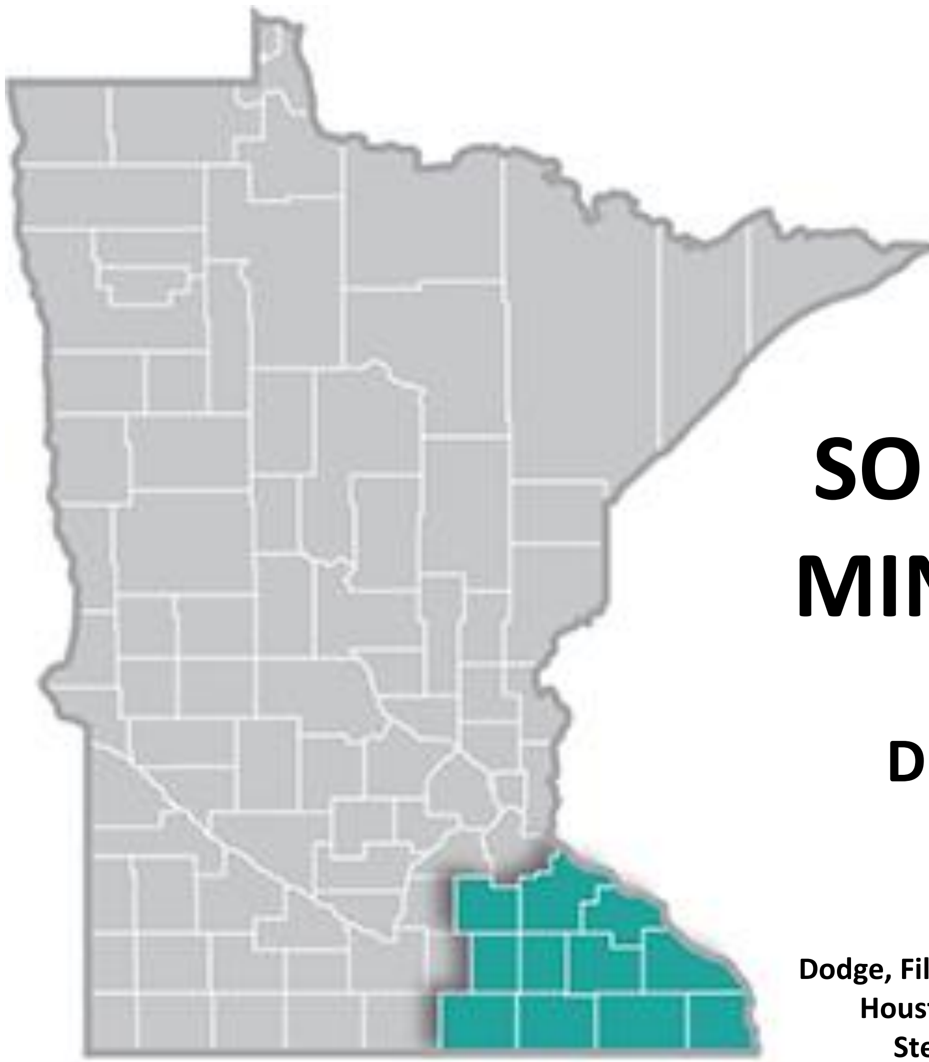


SOUTHEAST MINNESOTA

ECONOMIC DEVELOPMENT REGION 10

Covers counties:

Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona

2018 REGIONAL PROFILE

Updated September 4, 2018

Mark Schultz
Regional Analyst, Southeast and South Central Minnesota
Minnesota Department of Employment and Economic Development
Winona WorkForce Center
1250 Homer Road, Suite 200
Winona, MN 55987
Office: 507-205-6068
E-mail: mark.schultz@state.mn.us
Web: http://mn.gov/deed/data/

DEMOGRAPHICS

POPULATION CHANGE, 2000-2017

The Southeast Minnesota planning region includes a total of 11 counties and two Workforce Development Boards (WDBs). In sum, Southeast Minnesota was home to 507,073 people in 2017, comprising 9.1 percent of the state's total population. That made it the fourth largest of the six planning regions in the state. The largest counties in the region are Olmsted, Rice and Winona, which make up over half (53.6 percent) of the total population in the region. With 154,930 people, Olmsted County is the 8th largest county out of 87 in the state and the 3rd largest outside the Twin Cities metro area (see Table 1).

Table 1. Population Change 2000-2017

	2000 Population	2017 Estimates	*2000-2017 Change*	
			Number	*Percent*
Southeast Minnesota	**460,102**	**507,073**	***+46,971***	***+10.2%***
Dodge Co.	17,731	20,762	*+3,031*	*+17.1%*
Fillmore Co.	21,122	20,980	*-142*	*-0.7%*
Freeborn Co.	32,584	30,535	*-2,049*	*-6.3%*
Goodhue Co.	44,127	46,304	*+2,177*	*+4.9%*
Houston Co.	19,718	18,660	*-1,058*	*-5.4%*
Mower Co.	38,603	39,566	*+963*	*+2.5%*
Olmsted Co.	124,277	154,930	*+30,653*	*+24.7%*
Rice Co.	56,665	65,968	*+9,303*	*+16.4%*
Steele Co.	33,680	36,887	*+3,207*	*+9.5%*
Wabasha Co.	21,610	21,608	*-2*	*0.0%*
Winona Co.	49,985	50,873	*+888*	*+1.8%*
State of Minnesota	**4,919,479**	**5,576,606**	***+657,127***	***+13.4%***

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

Southeast saw a 10.2 percent increase in population over the past 17 years, with 62.3 percent (+30,653) of that gain happening in Olmsted County and another 19.8 percent (+9,303) happening in Rice County. In comparison, the state of Minnesota saw a steady 13.4 percent gain. Seven of the 11 counties in the region gained population from 2000 to 2017, while Freeborn County saw the largest population loss of 2,409 and Fillmore, Houston and Wabasha Counties dropping a sum 1,202 people.

COMPONENTS OF POPULATION CHANGE, 2010-2017

Southeast Minnesota has experienced a natural increase – more births than deaths – of 14,848 people so far this decade. However, the region saw a decline in population because of out-migration, with 9,387 more people moving out of the region than moving in. Though there was domestic out-migration, the region did enjoy positive in-migration of over 7,000 additional residents from international sources (see Table 2).

Table 2. Cumulative Estimates of the Components of Population Change in Southeast Minnesota: April 1, 2010 to July 1, 2017

Total Change	Natural Increase	Vital Events		*Net Migration*		
		Births	Deaths	*Total*	*International*	*Domestic*
+12,390	+14,848	44,400	29,552	*-2,334*	*+7,053*	*-9,387*

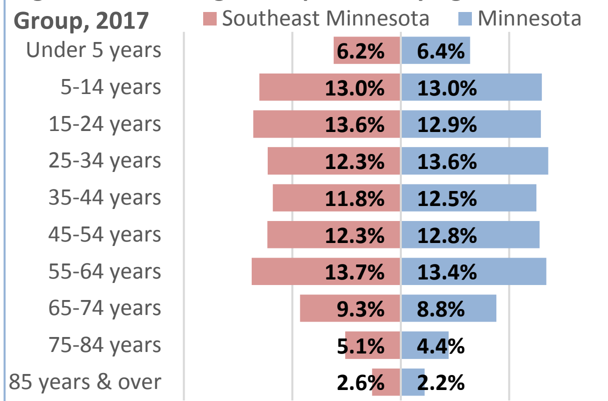
Source: U.S. Census Bureau, Population Estimates Program

Southeast Minnesota is now home to 30,799 foreign born residents, or about 6.1 percent of the total population. The number of immigrants in the region increased by 18.4 percent since 2010, outpacing the statewide growth rate of 16.3 percent. The largest percentage of foreign born population (10,966 people or 35.6%) came from the Americas, with the majority of those (92.3%) coming from Latin America. The second largest number of foreign born residents (10,370 people or 33.7%) were from Asia, almost three-quarters of whom came from Eastern and South Eastern Asia and, in total. The fastest growing wave of new immigrants to Southeast Minnesota came from Africa, rising by 2,224 people from 2010 to 2016, a 57.8 percent jump.

