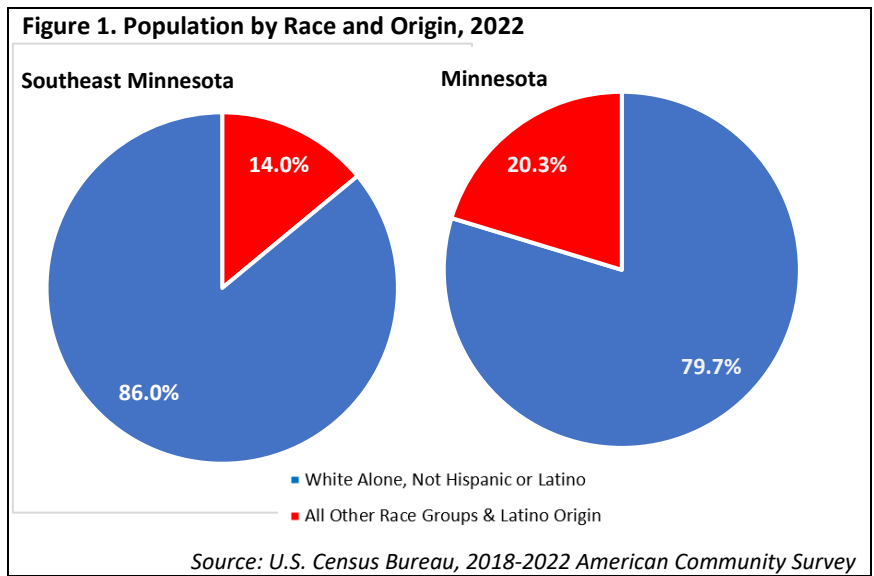


Southeast Minnesota Regional Disparities by Race and Origin

Southeast Minnesota’s population is relatively non-diverse, but is becoming more racially diverse over time. Through 2022, 86% of the region’s population reported being white alone, and not of Hispanic or Latino origin; while the other 14% 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 6.3% lower than the share of the population statewide, where 20.3% percent of residents reported a race or origin other than white alone (see Figure 1).



Southeast Minnesota was home to 517,713 people in 2022, an increase of just over 25,200 residents since 2011. The 11-county region saw a decrease of over 10,000 white residents, a -2.3% decline since 2011 (see Table 1).

Table 1. Race and Hispanic Origin, 2022	Southeast Minnesota				Minnesota	
	Number	Percent	Change from 2011-2022		Percent	Change from 2011-2022
			Numeric	Percent		
Total	517,713	100.0%	+25,209	+5.1%	100.0%	+7.9%
White	444,981	86.0%	-10,411	-2.3%	79.7%	-0.4%
Black or African American	20,550	4.0%	+8,664	+72.9%	6.7%	+44.3%
American Indian & Alaska Native	1,800	0.3%	+188	+11.7%	0.9%	-10.2%
Asian & Other Pac. Islander	17,356	3.4%	+5,723	+49.2%	5.1%	+37.1%
Some Other Race	10,626	2.1%	+5,824	+121.3%	2.3%	+84.7%
Two or More Races	22,400	4.3%	+15,221	+212.0%	5.3%	+159.6%
Hispanic or Latino origin	31,678	6.1%	+7,896	+33.2%	5.7%	+34.6%

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

However, the region experienced even faster population growth from people of other races and origins. With just over 31,670 residents, people of Hispanic or Latino origin – who can be of any race – comprised the largest group in the region, accounting for 6.1% of the total population. That was slightly more concentrated than in the state as a whole. The region’s Hispanic or Latino population increased by 33.2% since 2011, right in line with the statewide increase.

The next two largest race groups, Two or More Races and Black or African Americans, each had over 20,000 residents in the region. Southeast Minnesota had 22,400 residents of Two or More Races in 2022, a 212% rise since 2011. Likewise, the region was home to 20,550 Black or African American residents, after gaining 8,664 additional residents since 2011, a 73% increase.

