

ECONOMIC DEVELOPMENT REGION 8: Southwest

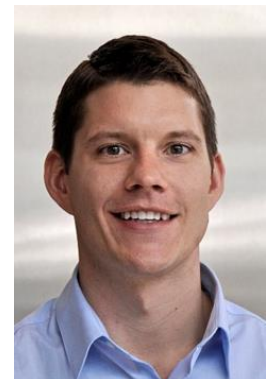
Covers counties:

Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, and Rock

2022 REGIONAL PROFILE

Updated November 28, 2022

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DEMOGRAPHICS

POPULATION CHANGE

Economic Development Region 8 includes a total of 9 counties located in the Southwest Minnesota planning area, which also encompasses Region 6W and Region 9. Region 8 was home to 116,851 people in 2021, comprising 2% of the state’s total population. Region 8 lost 2,300 residents since 2010, a -1.9% decline, making it the 4th fastest declining of the 13 EDRs in the state. In comparison, the state of Minnesota saw a 7.6% gain from 2010 to 2021 (Table 1).

Just one county in the region enjoyed population gains so far this decade. Anchored by Worthington, Nobles County gained 613 net new residents from 2010 to 2021, a 2.9% growth that ranked 26th fastest in the state. Home to Marshall, Lyon County is the largest county in the region, with just over 25,000 people. After declining over 5 percent since 2010, Murray, and Lincoln County saw the fastest population declines in the region and are among the fastest declining counties in the state. These recent declines are part of a long-term trend in the region, which has been losing population since at least 1950, although the decline has tapered in recent decades.

Table 1. Population Change 2010-2021

	2010 Population	2021 Estimates	2010-2021 Change	
			Number	Percent
Region 8	119,151	116,851	-2,300	-1.9%
Cottonwood Co.	11,687	11,569	-118	-1.0%
Jackson Co.	10,266	9,990	-276	-2.7%
Lincoln Co.	5,896	5,567	-329	-5.6%
Lyon Co.	25,857	25,231	-626	-2.4%
Murray Co.	8,725	8,144	-581	-6.7%
Nobles Co.	21,378	21,991	+613	+2.9%
Pipestone Co.	9,596	9,313	-283	-2.9%
Redwood Co.	16,059	15,366	-693	-4.3%
Rock Co.	9,687	9,680	-7	-0.1%
State of Minnesota	5,303,925	5,707,390	+403,465	+7.6%

Source: U.S. Census Bureau, Population Estimates

COMPONENTS OF POPULATION CHANGE

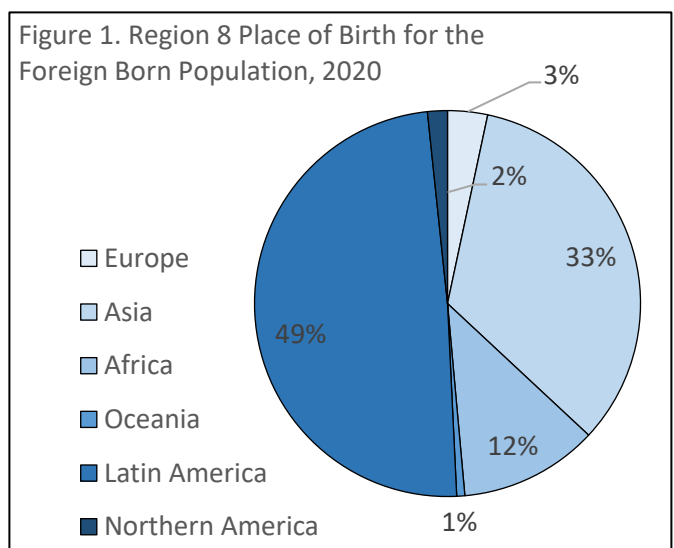
Region 8 has experienced a slight natural increase – more births than deaths – of 63 people so far this decade. However, the region lost population because of out-migration, with 650 more people moving out of the region than moving in. Though there was domestic out-migration of more than 750 people, the region did experience positive in-migration of 105 additional residents from international sources (see Table 2).

Table 2. Components of Population Change, 2020-2021

	Total Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	Inter-national	Domestic
Region 8	-586	+63	1,825	1,762	-650	+105	-755
Minnesota	+896	+12,512	79,493	66,981	-11,734	+4,213	-15,947

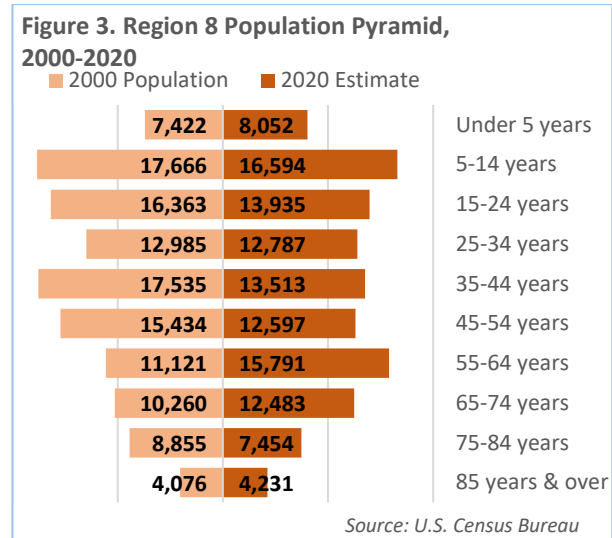
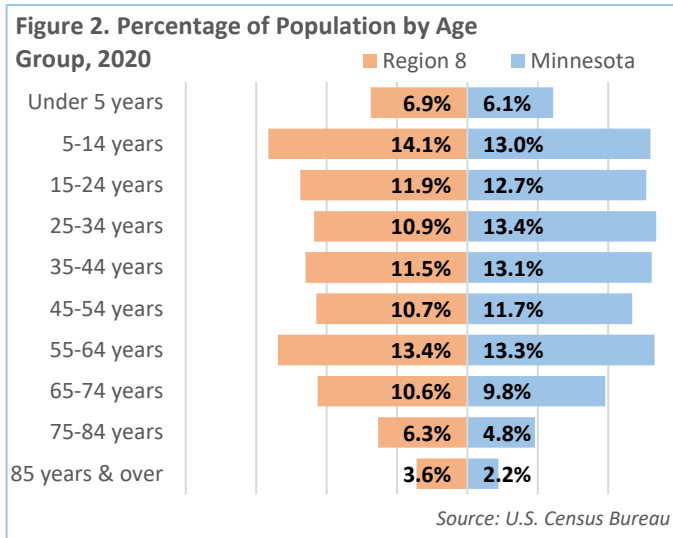
Source: U.S. Census Bureau, Population Estimates Program

Region 8 is now home to roughly 9,000 foreign born residents, or about 7.7% of the total population. The number of immigrants in the region jumped by 46.8% since 2010, outpacing the statewide growth rate of 28.3%. Over half (4,578 people) of these immigrants were from Latin America, and the second largest number were from Asia, accounting for over 33% of the region’s immigrants, while the fastest growth came from Africa, which increased by 103.5% from 2010 to 2020 (Figure 1).



POPULATION BY AGE GROUP

Region 8 has a slightly older population than the rest of the state, with 33% of residents aged 55 years and over, compared to 30.1% statewide. Consequently, Region 8 had a lower percentage of people in the 25- to 54-year-old age group, typically considered the “prime working years,” but a slightly higher percent of school-aged children (Figure 2).

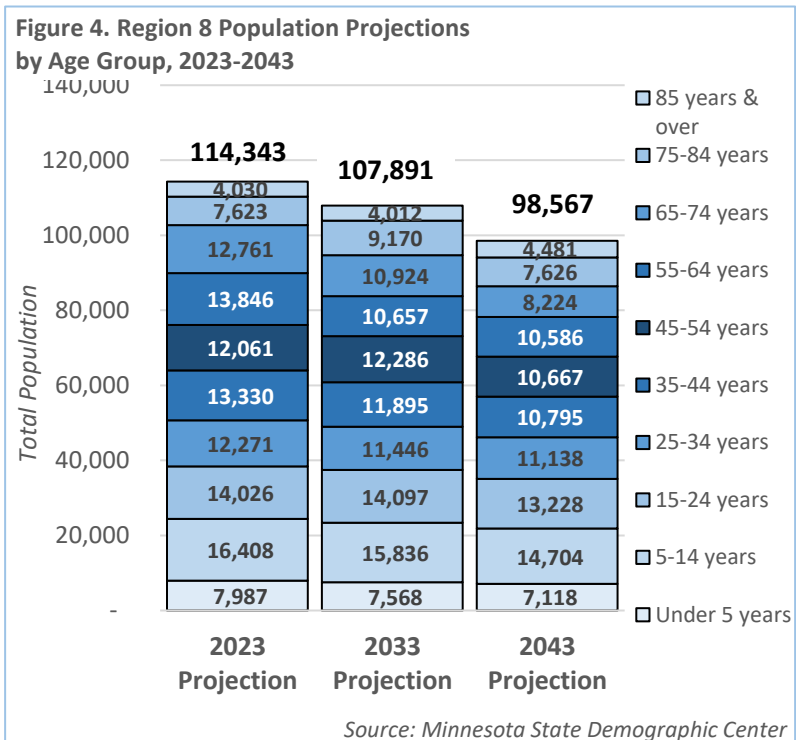


A large portion of the region’s population is a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger and middle-aged residents was declining, the number of residents aged 55 years and over was mostly increasing. This included a huge jump in the number of people from 65 to 74 years of age, but there was also a decline in people aged 75-84 years (Figure 3).

