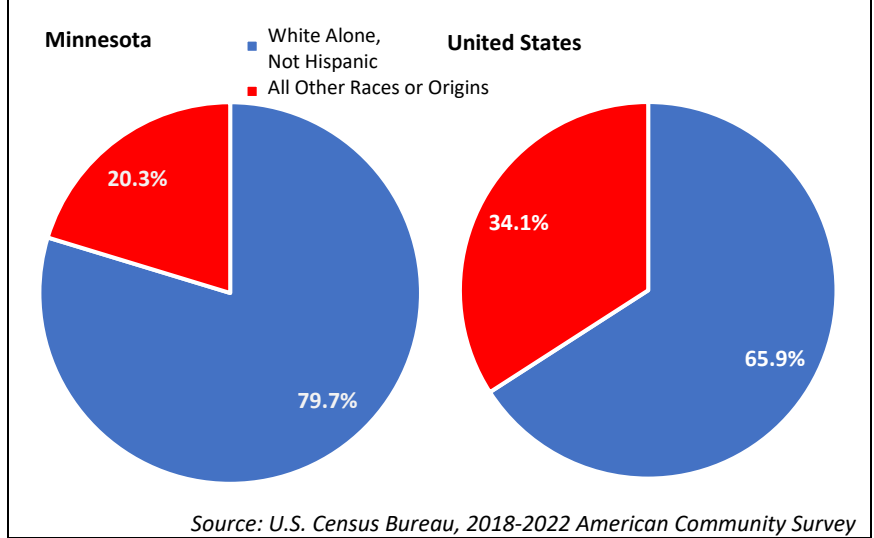


Minnesota Economic Disparities by Race and Origin

Compared to the nation, Minnesota’s population is still relatively non-diverse, yet is becoming more diverse over time. Through 2022, 79.7% of the state’s population reported being white alone, and not of Hispanic or Latino origin; while the other 20.3% 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 13.8% lower than the United States, where 34.1% of residents reported a race or origin other than white alone (see Figure 1).

Figure 1. Population by Race and Origin, 2022



Minnesota was home to about 5.7 million people in 2022, an increase of just over 417,000 residents, or 7.9% since 2011. Every other race group grew at a much faster rate than that of the state’s white population, which saw a slight decline from 2011 to 2022.

With nearly 400,000 residents, Black or African Americans comprised the largest minority racial group in the state, accounting for 6.7% of the total population. That was about half as concentrated as the nation as a whole, where 12.5% of residents reported being Black or African American alone (see Table 1).

Table 1 . Race and Hispanic Origin, 2022	Minnesota				United States	
	Number	Percent	Change from 2011-2022		Percent	Change from 2011-2022
			Numeric	Percent		
Total	5,695,292	100.0%	+417,102	+7.9%	100.0%	+8.0%
White	4,537,219	79.7%	-19,691	-0.4%	65.9%	-4.0%
Black or African American	382,082	6.7%	+117,331	+44.3%	12.5%	+7.5%
American Indian & Alaska Native	51,434	0.9%	-5,837	-10.2%	0.8%	+11.3%
Asian & Other Pac. Islander	288,470	5.1%	+78,026	+37.1%	6.0%	+31.6%
Some Other Race	133,098	2.3%	+61,019	+84.7%	6.0%	+27.3%
Two or More Races	302,989	5.3%	+186,254	+159.6%	8.8%	+272.8%
Hispanic or Latino origin	327,049	5.7%	+84,093	+34.6%	18.7%	+25.5%

