

ECONOMIC DEVELOPMENT REGION 8: Southwest

Covers counties:

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

2019 REGIONAL PROFILE

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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 116,400 people in 2018, comprising just over 2 percent of the state’s total population. One of only three economic development regions (EDRs) to see a population decline from 2010 to 2018, Region 8 lost 2,751 residents since 2010, a -2.3 percent decline. In comparison, the state of Minnesota saw a 5.8 percent gain from 2010 to 2018 (Table 1).

Just one county in the region enjoyed population gains so far this decade. Anchored by Worthington, Nobles County gained 546 net new residents from 2010 to 2018, a 2.6 percent growth that ranked 29th fastest in the state. Home to Marshall, Lyon County is the largest county in the region, with just over 25,600 people. Lyon and Nobles are now the 40th and 44th largest counties in the state, respectively. After declining over 5 percent since 2010, Pipestone, Murray, and Redwood County saw the fastest population declines in the region and are among the 15 fastest declining of the 87 counties in the state. These recent declines are part of a long-term trend in the region, which has been losing population since 1950.

Table 1. Population Change 2010-2018

	2010 Population	2018 Estimates	2010-2018 Change	
			Number	Percent
Region 8	119,151	116,400	-2,751	-2.3%
Cottonwood Co.	11,687	11,277	-410	-3.5%
Jackson Co.	10,266	9,911	-355	-3.5%
Lincoln Co.	5,896	5,673	-223	-3.8%
Lyon Co.	25,857	25,629	-228	-0.9%
Murray Co.	8,725	8,276	-449	-5.1%
Nobles Co.	21,378	21,924	+546	+2.6%
Pipestone Co.	9,596	9,047	-549	-5.7%
Redwood Co.	16,059	15,249	-810	-5.0%
Rock Co.	9,687	9,414	-273	-2.8%
Southwest Minnesota	395,643	392,605	-3,038	-0.8%
Region 6W	45,190	42,711	-2,479	-5.5%
Region 9	231,302	233,494	+2,192	+0.9%
State of Minnesota	5,303,925	5,611,179	+307,254	+5.8%

Source: [U.S. Census Bureau, Population Estimates](#)

COMPONENTS OF POPULATION CHANGE

Region 8 has experienced a natural increase – more births than deaths – of 2,783 people so far this decade. However, the region lost population because of out-migration,

Table 2. Components of Population Change, 2010-2018

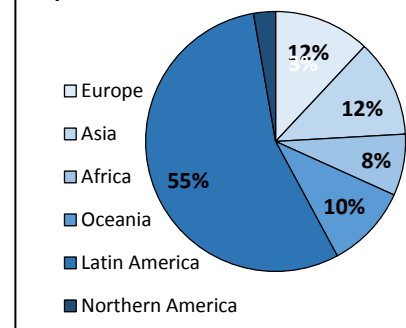
	Total Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	Inter-national	Domestic
Region 8	-2,750	+2,783	12,966	10,183	-5,593	+2,503	-8,096
Minnesota	+307,254	+228,289	570,171	341,882	+81,671	+107,830	-26,159

Source: [U.S. Census Bureau, Population Estimates Program](#)

with 5,593 more people moving out of the region than moving in. Though there was domestic out-migration of more than 8,000 people, the region did enjoy positive in-migration of just over 2,500 additional residents from international sources (see Table 2).

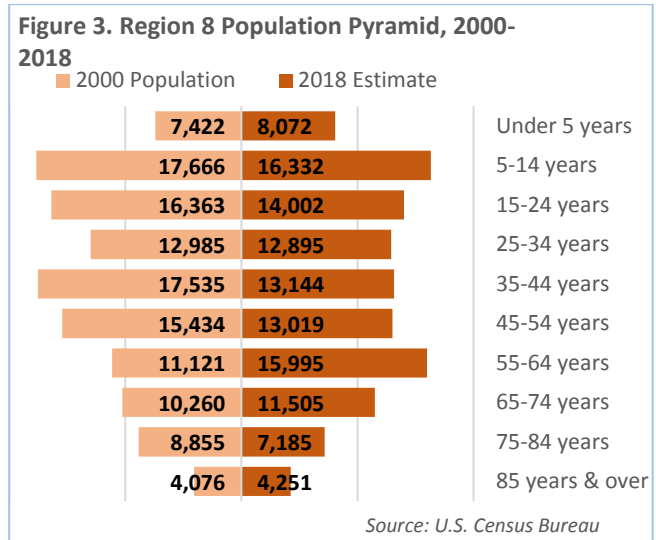
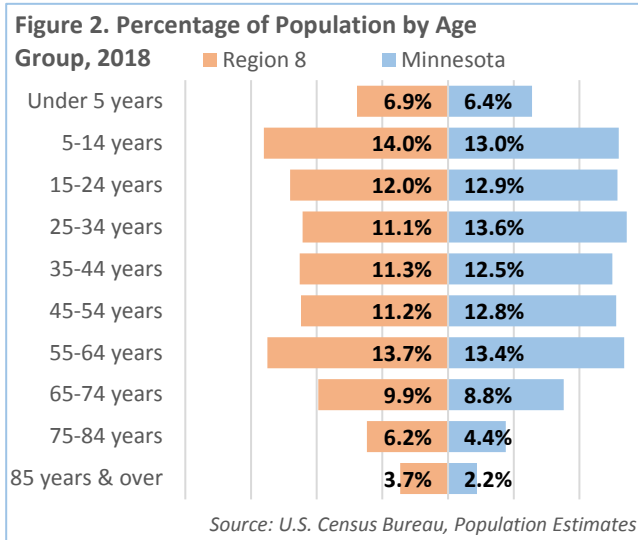
Region 8 is now home to 8,210 foreign born residents, or about 7 percent of the total population. The number of immigrants in the region jumped by 33.6 percent since 2010, outpacing the statewide growth rate of 22.2 percent. Over half (4,288 people) of these immigrants were from Latin America, and the second largest number were from Asia, accounting for just over 30 percent of the region’s immigrants, while the fastest growth came from Africa, which nearly doubled from 2010 to 2017 (Figure 1).

Figure 1. Place of Birth for the Foreign Born Population, 2017



POPULATION BY AGE GROUP

Southwest Minnesota has a much older population than the rest of the state, with 19.8 percent of residents aged 65 years and over, compared to 15.4 percent 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).

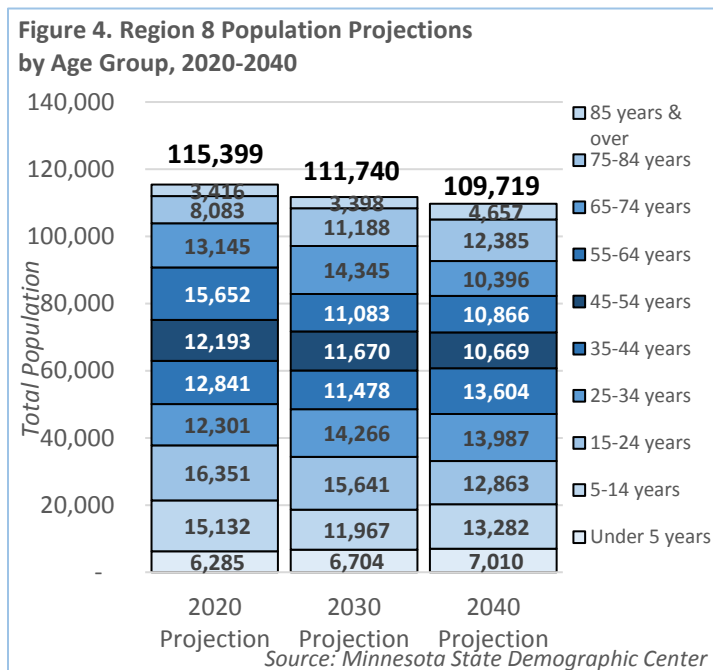


A large portion of the region’s population is a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger and middle-aged residents was declining, the number of residents aged 55 years and over was rapidly increasing. This included a huge jump in the number of people from 55 to 64 years of age, but a more measured increase in people aged 65 years and over (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 5,680 residents from 2020 to 2040, a -4.9 percent decrease (Figure 4). In comparison, the state of Minnesota is projected to grow 8.8 percent.

