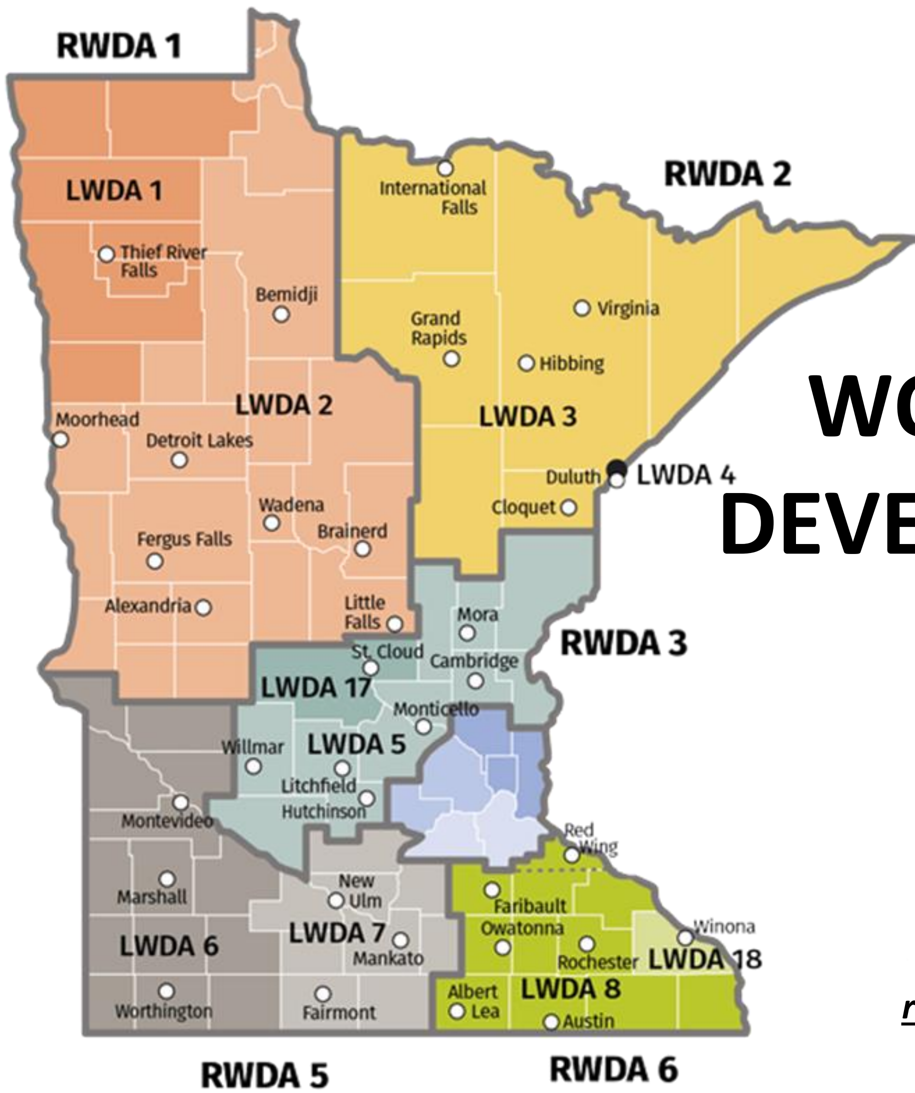


LOCAL WORKFORCE DEVELOPMENT AREA 3

Northeast Minnesota

ring the following counties:

Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis
-except for the city of Duluth

2022 REGIONAL PROFILE

Updated August 2022

Carson Gorecki
Regional Analyst, Northeast Minnesota
Minnesota Department of Employment and Economic Development
Duluth CareerForce
402 West 1st Street
Duluth, MN 55802-1516
Office: (218) 302-8413
E-mail: carson.gorecki@state.mn.us
Web: http://mn.gov/deed/data/

DEMOGRAPHICS

POPULATION CHANGE

Local Workforce Development Area 3 consists of seven counties in the Northeast region of Minnesota, excluding the city of Duluth. According to population data from the U.S. Census Bureau, Local Area 3 was home to 238,720 people in 2021, accounting for 4.2% of the state's total population. Local Area 3 lost 1,240 residents since 2010, a 0.5% decline. Meanwhile, the state of Minnesota's population grew by 7.6%, an increase of 403,465 residents (Table 1).

Table 1. Population Change 2010-2021

	2010 Population	2021 Population	*2010-2021 Change*	
			Number	***Percent***
WDB 3 – Northeast	**239,960**	**238,720**	***-1,240***	***-0.5%***
Aitkin Co.	16,202	15,887	*-315*	*-1.9%*
Carlton Co.	35,386	36,409	*+1,023*	*+2.9%*
Cook Co.	5,176	5,617	*+441*	*+8.5%*
Itasca Co.	45,058	45,070	*+12*	*+0.0%*
Koochiching Co.	13,311	11,941	*-1,370*	*-10.3%*
Lake Co.	10,866	10,885	*+19*	*+0.2%*
St. Louis Co.	200,226	199,182	*-1,044*	*-0.5%*
-City of Duluth	86,265	86,372	*+107*	*+0.1%*
Northeast Minnesota	*326,225*	*325,092*	*-1,133*	*-0.3%*
State of Minnesota	**5,303,925**	**5,707,390**	***+403,465***	***+7.6%***

Source: U.S. Census Bureau

Three of the 7 counties in the region lost population from 2010 to 2021 with Koochiching County losing 1,370 people, a 10.3% decline, making it the fastest declining county in the state. Aitkin and St. Louis Counties lost about 1.9% and 0.5% of their respective populations in the past decade while Itasca and Lake counties increased in population by 12 and 19 people each. Carlton County gained the most people, 1,023 since 2010 which equated to a 2.9% increase. Cook County increased its population by 8.5%, the 15th fastest growing county in the state and the only county in the region to see above average population growth from 2010-2021 (Table 1).

COMPONENTS OF POPULATION CHANGE

The recent population decrease in Local Area 3 was fueled primarily by a natural decrease – 1,237 more deaths than births from 2020-2021. Decreases were mitigated by a net migration gain during that time, when 776 more people moved into the region than out. The domestic in-migration represented an increase of the annual average of the last decade and opposed the statewide trend of people moving elsewhere in the country (Table 2).

Table 2. Estimates of the Components of Population Change, 2020-2021

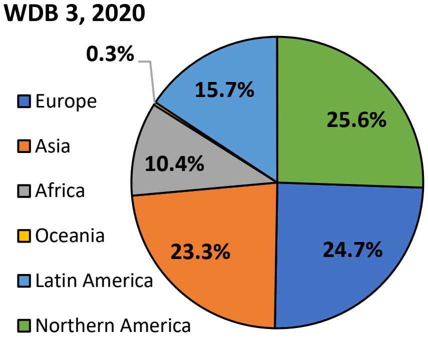
	Total Change	*Natural Increase*	Vital Events		Net Migration		
			Births	Deaths	*Total*	*International*	*Domestic*
WDB 3 – Northeast	-458	-1,237	2,623	3,860	776	+32	+745
Minnesota	896	12,512	79,493	66,981	-11,734	+4,213	-15,947

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

With international in-migration, Local Area 3 was home to 3,731 foreign born residents, or 1.6% of the total population. The largest number of immigrants in the region came from elsewhere in North America, Europe, Asia, and Latin America (Figure 1). The fastest increase in immigrants came from Africa, which grew by a factor of more than 7.

Based on year of entry, Local Area 3's foreign born population was "older" than the rest of the state. About 45% of the area's immigrants entered the U.S. before 1990, compared to just 19.8% statewide. Concurrently, the area had a smaller percentage of foreign-born residents who entered 2010 or later than the state. However, foreign-born residents are more concentrated in the 15-44 age group than the total population – 40.9% compared to 32.5%. While a higher percentage of foreign-born residents had a bachelor's degree or higher than native born residents, immigrants were also 2.6 times as likely to have less than a high school diploma.

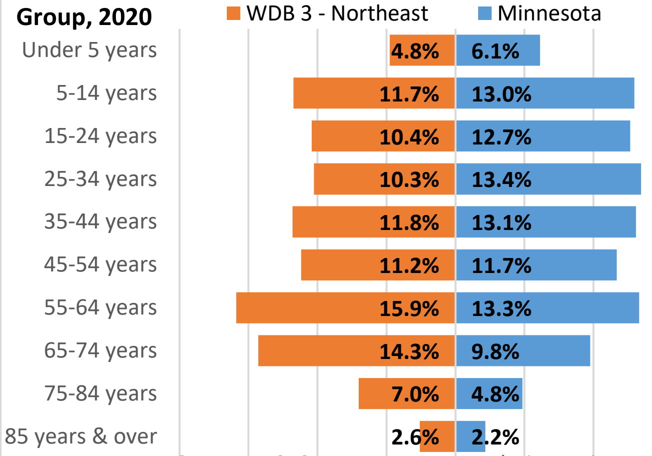
Figure 1. Place of Birth for the Foreign Born Population in WDB 3, 2020



POPULATION BY AGE GROUP

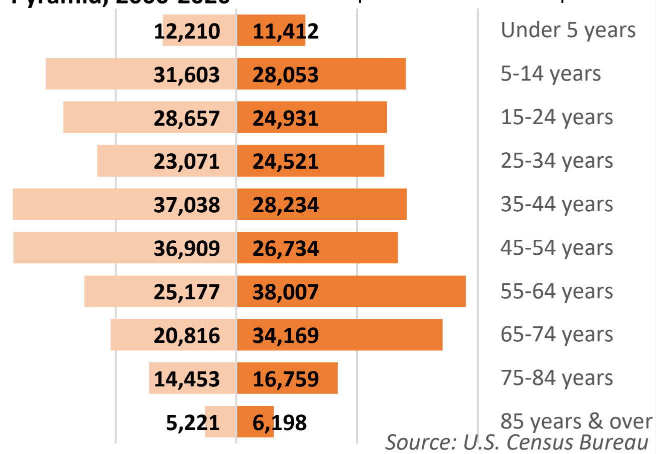
Local Area 3 has a much older population than the rest of the state, with 39.8% of residents aged 55 years and over, compared to 30.1% statewide. Consequently, the Local Area 3 had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years," as well as a smaller percent of school-aged children. Over a third of the area'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 (-11%) and middle-aged (-25.6%) residents was declining, the number of residents aged 55 years and over was rapidly increasing (44.9%) (Figures 2 and 3).