POPULATION BY AGE GROUP, 2000-2017

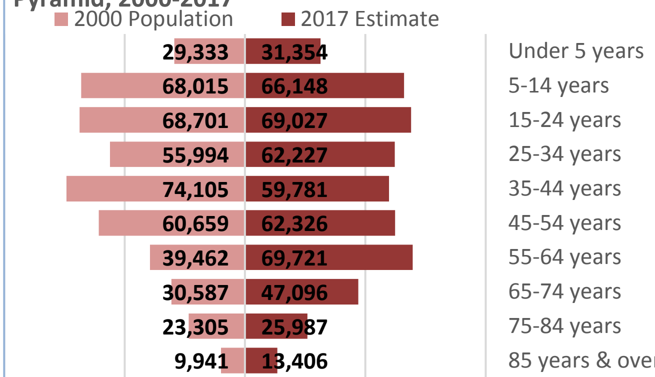
Southeast Minnesota has an older population than the rest of the state, with 17 percent of residents aged 65 years and over, compared to 15.4 percent statewide. Consequently, Southeast Minnesota had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years," as well as a slightly smaller percent of school-aged children. However, having several postsecondary institutions in the region led to a higher percentage of people aged 15 to 24 (see Figure 1).

Figure 1. Percentage of Population by Age Group, 2017



Source: U.S. Census Bureau, Population Estimates

Figure 2. Southeast Minnesota Population Pyramid, 2000-2017



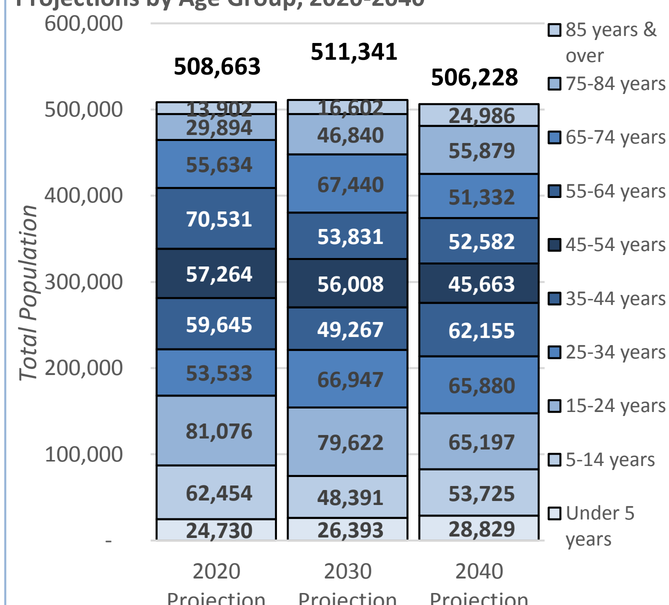
Source: U.S. Census Bureau

POPULATION PROJECTIONS BY AGE GROUP, 2020-2040

Despite a projected population increase in population from 2020 to 2030, over the next 20 years the region is expected to see an overall decline. According to population projections from the State Demographic Center, Southeast Minnesota is expected to lose 2,435 residents from 2020 to 2040, a -0.5 percent decline (see Figure 3). In comparison, the state of Minnesota is projected to grow 8.8 percent.

Southeast Minnesota is expected to add over 37,000 people aged 75 years and over, an 84.6 percent jump. The region is also projected to see a 13.1 percent gain in the 25- to 44-year-old age group, as well as a 16.6 percent bump in children under 5. In contrast, the region is expected to lose school-aged children and young adults, as well as people from 45 to 74 years as the Baby Boomers move through the population pyramid.

Figure 3. Southeast Minnesota Population Projections by Age Group, 2020-2040



Source: Minnesota State Demographic Center

POPULATION BY RACE, 2016

Southeast Minnesota's population is less diverse than the state's, but is becoming more diverse over time. In 2016, 91 percent of the region's residents reported White alone as their race, compared to 84.3 percent of residents statewide. The region had much smaller percentages of Black or African American, American Indian and Alaska Native, Asian or Other Pacific Islanders, and people of Two or More Races. However at 5.3 percent, Southeast Minnesota had a higher percentage of people reporting Hispanic or Latino origin than the state, and a similar percentage of people of Some Other Race (see Table 3).

Table 3. Race and Hispanic Origin, 2016	Southeast Minnesota			Minnesota	
	Number	Percent	*Change from 2000-2016*	Percent	*Change from 2000-2016*
Total	**500,711**	**100.0%**	***+8.8%***	**100.0%**	***+10.8%***
White	455,422	91.0%	*+4.9%*	84.3%	*+4.5%*
Black or African American	15,037	3.0%	*+169.8%*	5.7%	*+81.0%*
American Indian & Alaska Native	1,726	0.3%	*+22.8%*	1.0%	*+3.5%*
Asian & Other Pac. Islander	14,247	2.8%	*+63.2%*	4.6%	*+72.8%*
Some Other Race	5,767	1.2%	*+3.1%*	1.6%	*+34.2%*
Two or More Races	8,512	1.7%	*+79.4%*	2.7%	*+79.5%*
Hispanic or Latino	26,710	5.3%	*+100.5%*	5.1%	*+92.5%*

Source: U.S. Census Bureau, 2012-2016 American Community Survey

Olmsted County had the most diverse populace in the region, including 5.3 percent of residents reporting being Black or African American and 10.9 percent identifying as Hispanic. Rice and Steele Counties were also more diverse than the rest of counties in the region and the region as a whole with 88.7 and 90.6 percent of the population being white. Additionally, Mower, Freeborn, Rice, and Steele were among the top 10 counties in the state in regards to highest percent identifying as Hispanic or Latino. In contrast, at least 96 percent of residents in Dodge, Fillmore, Houston and Wabasha Counties were White alone, making them among the least diverse in the state.

EDUCATIONAL ATTAINMENT, 2016

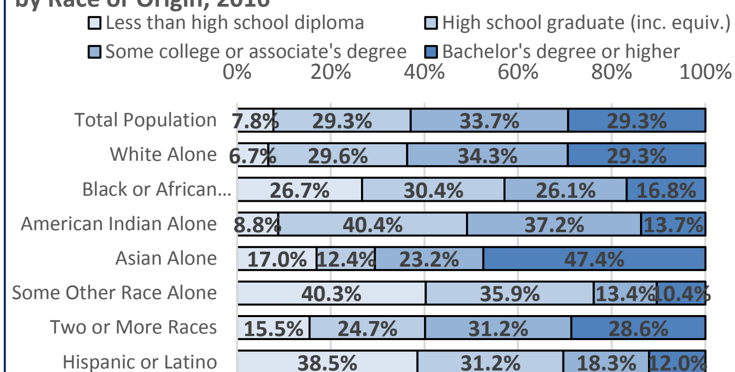
With 41.1 percent of adults aged 25 years and over having a college degree, Southeast Minnesota has lower educational attainment than the state, where 45.3 percent of adults have an associate, bachelor's, or advanced degree. In contrast, Southeast has a much higher percentage of people with a high school diploma or less (see Table 4).

