

ECONOMIC DEVELOPMENT REGION 9: South Central

Covering the following counties:

Blue Earth, Brown, Faribault,
Le Sueur, Martin, Nicollet,
Sibley, Waseca, Watonwan

2023 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE

Economic Development Region 9 is a 9-county region located in the south-central portion of the state. With more than 237,000 people, EDR 9 – South Central was the fifth largest of 13 economic development regions (EDRs) in the state, accounting for 4.2% of the state’s total population. The regional population increased by 6,145 residents from 2010 to 2022, a 2.7% increase, slower than the 7.8% statewide rise (Table 1).

	2010 Population	2022 Estimates	2010-2022 Change	
			Number	Percent
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%
EDR 9–South Central	231,302	237,447	+6,145	+2.7%
State of Minnesota	5,303,925	5,717,184	+413,259	+7.8%

Source: U.S. Census Bureau, Population Estimates

Only 3 of the 9 counties added population over the decade: Blue Earth, Le Sueur, and Nicollet. Blue Earth was the largest county in the region, accounting for 29.3% of the regional population in 2022. It also saw the largest increase since 2010, making it the 13th largest county and 16th fastest growing county (of 87) in the state. Blue Earth and Nicollet make up the Mankato-North Mankato metropolitan statistical area. Of the remaining six counties that lost population, Martin County saw the largest decrease with a drop of 1,190, making it the 24th fastest declining county in the state. Likewise, Faribault County saw a loss of 627 fewer people, a -4.3% decline. Sibley County dropped -1.8%, meanwhile, Waseca, Watonwan, and Brown Counties all saw small declines.

COMPONENTS OF POPULATION CHANGE

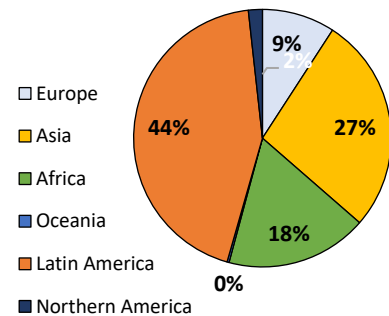
The most recent population growth in Region 9 was fueled primarily by a natural increase – more births than deaths. This included a net gain of 263 people from 2020 to 2022, though that was slower than the annual average in the previous decade due to an uptick in deaths. In addition, the region had net in-migration as 34 more people moved into the region than moved out. Positive migration was driven by those moving in from outside the U.S., as domestic migration was negative (Table 2).

	Total Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	Inter-national	Domestic
Region 9	+263	+180	5,569	5,389	+34	+520	-486
Minnesota	+10,680	+26,917	144,350	117,433	-17,365	+20,012	-37,377

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

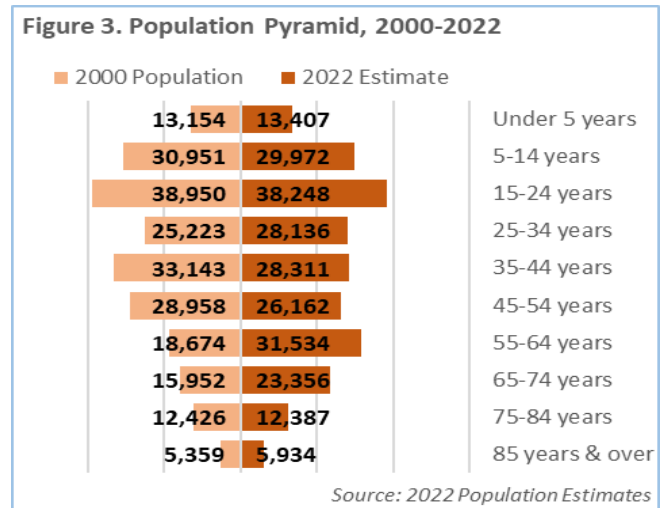
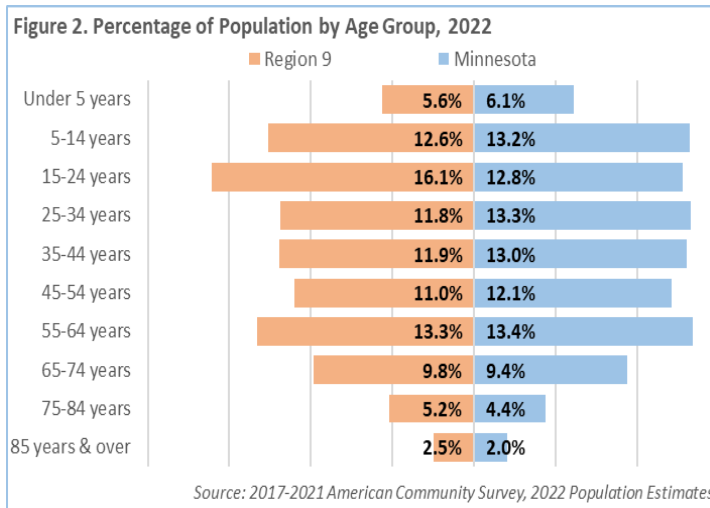
With in-migration, Region 9 was now home to 9,929 foreign born residents, or 4.2% of the total population. The largest number of immigrants in the region came from Latin America (43.8%) and Asia (27.2%) (Figure 1). However, the fastest increase in immigrants from 2010 to 2022 was among African immigrants (+117.0%). In sum, the number of immigrants in the region increased by 33.2% from 2010 to 2021, which was above the statewide growth rate of 30.6%. Foreign-born residents have a younger age profile than the native-born population, with 59.6% being between 15 and 44 years of age, compared to 40% of the total population. A lower percentage of foreign-born residents aged 25 and over had a bachelor’s degree or higher than native born residents. Immigrants were also much more likely to have less than a high school diploma.

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



POPULATION BY AGE GROUP

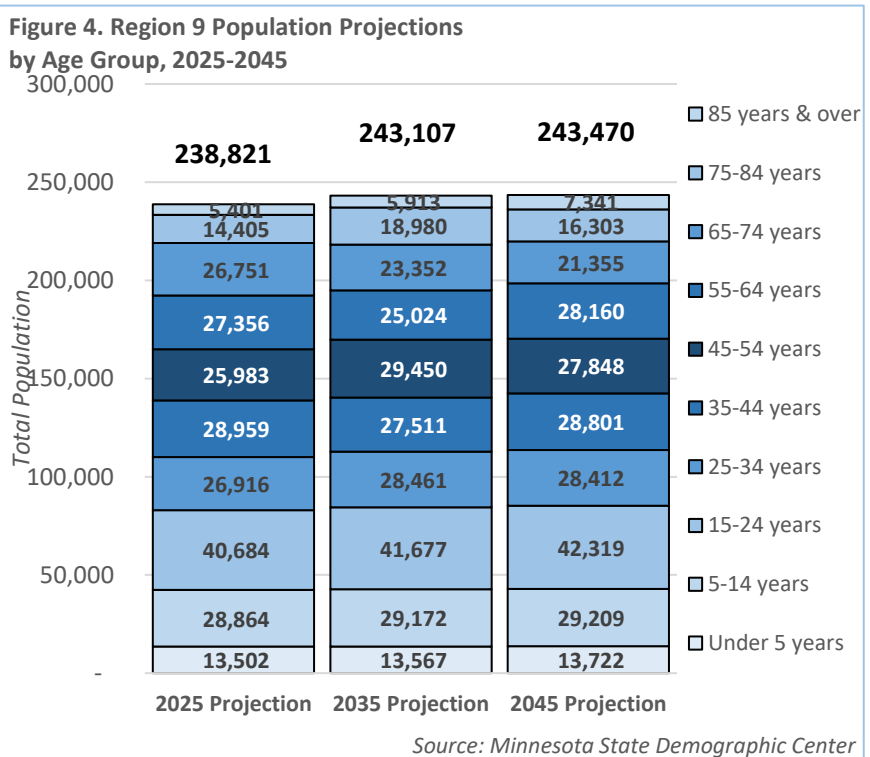
Region 9 has both a younger *and* older population than the state – nearly one-third (30.8%) of the region’s population was 55 or older, compared to 29.2% statewide, and another one-third (34.4%) of the population was under 25 years, compared to 32.1% in the state. With several colleges and universities, the region had a much larger 15-24 year old population than the state. In contrast, Region 9 had a smaller percentage of people in the 25 to 54 age group - typically considered the “prime working years.” A large portion of the population is part of the Baby Boom generation, creating a significant shift in demographics over time. Between 2000 and 2022, over 20,000 more residents were in the 55 years or older groups (Figures 2 and 3).



POPULATION PROJECTIONS BY AGE GROUP

Region 9 is projected to increase its population over the next two decades, from 2025 to 2045. Population projections from the [Minnesota State Demographic Center](#) show that the area is expected to gain 4,649 residents from 2025 to 2045, a 1.9% increase (Figure 4). In comparison, the state of Minnesota is projected to grow 7.4% from 2025 to 2045, closing in on 6.3 million residents.

