

Understanding Southwest Minnesota's Labor Market

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DEED Labor Market Information Office

Regional Analysis & Outreach

www.mn.gov/deed/data/

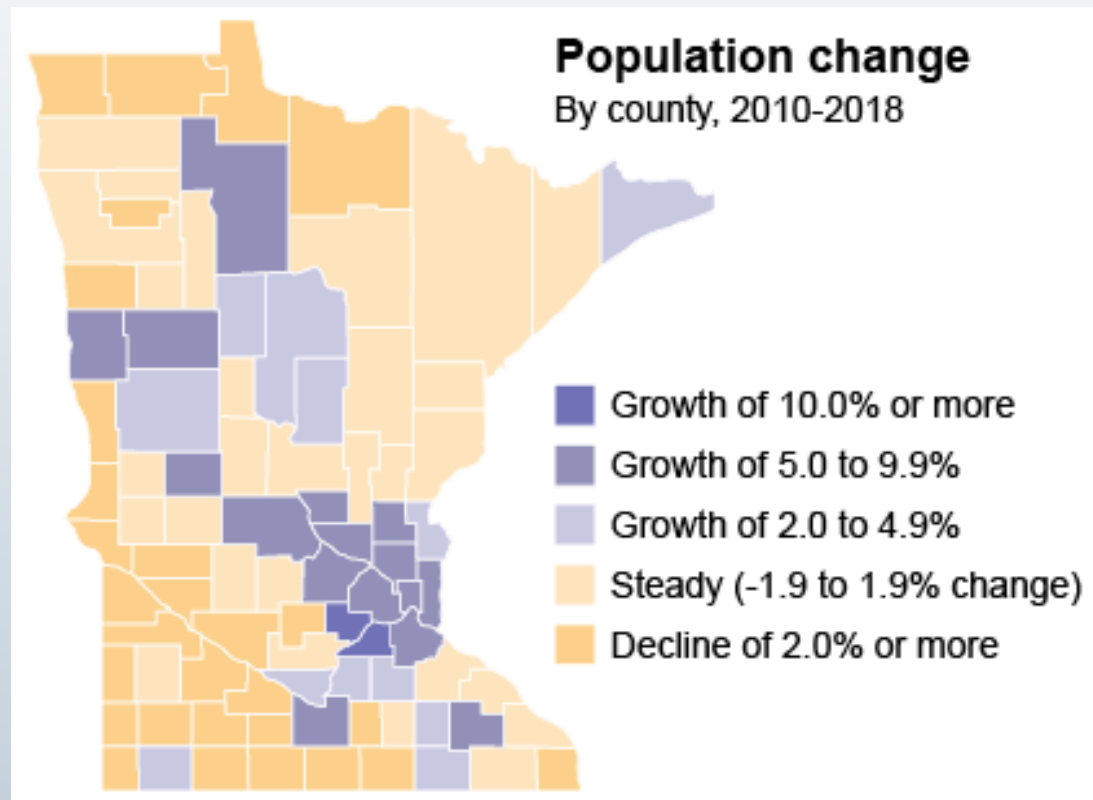
February 2020

Perception Equals Reality

- **How many people live in Minnesota?**
 - How many live in Southwest Minnesota (WDB 6)?
 - 5,639,632 residents in 2019 (*U.S. Census*)
 - 159,111 people (down from 164,341 in 2010)
- **How many people are under 18 years?**
How many are 65 years & older?
 - 38,847 people (24.4%) in 2018; 23.2% in Minnesota
 - 32,650 people (20.5%); 15.9% in Minnesota
- **How many workers are there in Southwest Minnesota?**
 - 89,600 available workers in Dec. 2019 (*DEED LAUS*)
 - Up +1,442 workers from 2018 to 2019!
- **What is the largest employing industry in Southwest Minnesota?**
 - Health Care & Social Assistance (*DEED QCEW*)
 - 12,721 jobs at 492 establishments in 2018
 - Manufacturing has 12,306 jobs

Population trends in Minnesota

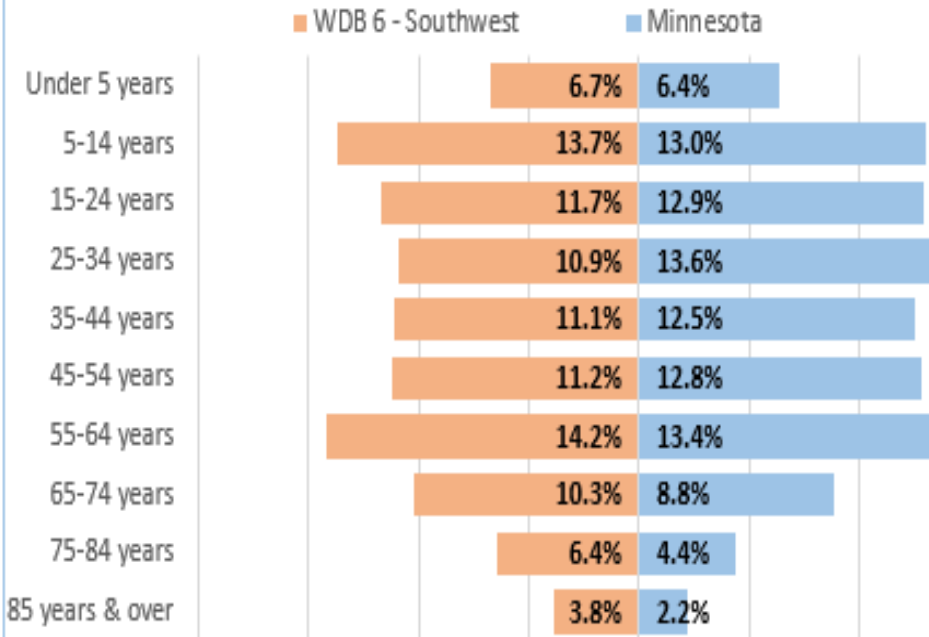
- **Half of the counties in the state saw population declines:**
 - **Carver Co. was the fastest growing (+13.7%)**
 - Scott Co. (+13.4%)
 - Wright Co. (+9.3%)
 - Hennepin Co. (+9.3%)
 - Washington Co. (+8.8%)
 - **Lac qui Parle (-8.3%) was the fastest declining**
 - Renville Co. (-7.1%)
 - Lake of the Woods (-7.1%)
 - Traverse Co. (-7.0%)
 - Kittson Co. (-6.7%)