Most notably, Region 8 is projected to gain more than 5,500 people aged 75 years and over, a 48 percent increase. The region is also expected to see a small increase in the 25- to 44-year-old age group, as well as a corresponding bump in children under 5 years of age. In contrast, Region 8 is expected to lose school-aged children and young adults from 5 to 24 years of age, as well as a huge decline in people from 45 to 74 years of age – as the current Baby Boom generation moves through the population pyramid.



POPULATION BY RACE

Region 8’s population is less diverse than the state’s, but is becoming more diverse over time. In 2017, about 89 percent of the region’s residents reported white alone as their race, compared to 83.7 percent of residents statewide. The region had about the same percentage of American Indian and Alaska Natives as the state (1.1%), but a smaller percentage of Black or African American residents, Asian or Other Pacific Islanders, or people of Two or More Races. However, at 8.8 percent, Region 8 had a higher percentage of people reporting Hispanic or Latino origin than the state, and also a higher percentage of people of Some Other Race (Table 3).

The number of Black residents and people of Hispanic or Latino origin more than doubled since 2000. Nobles County had the most diverse populace in the region, with just 80 percent of residents reporting White alone as their race, and 26 percent of residents reporting Hispanic origin, the highest in the state.

Table 3. Race and Hispanic Origin, 2017	Region 8			Minnesota	
	Number	Percent	Change from 2000-2017	Percent	Change from 2000-2017
Total	117,394	100.0%	-3.6%	100.0%	+11.6%
White	104,765	89.2%	-8.7%	83.7%	+4.5%
Black or African American	2,304	2.0%	+205.2%	6.0%	+90.4%
American Indian & Alaska Native	1,280	1.1%	+34.0%	1.0%	+4.7%
Asian & Other Pac. Islander	3,706	3.2%	+100.8%	4.7%	+79.2%
Some Other Race	3,695	3.1%	+56.8%	1.7%	+45.3%
Two or More Races	1,644	1.4%	+48.0%	2.8%	+86.7%
Hispanic or Latino	10,311	8.8%	+135.1%	5.2%	+98.5%

Source: U.S. Census Bureau, American Community Survey

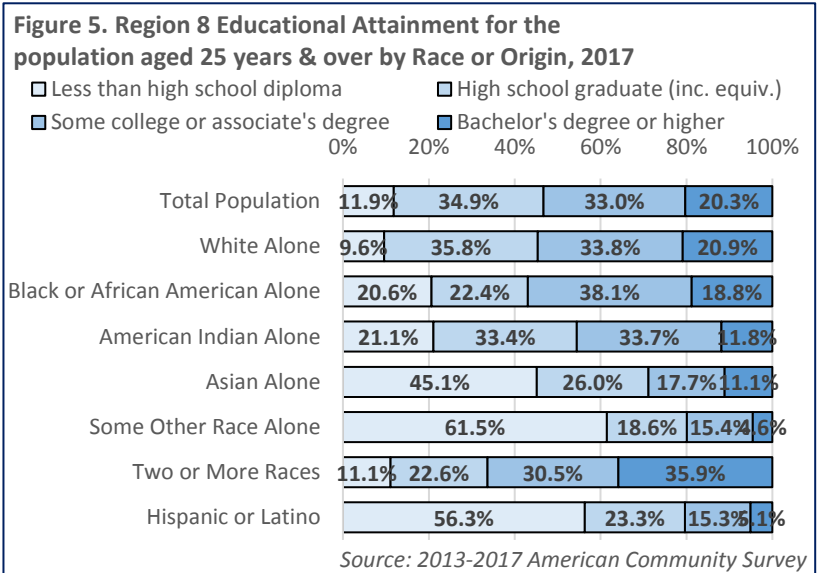
EDUCATIONAL ATTAINMENT

With 30.2 percent of adults aged 18 years and over having a college degree, Region 8 has lower educational attainment than the state, where 42.7 percent of adults have an associate, bachelor’s, or advanced 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, Region 8 also has a higher percentage of people with an associate’s degree than the state (Table 4).

Table 4. Educational Attainment for the Adult Population, 2017	Region 8		Minnesota
	Number	Percent	Percent
Total Population, 18 years & over	88,766	100.0%	100.0%
Less than high school	11,213	12.6%	7.8%
High school graduate (incl. equiv.)	30,437	34.3%	25.6%
Some college, no degree	20,304	22.9%	23.8%
Associate's degree	9,922	11.2%	10.6%
Bachelor's degree	12,769	14.4%	21.7%
Advanced degree	4,121	4.6%	10.4%

Source: U.S. Census Bureau, 2013-2017 American Community Survey

Educational attainment varies significantly by race and ethnicity in Region 8. Over half of Hispanic or Latino residents and people of Some Other Race had less than a high school diploma, compared to just 10 percent of white residents. Encouragingly, over 50 percent of whites, Black or African Americans, and people of Two or More Races have attended some college or earned a degree. Just over 20 percent of white residents had earned bachelor’s degrees or higher, compared to 12 percent or less of American Indians, Asians, and people of some other race or Hispanic or Latino origin (Figure 5).