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

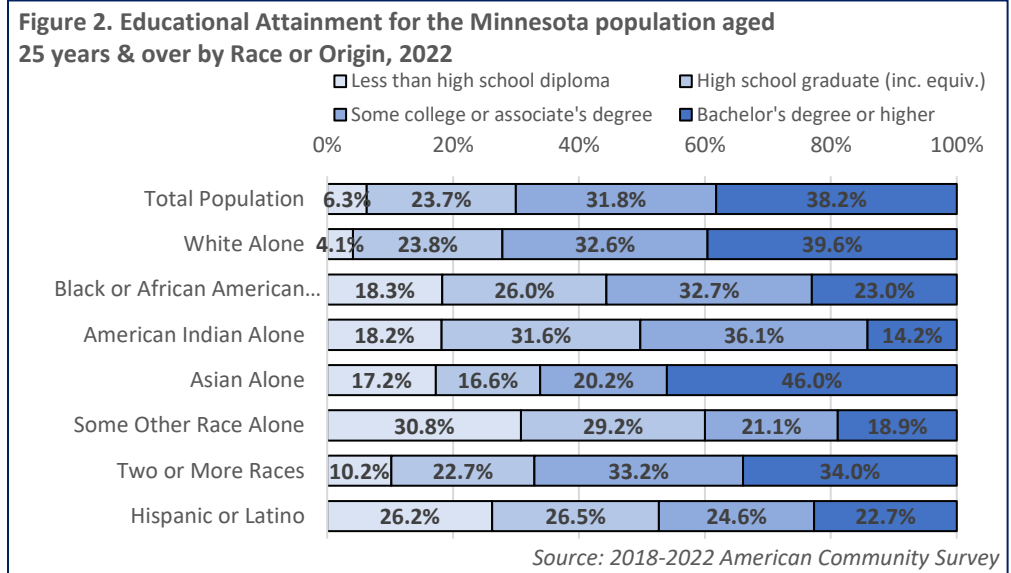
Since increasing by 35% over the past decade, people of Hispanic or Latino origin (who can be of any race) are the next largest group in Minnesota, with just over 327,000 residents in 2022. People of Two or More Races nearly tripled in population since 2011, making it the fastest growing racial group, and now accounted for just over 300,000 people. Asian & Other Pacific Islanders were the next largest racial group in Minnesota with 288,450 people in 2022. Minnesota was also home to about 133,100 residents identifying as Some Other Race, accounting for about 2.3% of the state’s population after expanding by more than 60,000 residents, an 85% growth rate since 2011. Finally, the smallest racial group in Minnesota was American Indian & Alaska Natives, which, with about 51,500 people, following a decrease of -10.2% from 2011.

Along with the declines in the number of white and American Indian & Alaska Native residents, the state’s population growth across all other groups was consistently much higher than the U.S., meaning our racial diversity is increasing faster than the nation’s.

Employment Characteristics

Comparing the economic status of people of color with Minnesota’s white residents reveals many disparities including in educational attainment, labor force participation, unemployment, and income and poverty levels. Closing these gaps is crucial to keep the state’s economy moving forward.

People of color exhibited lower educational attainment than their white counterparts, with a much higher share of people with less than a high school diploma. However, those that identified as Two or More Races, Black or African American, or Native American had larger shares of people with some college experience or associate’s degrees, and Asian residents had a higher percentage of people with bachelor’s degrees or higher (see Figure 2).



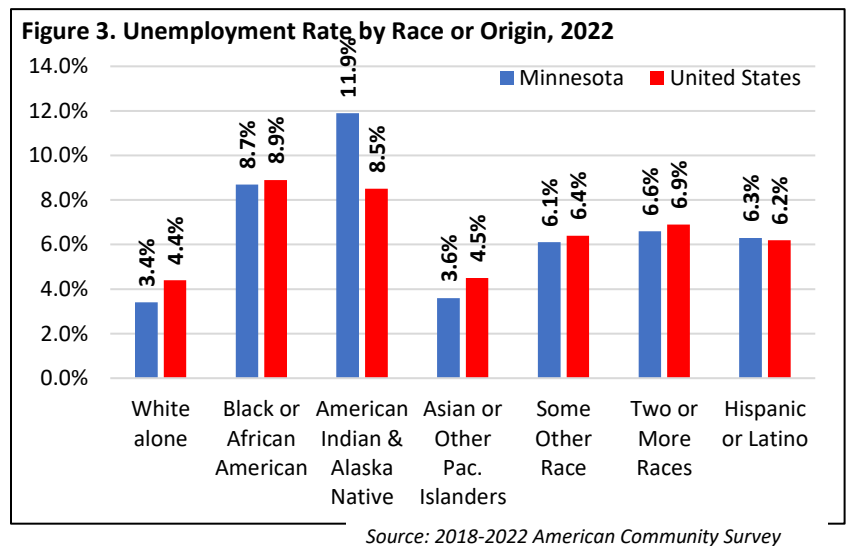
At 68.7%, the labor force participation rate was much higher in Minnesota than the country as a whole. The only racial or ethnic group with a lower rate in Minnesota than the U.S. was American Indians, at 57.6%. Workers of Hispanic or Latino origin had the highest labor force participation rate in the state at 77% (see Table 2).

