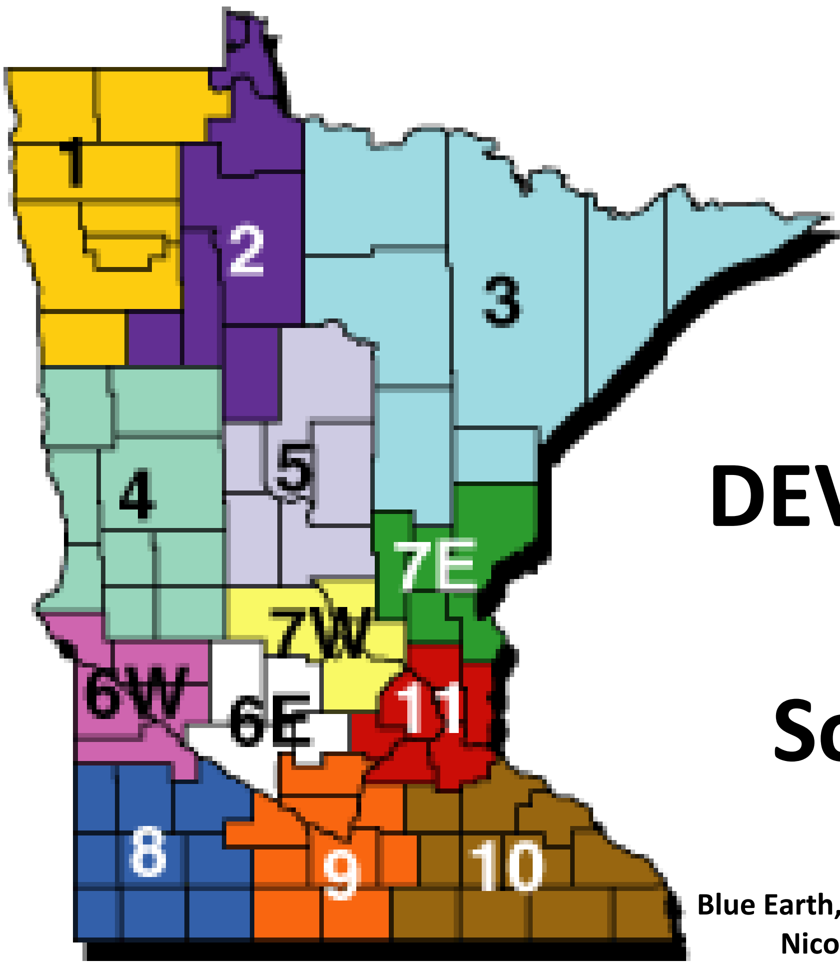

ECONOMIC DEVELOPMENT REGION 9: South Central

Covers counties:

Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan

2016 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2015

Economic Development Region 9, also known as South Central Minnesota, includes a total of 9 counties, located in the Southwest Minnesota planning region. Region 9 was home to 230,998 people in 2015, comprising 4.2 percent of the state's total population. The region saw a 3.7 percent rise in population over the past 15 years, gaining about 8,200 new residents. That made it the eighth fastest growing region of 13 economic development regions (EDRs) in the state. In comparison, the state of Minnesota saw an 11.6 percent gain (see Table 1).

Table 1. Population Change 2000-2015

	2000 Population	2015 Estimates	2000-2015 Change Number	2000-2015 Change Percent
Region 9	**222,790**	**230,998**	***+8,208***	***+3.7%***
Blue Earth Co.	55,941	65,787	*+9,846*	*+17.6%*
Brown Co.	26,911	25,313	*-1,598*	*-5.9%*
Faribault Co.	16,181	14,050	*-2,131*	*-13.2%*
Le Sueur Co.	25,426	27,663	*+2,237*	*+8.8%*
Martin Co.	21,802	20,022	*-1,780*	*-8.2%*
Nicollet Co.	29,771	33,347	*+3,576*	*+12.0%*
Sibley Co.	15,356	14,875	*-481*	*-3.1%*
Waseca Co.	19,526	18,989	*-537*	*-2.8%*
Watonwan Co.	11,876	10,952	*-924*	*-7.8%*
Minnesota	**4,919,479**	**5,489,594**	***+570,115***	***+11.6%***

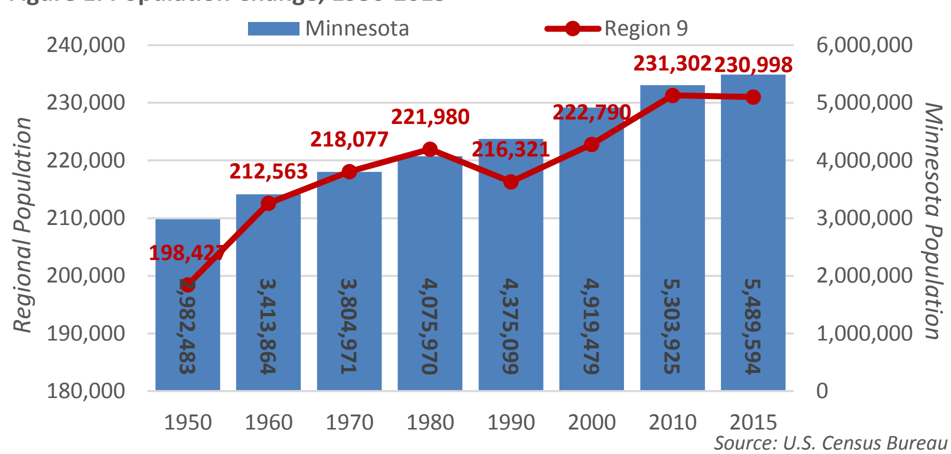
Source: U.S. Census Bureau, Population Estimates