Population trends in Minnesota

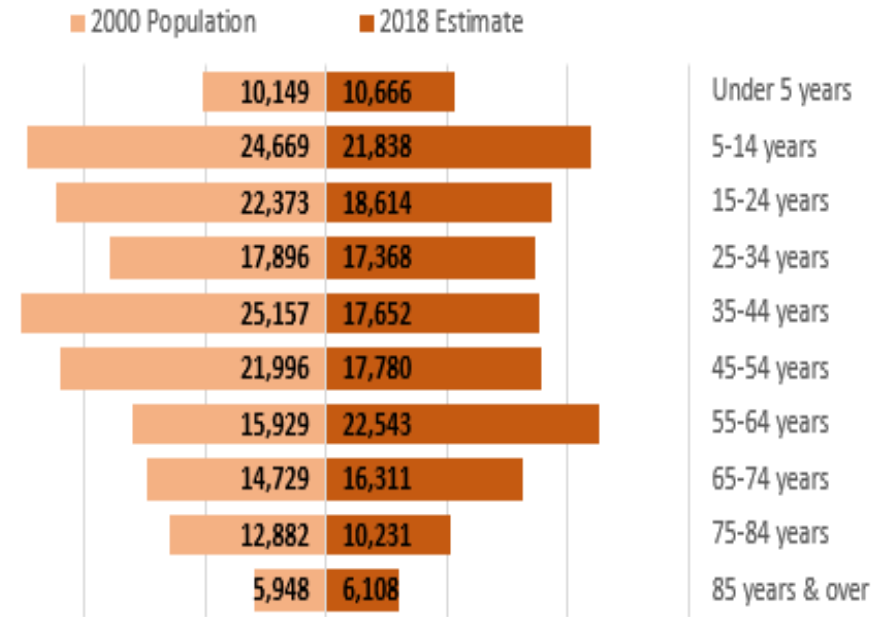
- **Population is aging!**
- **Baby Boomers are the largest generation in 8 of 13 regions**
 - **54 of 87 counties!**
 - **Rural Rebound (people from 30-54 years of age are moving back)**

Figure 2. Percentage of Population by Age Group, 2018



Source: U.S. Census Bureau, Population Estimates

Figure 3. Population Pyramid, 2000-2018



Source: U.S. Census Bureau

Demographic Trends

- **Minnesota is 83% white, and is becoming more racially diverse**
 - Southwest Minnesota = 90.3% white
 - The White population declined -11.0% (-17,894 people) from 2000 to 2018
 - The population of other races increased by +6,330 people (+69.0%)
 - Hispanic or Latino are the largest minority group, but only 7.9% of total population

| Table 4. Race and Hispanic Origin, 2018 | WDB 6 - Southwest | | | | Minnesota | |
|---|-------------------|---------------|--|--------------|---------------|-----------------------|
| | Number | Percent | Change from 2000-2018 Numeric Percent | | Percent | Change from 2000-2018 |
| Total | 160,164 | 100.0% | -11,564 | -6.7% | 100.0% | 12.4% |
| White | 144,655 | 90.3% | -17,894 | -11.0% | 83.3% | 4.7% |
| Black or African American | 2,869 | 1.8% | 1,734 | 152.8% | 6.2% | 99.3% |
| American Indian & Alaska Native | 1,919 | 1.2% | 499 | 35.1% | 1.1% | 7.3% |
| Asian & Other Pac. Islander | 4,395 | 2.7% | 2,084 | 90.2% | 4.8% | 83.8% |
| Some Other Race | 4,259 | 2.7% | 1,498 | 54.3% | 1.8% | 48.7% |
| Two or More Races | 2,067 | 1.3% | 515 | 33.2% | 2.9% | 90.7% |
| Hispanic or Latino origin | 12,624 | 7.9% | 7,431 | 143.1% | 5.3% | 104.2% |

Source: U.S. Census Bureau, 2014-2018 American Community Survey

Demographic Trends

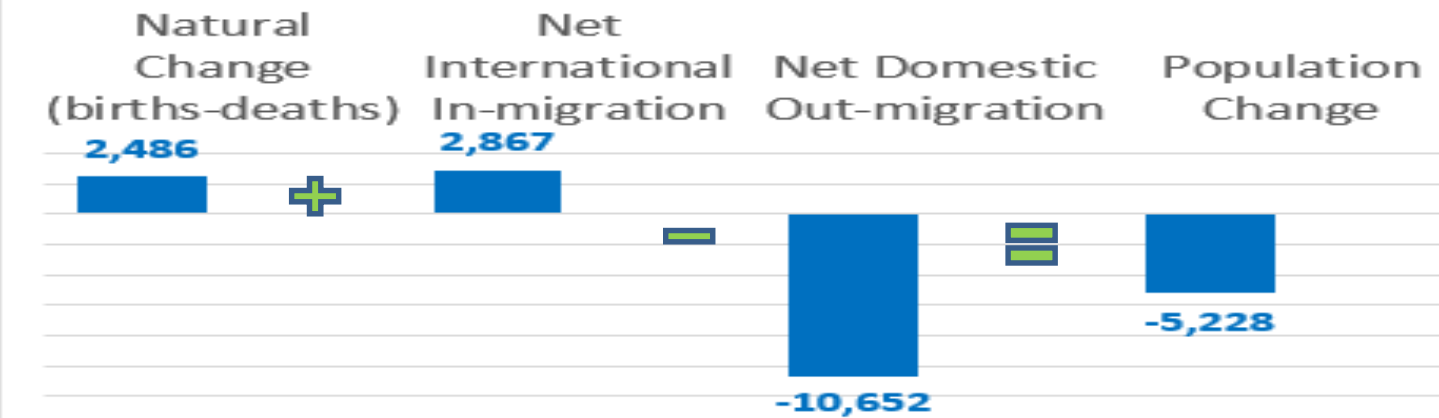
- Minnesota saw more births than deaths from 2010-2018
 - And saw domestic out-migration; but international in-migration

Table 6. Cumulative Estimates of the Components of Population Change

| | Total Population Change | April 1, 2010 to July 1, 2018 | | | | | |
|-------------------|-------------------------|-------------------------------|--------------|---------|---------------|---------------|----------|
| | | Natural Increase | Vital Events | | Net Migration | | |
| | | | Births | Deaths | Total | International | Domestic |
| WDB 6 - Southwest | -5,228 | 2,486 | 17,136 | 14,650 | -7,785 | 2,867 | -10,652 |
| Minnesota | 307,254 | 228,289 | 570,171 | 341,882 | 81,671 | 107,830 | -26,159 |

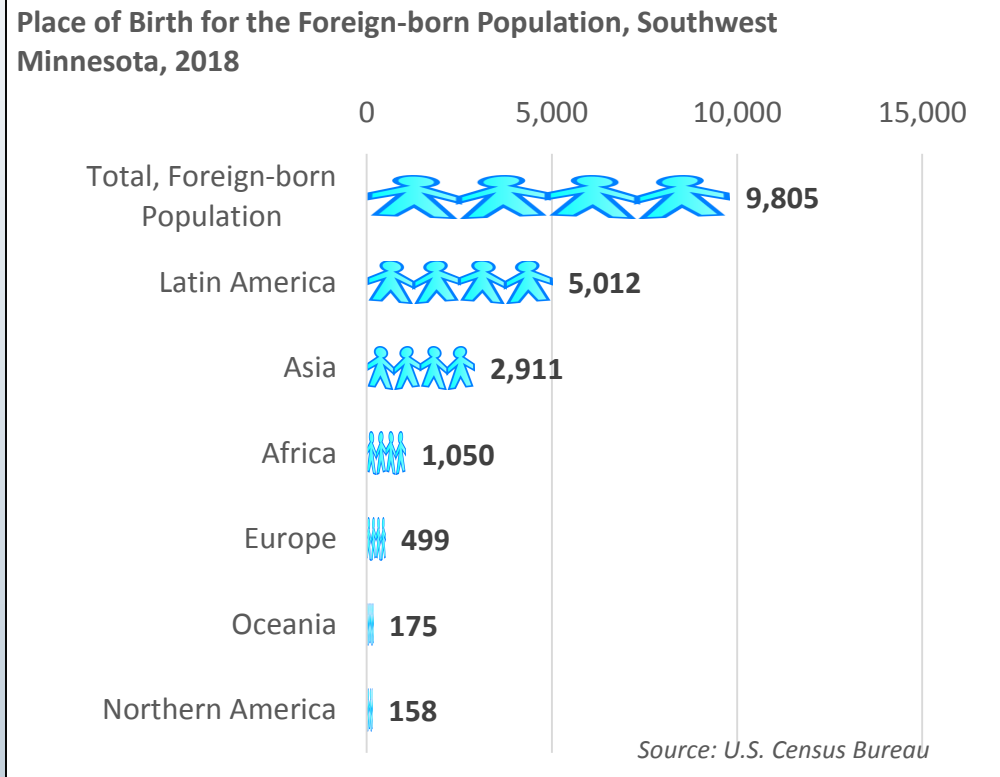
Source: U.S. Census Bureau, Population Estimates Program