Projections for growth vary widely by age. The region is expected to add residents between the ages of under 5 through 34, 45 to 64, and 75 years and older in the next 20 years. The Baby Boom generation will age into the oldest age cohorts, leading to more than 23,600 people aged 75 years and over, accounting for almost 10% of the population. However, losses are expected in the age groups from 35 to 44 years and 65 to 74 years.



POPULATION BY RACE

The population in Region 9 has had some significant changes since the turn of the century, however it remains less racially diverse than the state as a whole. In 2021, 91.1% of the region’s residents reported White alone as their race, compared to 80.7% of residents statewide. Every other race category increased faster in the region from 2010 to 2021 than the White population. In fact, the number of residents who were Black or African American increased by 62%, while those identifying as Two or More Races increased by 149.5%. The Asian and Hispanic or Latino populations also saw notable increases equaling 18.3% and 41.5%, respectively, since 2011 (Table 3).

Table 3. Race and Hispanic Origin in Region 9, 2021	Region 9				Minnesota	
	Number	Percent	Change from 2011-2021		Percent	Change from 2011-2021
			Numeric	Percent		
Total	236,477	100.0%	+5,882	+2.6%	100.0%	+7.4%
White	215,527	91.1%	-2,804	-1.3%	80.7%	+0.4%
Black or African American	4,977	2.1%	+1,905	+62.0%	6.6%	+42.2%
American Indian & Alaska Native	693	0.3%	+20	+3.0%	0.9%	-8.0%
Asian & Other Pac. Islander	2,973	1.3%	+459	+18.3%	5.0%	+35.8%
Some Other Race	4,276	1.8%	+1,490	+53.5%	2.1%	+66.5%
Two or More Races	8,031	3.4%	+4,812	+149.5%	4.6%	+121.8%
Hispanic or Latino origin	15,158	6.4%	+4,445	+41.5%	5.6%	+31.6%

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

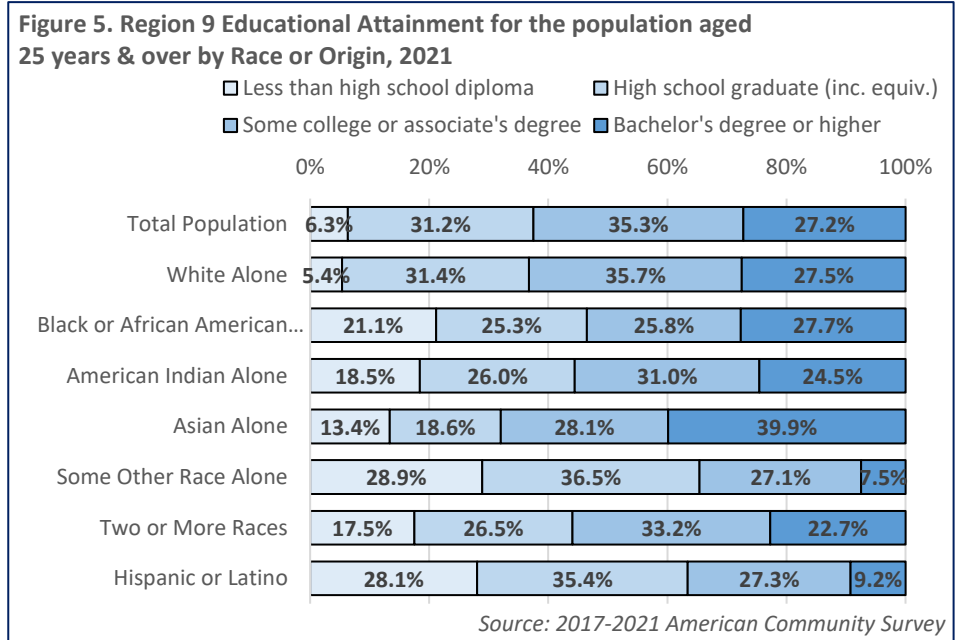
EDUCATIONAL ATTAINMENT

With 36.7% of adults aged 18 years and over holding a college degree, Region 9 had lower educational attainment than the state in 2021, where 46% of adults have an associate’s, bachelor’s, or advanced degree. However, Region 9 had a higher percentage of people with a high school diploma or some college but no degree while also having a slightly smaller percentage of residents with less than high school education (see Table 4).

Table 4. Educational Attainment for the Adult Population, 2021	Region 9		Minnesota
	Number	Percent	Percent
Total, 18 years & over	184,339	100.0%	100.0%
Less than high school	12,222	6.6%	7.1%
High school graduate (incl. equiv.)	56,507	30.7%	24.5%
Some college, no degree	47,813	25.9%	22.4%
Associate's degree	22,717	12.3%	11.1%
Bachelor's degree	32,116	17.4%	23.3%
Advanced degree	12,964	7.0%	11.6%

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

Educational attainment varies significantly by race and ethnicity in Region 9. Almost 50% of Black or African American adults have a high school diploma or less, while Hispanic or Latinos and people of Some Other Race see about 65% having a high school degree or less, compared to 36.8% of Whites. At just 7.5%, people identifying as Some Other Race had the lowest percentage of adults with a bachelor’s degree or higher, compared to 39.9% of Asian adults and around 25% of whites, Blacks, and American Indians (Figure 5).



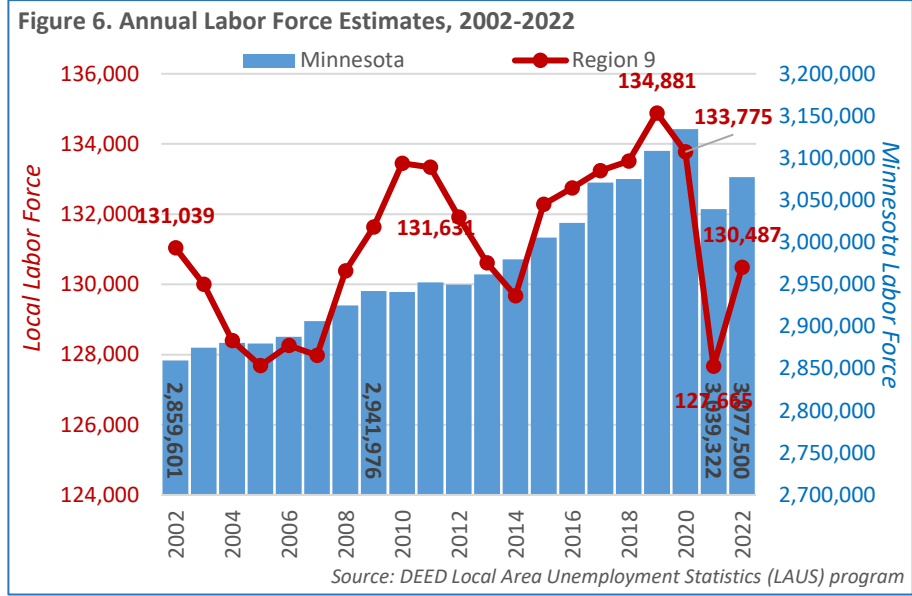
LABOR FORCE

LABOR FORCE CHANGE

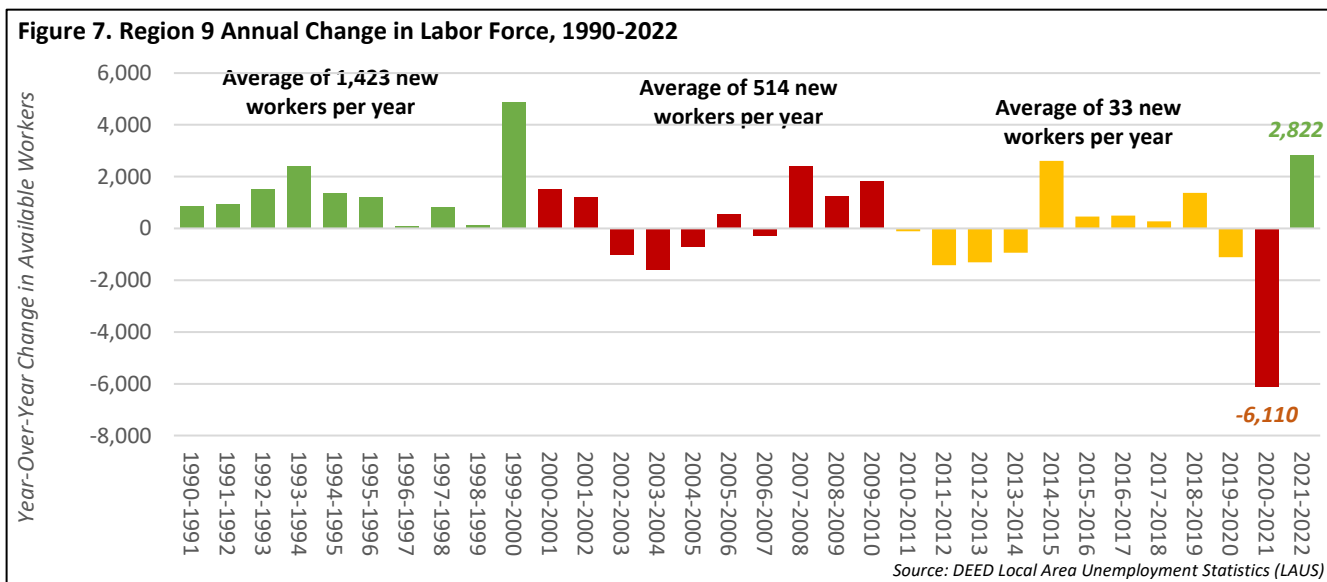
According to data from DEED’s [Local Area Unemployment Statistics](#) program, Region 9 had an annual average labor force count of just under 130,500 workers in 2022. That was up from the low number reported in 2021 which can be attributed to the COVID-19 pandemic, which caused major changes in the labor force and economy (Figure 6).