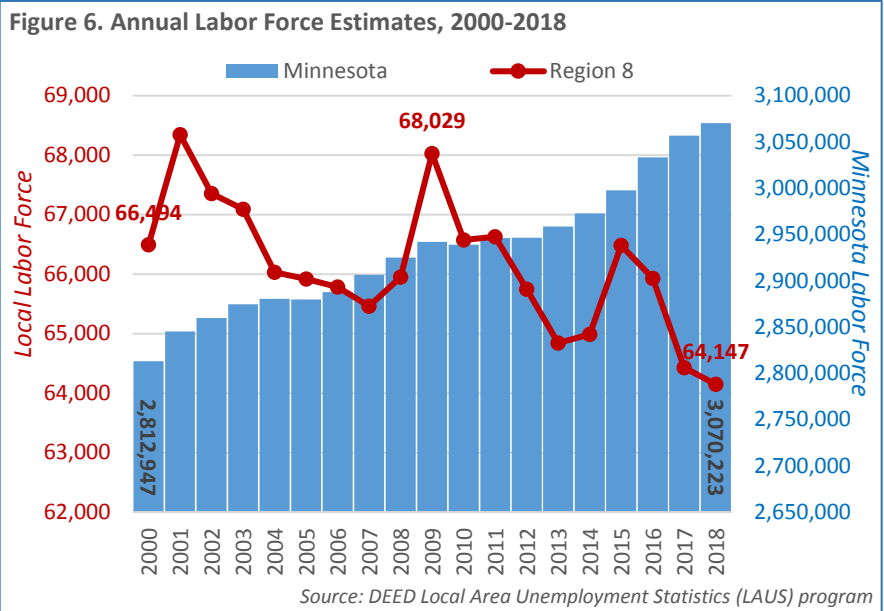
LABOR FORCE

LABOR FORCE CHANGE

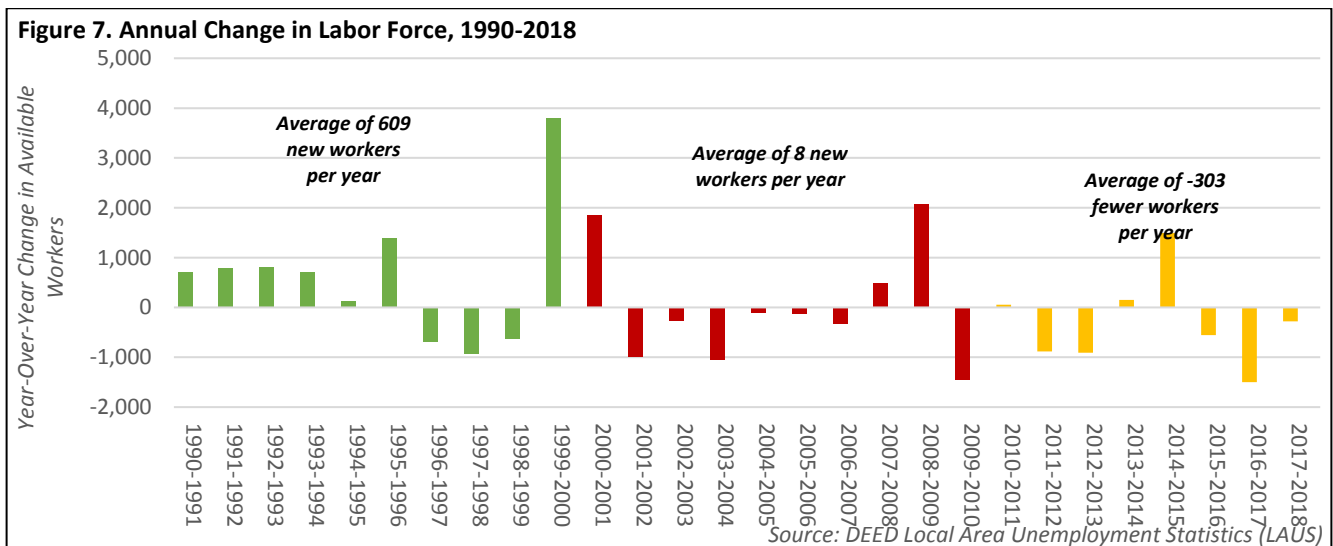
According to data from DEED’s [Local Area Unemployment Statistics](#) program, Region 8 had an annual average labor force count of just over 64,000 workers through 2018. In line with the region’s population decline, Region 8 has lost about 2,350 workers since 2000; and is down from a peak of 68,343 workers in 2001. While previous jumps in labor force size coincided with recessions (in 2001 and 2007-2009), the recent rise from 2014 to 2015 happened during better economic times (Figure 6).

However, the labor force has

been shrinking again in recent years. With low unemployment rates, the labor market in Region 8 is now extremely tight, with just 1,925 unemployed workers actively seeking work in 2018, down from a peak of nearly 4,000 workers in 2009 and 2010.



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 actually averaged a loss of 303 fewer workers per year between 2010 to 2018 (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. In the face of these constraints, it has become evident that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and immigration 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 will comprise the fastest growing segment of the labor force.



LABOR FORCE PROJECTIONS, 2020-2030

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 2030 (Table 5).

In addition to the changing size, the labor force will also see a significant shift in composition over time, with notable gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. The region is also projected to lose teenaged workers.

However, the region is expected to see steady gains in the number of workers aged 20 to 44 years, and the 25 to 54 year old age group will still be the largest part of the labor force, still accounting for about 57 percent of the total workforce. 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.

	2020 Labor Force Projection	2030 Labor Force Projection	2020-2030 Change	
			Numeric	Percent
16 to 19 years	3,513	3,155	-358	-10.2%
20 to 24 years	6,994	7,105	+110	+1.6%
25 to 44 years	22,196	22,727	+531	+2.4%
45 to 54 years	10,342	9,898	-444	-4.3%
55 to 64 years	11,933	8,450	-3,484	-29.2%
65 to 74 years	4,608	5,028	+421	+9.1%
75 years & over	786	997	+211	+26.8%
Total Labor Force	60,372	57,360	-3,012	-5.0%

Source: calculated from [MN State Demographic Center projections](#), and [2013-2017 American Community Survey 5-Year Estimates](#).

EMPLOYMENT CHARACTERISTICS

With just 66.8 percent of the population aged 16 years and over in the labor force, Region 8 had lower labor force participation rates than the state's 69.9 percent. However, the region actually had higher labor force participation rates than the state in all but two age groups, yet the overall rate was lower because a higher percentage of Region 8's labor force was older (Table 6).

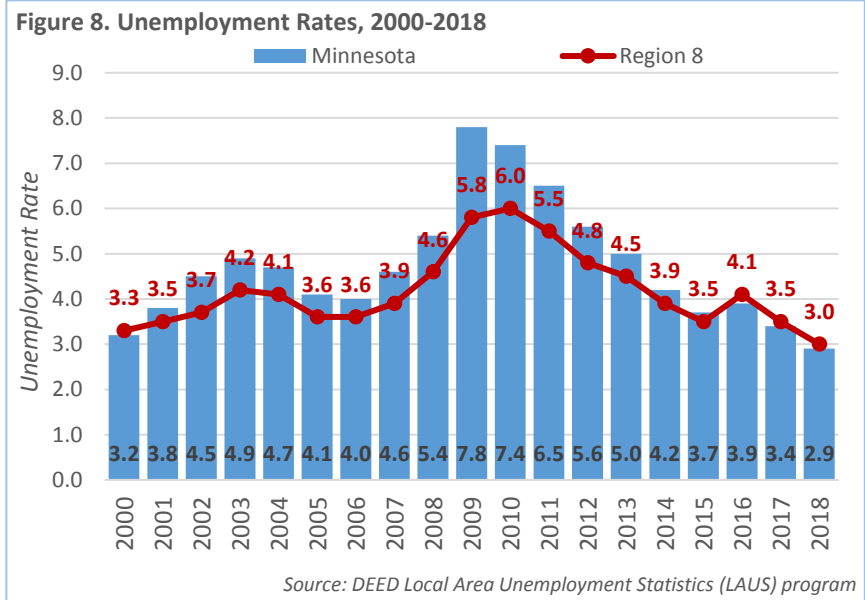
Like the rest of the state, the region had large unemployment rate disparities for minorities. Over 20 percent of Black or African American workers were unemployed, compared to 3.2 percent of white workers. Workers of some other race, two or more races, and Hispanic or Latino origin also had double-digit unemployment rates. The region also had 3,174 workers with disabilities in the labor force, with higher participation rates than the state. Unemployment rates were highest for youth, minorities, and workers with disabilities.

Age Group	Region 8 - Southwest			Minnesota	
	Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	61,313	66.8%	4.1%	69.9%	4.3%
16 to 19 years	3,205	53.4%	12.5%	52.6%	12.8%
20 to 24 years	5,938	86.1%	9.0%	84.2%	7.1%
25 to 44 years	23,021	88.3%	3.8%	88.4%	3.9%
45 to 54 years	12,346	84.8%	2.5%	87.2%	3.0%
55 to 64 years	12,228	76.2%	2.9%	72.5%	3.2%
65 to 74 years	3,780	35.1%	1.4%	27.4%	2.7%
75 years & over	780	6.8%	1.1%	6.1%	2.8%
Employment Characteristics by Gender					
Male	33,217	72.5%	4.5%	73.7%	4.8%
Female	28,084	61.1%	3.7%	66.1%	3.8%
Employment Characteristics by Race & Hispanic Origin					
White alone	55,523	66.3%	3.2%	69.7%	3.6%
Black or African American	1,137	72.5%	20.7%	69.8%	11.0%
American Indian & Alaska Native	480	56.2%	6.0%	58.6%	13.3%
Asian or Other Pacific Islanders	1,775	68.7%	6.4%	71.1%	5.2%
Some Other Race	1,879	77.8%	15.5%	77.2%	7.5%
Two or More Races	503	76.2%	14.1%	72.5%	9.1%
Hispanic or Latino	4,906	76.6%	10.8%	76.2%	7.2%
Employment Characteristics by Disability					
With Any Disability	3,174	56.4%	11.2%	52.3%	9.5%
Employment Characteristics by Educational Attainment					
Population 25 to 64 years	47,598	84.0%	3.1%	84.1%	3.5%
Less than H.S. Diploma	3,932	68.1%	3.4%	65.4%	4.9%
H.S. Diploma or Equivalent	14,415	81.9%	1.9%	78.7%	2.9%
Some College or Assoc. Degree	18,024	86.8%	3.3%	85.2%	3.5%
Bachelor's Degree or Higher	11,227	89.7%	1.2%	89.6%	2.1%