Figure 1. Southwest Minnesota Components of Population Change, 2010-2018



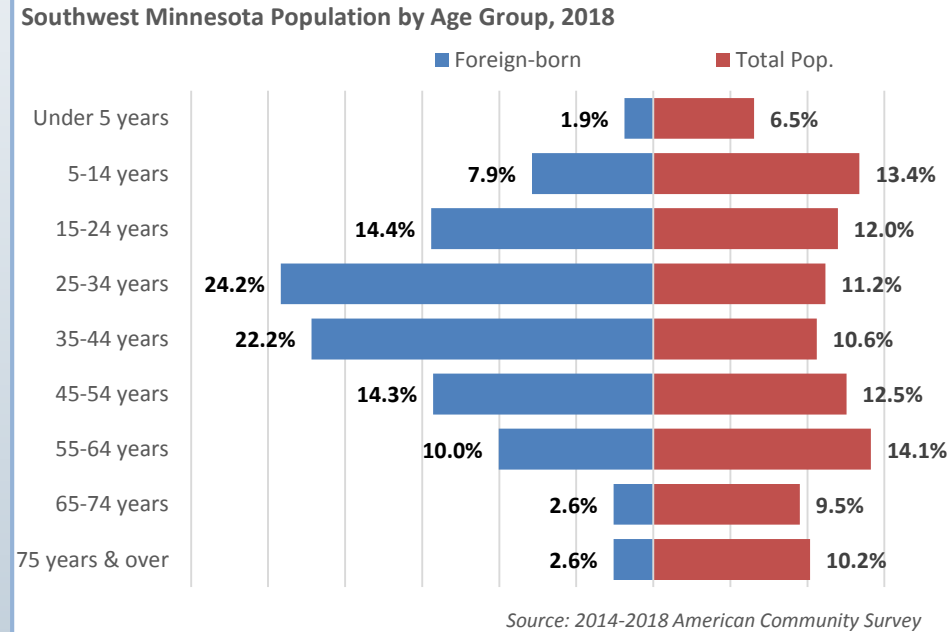
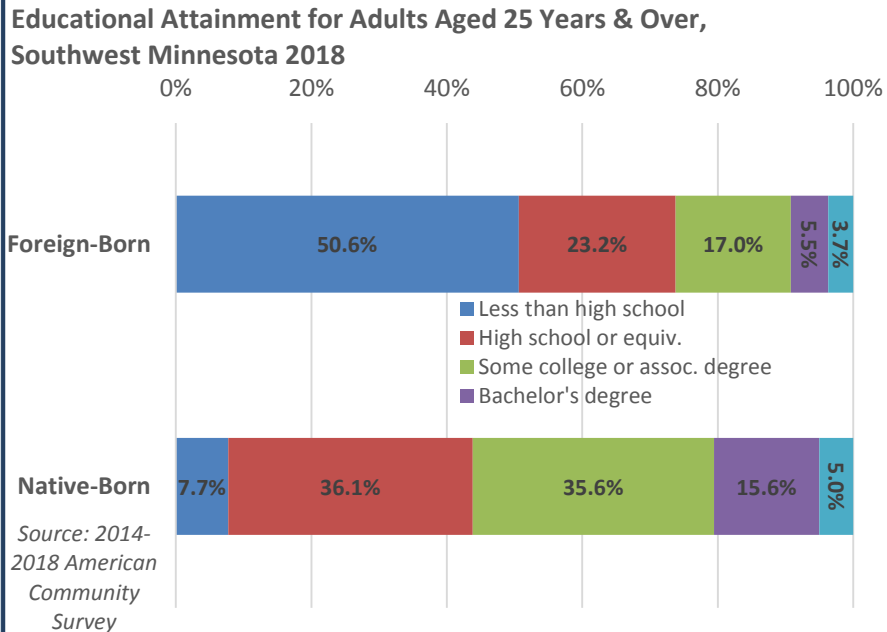
Demographic Trends

- **Southwest Minnesota was home to about 9,805 (6.1%) foreign-born residents (primarily Latin America, Asia, & Africa (+92.3%))**
 - **Minnesota has 461,758 foreign-born residents (8.4%)**
 - **Primarily Asia, Latin America, and Africa (+61.1%)**



