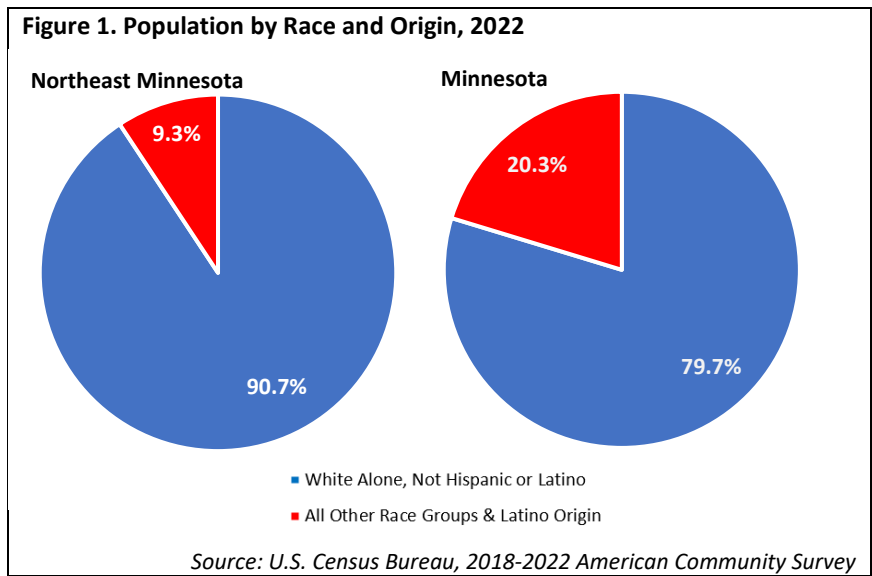


Northeast Minnesota Regional Disparities by Race and Origin

Northeast Minnesota’s population is relatively non-diverse but is becoming more racially diverse over time. Through 2022, about 90.7% of the region’s population reported being white alone, and not of Hispanic or Latino origin; while the other 9.3% of the population reported a different race – such as Black or African American, American Indian, Asian, Some Other Race, or Two or More Races – or Hispanic or Latino origin. That was about 11% lower than the population statewide, where 20.3% of residents reported a race or origin other than White alone (see Figure 1).



Northeast Minnesota was home to 325,995 people in 2022, an increase of 292 residents since 2011. However, the 7-county region actually saw a decline of 7,582 white residents during that time frame, and instead experienced all of its population growth from people of color.

After white, residents of Two or More Races were the next largest race groups, with just over 14,300 people, accounting for 4.4% of the total population. Though the population declined by 1,793 people since 2011, American Indian and

Table 1. Race and Hispanic Origin, 2022	Northeast Minnesota			Minnesota		
	Number	Percent	Change from 2011-2022 Numeric Percent		Percent	Change from 2011-2022
Total	325,995	100.0%	+292	+0.1%	100.0%	+7.9%
White	295,732	90.7%	-7,582	-2.5%	79.7%	-0.4%
Black or African American	4,382	1.3%	+774	+21.5%	6.7%	+44.3%
American Indian & Alaska Native	7,273	2.2%	-1,793	-19.8%	0.9%	-10.2%
Asian & Other Pac. Islander	2,459	0.8%	-18	-0.7%	5.1%	+37.1%
Some Other Race	1,761	0.5%	+704	+66.6%	2.3%	+84.7%
Two or More Races	14,388	4.4%	+8,207	+132.8%	5.3%	+159.6%
Hispanic or Latino origin	5,936	1.8%	+2,030	+52.0%	5.7%	+34.6%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

Alaska Natives are the next largest race group, with 7,273 people in 2022. Still, at 2.2% of the total population, American Indians are more strongly concentrated in Northeast than the rest of the state (see Table 1).

Next, people of Hispanic or Latino origin had 6,000 people in Northeast Minnesota in 2022, which increased by 2,030 people, or 52%, since 2011. The region was also home to about 4,380 Black or African Americans, which was a 21.5% gain since 2011, though that was about 23 percentage points below the state’s growth rate.