Source: 2013-2017 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATE

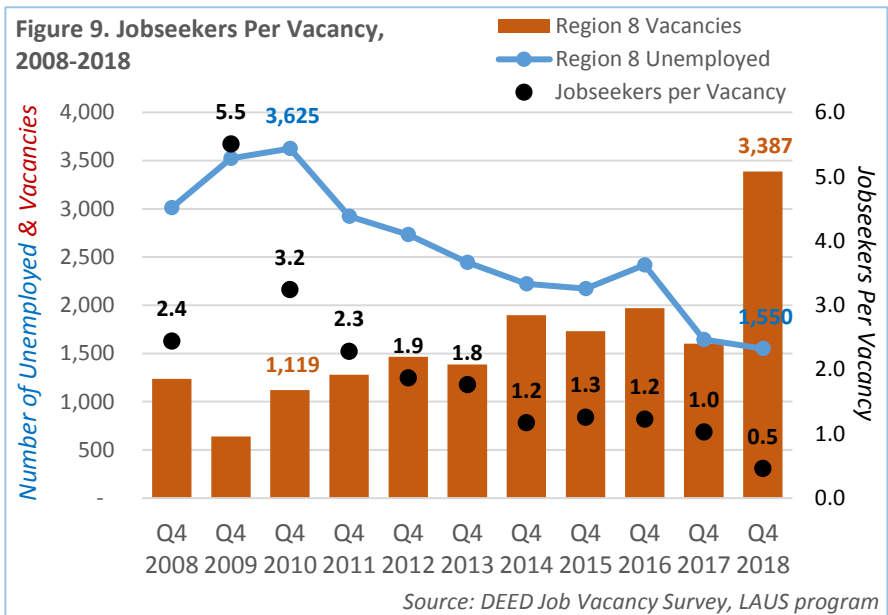
Region 8 has consistently reported lower unemployment rates than the state rate, until the past three years. According to [Local Area Unemployment Statistics](#), the region’s unemployment rate hovered below the state rate from 2001 to 2015, dropping well below the state during the recession in 2009 and 2010. While the state’s economy has recovered and unemployment rates are back to prerecession levels statewide, Region 8’s rate has dropped over 1 percent in the past three years, but are just above the statewide rate (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 now stands at 0.5-to-1 in Region 8. There are now less people looking for jobs than there are jobs available!

According to recent Job Vacancy Survey results, there were 3,387 openings reported by employers compared to 1,550 unemployed jobseekers in the region. The ratio climbed as high as 5.5 in the depths of the recession in 2009 (Figure 9).



COMMUTE SHED AND LABOR SHED

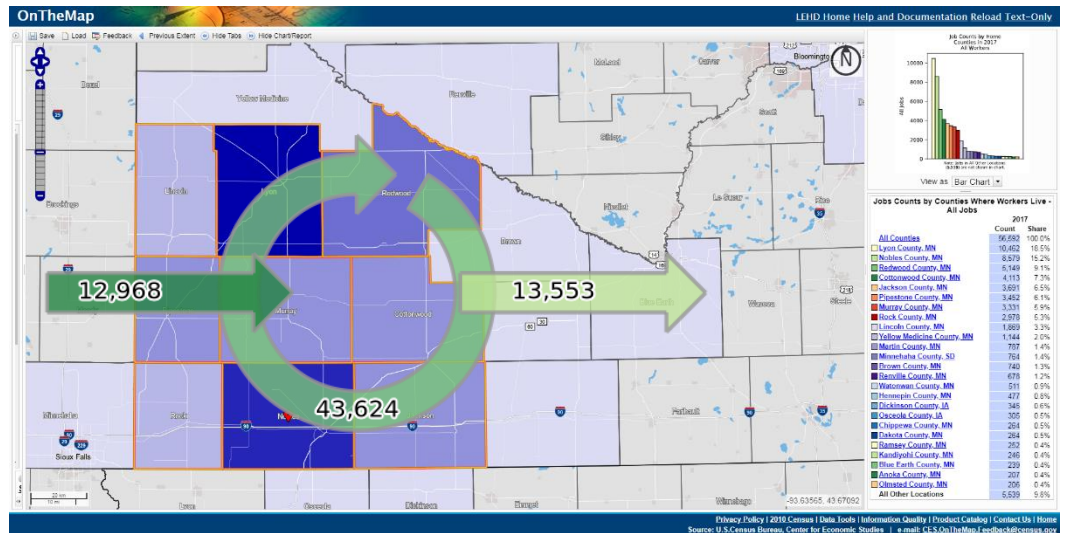
According to commuting data from the [Census Bureau](#), Region 8 is a net labor exporter, having more workers than available jobs. In sum, 43,624 workers both lived and worked in Region 8 in 2017, while another 12,968 workers drove into the region from surrounding counties for work, compared to 13,553 workers who lived in the region but drove elsewhere for work (see Table 7 and Figure 10).

	2017	
	Count	Share
Employed in the Selection Area	56,592	100.0%
Employed in the Selection Area but Living Outside	12,968	22.9%
Employed and Living in the Selection Area	43,624	77.1%
Living in the Selection Area	57,177	100.0%
Living in the Selection Area but Employed Outside	13,553	23.7%
Living and Employed in the Selection Area	43,624	76.3%

Source: U.S. Census Bureau, OnTheMap

Home to Marshall, Lyon County is the largest job source 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).

Figure 10. Region 8 Labor and Commute Shed, 2017

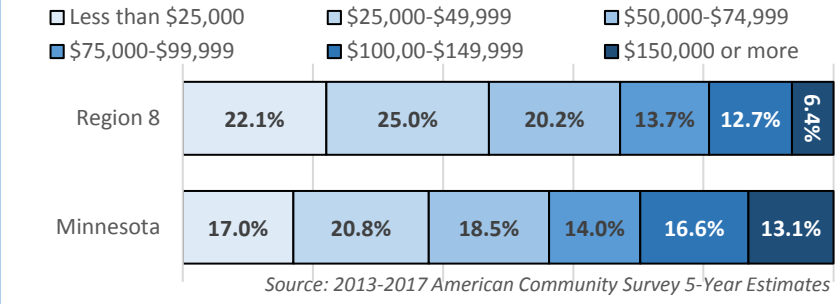


INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

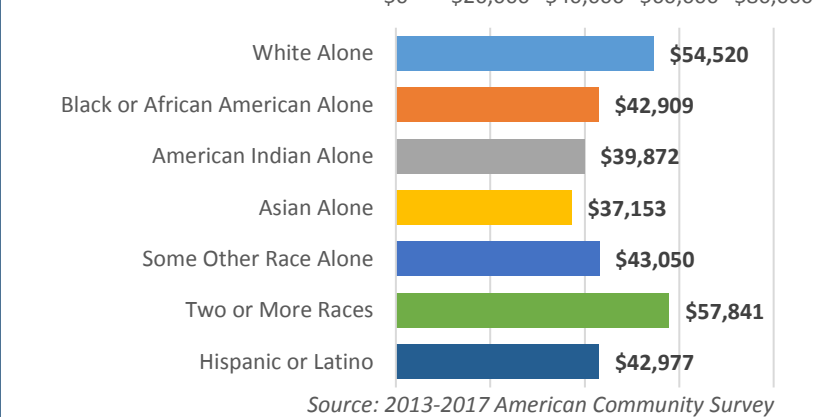
Household incomes were significantly lower in Region 8 than the rest of the state. The median household income in Region 8 was \$53,051 in 2017, compared to \$65,699 in Minnesota. Almost half (47.1%) of the households in the region had incomes below \$50,000 in 2017, compared to just 37.8 percent statewide. Another 34 percent of households earned between \$50,000 and \$100,000 in the region. In contrast, only 19.1 percent of households in Region 8 earned over \$100,000 per year, compared to 29.7 percent of households statewide (see Figure 11).