Figure 2. Percentage of Population by Age Group, 2020



Source: U.S. Census Bureau, Population Estimates

Figure 3. WDB - 3 Northeast Population Pyramid, 2000-2020



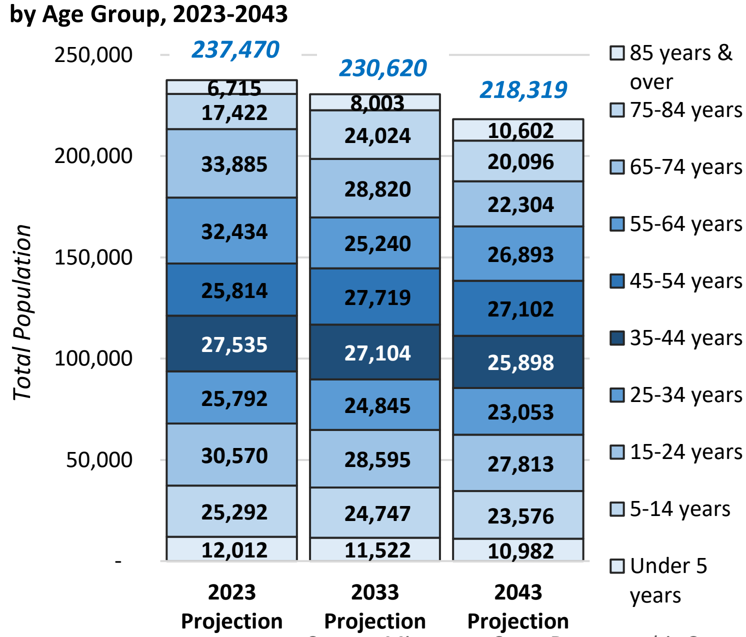
Source: U.S. Census Bureau

POPULATION PROJECTIONS BY AGE GROUP

Local Area 3 is projected to see population declines in the next 20 years. According to population projections from the [State Demographic Center](), the area is expected to lose just over 19,000 residents from 2023 to 2043, an 8.1% decline (Figure 4). By comparison, the state of Minnesota is projected to grow 9.4 percent from 2023 to 2043, closing in on 6.4 million residents.

However, Local Area 3 is expected to add around 6,561 people aged 75 years and over, a 27% jump. The region is also projected to see a small but notable gain of 1,288 in the 45-to-54-year-old age group. In contrast, the region is expected to lose school-aged children and young adults (7,212), as well as a large number of people (-17,121 people) from 55 to 74 years as the current Baby Boom generation moves through the population pyramid.

Figure 4. WDB 3 Population Projections by Age Group, 2023-2043



Source: Minnesota State Demographic Center

POPULATION BY RACE

Local Area 3's population is less diverse than the state's but is becoming more diverse over time. In 2020, 90.3% of the region's residents reported White alone as their race, compared to 77.5% of residents statewide. Compared to the state, the region had much smaller percentages of Black or African American residents, Asian or Other Pacific Islanders, and people of Hispanic or Latino origin. However, at 3.0%, Local Area 3 had almost triple the state's percentage of people reporting as American Indian or Alaska Native. 5.0% of residents identified as Two or More Races (Table 3).

Table 3. Race and Hispanic Origin, 2020	WDB 3 - Northeast			Minnesota	
	Number	Percent	*Change from 2000-2020*	Percent	*Change from 2000-2020*
Total	**239,019**	**100.0%**	***-0.03%***	**100.0%**	***8.9%***
White	215,760	90.3%	*-4.26%*	77.5%	*-2.6%*
Black or African American	1,982	0.8%	*35.48%*	7.0%	*54.9%*
American Indian & Alaska Native	7,266	3.0%	*7.85%*	1.2%	*24.0%*
Asian & Other Pacific Islander	1,064	0.4%	*1.43%*	5.3%	*46.4%*
Some Other Race	1,112	0.5%	*16.56%*	3.0%	*122.8%*
Two or More Races	11,835	5.0%	*234.70%*	6.1%	*221.3%*
Hispanic or Latino	3,398	1.4%	*27.27%*	6.1%	*47.9%*

Source: 2016-2020 American Community Survey, 5-year estimates

Cook County had the most diverse populace in the region, with 16.3% of residents reporting as people of color. Just over 8% of Cook residents identified as American Indian or Alaska Native. In contrast, Aitkin and Lake Counties had 92.6% and 94.7% of their respective populations reporting their race as White alone.

EDUCATIONAL ATTAINMENT

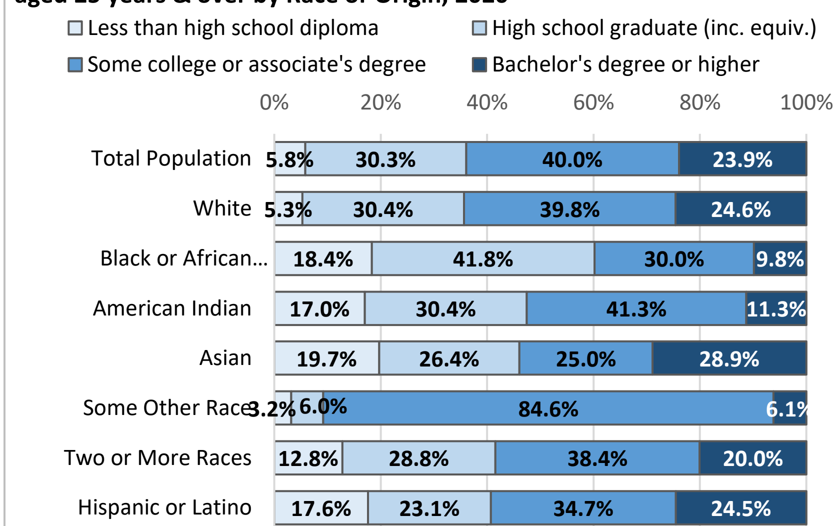
With 36.7% of adults aged 18 years and over holding a college degree, Local Area 3 had lower educational attainment than the state in 2020, where 45.2% of adults have an associate, bachelor's, or advanced degree. In contrast, the area had a higher percentage of people with some college but no degree, and a high school diploma or equivalent. Beyond high school, area educational attainment only exceeded the state in associate degrees (Table 4).

Table 4. Educational Attainment for the Adult Population, 2020	WDB 3 - Northeast		Minnesota
	Number	**Percent**	**Percent**
Total, 18 years & over	**191,252**	**100.0%**	**100.0%**
Less than high school	12,544	6.6%	7.2%
High school grad. (incl. equiv.)	58,840	30.8%	24.7%
Some college, no degree	49,758	26.0%	22.8%
Associate degree	27,266	14.3%	11.0%
Bachelor's degree	29,186	15.3%	23.0%
Advanced degree	13,658	7.1%	11.2%

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

Educational attainment varied significantly by race and ethnicity in Local Area 3. Seventeen percent or more of Asian, Black or African American, American Indian, and Hispanic or Latino residents had less than a high school diploma, compared to just 5.3% of white residents and 3.2% of residents of Some Other Race. Similar percentages of Black or African Americans, American Indians, and residents of Two or More Races attended some college or had associate degrees when compared to white residents. Asians were the only group to surpass the share of whites with at least a bachelor's degree (Figure 5).

Figure 5. Educational Attainment for the WDB 3 population aged 25 years & over by Race or Origin, 2020



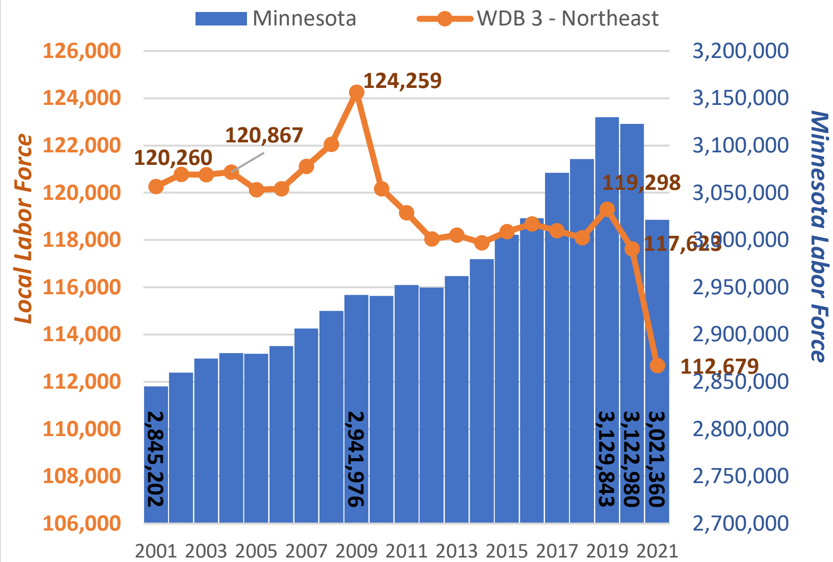
Source: 2016-2020 American Community Survey

LABOR FORCE

LABOR FORCE CHANGE

According to data from DEED's Local Area Unemployment Statistics program, Local Area 3 had 112,679 workers in 2020. Under the effects of the COVID-19 pandemic nearly 5,000 workers left the labor force over a year, accelerating a longer-term trend of decline. By comparison, in the depths of the Great Recession, the region's labor force reached its peak with nearly 124,300 workers, but then declined as the recovery from the recession took hold. Tracking with population decreases for the local area, the labor force lost 1,569 workers from 2004-2019 (Figure 6). Local Area 3 was one of three out of 16 in the state to see a loss in its labor force over that period. In contrast, the state steadily gained workers over the past 15 years (Figure 6).