Table 4. Educational Attainment for the Adult Population, 2016	Southeast Minnesota		Minnesota
	Number	Percent	Percent
Total, 25 years & over	**334,315**	**100.0%**	**100.0%**
Less than high school	26,053	7.8%	7.4%
High school graduate (incl. equiv.)	97,833	29.3%	25.7%
Some college, no degree	72,881	21.8%	21.7%
Associate's degree	39,615	11.8%	11.0%
Bachelor's degree	62,607	18.7%	22.8%
Advanced degree	35,326	10.6%	11.5%

Source: U.S. Census Bureau, 2012-2016 American Community Survey

Educational attainment varies significantly by race and ethnicity. About 40 percent of Hispanic or Latino or people of Some Other Race had less than a high school diploma along with over one-quarter of the Black population, compared to just 6.7 percent of White residents. Over 30 percent of American Indians and people of Two or More Races have attended some college or earned an associate's degree, and almost half of Asian residents had a bachelor's degree or higher, which was higher than for Whites (see Figure 4).

Figure 4. Southeast Minnesota Educational Attainment for the population aged 25 years & over by Race or Origin, 2016



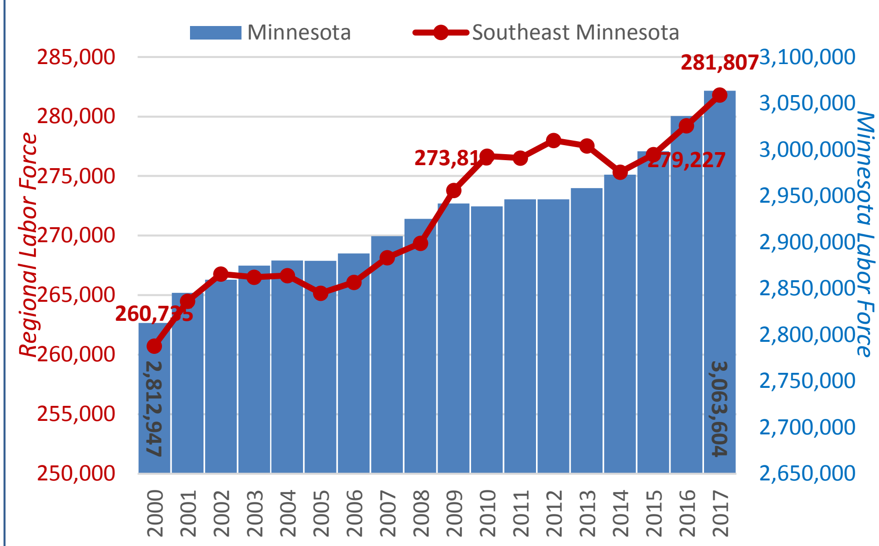
Source: 2012-2016 American Community Survey

LABOR FORCE

LABOR FORCE CHANGE, 2000-2017

According to data from DEED's Local Area Unemployment Statistics program, Southeast Minnesota has experienced some fluctuations in the size of the available labor force over the last 17 years in response to changing economic conditions. The region saw increases in the labor force during the recessions in both 2001 and 2007 as workers flooded into the labor market to earn extra income; then dropped back out when the region's economy improved. Similar to the region's population increase overall, Southeast Minnesota gained about 21,072 workers over the last 17 years, from 260,735 available workers in 2000 to 281,807 workers in 2017. In contrast, the state was steadily gaining workers over the past decade and a half (see Figure 5). As the economy has recovered, the labor market in the region has been getting tighter, with only about 9,000 unemployed workers in 2017 and an unemployment rate of only 3.2 percent.

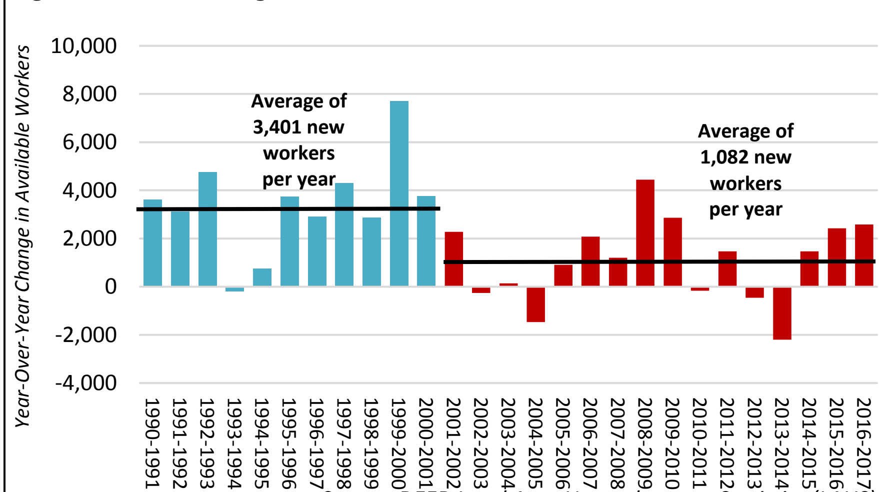
Figure 5. Annual Labor Force Estimates



Source: DEED Local Area Unemployment Statistics (LAUS) program

Averaging a net gain of 3,401 additional labor force participants per year between 1990 and 2001, Southeast Minnesota employers were able to tap into a large and growing pool of talented workers. However, from 2001 to 2017, Southeast Minnesota's labor force growth has slowed, averaging about 1,082 new workers each year from 2001 to 2017. Despite this slowing growth rate, the region peaked with 281,807 available workers in 2017 (see Figure 6).

Figure 6. Annual Change in Labor Force, Southeast Minnesota



Source: DEED Local Area Unemployment Statistics (LAUS)

Increasingly tight labor markets and a growing scarcity of workers is now recognized as one of Southeast Minnesota's most significant barriers to future economic growth. 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 may comprise the fastest growing segment of the labor force.

LABOR FORCE PROJECTIONS, 2020-2030

If Southeast Minnesota's population changes at the projected rates shown in Figure 3 above, the region 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 shows a 2.3 percent drop in workforce numbers from 2020 to 2030 (see Table 5).

In addition to the overall decline, the labor force will also see a significant shift over time, with large 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 expected to lose teenaged workers while only seeing measured increases in entry-level workers and those between the ages of 25 and 44 in the next decade. These long-term shifts will likely lead to a tight labor market in the future, with employers needing to be creative to respond to the changing labor force availability in the region.

Table 5. Southeast Minnesota Labor Force Projections

	2020 Labor Force Projection	2030 Labor Force Projection	*2020-2030 Change*	
			Numeric	*Percent*
16 to 19 years	17,176	15,462	*-1,714*	*-10.0%*
20 to 24 years	36,258	38,213	*+1,955*	*+5.4%*
25 to 44 years	99,247	101,910	*+2,662*	*+2.7%*
45 to 54 years	51,080	49,959	*-1,120*	*-2.2%*
55 to 64 years	53,289	40,671	*-12,617*	*-23.7%*
65 to 74 years	15,312	18,561	*+3,249*	*+21.2%*
75 years & over	3,034	4,395	*+1,361*	*+44.9%*
Total Labor Force	**275,397**	**269,173**	***-6,224***	***-2.3%***

Source: calculated from MN State Demographic Center projections, and 2012-2016 American Community Survey 5-Year Estimates

EMPLOYMENT CHARACTERISTICS, 2016

With 69.3 percent of the working age population aged 16 years and over in the labor force, Southeast Minnesota had slightly lower labor force participation rates than the state's 69.9 percent rate. The region actually had higher labor force participation rates than the state in all but one age group (25 to 44 years), but the overall rate was lower because a higher percentage of the region's labor force was older (see Table 6).

