

East Central Minnesota: Social and Economic Trends and Implications, Forestry Analysis

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Social and Economic Framework

- ❑ Social and economic variables provide a framework within which landscape management can be developed

- ❑ Limitations from the landscape ecosystem on levels of human activity:
 - attempts to restore natural features
 - importance of similarities
 - importance of heterogeneity across the East Central Landscape for developing policy that is based on differences

- ❑ Natural Resource planning requires: data, natural, physical, and social/economic data.
 - set of over-arching goals is critical.
 - ways in which the natural, physical and social/ economic data interact

Landscape management considerations:

- ways in which residents **see the natural resources**
- how and what residents **value about natural resources**
- how dependent residents are on **specific resources for their livelihood** and/or recreation

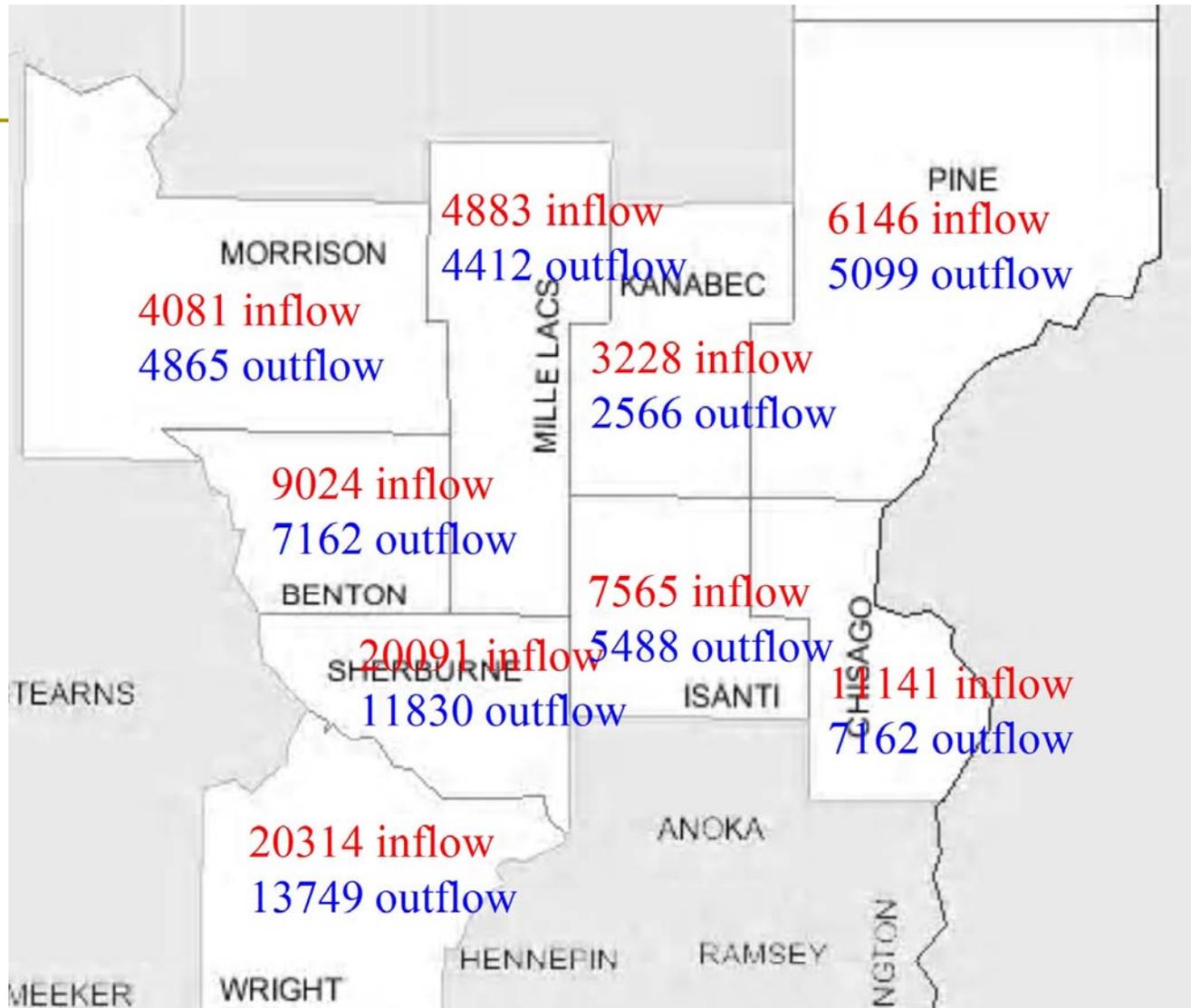
Landscape management considerations (cont.):