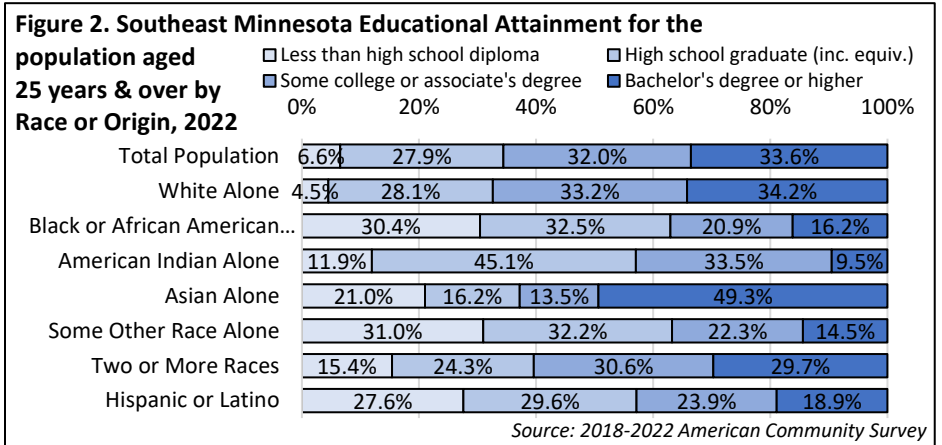
Residents identifying as Asian or Other Pacific Islanders increased by 49.2% in the region from 2011 to 2022, and now account for 17,356 people, which is about 3.4% of the total population. The population reporting Some Other Race had 10,626 residents in 2022, with a strong increase of 5,824 people, or an increase of 121.3%, since 2011. Finally, the smallest race group in the region was American Indian and Alaska Natives, with 1,800 people after adding 188 new residents since 2011.

Employment Characteristics

Comparing the economic status of people of color 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.

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.

About 30% of those of Some Other Race, Black or African Americans, and 27.6% of those identifying as Hispanic or Latino had less than a high school diploma. In contrast, Asian residents had a higher percentage of people with a bachelor’s degree or higher (see Figure 2).



Labor force participation rates are slightly lower in Southeast Minnesota than the state as a whole. People of Some Other Race had the highest labor force participation rate in the region at 76.8%, and Hispanic or Latino, Two or More Races, and Asian workers also participated at a higher rate than whites. In contrast,

Table 2. Employment Characteristics by Race & Hispanic Origin

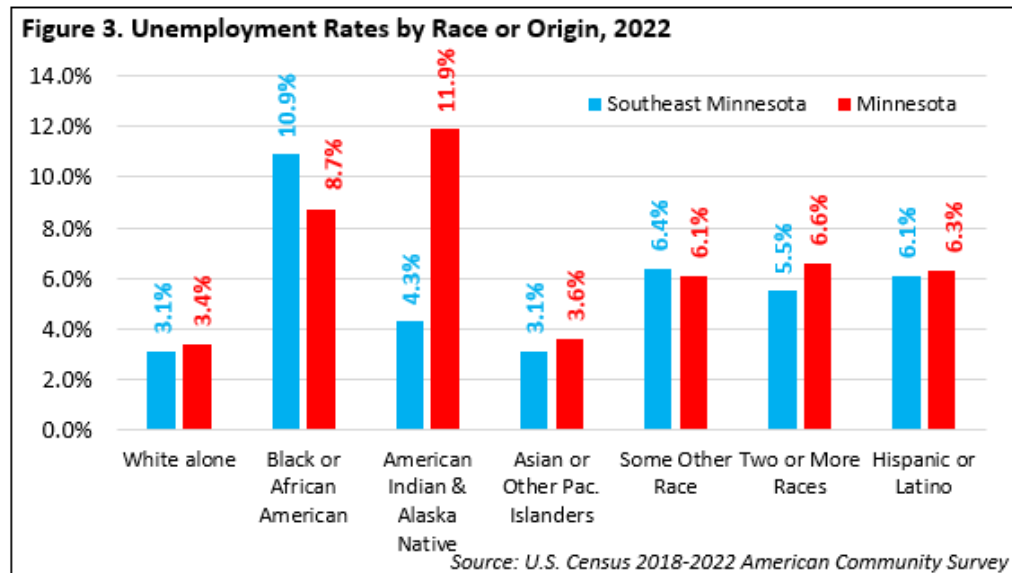
	Southeast Minnesota			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	278,350	67.4%	3.5%	68.7%	4.0%
White alone	241,954	66.7%	3.1%	67.8%	3.4%
Black or African American	9,017	67.7%	10.9%	71.5%	8.7%
American Indian & Alaska Native	762	53.2%	4.3%	57.6%	11.9%
Asian or Other Pac. Islanders	9,997	74.9%	3.1%	73.9%	3.6%
Some Other Race	6,274	76.8%	6.4%	76.1%	6.1%
Two or More Races	10,329	74.9%	5.5%	74.3%	6.6%
Hispanic or Latino	15,859	76.2%	6.1%	77.0%	6.3%