After a small decline over the past decade, less than 1% of the region’s population reported being Asian or Other Pacific Islanders, accounting for about 2,500 people. Finally, the smallest race group in the region was Some Other Race, now comprising 1,761 people after welcoming 704 additional residents from 2011 to 2022. With the exception of the decline in white and American Indian and Alaska Native residents, the region’s population growth across all other race groups was similar to the state’s growth rates, and led to the small numeric growth enjoyed in Northeast.

Employment Characteristics

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

People of color exhibited lower educational attainment than

their white counterparts, with a much higher percentage of people with less than a high school diploma. However, those that identified as Black or African American people of Two or More Races tended to have a higher percentage of people with some college experience or associate’s degrees, and Asian residents had a higher percentage of bachelor’s degrees or higher.

At 59.1%, labor force participation rates are much lower in Northeast Minnesota than the state as a whole, due to the region’s older population. Black or African Americans and American Indians and Alaska Natives had the lowest labor force participation rates and were lower than white residents.

Asian or Other Pacific Islander residents had the highest labor force participation rate in the region at 69.2%, followed by people of Some Other Race. (see Table 2).

Despite the considerable job growth for workers of other races over time, unemployment rate disparities continue to exist in the region. Most racial groups had a higher unemployment rate in the region than the state, including whites. The region’s white unemployment rate was 4.4% in 2022, which was 1% above the state rate. At 22.9%, Black or African Americans had the highest unemployment rate in the region. Likewise, rates were significantly higher for American Indians and Alaska Natives, at 14.1% (see Figure 3).

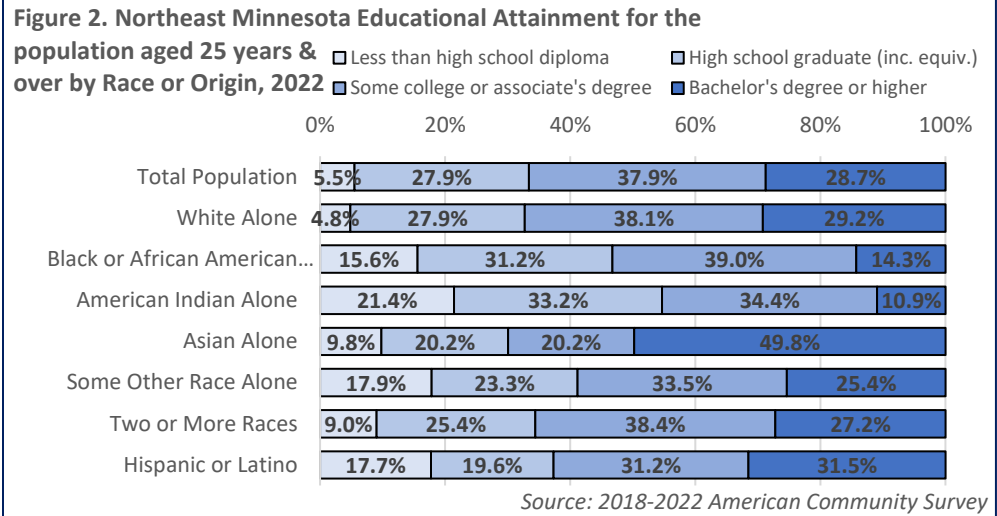
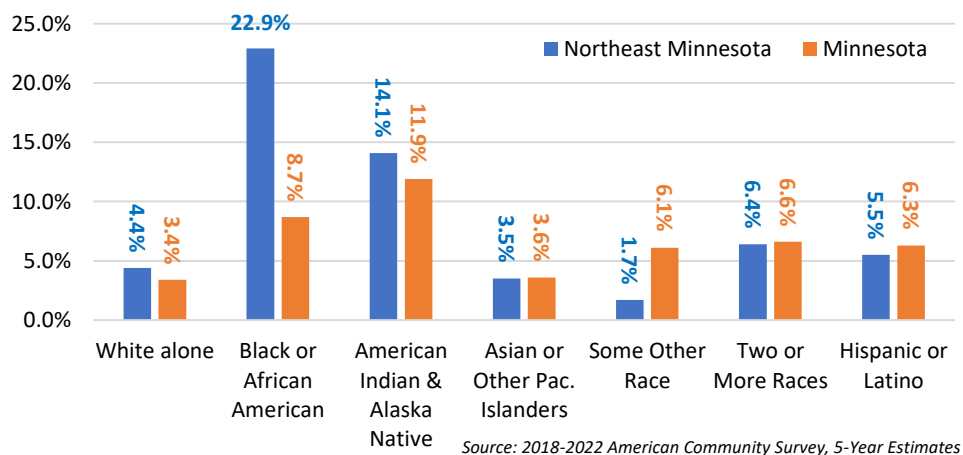