Figure 6. Annual Labor Force Estimates, 2001-2021

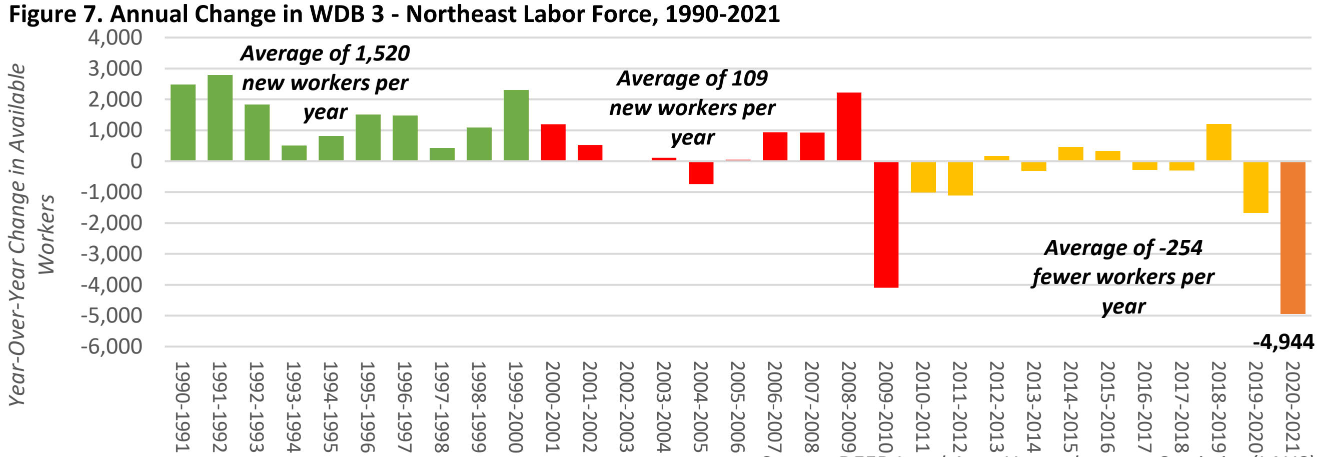


Source: DEED Local Area Unemployment Statistics (LAUS) program

An average net gain of about 1,500 additional labor force participants per year between 1990 and 2000 provided Local Area 3 employers to a large and growing pool of talented workers. However, from 2000 to 2010 the gains of the previous decade turned into declines as the area averaged a loss of 109 workers per year. Between 2010 and 2020 the loss of workers accelerated, as the labor force declined by an average of 254 workers per year. Finally, 2021 represented the largest over-the-year labor force contraction on record (Figure 7).

An increasingly tight labor market and a growing scarcity of workers has for years been recognized as one of Local Area 3's most significant barriers to future economic growth. In the face of these constraints, it became evident that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and origin has been and will continue to be a vital source of the workers that employers need to succeed. As the White, native-born workforce continues to age, younger workers of different races or from different countries comprise the fastest growing segments of the labor force.

Figure 7. Annual Change in WDB 3 - Northeast Labor Force, 1990-2021



Source: DEED Local Area Unemployment Statistics (LAUS)

LABOR FORCE PROJECTIONS

If Local Area 3's population changes at the projected rates shown in Figure 4 above, the area would be expected to see a decline in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a 5.0% drop in workforce numbers. In addition to the overall decline, the labor force will also see a significant shift over time, with gains in the number of workers aged 75 years and over and 45 to 55 but huge declines in the number of workers aged 55 to 74 years. The region is also expected to lose teenaged workers and entry-level workers in the next decade. The long-term aging and decline of the labor force will likely lead to an even tighter labor market in the future, with employers needing to respond to the changing labor force availability in the region (Table 5).

Table 5. WDB 3 - Northeast Labor Force Projections

	2023 Labor Force Projection	2033 Labor Force Projection	*2023-2033 Change*	
			Numeric	*Percent*
16 to 19 years	6,154	5,575	*-580*	*-9.4%*
20 to 24 years	12,698	12,240	*-457*	*-3.6%*
25 to 44 years	44,809	43,652	*-1,158*	*-2.6%*
45 to 54 years	21,561	23,152	*1,591*	*7.4%*
55 to 64 years	19,901	15,488	*-4,414*	*-22.2%*
65 to 74 years	6,922	5,887	*-1,035*	*-14.9%*
75 years & over	1,122	1,488	*367*	*32.7%*
Total Labor Force	**113,168**	**107,482**	***-5,685***	***-5.0%***

Source: calculated from Minnesota State Demographic Center population projections and 2016-2020 American Community Survey 5-Year Estimates

EMPLOYMENT CHARACTERISTICS

With 57.9% of the population over 16 years of age in the labor force, Local Area 3 had a much lower labor force participation rate than the state. In addition, every age group had lower labor force participation rates than those statewide, the gap widening for workers 55 or older (Table 6).

The region also had lower participation rates than the state for almost every race group; and had large unemployment rate disparities for people of color. Only a third of eligible Black or African Americans were in the labor force. Unemployment rates for Hispanics or Latinos and American Indians were about two-to-three times more than the rate for whites. The region also had 5,872 veterans and 7,271 workers with disabilities in the labor force, with both having lower participation rates than the state. Unemployment rates were highest for youth, people of color, the least educated, and workers with disabilities.

Table 6. WDB 3 - Northeast Employment Characteristics, 2020

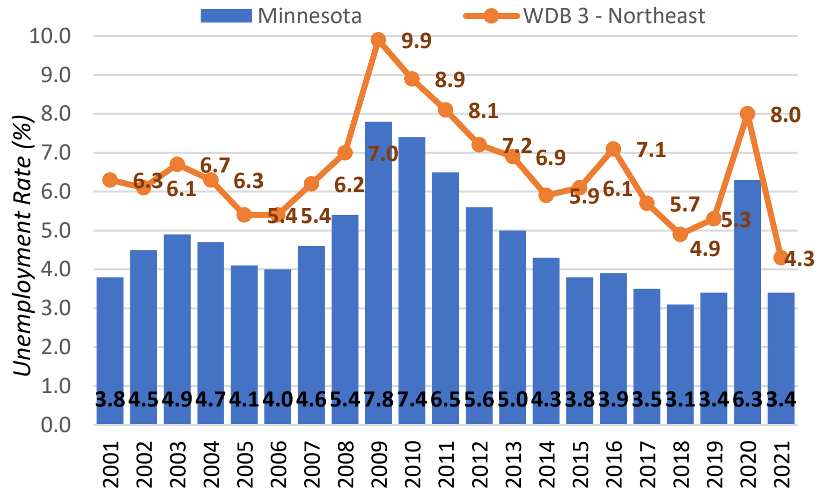
	WDB 3 - Northeast			Minnesota	
Age Group	**Labor Force**	**Labor Force Partic. Rate**	**Unemp. Rate**	**Labor Force Partic. Rate**	**Unemp. Rate**
Total Labor Force	**114,418**	**57.9%**	**4.9%**	**69.3%**	**3.8%**
16 to 19 years	5,782	51.2%	10.3%	52.0%	11.0%
20 to 24 years	9,483	81.7%	8.3%	83.8%	6.2%
25 to 44 years	42,441	84.0%	4.8%	88.7%	3.4%
45 to 54 years	24,332	83.5%	3.7%	87.6%	2.8%
55 to 64 years	24,758	61.4%	4.2%	73.0%	3.1%
65 to 74 years	6,562	20.4%	2.7%	28.4%	2.5%
75 years & over	1,047	4.6%	3.7%	6.8%	2.4%
Employment Characteristics by Gender					
Male	60,621	60.3%	5.4%	73.0%	4.2%
Female	53,777	55.4%	4.3%	65.6%	3.4%
Employment Characteristics by Race & Hispanic Origin					
White alone	106,927	58.2%	4.6%	68.9%	3.2%
Black or African American	631	33.2%	8.7%	71.3%	8.7%
American Indian & Alaska Native	2,797	61.1%	12.3%	57.9%	12.7%
Asian or Other Pacific Islanders	677	63.7%	3.2%	72.0%	4.0%
Some Other Race	1,005	58.9%	n/a	72.7%	6.2%
Two or More Races	2,648	59.5%	7.2%	73.3%	7.1%
Hispanic or Latino	1,422	61.5%	9.0%	76.5%	6.3%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	5,872	67.6%	8.0%	79.5%	4.0%
Employment Characteristics by Disability					
With Any Disability	7,271	43.1%	7.9%	52.9%	8.9%
Employment Characteristics by Educational Attainment					
Population 25 to 64 years	91,561	76.3%	4.3%	84.4%	3.2%
Less than H.S. Diploma	3,040	52.8%	6.0%	66.3%	4.5%
H.S. Diploma or Equivalent	22,565	68.2%	3.7%	77.9%	2.5%
Some College or Assoc. Degree	40,517	78.5%	4.6%	85.2%	3.3%
Bachelor's Degree or Higher	25,435	86.2%	1.6%	90.0%	1.9%

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

UNEMPLOYMENT RATES

Until recently, Local Area 3 has consistently reported unemployment rates about two percentage points higher than Minnesota. According to Local Area Unemployment Statistics, the region's unemployment rate reached its peak in 2009 at 9.9%, then steadily declined to an annual rate of 4.9% in 2018. Since then, the unemployment rate increased significantly in 2020 under the effects of the COVID-19 pandemic, before falling to a record low of 4.3% in 2021 (Figure 8). By comparison, the average annual unemployment rate from 1990 to 2019 was 6.8%

Figure 8. Unemployment Rates, 2001-2021

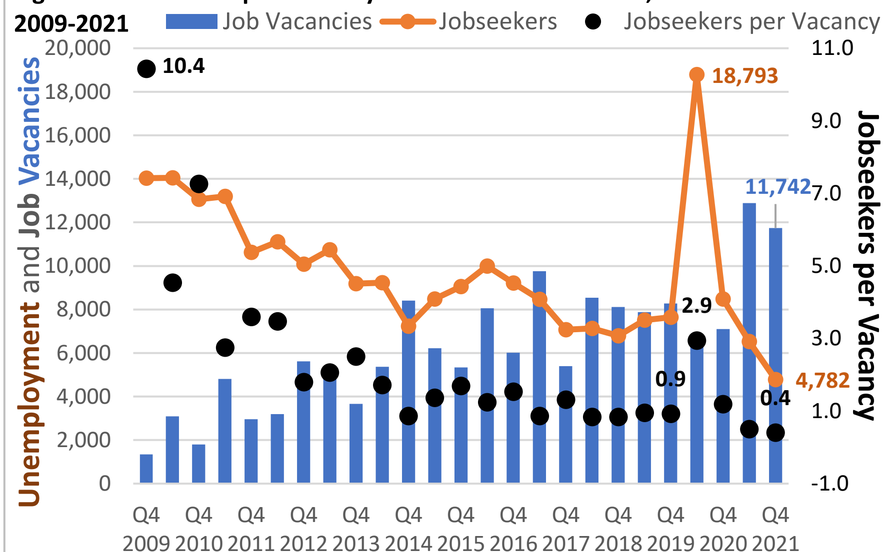


Source: DEED Local Area Unemployment Statistics (LAUS) program

JOBSEEKERS PER VACANCY

Prior to the coronavirus crisis, the labor market had already been tightening. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which in 2019 stood at 0.9-to-1 in Northeast Minnesota; meaning there were fewer people looking for work than open jobs. After briefly rising to 2.9 in the 2nd quarter of 2020, the ratio has since declined to an all-time low of 0.4 jobseekers per vacancy. According to the most recent job vacancy survey results, there were 11,742 openings (2nd highest on record) reported by employers compared to 4,782 (lowest on record) unemployed jobseekers in the region. By comparison, the ratio climbed as high as 10.4 during the recession in 2009 (Figure 9).