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

American Indian/Alaska Native workers had lower labor force participation rates (see Table 2).

Despite the considerable job growth for workers of other races over time, unemployment rate disparities continue to exist in the region. All race and ethnicity groups except Asian or Pacific Islanders had higher unemployment rates than Whites.

In 2022, the region’s White unemployment rate was 3.1% which was slightly lower than the state rate. At 10.9%, Black or African Americans had the highest unemployment rate in the region and had a higher unemployment rate than the state. Likewise, rates were higher for American Indian and Alaska Natives, people of Some Other Race, Two or More Races, and Hispanic or Latino origin (see Figure 3).



Employment Diversity

People of races other than white made up 14% of the overall population in 2022 and held 10.3% of the total jobs in Southeast Minnesota in quarter 2 of 2023. That equaled 25,751 jobs held by people of color, compared to 224,511 jobs held by whites.

Workers of other races held just 4.6% of the total jobs in 2002, meaning their employment presence more than doubled from 2002 to 2023. In sum, workers of other races have filled an additional 16,016 jobs in the region since 2002, accounting for 43% of the 37,227 new jobs added.

With 10,212 jobs, Asians were the largest race group in the regional economy after adding 5,888 jobs since 2002, a 136.2% increase. The next largest group was Blacks, who held 10,086 jobs in 2022 after rising 193.8% from 2002. Workers of Hispanic or Latino origin filled 15,270 jobs in the region, up by 9,039 (+145.1%) jobs since 2002.

Most industry sectors in Southeast Minnesota are relatively non-diverse, but there are a couple that rely more heavily on workers of other races. The industry with the largest number of jobs held by workers of other races was Health Care & Social Assistance, though 75.6% of the jobs in the industry were held by white workers.

Workers of other races were also employed in larger numbers in Manufacturing, Retail Trade, Accommodation & Food Services, and Administrative Support Services, which includes temporary help (see Figure 5). In contrast, Utilities and Mining were the least racially diverse industries. Finance & Insurance and Real Estate were also highly non-diverse.

