

The Importance of Immigration in Southeast Minnesota

Southeast Minnesota is now home to **just over 520,000 people**, after welcoming almost 2,500 new residents since 2020. Home to an aging population, the 11-county planning region still enjoyed a positive rate of natural increase – more births than deaths – of 1,512 people from 2020 to 2022. However, that was offset as

Southeast suffered domestic **out-migration of 1,290 people** who left to live elsewhere in the U.S. Lost in the shadow of that outflow, though, was the region’s **international net in-migration of 1,977 additional foreign-born residents**.

Cumulative Estimates of the Components of Population Change in Southeast Minnesota, 2020-2022							
2022 Population Estimate	2020-2022 Estimated Population Change	April 1, 2020 to July 1, 2022					
		Vital Events			Net Migration		
		Natural Increase	Births	Deaths	Total	Inter-national	Domestic
520,313	+2,458	+1,512	12,693	11,181	+687	+1,977	-1,290

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

Immigration has been a small but helpful part of Southeast Minnesota’s growth. According to the U.S. Census Bureau’s 2021 American Community Survey 5-Year Estimates, Southeast is now home to just under **35,000 foreign born residents**, or about **6.8% of the total population**. The number of immigrants in the region increased by **+34.2%** from 2010 to 2021, just ahead of the statewide growth rate of +30.6%.

About one-third (11,607 people) of the region’s foreign-born residents were from **Asia**. Almost 5,300 of these immigrants came from Southeastern Asia, primarily from **Vietnam, Cambodia, and Laos**; about 3,000 people were from Eastern Asia, including **China and Korea**; and about 2,300 were from South Central Asia, primarily from **India**.

About 9,900 of the region’s immigrants were from **Latin America**, including about 6,300 residents who were from Mexico.

The fastest growing wave of new immigrants to Southeast Minnesota came from **Africa**, which increased by nearly 5,170 people from 2010 to 2021, a 134.5% jump, pushing the region’s African population to 9,017 people.

The largest contingent – nearly 6,500 people – is from Eastern Africa, primarily **Somalia, Kenya, and Ethiopia**.

Another 3,405 foreign born residents were from **Europe**, which was a slight 4.7% increase since 2010. Southeast Minnesota also saw a small decline in the number of immigrants from **Canada** from 2010 to 2021, now comprising just 749 people. The smallest number (211 people) of foreign born residents in the region was from **Oceania**, which includes Australia and New Zealand.

Based on year of entry, **Southeast Minnesota’s foreign born population was both “newer” and “older”** than the rest of the state and the nation. Just over 35% of the region’s immigrants entered the U.S. since 2010 and another 27.6% entered since 2000, compared to 27.6% and 30.9% percent statewide, respectively. The remaining 36.5% percent of immigrants in the region settled in the U.S. prior to 2000 compared to state at 41.5%. Well over half (54.5%) of foreign born residents in Southeast Minnesota were not U.S. citizens, compared to just 44.3% of immigrants in the state. The other 45.5% of immigrants in the region have become naturalized citizens.

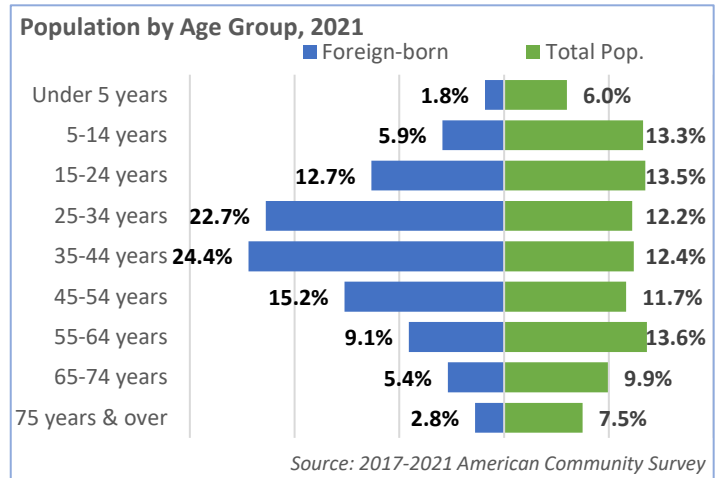


Ready and Willing to Work

Immigrants have a much younger age profile than the native born population. In 2021, just over 62.4% of the foreign born population were in their prime working years between 25 and 54 years of age, compared to just 36.3% of the total population. Nearly one in every four (24.4%) immigrants in the region was between 35 to 44 years of age, which was nearly double the share of the region’s total population. In contrast, just 8.2% of the region’s foreign born population was 65 years and over, compared to 17.4% of the total population.