- Residents' willingness and capacity to **participate in a policy development** process
- Residents' "**lifestyles and opportunity structures**"
- amount and type of "**social capital**" in communities
- ability, willingness, and capacity to "**adapt to changes**" in the ecosystem

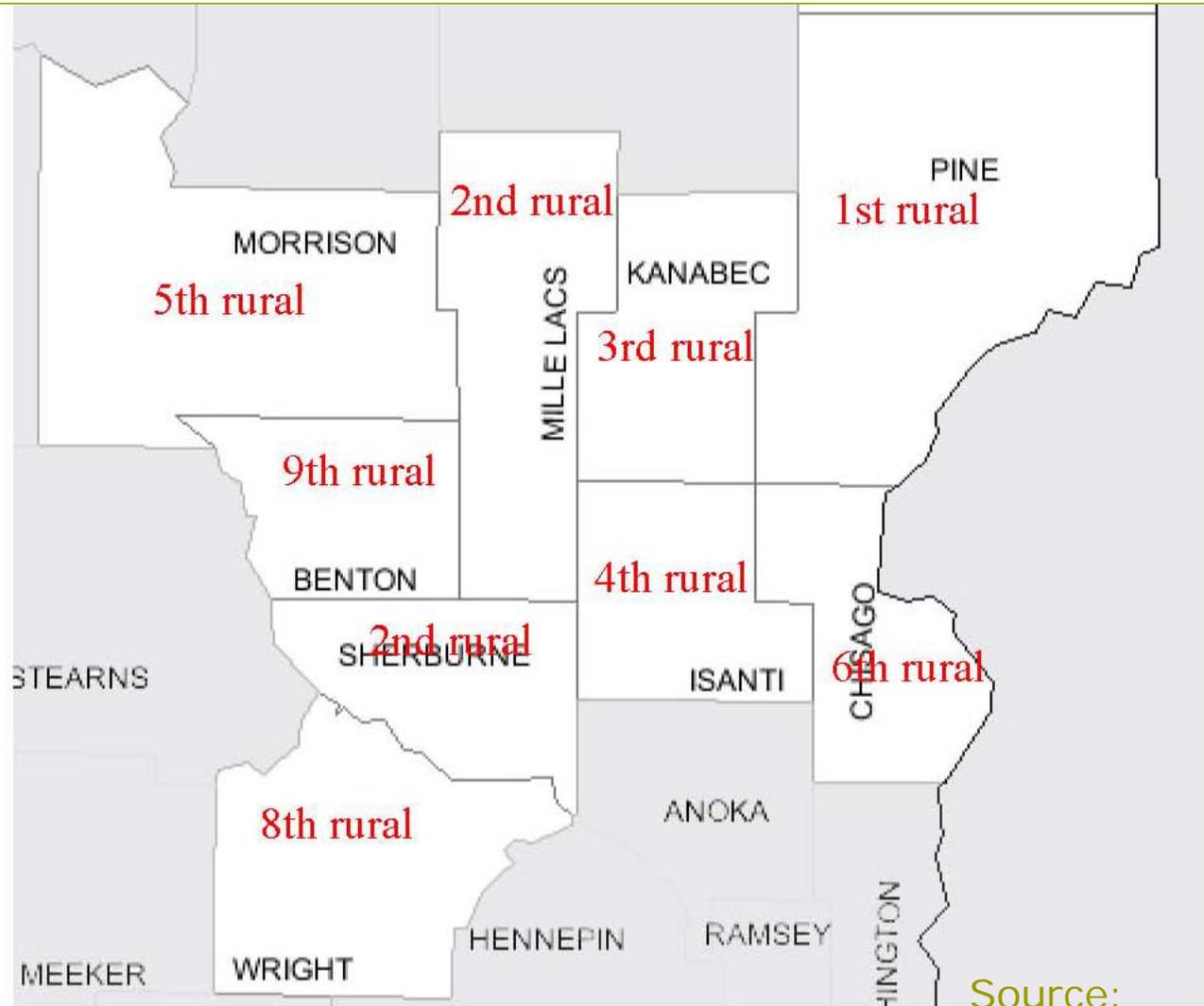
County Population Differences

- ❑ Larger population counties are closer to the Metropolitan Area
- ❑ Counties with larger urban populations are closer to the Metropolitan Area
- ❑ Counties with larger rural populations are more distant from the Metropolitan Area
- ❑ Levels of change: Seven of the East Central Region counties have net migration rates 3 to 8 times higher than the Minnesota rate
- ❑ Rate of increase: Some counties doubled and one tripled in population over the past 40 years with increases between 10,000 to 20,000 in the past 10 years.