Table 2. Employment Characteristics by Race & Hispanic Origin

	Northeast Minnesota			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	160,415	59.1%	4.8%	68.7%	4.0%
White alone	147,667	59.1%	4.4%	67.8%	3.4%
Black or African American	1,485	44.5%	22.9%	71.5%	8.7%
American Indian & Alaska Native	3,023	52.7%	14.1%	57.6%	11.9%
Asian or Other Pac. Islanders	1,484	69.2%	3.5%	73.9%	3.6%
Some Other Race	958	67.4%	1.7%	76.1%	6.1%
Two or More Races	5,854	64.0%	6.4%	74.3%	6.6%
Hispanic or Latino	2,710	66.7%	5.5%	77.0%	6.3%

Source: 2018-2022 American Community Survey, 5-Year Estimates

Figure 3. Unemployment Rate by Race or Origin, 2022



Employment Diversity

While people of color make up 9.3% of the overall population, they held 7.9% of total jobs in Northeast Minnesota, according to data from the Quarterly Workforce Indicators program. Through the second quarter of 2023, that equaled 11,147 workers of other races, compared to 130,767 jobs held by white workers (see Figure 4). Workers of other races held just 4.2% of total jobs in the region in 2000, meaning their employment presence substantially increased from 2002 to 2023.

In sum, workers of color have filled an additional 5,639 jobs in the region since 2002, accounting for 44.6% of new jobs added. Workers of Two or More Races, the largest race group in the regional economy, held 3,291 jobs in 2023 after gaining 1,838 jobs since 2002. American Indians were the second largest race group, after gaining 756 jobs since 2002. The next largest group was people identifying as Black or African American with 2,720 jobs, an increase of 228% since 2002. Asians held 1,966 jobs in 2023, a 132% rise since 2002. Finally, Hispanic or Latino workers accounted for 3,131 jobs, an increase of 182% from 2002 (see Figure 3).

Most sectors in Northeast Minnesota are racially non-diverse, but there are a couple industries that rely more heavily on workers of color. For example, 20.4% of the Arts, Entertainment & Recreation workforce is non-white. Likewise, 12.6% of the Transportation & Warehousing and 11.7% of Accommodation & Food Services workforces were people

of color. The largest number of workers of color were employed in Health Care & Social Assistance, Accommodation & Food Services, Retail Trade, and Transportation & Warehousing (see Figure 5). In contrast, Management of Companies and Utilities both have very few workers of other races.