POPULATION PROJECTIONS BY AGE GROUP

Region 8 is projected to continue losing residents in the next 20 years. According to population projections from the [Minnesota State Demographic Center](#), Region 8 is expected to lose 15,776 residents from 2023 to 2043, a -13.8% decrease (Figure 4). In comparison, the state of Minnesota is projected to grow 9.4%.

Most notably, Region 8 is only projected to gain residents aged 85 and older, but only by 451 people, an 11.2% increase. The region is expected to see a large decrease in the 55-74 year-old age group, accounting for half of all population loss projected over the next two decades. Similarly, Region 8 is expected to lose roughly 3,400 school-aged children and young adults from 5 to 24 years of age.



POPULATION BY RACE

Region 8’s population is less diverse than the state’s, but is becoming more diverse over time. In 2020, about 82% of the region’s residents reported white alone as their race, compared to 77.5% of residents statewide. The region had a smaller percentage of Black or African American residents and Asian or Other Pacific Islanders than the state. However, at 10.8%, Region 8 had a higher percentage of people reporting Hispanic or Latino origin than the state, and a higher percentage of people of Some Other Race (Table 3).

The number of people reporting Some Other Race or Two or More Races more increased rapidly since 2010. Combined, they account for 13,000 people. Hispanic or Latino origin amounted to more than 12,680 people.

Table 3. Race and Hispanic Origin, 2020	Region 8				Minnesota	
	Number	Percent	Change from 2010-2020		Percent	Change from 2010-2020
			Numeric	Percent		
Total	117,437	100.0%	-1,273	-1.1%	100.0%	+7.6%
White	96,188	81.9%	-7,260	-7.0%	77.5%	-2.2%
Black or African American	2,442	2.1%	+802	+48.9%	7.0%	+45.2%
American Indian & Alaska Native	1,748	1.5%	+671	+62.3%	1.2%	+12.7%
Asian & Other Pac. Islander	3,933	3.3%	+923	+30.7%	5.3%	+39.6%
Some Other Race	7,032	6.0%	+6,951	+8581.5%	3.0%	+63.5%
Two or More Races	6,094	5.2%	+4,758	+356.1%	6.1%	+176.3%
Hispanic or Latino origin	12,684	10.8%	+4,125	+48.2%	6.1%	+38.1%

Source: U.S. Census Bureau, 2020 Census

EDUCATIONAL ATTAINMENT

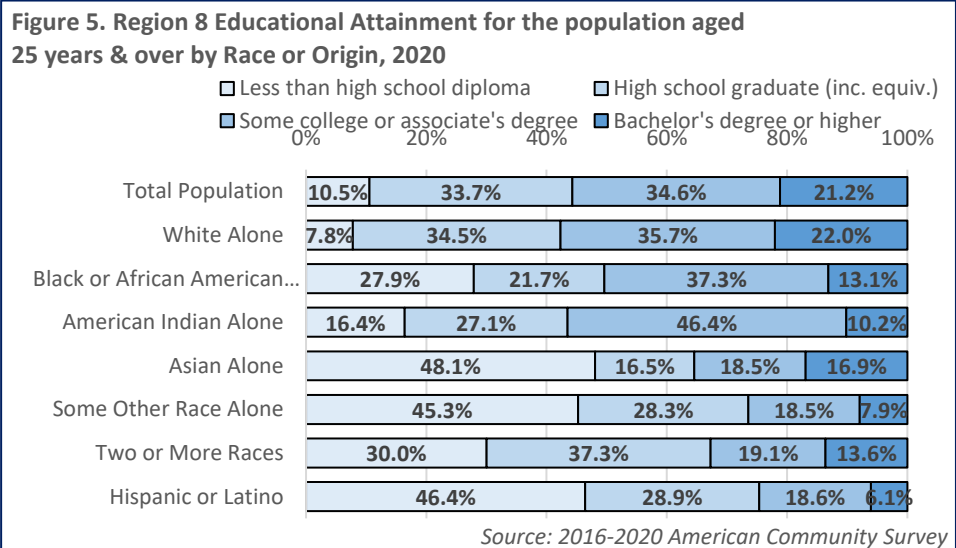
With 31.9% of adults aged 18 years and over having an associate, bachelor’s, or advanced degree, Region 8 has lower educational attainment than the state, where 45.3% of adults have a college degree. In contrast, Region 8 has a much higher percentage of people with a high school diploma or less. Reflecting the region’s industry mix and older population, Region 8 also has a higher percentage of people with an associate’s degree or some college than the state (Table 4).

Table 4. Educational Attainment for the Adult Population, 2020	Region 8		Minnesota
	Number	Percent	Percent
Total Population, 18 years & over	87,160	100.0%	100.0%
Less than high school	9,690	11.1%	7.2%
High school graduate (incl. equiv.)	29,208	33.5%	24.7%
Some college, no degree	20,431	23.4%	22.8%
Associate's degree	10,354	11.9%	11.0%
Bachelor's degree	13,189	15.1%	23.0%
Advanced degree	4,288	4.9%	11.2%

Source: U.S. Census Bureau, 2016-2020 American Community Survey

Educational attainment varies significantly by race and ethnicity in Region 8. Almost half of Hispanic or Latino residents, Asians, and people of Some Other Race had less than a high school diploma, compared to just under 8% of white residents.

Encouragingly, over 50% of whites, Black or African Americans and American Indians have attended some college or earned a degree. Just over 21% of White residents had earned bachelor’s degrees or higher, compared to 10.2% of American Indians and 7.9% for people of some other race and 6.1% Hispanic or Latino origin (Figure 5).

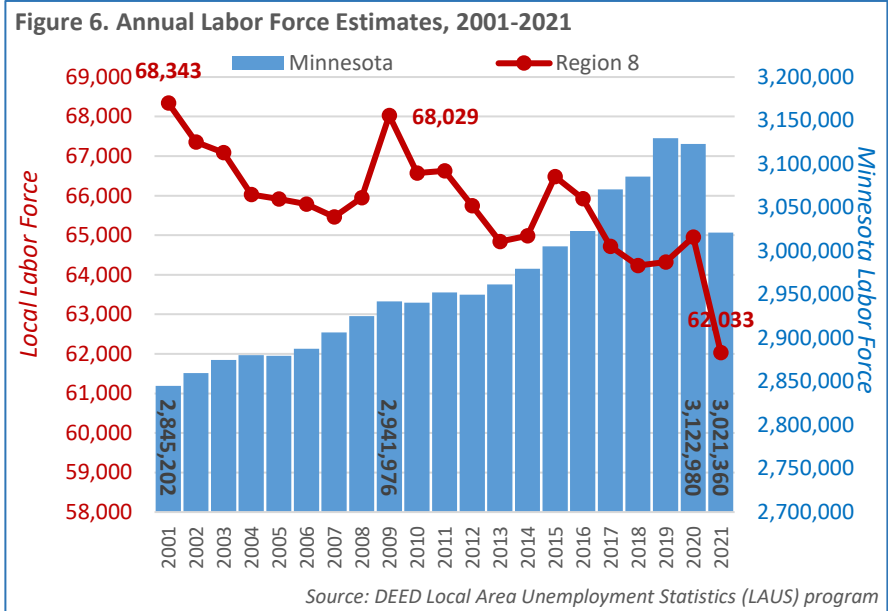


LABOR FORCE

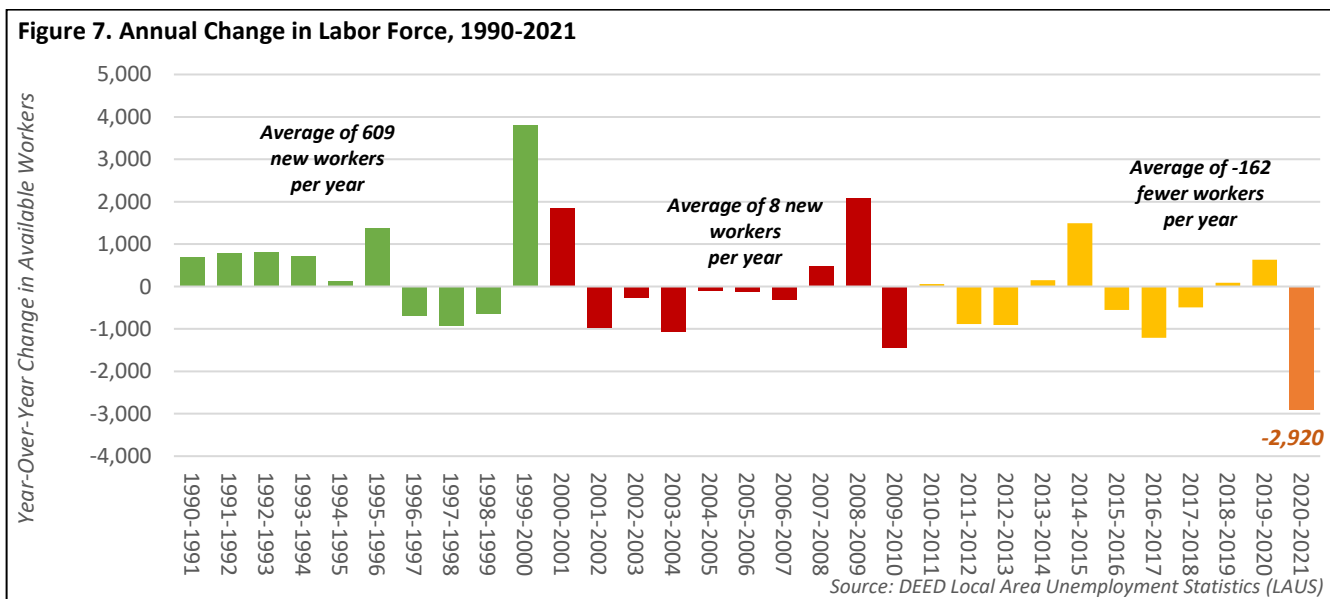
LABOR FORCE CHANGE

According to data from DEED’s [Local Area Unemployment Statistics](#) program, Region 8 had an annual average labor force count of just over 62,000 workers through 2021. In line with the region’s population decline and labor force changes across the country, Region 8 has lost about 3,753 workers since 2006; and is down from a peak of 68,343 workers in 2001. Previous jumps in labor force size coincided with recessions (in 2001 and 2007-2009), but the rise from 2014 to 2015 happened during better economic times (Figure 6).