Figure 9. Jobseekers per Vacancy in Northeast Minnesota, 2009-2021



Source: DEED LAUS, DEED JVS

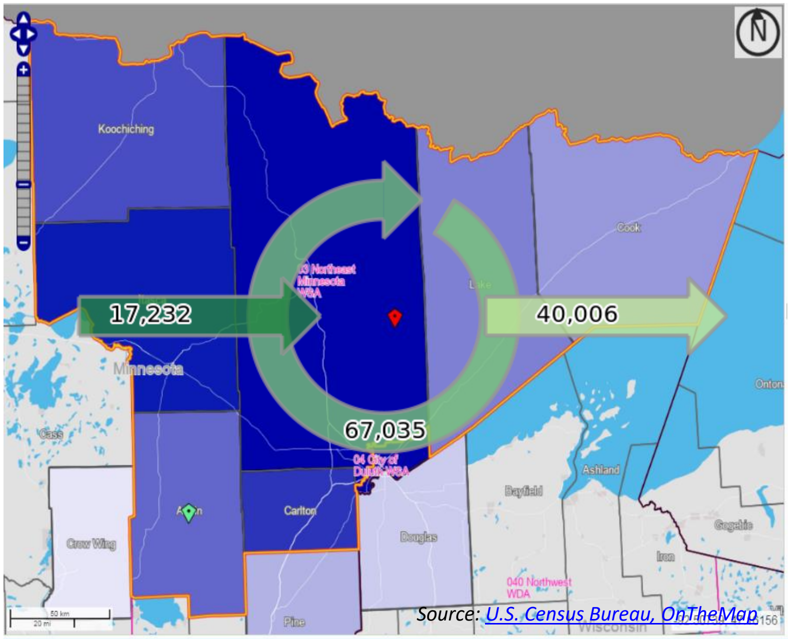
COMMUTE SHED AND LABOR SHED

According to commuting data from the U.S. Census Bureau, the majority – about 80% - of workers employed in Local Area 3 also lived in the region. However, Local Area 3 is a net exporter of labor, having fewer jobs than workers, primarily due to the jobs in the city of Duluth. In sum, 67,035 workers both lived and worked in the 7-county Local Area, while another 17,232 workers commuted or telecommuted to the region for work, compared to 40,006 who lived in the region but commuted to a different area for work (Table 7, Figure 10).

Table 7. WDB 3 – Northeast Inflow/ Outflow Job Counts (All Jobs), 2019	2019	
	Count	Share
Employed in the Selection Area	84,267	100.0%
Employed in the Selection Area but Living Outside	17,232	20.4%
Employed and Living in the Selection Area	67,035	79.6%
Living in the Selection Area	107,041	100.0%
Living in the Selection Area but Employed Outside	40,006	37.4%
Living and Employed in the Selection Area	67,035	62.6%

Source: U.S. Census Bureau, OnTheMap

Figure 10. WDB 3 - Northeast Labor and Commute Shed, 2019



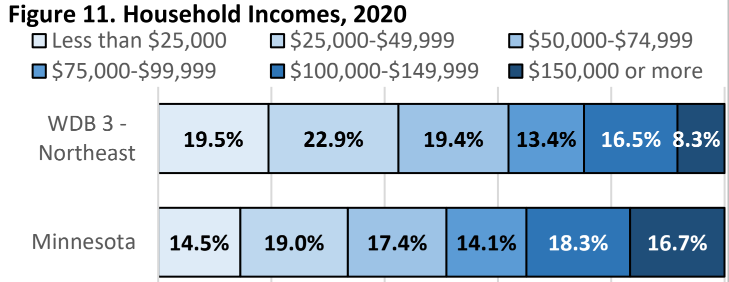
St. Louis County is the largest employment center in the area and was the biggest draw for workers, followed by Itasca, Carlton, Koochiching, Aitkin, Lake, and Cook counties. Employers in the region drew workers from Douglas County in Wisconsin as well as Pine and Crow Wing counties to the south and west of the region. In contrast, the area sent over 7,000 workers to Hennepin and Ramsey counties, as well as 2,000 to Douglas County, WI (Figure 10). The average commute time for workers the region was 21 minutes, compared to 23.8 minutes for workers statewide. Almost a quarter of workers commuted less than 10 minutes each way, compared to 15.7% statewide. About 6.1% of workers worked at home, and 3.2% were able to walk to work. About half (49.8%) of workers left home between 6:00 a.m. and 8:00 a.m[1].

INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Local Area 3 than the rest of the state. The median household was $59,036 in 2020, compared to $73,382 in Minnesota. Just under 43% of the households in the region had incomes below $50,000 in 2020, compared to 33.5% of households statewide. Only 8.3% of households had incomes greater than $150,000 in the region, less than half the statewide share (Figure 11).

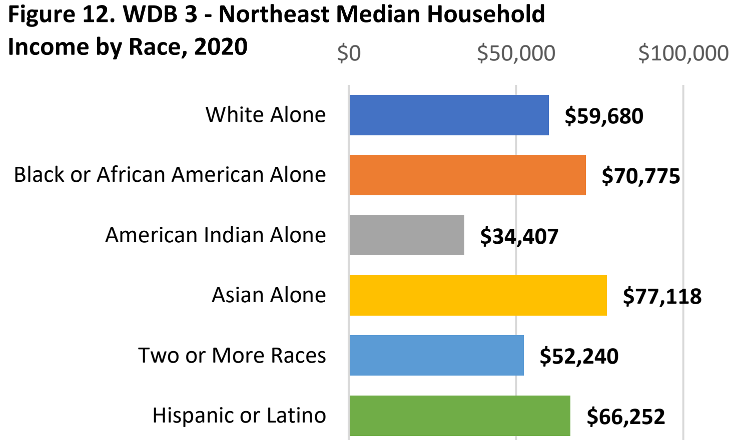
Figure 11. Household Incomes, 2020



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

Median household incomes varied significantly by race or origin in the region. American Indian households reported the lowest incomes in Local Area 3, with a median income that was more than $25,000 lower than for white households. Two or More Races households also had lower median incomes. Meanwhile, Asian, Black or African American, and Hispanic or Latino Households reported median incomes higher than white households. However, sample sizes were small for several of the race groups, leading to large margins of error and big swings compared to previous years (Figure 12).

Figure 12. WDB 3 - Northeast Median Household Income by Race, 2020



Source: 2016-2020 American Community Survey

[1] U.S. Census American Community Survey 2016-2020 5 year estimates.

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 Northeast Minnesota was $50,940 – which was the third lowest of the 6 planning regions in the state. The highest monthly costs were for transportation, food, and housing; though the region's housing, childcare, and taxes were lower than the rest of the state. To meet the basic needs cost of living for the region, the two workers in the family scenario described would need to earn an average of $16.33 per hour working a combined 60 hours per 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 the Arrowhead would be $29,268, which would require an hourly wage of $14.07 to meet the basic needs standard of living (Table 8).

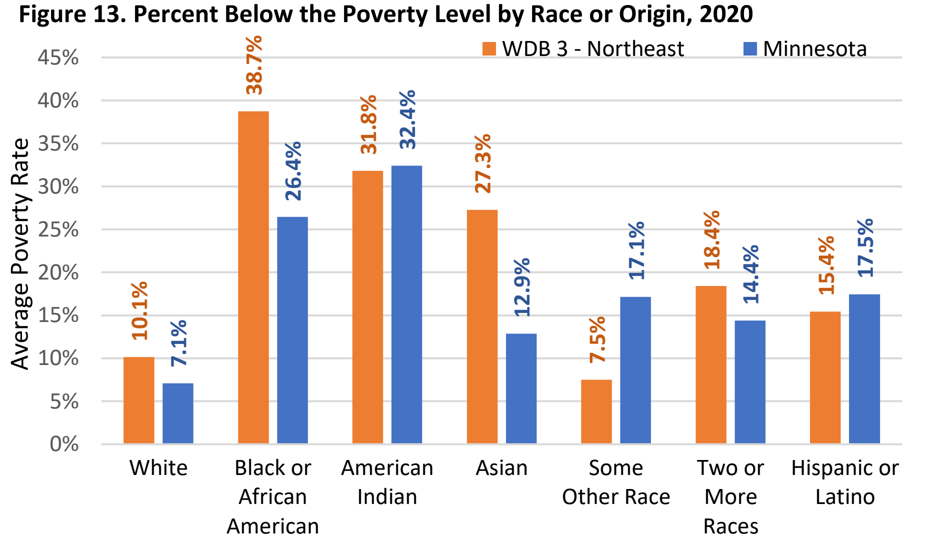
Table 8. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2022

Family Composition	Number of Workers	Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
				Childcare	Food	Health Care	Housing	Trans-portation	Other	Taxes
Northeast Minnesota										
Single, 0 children	1 FT	$29,268	$14.07	$0	$353	$152	$665	$673	$279	$317
Single, 1 child	1 FT	$48,072	$23.11	$704	$523	$482	$877	$678	$383	$359
2 parents, 1 child	**1 FT, 1 PT**	**$50,940**	**$16.33**	**$352**	**$807**	**$538**	**$877**	**$785**	**$461**	**$425**
2 parents, 2 children	2 FT	$72,960	$17.54	$1,232	$1,054	$549	$1,132	$828	$599	$686
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, Local Area 3's poverty rate was 11.2%, which was almost two points higher than the statewide rate of 9.3%. Like incomes, poverty levels varied widely by race and origin. It was estimated that 38.7% of the region's Black or African American population lived below the poverty level in 2020, compared to just 10.1% of the white population. Likewise, poverty levels hovered around 32% for American Indians and 27% for Asians. Just over 18% of Two or More races and 15.4% Hispanic or Latino origin also were below the poverty level in 2020. At 7.5%, residents of Some Other Race had the lowest poverty rate of any racial or ethnic group in the area. In many cases, the region's poverty rate was higher than the state's poverty rate, except for American Indians, residents of Some Other Race, and Hispanic or Latinos. (Figure 13).