In contrast, the region had lower participation rates than the state for almost every race group; and also had large unemployment rate disparities for minorities. The region also had 12,313 veterans and 12,885 workers with disabilities in the labor force, with both having higher participation rates. Unemployment rates were highest for youth, minorities, and workers with disabilities.

Table 6. Employment Characteristics, 2016

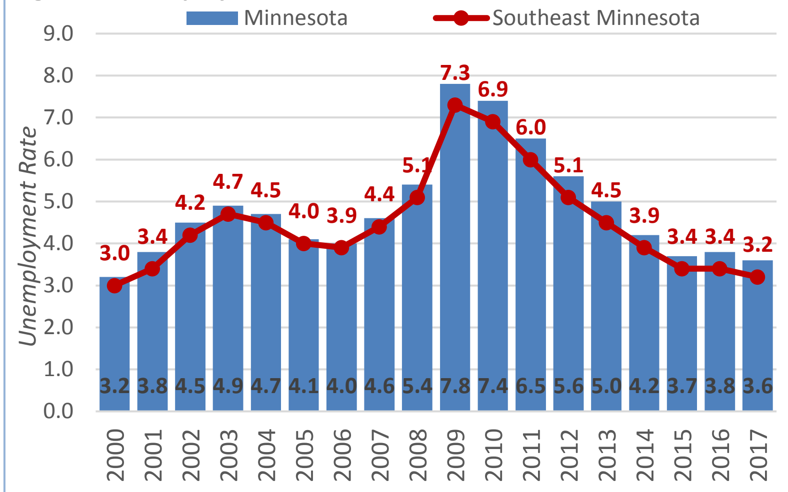
	Southeast Minnesota			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	**274,960**	**69.3%**	**4.5%**	**69.9%**	**4.8%**
16 to 19 years	15,727	56.7%	14.5%	52.3%	14.2%
20 to 24 years	29,356	84.0%	7.0%	83.5%	8.1%
25 to 44 years	105,241	87.7%	4.3%	88.2%	4.4%
45 to 54 years	60,521	89.2%	2.9%	87.2%	3.4%
55 to 64 years	49,944	75.6%	2.6%	72.3%	3.6%
65 to 74 years	11,584	27.5%	3.1%	27.1%	3.0%
75 years & over	2,651	6.9%	2.9%	6.0%	2.7%
Employment Characteristics by Race & Hispanic Origin					
White alone	253,974	69.3%	4.1%	69.9%	4.1%
Black or African American	6,589	65.1%	17.6%	68.5%	12.9%
American Indian & Alaska Nat.	636	48.2%	11.6%	58.8%	14.8%
Asian or Other Pac. Islanders	7,787	71.0%	3.8%	70.7%	5.6%
Some Other Race	3,086	76.2%	6.4%	77.3%	8.4%
Two or More Races	2,884	66.8%	8.4%	71.3%	10.1%
Hispanic or Latino	12,507	74.3%	9.6%	75.5%	8.2%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	12,313	81.1%	4.9%	78.6%	4.8%
Employment Characteristics by Disability					
With Any Disability	12,885	55.8%	9.6%	51.4%	10.9%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	215,687	84.9%	3.4%	84.0%	4.0%
Less than H.S. Diploma	10,650	66.6%	4.4%	65.0%	5.6%
H.S. Diploma or Equivalent	54,144	82.5%	3.2%	78.7%	3.4%
Some College or Assoc. Deg.	79,257	85.6%	3.1%	85.1%	4.0%
Bachelor's Degree or Higher	71,610	89.8%	1.2%	89.5%	2.3%

Source: 2012-2016 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATE, 2000-2017

Southeast Minnesota has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy (see Figure 7). According to Local Area Unemployment Statistics, the region's unemployment rate has been anywhere from 0.1 to 0.5 percentage points lower than the state over the years. The unemployment rate in the region peaked at 7.3 percent during the height of the recession and has steadily dropped since. Olmsted County had the lowest rate in the region at 2.8 percent, while Freeborn County had the highest at 3.8 percent.

Figure 7. Unemployment Rates, 2000-2017



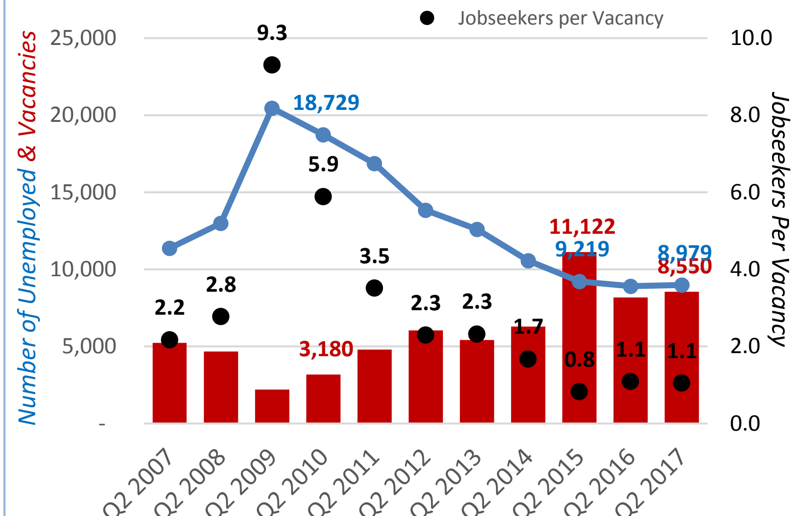
Source: DEED Local Area Unemployment Statistics (LAUS) program

JOBSEEKERS PER VACANCY, 2017

As the number of unemployed workers has declined and the economy continues to recover, the region's labor market has tightened. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which dropped to 0.6-to-1 in the fourth quarter of 2017, meaning that for every 10 jobs vacancies there were only six unemployed people.

Other recent Job Vacancy Survey results show there were 8,550 openings reported by employers compared to 8,979 unemployed jobseekers in the region. The ratio climbed as high as 9.3 during the 2009 recession (see Figure 8).

