure 1).

Figure 1. Population by Race and Origin, 2022



Southwest Minnesota was home to 398,098 people in 2022, which was a gain of just over 3,400 residents since 2011. The 23-county region saw a decline of 18,647 white residents, meaning the only population growth in the region came from people of other races. In fact, the region experienced rapid growth in the number of people of other races and origins, which have increased by 22,086 people since 2011.

	Southwest Minnesota				Minnesota	
	Number	Percent	Change from 2011-2022		Percent	Change from 2011-2022
			Numeric	Percent		
Total	398,098	100.0%	+3,439	+0.9%	100.0%	+7.9%
White	352,270	88.5%	-18,647	-5.0%	79.7%	-0.4%
Black or African American	8,254	2.1%	+3,177	+62.6%	6.7%	+44.3%
American Indian & Alaska Native	2,551	0.6%	+215	+9.2%	0.9%	-10.2%
Asian & Other Pac. Islander	7,412	1.9%	+1,877	+33.9%	5.1%	+37.1%
Some Other Race	11,353	2.9%	+5,855	+106.5%	2.3%	+84.7%
Two or More Races	16,258	4.1%	+10,962	+207.0%	5.3%	+159.6%
Hispanic or Latino origin	30,101	7.6%	+9,843	+48.6%	5.7%	+34.6%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

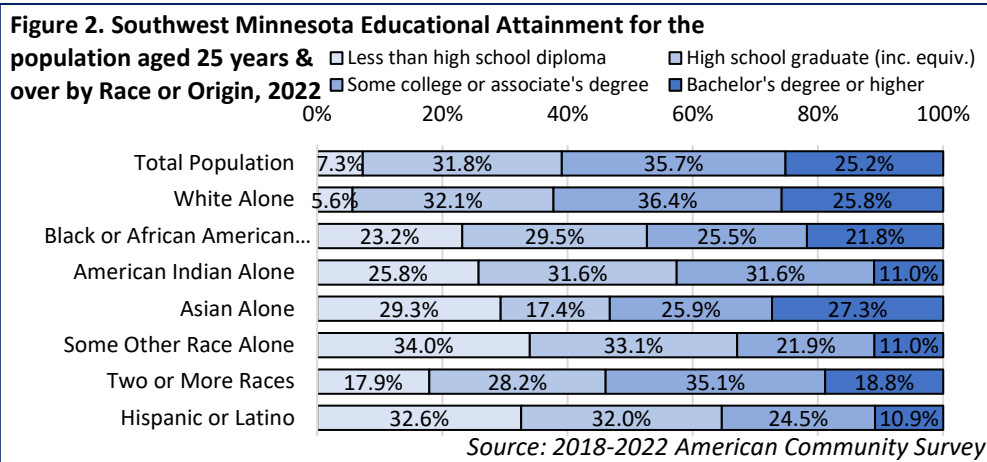
With just over 30,000 residents, people of Hispanic or Latino origin – who can be of any race – comprised the largest minority group in the region, accounting for 7.6% of the total population. That was 1.9% more concentrated than in the state as a whole. The region’s Hispanic or Latino population increased by 9,843 people since 2011, or an increase of 48.6% (see Table 1).

Residents reporting Two or More Races increased 207% in the region from 2011 to 2022, and now account for 16,258 people. Accounting for 2.9% of the population, people of Some Other Race had the third largest presence in Southwest Minnesota. The population of people of Some Other Race increased by 5,855 people since 2011, essentially doubling over the decade.

Accounting for just over 2.1% of the total population, Southwest Minnesota had 8,254 Black or African American residents in 2022, a 62.6% rise since 2011. Likewise, the region was home to 7,412 Asian or Other Pacific Islanders, after 1,877 additional residents since 2011. Finally, the smallest race group in the region was American Indian and Alaska Natives, with 2,551 people, after adding about 1,877 new residents since 2011. That represented 0.6% of the total population.

Employment Characteristics

Comparing the economic status of people of other races with the region’s white residents reveals many disparities including educational attainment, labor force participation, unemployment, and income and poverty levels. Closing these gaps is crucial to keep the region’s economy moving forward (see Figure 2).



People of other races exhibited lower educational attainment than their white counterparts, with a much higher percentage of people with less than a high school diploma. Almost one-third of Hispanic or Latino residents in the region did not graduate from high school. In contrast, Asian residents had a higher percentage of bachelor’s degrees or higher.