Population by Age Group for the Foreign Born Population in Southeast, 2021			Total Population
	Number	Percent	Percent
Under 5 years	643	1.8%	6.0%
5-14 years	2,052	5.9%	13.3%
15-24 years	4,422	12.7%	13.5%
25-34 years	7,936	22.7%	12.2%
35-44 years	8,514	24.4%	12.4%
45-54 years	5,314	15.2%	11.7%
55-64 years	3,172	9.1%	13.6%
65-74 years	1,879	5.4%	9.9%
75 years & over	971	2.8%	7.5%
Total, Foreign Born	34,903	100.0%	100.0%

Source: 2017-2021 American Community Survey



Source: 2017-2021 American Community Survey

In the face of increasingly tight labor markets, a growing scarcity of workers is now recognized as one of Minnesota’s most significant barriers to sustained economic growth. Because of these constraints, it has become evident that immigration has been and will continue to be a vital source of the workforce that employers need to succeed. Immigrants have become critical to Minnesota’s economy, providing a rapid stream of new workers in the face of an aging native-born workforce.

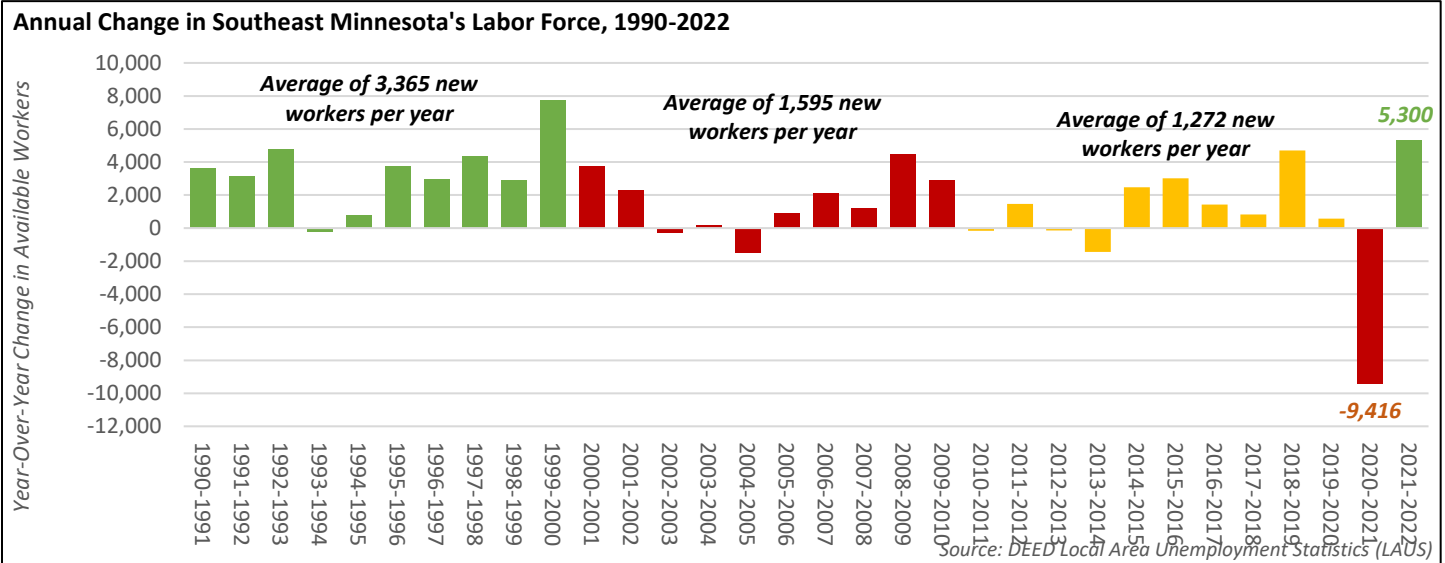
Statewide, 74.3% of the foreign born population aged 16 years and over was actively participating in the labor force, which was higher than the labor force participation rate for the native born population (69.2%). And while the state’s overall labor force growth was slowing, the number of immigrant workers in the state increased by more than **80,000 workers** from 2011 to 2021, a **+31.5% increase**. In comparison, the native born workforce expanded by 75,500 workers, a +2.8% increase. In sum, immigrants accounted for over half of the state’s labor force growth between 2011 and 2021.