However, the labor force only grew a modest amount during the 2020 recession and all of the gains and more were lost in the next year.



Averaging a net gain of 609 additional labor force participants per year between 1990 and 2000, employers in Region 8 were able to tap into a large and growing pool of talented workers. With recent declines, the region averaged a loss of 162 workers per year between 2010 to 2021 (Figure 7). Increasingly tight labor markets and a growing scarcity of workers is now recognized as one of the most significant barriers to future economic growth in Region 8. However, the labor market shifted in 2020 from the economic shock from the COVID19 pandemic, for a brief time there was record numbers of unemployed workers but quickly changed to a record low number of unemployed workers. The small number of unemployed workers combined with labor force losses are contributing to a very tight labor market.



LABOR FORCE PROJECTIONS, 2023-2033

Applying current labor force participation rates to future population projections by age group, as shown in Figure 4 above, would lead to a steeper decrease in workforce numbers in Region 8 through 2033 (Table 5).

In addition to the changing size, the labor force will also see a significant shift in composition over time, with meager gains in the number of workers aged 75 years and older, 45-54, and 20-24 against huge declines in the number of workers aged 55 to 64 years. This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

	2023 Labor Force Projection	2033 Labor Force Projection	2023-2033 Change	
			Numeric	Percent
16 to 19 years	3,216	3,204	-13	-0.4%
20 to 24 years	5,321	5,408	+87	+1.6%
25 to 44 years	22,307	20,338	-1,969	-8.8%
45 to 54 years	10,339	10,532	+193	+1.9%
55 to 64 years	10,796	8,309	-2,486	-23.0%
65 to 74 years	4,214	3,607	-607	-14.4%
75 years & over	923	1,044	+121	+13.1%
Total Labor Force	57,117	52,443	-4,674	-8.2%

Source: calculated from MN State Demographic Center projections, and 2016-2020 American Community Survey 5-Year Estimates.

EMPLOYMENT CHARACTERISTICS

With just 65.9% of the population aged 16 years and over in the labor force, Region 8 had lower labor force participation rates than the state’s 69.3%. However, the region had higher labor force participation rates than the state in 3 of the 7 age groups, yet the overall rate was lower because a higher percentage of Region 8’s labor force was older (Table 6).

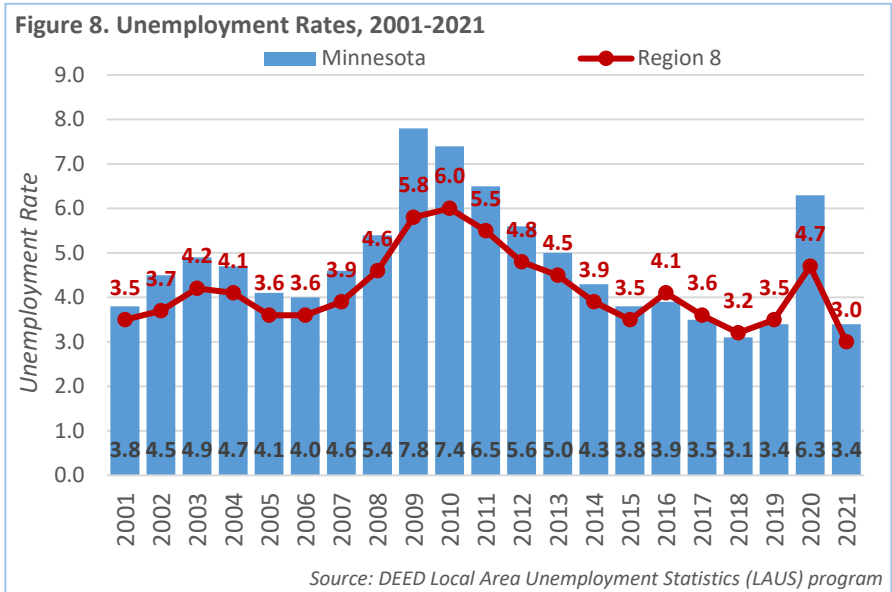
	Region 8			Minnesota		Percent of Total Labor Force	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate	Region 8	Minnesota
Total Labor Force	59,467	65.9%	2.8%	69.3%	3.8%		
16 to 19 years	3,083	51.6%	6.8%	52.0%	11.0%	5.2%	4.9%
20 to 24 years	5,499	85.3%	5.3%	83.8%	6.2%	9.2%	9.7%
25 to 44 years	22,294	87.1%	2.2%	88.7%	3.4%	37.5%	42.4%
45 to 54 years	11,366	85.7%	2.0%	87.6%	2.8%	19.1%	19.7%
55 to 64 years	12,471	78.0%	3.1%	73.0%	3.1%	21.0%	17.8%
65 to 74 years	3,859	33.0%	1.6%	28.4%	2.5%	6.5%	4.7%
75 years & over	896	7.9%	0.1%	6.8%	2.4%	1.5%	0.8%
Employment Characteristics by Race & Hispanic Origin							
White alone	53,084	65.6%	2.5%	68.9%	3.2%	89.3%	83.8%
Black or African American	955	65.0%	5.5%	71.3%	8.7%	1.6%	5.7%
American Indian & Alaska Native	499	62.4%	5.6%	57.9%	12.7%	0.8%	0.7%
Asian or Other Pac. Islanders	1,765	66.1%	5.9%	72.0%	4.0%	3.0%	4.9%
Some Other Race	1,922	72.3%	3.7%	72.7%	6.2%	3.2%	2.0%
Two or More Races	1,247	69.9%	5.2%	73.3%	7.1%	2.1%	2.8%
Hispanic or Latino	4,968	73.0%	4.1%	76.5%	6.3%	8.4%	5.0%
Employment Characteristics by Veteran Status							
Veterans, 18 to 64 years	1,983	81.2%	4.8%	79.5%	4.0%	3.7%	3.9%
Employment Characteristics by Disability							
With Any Disability, 20 to 64 years	2,874	53.0%	6.4%	52.9%	8.9%	5.6%	5.5%
Employment Characteristics by Educational Attainment							
Population, 25 to 64 years	46,130	84.1%	2.4%	84.4%	3.2%	77.6%	79.9%
Less than H.S. Diploma	4,016	73.0%	2.7%	66.3%	4.5%	8.7%	4.8%
H.S. Diploma or Equivalent	12,363	79.1%	1.7%	77.9%	2.5%	26.8%	19.7%
Some College or Assoc. Degree	17,981	86.8%	1.9%	85.2%	3.3%	39.0%	33.8%
Bachelor’s Degree or Higher	11,772	90.6%	1.8%	90.0%	1.9%	25.5%	41.7%

Source: 2016-2020 American Community Survey, 5-Year Estimates

Like the rest of the state, the region had unemployment rate disparities for workers of color, but the disparities were significantly less in the region for all racial groups except American Indians. The region is privileged to have almost 2,000 military veterans that are highly active in the labor force despite a higher unemployment rate. The region also had 2,874 workers with disabilities in the labor force. Unemployment rates were highest for youth, workers of other races, and workers with disabilities.