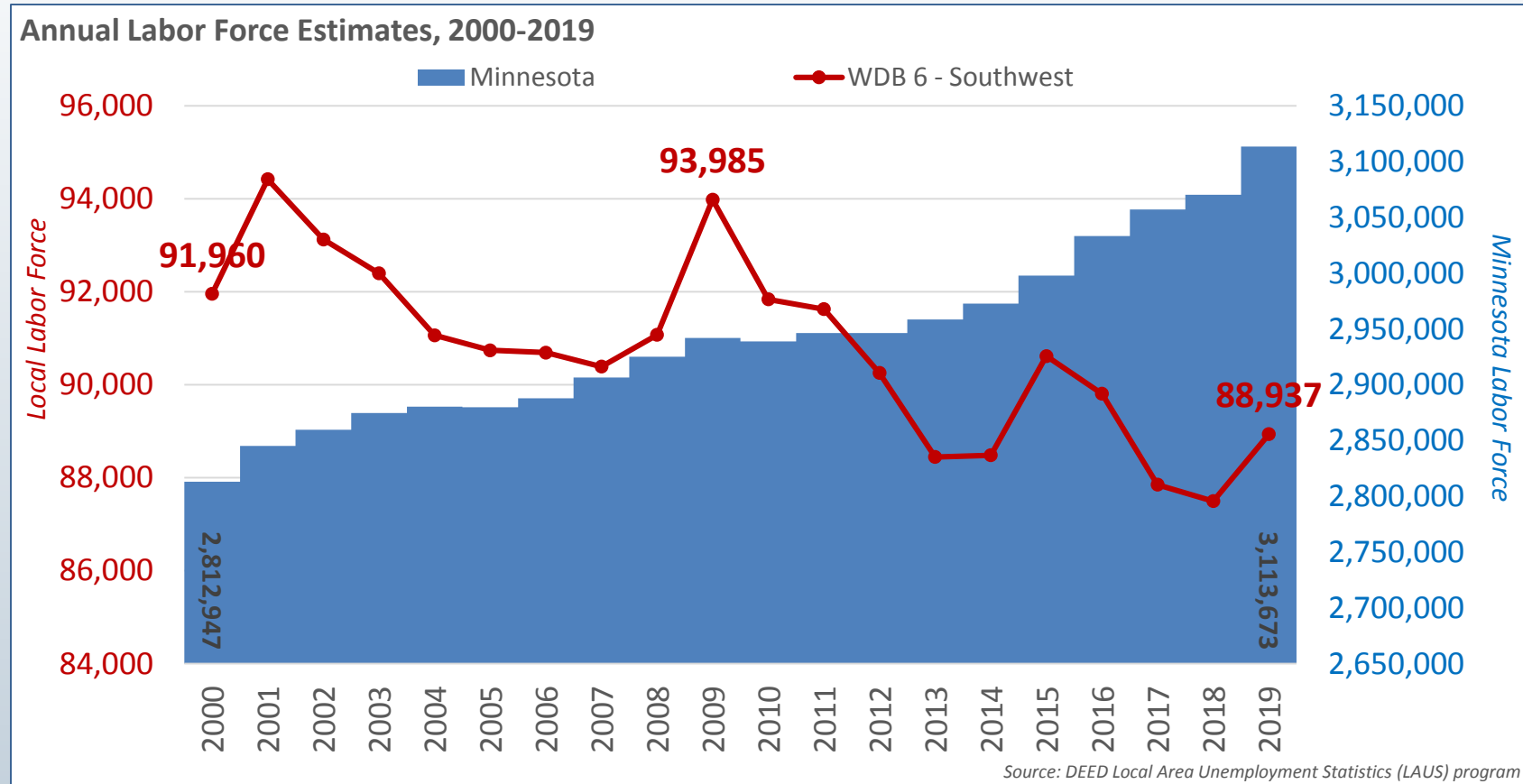
Demographic Trends

- **About 6,300 available immigrant workers (7.7% of workforce)**
 - 72.3% labor force participation rate
 - Younger age profile
 - *Quickest and largest growing portion of the labor force...*
- **Half (50.6%) of immigrants had less than a high school diploma; *Language and educational barriers may need to be overcome***



Labor Force Trends

- **Minnesota's labor force is still growing**
 - **Southwest Minnesota's labor force is declining**



Labor Force Trends

- Labor force growth is projected to slow even more in the next decade
 - Huge loss in 45-64 year olds (-6,136 workers)
 - Big gains in 20-44 year olds (+737 workers)
 - Bigger gains in 65 years & older (+795 workers)
- Southwest Minnesota is expected to lose -5,097 workers

| Table 15. Labor Force Projections, 2020-2030 | | | | |
|--|--------------------------------------|--------------------------------------|------------------|--------------|
| WDB 6 - Southwest | 2020 Labor Force Projection | 2030 Labor Force Projection | 2020-2030 Change | |
| | | | Numeric | Percent |
| 16 to 19 years | 4,628 | 4,135 | -493 | -10.6% |
| 20 to 24 years | 9,476 | 9,521 | 45 | 0.5% |
| 25 to 44 years | 29,310 | 30,002 | 692 | 2.4% |
| 45 to 54 years | 14,025 | 13,230 | -795 | -5.7% |
| 55 to 64 years | 16,932 | 11,591 | -5,341 | -31.5% |
| 65 to 74 years | 6,248 | 6,728 | 481 | 7.7% |
| 75 years & over | 1,202 | 1,516 | 314 | 26.1% |
| Total Labor Force | 81,821 | 76,724 | -5,097 | -6.2% |

Source: calculated from Minnesota State Demographic Center population projections and 2014-2018 American Community Survey 5-Year Estimates

Labor Force Characteristics

- Minnesota has higher labor force participation rates than the U.S.
 - Southwest has lower/higher rates
- 91.6% of Southwest Minnesota workers are white
 - Four race groups have higher participation rates than whites
 - All race groups have higher unemployment rates...
- Highest unemployment rates for minorities, lower education, and workers with disabilities
- Lower incomes by race

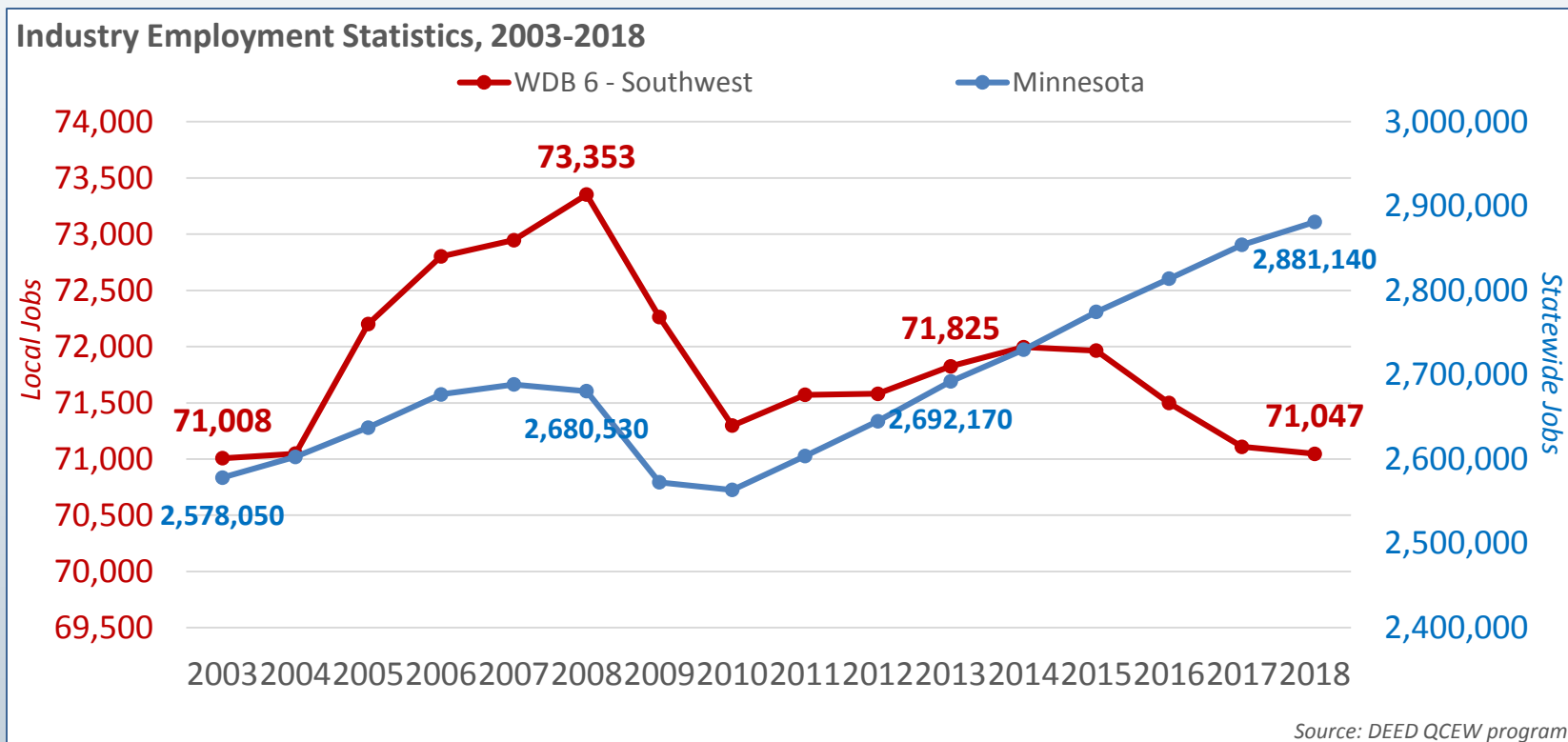
Table 10. Employment Characteristics, 2018