	Minnesota Labor Force Change		Change from 2011-2021	
	2011 Labor Force	2021 Labor Force	Number	Percent
Total	2,955,746	3,115,022	+159,276	+5.4%
Native	2,702,643	2,778,107	+75,464	+2.8%
Foreign Born	254,573	334,774	+80,201	+31.5%

Source: American Community Survey, S0501

In Southeast Minnesota, that would equal about **23,250 available immigrant workers**, comprising **8.4%** of the region’s workforce in 2021. If the region matched state growth rates, that would be an addition of nearly 5,450 additional workers over the past decade, which would have been more than half of the region’s total labor force growth from 2011 to 2021.

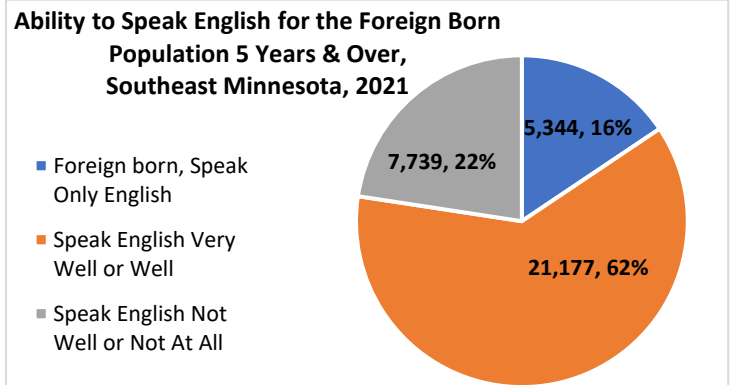
After averaging a net gain of 3,365 additional labor force participants per year between 1990 and 2000, Southeast Minnesota employers were able to tap into a large and growing pool of talented workers. The region peaked with 289,398 workers in 2019, a gain of 62,314 workers since 1990. However, from 2010 to 2020, Southeast Minnesota’s labor force growth began to slow, averaging just under 1,272 new workers per year. In 2020 to 2021, there was a drop of 9,416 people due to the COVID-19 Pandemic, however, the labor force rebounded from 2021 to 2022.



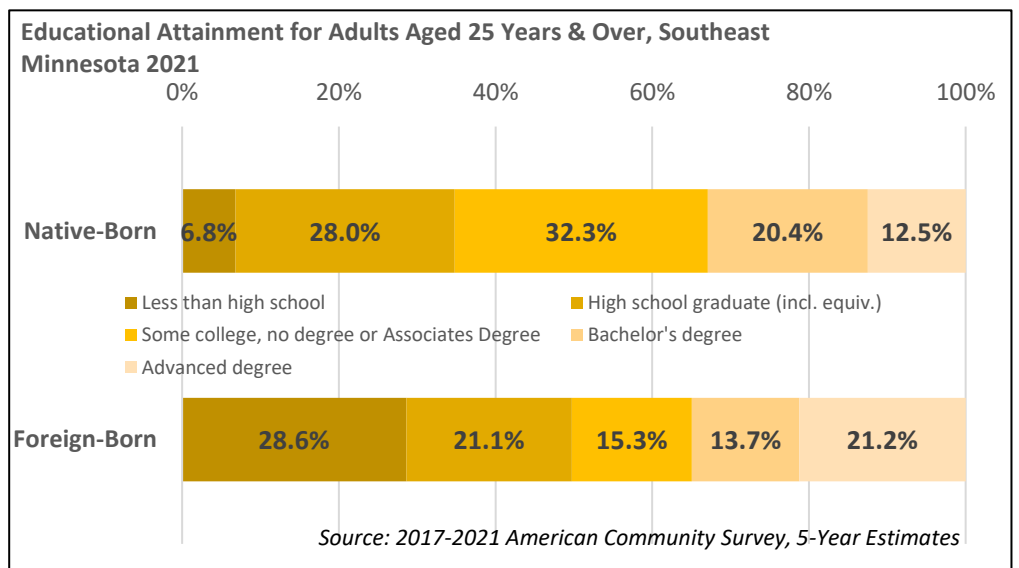
Recently released labor force projections from the Minnesota State Demographic Center suggest this trend will become even more apparent in the years ahead, with **Southeast Minnesota expected to gain about 8,705 workers between 2025 and 2035**, an average of about 870 new workers per year. This will make it even more challenging for employers to grow, but will also shine a light on the importance of immigration.