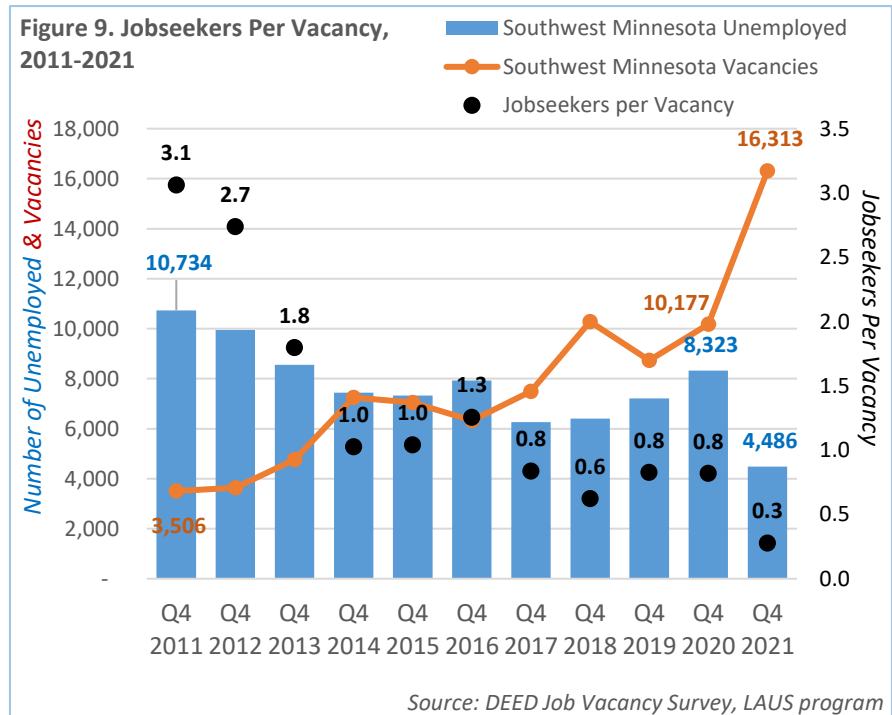
UNEMPLOYMENT RATE

Region 8 has consistently reported lower unemployment rates than the state, until the four years leading up to 2020. According to [Local Area Unemployment Statistics](#), the region’s unemployment rate hovered below the state rate from 2001 to 2015, dropping well below the state during the Great Recession in 2009 and 2010. While the state and region’s economy recovered, and unemployment rates were back to prerecession levels, the pandemic recession in 2020 caused a massive increase in unemployed workers for a very short amount of time, pushing rates high in 2020 before falling to the lowest annual rate in more than 20 years (Figure 8).



JOBSEEKERS PER VACANCY

As the number of available workers has declined, the region’s labor market has tightened. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which stood at 0.3-to-1 in Southwest Minnesota in 2021, a historical low for the region. Since 2016 there were less people looking for jobs than there were jobs available, however recent data from 2021 show that ratio has nosedived to a level that makes filling job openings even more difficult. For context, the ratio climbed as high as 4.6 jobseekers per vacancy in the depths of the recession in 2009 (Figure 9). According to recent Job Vacancy Survey results, there were 16,313 openings reported by employers compared to just 4,486 unemployed jobseekers in the region.



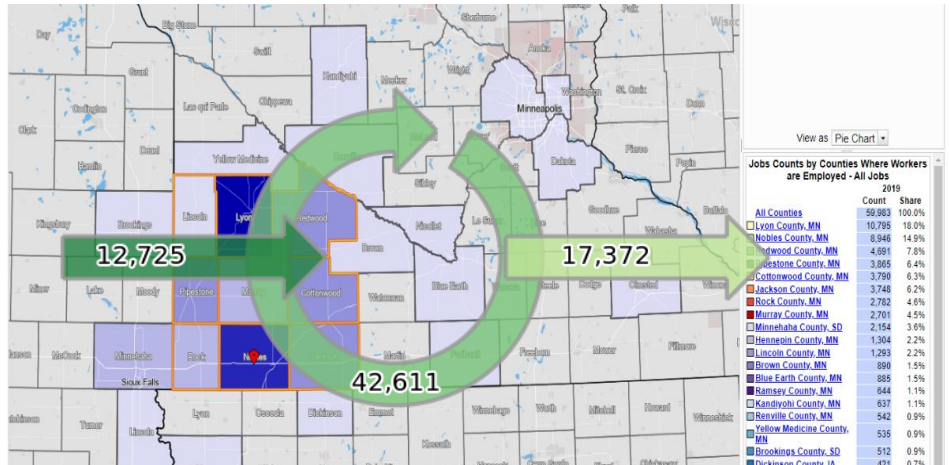
COMMUTE SHED AND LABOR SHED

According to commuting data from the [Census Bureau](#), Region 8 is a net labor exporter, having more workers than available jobs. In sum, 42,611 workers both lived and worked in Region 8 in 2019, while another 12,725 workers drove into the region from surrounding counties for work, compared to 17,372 workers who lived in the region but drove elsewhere for work (see Table 7 and Figure 10).

Table 7. Region 8 Inflow/Outflow Job Counts (All Jobs), 2019	2019	
	Count	Share
Employed in the Selection Area	55,336	100.0%
Employed in the Selection Area but Living Outside	12,725	23%
Employed and Living in the Selection Area	42,611	77%
<hr/>		
Living in the Selection Area	59,983	100.0%
Living in the Selection Area but Employed Outside	17,372	29%
Living and Employed in the Selection Area	42,611	71%

Source: U.S. Census Bureau, OnTheMap

Figure 10. Region 8 Labor and Commute Shed, 2019

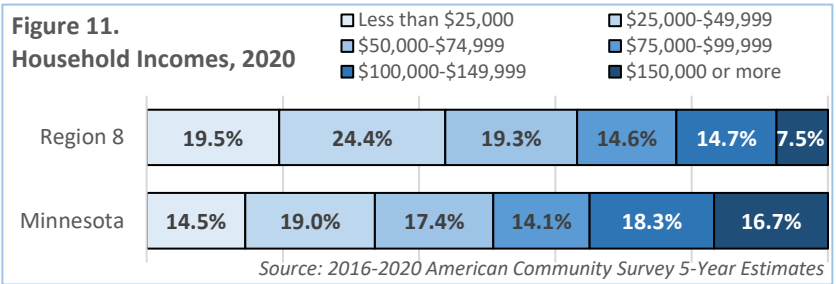


Home to Marshall, Lyon County is the largest job center in the region and was the biggest draw for workers, followed by Worthington in Nobles County. Employers in the region both lose and draw workers from nearby regional centers like Willmar in Kandiyohi County, Sioux Falls in Minnehaha County, South Dakota, and Mankato in Blue Earth County (Figure 10).

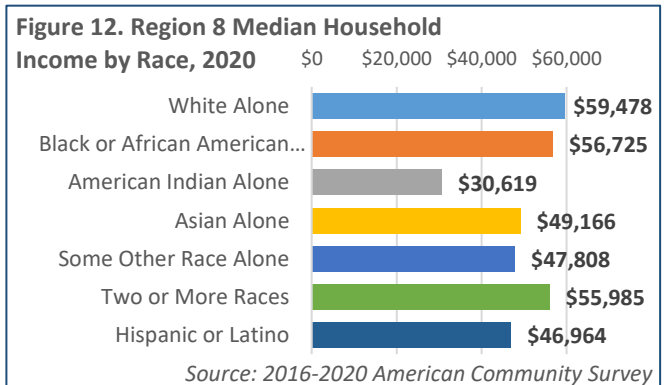
INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Region 8 than the rest of the state. The median household income in Region 8 was \$57,551 in 2020, compared to \$73,382 in Minnesota. 43.8% of the households in the region had incomes below \$50,000 in 2020, compared to just 33.5% statewide. Another 34% of households earned between \$50,000 and \$100,000 in the region. In contrast, only 22% of households in Region 8 earned over \$100,000 per year, compared to 35% of households statewide (see Figure 11).



Like educational attainment and employment, median household incomes varied by race or origin in the region. American Indian households reported the lowest incomes in Region 8, with a median income that was about \$29,000 lower than for white households. However, Black or African American households reported incomes roughly the same as white households in the region, with several other races just slightly lower (Figure 12).



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 \$60,540 in 2022. The cost of living for a similar family in Region 8 was \$45,504 – which was the lowest of the 13 economic development regions in the state. The highest monthly costs were for transportation, food, and housing; though the region’s housing, child care, taxes, and transportation costs were significantly lower than the rest of the state. In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn \$15.58 per hour over the course of 60 hours per work week.

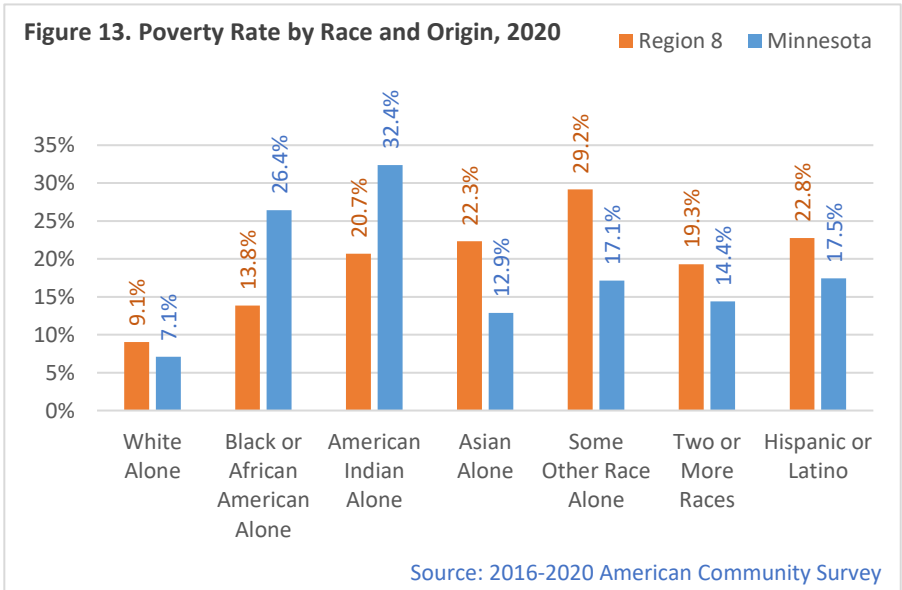
DEED’s Cost of Living tool provides different estimates for household compositions including single people, partnered couples, and up to 4 children. For a single person living alone and working full-time, the estimated yearly cost in Region 8 would be \$27,180, which would require an hourly wage of \$13.07 to meet the basic needs standard of living (Table 8). That was the lowest cost of living in the state for a single person.