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

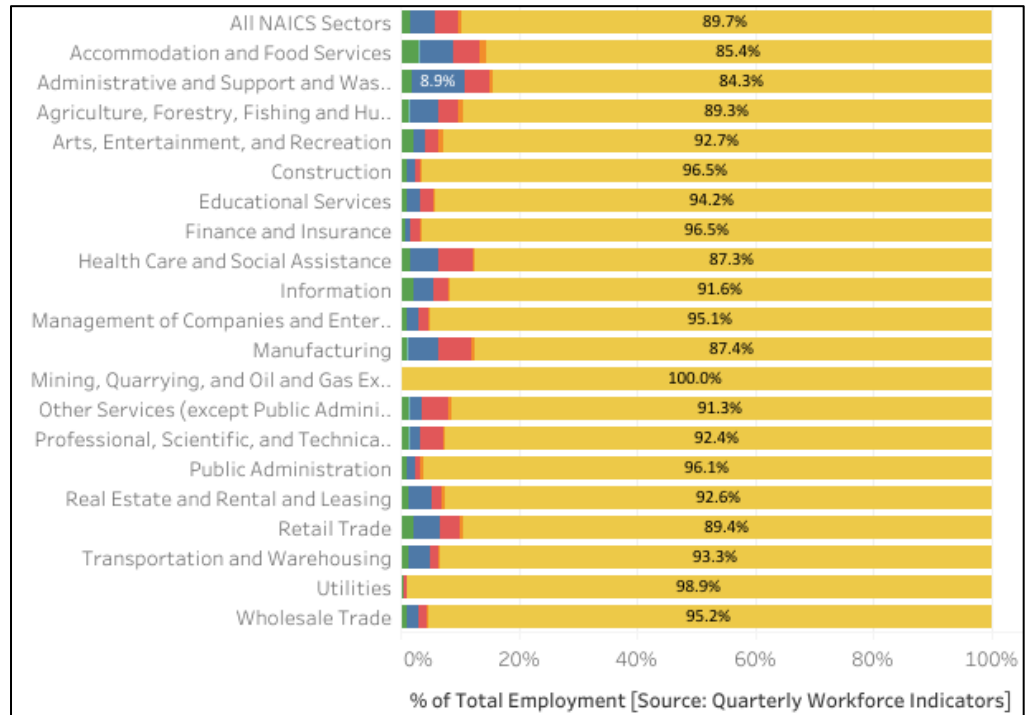
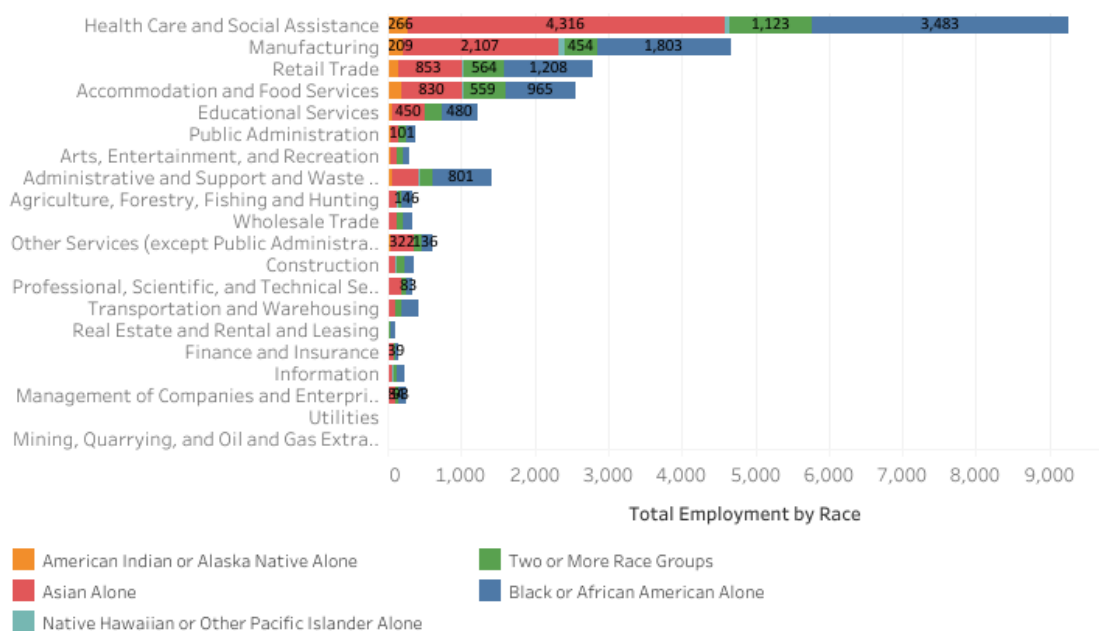
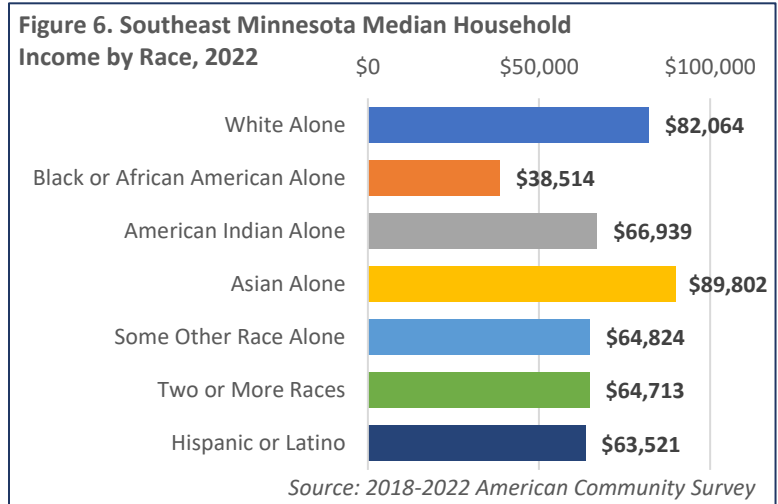