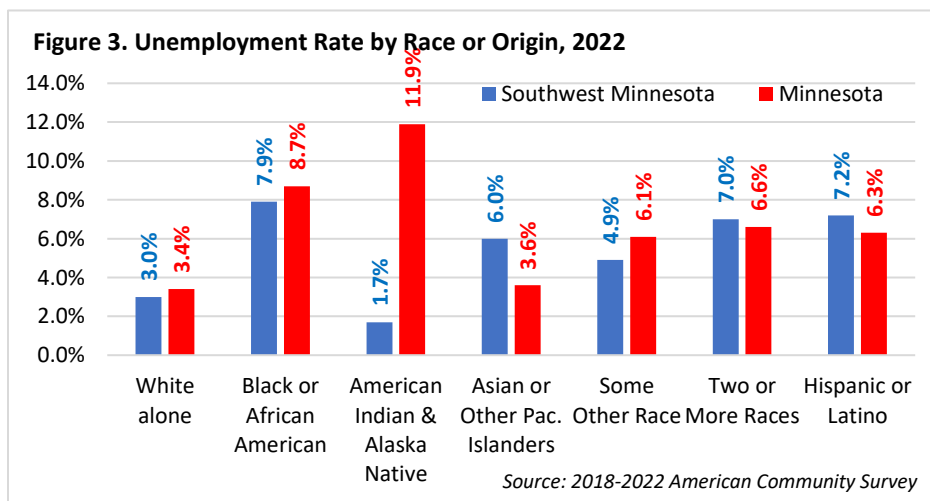
At 66.9%, labor force participation rates are slightly lower in Southwest Minnesota than the state as a whole. People of Hispanic or Latino origin had the highest labor force participation rate in the region at 77.4%, and people of Two or More Races and people of Some Other Race workers also participated at a much higher rate than whites. American Indians and Black workers had lower participation rates (see Table 2).

Table 2. Employment Characteristics by Race or Origin, 2022

	Southwest Minnesota			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	212,394	66.9%	3.3%	68.7%	4.0%
White alone	190,274	66.4%	3.0%	67.8%	3.4%
Black or African American	3,878	66.1%	7.9%	71.5%	8.7%
American Indian & Alaska Native	1,086	58.5%	1.7%	57.6%	11.9%
Asian or Other Pac. Islanders	3,900	66.3%	6.0%	73.9%	3.6%
Some Other Race	5,930	76.6%	4.9%	76.1%	6.1%
Two or More Races	7,332	76.8%	7.0%	74.3%	6.6%
Hispanic or Latino	14,901	77.4%	7.2%	77.0%	6.3%

Source: 2018-2022 American Community Survey, 5-Year Estimates

Despite the considerable job growth for workers of other races and origins over time, unemployment rate disparities continue to exist in the region. Most race groups had a higher unemployment rate than for whites. The region’s White unemployment rate was 3.0% in 2022, which was 0.4% below the state rate. At 7.9%, Black or African Americans had the highest unemployment rate in the region, more than double the rate for whites, but still below the comparable state rate. Likewise, rates were significantly higher for workers of Two or More Races and Hispanic or Latino origin, as well as Asian or Other Pacific Islanders. Unemployment rates were just under 5% percent for workers of some other race (see Figure 3).



Employment Diversity

While people of different races make up 11.5% of the overall population, they held just 8.2% of total jobs in Southwest Minnesota, according to data from the Quarterly Workforce Indicators program. In the second quarter of 2023, that equaled 14,542 jobs held by workers of other races, compared to 163,788 jobs held by white workers (see Figure 4).

While still a small portion, workers of other races held just 3.1% of total jobs in the region in 2002, meaning their employment presence more than doubled from 2002 to 2023 in the region.

In sum, workers of other races have filled an additional 9,446 jobs in the region since 2002, accounting for 80.2% of the 11,771 new jobs added. With 6,409 jobs, Black or African Americans were the largest race group in the regional economy, after gaining 4,913 jobs since 2002, a 328.4% increase. The next largest group was Asian & Other Pacific Islanders, who held 4,018 jobs in the second quarter of 2023 an increase of 84.3% from 2002. Workers of Hispanic or Latino origin filled 15,518 jobs in the region, up by 10,000 jobs since 2002.

Most sectors in Southwest Minnesota are relatively non-diverse, but there are a couple industries that rely more heavily on workers of other races than others. The largest number of workers of other races were employed in Health Care & Social Assistance, though 86.5% of the jobs in the industry were held by white workers.

Workers of other races were also employed in larger numbers in Manufacturing, Accommodation & Food Services, Retail Trade, and Educational Services (see Figure 5). Over 21% of Hispanic or Latino workers were employed in Manufacturing.