| | WDB 6 - Southwest | | | Minnesota | | |
|---|-------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|--------------------|
| | In Labor Force | Labor Force Partic. Rate | Unemp. Rate | Labor Force Partic. Rate | Unemp. Rate | |
| Total Labor Force | 83,164 | 66.0% | 3.2% | 69.7% | 3.9% | |
| 16 to 19 years | 4,068 | 53.0% | 9.3% | 52.9% | 11.7% | |
| 20 to 24 years | 7,973 | 86.7% | 6.4% | 84.4% | 6.4% | |
| 25 to 44 years | 30,697 | 87.5% | 3.2% | 88.6% | 3.5% | |
| 45 to 54 years | 16,421 | 84.9% | 2.4% | 87.3% | 2.8% | |
| 55 to 64 years | 17,586 | 77.2% | 2.5% | 72.6% | 3.0% | |
| 65 to 74 years | 5,225 | 33.5% | 1.5% | 27.6% | 2.4% | |
| 75 years & over | 1,195 | 7.3% | 0.6% | 6.3% | 2.6% | |
| Employment Characteristics by Race & Hispanic Origin | | | | | | |
| White alone | 76,215 | 65.7% | 2.8% | 69.5% | 3.3% | |
| Black or African American | 1,377 | 71.9% | 18.6% | 70.7% | 9.9% | |
| American Indian & Alaska Native | 767 | 60.0% | 3.4% | 58.5% | 12.8% | |
| Asian or Other Pac. Islanders | 2,032 | 64.9% | 7.4% | 71.3% | 4.7% | |
| Some Other Race | 2,077 | 76.3% | 9.5% | 77.2% | 6.2% | |
| Two or More Races | 683 | 72.7% | 6.0% | 73.1% | 7.6% | |
| Hispanic or Latino | 5,842 | 75.6% | 7.1% | 76.3% | 6.5% | |
| Employment Characteristics by Disability | | | | | | |
| With Any Disability | 4,269 | 54.8% | 8.7% | 52.5% | 9.0% | |
| Employment Characteristics by Educational Attainment | | | | | | |
| Population, 25 to 64 years | 64,706 | 83.8% | 2.6% | 84.2% | 3.2% | |
| Less than H.S. Diploma | 4,767 | 67.7% | 3.2% | 65.4% | 4.5% | |
| H.S. Diploma or Equivalent | 19,262 | 80.8% | 2.2% | 78.6% | 2.6% | |
| Some College or Assoc. Degree | 25,720 | 86.5% | 2.2% | 85.2% | 3.2% | |
| Bachelor's Degree or Higher | 14,953 | 90.0% | 1.2% | 89.8% | 1.9% | |
| Employment Characteristics by Gender | | | | | | |
| | Total Population | In Labor Force | Labor Force Partic. Rate | Unemp. Rate | Labor Force Partic. Rate | Unemp. Rate |
| Male | 62,649 | 44,921 | 71.7% | 3.4% | 73.5% | 4.3% |
| Female | 63,286 | 38,242 | 60.4% | 2.9% | 66.0% | 3.4% |

Source: 2014-2018 American Community Survey, 5-Year Estimates

Economic Characteristics

- **Minnesota's economy is still adding jobs, but slowing down**
 - Up to 3 million jobs in June 2019 (CES)
 - Recovered all jobs lost during the Great Recession by 2013; 10 years of expansion!
 - *Southwest is the only region that has not recovered all jobs since the recession...*



Economic Characteristics

- Health Care & Social Assistance is now the largest industry = 12,721 jobs (17.9%)
- Manufacturing is now second largest = 12,306 jobs (17.3%); *+235 jobs since 2017*
- Retail Trade (7,582) & Accommodation & Food Services (4,152) had 16.5% of jobs
 - Low wages, part-time
- Educational Services had 6,518 jobs (9.2%)
- *Admin Support (+20.1%), Educational Svcs. (+6.5%), Finance/Insurance (+6.1%), and Agriculture (+5.6%) were the fastest growing*

Table 37. Industry Employment Statistics, 2018

| WDB 6 - Southwest | 2018 Annual Data | | | | 2013-2018 | | 2017-2018 | |
|------------------------------------|------------------|----------------|--------------------------|------------------|----------------|----------------|----------------|----------------|
| | Number of Firms | Number of Jobs | Total Payroll (\$1,000s) | Avg. Annual Wage | Change in Jobs | Percent Change | Change in Jobs | Percent Change |
| NAICS Industry Title | | | | | | | | |
| Total, All Industries | 5,558 | 71,047 | \$2,851,514 | \$40,136 | -778 | -1.1% | -62 | -0.1% |
| Agriculture, Forestry, Fish & Hunt | 342 | 2,145 | \$84,068 | \$39,193 | 113 | 5.6% | -119 | -5.3% |
| Mining | 15 | 104 | \$4,325 | \$41,588 | -13 | -11.1% | -12 | -10.3% |
| Construction | 717 | 3,307 | \$166,199 | \$50,257 | -59 | -1.8% | -36 | -1.1% |
| Manufacturing | 256 | 12,306 | \$614,002 | \$49,895 | 44 | 0.4% | 235 | 1.9% |
| Utilities | 45 | 495 | \$43,615 | \$88,112 | -36 | -6.8% | -18 | -3.5% |
| Wholesale Trade | 329 | 3,972 | \$216,920 | \$54,612 | 25 | 0.6% | 3 | 0.1% |
| Retail Trade | 694 | 7,582 | \$183,372 | \$24,185 | -252 | -3.2% | -164 | -2.1% |
| Transportation & Warehousing | 372 | 2,682 | \$102,272 | \$38,133 | 98 | 3.8% | 15 | 0.6% |
| Information | 106 | 663 | \$22,332 | \$33,683 | -14 | -2.1% | -14 | -2.1% |
| Finance & Insurance | 335 | 3,171 | \$194,391 | \$61,303 | 183 | 6.1% | -34 | -1.1% |
| Real Estate & Rental & Leasing | 102 | 417 | \$9,375 | \$22,482 | -28 | -6.3% | 11 | 2.7% |
| Professional & Technical Services | 251 | 1,399 | \$76,245 | \$54,500 | -260 | -15.7% | -48 | -3.3% |
| Management of Companies | 14 | 584 | \$43,749 | \$74,912 | -297 | -33.7% | -44 | -7.0% |
| Admin. Support & Waste Mgmt. Svcs. | 167 | 1,791 | \$68,734 | \$38,377 | 300 | 20.1% | 185 | 11.5% |
| Educational Services | 113 | 6,518 | \$258,681 | \$39,687 | 395 | 6.5% | 81 | 1.3% |
| Health Care & Social Assistance | 492 | 12,721 | \$468,754 | \$36,849 | 22 | 0.2% | 41 | 0.3% |
| Arts, Entertainment, & Recreation | 103 | 870 | \$18,595 | \$21,373 | -38 | -4.2% | -6 | -0.7% |
| Accommodation & Food Services | 359 | 4,152 | \$52,456 | \$12,634 | -1,030 | -19.9% | -182 | -4.2% |
| Other Services | 455 | 1,809 | \$52,342 | \$28,934 | -136 | -7.0% | 48 | 2.7% |
| Public Administration | 298 | 4,350 | \$171,088 | \$39,331 | 204 | 4.9% | -2 | 0.0% |