Figure 4. Northeast Minnesota Employment by Race – All Industries, Q2 2023

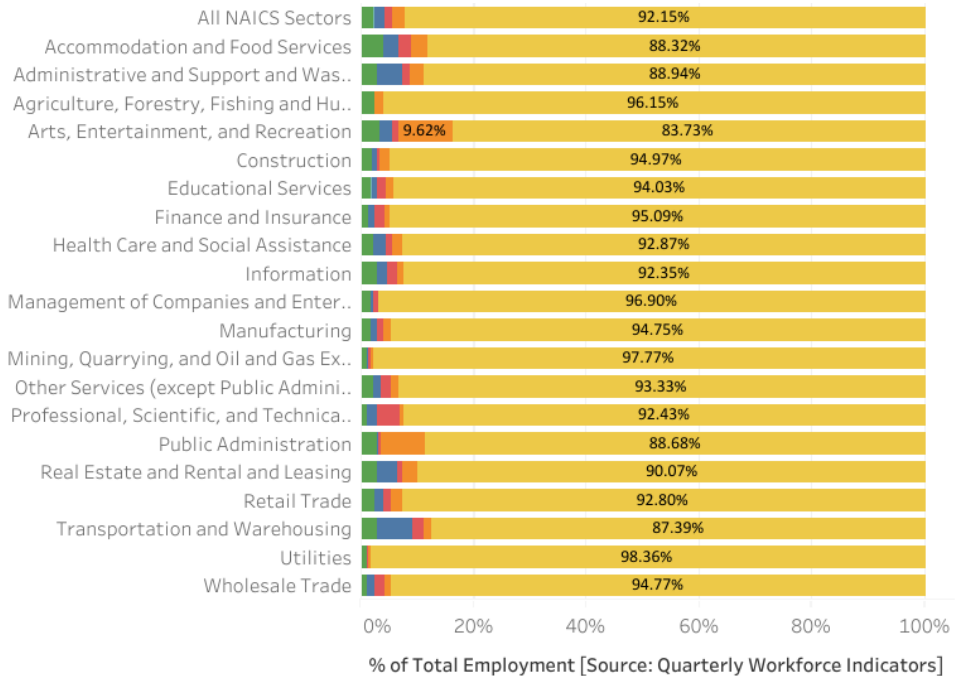
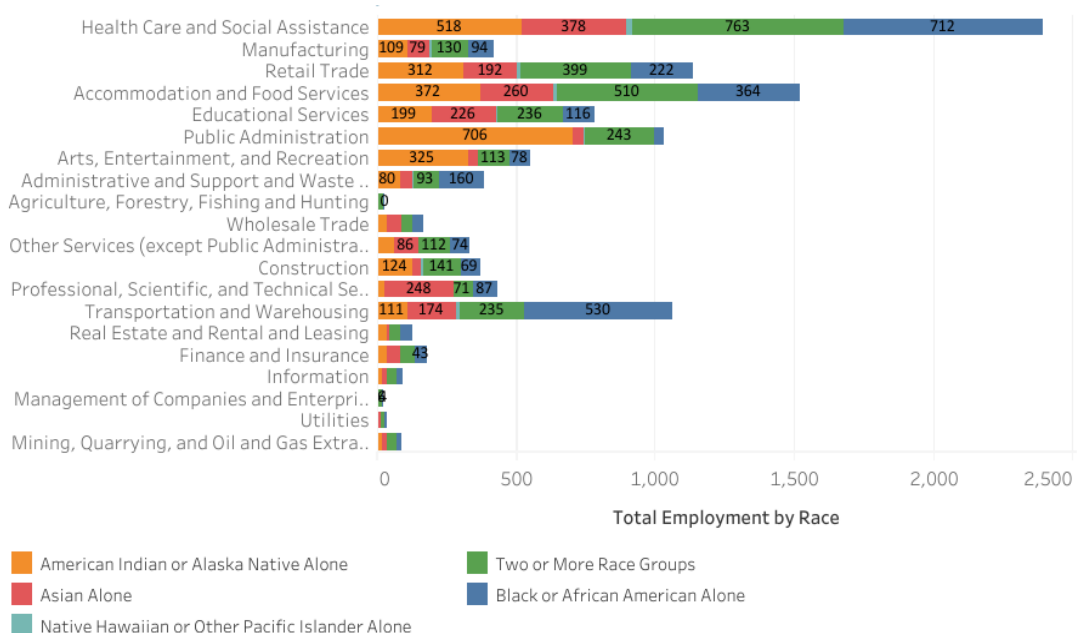
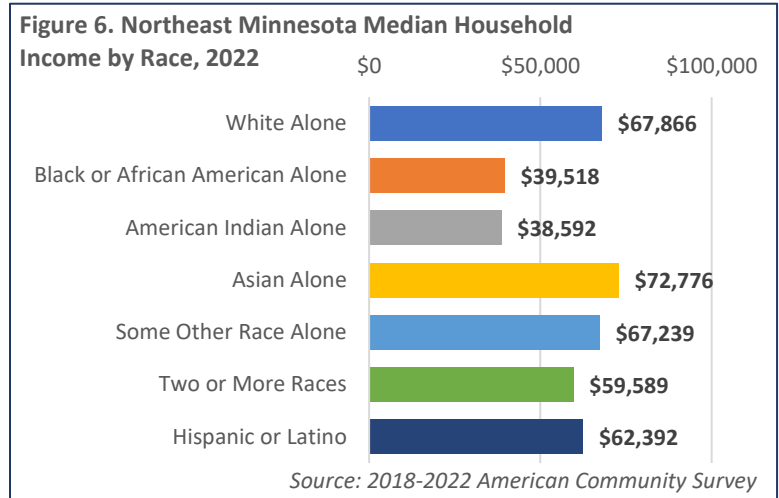