Overall, the regional labor force fluctuated between 2002-2022.

The highest peak was in 2019, with 134,881 workers. Due to the pandemic in 2020, the labor force decreased by about 7,200 workers from 2019 to 2021. Since 2021, the labor force has seen an increase of about 2,800 workers. The labor market in Region 9 continues to tighten, with fewer unemployed workers available. There were an average of about 4,896 unemployed workers in 2022, which will have a substantial impact on the regional economy.



Averaging a net gain of 1,423 additional labor force participants per year between 1990 and 2000, employers in Region 9 were able to tap into a large and growing pool of talented workers. Although the regional economy continues to grow, labor force growth has slowed dramatically, demonstrated by Region 9 gaining an average of only 33 workers per year from 2010 to 2020 (see Figure 7). Increasingly tight labor markets and a growing scarcity of workers are now recognized as one of the most significant barriers to economic growth in Region 9. 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

Similar to the projected population growth from 2025 to 2035 shown in Figure 4, the regional labor force is also expected to increase slightly. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which shows a 1.4% increase in workforce numbers, a gain of 1,814 workers. This increase includes a gain in the number of workers aged 20 to 54 and 75 years and older, offset by notable losses in those between the ages of 16 to 19 and 55 to 74 years (see Table 5).

Region 9	2025 Labor Force Projection	2035 Labor Force Projection	2025-2035 Change	
			Numeric	Percent
16 to 19 years	9,048	8,650	-398	-4.4%
20 to 24 years	18,116	19,654	+1,538	+8.5%
25 to 44 years	50,045	50,132	+87	+0.2%
45 to 54 years	22,622	25,641	+3,019	+13.3%
55 to 64 years	20,452	18,709	-1,743	-8.5%
65 to 74 years	8,467	7,391	-1,076	-12.7%
75 years & over	1,511	1,899	+388	+25.7%
Total Labor Force	130,261	132,076	+1,814	+1.4%

Source: calculated from Minnesota State Demographic Center population projections and 2017-2021 American Community Survey 5-Year Estimates

EMPLOYMENT CHARACTERISTICS

With 68.9% of the population ages 16 and over in the labor force, Region 9 had a slightly lower participation rate than the state overall, despite having higher rates in several age groups (see Table 6).

Participation rates varied by race in Region 9, but were ahead of state averages for the most part, with the exception of Black or African Americans and Hispanic or Latino individuals. These groups lagged behind by 3.8 percentage points and 0.3 percentage points. Whites, American Indian & Alaska Native, Asian or Other Pac. Islanders, Some Other Race, and Two or More Races had higher average labor force participation rates compared to the state. The largest discrepancy was found in people of Two or More Races which had a higher labor force participation rate by 5.2 percentage point followed by American Indian and Alaska Natives with 4.5 percentage points higher than the state.

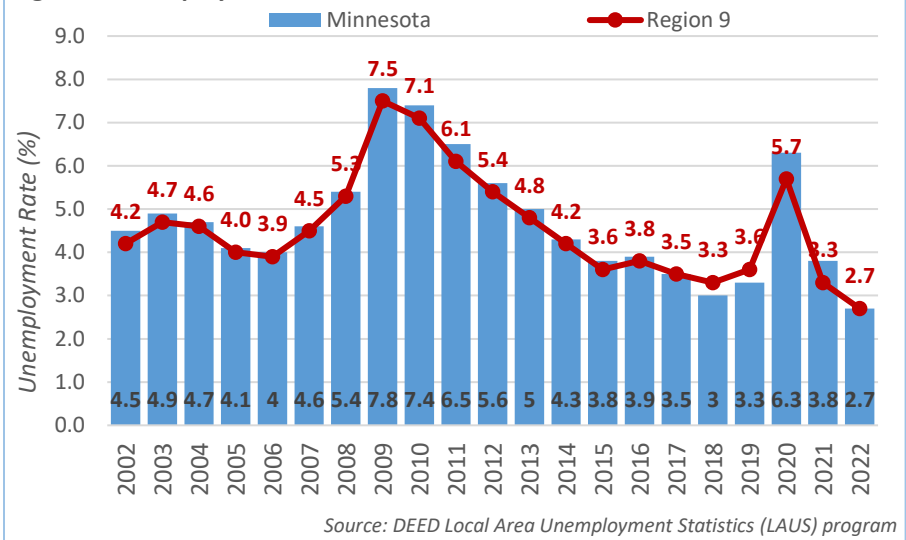
	Region 9			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	131,096	68.9%	3.5%	69.2%	4.0%
16 to 19 years	8,619	59.2%	9.2%	52.3%	10.7%
20 to 24 years	17,222	83.9%	4.7%	83.3%	6.7%
25 to 44 years	50,350	89.6%	3.1%	88.8%	3.6%
45 to 54 years	22,685	87.1%	2.2%	87.6%	3.0%
55 to 64 years	23,479	74.8%	3.1%	73.1%	3.2%
65 to 74 years	7,362	31.7%	2.0%	28.0%	3.2%
75 years & over	1,392	7.6%	3.2%	6.6%	2.9%
Employment Characteristics by Race & Hispanic Origin					
White alone	120,470	68.5%	3.1%	68.5%	3.4%
Black or African American	2,509	68.1%	7.4%	71.9%	8.6%
American Indian & Alaska Native	383	61.9%	0.0%	57.4%	12.9%
Asian or Other Pac. Islanders	1,958	72.7%	7.4%	72.7%	4.1%
Some Other Race	2,357	76.0%	5.8%	75.8%	6.2%
Two or More Races	3,440	79.3%	10.9%	74.1%	7.3%
Hispanic or Latino	7,656	76.7%	10.2%	77.0%	6.6%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	3,769	82.3%	2.7%	80.6%	3.9%
Employment Characteristics by Disability					
With Any Disability, 20 to 64 years	6,416	51.9%	12.1%	53.6%	9.9%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	96,520	84.9%	2.9%	84.4%	3.4%
Less than H.S. Diploma	4,242	64.9%	3.7%	66.6%	4.6%
H.S. Diploma or Equivalent	24,813	80.3%	1.9%	77.3%	2.5%
Some College or Assoc. Degree	37,278	86.9%	3.1%	85.1%	3.6%
Bachelor's Degree or Higher	30,171	90.5%	1.6%	90.3%	2.1%

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

UNEMPLOYMENT RATES

According to the [Local Area Unemployment Statistics](#) program, the unemployment rate in Region 9 has consistently hovered just below the statewide rate, shifting in sync to economic fluctuation. Back during the Great Recession, it rose as high as 7.5% in 2009, but fell back to pre-recession rates by 2014. From there, the regional rate increased slightly in 2016 before dropping to 3.3% in 2018. After spiking during the pandemic recession in 2020, Region 9’s unemployment rate decreased from 5.7% to 3.3% in 2021. In 2022, Region 9 experience the lowest unemployment rate in 20 years, at 2.7% (Figure 8).

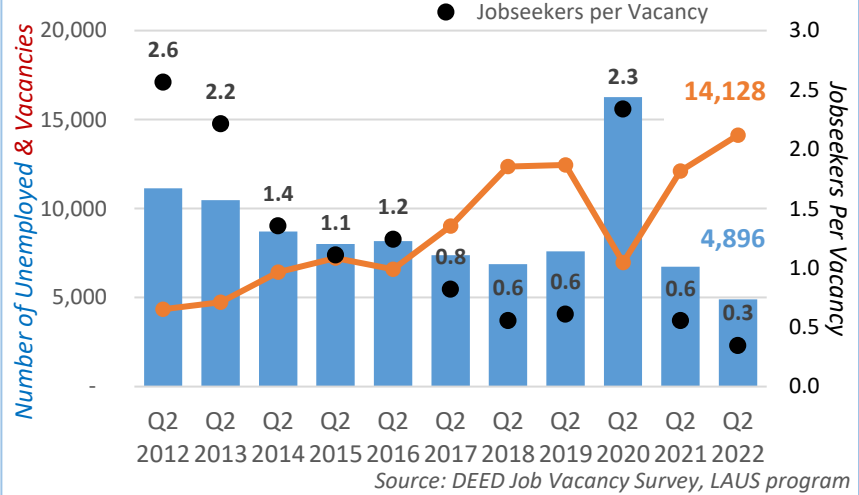
Figure 8. Unemployment Rates, 2002-2022



JOBSEEKERS PER VACANCY

As the economy continues to recover and the number of available jobseekers declines, the regional labor market has been tightening. A clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which now stands at 0.3-to-1 in the Southwest Planning Region. According to recent Job Vacancy Survey results, there were 14,128 openings reported by employers compared to 4,896 unemployed jobseekers in the region. The ratio climbed as high as 2.6 jobseekers per vacancy in the second quarter of 2012, coming out of the Great Recession (see Figure 9).