Figure 8. Jobseekers Per Vacancy, 2007-2017



Source: DEED Job Vacancy Survey, LAUS program

COMMUTE SHED AND LABOR SHED, 2015

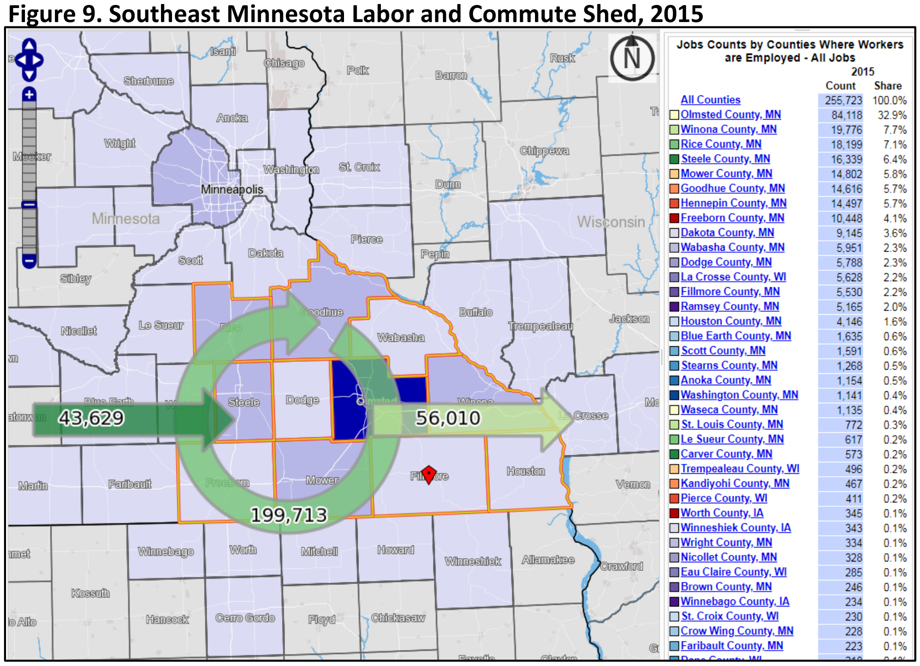
According to commuting data from the U.S. Census Bureau, the vast majority of workers who live in the region also work within the region. However, Southeast is a net exporter of labor, having slightly more workers than available jobs. In sum, 199,713 workers both lived and worked in Southeast, while another 43,629 workers drove into the region, compared to 56,010 workers who lived in the region but drove elsewhere for work (see Table 7).

Table 7. Southeast Minnesota Inflow/ Outflow Job Counts (All Jobs), 2015	2015	
	Count	Share
Employed in the Area	243,342	100.0%
Employed in the Area but Living Outside	43,629	17.9%
Employed and Living in the Area	199,713	82.1%
Living in the Selection Area	255,723	100.0%
Living in the Area but Employed Outside	56,010	21.9%
Living and Employed in the Area	199,713	78.1%

Source: U.S. Census Bureau, OnTheMap

Home to Rochester, Olmsted County is the region's largest employment center and was the biggest draw for workers, followed by Winona, Rice, Steele, Mower, and Goodhue Counties. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as attracting workers from Pierce, Buffalo, and La Crosse Counties and sending workers to La Crosse and Trempealeau Counties in Wisconsin. Overall, about 13,000 more workers commute out of the region than in (see Figure 9).

Figure 9. Southeast Minnesota Labor and Commute Shed, 2015

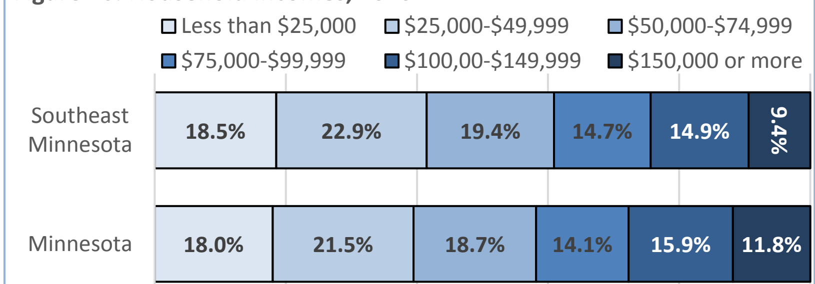


INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were slightly lower in Southeast Minnesota than the rest of the state. The median household income in the region was $60,662 in 2016, compared to $63,217 in Minnesota. Over 41 percent of households in the region had incomes below $50,000 in 2016, compared to 39.5 percent of households statewide (see Figure 10).

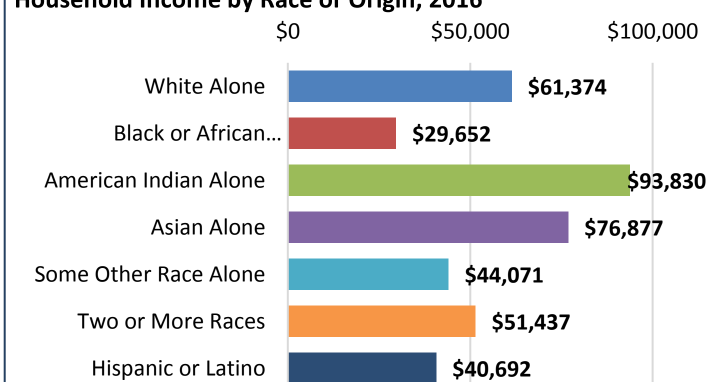
Figure 10. Household Incomes, 2016



Source: 2012-2016 American Community Survey 5-Year Estimates

Median household incomes varied by race or origin in the region. Black or African American households reported the lowest incomes in Southeast Minnesota, with a median income that was nearly $32,000 lower than for White households. Hispanic or Latino households also reported much lower household incomes, as did those of some other race alone and two or more races (see Figure 11). Poverty rates also varied widely by race, from a low of 6.9 percent for Asians to 45.8 percent for Black or African Americans.

Figure 11. Southeast Minnesota Median Household Income by Race or Origin, 2016



Source: 2012-2016 American Community Survey

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 $57,624 in 2018. The cost of living for the same family in Southeast Minnesota was $50,460 – which was the 4th highest of the 13 Economic Development Regions in the state. The highest monthly costs were for housing, transportation, and food though the all of the region's monthly costs were 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 $16.17 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 Southeast would be $28,704, which would require an hourly wage of $13.80 to meet the basic needs standard of living, compared to $22.34 if they had one child (see Table 8).

Table 8. Southeast Minnesota Cost of Living, 2018

Family Composition	Number of Workers	Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
				Child Care	Food	Health Care	Housing	Trans-portation	Other	Taxes
Southeast Minnesota										
Single, 0 children	1 FT	$28,704	$13.80	$0	$329	$134	$634	$664	$281	$350
Single, 1 child	1 FT	$46,464	$22.34	$666	$486	$269	$850	$705	$390	$506
2 parents, 1 child	**1 FT, 1 PT**	**$50,460**	**$16.17**	**$333**	**$752**	**$417**	**$850**	**$825**	**$468**	**$560**
2 parents, 2 children	2 FT	$72,168	$17.35	$1,093	$980	$426	$1,117	$879	$613	$906
State of Minnesota										
Single, 0 children	1 FT	$31,656	$15.22	$0	$334	$136	$754	$696	$318	$400
2 parents, 1 child	**1 FT, 1 PT**	**$57,624**	**$18.47**	**$504**	**$763**	**$459**	**$980**	**$869**	**$510**	**$717**

Source: DEED Cost of Living tool

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Southeast Minnesota was $18.91 in the first quarter of 2018, which was the second highest wage level of the 6 planning regions in the state. Southeast's median wage was $1.16 below the state's median hourly wage, equaling 94.2 percent of the statewide wage rate, and $3.01 below the median hourly wage in the Twin Cities metro area, amounting to nearly $6,260 annually for a full-time worker (see Table 9).

Table 9. Occupational Employment Statistics by Region, 1st Qtr. 2018	Median Hourly Wage	Estimated Regional Employment
Southeast Minnesota	**$18.91**	**238,090**
Northeast Minnesota	$17.72	143,490
Central Minnesota	$17.93	285,900
Twin Cities Metro Area	$21.92	1,769,290
Northwest Minnesota	$17.38	211,950
Southwest Minnesota	$17.14	179,500
State of Minnesota	**$20.07**	**2,838,270**

Source: DEED Occupational Employment Statistics

Based on location quotient, Southeast Minnesota stands out for having higher concentrations of healthcare practitioners and technical, production, farming, fishing and forestry, and healthcare support than the state. The largest occupations in the region include office and administrative support, healthcare practitioners and technical, production, and sales and related positions.