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

Student Enrollment Trends

- There are **27,219 K-12 students in Southwest Minnesota**
 - (at public schools) in 2018-2019 (*not incl. private school students*)
 - +3.2% from 2009-2019
 - **7,574 minority students – 27.8% of total students (state = 34.2%)**
 - +79.4% from 2009-2019

Table 22. Minnesota Dept. of Education Student Enrollment Data, 2018/2019

| | WDB 6 - Southwest | | | | | State of Minnesota | | |
|-----------------------|---------------------------|---------------------------------|-------------------|------------------|------------------------------------|---------------------------|-------------------|------------------|
| | Total Students, 2018/2019 | 2009-2019 Percent Change, Total | Minority Students | Percent Minority | 2009-2019 Percent Change, Minority | Total Students, 2018/2019 | Minority Students | Percent Minority |
| Kindergarten | 2,008 | 2.7% | 590 | 29.4% | 54.0% | 64,300 | 23,313 | 36.3% |
| 1st Grade | 2,083 | 10.9% | 634 | 30.4% | 68.6% | 63,928 | 23,038 | 36.0% |
| 2nd Grade | 2,080 | 9.8% | 654 | 31.4% | 105.0% | 63,580 | 22,634 | 35.6% |
| 3rd Grade | 2,069 | 13.3% | 605 | 29.2% | 79.5% | 64,817 | 23,221 | 35.8% |
| 4th Grade | 2,036 | 9.5% | 588 | 28.9% | 80.9% | 65,826 | 23,777 | 36.1% |
| 5th Grade | 2,105 | 13.7% | 610 | 29.0% | 89.4% | 67,389 | 23,864 | 35.4% |
| 6th Grade | 2,148 | 9.6% | 627 | 29.2% | 88.9% | 67,902 | 23,850 | 35.1% |
| 7th Grade | 2,138 | 10.9% | 582 | 27.2% | 93.4% | 67,223 | 22,748 | 33.8% |
| 8th Grade | 2,038 | 0.8% | 523 | 25.7% | 51.6% | 66,278 | 22,012 | 33.2% |
| 9th Grade | 2,188 | 2.7% | 578 | 26.4% | 100.7% | 68,430 | 22,384 | 32.7% |
| 10th Grade | 2,089 | -10.5% | 537 | 25.7% | 70.5% | 67,290 | 21,160 | 31.4% |
| 11th Grade | 2,117 | -11.3% | 537 | 25.4% | 74.9% | 65,703 | 20,523 | 31.2% |
| 12th Grade | 2,120 | -9.6% | 509 | 24.0% | 86.4% | 72,172 | 23,016 | 31.9% |
| Total Students | 27,219 | 3.2% | 7,574 | 27.8% | 79.4% | 864,838 | 295,540 | 34.2% |

Source: Minnesota Department of Education Data Center

Student Enrollment Trends

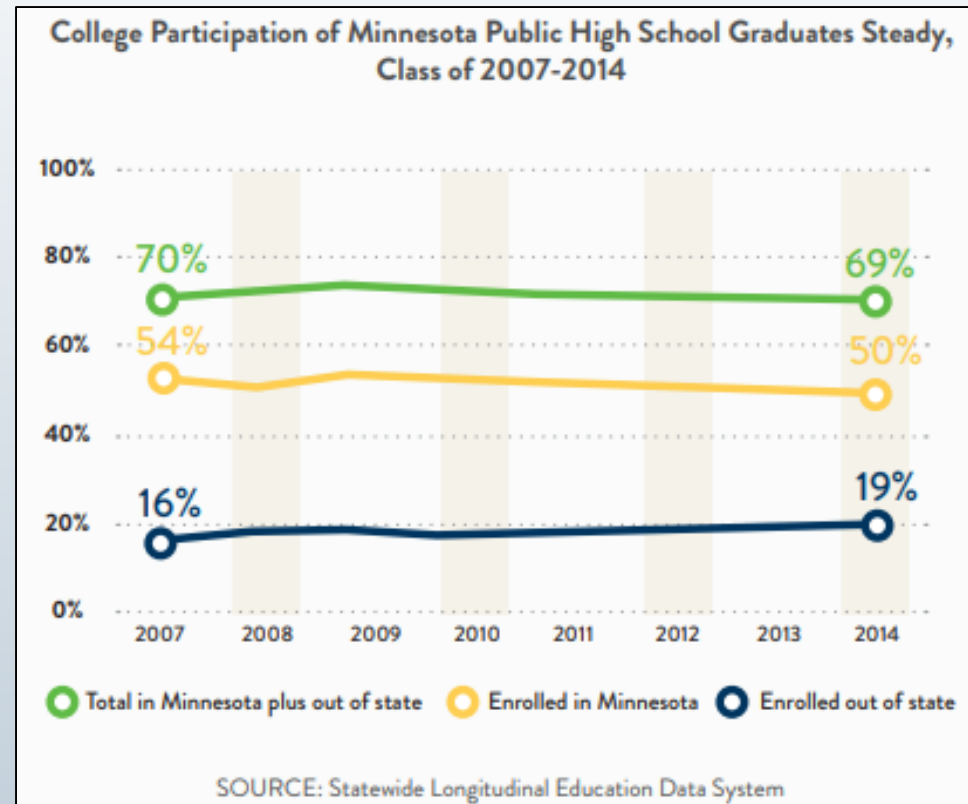
- Two groups of seniors – *what are you going to do with your life? What job do you want?*
 - “Seniors” refers to 12th graders, and also anyone aged 55 years & older(?)
 - 28,161 people from 55 to 67 years
 - Essentially, Southwest Minnesota will have more “seniors” than “seniors” in every grade level from 8th grade on...

