

Long-Range Planning Issue Brief

Rural Prosperity



Rural Minnesota is central to the state's identity and economy, anchored by strong social ties, rich agricultural traditions, vibrant small towns, and entrepreneurial spirit. Yet many communities face persistent challenges such as limited access to healthcare, childcare, housing, and education—along with workforce shortages and aging infrastructure—that threaten long-term stability.

Agriculture remains a core strength, but the sector is at a crossroads due to an aging population, limited succession planning, and barriers for new and diverse farmers. Similarly, rural entrepreneurs, small businesses, and processing are key to local economies but often lack the support and workforce they need to thrive.

Housing shortages in particular prevent new families from settling in rural areas and contributing to growth. Addressing workforce needs means also addressing housing, healthcare, and childcare. **A coordinated effort to address these interrelated issues and work toward rural prosperity can help Minnesota families, farmers, small business owners, Tribal nations, regional economies, and communities thrive.**

Where Are We Now?

Rural Minnesota communities, with growing numbers of aging residents, immigrants, Black, Indigenous and people of color (BIPOC) populations, and low-income households, face workforce shortages, a shrinking number of farmers, and limited housing options. These challenges strain quality of life and weaken regional economies. Contributing factors include the loss of young people from rural industries, a lack of targeted workforce development, and insufficient housing to attract and retain residents.

State agencies like Department of Employment and Economic Development, the Department of Commerce, the Department of Agriculture, and Minnesota Housing support workforce training, farm succession, and housing assessments. When combined with the insight of community organizations, these partnerships can help revitalize local economies, support new and diverse farmers, and strengthen the foundation for rural communities to thrive.

A common misconception is that Minnesota needs more jobs to boost the economy, but in rural areas, the reverse is often true. In many sectors, there are more jobs than people to fill them, a trend likely to continue. Rural Minnesota also benefits from a strong tourism and outdoor recreation economy. Strategies to recapture rural wealth will be key to long-term prosperity.

By the Numbers

Minnesota has a net in-migration each year due to international migration. The rate of domestic migration, from other states to Minnesota, has been dropping since 2020. Population growth in recent years is dependent on international migration to MN.¹

In 2023, three of the top five counties with the highest percentage of BIPOC populations were outside of the seven-county metro: Mahnomon (55%), Nobles (47%), and Watonwan (31%).²

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What Could Progress Look Like?

One of the first steps to increasing rural prosperity is encouraging people to live and work there. Rural Minnesota has an abundance of job opportunities, but not enough people to fill them, creating workforce vacancies that negatively impact the local economy. Data shows that Minnesota's population growth is plateauing, driven by an aging population, low birthrates, and limited immigration. To reverse this trend, strategies are needed to attract and retain people in rural areas. Such strategies could include expanding housing supply, improving access to childcare, engaging and retaining youth, and investing in natural amenities. These strategies would help grow the population and, in turn, ease workforce shortages and strengthen rural economies.

Progress in Greater Minnesota also involves bolstering the agricultural sector and broader production and processing economy. With an aging farming population and insufficient succession planning, it is imperative to create and support pathways and access for new and diverse farmers. Supporting this next generation is essential for sustaining the rich and complex rural economy that benefits all Minnesotans.

How Can Long-Range Planning Help?

The Long-Range Planning Team can play a critical role in shaping a shared, forward-looking vision for rural prosperity. By convening cross-sector experts, local leaders, and community members—including youth, BIPOC residents, and Tribal nations—LRP can co-create policies and strategies across agencies that address urgent and generational needs like housing, workforce shortages, healthcare, and agricultural or business succession.

A focused planning effort could build lasting capacity by aligning rural priorities with state agency programs and identifying implementation-ready opportunities. LRP can also develop common language around rural vitality, generate motivation on complex challenges like population decline, and support communities in envisioning a thriving, inclusive future.

With its strategic perspective and statewide reach, LRP is well-positioned to work with rural communities to maintain momentum on these issues and support actions that attract new residents, revive local economies, and strengthen the foundation for generations to come.

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Get Involved

Join us in shaping Minnesota's future! If you have questions or want to participate, contact the Long-range Planning team at planning.mmb@state.mn.us.