Figure 9. Jobseekers Per Vacancy, 2012-2022



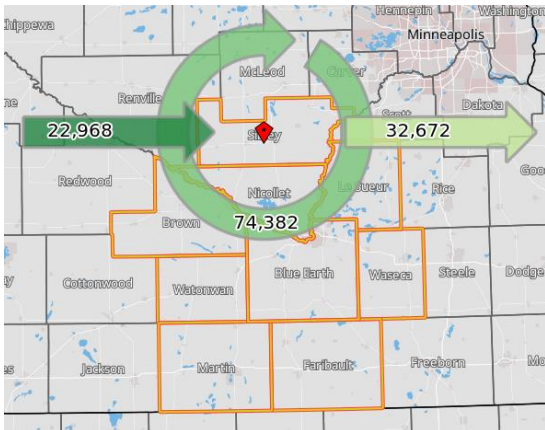
COMMUTE SHED AND LABOR SHED

Over three-quarters of residents in Region 9 also work in the region. In 2020, 74,382 workers both lived and worked in Region 9, while another 22,968 workers drove into the region for work. This is compared to 32,672 workers who lived in the region but drove to outside areas for work (see Table 7 and Figure 10).

Table 7. Region 9 Inflow/ Outflow Job Counts (All Jobs), 2020	2020	
	Count	Share
Employed in the Selection Area	97,350	100.0%
Employed in the Selection Area but Living Outside	22,968	23.6%
Employed and Living in the Selection Area	74,382	76.4%
Living in the Selection Area	107,054	100.0%
Living in the Selection Area but Employed Outside	32,672	30.5%
Living and Employed in the Selection Area	74,382	69.5%

Source: U.S. Census Bureau, OnTheMap

Figure 10. Region 9- South Central Minnesota Labor and Commute Shed, 2020



Source: U.S. Census Bureau, OnTheMap

Home to Mankato, Blue Earth County is the largest employment center in the region and the biggest draw for workers, followed by Nicollet and Brown Counties. Employers in the region also draw workers from surrounding counties in the metro, like Hennepin.

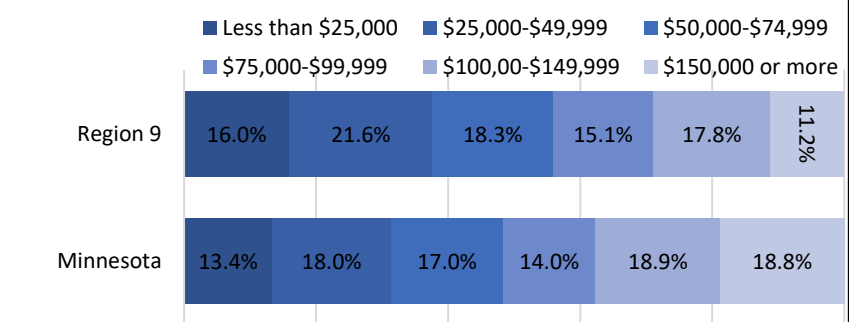
The average commute time for workers in Region 9 was 20.4 minutes, compared to 23.5 minutes for workers statewide. Just under 63% of workers commuted less than 20 minutes each way, compared to 46.5% statewide. About 8.6% of workers worked at home, and 3.2% were able to walk to work.

INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were much lower in Region 9 than in the state overall. At \$66,529, Region 9 had the 6th highest median household income of the 13 economic development regions in the state. 37.6% of the households in the region had incomes below \$50,000 in 2021, compared to just 31.4% statewide. Another one-third (33.4%) of households earned between \$50,000 and \$100,000 in Region 9, while over 29% of households earned over \$100,000 per year compared to 37.7% of households statewide (Figure 11).

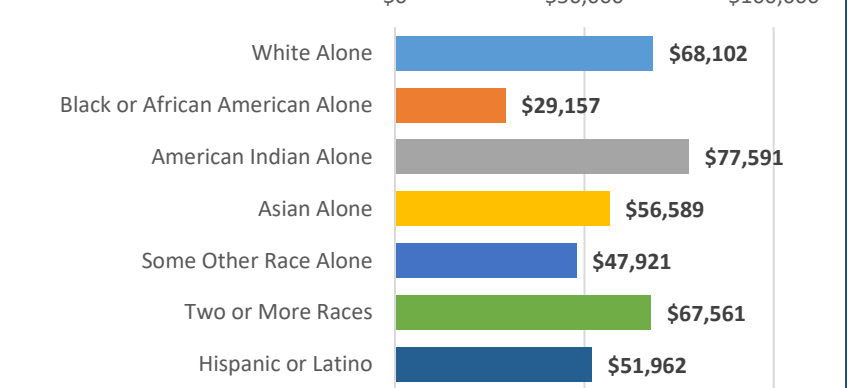
Figure 11. Household Incomes, 2021



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

Incomes varied widely by race in Region 9, with the highest incomes reported by households of American Indian households followed by White households, while the lowest incomes reported were among Black or African American and Hispanic or Latino households. The household income for Whites was \$38,950 more than that of Black or African American households, and was also \$16,140 higher than the median household income among Hispanic or Latino households (see Figure 12).

Figure 12. Region 9 Median Household Income by Race, 2021



Source: 2017-2021 American Community Survey

COST OF LIVING

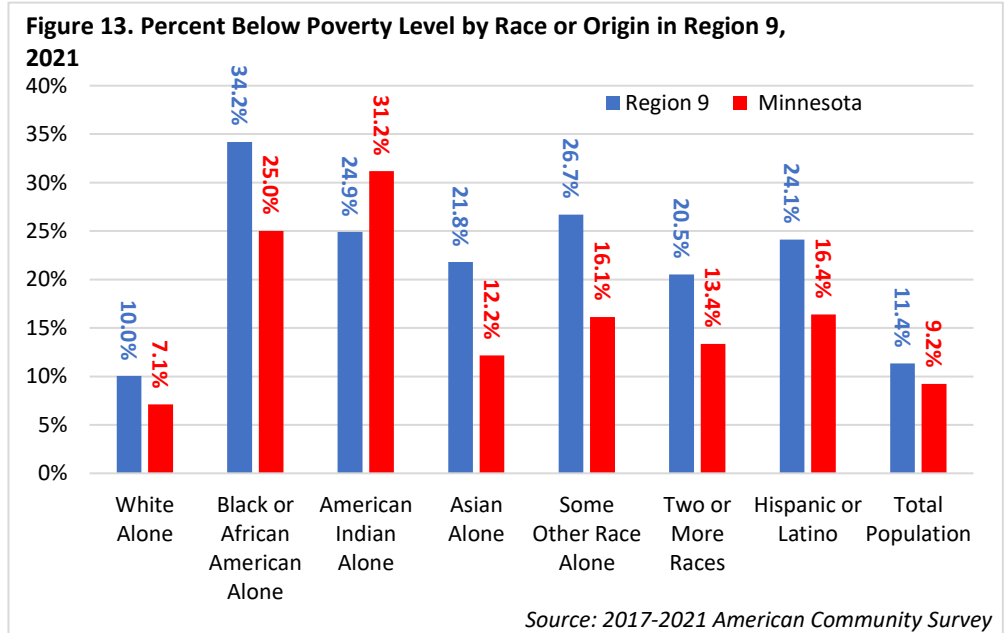
According to DEED’s [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$60,720 in 2023. The cost of living for a similar family in Region 9 was \$48,216 – which was the fifth lowest of the 13 economic development regions in the state. The highest monthly costs were for housing, food, and transportation; though the region’s housing, child care, and taxes were significantly lower than the rest of the state. In order to meet the basic needs cost of living for the region, the two workers in the family scenario described would need to earn \$15.45 per hour working a combined 60 hours per week (see Table 8).

Table 8. Basic Needs Cost of Living Estimates, 2023									
Typical Family: 2 Adults (1 working full-time, 1 part-time), 1 child	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 9	\$48,216	\$15.45	\$242	\$905	\$529	\$934	\$829	\$445	\$134
Minnesota	\$60,720	\$19.46	\$574	\$921	\$555	\$1,216	\$886	\$517	\$391
Single Adult, 0 children	Single Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 9	\$29,748	\$14.30	\$0	\$396	\$163	\$720	\$713	\$270	\$217
Minnesota	\$34,992	\$16.82	\$0	\$403	\$159	\$961	\$760	\$330	\$303

Source: DEED Cost of Living tool

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 Region 9 would be \$29,748, which would require an hourly wage of \$14.30 to meet the basic needs standard of living. If the same single person had one child, the hourly wage needed jumps to \$21.09 per hour (Table 8).