Figure 13. Percent Below the Poverty Level by Race or Origin, 2020



Source: 2016-2020 American Community Survey

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment & Wage Statistics (OEWS) program, the median hourly wage for all occupations in Northeast Minnesota was $22.54 as of the first quarter of 2022, which was the third highest wage level of the six planning regions in the state. Northeast's median wage was $1.27 below the state's median hourly wage, equaling 94.7% of the statewide wage rate, and $1.93 below the median hourly wage in the Twin Cities metro area, which would amount to a difference of nearly $4,014 per year for a full-time worker (Table 9).

Table 9. Occupational Employment Statistics by Region, 1st Qtr. 2022	Median Hourly Wage	Estimated Regional Employment
Central Minnesota	$22.25	258,710
Northeast Minnesota	***$22.54***	***131,110***
Northwest Minnesota	$19.23	206,880
Southeast Minnesota	$23.32	231,930
Southwest Minnesota	$19.59	162,180
Twin Cities Metro Area	$24.47	1,642,620
State of Minnesota	**$23.81**	**2,695,450**
Source: DEED Occupational Employment Statistics		

Based on location quotient, Northeast Minnesota stands out for having higher concentrations of Protective Service, Community & Social Service, Installation, Maintenance & Repair, Life, Physical & Social Science, and Healthcare Practitioners & Technical workers than the state. The largest occupations in the region include Office & Administrative Support, Sales & Related, Food Preparation & Serving, Healthcare Practitioner, and Healthcare Support positions. Those occupational groups combined to account for over 46% of regional employment.

The lowest-paying jobs are concentrated in Food Preparation & Serving, Sales & Related, Personal Care & Service, Healthcare Support, and Building, Grounds Cleaning & Maintenance. Each of these occupational groups paid at least seven dollars below the median for all occupations and tend to have lower educational and training requirements (Table 10).

Table 10. Northeast Minnesota Occupational Employment Statistics, 1st Qtr. 2022							
	Northeast Minnesota				**State of Minnesota**		
Occupational Group	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*	*Location Quotient*	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*
Total, All Occupations	**$22.54**	**131,110**	***100.0%***	***1.0***	**$23.81**	**2,695,450**	***100.0%***
Office & Administrative Support	$18.98	14,840	*11.3%*	*0.9*	$23.12	334,550	*12.4%*
Sales & Related	$14.26	12,140	*9.3%*	*1.0*	$17.25	245,390	*9.1%*
Food Preparation & Serving Related	$13.83	11,960	*9.1%*	*1.2*	$14.65	198,800	*7.4%*
Healthcare Practitioners & Technical	$30.38	11,620	*8.9%*	*1.3*	$38.73	190,180	*7.1%*
Healthcare Support	$15.01	9,880	*7.5%*	*1.2*	$15.37	162,530	*6.0%*
Transportation & Material Moving	$19.20	8,570	*6.5%*	*0.8*	$19.30	209,780	*7.8%*
Education, Training & Library	$24.56	7,940	*6.1%*	*1.1*	$24.48	149,990	*5.6%*
Management	$39.32	7,140	*5.4%*	*0.8*	$50.51	181,090	*6.7%*
Installation, Maintenance & Repair	$29.40	6,450	*4.9%*	*1.4*	$25.34	96,660	*3.6%*
Production	$23.08	6,380	*4.9%*	*0.7*	$19.59	198,940	*7.4%*
Construction & Extraction	$29.87	6,300	*4.8%*	*1.2*	$30.09	107,180	*4.0%*
Business & Financial Operations	$30.97	5,680	*4.3%*	*0.6*	$38.08	192,700	*7.1%*
Building, Grounds Cleaning & Maint.	$15.26	4,250	*3.2%*	*1.2*	$17.98	75,850	*2.8%*
Community & Social Service	$24.43	3,820	*2.9%*	*1.5*	$24.68	53,670	*2.0%*
Protective Service	$26.00	3,110	*2.4%*	*1.6*	$25.07	40,580	*1.5%*
Personal Care & Service	$14.83	2,810	*2.1%*	*1.0*	$15.24	56,580	*2.1%*
Architecture & Engineering	$38.19	2,380	*1.8%*	*0.9*	$39.39	51,970	*1.9%*
Computer & Mathematical	$38.48	2,110	*1.6%*	*0.4*	$48.34	101,560	*3.8%*
Life, Physical & Social Science	$31.28	1,620	*1.2%*	*1.3*	$37.30	26,140	*1.0%*
Arts, Design, Entertainment & Media	$22.07	1,330	*1.0%*	*0.7*	$26.08	36,710	*1.4%*
Legal	$36.53	540	*0.4%*	*0.6*	$40.08	19,860	*0.7%*
Farming, Fishing & Forestry	$23.00	240	*0.2%*	*1.1*	$18.55	4,350	*0.2%*
Source: DEED Occupational Employment Statistics, Qtr. 1 2021							

The highest paying jobs in Northeast Minnesota are found in Management, Computer & Mathematical, Architecture & Engineering, Legal, and Life, Physical, & Social Science occupations, which all have wages $10 higher than the median wage for all occupations. Many occupations in these groups require higher levels of education and experience, including many that require postsecondary training. The pay gaps at the highest end of the wage scale for the Management and Computer & Mathematical occupational groups, near and exceed $10 per hour. The highest paying occupational groups are also less concentrated in the region.

JOB VACANCY SURVEY

Employers in Northeast Minnesota reported 11,742 job vacancies in the fourth quarter of 2021, the highest total in a 4th quarter and the 2nd highest in the history of the Job Vacancy Survey. Demand for workers continued to surge after the peak of the pandemic surge in 2020 and was high across most sectors. The sectors with the largest number of openings were Retail Trade (3,326 job vacancies), Healthcare & Social Assistance (3,142), Other Services (1,982), and Accommodation & Food Services (1,081). More than 81% of regional vacancies were in these industries.

The largest number of vacancies by occupation were in Sales & Related, Healthcare Practitioners & Technical, Transportation & Material Moving, Office & Administrative Support, and Food Preparation & Serving Related occupations. More than two-thirds of regional vacancies were in these occupational groups. Overall, 40% of the openings were part-time, 29% required post-secondary education, and 46% required 1 or more years 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 relatively stable or grew in-kind.

Rising demand has led to rising wages, with the median hourly wage offer from the current survey jumping to $15.72 per hour, which was the highest offer on record, but the lowest of the six planning regions. Wage offers ranged from under $13.15/hr for Food Prep & Serving, Building, Grounds Cleaning & Maintenance, and Personal Care to over $30/hr for Architecture & Engineering and Healthcare Practitioners & Technical Ops. positions.

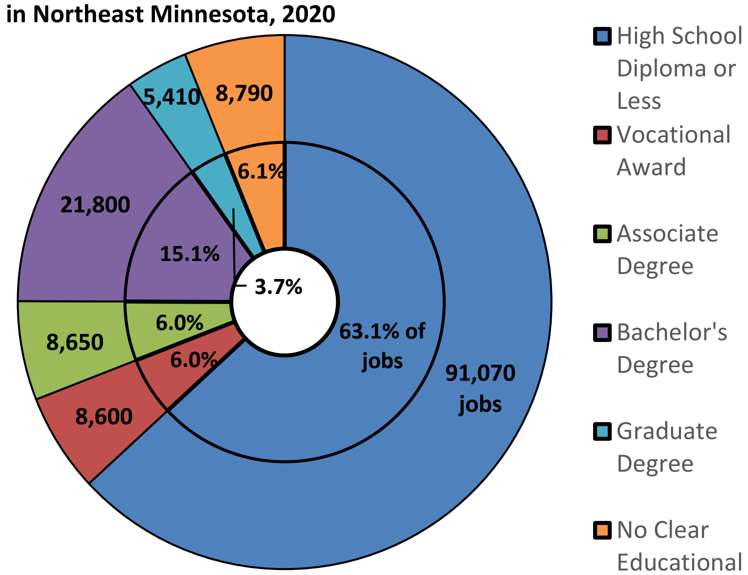
Table 11. Northeast Minnesota Job Vacancy Survey Results, Qtr. 4 2021

	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	**11,742**	**40%**	**12%**	**29%**	**46%**	**52%**	**$15.72**	***8.9%***
Sales & Related	2,645	48%	13%	4%	59%	48%	$14.90	*21.8%*
Healthcare Practitioners & Technical	1,485	52%	3%	96%	64%	97%	$31.74	*12.8%*
Transportation & Material Moving	1,371	7%	0%	3%	42%	81%	$15.58	*16.0%*
Office & Administrative Support	1,335	13%	14%	5%	37%	8%	$13.87	*9.0%*
Food Preparation & Serving Related	1,134	52%	4%	1%	22%	16%	$12.22	*9.5%*
Healthcare Support	792	63%	3%	45%	11%	66%	$15.68	*8.0%*
Community & Social Service	474	10%	0%	84%	86%	82%	$24.11	*12.4%*
Installation, Maintenance & Repair	357	35%	2%	50%	62%	46%	$18.16	*5.5%*
Education, Training & Library	295	42%	42%	84%	87%	86%	$21.39	*3.7%*
Building, Grounds Cleaning & Maint.	267	25%	5%	1%	9%	9%	$13.11	*6.3%*
Protective Service	182	42%	9%	14%	27%	88%	$16.70	*5.9%*
Construction & Extraction	156	68%	1%	9%	18%	94%	$21.52	*2.5%*
Management	146	32%	0%	54%	94%	54%	$24.54	*2.1%*
Personal Care & Service	104	59%	28%	1%	32%	19%	$13.14	*3.7%*
Business & Financial Operations	75	4%	4%	64%	96%	32%	$27.72	*1.3%*
Production	66	18%	0%	24%	33%	36%	$16.26	*1.0%*
Architecture & Engineering	57	2%	0%	93%	98%	93%	$32.21	*2.4%*
Arts, Design, Entertainment & Media	50	43%	6%	11%	61%	60%	$22.33	*3.8%*
Life, Physical & Social Sciences	48	13%	36%	84%	87%	71%	$23.55	*3.0%*
Computer & Mathematical	44	2%	0%	71%	91%	27%	$29.13	*2.1%*

EDUCATIONAL REQUIREMENTS

Reflecting the recent job vacancy data, DEED's Occupational Employment Statistics program shows that slightly more than one-third of current jobs held in the region require post-secondary education to enter. The other two-thirds require no more than a high school diploma, and sometimes less. However, some amount of on-the-job training is often needed (Figure 14).