Table 2. Employment Characteristics by Race & Hispanic Origin

	Minnesota			United States	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	3,117,089	68.7%	4.0%	63.5%	5.3%
White alone	2,534,671	67.8%	3.4%	62.5%	4.4%
Black or African American	190,964	71.5%	8.7%	63.3%	8.9%
American Indian & Alaska Native	21,921	57.6%	11.9%	60.0%	8.5%
Asian or Other Pac. Islanders	161,515	73.9%	3.6%	66.2%	4.5%
Some Other Race	73,025	76.1%	6.1%	67.7%	6.4%
Two or More Races	133,160	74.3%	6.6%	67.6%	6.9%
Hispanic or Latino (of any race)	168,599	77.0%	6.3%	68.0%	6.2%

Source: 2018-2022 American Community Survey

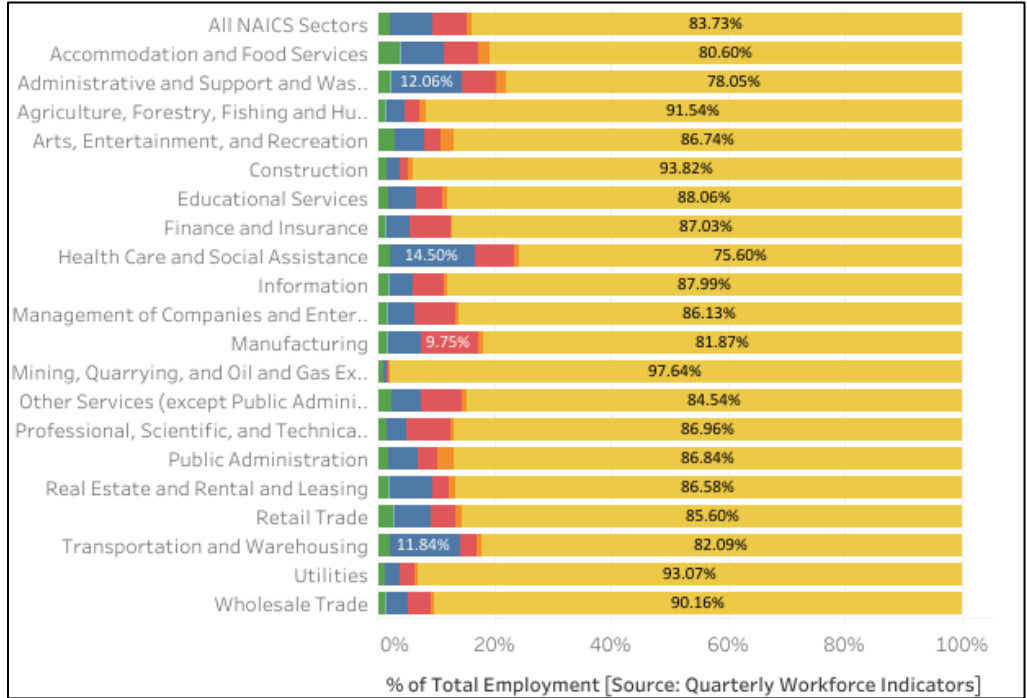
Despite high labor force participation rates and considerable job growth for workers of other races, unemployment disparities continue to exist. While most workers of color in Minnesota had unemployment rates lower than national averages, all were much higher than the white unemployment rate. At 11.9%, American Indians had the highest unemployment rate in the state, almost four times the rate for whites, and more than 3.4% above the U.S. rate. Likewise, rates were more than twice as high for Black or African Americans as for whites (see Figure 3).



Employment Diversity

While people of color make up 20.3% of the overall population, with a younger age profile, they held 16.3% of total jobs in Minnesota, according to data from the Quarterly Workforce Indicators program (see Figure 4). Through the second quarter of 2023, that equaled 462,103 jobs held by workers of color, compared to 2,378,059 workers who are white alone. However, workers of color held just 8.6% of total jobs in Minnesota in 2002, indicating a significant increase in employment since 2002.