Figure 11. Household Incomes, 2017



Like educational attainment and employment, median household incomes varied by race or origin in the region. Asian households reported the lowest incomes in Region 8, with a median income that was about \$17,000 lower than for white households. American Indian, Black or African American, Hispanic or Latino, and households of some other race also reported much lower household incomes (Figure 12).

Figure 12. Region 8 Median Household Income by Race, 2017



COST OF LIVING

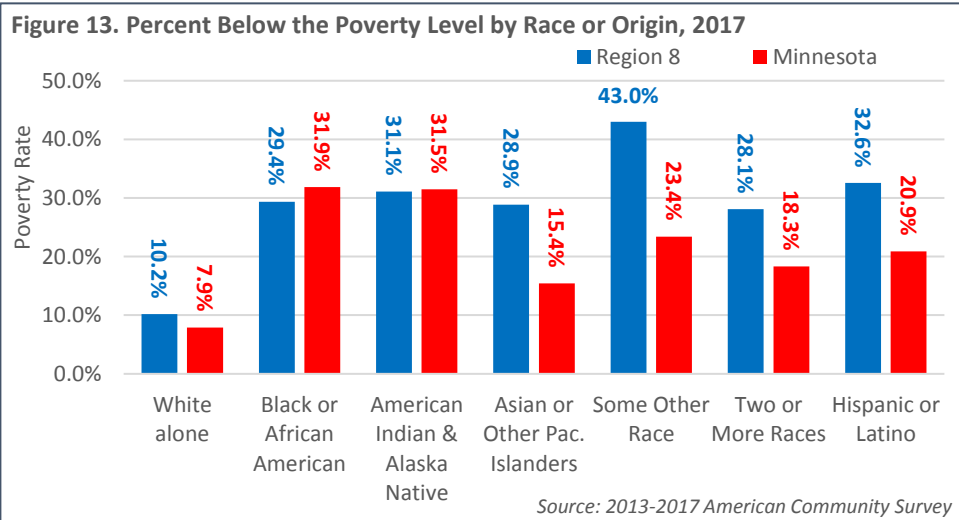
According to DEED’s [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$55,548 in 2018. The cost of living for a similar family in Region 8 was \$44,280 – which was the second lowest of 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 \$14.19 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 \$26,268, which would require an hourly wage of \$12.63 to meet the basic needs standard of living (Table 8). That was the lowest cost of living in the state.

Table 8. Region 8 Cost of Living, 2018										
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	\$26,268	\$12.63	\$0	\$334	\$138	\$546	\$596	\$270	\$305
Single, 1 child	1 FT	\$38,472	\$18.50	\$440	\$493	\$338	\$714	\$600	\$371	\$250
2 parents, 1 child	1 FT, 1 PT	\$44,280	\$14.19	\$220	\$762	\$496	\$714	\$688	\$454	\$356
2 parents, 2 children	2 FT	\$61,392	\$14.76	\$765	\$995	\$504	\$946	\$724	\$596	\$586
State of Minnesota										
Single, 0 children	1 FT	\$30,900	\$14.86	\$0	\$335	\$137	\$759	\$629	\$336	\$379
2 parents, 1 child	1 FT, 1 PT	\$55,548	\$17.80	\$511	\$764	\$484	\$986	\$729	\$537	\$618

Source: DEED Cost of Living tool

Overall, Region 8’s poverty rate was 12.6 percent, which was just above the statewide rate of 10.5 percent. Like incomes, poverty levels varied widely by race and origin. It was estimated that nearly 30 percent of every other race group’s population was below the poverty level in 2017, compared to just 10.2 percent of the white population. Approximately 43 percent of people of some other race were below the poverty level, then every other race group was around 30 percent, including Hispanic or Latino residents and American Indians and Alaska Natives. About 29 percent of Black or African Americans and Asian residents and people of two or more races were below the poverty level in 2017. In almost all cases, the region’s poverty rate was above the state’s poverty rate, a reflection of the lower household incomes as noted above (Figure 13).



Source: 2013-2017 American Community Survey

WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Region 8 was \$17.66 in the first quarter of 2019, which was the third lowest wage level of the 13 EDRs in the state. Region 8's median wage was \$3.29 below the state's median hourly wage, and over \$5.00 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to \$10,650 per year for a full-time worker. Region 8 had slightly lower wages than Region 6W at \$18.01, but significantly lower wages than surrounding regions like Region 6E and Region 9, which were at \$18.15 and \$18.24, respectively (Table 9).

Based on location quotient, Region 8 stands out for having higher concentrations of farming, healthcare support, production, transportation and material moving, and installation, maintenance, and repair workers than the state. The largest occupations in the region include office and administrative support, production, transportation and material moving, and sales positions. Not surprisingly, the lowest-paying are concentrated in food prep and serving, building, grounds cleaning and maintenance, sales and related, personal care and service, and healthcare support, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 8 and the state is also much lower in these jobs (Table 10).

	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	\$19.26	39,880
EDR 2 - Headwaters	\$17.63	32,590
EDR 3 - Arrowhead	\$18.57	144,430
EDR 4 - West Central	\$18.28	89,170
EDR 5 - North Central	\$17.28	62,180
EDR 6E - Southwest Central	\$18.15	52,370
EDR 6W - Upper MN Valley	\$18.01	17,080
EDR 7E - East Central	\$19.30	45,270
EDR 7W - Central	\$19.10	188,620
EDR 8 - Southwest	\$17.66	55,840
EDR 9 - South Central	\$18.24	103,510
EDR 10 - Southeast	\$19.28	241,540
EDR 11 - 7-County Twin Cities	\$22.78	1,793,870
State of Minnesota	\$20.95	2,867,700

Source: [DEED Occupational Employment Statistics](#)

	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	\$17.66	55,840	100.0%	1.0	\$20.95	2,867,700	100.0%
Office & Administrative Support	\$17.14	7,660	13.7%	1.0	\$19.10	405,970	14.2%
Production	\$17.00	6,740	12.1%	1.6	\$18.68	214,230	7.5%
Transportation & Material Moving	\$17.57	5,260	9.4%	1.5	\$18.48	177,580	6.2%
Sales & Related	\$15.70	5,010	9.0%	0.9	\$14.97	277,070	9.7%
Food Preparation & Serving Related	\$11.44	4,240	7.6%	0.9	\$11.90	242,170	8.4%
Education, Training & Library	\$20.89	3,930	7.0%	1.2	\$24.22	166,300	5.8%
Healthcare Practitioners & Technical	\$28.02	3,640	6.5%	1.0	\$35.79	190,720	6.7%
Installation, Maintenance & Repair	\$19.74	2,820	5.1%	1.4	\$23.13	100,030	3.5%
Healthcare Support	\$14.10	2,710	4.9%	1.7	\$16.82	83,380	2.9%
Management	\$40.14	2,410	4.3%	0.7	\$51.26	171,250	6.0%
Construction & Extraction	\$21.17	2,030	3.6%	1.0	\$28.07	100,510	3.5%
Building, Grounds Cleaning & Maint.	\$12.09	1,860	3.3%	1.1	\$14.97	85,820	3.0%
Business & Financial Operations	\$29.15	1,610	2.9%	0.5	\$33.03	164,510	5.7%
Personal Care & Service	\$13.40	1,580	2.8%	0.6	\$12.90	144,070	5.0%
Community & Social Service	\$18.79	1,100	2.0%	1.0	\$22.73	57,870	2.0%
Protective Service	\$16.02	790	1.4%	0.9	\$21.52	44,390	1.5%
Architecture & Engineering	\$31.25	740	1.3%	0.7	\$37.53	56,070	2.0%
Computer & Mathematical	\$37.61	450	0.8%	0.2	\$40.96	96,020	3.3%
Farming, Fishing & Forestry	\$14.93	440	0.8%	5.7	\$16.51	3,980	0.1%
Arts, Design, Entertainment & Media	\$18.01	380	0.7%	0.5	\$24.35	39,670	1.4%
Life, Physical & Social Science	\$29.01	310	0.6%	0.6	\$33.54	26,210	0.9%
Legal	\$38.72	130	0.2%	0.3	\$36.50	19,870	0.7%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2019](#)