Figure 4. Southwest Minnesota Employment by Race – All Industries, Q2 2023

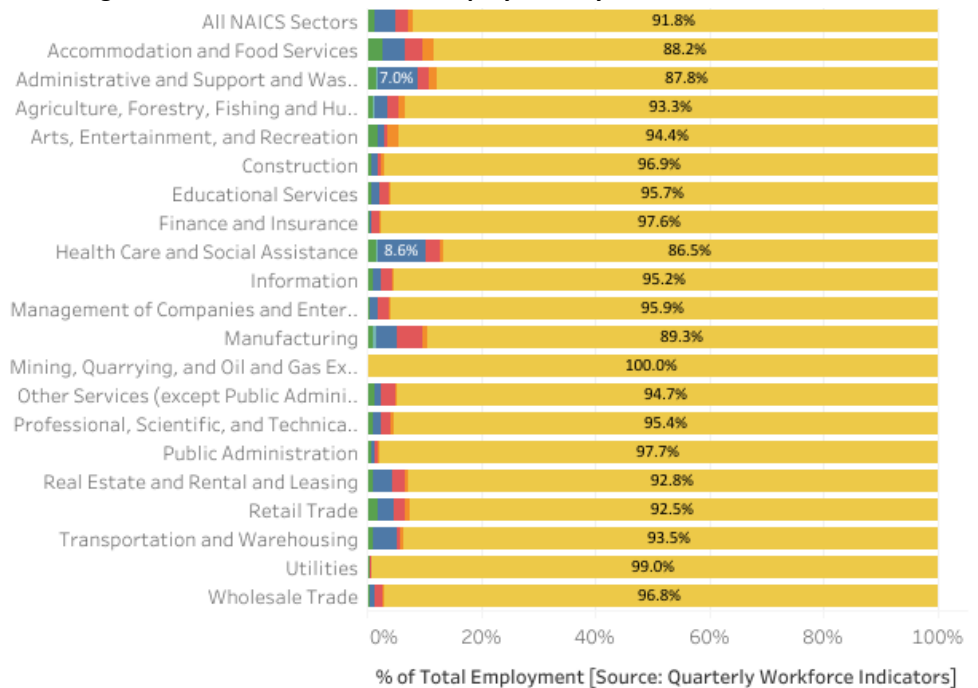
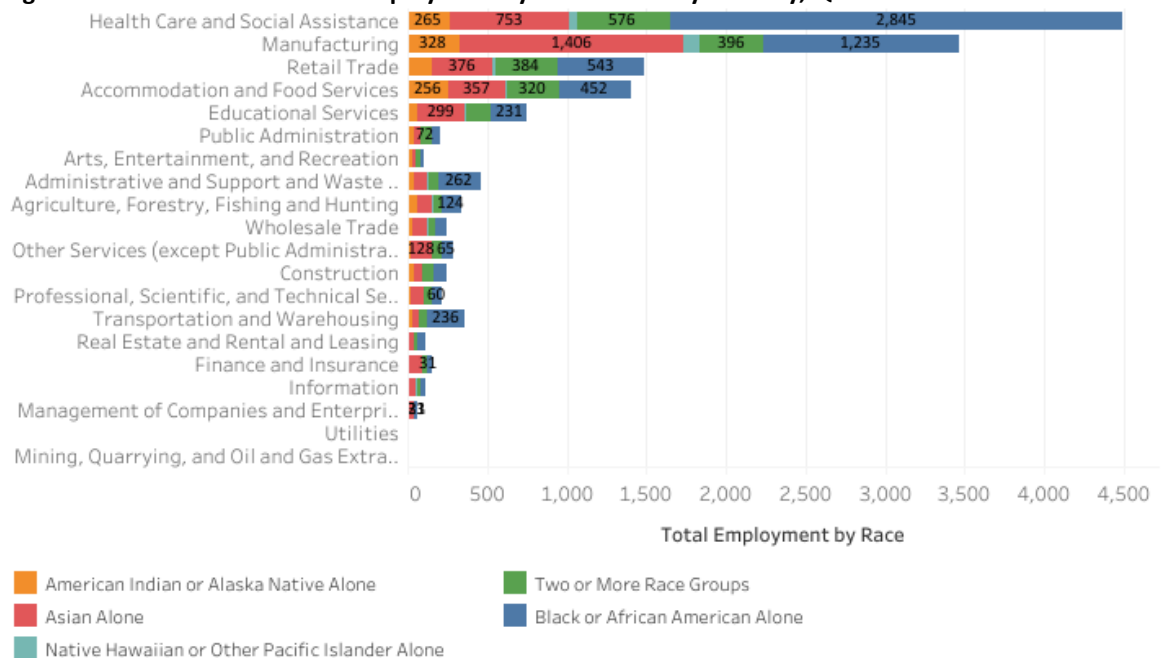
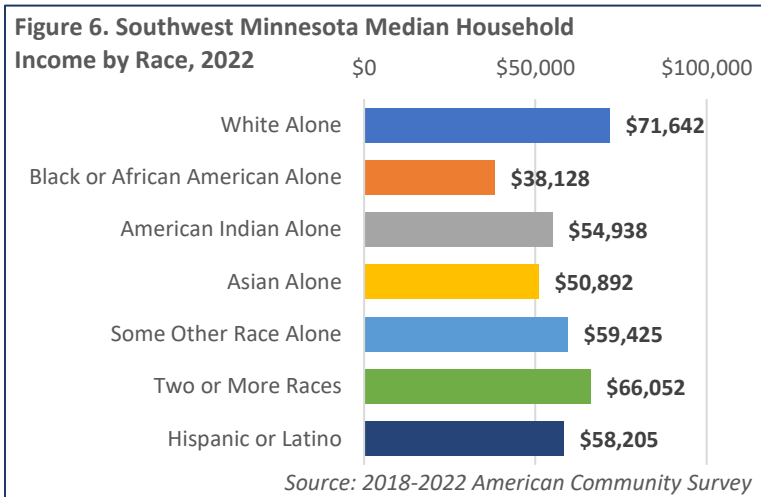