Figure 5. Northeast Minnesota Employment by Other Races by Industry, Q2 2023



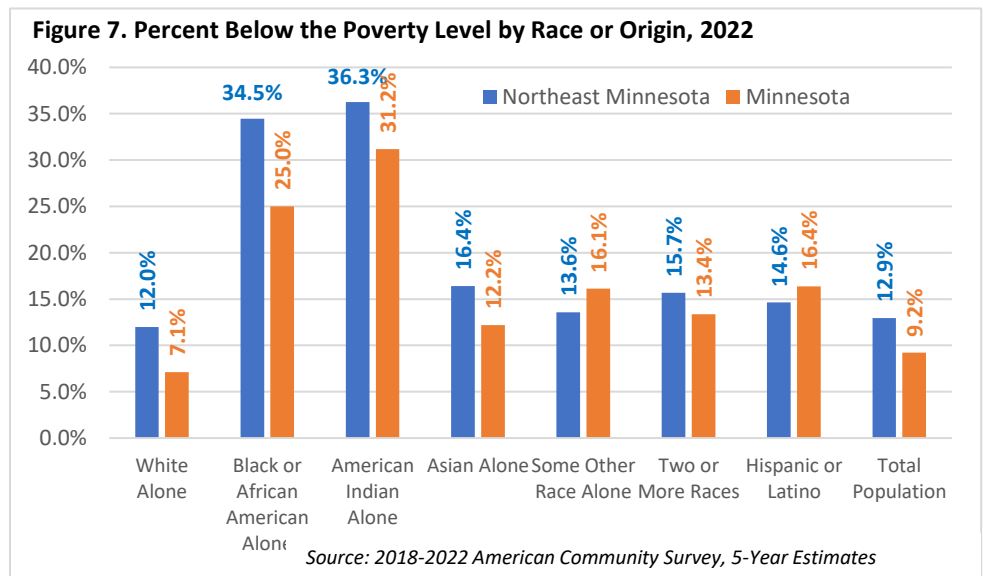
Economic Disparities

Racial disparities exist in employment characteristics but they also are found in economic outcomes as measured by household income and poverty levels. The region’s overall median household income was \$66,576 in 2022, but varied widely by racial groups. The median household incomes for Black and American Indian households was around \$39,000, which is nearly \$30,000 less than white households in the region. People identifying as Asian had a higher median income than whites and people of Some Other Race and Hispanic or Latino origin had a similar median income (see Figure 6).



Another measure of economic outcome is the percent of the population below the poverty level, and again there exists disparities between whites and people of color in Northeast Minnesota. Overall, the region’s poverty rate was 12.9%, 3.6% above the statewide rate.

However, in 2022 it was estimated over a third of region’s Black or African American and American Indian population was below the poverty level, compared to just 12% of the white population. Likewise, poverty levels hovered around between 13.6% to 16.4% percent for people of all other races and origins. In almost all cases, the region’s poverty rate was higher than the state’s poverty rate (see Figure 7).



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



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

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