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

Employers in Region 8 reported 3,387 job vacancies in the fourth quarter of 2018, which was an increase of nearly 1,800 additional openings compared to the past year, and the second highest number ever reported in the region. The median hourly wage offer was \$12.82 across all occupations, but ranged from a low of \$10.00 per hour for protective service and personal care and service workers, to more than \$25 per hour or more for business and financial operations occupations. Reflecting changing demand for occupations and for the workers to fill the openings, the median wage offer increased \$2.63 compared to the fourth quarter of 2013, a 26 percent increase.

The largest number of vacancies were in protective service and personal care and service occupations, followed by production, construction, and transportation and material moving. Almost two-thirds of the vacancies in the region were in these five occupational groups. Overall, 49 percent of the openings were part-time, just 21 percent required postsecondary education, and 24 percent 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.

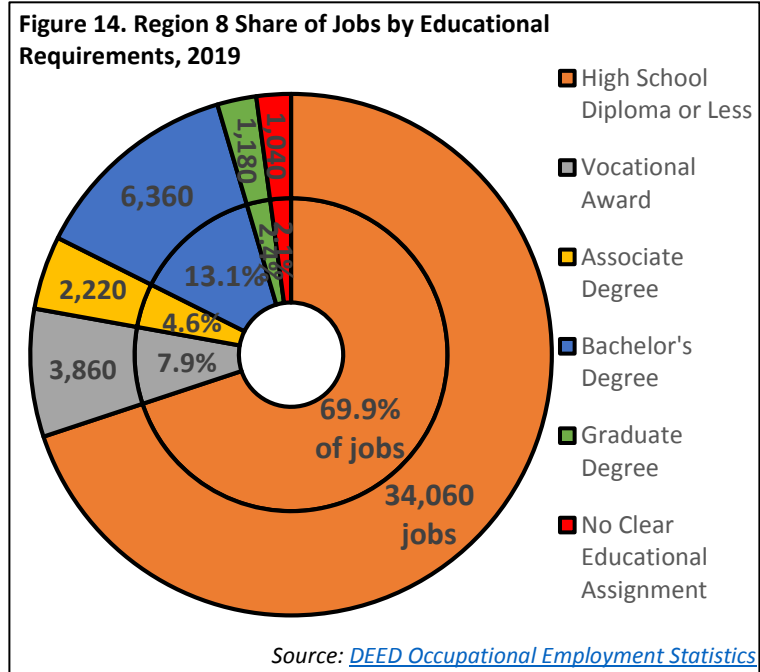
	Number of Total Vacancies	Percent Part-time	Percent Temporary or Seasonal	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	3,387	49%	8%	21%	24%	62%	\$12.82
Protective Service	783	100%	0%	0%	0%	100%	\$10.00
Personal Care & Service	566	90%	0%	4%	0%	95%	\$9.97
Production	334	10%	0%	0%	4%	0%	\$11.33
Construction & Extraction	287	0%	46%	11%	11%	14%	\$14.53
Transportation & Material Moving	203	28%	35%	6%	60%	77%	\$19.14
Installation, Maintenance & Repair	153	8%	1%	44%	97%	4%	\$18.48
Office & Administrative Support	132	6%	2%	27%	56%	7%	\$14.40
Healthcare Practitioners & Technical	124	38%	0%	94%	59%	95%	\$24.33
Sales & Related	122	16%	0%	49%	24%	72%	\$20.70
Management	116	0%	0%	99%	100%	81%	\$18.39
Healthcare Support	77	42%	0%	0%	1%	79%	\$12.81
Education, Training & Library	74	25%	83%	99%	83%	93%	\$14.98
Food Preparation & Serving Related	69	95%	0%	0%	9%	10%	\$10.46
Building, Grounds Cleaning & Maint.	67	26%	9%	18%	29%	53%	\$15.03
Architecture & Engineering	60	5%	5%	59%	70%	36%	\$20.70
Community & Social Service	35	40%	0%	68%	68%	90%	\$20.76
Life, Physical & Social Sciences	26	0%	0%	36%	52%	52%	\$17.15
Computer & Mathematical	23	69%	0%	60%	38%	12%	\$19.49
Business & Financial Operations	22	0%	0%	89%	99%	26%	\$26.28
Arts, Design, Entertainment & Media	14	13%	0%	87%	63%	7%	\$17.13

Source: [DEED Job Vacancy Survey, Qtr. 4 2018](#)

EDUCATIONAL REQUIREMENTS

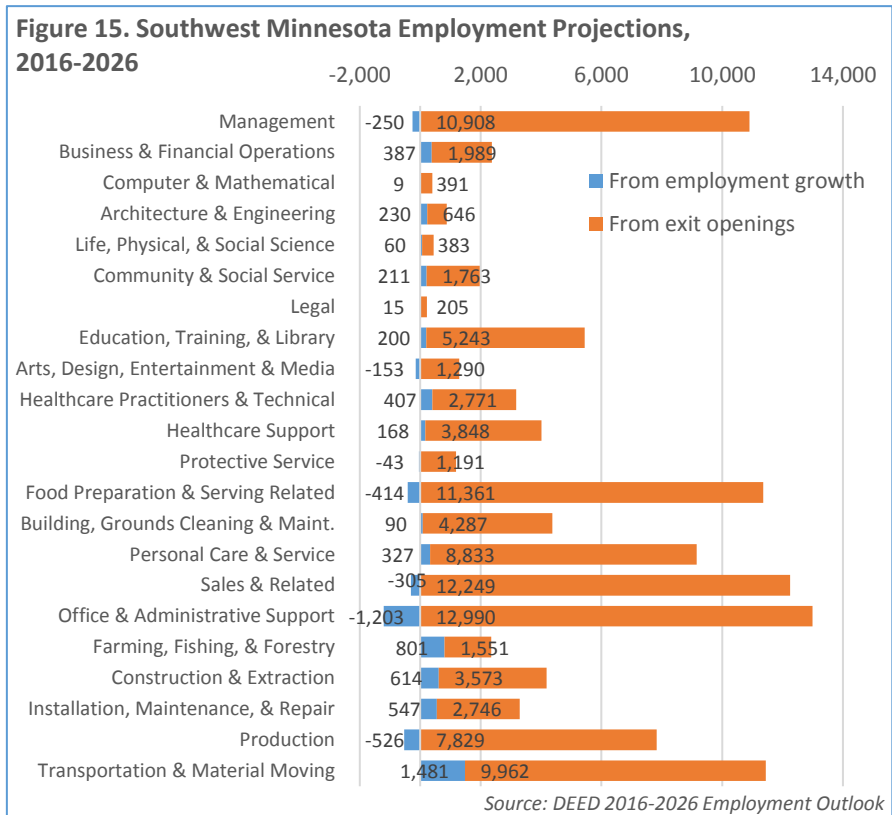
Similar to Job Vacancy Survey results, data from DEED’s Occupational Employment Statistics program shows that only 30 percent of jobs in the region require postsecondary education for entry. The other 70 percent can be started with a high school diploma or less and some amount of on-the-job training (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 \$14,500 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 0.9 percent from 2016 to 2026, a gain of just 1,885 new jobs. That is the slowest of the 6 planning regions in the state. In addition, the region is also expected to need 103,553 replacement openings to fill jobs left vacant by retirements and other career changers. Transportation and material moving, farming, construction and extraction; installation, maintenance, and repair; and healthcare support and practitioners are expected to see the most new growth, but every occupational group will show some future demand either through new jobs or replacement openings (Figure 15).