Removing Barriers to Growth

One challenge to assimilating in a new culture is language, but many new Minnesotans have made headway. About 84% of immigrants in Southeast Minnesota reported speaking a foreign language, but many of them also had some ability to speak English. Just over 78% percent reported speaking only English or being able to speak English “well” or “very well”, while nearly one-quarter (22%) spoke English “not well” or “not at all.”



Educational attainment also creates challenges in the workplace. Almost half (49.7%) of foreign-born residents aged 25 years and over in the region had a high school diploma or less. This is a sizeable number and shows that many immigrants may need access to education to be prepared for the workforce, where jobs for high school graduates are in high demand. However, foreign born adults also had a higher percentage of bachelor’s and advanced degrees, helping to fill other high demand openings in health care and computer-related fields.



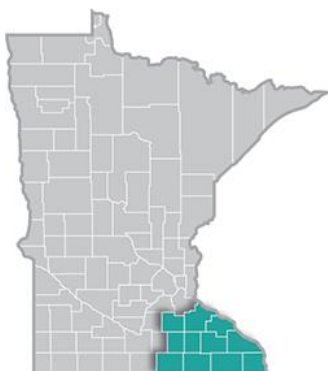
Perhaps due in part to the language and educational barriers described above, immigrants were more likely to work in certain occupation and industry groups than native born workers. For example, foreign born workers were found more often in service occupations, which includes healthcare support, protective service, food preparation & serving, building & grounds cleaning, and personal care. Immigrants were also more concentrated in production, transportation, and material moving occupations.

Some of these occupations are already showing critical workforce shortages in

Southeast Minnesota, including Nursing Assistants, Home Health and Personal Care Aides, as well as other Healthcare, Production, and Computer-related occupations. Along those same lines, foreign born workers were much more likely to be found in industries like Manufacturing, Leisure & Hospitality, and Administrative Support & Waste Management Services – which includes temporary staffing services. In contrast, immigrants were less likely to be employed in Retail Trade, Public Administration, Finance, Real Estate, and Construction.

Wherever they work, these new Minnesotans are a vital part of the state and region’s economy, providing rapid growth to an otherwise aging and slowing labor force. Immigrants have proven to be ready and willing contributors, with high and rising labor force participation rates. While some have educational and language barriers to certain jobs, there are a variety of occupations, including many that are in critical need of workers, where immigrants already contribute in significant numbers. In the years ahead, it is likely that labor force constraints will require that every employer consider our growing foreign-born population as a source of the workforce they will need.

Top Occupations Employing Foreign Born Workers in Minnesota			
Occupation	Foreign Born Share of Total Employment*	Estimated Regional Foreign Born Employment	Regional Median Hourly Wage
Home Health & Personal Care Aides	25.8%	1,852	\$15.94
Registered Nurses	10.2%	870	\$41.68
Packaging & Filling Machine Operators & Tenders	53.3%	677	\$19.13
Janitors & Cleaners, exc. Maids & Housekeeping	19.5%	628	\$18.03
Laborers & Freight, Stock, & Material Movers, Hand	12.2%	486	\$19.33
Software Developers	26.5%	382	\$50.40
Waiters & Waitresses	11.7%	358	11.65
Licensed Practical & Licensed Vocational Nurses	12.5%	355	25.46
Food Batchmakers	26.6%	271	\$16.65
Electrical, Electronic, & Mechanical Assemblers	33.2%	249	\$19.73
Clinical Laboratory Technologists & Technicians	17.9%	226	\$29.18
Food Preparation Workers	14.2%	216	\$15.10
Construction Laborers	10.9%	193	\$23.01
Inspectors, Testers, Sorters, Samplers, & Weighers	13.5%	155	\$23.20
Food Processing Workers, All Other	36.4%	146	\$18.35
Helpers--Production Workers	16.6%	131	\$18.81
Accountants & Auditors	9.4%	124	\$33.83
Cleaners of Vehicles & Equipment	25.2%	121	\$17.76
Computer User Support Specialists	12.6%	88	\$30.51
<i>Source: U.S. Census Bureau, DEED Occupational Employment & Wage Statistics (OEWS)</i>			
<i>* - foreign-born share of total employment by occupation in Minnesota</i>			



For more information about the importance of immigration in Southeast Minnesota, contact:

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