Not surprisingly, the lowest-paying jobs are concentrated in food prep and serving, personal care and service, sales and related, and building, grounds cleaning and maintenance, all of which pay lower than $14 an hour and tend to have lower educational and training requirements.

In contrast, the highest paying jobs are found in management, computer and mathematical, architecture and engineering, healthcare practitioners, and legal, which have median wages over $35 per hour. These jobs tend to require higher levels of education and experience, including many that require postsecondary training (see Table 10).

Table 10. Southeast Minnesota Occupational Employment Statistics, 2018

	Southeast Minnesota				State of Minnesota		
Occupational Group	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	**$18.91**	**238,090**	***100.0%***	***1.0***	**$20.07**	**2,838,270**	***100.0%***
Office & Administrative Support	$17.20	31,810	*13.4%*	*0.9*	$18.45	409,820	*14.4%*
Healthcare Practitioners & Technical	$36.24	26,950	*11.3%*	*1.8*	$34.44	182,500	*6.4%*
Production	$17.17	26,120	*11.0%*	*1.4*	$17.89	217,610	*7.7%*
Sales & Related	$11.89	20,370	*8.6%*	*0.9*	$14.10	277,720	*9.8%*
Transportation & Material Moving	$16.31	14,660	*6.2%*	*1.0*	$17.59	178,720	*6.3%*
Education, Training & Library	$24.30	14,620	*6.1%*	*1.1*	$23.65	163,850	*5.8%*
Food Preparation & Serving Related	$10.79	20,230	*8.5%*	*1.0*	$11.12	239,950	*8.5%*
Healthcare Support	$16.00	9,610	*4.0%*	*1.3*	$15.81	85,940	*3.0%*
Management	$43.19	11,410	*4.8%*	*0.8*	$49.99	168,930	*6.0%*
Personal Care & Service	$11.69	9,130	*3.8%*	*0.8*	$12.12	139,210	*4.9%*
Business & Financial Operations	$28.18	7,820	*3.3%*	*0.6*	$31.97	161,080	*5.7%*
Installation, Maintenance & Repair	$22.10	8,240	*3.5%*	*1.0*	$23.22	95,660	*3.4%*
Computer & Mathematical	$41.76	5,510	*2.3%*	*0.7*	$40.00	94,290	*3.3%*
Building, Grounds Cleaning & Maint.	$13.71	7,580	*3.2%*	*1.1*	$14.07	84,300	*3.0%*
Construction & Extraction	$25.29	7,600	*3.2%*	*0.9*	$27.10	99,900	*3.5%*
Community & Social Service	$22.63	4,340	*1.8%*	*0.9*	$21.88	55,430	*2.0%*
Protective Service	$23.04	3,160	*1.3%*	*0.9*	$20.27	43,150	*1.5%*
Architecture & Engineering	$36.26	3,390	*1.4%*	*0.8*	$36.61	53,780	*1.9%*
Arts, Design, Entertainment & Media	$19.71	2,590	*1.1%*	*0.8*	$23.44	36,910	*1.3%*
Life, Physical & Social Science	$30.81	1,920	*0.8%*	*0.9*	$31.27	26,220	*0.9%*
Legal	$33.26	610	*0.3%*	*0.4*	$37.34	19,750	*0.7%*
Farming, Fishing & Forestry	$14.71	410	*0.2%*	*1.4*	$15.45	3,540	*0.1%*

Source: DEED Occupational Employment Statistics, Qtr. 1 2018

JOB VACANCY SURVEY

Employers in Southeast Minnesota reported 10,820 job vacancies in the fourth quarter of 2017, which was an increase of 2,473 additional openings compared to the past year, and the second highest number ever reported in the region. The median hourly wage offer was $14.01 across all occupations, but ranged from a low of $10.93 for food prep and serving related workers to almost $33 per hour for management occupations and over $25 per hour for architecture and engineering and business and financial operations vacancies. Reflecting changing demand for occupations and for the workers to fill the openings, the median wage offer increased $1.31 compared to the prior year, a 10.3 percent increase.

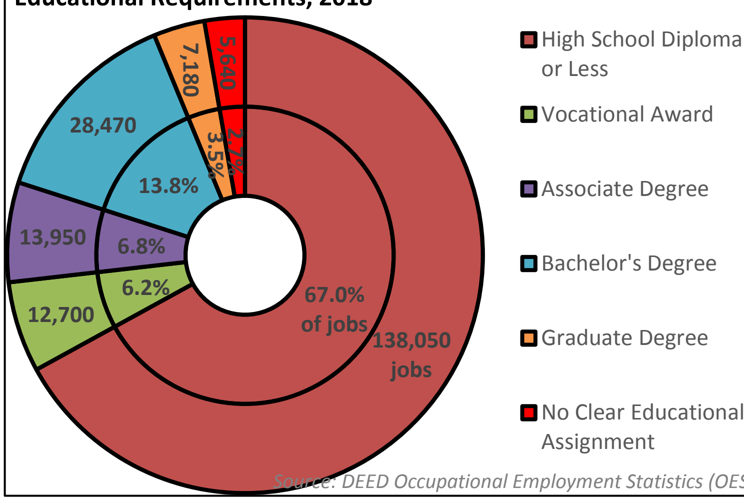
The largest number of vacancies were in sales and related occupations, followed by food preparation and serving, personal care and service, and healthcare practitioners and technical, all of which have over 1,000 vacancies. Almost one-half (47.9 percent) of the regional vacancies were in these four occupational groups. Overall, 40 percent of the openings were part-time, 28 percent required postsecondary education, and 43 percent required a year or more of experience (see Table 11). Over the past five years educational requirements in the region had been declining, while work experience requirements remained relatively stable, and if the labor force declines as projected, these requirements may decline for some occupations.

Table 11. Southeast Minnesota Job Vacancy Survey Results, Qtr. 4 2017	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
Total, All Occupations	**10,820**	**40.0%**	**13.0%**	**28.0%**	**43.0%**	**41.0%**	**$14.01**
Sales & Related	1,552	28.0%	2.0%	14.0%	55.0%	14.0%	$14.33
Food Preparation & Serving Related	1,404	75.0%	2.0%	1.0%	20.0%	13.0%	$10.93
Personal Care & Service	1,118	67.0%	4.0%	10.0%	9.0%	65.0%	$11.49
Healthcare Practitioners & Technical	1,113	33.0%	2.0%	98.0%	46.0%	96.0%	$20.32
Transportation & Material Moving	912	64.0%	8.0%	0.0%	43.0%	79.0%	$14.93
Building, Grounds Cleaning & Maint.	805	20.0%	71.0%	1.0%	42.0%	29.0%	$13.98
Construction & Extraction	774	0.0%	42.0%	48.0%	99.0%	15.0%	$17.72
Production	727	2.0%	2.0%	8.0%	29.0%	13.0%	$12.62
Installation, Maintenance & Repair	501	61.0%	0.0%	17.0%	18.0%	26.0%	$13.97
Healthcare Support	394	57.0%	2.0%	39.0%	18.0%	72.0%	$12.98
Office & Administrative Support	364	33.0%	9.0%	23.0%	49.0%	12.0%	$14.59
Education, Training & Library	314	57.0%	64.0%	93.0%	93.0%	85.0%	$16.74
Management	149	1.0%	1.0%	72.0%	95.0%	24.0%	$32.99
Computer & Mathematical	116	3.0%	2.0%	89.0%	94.0%	59.0%	$21.09
Business & Financial Operations	103	4.0%	4.0%	90.0%	83.0%	27.0%	$26.39
Community & Social Service	77	14.0%	9.0%	95.0%	71.0%	67.0%	$18.87
Architecture & Engineering	76	1.0%	3.0%	78.0%	70.0%	36.0%	$26.93
Arts, Design, Entertainment & Media	68	45.0%	21.0%	29.0%	58.0%	20.0%	$16.49
Life, Physical & Social Sciences	65	3.0%	52.0%	96.0%	88.0%	61.0%	$23.41
Protective Service	34	64.0%	8.0%	33.0%	21.0%	66.0%	$14.89
Legal	26	0.0%	0.0%	90.0%	91.0%	4.0%	$15.20
Internships	15	0.0%	46.0%	100.0%	13.0%	26.0%	$18.05
							Source: DEED Job Vacancy Survey, Qtr. 4 2017