Figure 14. Share of Jobs by Educational Requirements in Northeast Minnesota, 2020



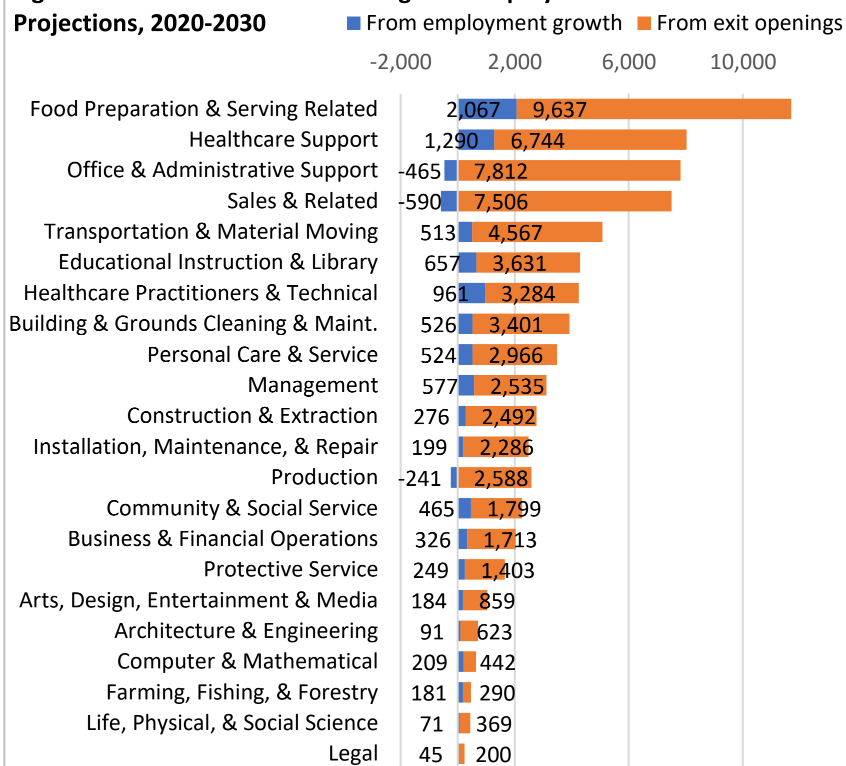
Source: DEED Occupational Employment Statistics

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 $19,500 and more than $52,000 per year in Minnesota[2]. 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 Northeast planning area is projected to grow 5.5% from 2020 to 2030, a gain of 8,115 new jobs. In addition, the region is also expected to need 174,485 replacement openings to fill jobs left vacant by retirements and other career changers. The notable increase in projected employment growth is largely attributable to the continued recovery from pandemic-related employment losses. Accordingly, Food Prep. & Serving is the occupational group expected to add the most jobs, followed by Healthcare Support, Office & Admin. Support, and Sales & Related occupations (Figure 15). The largest percent growth is expected for Farming, Fishing, & Forestry, Food Prep., Healthcare Support, and Personal Care.

Figure 15. Northeast Minnesota Regional Employment Projections, 2020-2030



Source: DEED 2020-2030 Employment Outlook

[2] http://www.ohe.state.mn.us/mPg.cfm?pageID=94

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are over 468 occupations in demand (OID) in Northeast Minnesota, and 280 occupations are showing relatively high demand. Training and education requirements of these occupations range from short-term on-the-job training to postsecondary education and advanced degrees. Most OID require a high school diploma or less, and less than one-third require a bachelor's degree or higher. While OID exist in every sector, the region's major industries are well represented as many of the jobs are concentrated in Health Care, Accommodation & Food Service, Other Services, and other related industries (Table 12).

Table 12. 2021 Occupations in Demand by Education Level, Northeast Minnesota

High School or Less	Vocational Training	Some College or Assoc. Degree	Bachelor's Degree or Higher
Home Health and Personal Care Aides $30,528/yr	Nursing Assistants $37,294/yr	Registered Nurses $73,076/yr	General and Operations Managers $75,472/yr
Retail Salespersons $29,515/yr	Licensed Practical and Licensed Vocational Nurses $48,356/yr	Police and Sheriff's Patrol Officers $70,257/yr	Substance abuse, behavioral disorder, & mental health counselors $48,718/yr
Fast Food and Counter Workers $24,908/yr	Medical Assistants $44,538/yr	Clinical Laboratory Technologists and Technicians $58,219/yr	Project Management Specialists & Business Ops. Specialists, All Other $72,253/yr
Janitors and Cleaners, Except Maids and Housekeeping Cleaners $32,228/yr	Automotive Service Technicians and Mechanics $47,809/yr	Dental Hygienists $76,332/yr	Market Research Analysts and Marketing Specialists $62,435/yr
First-Line Supervisors of Retail Sales Workers $39,335/yr	Hairdressers, Hairstylists, and Cosmetologists $30,416/yr	Radiologic Technologists and Technicians $63,530/yr	Elementary School Teachers, Except Special Education $62,209/yr
Waiters and Waitresses $24,528/yr	Industrial Machinery Mechanics $71,766/yr	Surgical Technologists $60,868/yr	Accountants and Auditors $64,411/yr
Customer Service Representatives $37,854/yr	Electricians $69,022/yr	Forest and Conservation Technicians $45,122/yr	Child, Family, and School Social Workers $62,604/yr
Social and Human Service Assistants $39,819/yr	Dental Assistants $49,742/yr	Civil Engineering Technologists and Technicians $669,925/yr	Medical and Health Services Managers $81,781/yr
Cooks, Restaurant $31,508/yr	Emergency Medical Technicians and Paramedics $43,347/yr	Computer Network Support Specialists $63,430/yr	Secondary School Teachers, Except Special and Career/Technical Ed. $62,348/yr
Maids and Housekeeping Cleaners $30,489/yr	Medical Dosimetrists, Medical Records Specialists, & Health Technologists & Technicians, All Other $47,666/yr	Respiratory Therapists $64,176/yr	Pharmacists $131,840/yr

Source: DEED Occupations in Demand

ECONOMY

INDUSTRY EMPLOYMENT

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Local Area 3 was home to 6,451 business establishments providing 80,066 covered jobs through 2021, with a total payroll that approached $4 billion. That was about 2.9% of total employment in the state of Minnesota. Average annual wages were $49,010 in the region, which was $18,018 lower than it was statewide (Table 13).

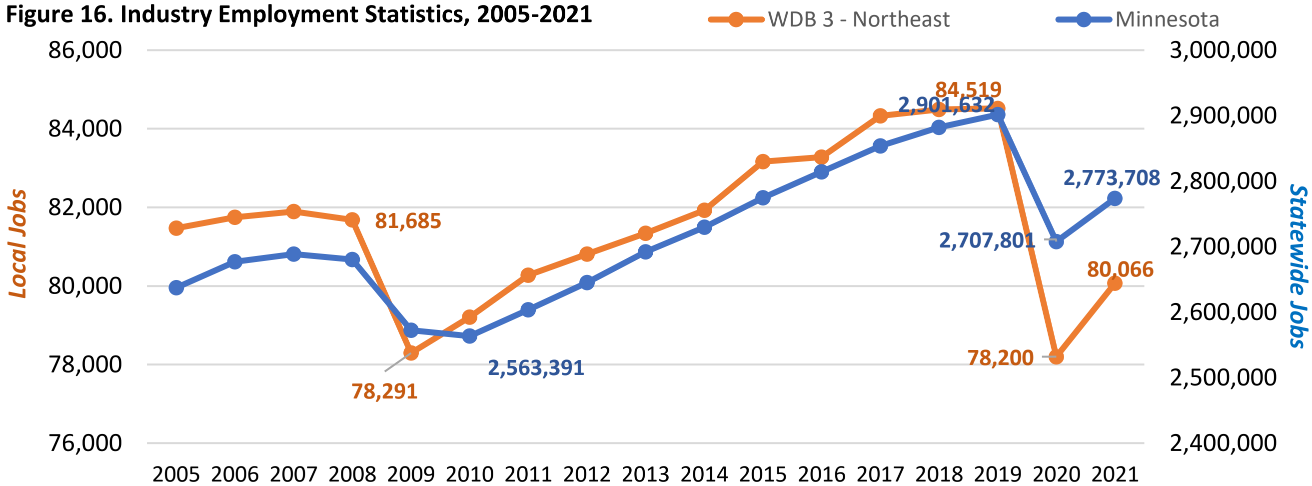
Table 13. WDB 3 - Northeast Industry Employment, 2021				Average Annual Wage	*2016-2021*		*2020-2021*	
Geography	Number of Firms	Number of Jobs	Total Payroll		*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
WDB 3 - Northeast	**6,451**	**80,066**	**$3,924,039**	**$49,010**	***-3,212***	***-3.9%***	***+1,866***	***+2.4%***
Aitkin Co.	468	4,147	$175,541,834	$42,276	*+245*	*+6.3%*	*+134*	*+3.3%*
Carlton Co.	758	12,671	$656,922,784	$51,792	*-885*	*-6.5%*	*+341*	*+2.8%*
Cook Co.	317	2,551	$96,831,187	$37,856	*-296*	*-10.4%*	*+88*	*+3.6%*
Itasca Co.	1,266	15,558	$746,300,210	$47,892	*-200*	*-1.3%*	*+244*	*+1.6%*
Koochiching Co.	418	4,245	$203,368,987	$47,892	*-280*	*-6.2%*	*+83*	*+2.0%*
Lake Co.	340	3,891	$197,009,198	$49,868	*-37*	*-0.9%*	*+225*	*+6.1%*
St. Louis Co.	5,363	91,499	$4,964,776,165	$54,184	*-5,857*	*-6.0%*	*+1,524*	*+1.7%*
City of Duluth	2,479	54,498	$3,113,711,612	$57,134	*-4,097*	*-7.0%*	*+773*	*+1.4%*
State of Minnesota	**185,788**	**2,773,708**	**$185,969,067,414**	**$67,028**	***-40,294***	***-1.4%***	***+65,907***	***+2.4%***

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

Not including the city of Duluth, St. Louis County is the largest employment center in the region with 37,001 jobs at 2,884 firms; followed by Itasca County and Carlton County with 15,558 and 12,671 jobs, respectively. Local Area 3 experienced a period of recovery following the Great Recession and, as of 2019, had regained all jobs that were lost and about 2,800 more, equalling an increase of 8%. However, a decade of gains was wiped out in a couple months in 2020. Over the same ten-year period, the state added 134,511 jobs, and increase of 5.2%. Similarly, the state saw a smaller relative employment loss of 6.7% vs. 7.5% in WDB 3 in 2020 (Figure 16).