Figure 5. Southeast Minnesota Employment by Other Races by Industry, Q2 2023



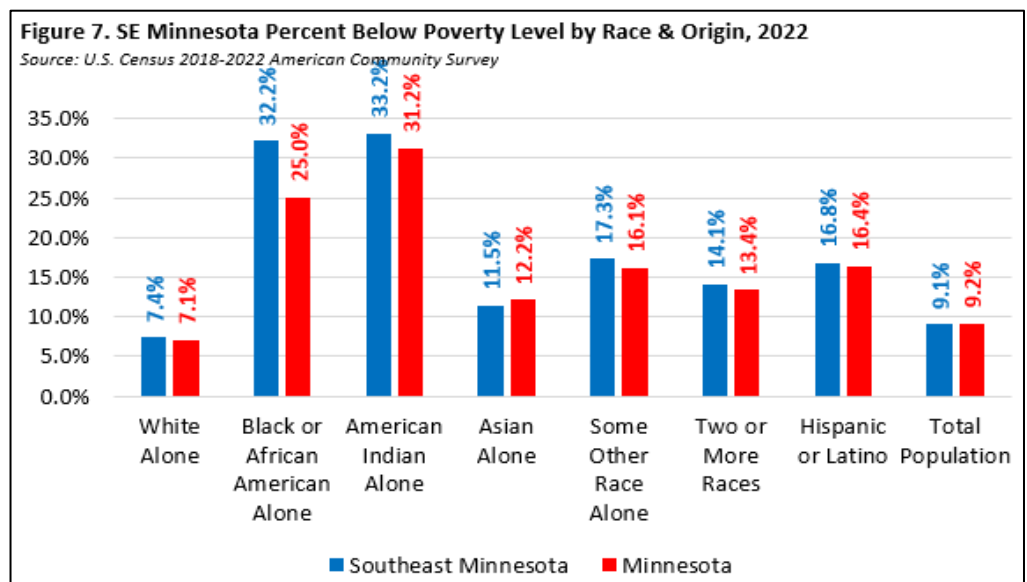
Economic Disparities

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 median household income was \$79,376 in 2022, but varied by race groups. The median household income for Black or African American households was \$38,514, about \$43,500 less than White households. Incomes were also lower for Hispanic or Latino households and households of Some Other Race and Two or More Races, but the median income was actually higher for Asian households than for whites (see Figure 6).



Another measure of economic outcome is the percent of the population below the poverty level. Again, disparities exist between whites and people of other races in Southeast Minnesota. Overall, the region’s poverty rate was 9.1%, which was a little lower than the statewide rate of 9.3%. However, in 2022 it was

estimated that nearly one-third of the region’s Black or African American and American Indian populations were below the poverty level, compared to just 7.4% of the white population. Likewise, the poverty levels hovered around 17% for those of Some Other Race and of Hispanic or Latino origin. In most cases, the region’s poverty rate was slightly higher than the state’s poverty rate, with the exception of Asians.



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 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 the region is going to provide employers with the workforce needed for success.



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