Figure 5. Southwest Minnesota Employment by Other Races by Industry, Q2 2023

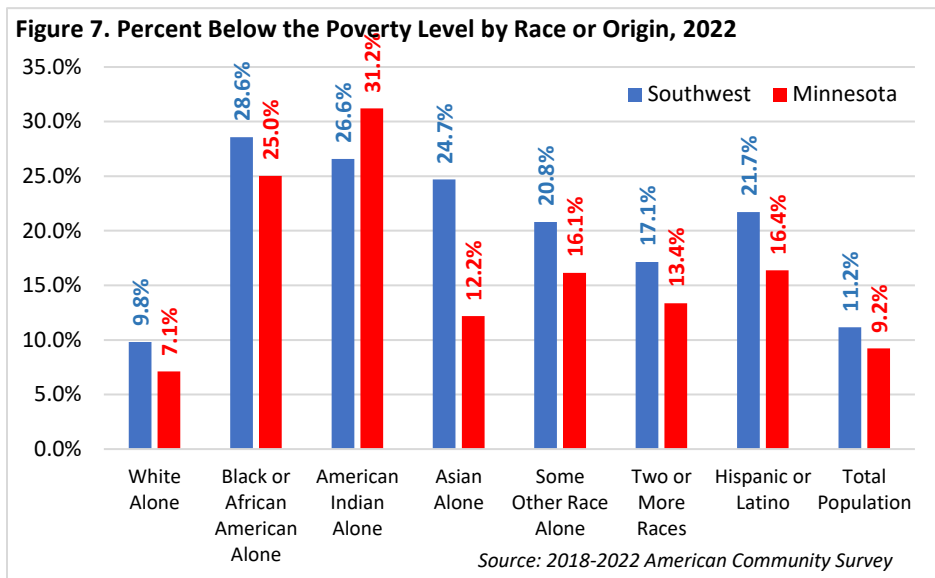


Economic Disparities

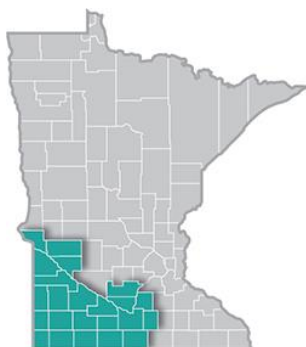
Racial disparities exist in employment characteristics but they also are found in economic outcomes as measured by household income and poverty levels. The region’s overall median household income was \$69,891 in 2022, but varied by race groups. The median household income for Black or African American households was \$38,128, nearly \$33,500 less than white households. Incomes were also relatively low for American Indian Alone, Asian, Hispanic, and households of Some Other Races, but the median income was within range for workers of Two or More Races (see Figure 6).



Another measure of economic outcome is the percent of the population below the poverty level, and again there exists disparities between whites and people of other races in Southwest Minnesota. Overall, the region’s poverty rate was 11.2%, which was 2% above the statewide rate. However, in 2022 it was estimated that 28.6% of the region’s Black or African American and 26.6% of the American Indian population was below the poverty level, compared to just 9.8% of the white population. Likewise, poverty levels hovered above or around 20% for people of all other race groups in the region. In all cases, the region’s poverty rate was higher than the state’s poverty rate (see Figure 7).



These racial disparities exist and persist for a wide variety of reasons, but the economic challenges and opportunities the region will face over the next 15 years are so great that they will need to be tackled with a multi-pronged approach to attracting, retaining, and training workers of all demographic characteristics. Working on solutions to address these disparities between the white population and populations of other races is not only the right thing to do, it's the necessary thing to do if the region is going to provide employers with the workforce needed for success.



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