Overall, Region 9’s poverty rate was 11.4%, which was higher than the statewide rate of 9.2%. Like incomes, poverty levels varied widely by race and origin. It was estimated that 34.2% of the region’s Black or African American population was below the poverty level in 2021, compared to just 10% of the White population. Likewise, poverty levels were also higher than Whites for American Indians (24.9%), Asians (21.8%), Some Other Race (26.7%), Two or More Races (20.5%) and Hispanic or Latino origin (24.1%). With one exception, American Indian Alone, all groups had higher percentages below poverty than the state as a whole (Figure 13).



Source: 2017-2021 American Community Survey

WAGES AND OCCUPATIONS

The median hourly wage for all occupations in Region 9 was \$22.61 in the first quarter of 2023. As such, the region has the 5th highest median wage level of the 13 economic development regions in the state. Also, the median wage in Region 9 was \$1.64 less than the statewide median wage, and \$3.06 less than the median wage in the Twin Cities metro area. Compared to the other two economic development regions in Southern Minnesota, the South Central (EDR 9) region’s median wage was \$0.83 less than the Southeast region and \$1.38 higher than in the Southwest region.

Not surprisingly, the lowest-paying jobs in Region 9 are in food preparation and serving, personal care, and sales occupations, which tend to have lower educational and training requirements. Region 9 has higher median wages than the state in Protective Services and Education, Training, and Library occupations.

In addition, Region 9 has stronger concentrations of employment in Production, Food Preparation and Serving Related, Education, Training and Library, Installation, Maintenance and Repair, Community and Social Service, Transportation and Material Moving, and Farming, Fishing and Forestry occupations (see Table 10).

	Median Hourly Wage	Estimated Regional Employment
Region 1 - Northwest	\$22.83	35,000
Region 2 - Headwaters	\$21.90	31,370
Region 3 - Arrowhead	\$22.57	136,490
Region 4 - West Central	\$21.88	87,550
Region 5 - North Central	\$19.98	62,060
Region 6E - Southwest Central	\$21.20	49,510
Region 6W - Upper MN Valley	\$20.82	16,160
Region 7E - East Central	\$22.48	48,210
Region 7W - Central	\$23.10	172,540
Region 8 - Southwest	\$21.23	51,900
Region 9 - South Central	\$22.61	99,520
Region 10 - Southeast	\$23.44	236,590
Region 11 - 7-County Twin Cities	\$25.67	1,718,290
State of Minnesota	\$24.25	2,827,310

Source: DEED Occupational Employment & Wage Statistics, Qtr. 1 2023

Occupational Group	Region 9				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
Total, All Occupations	\$22.61	99,520	100.0%	1.0	\$24.25	2,827,310	100.0%
Management	\$45.43	5,560	5.6%	0.8	\$51.58	193,760	6.9%
Business & Financial Operations	\$31.55	4,010	4.0%	0.6	\$38.19	201,940	7.1%
Computer & Mathematical	\$37.11	1,170	1.2%	0.3	\$49.73	99,250	3.5%
Architecture & Engineering	\$37.38	1,530	1.5%	0.8	\$40.60	53,100	1.9%
Life, Physical & Social Science	\$31.23	820	0.8%	0.8	\$39.37	29,070	1.0%
Community & Social Service	\$25.09	2,520	2.5%	1.3	\$25.82	54,820	1.9%
Legal	\$33.36	380	0.4%	0.6	\$47.87	18,730	0.7%
Education, Training & Library	\$28.27	6,560	6.6%	1.2	\$24.82	158,830	5.6%
Arts, Design, Entertainment & Media	\$23.49	1,110	1.1%	0.8	\$28.80	37,630	1.3%
Healthcare Practitioners & Technical	\$37.27	5,550	5.6%	0.8	\$41.07	186,700	6.6%
Healthcare Support	\$15.81	5,840	5.9%	1.0	\$17.40	162,400	5.7%
Protective Service	\$26.80	1,270	1.3%	0.9	\$25.83	40,620	1.4%
Food Preparation & Serving Related	\$14.54	8,730	8.8%	1.1	\$14.89	216,970	7.7%
Building, Grounds Cleaning & Maint.	\$17.87	2,760	2.8%	1.0	\$18.26	76,210	2.7%
Personal Care & Service	\$15.07	2,030	2.0%	1.0	\$16.96	58,120	2.1%
Sales & Related	\$15.30	8,840	8.9%	1.0	\$18.14	239,500	8.5%
Office & Administrative Support	\$20.41	11,430	11.5%	0.9	\$23.06	345,830	12.2%
Farming, Fishing & Forestry	\$18.84	290	0.3%	2.0	\$19.84	4,060	0.1%
Construction & Extraction	\$27.63	4,130	4.1%	1.0	\$31.00	113,930	4.0%
Installation, Maintenance & Repair	\$24.77	4,590	4.6%	1.3	\$27.95	98,670	3.5%
Production	\$19.91	11,040	11.1%	1.5	\$22.07	209,380	7.4%
Transportation & Material Moving	\$19.57	9,370	9.4%	1.2	\$21.05	227,780	8.1%

Source: DEED Occupational Employment & Wage Statistics, Qtr. 1 2023

The highest paying jobs are found in Management, Architecture and Engineering, Healthcare Practitioners and Technical, and Computer & Mathematical, all of which have median wages over \$37 per hour. These occupations generally require higher levels of education and experience, including many that require bachelor's degrees or higher. The largest median hourly pay gaps between the region and state occurred in Legal and Computer and Mathematical occupations, which were over \$12.50 less than the state.

JOB VACANCY SURVEY

Employers in Southwest Minnesota reported 14,128 job vacancies in the second quarter of 2022. Demand for workers was high across most occupational groups, with the largest number of openings being in Food Preparation & Serving (2,626), Production (1,782), Sales and Related (1,467), Healthcare Support (1,290), and Healthcare Practitioner and Technical (1,252). These five occupational groups made up just over 59.6% of the total vacancies in the region (see Table 11). The median hourly wage offer from the current survey is \$16.24 per hour, which is up \$0.31 from the fourth quarter of last year. Wage offers ranged from \$12.78 per hour for Personal Care and Service occupations to \$31.77 per hour for Computer and Mathematical occupations.

Southwest Minnesota	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	Job Vacancy Rate
Total, All Occupations	14,128	\$16.55	42%	16%	31%	32%	37%	8.4%
Management	430	\$27.04	28%	0%	68%	77%	55%	4.9%
Business & Financial Operations	151	\$24.64	1%	6%	72%	80%	35%	2.4%
Computer & Mathematical	99	\$31.77	0%	1%	70%	90%	40%	5.9%
Architecture & Engineering	130	\$27.09	1%	0%	94%	78%	47%	5.7%
Life, Physical & Social Sciences	69	\$20.91	1%	1%	42%	84%	50%	4.6%
Community & Social Service	159	\$25.21	3%	1%	95%	77%	77%	4.5%
Education, Training & Library	731	\$17.88	34%	24%	86%	92%	80%	6.7%
Arts, Design, Entertainment & Media	183	\$13.88	36%	65%	19%	59%	12%	12.0%
Healthcare Practitioners & Technical	1,252	\$25.17	32%	1%	88%	47%	88%	13.1%
Healthcare Support	1,290	\$14.92	52%	1%	51%	18%	62%	12.9%
Protective Service	142	\$19.76	43%	6%	68%	78%	93%	6.0%
Food Preparation & Serving Related	2,626	\$13.56	77%	28%	5%	11%	6%	20.2%
Building, Grounds Cleaning & Maint.	379	\$15.50	40%	20%	1%	14%	31%	7.7%
Personal Care & Service	135	\$12.78	80%	21%	5%	9%	14%	4.4%
Sales & Related	1,467	\$14.33	59%	11%	5%	18%	30%	9.6%
Office & Administrative Support	766	\$14.07	71%	10%	11%	38%	8%	4.0%
Construction & Extraction	165	\$17.90	0%	16%	12%	38%	27%	2.3%
Installation, Maintenance & Repair	554	\$22.90	11%	3%	39%	45%	55%	7.2%
Production	1,782	\$18.26	9%	24%	12%	19%	4%	9.3%
Transportation & Material Moving	786	\$17.46	44%	35%	1%	24%	55%	5.2%

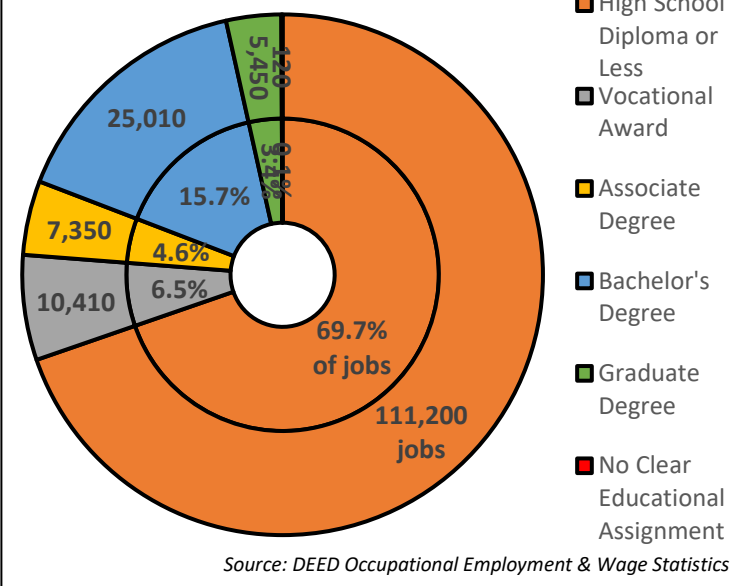
Source: DEED Job Vacancy Survey, 2022

Overall, 42% of the openings were part-time. Because of the high concentration of jobs in Food Preparation & Serving, Production, Sales and Related, Healthcare Support, and Healthcare Practitioner and Technical, 31% of postings required postsecondary education. In many cases, one or more years of experience was just as, if not more, relevant. While 32% of the total job openings required one or more years' experience, typically those occupations that required post-secondary education also required at least one year of experience. This also helped lead to the high wage offers, especially in those fields that required additional training (see Table 11).