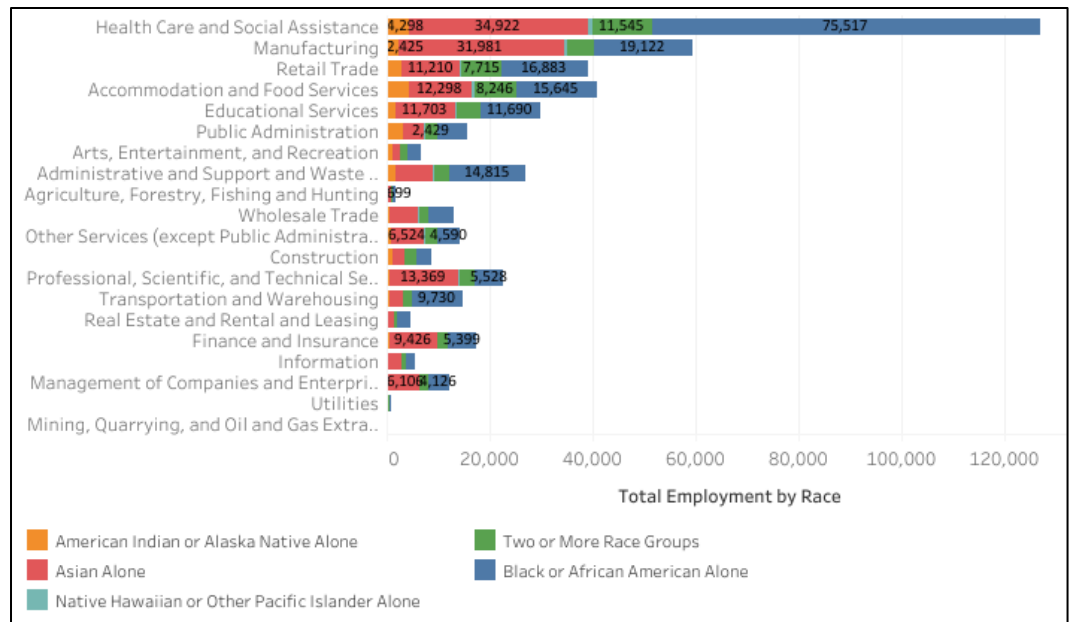
Figure 4. Minnesota Employment by Race – All Industries, Qtr. 2 2023



In sum, workers of color have filled an additional 248,572 jobs in Minnesota since 2002, accounting for more than two-thirds of new jobs added. With 204,788 jobs, Black or African Americans were the second largest group of workers in the state’s economy, after gaining 112,760 jobs since 2002. The next largest group was Asians, who held 164,671 jobs in 2023 after more than doubling since 2002. Workers of Two or More Races held 61,182 jobs in the state, increasing 142% from 2002. With 27,784 jobs in 2023, American Indians saw the second lowest relative gain at 43.9%. Finally, Hispanic or Latino workers accounted for 165,754 jobs and increased 139% from 2002.

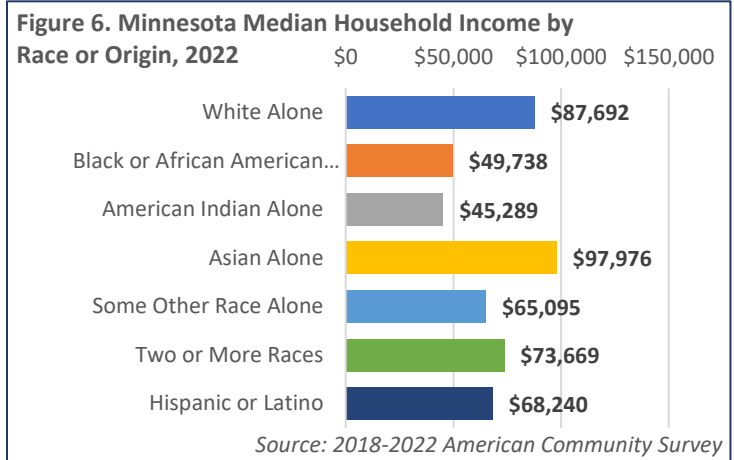
Most sectors in Minnesota are relatively non-diverse, but there are a couple industries that rely more heavily on workers of color. For example, 24.4% of the Health Care & Social Assistance workforce are people of color, most notably consisting of 14.5% Black or African Americans and 6.7% Asian workers. Likewise, 21.9% of the Administrative Support & Waste Management Services, and 19.4% of Accommodation & Food Services workforces were people of color. The largest number of workers of color were employed in Health Care & Social Assistance, Manufacturing, and Accommodation & Food Services (see Figure 5).