County Map Outline with In/Out Totals



Population Location of East Central MN Counties Ranked by Percent Rural



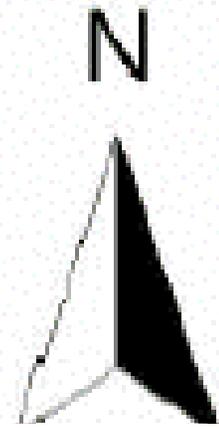
County Population Differences

(cont.)

- ❑ Age structure: Counties with smaller populations tend to have higher median age for the county
- ❑ Larger counties tend to have larger percentages of the population in the “labor force” range (18 – 65 years)
- ❑ Income levels: Counties closer to the Metropolitan Area have higher median household incomes
- ❑ Four counties (Kanabec, Mille Lacs, Morrison, and Pine) have between 9 and 11 percent of the population below the poverty level.
- ❑ Persons per household: Average household size, between 1970 and 2000 dropped for all counties of the East Central Region. The ranking of percentage change in these years shows that Benton and Morrison dropped household size the most—as much as one person per household—and Sherburne and Chisago dropped the least, around .5 persons per household.

Housing

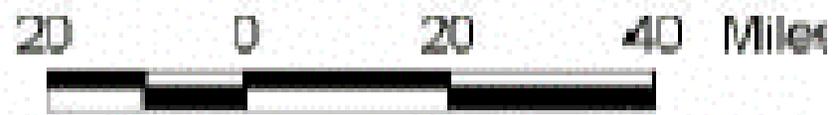
- ❑ The number of housing units varies along the lines of population size but the number and percent of vacant housing units follows an inverse trend.
- ❑ Counties with smaller populations tend to have higher percentages of vacant housing units.
- ❑ The percent of vacant housing units which are seasonal, recreational, or occasional use are higher in the less densely populated counties.
- ❑ Pine County has the highest percentage of vacant housing units and the highest percentage of vacant housing units which are seasonal, recreational, or occasional use.



Legend

-  Urban and Rural Dev.
-  Cultivated
-  Hay/Pastures/Grassland
-  Brushland
-  Forestland
-  Water
-  Bog/Marsh/Fen
-  Mining

Source: Classified Satellite and aerial photographs from the 1990's
http://www.frc.state.mn.us/Landscp/5/assess/ec_assess_03_01.pdf



Land Use

- ❑ Counties vary in size. Pine county is almost three times larger in total acres than five of the other counties. Morrison is about 66 % as large as Pine, and Wright and Mille Lacs are about one half the size
- ❑ Settlement and accompanying land use patterns vary across the counties. Urban and Industrial uses vary from almost 9,000 acres in Wright county to between 1300 and 2200 acres in Kanabec, Mille Lacs, and Pine counties – these three counties rank lowest in the number of acres for Farmsteads, Rural Residences and Rural Residential Development

Land Use (cont.)

- ❑ Land use patterns vary across counties not only in amount but in distribution - Chisago county has some “forest” but it tends to be concentrated along the eastern border. Wright county has some “forest” but it is highly fragmented
- ❑ Counties vary by the percent of land classified as “forest, grassland, water/wetland, cultivated land. Pine county has the largest total acreage of “forest”, with Kanabec, Mille Lacs, and Morrison following in decreasing amounts.

Summary of East Central Region's Economic Base: *Analysis of the Region*

- This analysis looked at three measures for the East Central Region
 - Output = production of goods in millions of dollars
 - employment
 - value added = compensation in millions of dollars
- Regional industries are also ranked according to relative importance (as compared to the State), and for growth trends.

1) What are the largest industries in the Region?