Table 8. Region 8 Cost of Living, 2022										
Family Composition	Number of Workers	Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
				Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 8										
Single, 0 children	1 FT	\$27,180	\$13.07	\$0	\$359	\$152	\$585	\$627	\$258	\$284
Single, 1 child	1 FT	\$40,896	\$19.66	\$457	\$530	\$482	\$756	\$631	\$352	\$200
2 parents, 1 child	1 FT, 1 PT	\$45,504	\$14.58	\$228	\$820	\$538	\$756	\$727	\$431	\$292
2 parents, 2 children	2 FT	\$62,952	\$15.13	\$794	\$1,071	\$549	\$1,017	\$766	\$572	\$477
State of Minnesota										
Single, 0 children	1 FT	\$33,708	\$16.21	\$0	\$359	\$157	\$903	\$663	\$345	\$382
2 parents, 1 child	1 FT, 1 PT	\$60,540	\$19.40	\$579	\$822	\$561	\$1,151	\$772	\$540	\$620

Source: DEED Cost of Living tool

Overall, Region 8’s poverty rate was 10.7%, which was just above the statewide rate of 9.3%. Like incomes, poverty levels varied widely by race and origin. It was estimated that roughly 20% of every other race except Black or African American was below the poverty level in 2020, compared to 9.1% of the white population. However, because of the region’s relative lack of racial diversity, nearly three-quarters of people living in poverty in the region are white, amounting to almost 9,000 people.

Although the rate of poverty is highest for people of some other race, there are far fewer people in this racial category in poverty, 1,147, or about 9% of people in poverty compared to more than seven-in-ten that are white. The poverty rate for Black or African Americans was about half of the statewide rate for the subpopulation (Figure 13).



WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Region 8 was \$19.10 in the first quarter of 2022, which was the fourth lowest wage level of the 13 EDRs in the state. Region 8's median wage was \$4.71 below the state's median hourly wage, and over \$5.30 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to \$11,169 per year for a full-time worker. Region 8 had slightly higher wages than Region 6W at \$18.94 and Region 6E at \$18.94, but significantly lower wages than surrounding region Region 9, which were at \$21.92 (Table 9).

Based on location quotient, Region 8 stands out for having higher concentrations of Farming, Healthcare Support, Production, Education, Training, and Library, Transportation and Material Moving Workers than the state. The largest occupations in the region include Office and Administrative Support, Production, Transportation and Material Moving, and Sales Positions. For the most part, the gap in pay between Region 8 and the state is also much lower in these jobs (Table 10).

Table 9. Occupational Employment & Wage Statistics by Region, 2022	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	\$22.41	34,150
EDR 2 - Headwaters	\$19.15	30,150
EDR 3 - Arrowhead	\$22.54	131,110
EDR 4 - West Central	\$19.40	83,490
EDR 5 - North Central	\$18.83	59,090
EDR 6E - Southwest Central	\$18.94	47,920
EDR 6W - Upper MN Valley	\$18.94	15,790
EDR 7E - East Central	\$21.95	45,770
EDR 7W - Central	\$22.94	165,010
EDR 8 - Southwest	\$19.10	50,230
EDR 9 - South Central	\$21.92	96,160
EDR 10 - Southeast	\$23.32	231,930
EDR 11 - 7-County Twin Cities	\$24.47	1,642,620
State of Minnesota	\$23.81	2,695,450

Source: [DEED Occupational Employment & Wage Statistics](#)

Table 10. Region 8 Occupational Employment & Wage Statistics, 1 st Qtr. 2022							
	Region 8				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	\$19.10	50,230	100.0%	1.0	\$23.81	2,695,450	100.0%
Management	\$39.02	2,570	5.1%	0.8	\$50.51	181,090	6.7%
Business & Financial Operations	\$30.38	2,080	4.1%	0.6	\$38.08	192,700	7.1%
Computer & Mathematical	\$38.17	480	1.0%	0.3	\$48.34	101,560	3.8%
Architecture & Engineering	\$33.26	590	1.2%	0.6	\$39.39	51,970	1.9%
Life, Physical & Social Science	\$30.30	510	1.0%	1.0	\$37.30	26,140	1.0%
Community & Social Service	\$24.06	800	1.6%	0.8	\$24.68	53,670	2.0%
Legal	\$29.94	130	0.3%	0.4	\$40.08	19,860	0.7%
Education, Training & Library	\$23.63	3,620	7.2%	1.3	\$24.48	149,990	5.6%
Arts, Design, Entertainment & Media	\$18.98	360	0.7%	0.5	\$26.08	36,710	1.4%
Healthcare Practitioners & Technical	\$31.15	2,800	5.6%	0.8	\$38.73	190,180	7.1%
Healthcare Support	\$14.98	3,120	6.2%	1.0	\$15.37	162,530	6.0%
Protective Service	\$24.79	760	1.5%	1.0	\$25.07	40,580	1.5%
Food Preparation & Serving Related	\$12.30	3,330	6.6%	0.9	\$14.65	198,800	7.4%
Building, Grounds Cleaning & Maint.	\$15.34	1,450	2.9%	1.0	\$17.98	75,850	2.8%
Personal Care & Service	\$14.90	870	1.7%	0.8	\$15.24	56,580	2.1%
Sales & Related	\$14.52	4,540	9.0%	1.0	\$17.25	245,390	9.1%
Office & Administrative Support	\$18.83	6,000	11.9%	1.0	\$23.12	334,550	12.4%
Farming, Fishing & Forestry	\$18.34	320	0.6%	3.9	\$18.55	4,350	0.2%
Construction & Extraction	\$23.58	1,950	3.9%	1.0	\$30.09	107,180	4.0%
Installation, Maintenance & Repair	\$23.46	2,270	4.5%	1.3	\$25.34	96,660	3.6%
Production	\$18.68	7,120	14.2%	1.9	\$19.59	198,940	7.4%
Transportation & Material Moving	\$19.17	4,560	9.1%	1.2	\$19.30	209,780	7.8%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2022](#)

In contrast, the highest paying jobs are found in Management, Legal, Architecture and Engineering, Computer and Mathematical, Healthcare Practitioners, Business and Financial Operations, and Life, Physical, and Social Science occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations.

JOB VACANCY SURVEY

After reaching what at the time were record highs in 2018 and 2019, the number of job vacancies dropped in the second quarter of 2020 amid COVID concerns, temporary shutdowns, and new economic conditions. Employers in Southwest Minnesota reported just under 7,000 job vacancies in the second quarter of 2020, which was down nearly 5,500 openings compared to the past year, the biggest decline across the 6 regions in the state. However, by the fourth quarter of 2020, openings were back to pre-pandemic levels and 2021 brought new record numbers of openings. The over 16,000 vacancies recorded in Q4 2021 are nearly 6,000 greater than the next highest Q4. The median hourly wage offer was \$16.24 across all occupations but ranged from a low of around \$13.00 per hour for Building, Grounds Cleaning & Maintenance occupations, to about \$28 per hour or more for Business & Financial Operations occupations.

The largest number of vacancies were in Education, Training, & Library occupations, driven by the demand for substitute teachers. There were also a lot of openings in Sales, Transportation & Material Moving, and Healthcare Support occupations. The number of vacancies dropped for Healthcare, Community & Social Service, and Protective Service positions. Overall, about two out of five openings were part-time, 19% required postsecondary education, and 36% required a year or more of experience (Table 11). In sum, educational requirements in the region had been stable or declining over the past 5 years, while work experience requirements were rising.