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, health care, transportation, and other related industries (Table 12).

Less than High School	High School or Equivalent	Some College, Vocational Training, or Assoc. Degree	Bachelor's Degree or Higher
Personal Care Aides (\$26,919)	Heavy & Tractor-Trailer Truck Drivers (\$44,307)	Registered Nurses (\$65,723)	Elementary School Teachers (\$49,919)
Combined Food Prep & Serving Workers (\$23,754)	First-Line Supervisors of Retail Sales Workers (\$40,150)	Nursing Assistants (\$30,046)	Secondary School Teachers (\$51,607)
Cashiers (\$23,665)	Childcare Workers (\$23,494)	Machinists (\$41,453)	Agriculture & Food Science Technicians (\$42,140)
Janitors & Cleaners (\$27,891)	Office Clerks, General (\$34,602)	Licensed Practical & Licensed Vocational Nurses (\$45,512)	Physician Assistants (\$107,805)
Retail Salespersons (\$25,408)	Maintenance & Repair Workers (\$40,722)	Automotive Service Techs. & Mechanics (\$36,107)	Industrial Engineers (\$76,019)
Home Health Aides (\$27,561)	Teacher Assistants (\$28,683)	Industrial Machinery Mechanics (\$47,807)	Accountants & Auditors (\$62,792)
Waiters & Waitresses (\$21,617)	Secretaries & Administrative Assistants (\$38,419)	Police & Sheriff's Patrol Officers (\$58,377)	Mental Health Counselors (\$74,423)
Laborers & Freight, Stock, & Material Movers (\$31,014)	Sales Representatives, Wholesale & Mfg. (\$62,712)	Emergency Medical Technicians & Paramedics (\$36,520)	Mechanical Engineers (\$78,526)
Stock Clerks & Order Fillers (\$26,428)	Welders, Cutters, Solderers & Brazers (\$41,595)	Industrial Engineering Technicians (\$48,612)	Financial Managers (\$102,734)
Cooks, Restaurant (\$24,812)	First-Line Supervisors of Food Prep & Serving Workers (\$33,357)	Heating, Air Conditioning, & Refrig. Mechanics (\$47,753)	Human Resources Specialists (\$53,909)

Source: DEED Occupations in Demand

ECONOMY

INDUSTRY EMPLOYMENT

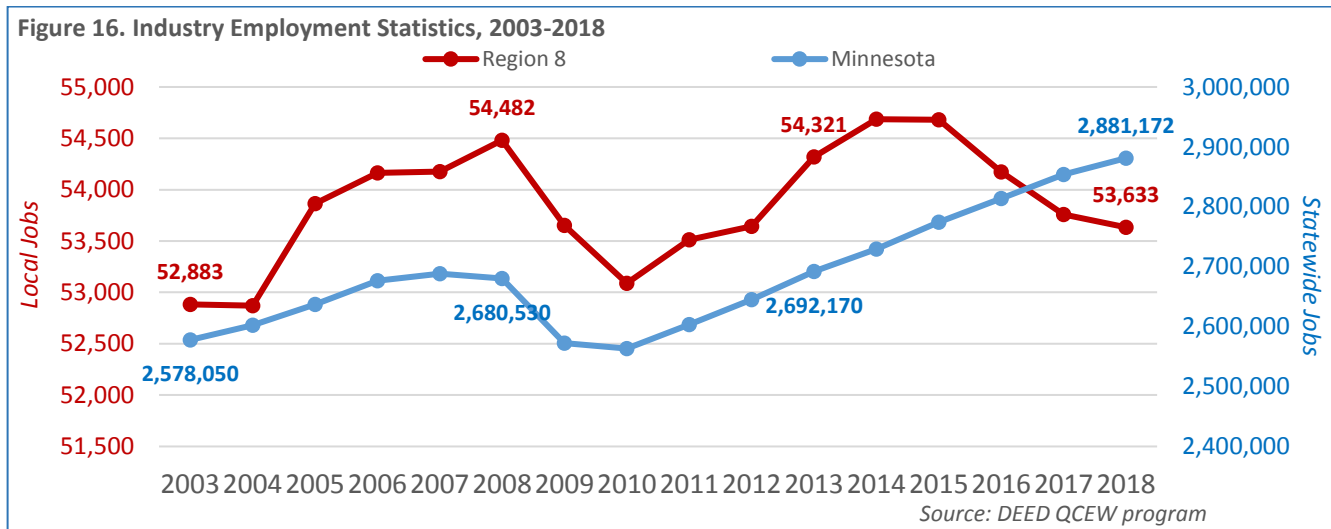
According to DEED's [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 8 was home to 3,996 firms providing 53,633 jobs through 2018, with a total payroll of nearly \$2.2 billion. Average annual wages were \$40,383 in the region, which was the fourth lowest of the 13 EDRs (Table 13).

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2013-2018		2017-2018	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
Region 8	3,996	53,633	\$2,165,862,749	\$40,383	-688	-1.3%	-127	-0.2%
Cottonwood Co.	398	5,010	\$191,678,642	\$38,259	+118	+2.4%	+211	+4.4%
Jackson Co.	342	5,130	\$202,802,335	\$39,533	-569	-10.0%	+14	+0.3%
Lincoln Co.	227	1,683	\$58,710,219	\$34,884	-54	-3.1%	-104	-5.8%
Lyon Co.	820	14,349	\$605,896,538	\$42,226	-507	-3.4%	-126	-0.9%
Murray Co.	328	2,994	\$112,634,991	\$37,620	+62	+2.1%	+30	+1.0%
Nobles Co.	638	10,519	\$452,762,097	\$43,042	+365	+3.6%	+50	+0.5%
Pipestone Co.	366	4,522	\$170,811,175	\$37,773	+280	+6.6%	+24	+0.5%
Redwood Co.	572	6,035	\$234,847,719	\$38,914	-323	-5.1%	-16	-0.3%
Rock Co.	305	3,388	\$135,719,033	\$40,059	-61	-1.8%	-211	-5.9%
State of Minnesota	175,424	2,881,172	\$167,122,456,472	\$58,005	+189,002	+7.0%	+27,207	+1.0%

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

Home to Marshall, Lyon County is the largest employment center in the region, with 14,349 jobs at 820 firms; followed by Worthington and Nobles County with 10,519 jobs at 638 firms. Employers in the region sliced 688 jobs in the past five years; with 4 of the 9 counties adding jobs, led by Nobles, Pipestone, and Cottonwood County. Jackson, Lyon, and Redwood suffered the biggest losses. Five counties added jobs in the past year, but larger losses in the other 4 counties overwhelmed those gains (Table 13).

Region 8 has seen several employment ups and downs over the past 15 years, ending 2018 with 750 more jobs than it had in 2003, but 849 fewer jobs than it had in 2008, prior to the Great Recession. The region entered the 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 1,049 jobs in the past three years, while the state continued growing (Figure 16).



With 10,107 jobs at 181 firms, manufacturing is the largest employing industry in Region 8, accounting for 18.8 percent of total jobs in the region. That is over 7.5 percent higher than the state’s concentration of employment in manufacturing, thanks in part to a huge 120 job increase over the past year. Food manufacturing is the largest sector, providing 4,806 jobs at 39 firms; followed by machinery manufacturing and wood product manufacturing. At \$49,965 in 2018, average annual wages were over \$9,000 higher in manufacturing than the total of all industries.