- **Largest employers in the Region:**

[Employment - The number of part and full time employees employed by the industry, sometimes referred to as “covered employment,” by the Bureau of Labor Statistics.]

1. **State and Local Government-Education**
2. **Eating and Drinking**
3. **Amusement and Recreation Services**

- **Largest production of goods and services in the Region:**

[Output - The sum of intermediate sales to other regional firms plus sales to final users of the product.]

1. **New Residential Structures,**
2. **Electric Services and**
3. **Banking**

- **Largest compensation in the Region:**

[Value Added - The local earnings from various industry productions. (The sum of employee compensation and property income.)]

1. **Electric Services**
2. **State and Local Government-Education**
3. **Banking**

1) What are the largest industries in the Region?

Top 25 East Central Region Industry Rankings

Rank	Employment	Output	in millions of \$	value added	in millions of \$	
1	State & Local Government - Educ	10,779	New Residential Structures	597	Electric Services	460
2	Eating & Drinking	9,909	Electric Services	545	State & Local Government - Educ	412
3	Amusement and Recreation Servi	6,304	Banking	521	Banking	345
4	State & Local Government - Non-I	6,070	Wholesale Trade	496	Wholesale Trade	342
5	Wholesale Trade	5,214	State & Local Government - Educ	412	Real Estate	280
6	Food Stores	5,160	Real Estate	393	State & Local Government - Non-I	255
7	Nursing and Protective Care	5,149	Miscellaneous Plastics Products	374	Maintenance and Repair Other Fa	234
8	Maintenance and Repair Other Fa	5,058	Motor Freight Transport and Ware	367	Automotive Dealers & Service Sta	213
9	Automotive Dealers & Service Sta	4,854	Maintenance and Repair Other Fa	336	Food Stores	161
10	Hay and Pasture	4,837	New Industrial and Commercial B	321	Motor Freight Transport and Ware	158
11	Miscellaneous Retail	4,401	Eating & Drinking	298	Amusement and Recreation Servi	142
12	New Residential Structures	3,738	New Government Facilities	284	Eating & Drinking	139
13	Real Estate	3,396	Automotive Dealers & Service Sta	283	Doctors and Dentists	138
14	Motor Freight Transport and Ware	3,383	State & Local Government - Non-I	255	Hospitals	129
15	Hospitals	3,361	Amusement and Recreation Servi	219	New Residential Structures	128
16	Accounting, Auditing and Bookkee	3,265	Doctors and Dentists	214	New Industrial and Commercial B	123
17	Labor and Civic Organizations	3,086	Hospitals	212	Nursing and Protective Care	121
18	Residential Care	2,951	Industrial Machines N.E.C.	184	New Government Facilities	117
19	New Industrial and Commercial B	2,605	Other Business Services	183	Miscellaneous Plastics Products	111
20	Banking	2,583	Food Stores	177	Miscellaneous Retail	96
21	Doctors and Dentists	2,522	Boat Building and Repairing	176	Federal Government - Non-Militar	91
22	General Merchandise Stores	2,417	Maintenance and Repair, Residen	172	Industrial Machines N.E.C.	87
23	Miscellaneous Plastics Products	2,126	Nursing and Protective Care	163	Other Business Services	84
24	Wood Kitchen Cabinets	1,931	Commercial Printing	160	Building Materials & Gardening	81
25	Building Materials & Gardening	1,833	Wood Kitchen Cabinets	159	Wood Kitchen Cabinets	76

source: IMPLAN 2000

N.E.C. - Not Elsewhere Classified

2) What are the most concentrated industries in the Region (compared to the State)?

- The Forestry/Wood Products industries are extremely well represented in the industry ranking, showing that these industries are more densely represented in the East Central Region than elsewhere in the State.

rank	Top Ten Employment	rank	Top Ten Output	rank	Top Ten Value Added
1	Paperboard Mills	1	Paperboard Mills	1	Paperboard Mills
2	Veneer and Plywood	2	Veneer and Plywood	2	Textile Goods, N.E.C
3	Boat Building and Repairing	3	Textile Goods, N.E.C	3	Veneer and Plywood
4	Wood Kitchen Cabinets	4	Canned and Cured Sea Foods	4	Canned and Cured Sea Foods Flavoring Extracts and Syrups, N.E.C.
5	Woodworking Machinery	5	Flavoring Extracts and Syrups, N.E.C.	5	Boat Building and Repairing
6	Forest Products	6	Hand Saws and Saw Blades	6	Wood Kitchen Cabinets
7	Commercial Fishing	7	Boat Building and Repairing	7	Roasted Coffee
8	Poultry and Eggs	8	Wood Kitchen Cabinets	8	Woodworking Machinery
9	Miscellaneous Livestock	9	Woodworking Machinery	9	Commercial Fishing
10	Ready-mixed Concrete	10	Roasted Coffee	10	

Source: IMPLAN

N.E.C. - Not Elsewhere Classified

3)What are the fastest growing industries in the Region (compared to the State)?