EDUCATIONAL REQUIREMENTS

Similar to the recent job vacancy data, DEED’s Occupational Employment & Wage Statistics program shows that just over 30% of current jobs held in the region require post-secondary education to enter. The remaining require no more than a high school diploma, and sometimes less (Figure 14). However, some on-the-job training is often needed. 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 opportunities 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 \$14,500 and almost \$50,000 per year in Minnesota. For those who go to college, choice of major matters – different programs lead to different jobs and different earnings.

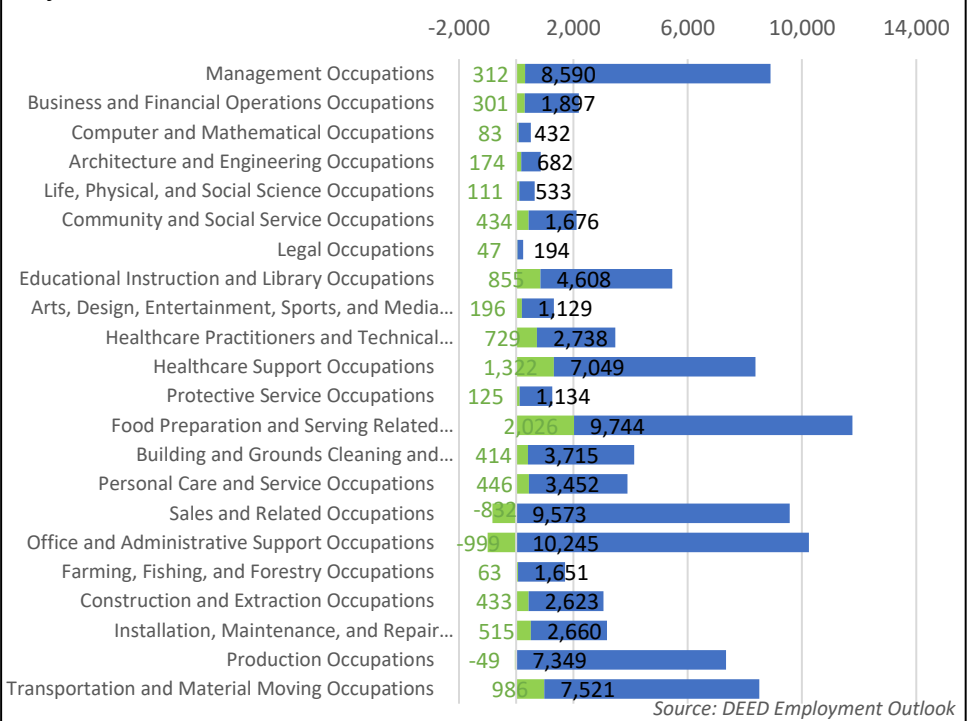
Figure 14. Southwest Minnesota Share of Jobs by Educational Requirements, 2022



EMPLOYMENT PROJECTIONS

Region 9 is part of the larger 23-county Southwest planning region, which is expected to see job growth to the tune of 3.9% from 2020 to 2030, equaling 7,692 new jobs. The region is also expected to need to fill 89,195 jobs left vacant by retirements and other career changers. Food Preparation & Serving, Healthcare Support, Transportation & Material Moving, and Educational Instruction & Library occupations are expected to see the most new growth. In contrast, some occupational groups, such as Office & Administrative Support, Sales & Related, and Production, are predicted to lose jobs during this time frame, but every occupational group will show some future demand either through new jobs and/or replacement openings (see Figure 15).

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



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 retail salespersons are among the top occupations in demand based on the consistent need for workers in these fields (see Table 12).

Table 12. Regional Occupations in Demand, 2022			
Southwest Minnesota			
High School or Less	Vocational Training	Associate Degree	Bachelor's Degree or Higher
Home Health & Personal Care Aides \$32,800/yr	Nursing Assistants \$38,146/yr	Registered Nurses \$80,694/yr	Substitute Teachers, Short-Term \$46,668/yr
Retail Salespersons \$30,660/yr	Licensed Practical & Licensed Vocational Nurses \$52,242/yr	Police & Sheriff's Patrol Officers \$66,050/yr	General & Operations Managers \$78,383/yr
Heavy & Tractor-Trailer Truck Drivers \$51,299/yr	Automotive Service Technicians & Mechanics \$49,362/yr	Dental Hygienists \$82,983/yr	Elementary School Teachers \$63,391/yr
Cashiers \$29,092/yr	Dental Assistants \$54,422/yr	Clinical Laboratory Technologists & Technicians \$61,801/yr	Secondary School Teachers \$64,067/yr
Fast Food & Counter Workers \$29,393/yr	Machinists \$49,288/yr	Industrial Engineering Technologists & Technicians \$49,646/yr	Accountants & Auditors \$66,142/yr
Waiters & Waitresses \$24,271/yr	Electricians \$63,396/yr	Radiologic Technologists & Technicians \$66,703/yr	Preschool Teachers \$35,451/yr
Laborers & Freight, Stock, & Material Movers, Hand \$39,654/yr	Computer User Support Specialists \$57,870/yr	Computer Network Support Specialists \$72,682/yr	Medical & Health Services Managers \$95,320/yr
Office Clerks, General \$41,160/yr	Medical Assistants \$46,233/yr	Electrical & Electronic Engineering Technologists & Technicians \$66,192/yr	Industrial Production Managers \$99,559/yr
Maintenance & Repair Workers, General \$49,219/yr	Industrial Machinery Mechanics \$59,803/yr	Civil Engineering Technologists & Technicians \$71,840/yr	Lawyers \$103,321/yr
Teaching Assistants, exc. Postsecondary \$36,756/yr	Farm Equipment Mechanics & Service Technicians \$51,684/yr	Environmental Science & Protection Technicians \$39,218/yr	Personal Financial Advisors \$78,180/yr

Source: DEED Occupations in Demand

ECONOMY

INDUSTRY EMPLOYMENT

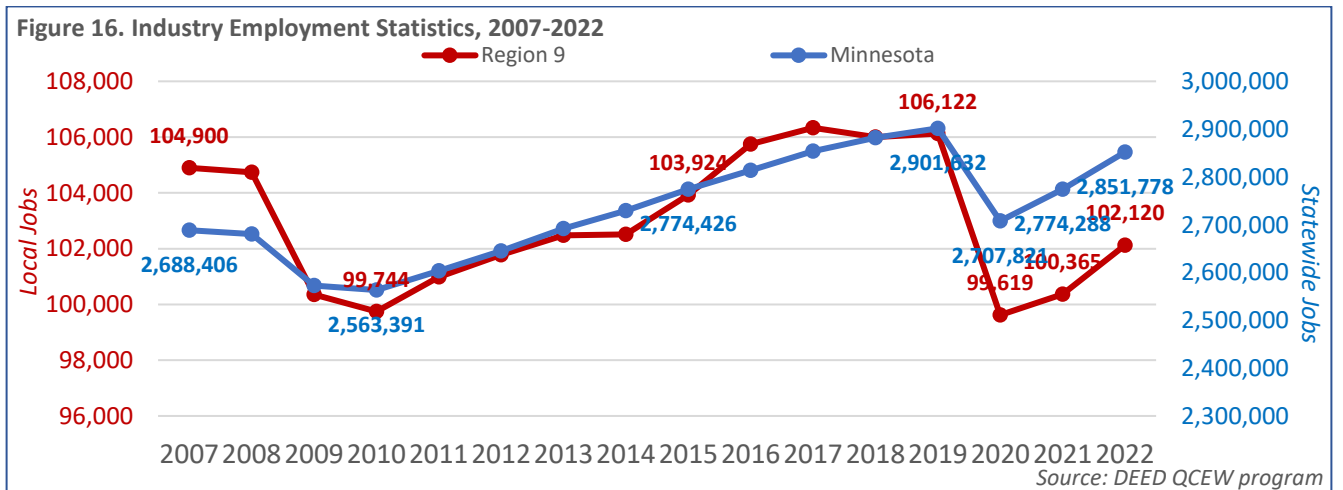
According to DEED’s [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 9 was home to 7,098 business establishments providing 102,120 covered jobs through 2022, with a total payroll that exceeded \$5.3 billion. That was about 3.6% of total employment in the state, making it the 5th largest of the 13 EDRs. Average annual wages were \$52,252 in the region, which was the 6th highest of the EDRs in the state (see Table 13).