All the counties, except for Aitkin lost employment from 2016-2021, largely driven by large employment losses in 2020 as a result of the COVID-19 pandemic. In the last year, the area added 1,866 jobs as the recovery commenced. Every county saw gains, the largest being in Lake and Cook counties. The slowest recoveries occurred in Itasca and St. Louis counties (Table 13). As of the end of 2021, employment levels remained about 4,500 jobs short of where they were in 2019.

Figure 16. Industry Employment Statistics, 2005-2021



Source: DEED QCEW program

With 14,891 jobs at 687 firms, Health Care & Social Assistance is the largest employing sector in Local Area 3, accounting for 18.6% of total jobs in the region. That is a slightly larger share than the state's concentration of employment in the Health Care sector. The number of jobs in Health Care & Social Assistance decreased by 2.4% from 2016-2021, a decline smaller than the area average of -3.9%. Over the last year employment losses continued for the sector, albeit at a slower rate (Table 14). The annual average wage for the Health Care sector was a little more than $2,000 below the area average.

The next largest industries were Retail Trade and Accommodation & Food Services, which combined to account for 24.3% of all the jobs in the region. However, with Retail Trade at $31,454 and Accommodation & Food Services at $19,061, average annual wages for these industries were among the lowest. The other lowest-paying industries were Arts, Entertainment & Recreation ($30,794), and Other Services ($31,036). Through 2021, Arts, Entertainment, & Recreation had seen the largest relative job losses. The next largest losses occurred in Other Services, Information, and Transportation & Warehousing.

Employment in Public Administration and Educational Services comprise the fourth and fifth largest sectors in the region, accounting for 17.5% of total employment. Perhaps the sector most associated with the region is Mining, which offered 4,187 jobs at 34 firms. Mining saw employment decline by only 31 over the past two years and rebounded faster than average into 2021. Only two sectors added jobs between 2019 and 2021. Professional, Scientific, & Technical Services grew 8.5% while the smaller Management sector expanded 1.1%. The sectors that grew the fastest into 2021 were a mix of those that were hit hardest early in the pandemic (Accommodation & Food Services and those that weathered the pandemic relatively well (Prof., Sci., & Tech Svcs., Construction, and Mining) (Table 14). Wages, responding to rising inflation and a tight labor market, rose 4.6% from 2020 to 2021 and 11.9% from 2019-2021. The sectors with the fastest wage growth since 2019 were Management (+17.8%), Mining (+16.9%), and Accommodation & Food Services (+16.5%). They represented two of the highest as well as the lowest paying sector.

Table 14. WDB 3 - Northeast Industry Employment Statistics, 2021

WDB 3 - Northeast	2021 Annual Data				*2020-2021*		*2019-2021*	
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll ($1,000s)	Avg. Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Total, All Industries	**6,451**	**80,066**	**$3,924,039**	***$49,010***	***+1,866***	***+2.4%***	***-4,453***	***-5.3%***
Health Care & Social Assistance	687	14,891	$698,198	*$46,887*	*-197*	*-1.3%*	*-586*	*-3.8%*
Retail Trade	905	11,153	$350,812	*$31,454*	*+218*	*+2.0%*	*-75*	*-0.7%*
Accommodation & Food Services	691	8,289	$157,996	*$19,061*	*+987*	*+13.5%*	*-791*	*-8.7%*
Public Administration	319	7,275	$388,218	*$53,363*	*+0*	*+0.0%*	*-231*	*-3.1%*
Educational Services	187	6,756	$319,258	*$47,255*	*+139*	*+2.1%*	*-288*	*-4.1%*
Manufacturing	251	5,291	$348,202	*$65,810*	*-22*	*-0.4%*	*-337*	*-6.0%*
Construction	868	4,905	$445,742	*$90,875*	*+329*	*+7.2%*	*-16*	*-0.3%*
Mining	34	4,187	$478,414	*$114,262*	*+297*	*+7.6%*	*-31*	*-0.7%*
Other Services	582	2,450	$76,039	*$31,036*	*+61*	*+2.6%*	*-541*	*-18.1%*
Finance & Insurance	280	2,434	$146,050	*$60,004*	*-66*	*-2.6%*	*-246*	*-9.2%*
Transportation & Warehousing	277	2,334	$110,075	*$47,161*	*-146*	*-5.9%*	*-329*	*-12.4%*
Arts, Entertainment, & Recreation	175	2,182	$67,192	*$30,794*	*+153*	*+7.5%*	*-536*	*-19.7%*
Admin. Support & Waste Mgmt. Svcs.	257	1,984	$66,834	*$33,687*	*+39*	*+2.0%*	*-171*	*-7.9%*
Wholesale Trade	174	1,797	$123,559	*$68,759*	*-52*	*-2.8%*	*-175*	*-8.9%*
Professional & Technical Services	321	1,649	$102,084	*$61,907*	*+144*	*+9.6%*	*+129*	*+8.5%*
Utilities	44	752	$74,580	*$99,176*	*+0*	*+0.0%*	*-54*	*-6.7%*
Agriculture, Forestry, Fish & Hunt	126	551	$23,478	*$42,610*	*-7*	*-1.3%*	*-28*	*-4.8%*
Real Estate & Rental & Leasing	171	483	$15,247	*$31,568*	*+9*	*+1.9%*	*-51*	*-9.6%*
Information	90	455	$19,584	*$43,041*	*+14*	*+3.2%*	*-80*	*-15.0%*
Management of Companies	18	281	$23,650	*$84,165*	*+1*	*+0.4%*	*+3*	*+1.1%*

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

EMPLOYMENT DEMOGRAPHICS

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. Nearly one-quarter (23.0%) of workers in the region were 55 years or older, compared to 22.2% statewide and 19.9% in the region one decade earlier. In contrast, the percentage of workers under 25 years old fell from 18.5% in 2011 to 17.3% in 2021 (Table 15). The share of workers 19 years and under grew slightly and was higher in Northeast Minnesota than the rest of the state.

As noted above, wages climbed across the board for all workers due to rising demand and a tight labor market. Wages were lowest for the youngest and oldest workers who tend to fill lower-skilled, less-than-full time jobs in industries like Retail Trade, Arts, Entertainment & Recreation, and Accommodation & Food Services. Despite having the lowest wages, workers aged 19 and under of age saw the highest relative wage growth (+56%) over the past decade, followed by 65+ workers (+48%). The age groups with the highest wages were those between 45 and 64 years, with median hourly wages greater than $24.

By gender, the share of women workers in the regional workforce declined slightly from 2011 to 2021. And while the median hourly wage for women increased relatively faster than it did for men over the last 10 years, women still earn only 79.8% of the male median wage. In 2011 that ratio was 74.2% so the pay gap is narrowing but still significant.

Lastly, QED tracks the number of hours worked per quarter. A full-time, 35 hours a week worker would equate to 455 hours per quarter. Males and workers between ages 45 and 64 had median hours worked that exceeded that figure. The fewest median hours worked were by workers 19 and under and those 65 years and older. Women worked a median 378 hours per quarter in 2021, 83% of the male median. From 2011, median hours worked stayed at 405 for all workers. Hours increased the most for workers over 64, growing 20%. Conversely, hours declined for workers under 25 (Table 15).

Table 15. Workforce Demographics by Age Group and Gender, Total of All Industries, 2011-2021*

Northeast Minnesota	Percentage of Workers		*Percent of Workers, Minnesota*		Median Hourly Wage		Median Hours Worked (Per Qtr.)	
	2011	2021	2011	2021	2011	2021	2011	2021
Total, all ages	100.0%	100.0%	*100.0%*	*100.0%*	$15.30	$20.99	405	405
19 years & under	6.4%	6.5%	*6.0%*	*6.2%*	$7.80	$12.20	126	122
20 to 24 years	12.1%	10.8%	*11.1%*	*9.4%*	$10.00	$15.35	241	235
25 to 44 years	38.1%	41.3%	*42.6%*	*43.5%*	$16.64	$23.60	443	452
45 to 54 years	23.3%	18.6%	*22.5%*	*18.8%*	$19.88	$27.43	480	469
55 to 64 years	16.8%	17.8%	*14.4%*	*17.2%*	$19.83	$24.84	456	465
65 years & over	3.1%	5.2%	*3.4%*	*5.0%*	$12.08	$17.82	195	234
Male	49.4%	49.8%	*49.0%*	*49.1%*	$18.35	$24.37	454	456
Female	50.6%	50.2%	*51.0%*	*50.9%*	$13.62	$19.45	362	378

** Through 2nd Qtr. 2021. Source: DEED Quarterly Employment Demographics*

EMPLOYMENT DIVERSITY

While people of color make up 9.7% of the population, they held 7.9% of total jobs in Local Area 3, according to data from the Quarterly Workforce Indicators (QWI) program. In 2021, that equaled 6,402 workers of color, compared to 81,067 White workers. However, workers of color held only 4.3% of area jobs in 2001, meaning that their share of jobs grew 85% in the last 20 years (Figures 17 and 18).

Workers of color have filled an additional 2,926 jobs in Local Area 3 since 2001, offsetting the loss of 657 White workers. With 1,997 jobs, American Indians were the largest workers of color group in the area, growing 35% since 2001. The next largest group was people of Two or More Races, who held 1,477 jobs in 2021, doubling from 2001. The number of African American or Black workers nearly tripled from 281 in 2001 to 783 in 2021. Hispanics or Latinos and Asians also saw robust employment growth of over 100%. Under the impacts of the coronavirus in 2020, workers of color lost relatively fewer jobs (-5.3%) than white workers (-5.9%) (Figures 17, 18).