Rank	Top Ten Industry Employment
1	Hay and Pasture
2	State & Local Government - Ed
3	Amusement and Recreation Service
4	Eating & Drinking
5	Accounting, Auditing and Bookkeep
6	Maintenance and Repair Other Fac
7	Automotive Dealers & Service St
8	New Residential Structures
9	Motor Freight Transport and Warehc
10	Hospitals

Source: IMPLAN

Rank	Top Ten Industry Output
1	New Residential Structures
2	Banking
3	State & Local Government - Ed
4	New Government Facilities
5	Real Estate
6	Wholesale Trade
7	Motor Freight Transport and Warehouse
8	New Industrial and Commercial Bldg
9	Other State and Local Govt Ent
10	Automotive Dealers & Service St

Rank	Top Ten Industry Value Added
1	State & Local Government - Ed
2	Banking
3	Real Estate
4	Maintenance and Repair Other Fac
5	Wholesale Trade
6	Automotive Dealers & Service St
7	Motor Freight Transport and Warehc
8	Food Stores
9	New Residential Structures
10	New Industrial and Commercial Bld

Note the tourism related sectors of Amusement and Recreation Services, N.E.C. and Eating & Drinking are listed here as among the fastest growing employment sectors.

Forest Products

- ❑ **Which forest products industries are most densely concentrated and fastest growing in the Region?**

Most densely represented forest products industry sectors are:

- Paperboard Mills, Veneer and Plywood, Wood Kitchen Cabinets, and Woodworking Machinery.
- These industries are all heavily represented in the top ten concentrated industries rankings, when compared to the State. They are deeply embedded in the structure of the Region's economic base. Although they are concentrated in the Region, they are not fast growing industries.

- From the top hundred industry sector rankings for fastest growing industries in the East Central Region, using the employment measure, only some Forestry/Wood Products industry sectors are represented and are ranked as follows:

<u>Rank</u>	<u>Industry Sector</u>
1	Hay and Pasture
2	State & Local Government - Ed
3	Amusement and Recreation Services, N.E.C.*
4	Eating & Drinking*
5	Accounting, Auditing and Bookkeeping

24	Furniture & Home Furnishings Stores
26	Forest Products
38	Wood Kitchen Cabinets
60	Millwork
77	Structural Wood Members, N.E.C
89	Veneer and Plywood
98	Woodworking Machinery
102	Wood Products, N.E.C

*see next slide

Forest Products (cont.)

*Note:

Although Forestry/Wood Products industries do not rank in the top ten fastest growing industries, recreation and tourism, which depend on the forested landscape, are represented in fast growing employment industries.

For instance in the top ten ranking for fastest growing are 3rd ranked **Amusement and Recreation Services, N.E.C.**, and 4th ranked **Eating & Drinking**, both part of the “hospitality industry” and related to tourism.

N.E.C. - Not Elsewhere Classified

Regional Profile Highlights

- ❑ **Electric Services** are high in value added and output, but low in employment.
- ❑ Out of the top 25 employers, four of them are in the **Medical and Care** industries.
- ❑ **State and Local Government-Education** is a very important industry, in terms of employment, value added and output. Also true of the Medical and Care industries, which include: Hospital, Residential Care, Nursing And Protective Care, and Doctors And Dentists.
- ❑ **Tourism** also plays an important role in the economy, as shown by the strength of the Amusement and Recreation Services and Eating and Drinking sectors.
- ❑ **Wholesale and Retail Trade** along with **Banking** and **Construction** are strong sectors in the East Central Region.
- ❑ **Forestry/Wood Products** industries are densely concentrated in the Region compared to elsewhere in the state.

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The full report is available on the www at:

<http://www.d.umn.edu/sbe/departments/bber/projects/projects.htm>