The next largest industry in Region 8 was health care and social assistance, with 9,088 jobs at 372 firms, after gaining 64 new jobs in the past year. Due to the region’s older population, the largest sectors were ambulatory health care services with 3,462 jobs and nursing and residential care facilities with 3,142 jobs. Retail trade is the third largest industry, with 5,896 jobs at 508 stores, and the related accommodation and food services industry had 3,208 jobs at 259 firms. Combined, these two industries provide 17 percent of total jobs, but wages are relatively low in both industries, and jobs have been declining rapidly in recent years.

Other important industries in Region 8 include educational services, public administration, wholesale trade, finance and insurance, construction, and transportation and warehousing. Over half of the 20 main industries in the region cut jobs since 2013, but big gains in educational services, finance and insurance, and administrative support and waste management services – including temporary staffing agencies – offset losses in accommodation and food services, management of companies, and retail trade. Public administration, manufacturing, transportation and warehousing, and agriculture all saw job gains since 2013. Likewise, just 6 of the 20 industries gained jobs in the past year, leading to the overall decline (Table 14).

NAICS Industry Title	2018 Annual Data			Avg. Annual Wage	2013-2018		2017-2018	
	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	3,996	53,633	\$2,165,863	\$40,383	-688	-1.3%	-127	-0.2%
Manufacturing	181	10,107	\$504,995	\$49,965	+120	+1.2%	+166	+1.7%
Health Care & Social Assistance	372	9,088	\$330,557	\$36,373	+11	+0.1%	+64	+0.7%
Retail Trade	508	5,896	\$143,774	\$24,385	-160	-2.6%	-85	-1.4%
Educational Services	79	4,773	\$192,883	\$40,411	+306	+6.9%	+57	+1.2%
Accommodation & Food Services	259	3,208	\$40,893	\$12,747	-1,045	-24.6%	-150	-4.5%
Public Administration	213	3,085	\$121,375	\$39,344	+126	+4.3%	-12	-0.4%
Wholesale Trade	238	2,727	\$147,630	\$54,136	-90	-3.2%	-16	-0.6%
Finance & Insurance	230	2,626	\$164,375	\$62,595	+198	+8.2%	-22	-0.8%
Construction	521	2,347	\$112,472	\$47,922	+56	+2.4%	-25	-1.1%
Transportation & Warehousing	266	2,098	\$81,121	\$38,666	+96	+4.8%	0	0.0%
Agriculture, Forestry, Fish & Hunt	230	1,692	\$65,357	\$38,627	+81	+5.0%	-112	-6.2%
Admin. Support & Waste Mgmt. Svcs.	125	1,546	\$61,086	\$39,512	+285	+22.6%	+140	+10.0%
Other Services	319	1,270	\$34,987	\$27,549	-112	-8.1%	+10	+0.8%
Professional & Technical Services	183	1,124	\$66,199	\$58,896	-174	-13.4%	-62	-5.2%
Management of Companies	9	527	\$39,153	\$74,294	-275	-34.3%	-42	-7.4%
Information	79	488	\$16,211	\$33,218	-31	-6.0%	-8	-1.6%
Arts, Entertainment, & Recreation	72	407	\$6,197	\$15,227	-18	-4.2%	-11	-2.6%
Utilities	32	324	\$27,648	\$85,334	-21	-6.1%	-11	-3.3%
Real Estate & Rental & Leasing	76	222	\$5,759	\$25,941	-41	-15.6%	-15	-6.3%
Mining	9	73	\$3,188	\$43,676	-4	-5.2%	+8	+12.3%

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. Nearly one-quarter (24.3%) of workers in the region were 55 years or older, compared to 21.5 percent statewide and just 18.3 percent in the region one decade earlier. In contrast, the percentage of teenaged workers was falling, 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 enjoyed the fastest percentage increase in wages from 2008 to 2018. Wages were highest for workers between 45 and 64 years of age, and males worked more hours than females, though the gap was narrowing.

Region 8	Percentage of Workers		Percent of Workers, Minnesota		Median Hourly Wage		Median Hours Worked (Per Qtr.)	
	2018	2008	2018	2008	2018	2008	2018	2008
Total, all ages	100.0%	100.0%	100.0%	100.0%	\$15.66	\$12.32	390	407
19 years & under	7.8%	9.3%	6.1%	7.5%	\$10.60	\$7.33	114	110
20 to 24 years	11.3%	12.0%	10.3%	11.6%	\$12.94	\$10.25	270	279
25 to 44 years	39.4%	38.7%	42.9%	42.7%	\$17.26	\$13.74	441	468
45 to 54 years	17.1%	21.8%	19.1%	22.5%	\$19.00	\$14.79	474	480
55 to 64 years	17.8%	13.6%	16.7%	12.6%	\$18.41	\$13.99	469	455
65 years & over	6.5%	4.7%	4.8%	3.1%	\$14.86	\$10.58	221	177
Male	45.9%	46.0%	49.1%	49.0%	\$17.53	\$14.13	448	480
Female	54.1%	54.0%	50.9%	51.0%	\$14.97	\$11.25	365	346

Source: DEED Quarterly Employment Demographics

INDUSTRY PROJECTIONS

As noted above, Southwest is projected to grow just 0.9 percent from 2016 to 2026, a gain of 1,885 new jobs, which would make it the slowest growing region in the state. Unlike any other region, the largest and fastest growing industry is expected to be agriculture, which is projected to add over 1,425 jobs from 2016 to 2026. Likewise, health care and social assistance is expected to add over 1,330 jobs, a 4.5 percent increase. The region is also expected to see significant job growth in transportation and warehousing, construction, and professional and technical services. In contrast, retail trade, other services, manufacturing, accommodation and food services, information, and arts and recreation are all expected to suffer job cuts in the next decade (Table 16).

Industry	Estimated Employment 2016	Projected Employment 2026	Percent Change 2016-2026	Numeric Change 2016-2026
Total, All Industries	211,618	213,503	+0.9%	+1,885
Health Care & Social Assistance	29,857	31,196	+4.5%	+1,339
Manufacturing	31,264	31,145	-0.4%	-119
Retail Trade	20,647	19,748	-4.4%	-899
Educational Services	16,891	16,886	0.0%	-5
Public Administration	13,150	13,136	-0.1%	-14
Accommodation & Food Services	12,207	11,965	-2.0%	-242
Construction	7,995	8,408	+5.2%	+413
Wholesale Trade	8,272	8,323	+0.6%	+51
Transportation & Warehousing	7,176	8,023	+11.8%	+847
Other Services, Ex. Public Admin	7,632	7,142	-6.4%	-490
Agriculture, Forestry, Fish & Hunt	5,599	7,026	+25.5%	+1,427
Finance & Insurance	6,314	6,369	+0.9%	+55
Professional & Technical Services	4,296	4,600	+7.1%	+304
Administrative & Waste Services	4,163	4,277	+2.7%	+114
Information	2,746	2,569	-6.4%	-177
Arts, Entertainment, & Recreation	2,544	2,402	-5.6%	-142
Management of Companies	1,563	1,541	-1.4%	-22
Real Estate & Rental & Leasing	1,232	1,269	+3.0%	+37
Utilities	755	831	+10.1%	+76
Mining	349	312	-10.6%	-37

Source: DEED 2016-2026 Employment Outlook

NONEMPLOYER ESTABLISHMENTS

Region 8 was home to 8,405 self-employed businesses or “nonemployers” in 2017, 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 \$392.4 million in 2017 (Table 17).

	2017		2007-2017	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Region 8	8,405	\$392,408	-52	-0.6%
Minnesota	409,860	\$19,370,490	+22,876	+5.9%

Source: U.S. Census, Nonemployer Statistics program

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 percent of the farms in the state (Table 18).

	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 320-308-5378 or at luke.greiner@state.mn.us