In terms of employment, Blue Earth County is the largest economic center in Region 9 with 38,770 jobs at 2,113 firms, after regaining 1,050 jobs this year. Sibley County has the smallest economy with 3,937 jobs and lost 58 jobs over the year. Watonwan and Faribault counties are the only counties in Region 9 that have gained jobs from 2019 to 2022. In addition to being the largest employing county, Blue Earth saw the highest annual wages of the nine counties in the South Central region, however, it was still well below the state average.

Geography	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Average Annual Wage	2021-2022		2019-2022	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
Region 9 - South Central	7,098	102,120	\$5,335,997	\$52,252	+1,755	+1.7%	-4,002	-3.8%
Blue Earth Co.	2,113	38,770	\$2,074,209	\$53,500	+1,050	+2.8%	-1,505	-3.7%
Brown Co.	889	13,067	\$686,877	\$52,566	+82	+0.6%	-931	-6.7%
Faribault Co.	495	4,579	\$224,809	\$49,096	+151	+3.4%	+83	+1.8%
Le Sueur Co.	773	8,325	\$438,035	\$52,617	-40	-0.5%	-430	-4.9%
Martin Co.	696	8,153	\$418,665	\$51,351	+152	+1.9%	-339	-4.0%
Nicollet Co.	821	15,253	\$811,141	\$53,179	+537	+3.6%	-164	-1.1%
Sibley Co.	417	3,937	\$199,931	\$50,783	-58	-1.5%	-347	-8.1%
Waseca Co.	559	5,597	\$281,067	\$50,218	-166	-2.9%	-428	-7.1%
Watonwan Co.	337	4,436	\$201,262	\$45,370	+45	+1.0%	+57	+1.3%
State of Minnesota	199,603	2,851,778	\$198,839,399	\$69,725	+77,490	+2.8%	-49,854	-1.7%

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

Due to job losses suffered during the pandemic recession, Region 9 lost jobs over the past 15 years overall, but also experienced other ups and downs in employment during the Great Recession and recovery. Overall, the region’s job trends mirrored that of the state, however the losses during the Great Recession were more severe and the recovery after was slower and less steady than the state. The region fully recovered all of the jobs lost during the Great Recession by 2016, then the pandemic led to a severe drop in jobs in 2020. Over the last year, the region saw a slight increase in jobs, increasing by 1.7% (1,755 jobs), which was less than the 2.8% increase seen statewide (see Figure 16).



The two largest industries in Region 9 are Manufacturing (358 firms and 18,362 jobs) and Health Care & Social Assistance (1,039 firms and 17,538 jobs). Manufacturing saw an increase of 518 jobs (2.9%) over the past year, but was still down about 650 jobs compared to 2019 employment levels. Food Manufacturing is the largest subsector, with 5,881 jobs at 58 firms; followed by Printing & Related Support Activities (2,059 jobs at 44 firms), Electrical Equipment, Appliance, & Component Manufacturing (1,830 jobs at 17 firms), and Nonmetallic Mineral Product Manufacturing (1,420 jobs at 27 firms). Together these four manufacturing sectors account for 60.9% of all manufacturing jobs in the region. In addition, all four of those subsectors had high location quotients, each being at least three times more concentrated in the local area than the rest of the state.

With 17,538 jobs at 1,039 establishments, Health Care & Social Assistance is the second largest industry in Region 9. This industry was hit hard by the pandemic, resulting in a loss of -1,269 jobs (-6.7%) from 2019 to 2022. However, the region did regain 185 jobs over the past year, showing a slow return to health. Nursing & Residential Care Facilities is the largest sub-sector, with 5,936 jobs at 163 firms. This is followed by Hospitals (4,716 jobs at 15 firms), Ambulatory Health Care Services (3,325 jobs at 259 establishments), and 3,569 Social Assistance jobs at 603 establishments.

Other important industries in Region 9 include Retail Trade, Educational Services, and Accommodation & Food Services, which all had over 7.5% of total employment in the region. After getting hit during the pandemic, all three of these industries gained jobs within the past year, and Retail Trade has actually added jobs since 2019.

The next largest industries include Public Administration, Construction, and Transportation & Warehousing, which all had well over 4,000 jobs. The region has a diverse mix of employment by industry, however experienced job loss in 17 of the 20 main industries since 2019. Since 2021, the region has seen recovery in 14 of the 20 industries (see Table 14).

Region 9	2022 Annual Data				2021-2022		2019-2022	
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	7,098	102,120	\$5,335,997	\$52,252	+1,755	+1.7%	-4,002	-3.8%
Manufacturing	358	18,362	\$1,186,407	\$64,612	+518	+2.9%	-643	-3.4%
Health Care & Social Assistance	1,039	17,538	\$947,745	\$54,039	+185	+1.1%	-1,269	-6.7%
Retail Trade	781	12,008	\$382,644	\$31,866	+297	+2.5%	+237	+2.0%
Educational Services	130	9,024	\$474,173	\$52,546	+144	+1.6%	-573	-6.0%
Accommodation & Food Services	504	7,790	\$136,893	\$17,573	+378	+5.1%	-270	-3.3%
Public Administration	281	5,627	\$312,460	\$55,529	+46	+0.8%	-78	-1.4%
Construction	837	4,738	\$306,332	\$64,654	-82	-1.7%	-344	-6.8%
Transportation & Warehousing	401	4,340	\$215,559	\$49,668	-37	-0.8%	-235	-5.1%
Wholesale Trade	315	3,917	\$319,693	\$81,617	+76	+2.0%	-58	-1.5%
Other Services	596	3,167	\$109,291	\$34,509	+166	+5.5%	-54	-1.7%
Finance & Insurance	390	3,070	\$237,702	\$77,427	+29	+1.0%	+221	+7.8%
Agriculture, Forestry, Fish & Hunt	343	2,870	\$149,331	\$52,032	-290	-9.2%	-311	-9.8%
Professional & Technical Services	367	2,477	\$178,099	\$71,901	+128	+5.4%	-96	-3.7%
Admin. Support & Waste Mgmt. Svcs.	252	2,248	\$95,189	\$42,344	+104	+4.9%	+54	+2.5%
Information	105	1,516	\$98,027	\$64,661	-24	-1.6%	-368	-19.5%
Arts, Entertainment, & Recreation	138	1,104	\$18,371	\$16,641	+99	+9.9%	-11	-1.0%
Real Estate & Rental & Leasing	182	975	\$35,881	\$36,801	+36	+3.8%	-41	-4.0%
Management of Companies	35	809	\$82,153	\$101,548	+20	+2.5%	-8	-1.0%
Utilities	34	424	\$41,516	\$97,915	-30	-6.6%	-52	-10.9%
Mining	9	113	\$8,532	\$75,506	-9	-7.4%	-97	-46.2%

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

EMPLOYMENT DEMOGRAPHICS

According to DEED’s Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. Nearly one-quarter (23.9%) of workers in the region were 55 years or older, compared to 22.1% statewide and just 20.4% in the region one decade earlier, reflecting the size of the Baby Boom generation in the workforce. In contrast, the percentage of younger workers aged 20 to 24 dropped over the past decade (see Table 15).

Table 15. Region 9 Workforce Demographics by Age Group and Gender, Total of All Industries, 2012-2022

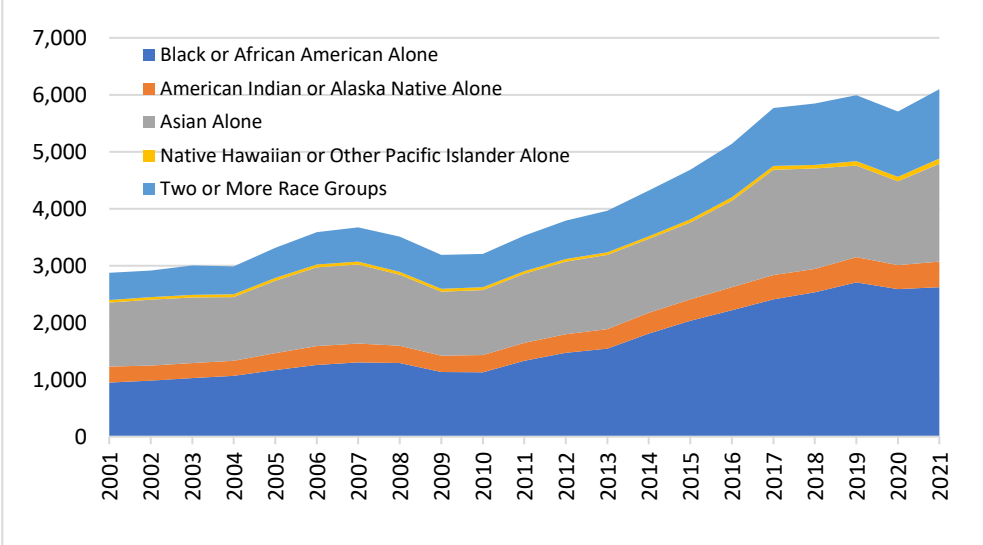
	Percentage of Workers		Minnesota		Median Hourly Wage		Median Hours Worked	
	2022	2012	2022	2012	2022	2012	2022	2012
Total, all ages	100.0%	100.0%	100.0%	100.0%	\$20.95	\$13.80	416	404
19 years & under	8.3%	8.0%	6.6%	6.3%	\$13.58	\$7.99	111	111
20 to 24 years	11.3%	13.1%	9.2%	11.3%	\$17.35	\$10.04	261	245
25 to 44 years	40.0%	37.8%	43.6%	42.3%	\$24.14	\$15.64	481	466
45 to 54 years	16.6%	20.7%	18.4%	21.9%	\$26.53	\$17.42	491	480
55 to 64 years	16.9%	15.8%	16.7%	14.7%	\$24.33	\$16.93	487	476
65 years & over	7.0%	4.6%	5.4%	3.5%	\$17.95	\$12.19	235	198
Male	49.8%	48.6%	49.1%	49.1%	\$24.20	\$15.78	480	472
Female	50.2%	51.4%	50.9%	50.9%	\$19.65	\$12.69	369	348