Table 11. Job Vacancy Survey Results, Qtr. 4 2021

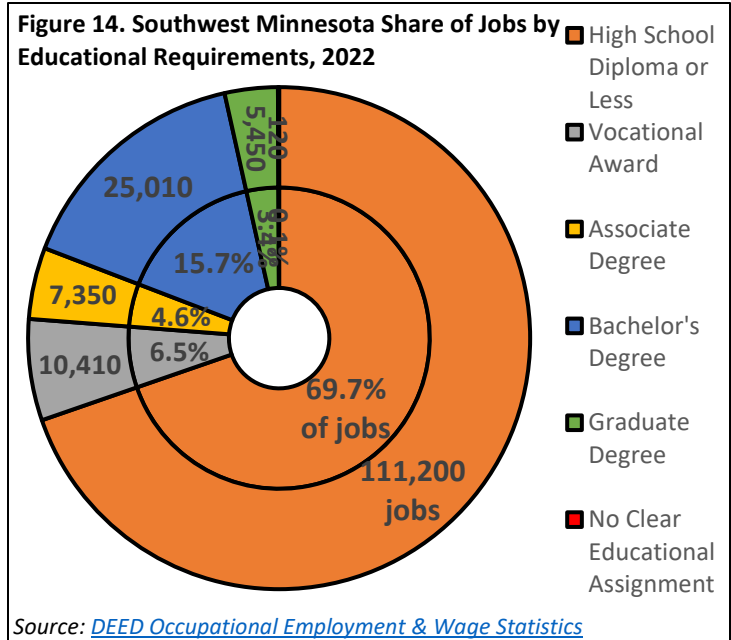
Southwest Minnesota	Number of Total Vacancies	Percent Part-time	Percent Temporary or Seasonal	Requiring Post-Secondary Education	Requiring 1 or More Years of Work Exp.	Requiring Certificate or License	Median Hourly Wage Offer	Job Vacancy Rate
Total, All Occupations	16,313	40%	3%	19%	36%	38%	\$16.24	9.9
Management	376	1%	0%	47%	77%	17%	\$19.89	4.4
Business & Financial Operations	402	2%	0%	56%	95%	30%	\$28.36	6.2
Computer & Mathematical	91	7%	10%	71%	92%	16%	\$27.04	5.6
Architecture & Engineering	146	1%	1%	63%	88%	60%	\$21.30	6.5
Life, Physical & Social Sciences	196	0%	4%	33%	51%	52%	\$20.82	13.3
Community & Social Service	105	4%	0%	91%	53%	78%	\$25.78	3.0
Legal	62	0%	0%	100%	6%	96%	\$24.08	11.4
Education, Training & Library	2,817	94%	0%	6%	7%	6%	\$13.19	29.0
Arts, Design, Entertainment & Media	38	18%	0%	14%	79%	55%	\$16.89	2.6
Healthcare Practitioners & Technical	1,155	34%	6%	95%	60%	73%	\$27.23	11.9
Healthcare Support	1,199	48%	6%	21%	10%	39%	\$14.46	11.9
Protective Service	137	73%	1%	28%	57%	89%	\$16.99	5.8
Food Preparation & Serving Related	1,190	43%	1%	2%	19%	9%	\$14.01	9.5
Building, Grounds Cleaning & Maint.	195	56%	4%	0%	21%	11%	\$13.09	4.2
Personal Care & Service	239	18%	2%	27%	42%	27%	\$13.67	7.9
Sales & Related	2,553	35%	1%	2%	42%	55%	\$14.95	16.8
Office & Administrative Support	712	20%	3%	6%	53%	17%	\$15.35	3.9
Construction & Extraction	190	25%	1%	51%	52%	75%	\$22.13	3.0
Installation, Maintenance & Repair	1,108	19%	1%	16%	48%	33%	\$23.65	14.5
Production	910	5%	4%	9%	34%	26%	\$17.47	4.8
Transportation & Material Moving	1,833	30%	7%	0%	48%	83%	\$19.58	12.6

Source: DEED Job Vacancy Survey, Qtr. 4 2021

EDUCATIONAL REQUIREMENTS

Similar to Job Vacancy Survey results, data from DEED’s Occupational Employment & Wage Statistics program shows that only 30% of jobs in the region require postsecondary education for entry. The other 70% can be started with a high school diploma or less and some amount of on-the-job training (see Figure 14).

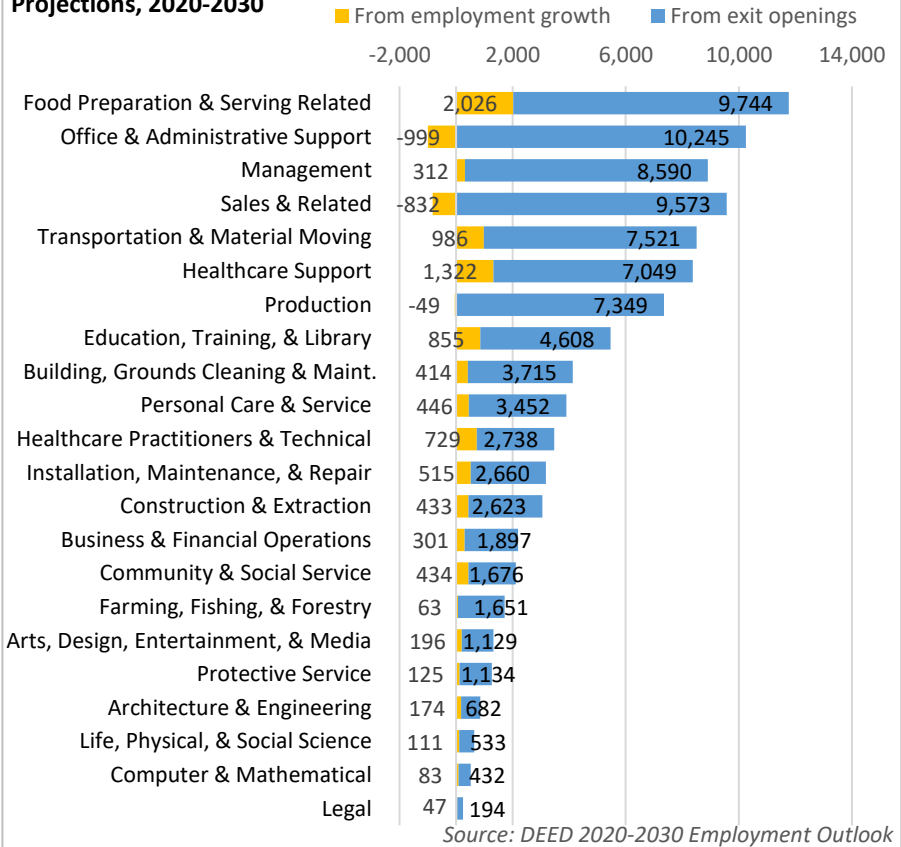
Certain careers – such as dentists, lawyers, and teachers – require a college education, while other jobs – including cost estimators, sales representatives, and correctional officers – do not. College is an excellent way to move up career ladders and open windows of opportunity to fields that would 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 \$19,00 and almost \$50,000 per year in Minnesota. For those who go to college, choice of major matters – different programs lead to different jobs that earn different amounts of money.



EMPLOYMENT PROJECTIONS

Overall, the 23-county Southwest Minnesota planning area is projected to grow 3.9% from 2020 to 2030, a gain of 7,692 new jobs. That is the slowest of the 6 planning regions in the state. In addition, the region is also expected to need 89,195 replacement openings to fill jobs left vacant by retirements. Food Prep, Healthcare Support, Transportation & Material Moving, and Education, Training, & Library occupations are expected to see the most new growth – some attributable to the continuing pandemic recovery – but every occupational group will show some future demand either through new jobs or replacement openings (Figure 15).

Figure 15. Southwest Minnesota Regional 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 Heavy and Tractor Trailer Truck Drivers are among the top occupations in demand based on the consistent need for workers in these fields. Many of the jobs are concentrated in Manufacturing, Healthcare, Transportation, and other related industries (Table 12).

Table 12. Southwest Minnesota Occupations in Demand (with Median Annual Wage), 2021

High School or Less	Vocational Training	Associate Degree	Bachelor's Degree or Higher
Home Health & Personal Care Aides (\$30,145)	Nursing Assistants (\$33,957)	Registered Nurses (\$76,734)	Elementary School Teachers (\$53,146)
Retail Salespersons (\$28,932)	Licensed Practical and Licensed Vocational Nurses (\$48,351)	Clinical Laboratory Technologists and Technicians (\$55,177)	General and Operations Managers (\$79,034)
Cashiers (\$25,982)	Medical Assistants (\$41,596)	Police and Sheriff's Patrol Officers (\$59,965)	Secondary School Teachers (\$57,121)
Fast Food and Counter Workers (\$24,598)	Automotive Service Technicians and Mechanics (\$37,127)	Magnetic Resonance Imaging Technologists (\$79,803)	Accountants and Auditors (\$64,075)
Heavy and Tractor-Trailer Truck Drivers (\$45,543)	Electricians (\$57,423)	Industrial Engineering Techs (\$51,741)	Substance abuse, behavioral disorder, and mental health (\$51,967)
First-Line Supervisors of Retail Sales Workers (\$43,858)	Heating, Air Conditioning, and Refrigeration Mechanics (\$49,409)	Surgical Technologists (\$57,436)	Substitute Teachers, Short-Term (\$35,428)
Waiters and Waitresses (\$25,523)	Machinists (\$48,003)	Radiologic Techs (\$65,570)	Project Mgmt. Specialists (\$60,798)
Stockers and Order Fillers (\$30,099)	Industrial Machinery Mechanics (\$52,667)	Veterinary Technologists and Technicians (\$37,547)	Pharmacists (\$134,918)
Customer Service Representatives (\$37,334)	Hairdressers, Hairstyles, and Cosmetologists (\$29,742)	Electrical and Electronic Engineering Technologists (\$58,234)	Middle School Teachers, Except Special Education (\$60,938)
Teaching Assistants, Except Postsecondary (\$29,982)	Emergency Medical Technicians and Paramedics (\$36,614)	Forest and Conservation Technicians (\$47,186)	Sales Representatives, Wholesale and (\$54,030)