EDUCATIONAL REQUIREMENTS

Similar to Job Vacancy Survey results, data from DEED's Occupational Employment Statistics program shows that only about one-third of jobs in the region require postsecondary education for entry. The other two-thirds can be started with a high school diploma or less and some on-the-job training (see Figure 12).

Figure 12. Southeast Minnesota Share of Jobs by Educational Requirements, 2018



Source: DEED Occupational Employment Statistics (OES)

Certain careers – such as dentists, teachers, electricians, and software developers – require post-secondary education, while other jobs – including team assemblers, retail and production supervisors, bank tellers, maintenance workers, 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.

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are over 275 occupations showing moderate to high demand in the region, with training and education requirements ranging from short-term to long-term on-the-job training and less-than high school to postsecondary education including advanced degrees. These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, jobs in production, such as team assemblers and machinists, transportation and maintenance jobs such as truck drivers and HVAC mechanics, sales jobs such as retail workers and supervisors, health care occupations such as registered nurses and nursing assistants, and education occupations such as elementary and secondary school teachers are among the top occupations in demand based on the consistent need for workers in these fields (see Table 12).

Table 12. Southeast Minnesota Occupations in Demand by Education Level, 2017

Less than High School	High School or Equivalent	Some College, Vocational Training, or Assoc. Degree	Bachelor's Degree or Higher
Combined Food Prep. & Serving Workers ($20,417)	Heavy & Tractor-Trailer Truck Drivers ($44,971)	Registered Nurses ($62,458)	Elementary School Teachers ($52,696)
Personal Care Aides (23,949)	First-Line Supervisors of Retail Sales Workers ($35,581)	Nursing Assistants ($28,518)	Secondary School Teachers ($59,159)
Retail Salespersons ($21,785)	Teacher Assistants ($25,274)	Licensed Practical & Licensed Vocational Nurses ($44,467)	Medical Scientists, except Epidemiologists ($63,624)
Janitors & Cleaners ($27,407)	Supervisors of Food Prep & Serving Workers ($30,677)	Electricians ($62,309)	Medical & Clinical Lab. Technologists ($68,671)
Laborers & Freight, Stock, & Material Movers ($30,410)	Medical Secretaries ($42,029)	Heating, Air Conditioning, & Refrig. Mechanics ($50,710)	Nurse Practitioners ($109,501)
Cashiers ($20,961)	Medical Assistants (39,999)	Medical Records & Health Info. Technicians ($48,611)	Software Developers, Applications ($88,624)
Stock Clerks & Order Fillers ($25,093)	Secretaries & Administrative Assistants ($36,101)	Surgical Technologists ($52,804))	Computer Systems Analysts ($76,921)
Home Health Aides ($24,311)	Social & Human Service Assistants ($31,255)	Emergency Medical Techs. & Paramedics ($38,165)	Financial Managers ($102,071)
Restaurant Cooks ($24,192)	Childcare Workers ($20,489)	Radiologic Technologists ($68,704)	Physician Assistants ($119,235)
Maids & Housekeeping Cleaners ($24,389)	Team Assemblers ($32,258)	Machinists ($44,380)	Computer Programmers ($98,723)

Source: DEED Occupations in Demand

OCCUPATIONS BY GENDER

Although the gap is narrowing, there are still slightly more males than females in the labor force in Southeast Minnesota. In 2016, males held 51.6 percent of jobs, while 48.4 percent of workers were females. While the overall distribution is relatively equal, there are significant differences in what men and women do for work.

Not surprisingly, men are much more likely to work in natural resources, construction, and maintenance occupations and production, transportation, and material moving occupations; while women are much more likely to be employed in service, sales and office occupations (see Table 13). A nontraditional occupation is defined as any occupation in which women or men comprise less than 25 percent of the workforce.

Table 13. Southeast Minnesota Occupational Groups by Gender, 2016	Male		Female		Total
	Number	*Percent*	Number	*Percent*	Number
Management, business, science, & arts	44,896	*44.9%*	55,103	*55.1%*	**99,999**
Service occupations	16,643	*38.0%*	27,123	*62.0%*	**43,766**
Sales & office occupations	19,855	*36.2%*	35,039	*63.8%*	**54,894**
Natural resources, construction & maintenance	23,036	*95.0%*	1,213	*5.0%*	**24,249**
Production, transportation, & material moving	30,977	*78.3%*	8,589	*21.7%*	**39,566**
Total, All Occupations	**135,407**	***51.6%***	**127,067**	***48.4%***	**262,474**

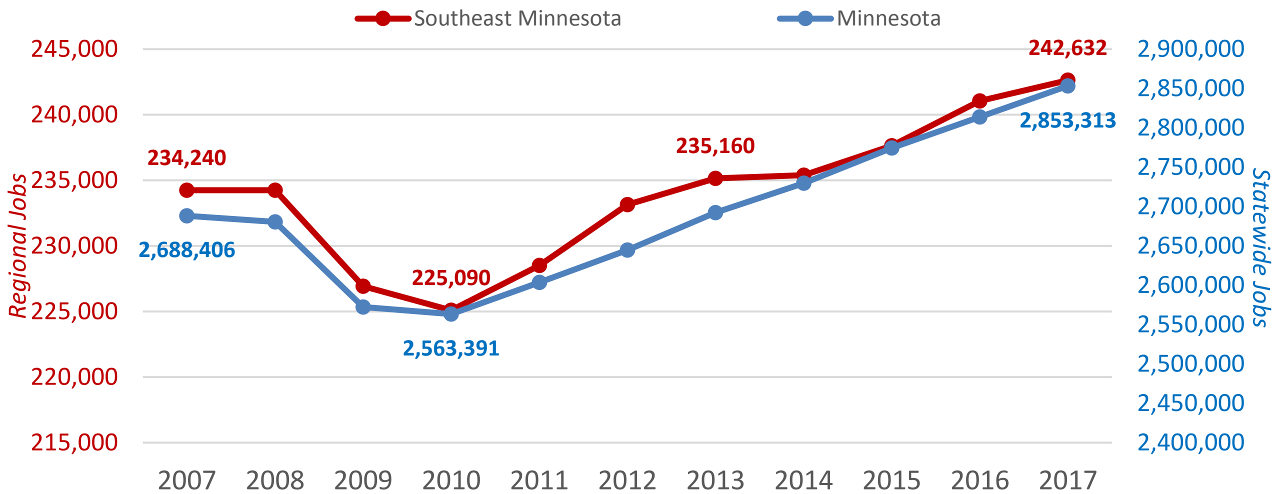
Source: 2012-2016 American Community Survey, 5-Year Estimates

ECONOMY

INDUSTRY EMPLOYMENT

Southeast Minnesota saw employment declines during the recession from 2008 to 2010, but has seen a steady increase since, ending 2017 with about 8,400 more jobs than it had in 2007. The employment trend of the region mirrored that of the state by suffering severe drops in 2009 and 2010. Since then, Southeast Minnesota has recovered more slowly than the state, with jobs expanding 4.1 percent from 2012 to 2017, compared to an 11.3 percent annual increase in the state. After hitting a low of 225,090 jobs in 2010, the region fully recovered all the jobs lost during the recession by 2013 and peaked in 2017 at 242,632 jobs (see Figure 13).