| Grade | Number | Age | Number | Number of Students Compared to Adults |
|------------------------|--------|-------------|--------|---------------------------------------|
| Kindergarten | 2,181 | 55 years | 2,489 | -308 |
| 1 st grade | 2,124 | 56 years | 2,521 | -397 |
| 2 nd grade | 2,080 | 57 years | 2,356 | -276 |
| 3 rd grade | 2,056 | 58 years | 2,366 | -310 |
| 4 th grade | 2,157 | 59 years | 2,223 | -66 |
| 5 th grade | 2,148 | 60 years | 2,318 | -170 |
| 6 th grade | 2,107 | 61 years | 2,276 | -169 |
| 7 th grade | 2,038 | 62 years | 2,199 | -161 |
| 8 th grade | 2,110 | 63 years | 2,127 | -17 |
| 9 th grade | 2,076 | 64 years | 1,809 | 267 |
| 10 th grade | 2,112 | 65 years | 1,923 | 189 |
| 11 th grade | 2,102 | 66 years | 1,890 | 212 |
| 12 th grade | 2,131 | 67 years | 1,664 | 467 |
| All Grades | 27,422 | 55-67 years | 28,161 | -739 |

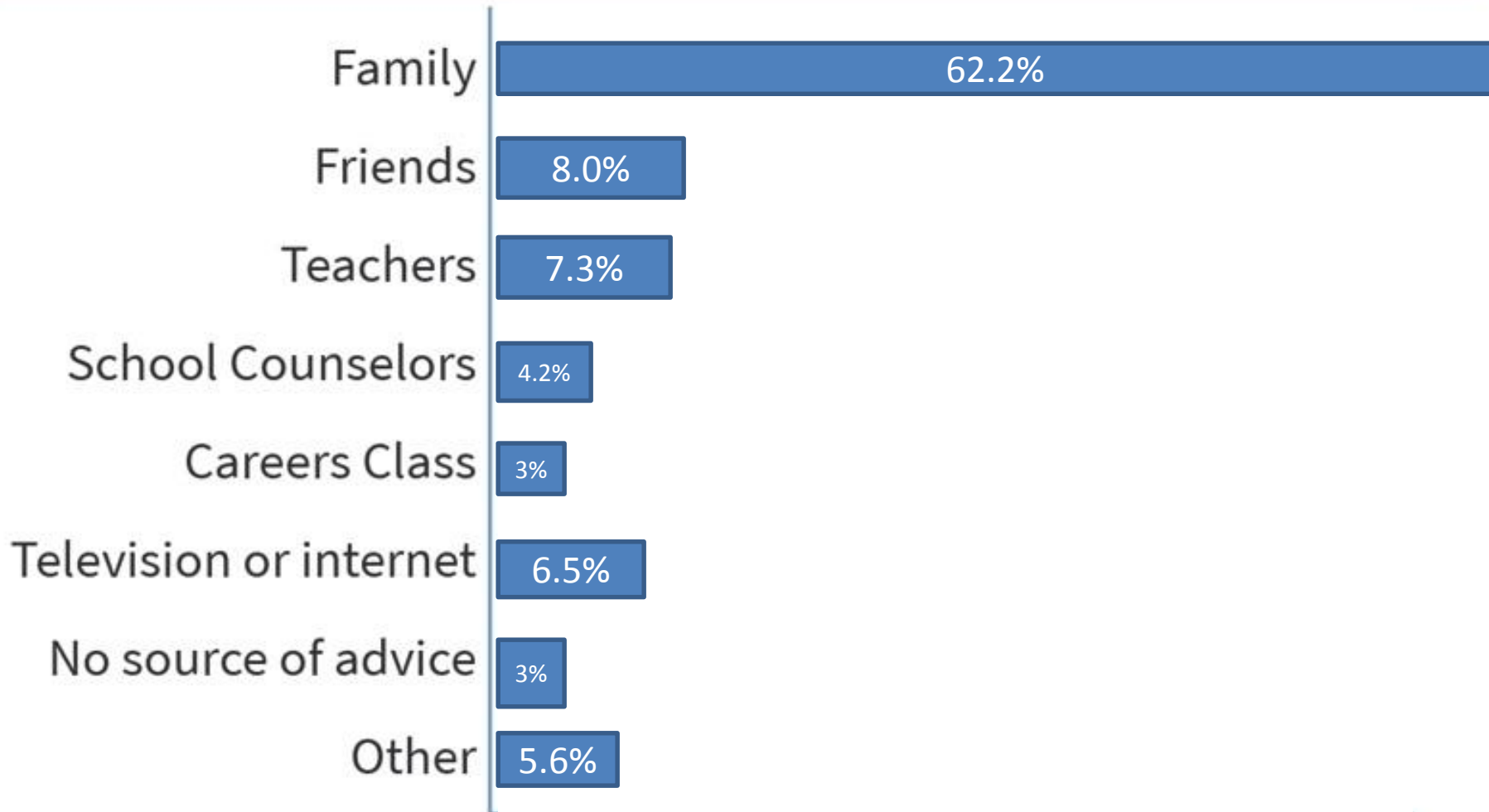
Source: Minnesota Dept. of Education, U.S. Census Bureau

SLEDS.mn.gov

- 80-90% of students raise their hands
- 70% of students enroll in the fall
 - 58% go to 4-year schools
 - 42% go to 2-year schools
- sleds.mn.gov
 - Enrollment
 - By college type
 - Top colleges
 - Completing College
 - Entering the Workforce...



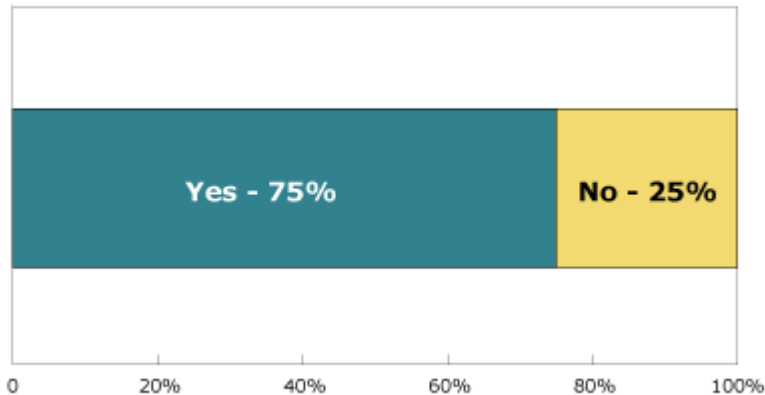
What is your primary source of advice about your future education and career?



Good News – Bad News...

- **Students are willing to stay in the region**
- **And they think there are good paying jobs here...**

Figure 1. If you could get a good paying job in this region would you want to live in or near your local community?

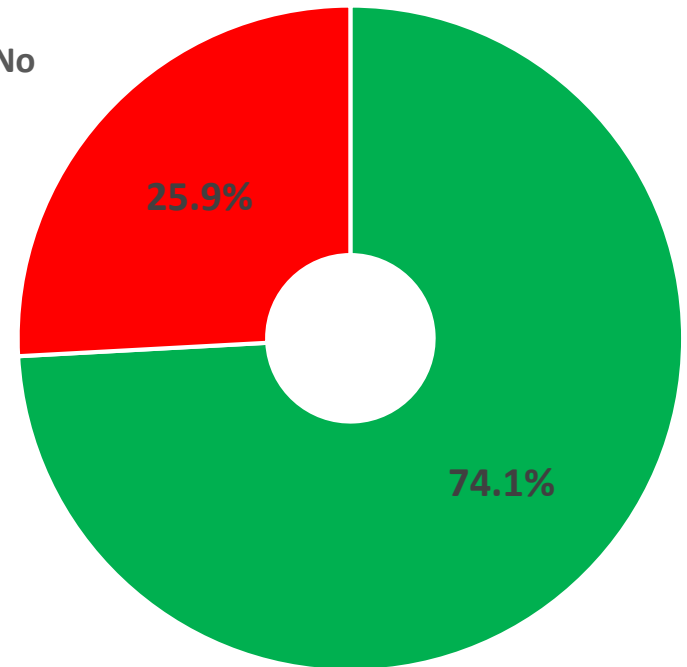


Source: DEED survey at Southwest Minnesota Career Expo

■ Do you think you could get a good paying job in that career cluster in your region?