Source: DEED Occupations in Demand

ECONOMY

INDUSTRY EMPLOYMENT

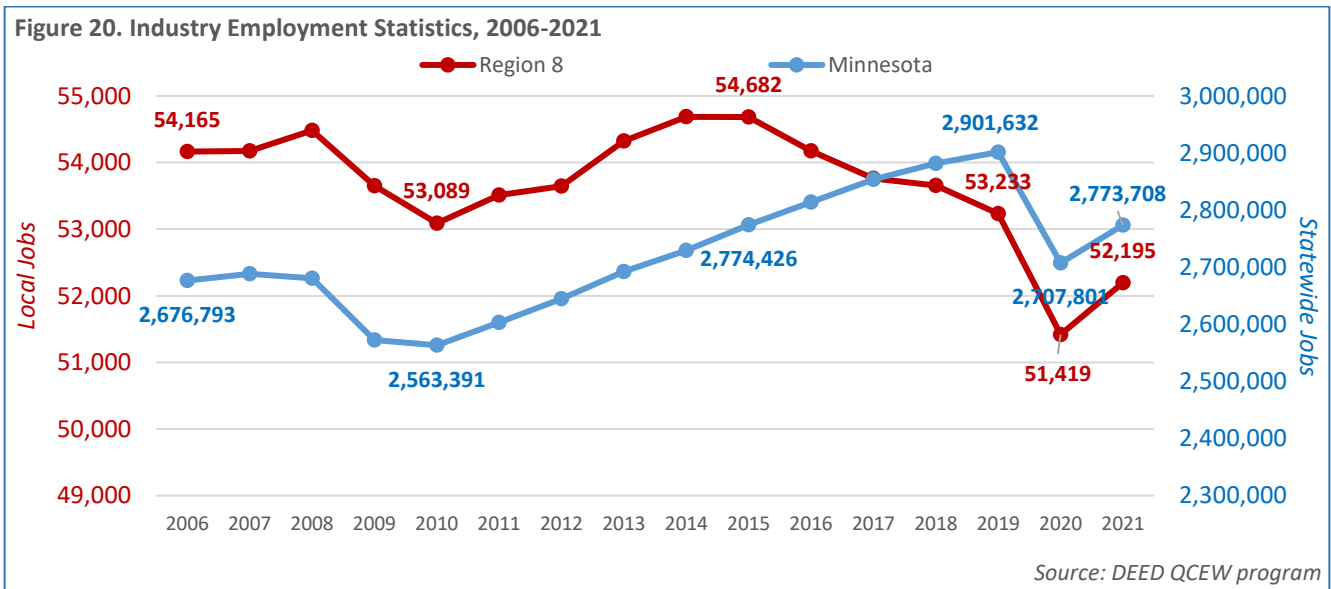
According to DEED's [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 8 was home to 3,992 firms providing 52,195 jobs through 2021, with a total payroll of over \$2.45 billion. Average annual wages were \$47,023 in the region, which was 66% of the average wage statewide (Table 13).

Home to Marshall, Lyon County is the largest employment center in the region, with 13,508 jobs at 819 firms; followed by Worthington and Nobles County. Employers in the region lost more than 1,000 jobs since 2019; with two of the 9 counties adding jobs, only Rock and Cottonwood County. In the past year employers have been attempting to rebound employment as indicated with record numbers of job vacancies, and the region has added back 776 jobs that were lost in 2020. Although growth from 2020-2021 was slower than the state, overall pandemic recession losses are less than half the rate experienced across the entire state (Table 13).

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2020-2021		2019-2021	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
Region 8	3,992	52,195	\$2,454,349,381	\$47,023	+776	+1.5%	-1,038	-2.0%
Cottonwood Co.	428	5,670	\$249,300,509	\$43,968	+363	+6.8%	+529	+10.3%
Jackson Co.	349	4,816	\$219,983,914	\$45,678	-87	-1.8%	-314	-6.1%
Lincoln Co.	218	1,519	\$57,461,986	\$37,829	+30	+2.0%	-149	-8.9%
Lyon Co.	819	13,508	\$677,704,812	\$50,171	+145	+1.1%	-532	-3.8%
Murray Co.	318	2,820	\$122,074,974	\$43,289	+23	+0.8%	-130	-4.4%
Nobles Co.	612	10,267	\$519,150,479	\$50,565	-4	0.0%	-205	-2.0%
Pipestone Co.	366	4,171	\$181,540,890	\$43,525	+18	+0.4%	-302	-6.8%
Redwood Co.	570	5,899	\$269,744,607	\$45,727	+81	+1.4%	-136	-2.3%
Rock Co.	314	3,523	\$157,387,210	\$44,674	+207	+6.2%	+201	+6.1%
State of Minnesota	185,788	2,773,708	\$185,969,067,414	\$67,047	+65,907	+2.4%	-127,924	-4.4%

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

Region 8 has seen several employment ups and downs over the past 15 years, ending 2021 with 1,038 fewer jobs than it had in 2019, and about 900 fewer jobs than the low in the Great Recession. The region entered the Great Recession later than the state, still experiencing job growth through 2008, before suffering severe declines in 2009 and 2010. Region 8 then saw a rapid recovery, adding almost 1,600 jobs from 2010 to 2015. However, since peaking in 2014 and 2015, Region 8 has lost jobs while the state continued growing (Figure 16).



With 11,169 jobs at 192 firms, Manufacturing is the largest employing industry in Region 8, accounting for a growing percentage of total jobs in the region that stood at 21.4% in 2021. That is double the rate of the state’s concentration of employment in Manufacturing, thanks in part to a nearly 1,000 job increase over the past year. Food Manufacturing is the largest sector, providing 5,518 jobs at 48 firms; followed by Machinery Manufacturing and Wood Product Manufacturing. At \$56,071 in 2021, average annual wages were almost \$10,000 higher in Manufacturing than the total of all industries.

The next largest industry in Region 8 was Health Care and Social Assistance, with 8,525 jobs at 440 firms, after losing 610 jobs in the past year. Due to the region’s older population, the largest sectors were Ambulatory Health Care Services with 3,145 jobs and Nursing and Residential Care Facilities with 2,736 jobs. Retail Trade is the third largest industry, with 5,641 jobs at 486 stores, and the related Accommodation and Food Services industry had 2,861 jobs at 229 firms. Combined, these two industries provide 16% of total jobs. (Table 14).

Table 14. Region 8 Industry Employment Statistics, 2021

NAICS Industry Title	2021 Annual Data			Avg. Annual Wage	2020-2021		2019-2021	
	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	3,992	52,195	\$2,454,349	\$47,023	+776	+2%	-1,038	-2%
Manufacturing	192	11,169	\$626,262	\$56,071	+753	+7%	+981	+10%
Health Care & Social Assistance	440	8,525	\$370,499	\$43,460	-92	-1%	-610	-7%
Retail Trade	486	5,641	\$161,905	\$28,702	+106	+2%	-120	-2%
Educational Services	75	4,621	\$210,868	\$45,632	+129	+3%	-120	-3%
Public Administration	212	3,009	\$132,690	\$44,098	+19	+1%	-91	-3%
Accommodation & Food Services	229	2,861	\$43,892	\$15,342	+224	+8%	-336	-11%
Finance & Insurance	224	2,426	\$168,986	\$69,656	-232	-9%	-68	-3%
Wholesale Trade	235	2,380	\$157,704	\$66,262	-136	-5%	-230	-9%
Construction	504	2,195	\$114,313	\$52,079	-6	0%	-87	-4%
Transportation & Warehousing	266	2,041	\$91,456	\$44,809	-21	-1%	-67	-3%
Agriculture, Forestry, Fish & Hunt	241	1,731	\$76,772	\$44,351	-68	-4%	-25	-1%
Admin. Support & Waste Mgmt. Svcs.	112	1,359	\$67,619	\$49,756	+49	+4%	-271	-17%
Other Services	338	1,240	\$38,390	\$30,960	+50	+4%	-14	-1%
Professional & Technical Services	173	1,012	\$67,399	\$66,600	-42	-4%	+24	+2%
Management of Companies	13	612	\$63,312	\$103,451	+14	+2%	+72	+13%
Arts, Entertainment, & Recreation	76	432	\$7,180	\$16,621	+54	+14%	+16	+4%
Information	74	355	\$14,379	\$40,504	-8	-2%	-76	-18%
Utilities	32	330	\$31,072	\$94,156	+5	+2%	+16	+5%
Real Estate & Rental & Leasing	65	180	\$5,451	\$30,283	-18	-9%	-29	-14%
Mining	8	73	\$4,200	\$57,531	-2	-3%	-3	-4%

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

INDUSTRY EMPLOYMENT

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. One-quarter (25.1%) of jobs in the region were held by workers 55 years or older, compared to 22% statewide and just 20% in the region one decade earlier. In contrast, the percentage of teenaged workers remained steady after rebounding in 2020, and while wages were going up for younger workers, the number of hours worked was going down (Table 15).

As noted above, wages were climbing across the board for all workers due to rising demand and a tight labor market. While wages were still lowest for the youngest and oldest workers who tend to fill lower-skilled, less-than-fulltime jobs in industries like Retail Trade and Accommodation and Food Services, these two age groups had the fastest percentage increase in wages from 2010 to 2020. Wages were highest for workers between 45 and 64 years of age. Females typically worked just 82% of the the quarterly amount worked by men, contributing to a gap in wages, though the gap was narrowing for both hours worked and wages. (Table 15).

