Southwest Minnesota Regional Disparities by Race and Origin

Southwest Minnesota’s population is relatively non-diverse, but is becoming more diverse over time. Through 2016, about 88.8 percent of the region’s population reported being White alone, and not of Hispanic or Latino origin; while the other 11.2 percent of the population reported a different race – such as Black or African American, American Indian, Asian, Some Other Race, or Two or More Races – or Hispanic or Latino origin. That was about 7.5 percent lower than the population statewide, where 18.7 percent of residents reported a race or origin other than White alone (see Figure 1).

Southwest Minnesota was home to 392,479 people in 2016, which was a loss of just over 2,000 residents since 2000. The 23-county region saw a decline of 10,671 White residents, meaning the only population growth in the region came from people of other races. In fact, the region experienced rapid growth in the number of people of other races and origins, which have increased more than 65 percent since 2000.

With just over 24,000 residents, people of Hispanic or Latino origin – who can be of any race – comprised the largest minority group in the region, accounting for 6.1 percent of the total population. That was 1 percent more concentrated than in the state as a whole. The region’s Hispanic or Latino population nearly doubled from 2000 to 2016, increasing 93.7 percent (see Table 1).

Three different race groups all had about 6,500 residents in the region. Southwest Minnesota had 6,573 Black or African American residents in 2016, a 143 percent rise since 2000. Likewise, the region was home to 6,567 Asian or Other Pacific Islanders, after gaining 2,260 additional residents since the turn of the century. Though the population reporting Some Other Race declined slightly from 2000 to 2016, the region had 6,325 people of Some Other Race in 2016, accounting for 1.6 percent of the population.

Residents reporting Two or More Races increased 57.7 percent in the region from 2000 to 2016, and now account for 5,273 people. Finally, the smallest race group in the region was American Indian and Alaska Natives, with 2,593 people after adding about 600 new residents since 2000. In sum, just 7 percent of the population in the region was a race other than White alone.

Table 1. Population Change in Southwest Minnesota, 2000-2016

<table>
<thead>
<tr>
<th></th>
<th>Southwest Minnesota</th>
<th>Minnesota</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>392,479</td>
<td>100.0%</td>
</tr>
<tr>
<td>White</td>
<td>365,148</td>
<td>93.0%</td>
</tr>
<tr>
<td>Black or African American</td>
<td>6,573</td>
<td>1.7%</td>
</tr>
<tr>
<td>American Indian &amp; Alaska Native</td>
<td>2,593</td>
<td>0.7%</td>
</tr>
<tr>
<td>Asian &amp; Other Pac. Islander</td>
<td>6,567</td>
<td>1.7%</td>
</tr>
<tr>
<td>Some Other Race</td>
<td>6,325</td>
<td>1.6%</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>5,273</td>
<td>1.3%</td>
</tr>
<tr>
<td>Hispanic or Latino origin</td>
<td>24,118</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2012-2016 American Community Survey
Employment Diversity

While people of different races make up 7 percent of the overall population, they held just 6 percent of total jobs in Southwest Minnesota, according to data from the Quarterly Workforce Indicators program. In the second quarter of 2017, that equaled 10,781 jobs held by workers of other races, compared to 168,674 White workers. While still a small portion, workers of other races held just 2.9 percent of total jobs in the region in 2000, meaning their employment presence doubled from 2000 to 2017 (see Figure 2).

In sum, workers of other races have filled an additional 5,902 jobs in the region since 2000, accounting for 64.5 percent of the 9,149 new jobs added. With 4,015 jobs, Black or African Americans were the largest race group in the regional economy, after gaining 2,676 jobs since 2000, a 200 percent increase. The next largest group was Asian and Other Pacific Islanders, who held 3,969 jobs in 2017 after rising 90.7 percent from 2000 (see Figure 3). Workers of Hispanic or Latino origin filled 10,653 jobs in the region, up by nearly 5,500 jobs since 2000.

Most sectors in Southwest Minnesota are non-diverse, but there are a couple industries that rely more heavily on workers of other races. The largest number of minority workers were employed in Manufacturing, though 89 percent of the jobs in the industry were held by White workers. Workers of other races were also employed in larger numbers in Health Care and Social Assistance, Accommodation and Food Services, Retail Trade, and Educational Services (see Figure 4). Over 40 percent of Hispanic or Latino workers were employed in Manufacturing.

Source: DEED, Census LEHD Quarterly Workforce Indicators
Employment Characteristics

Comparing the economic status of people of other races with the region’s White residents reveals many disparities including educational attainment, labor force participation, unemployment, and income and poverty levels. Closing these gaps is crucial to keep the region’s economy moving forward.

People of other races exhibited lower educational attainment than their White counterparts, with a much higher percentage of people with less than a high school diploma. Nearly half of Hispanic or Latino residents in the region did not graduate from high school. In contrast, Asian residents and people of Two or More Races had a higher percentage of bachelor’s degrees or higher. At 68.3 percent, labor force participation rates are slightly lower in Southwest Minnesota than the state as a whole. People of Some Other Race had the highest labor force participation rate in the region at 78.5 percent, and Hispanic or Latino workers also participated at a much higher rate than Whites. American Indians and Black workers had lower participation rates (see Table 2).

Despite the considerable job growth detailed above for workers of other races and origins, unemployment rate disparities continue to exist in the region. Most race groups had a higher unemployment rate than for Whites. The region’s White unemployment rate was 3.6 percent, which was 0.5 percent below the state rate. At 17.9 percent, Black or African Americans had the highest unemployment rate in the region, nearly 5 times the rate for Whites, and 5 percent above the comparable state rate. Likewise, rates were significantly higher for workers of Two or More Races and Hispanic or Latino origin. Unemployment rates were just above 6 percent for Asian and American Indian workers (see Figure 6).
Economic Disparities

Racial disparities exist in employment characteristics but they also are found in economic outcomes as measured by household income and poverty levels. The region’s median household income was $53,487 in 2016, but varied by race groups. The median household income for Black or African American households was $31,700, nearly $23,000 less than White households. Incomes were also relatively low for Asian, Hispanic, and households of Some Other Races, but the median income was actually higher for workers of Two or More Races.

Incomes were similar for Whites and American Indians (see Figure 7).

Another measure of economic outcome is the percent of the population below the poverty level, and again there exists disparities between Whites and people of other races in Southwest Minnesota. Overall, the region’s poverty rate was 12.3 percent, which was 1.5 percent above the statewide rate. However, in 2016 it was estimated that 46.7 percent of the region’s Black or African American population was below the poverty level, compared to just 10.9 percent of the White population. Likewise, poverty levels hovered above 25 percent for people of all other race groups and Hispanic or Latino origin in the region. In almost all cases, the region’s poverty rate was higher than the state’s poverty rate (see Figure 8).

These racial disparities exist and persist for a wide variety of reasons, but the economic challenges and opportunities the region will face over the next 15 years are so great that they will need to be tackled with a multi-pronged approach to attracting, retaining, and training workers of all demographic characteristics. Working on solutions to address these disparities between the white population and populations of other races is not only the right thing to do, it’s the necessary thing to do if the region is going to provide employers with the workforce needed for success.

For more information about economic disparities by race in Southwest Minnesota, contact:

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Figure 7. Southwest Minnesota Median Household Income by Race or Origin, 2016

Figure 8. Percent Below the Poverty Level by Race or Origin, 2016