■ Yes

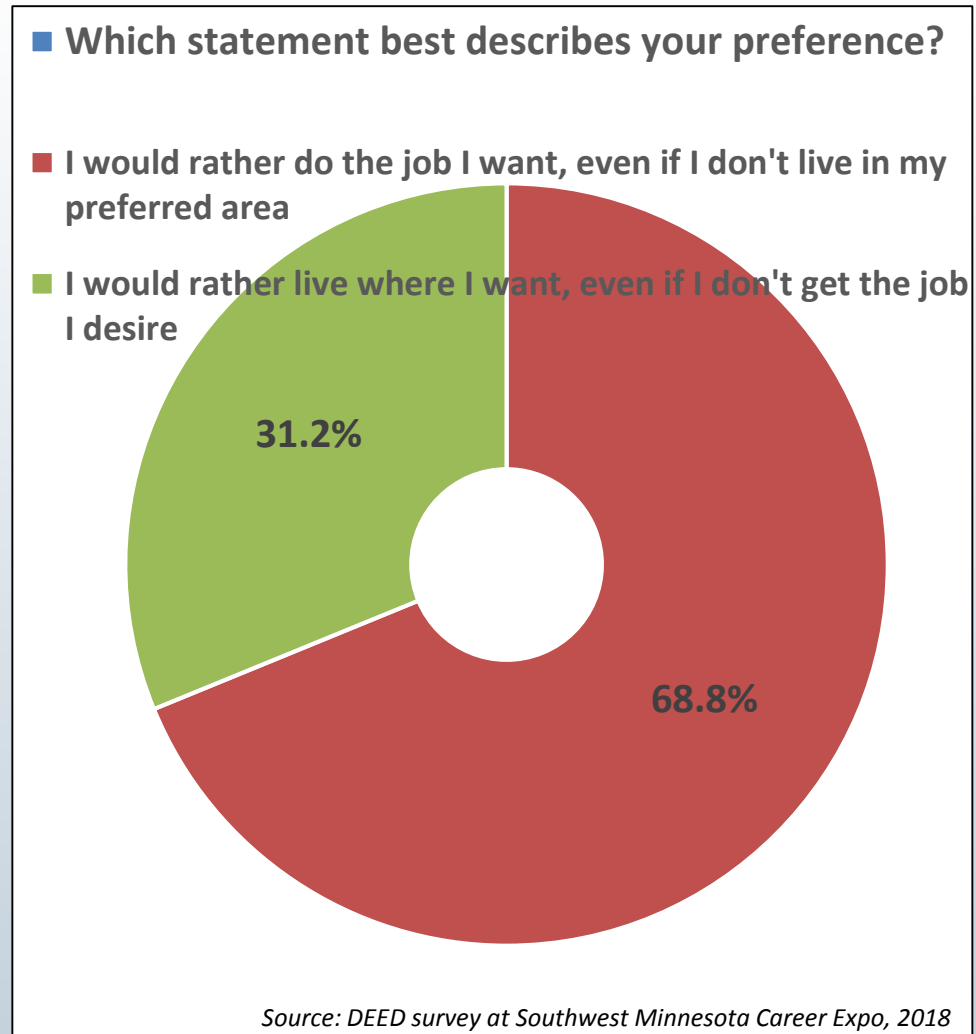
■ No



Source: DEED survey at Southwest Minnesota Career Expo, 2018

Good News – Bad News...

- **However, behavior has been very different**
 - *And jobs are more important than residence?*



Conclusions

- **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**
 - The white, native-born workforce is aging; but many workers are staying in the labor force longer
 - Immigration and all forms of diversity has been and will continue to be a vital source of the workforce that employers need to succeed
 - The challenge remains - aligning student and jobseeker perceptions with labor market realities
- **We must make most of the workforce we have by removing frequent impediments to work**
 - Skills, transportation, child care, sick leave, low wages; housing markets, health care, labor exchange systems

THANK YOU!

- **Questions?**
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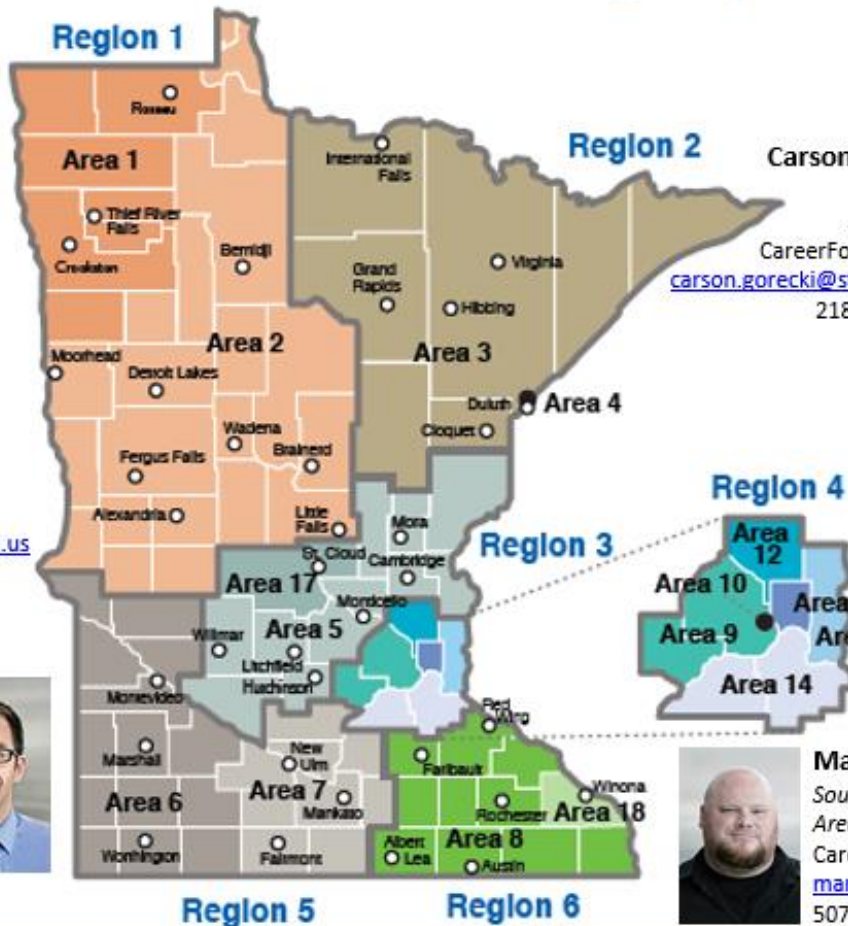


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