Most sectors in Local Area 3 are non-diverse, with two notable exceptions. Arts, Entertainment, and Recreation in which 15% of workers were of color, 8% of which were American Indian. Similarly, 13.4% of Public Administration jobs were held by workers of color, 9.4% by American Indians. Health Care and Social Assistance had the most workers of color (1,071), followed by Public Administration (1,026), and Accommodation and Food Services (935) (Figure 19).

Figure 17. Employment by Race and Ethnicity, All Industries, WDB 3 – Northeast, '01-'21

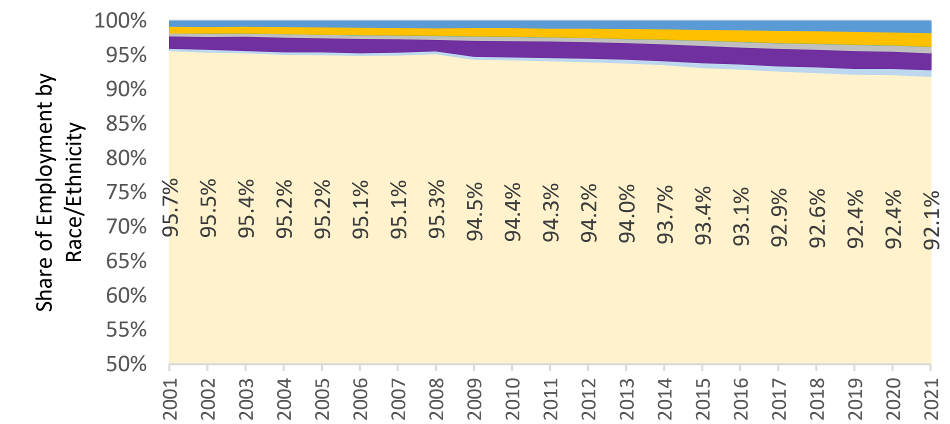


Figure 18. People of Color Employment, All Industries, WDB 3 – Northeast, '01-'21

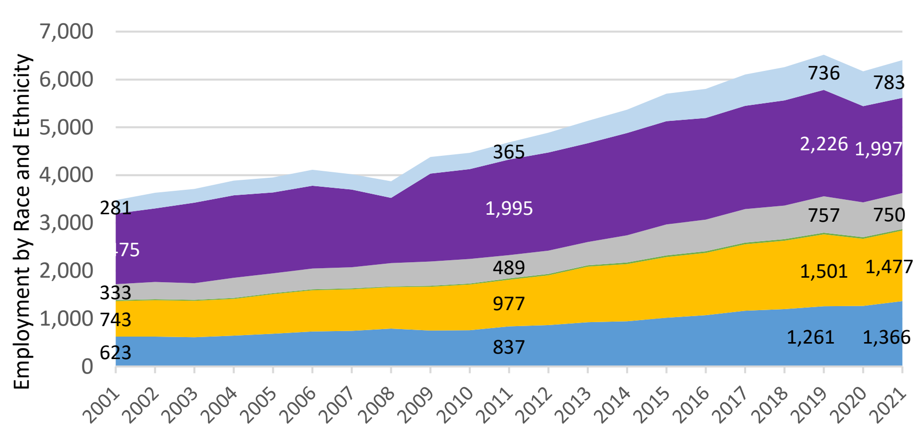
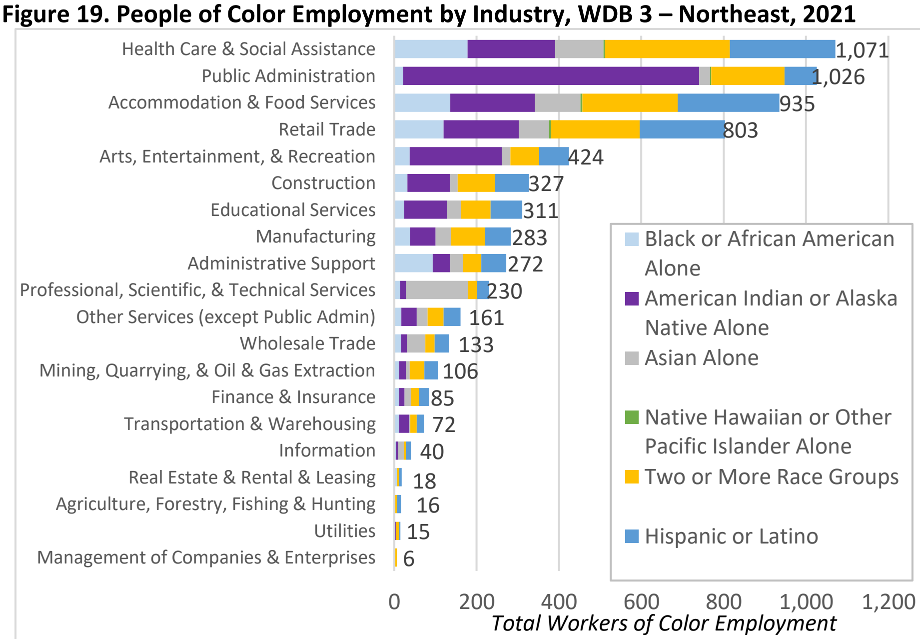


Figure 19. People of Color Employment by Industry, WDB 3 – Northeast, 2021



Source: DEED, Census LEHD Quarterly Workforce Indicators

INDUSTRY PROJECTIONS

The Northeast Minnesota planning region is projected to grow 5.5% from 2020 to 2030, a gain of 8,115 new jobs. By comparison, the state is projected to grow 5.7% over the same period. The sectors expected to grow the fastest are also those more likely to have seen large employment losses in 2020. Arts, Entertainment, & Rec., Accommodation & Food Services, and Other Services are all projected to see double digit percent growth. Health Care and Accommodation & Food Services alone are expected to account for 2/3rds of new jobs added. Among the sectors predicted to decline are Retail, Manufacturing, Mining, Utilities, and Real Estate. (Table 16).

Table 16. Northeast Minnesota Industry Projections, 2020-2030

Industry	Estimated Employment 2020	Projected Employment 2030	*Percent Change 2020-2030*	*Numeric Change 2020-2030*
Total, All Industries	**148,527**	**156,642**	***+5.5%***	***+8,115***
Health Care & Social Assistance	32,183	35,151	*+9.2%*	*+2,968*
Public Administration	14,780	15,572	*+5.4%*	*+792*
Retail Trade	16,275	15,391	*-5.4%*	*-884*
Accommodation & Food Services	11,734	14,134	*+20.5%*	*+2,400*
Educational Services	11,884	12,440	*+4.7%*	*+556*
Manufacturing	8,329	8,166	*-2.0%*	*-163*
Construction	6,111	6,368	*+4.2%*	*+257*
Other Services	5,703	6,304	*+10.5%*	*+601*
Transportation & Warehousing	4,783	4,977	*+4.1%*	*+194*
Professional & Technical Services	4,617	4,948	*+7.2%*	*+331*
Finance & Insurance	4,616	4,755	*+3.0%*	*+139*
Mining	3,911	3,659	*-6.4%*	*-252*
Arts, Entertainment & Recreation	2,613	3,397	*+30.0%*	*+784*
Wholesale Trade	3,122	3,127	*+0.2%*	*+5*
Admin. Support & Waste Mgmt.	2,916	3,095	*+6.1%*	*+179*
Agriculture, Forestry, Fish & hunt	1,027	1,359	*+32.3%*	*+332*
Information	1,145	1,210	*+5.7%*	*+65*
Real Estate & Rental & Leasing	1,144	1,128	*-1.4%*	*-16*
Utilities	1,295	1,097	*-15.3%*	*-198*
Management of Companies	742	747	*+0.7%*	*+5*

Source: DEED 2020-2030 Employment Outlook

NONEMPLOYER ESTABLISHMENTS

Northeast Minnesota was home to 20,441 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)." Unlike covered employment, Northeast Minnesota saw a slight decline in nonemployers over the past decade, responding to economic changes. In sum, the region lost 383 nonemployers from 2009-2019, a -1.8% decrease. These non-employers generated sales receipts of over $823 million in 2019 (Table 17).

Table 17. Nonemployer Statistics, 2019

	2019		*2009-2019*	
	Number of Firms	Receipts ($1,000s)	*Change in Firms*	*Percent Change*
Northeast MN	**20,441**	**$823,893**	***-383***	***-1.8%***
Aitkin Co.	1,149	$52,899	*22*	*2.0%*
Carlton Co.	1,906	$70,406	*-177*	*-8.5%*
Cook Co.	749	$28,691	*-55*	*-6.8%*
Itasca Co	2,932	$122,279	*-328*	*-10.1%*
Koochiching Co.	843	$29,006	*-2*	*-0.2%*
Lake Co.	871	$38,256	*31*	*3.7%*
St. Louis Co.	11,991	$482,356	*126*	*1.1%*
Minnesota	**418,080**	**$20,377,253**	***39,926***	***10.6%***

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Unlike other parts of Greater Minnesota, agriculture is not a key industry in Northeast Minnesota, but there are 2,362 farms producing just over $55 million in the market value of products sold in 2017 according to the U.S. Department of Agriculture. All of the counties in the planning region rank near the bottom in Minnesota in regard to the market value of products sold (Table 18).

Table 18. Census of Agriculture, 2017

	Number of Farms	Market Value of Products Sold	*State Rank*
Northeast MN	**2,362**	**$55,215,000**	***6***
Aitkin Co.	462	$12,461,000	*81*
Carlton Co.	529	$10,985,000	*82*
Cook Co.	32	$381,000	*86*
Itasca Co.	337	$8,004,000	*83*
Koochiching Co.	181	$6,887,000	*84*
Lake Co.	42	$358,000	*87*
St. Louis Co.	779	$16,139,000	*80*
Minnesota	**68,822**	**$18,395,390,000**	

Source: 2017 Census of Agriculture

***Upon request, this information can be made available in alternate formats for people with disabilities by contacting Carson Gorecki at* (218) 302-8413 *or at* carson.gorecki@state.mn.us.**