Table 15. Workforce Demographics by Age Group and Gender, Total of All Industries, 2010-2020

Region 8	Percentage of Workers		Percent of Workers, Minnesota		Median Hourly Wage		Median Hours Worked (Per Qtr.)	
	2020	2010	2020	2010	2020	2010	2020	2010
	Total, all ages	100.0%	100.0%	100.0%	100.0%	\$17.46	\$12.98	401
19 years & under	7.8%	7.8%	6.0%	6.5%	\$11.72	\$7.69	131	101
20 to 24 years	10.4%	11.8%	10.1%	11.1%	\$14.37	\$10.23	287	275
25 to 44 years	39.9%	38.4%	43.2%	42.7%	\$19.37	\$14.37	451	461
45 to 54 years	16.8%	22.0%	18.7%	23.0%	\$21.11	\$15.45	480	480
55 to 64 years	18.1%	15.1%	16.9%	13.5%	\$20.11	\$15.00	477	459
65 years & over	7.0%	4.9%	5.1%	3.3%	\$16.11	\$11.19	224	186
Male	47.3%	46.2%	49.1%	49.0%	\$19.72	\$15.00	460	480
Female	52.7%	53.8%	50.9%	51.0%	\$16.53	\$11.74	377	363

Source: DEED Quarterly Employment Demographics

EMPLOYMENT DIVERSITY

People of color account for 13.9% of the total population in Southwest Minnesota and hold roughly the same share of jobs, compared to the state overall where they amount to 22.5% of the population but only hold 15.2% of jobs. According to data from the Quarterly Workforce Indicator program people of color held 23,323 jobs compared to 146,486 jobs held by White Workers.

The number of jobs held by minorities has more than doubled since 2000 when People of color held 6% of jobs (See Figure 17). People of color have filled an additional 13,150 jobs since 2000 compared to a decline of 14,281 jobs held by White workers. Hispanic/Latino workers hold the largest number of jobs after white workers with 13,342 jobs in 2021, over half of all Black, indigenous, and people of color (BIPOC) jobs. The next largest number of jobs held by a BIPOC group was Black or African Americans, holding 4,124 jobs in 2021. The number of jobs held by this group increased by 2,820 since 2000, amounting to a 216% increase. Only Native Hawaiian or Other Pacific Islander employment grew faster (See Figure 18).

The Manufacturing, Administrative Support, Agriculture, and Accommodation & Food Services sectors have the highest share of non-White employment at 29%, 22%, 21%, and 19% respectively. The largest numbers of non-White workers are employed by Manufacturing (9,135 jobs), Healthcare & Social Assistance (3,572 jobs), Retail Trade, and Accommodation & Food Services (both 2,274 jobs) (see Figure 19).

Figure 17. Employment Share by Race & Ethnicity in Southwest, 2000-2021

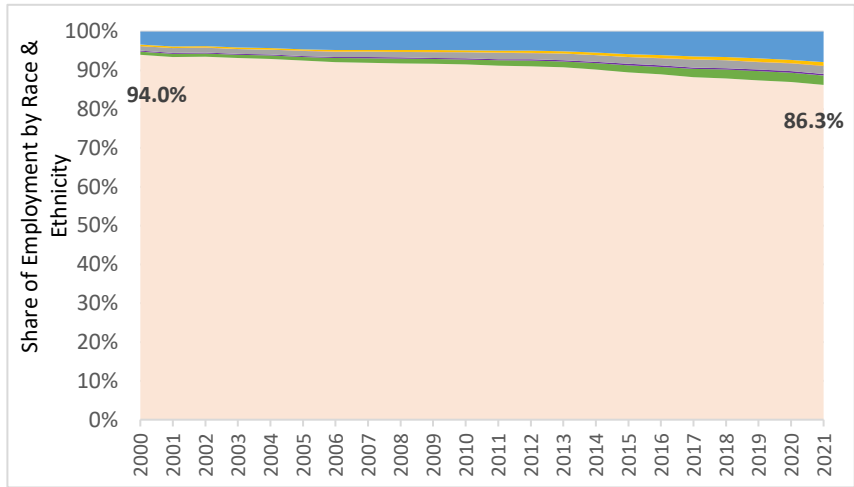


Figure 18. People of Color Employment in Southwest Minnesota, 2000-2021

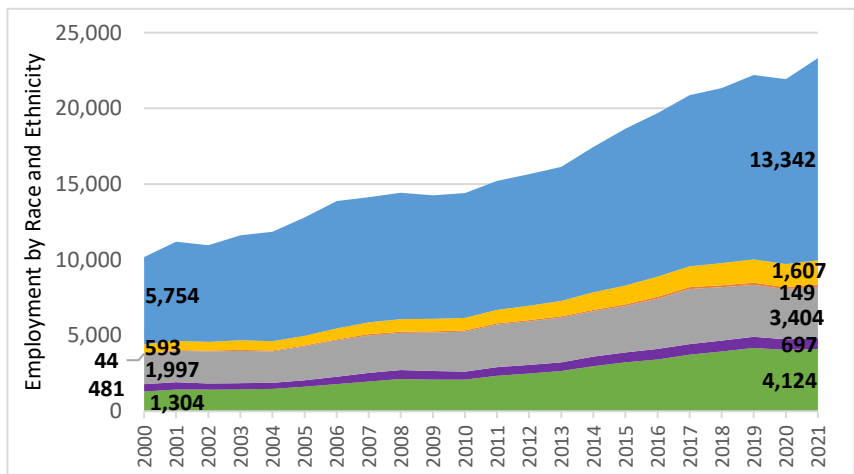
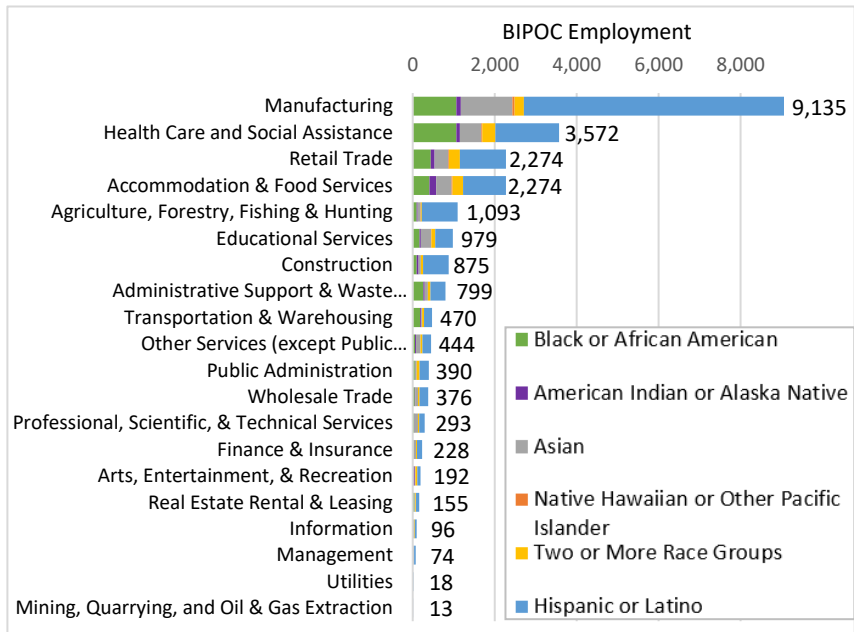


Figure 19. People of Color Employment by Industry in SW Minnesota, 2021



INDUSTRY PROJECTIONS

As noted above, the 23-county Southwest planning region is projected to grow 3.9% from 2020 to 2030, a gain of 7,692 new jobs. Arts, Entertainment & Recreation, Accommodation & Food Services, and Other Services are expected to grow the fastest as the pandemic employment recovery continues. Health Care & Social Assistance is projected to add the most new jobs over the next decade and in doing so would surpass Manufacturing as the region's largest industry. Educational Services, Construction, and Admin. Support & Waste Mgmt. are all expected to see strong growth. Transportation & Warehousing are the only industries projected to lose jobs (Table 16).

NONEMPLOYER ESTABLISHMENTS

Region 8 was home to 8,306 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)." In sum, these nonemployers generated sales receipts of over \$405.8 million in 2019 (Table 17).

CENSUS OF AGRICULTURE

Like other parts of Greater Minnesota, agriculture is also a key industry in Region 8, including 7,287 farms producing just over \$3.35 billion in the market value of products sold in 2017 according to the U.S. Department of Agriculture. Region 8 ranks first in the state for farms, and several of the highest ranked agriculture counties in the state are in Region 8, including Nobles (#4), Redwood (#6), Rock (#9), Lyon (#11), Cottonwood (#13), Murray (#19), Pipestone (#22), and Jackson (#24). Like the state, the number of farms in the region declined over the past 5 years, but Region 8 still accounts for 10.6% of the farms in the state (Table 18).

Table 16. Southwest Minnesota Industry Projections, 2020-2030

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

Source: DEED 2020-2030 Employment Outlook

Table 17. Nonemployer Statistics, 2019

	2019		2009-2019	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Region 8	8,306	\$405,837	-110	-1.3%
Minnesota	418,080	\$20,377,253	+39,926	+10.6%

Source: U.S. Census, Nonemployer Statistics program

Table 18. Census of Agriculture, 2017

	Number of Farms	Market Value of Products Sold	State Rank
Region 8	7,287	\$3,350,135,000	1
Cottonwood Co.	744	\$382,170,000	13
Jackson Co.	799	\$314,510,000	24
Lincoln Co.	672	\$186,041,000	48
Lyon Co.	893	\$412,331,000	11
Murray Co.	864	\$337,829,000	19
Nobles Co.	885	\$518,965,000	4
Pipestone Co.	595	\$326,053,000	22
Redwood Co.	1,134	\$453,161,000	6
Rock Co.	701	\$419,075,000	9
Minnesota	68,822	\$18,395,390,000	

Source: 2017 Census of Agriculture

Upon request, this information can be made available in alternate formats by contacting Luke Greiner at 320-223-6992 or at luke.greiner@state.mn.us.