Figure 13. Industry Employment Statistics, 2007-2017



Source: DEED QCEW program

According to DEED's [Quarterly Census of Employment & Wages (QCEW) program](), Southeast Minnesota was home to 12,105 business establishments providing an average of 242,632 covered jobs through 2017, with a total payroll of just over $12 billion. That was about 8.5 percent of total employment in the state of Minnesota. Average annual wages were $49,779 in the region, which was just under $6,400 lower than the state's average annual wage (see Table 14).

Table 14. Industry Employment Statistics, 2017

	2017 Annual Data				*2010-2017*		*2016-2017*	
	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Southeast Minnesota	12,105	242,632	$12,077,939,464	$49,779	*+9,485*	*+4.1%*	*+1,582*	*+0.7%*
State of Minnesota	167,485	2,853,730	$160,254,656,806	$56,160	*+290,339*	*+11.3%*	*+39,728*	*+1.4%*

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

With 98,111 jobs at 3,423 business establishments, Olmsted County accounted for just over 40 percent of total jobs in the Southeast region and also was home to the bulk of the region's job growth during the recovery from 2012 to 2017, adding 7,091 net new jobs, followed by Rice County, which had 24,837 jobs at 1,545 establishments after gaining 1,981 jobs from 2012 to 2017. Dodge County also experienced a large rise in jobs, while Fillmore, Goodhue, Houston, and Mower County all saw small gains over the past 5 years. In contrast, Freeborn, Steele, Wabasha, and Winona County all suffered job declines from 2012 to 2017.

With almost 64,000 jobs at 1,141 firms, health care and social assistance is the largest employing industry, accounting for 26.4 percent of total regional jobs. Likely due to the presence of Mayo Health Systems, the percentage of health care and social assistance jobs relative to total jobs in the Southeast region is the highest of all the other regions in which this is the top industry, and is also 9.3 percent higher than the state's concentration of employment in health care and social assistance. At $66,826 in 2017, average annual wages were $17,000 higher in health care and social assistance than the total of all industries.

The next largest industry in Southeast Minnesota was manufacturing, with 38,177 jobs at 677 firms, after gaining 1,440 net new jobs in the past five years, followed by retail trade which accounts for 11.2 percent of all jobs at 1,700 business establishments. With numerous postsecondary educational institutions to compliment the local school districts, educational services is the fourth largest industry at 8.1 percent of the total regional jobs, followed by accommodation and food services at 7.9 percent. Combined these top 5 industries account for 69.3 percent of the jobs in the region, Other important regional industries include public administration, construction, transportation and warehousing, and administrative support and waste management services.

Fourteen of the 20 main industries in the region added jobs since 2012, with large gains occurring in health care and social assistance, manufacturing, construction, and educational services. In contrast, the region saw significant job declines in administrative support & waste management services – which includes temporary staffing agencies – and smaller job losses in professional and technical services and finance and insurance. In the last year, just 12 of 20 industry sectors saw job gains (see Table 15).

Table 15. Southeast Minnesota Industry Employment Statistics, 2017

	2017 Annual Data				Avg.	*2012-2017*		*2016-2017*	
NAICS Industry Title	Number of Firms	Number of Jobs	*Percent of Jobs*	Total Payroll ($1,000s)	Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Total, All Industries	**12,105**	**242,632**	***100.0%***	**$12,077,939**	**$49,779**	***+9,485***	***+4.1%***	***+1,752***	***+0.7%***
Health Care & Social Assistance	1,141	63,964	*26.4%*	$4,274,439	$66,826	*+3,557*	*+5.9%*	*+1,337*	*+2.1%*
Manufacturing	677	38,177	*15.7%*	$2,195,559	$57,510	*+1,440*	*+3.9%*	*+271*	*+0.7%*
Retail Trade	1,700	27,089	*11.2%*	$704,968	$26,024	*+351*	*+1.3%*	*-200*	*-0.7%*
Educational Services	253	19,763	*8.1%*	$871,693	$44,107	*+1,373*	*+7.5%*	*+205*	*+1.0%*
Accommodation & Food Services	1,077	19,093	*7.9%*	$320,074	$16,764	*+953*	*+5.3%*	*+200*	*+1.1%*
Public Administration	369	10,803	*4.5%*	$557,449	$51,601	*+698*	*+6.9%*	*+232*	*+2.2%*
Construction	1,409	9,320	*3.8%*	$517,529	$55,529	*+1,380*	*+17.4%*	*+299*	*+3.3%*
Admin. Support & Waste Mgmt. Svcs.	486	7,854	*3.2%*	$273,356	$34,805	*-1,281*	*-14.0%*	*-502*	*-6.0%*
Transportation & Warehousing	567	7,501	*3.1%*	$320,268	$42,697	*+533*	*+7.6%*	*+43*	*+0.6%*
Wholesale Trade	501	6,619	*2.7%*	$421,059	$63,614	*-32*	*-0.5%*	*-93*	*-1.4%*
Other Services	1,234	6,515	*2.7%*	$169,247	$25,978	*+224*	*+3.6%*	*-136*	*-2.0%*
Finance & Insurance	662	5,777	*2.4%*	$404,690	$70,052	*-167*	*-2.8%*	*-31*	*-0.5%*
Arts, Entertainment, & Recreation	235	3,973	*1.6%*	$97,118	$24,444	*+203*	*+5.4%*	*+301*	*+8.2%*
Professional & Technical Services	736	3,569	*1.5%*	$187,597	$52,563	*-185*	*-4.9%*	*+20*	*+0.6%*
Information	188	3,560	*1.5%*	$184,747	$51,895	*+166*	*+4.9%*	*-86*	*-2.4%*
Agriculture, Forestry, Fish & Hunt	387	3,149	*1.3%*	$103,962	$33,014	*+273*	*+9.5%*	-48	-1.5%
Management of Companies	51	2,898	*1.2%*	$262,717	$90,654	*+124*	*+4.5%*	*-26*	*-0.9%*
Real Estate & Rental & Leasing	369	1,472	*0.6%*	$45,466	$30,888	*-91*	*-5.8%*	*+10*	*+0.7%*
Utilities	47	1,387	*0.6%*	$158,171	$114,038	*-84*	*-5.7%*	*-45*	*-3.1%*
Mining	17	145	*0.1%*	$7,832	$54,015	*+29*	*+25.0%*	*+1*	*+0.7%*

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

Upon request, this information can be made available in alternate formats by contacting Mark Schultz at 507-205-6068 or at mark.schultz@state.mn.us.