Figure 5. Minnesota Employment by Other Races by Industry, Qtr. 2 2023

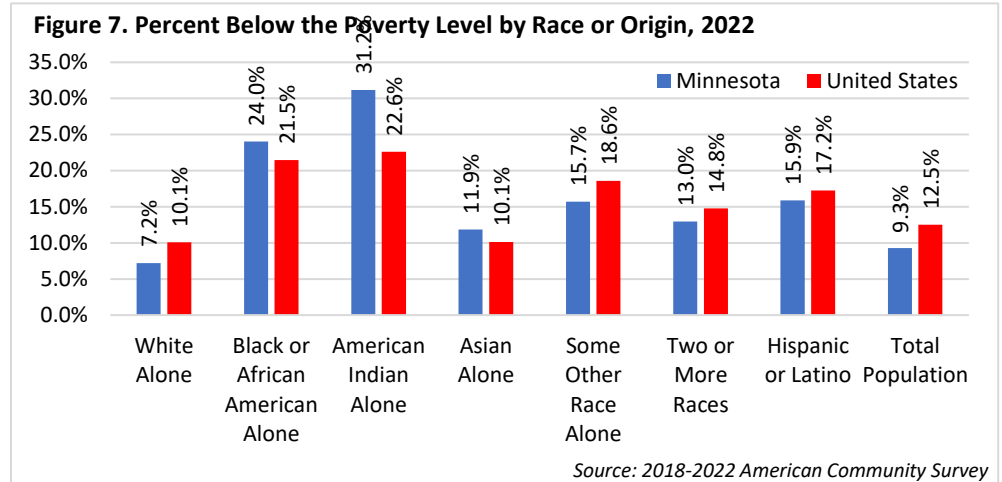


Economic Disparities

Racial disparities exist in employment characteristics and as such, are also found in economic outcomes as measured by household income and poverty levels. Minnesota’s median household income was \$84,313 in 2022, but varied widely by race groups. The median household income for American Indian households was \$45,289, almost half that of white households, at \$87,692. Black or African American households also had a low income at \$49,738. Except for Asians, all other households of color in the state also had substantially lower household incomes than whites (see Figure 6).

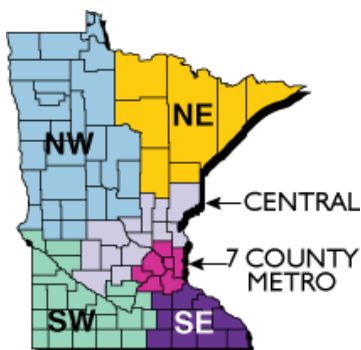


A final measure of economic outcome is the percent of the population below the poverty level, and again there exists disparities between whites and people of color in Minnesota. Overall, the state poverty rate was 9.3%, which is 3.2% below the national rate. However, in 2022 it was estimated that about 17.4% of the state’s people of color earned incomes below the poverty level,



compared to just 7.2% of the white population. Poverty levels for American Indians and Black or African Americans, at 31.2% and 24% respectively, were the highest across all groups. Due to higher incomes overall, in most race groups, Minnesota’s poverty rates were lower than the nation’s rates (see Figure 7).

These racial disparities exist and persist for a wide variety of reasons, but the economic challenges and opportunities Minnesota will face over the next 15 years are great will need to be tackled with an equitable and 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 color is not only the right thing to do, it's the necessary thing to do if Minnesota is going to provide employers with the workforce needed for success.



For more information about economic disparities by race in Minnesota, contact:

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