Source: DEED Quarterly Employment Demographics

Wages have climbed in the past decade for all workers due to rising demand and a tight labor market. While wages were still lowest for the youngest workers, who tend to fill lower-skilled, less-than-full-time jobs in industries like Retail Trade and Accommodation & Food Services, younger workers enjoyed the fastest percentage increase in wages from 2012 to 2022. Wages were highest for workers between 45 and 64 years of age, and males worked more hours than females, though the gap increased over the decade. In addition, median hours worked have increased for all age groups excluding 19 years and younger which has remained the same since 2012.

While people of different races make up just over 8.9% of the overall population, they held just 6.2% of total jobs in Region 9, according to data from the Quarterly Workforce Indicators program. Based on annual averages for 2021, that equaled 6,099 jobs held by people of other races, compared to 92,871 white workers. While still a small portion, workers of other races held just 2.9% of the total jobs in 2001, meaning their employment presence more than doubled from 2001 to 2021. In sum, workers of other races have filled an additional 3,223 jobs in the

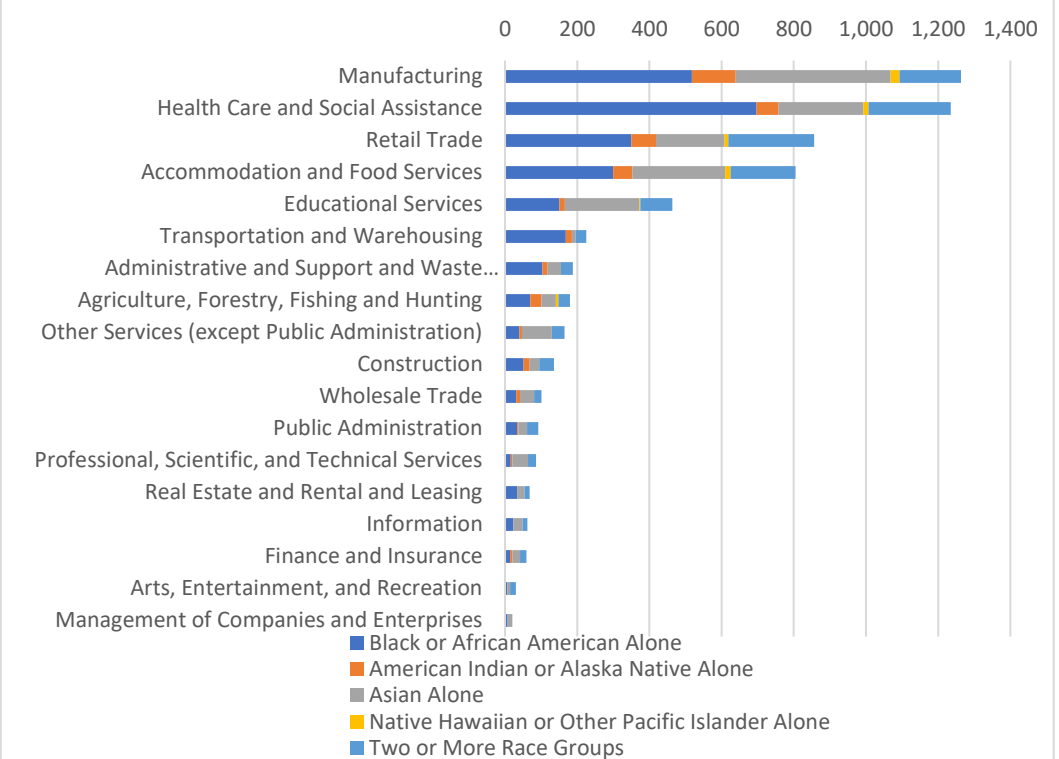
Figure 17. Region 9 - South Central Jobs Held by Other Races - All Industries
Source: DEED Quarterly Workforce Indicators



region since 2001, while whites saw a decrease of 3,006. With 2,622 jobs, Black or African Americans were the largest race group in the regional economy, after gaining 1,672 jobs since 2001, a 176% increase. The next largest group was Asians, who held 1,717 jobs in 2021 after rising 52.9% from 2001 (see Figure 17). Workers of Hispanic or Latino origin filled 7,348 jobs in the region in 2021, up 3,508 (91.4%) jobs since 2001.

Most industry sectors in Region 9 are not very diverse, but there are a couple that rely more heavily on workers of other races. The largest number of BIPOC workers were employed in Manufacturing, though 93% of the jobs in the industry were held by white workers. Workers of other races were also employed in larger numbers in Health Care & Social Assistance, Accommodation & Food Services, and Retail Trade. The most diverse industry in the region was Accommodation & Food Services, where 11.4% of workers were non-white (Figure 18).

Figure 18. Region 9 South Central Employment by Other Races by Industry, 2021 Source: DEED Quarterly Workforce Indicators



INDUSTRY PROJECTIONS

As noted above, Southwest Minnesota is projected to grow 3.9% from 2020 to 2030, a gain of 7,692 new jobs. The largest growing industry is expected to be Arts, Entertainment & Recreation with an increase of 27.7%. The region is also expected to see significant employment growth in Accommodation & Food Services, Other Services, Health Care & Social Assistance, and Construction.

In contrast, Information and Retail Trade are expected to cut the most jobs. In all, 17 of the 20 industries in the region are expected to see an increase in jobs while the other 3 are anticipated to see declines (Table 16).

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

Source: DEED 2020-2030 Employment Outlook

NONEMPLOYER ESTABLISHMENTS

Region 9 was home to 15,332 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).” Region 9 saw a slight decrease in nonemployers over the past decade, fueled by losses in Faribault, Brown, and Watonwan County. In sum, the region lost 36 nonemployers from 2009 to 2019, a decrease of -0.2%, despite big gains in Blue Earth, Nicollet and Sibley Counties. These nonemployers generated sales receipts over \$745 million in 2019 (see Table 17).

	2019		2009-2019	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Region 9	15,332	\$745,522	-36	-0.2%
Blue Earth Co.	4,237	\$214,277	+404	+10.5%
Brown Co.	1,687	\$76,418	-141	-7.7%
Faribault Co.	995	\$55,943	-187	-15.8%
Le Sueur Co.	1,952	\$95,153	+18	+0.9%
Martin Co.	1,482	\$72,311	-41	-2.7%
Nicollet Co.	2,184	\$101,441	+77	+3.7%
Sibley Co.	1,051	\$45,980	+45	+4.5%
Waseca Co.	1,135	\$57,206	-79	-6.5%
Watonwan Co.	609	\$26,793	-132	-17.8%
Minnesota	418,080	\$20,377,253	+39,926	+10.6%

Source: [U.S. Census, Nonemployer Statistics program](#)

CENSUS OF AGRICULTURE

Finally, agriculture remains an important industry in the region. There are 7,506 farms producing over \$3.2 billion in the market value of products sold in 2017 according to the U.S. Department of Agriculture. The state rank of each of the counties lie mostly in the top half and range from 2nd (Martin County) to 51st (Le Sueur County) in regards to the market value of products sold (see Table 18).

Upon request, this information can be made available in alternate formats for people with disabilities by contacting Amanda O’Connell at amanda.oconnell@state.mn.us

Source: 2017 Census of Agriculture	Number of Farms	Market Value of Products Sold	State Rank (of 87)
Region 9	7,506	\$3,222,219,000	-
Blue Earth Co.	983	\$483,499,000	5
Brown Co.	1,040	\$381,510,000	14
Faribault Co.	822	\$337,734,000	20
Le Sueur Co.	937	\$181,357,000	51
Martin Co.	911	\$635,524,000	2
Nicollet Co.	689	\$339,306,000	18
Sibley Co.	898	\$318,722,000	23
Waseca Co.	729	\$275,039,000	28
Watonwan Co.	497	\$269,528,000	29
Minnesota	68,822	\$18,395,390,000	