Only 3 of the 9 counties in the region gained population from 2000 to 2015, with the other 6 seeing notable declines. The largest counties in the region are Blue Earth and Nicollet County, which make up the Mankato/North Mankato Metropolitan Statistical Area. With 65,787 people, Blue Earth is the 13th largest county in the state, and was the 10th fastest growing; while Nicollet has just over 33,300 people. Mankato is the 21st largest city in the state, but the fourth largest outside the Twin Cities. Other large counties in the region include Le Sueur (27,663 people), Brown (25,313), and Martin (20,022). Faribault County saw the biggest population decline in the region, and was the seventh fastest declining county statewide.

The recent growth is part of a longer-term trend in the region, where the population has increased by more than 32,500 people since 1950. As shown in Figure 1, the region suffered some population loss during the farm crisis in the 1980s, but has added population since then, rising by almost 15,000 people since 1990.

Again, just 4 of the 9 counties in the region gained population from 1950 to 2015, led by Blue Earth and Nicollet, which both grew over 60 percent; as well as Le Sueur County, which expanded 45 percent. Waseca County had also gained people from 1950, but has seen population declines since 2000.

Figure 1. Population Change, 1950-2015



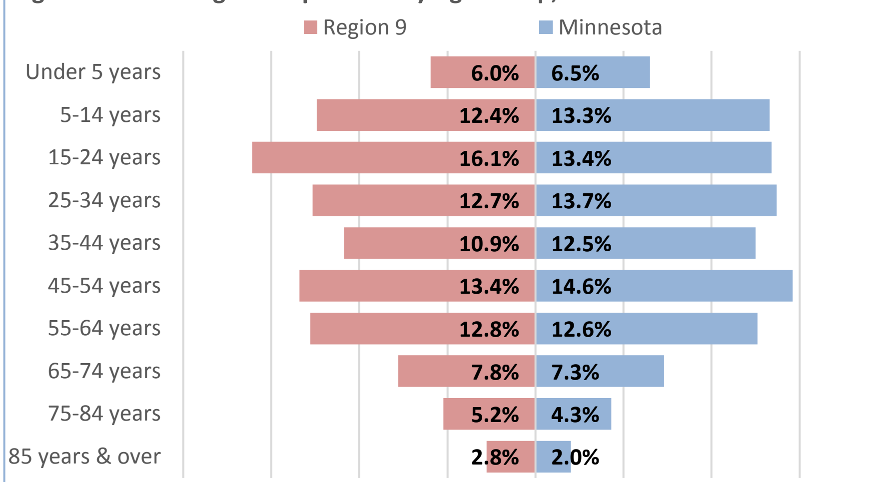
Source: U.S. Census Bureau

The largest and fastest decline in the region occurred in Faribault County, which lost almost 10,000 people since 1950. Martin County had over 5,600 fewer people and Watonwan lost about 3,000 residents from 1950 to 2015, while Brown and Sibley both lost fewer than 1,000 people from 1950 to 2015. In sum, Region 9 saw its population grow by 16.4 percent since 1950, the ninth fastest growth rate of the 13 regions in the state.

POPULATION BY AGE GROUP, 2000-2014

Region 9 has both a younger and an older population than the rest of the state, with 34.5 percent of the population under 25 years of age – compared to 33.2 percent statewide – and with 15.8 percent of the population aged 65 years and over, compared to 13.6 percent statewide. Consequently, Region 9 had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years," as well as a smaller percentage of school-aged children. However, having several postsecondary institutions in the region led to a much higher percentage of people aged 15 to 24 (see Figure 2).

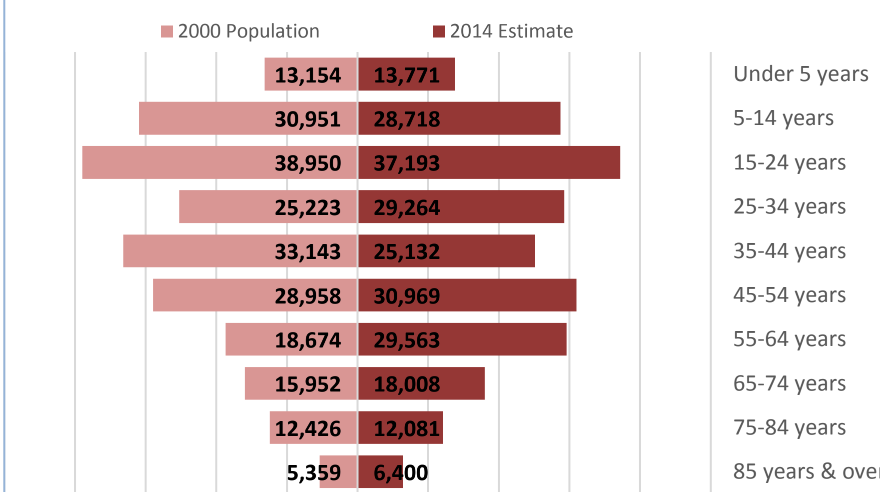
Figure 2. Percentage of Population by Age Group, 2014



Source: 2010-2014 American Community Survey

A large portion of the region's population was 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 residents is declining, the number of residents aged 55 years and over was rapidly increasing (see Figure 3).

Figure 3. Region 9 Population Pyramid, 2000-2014

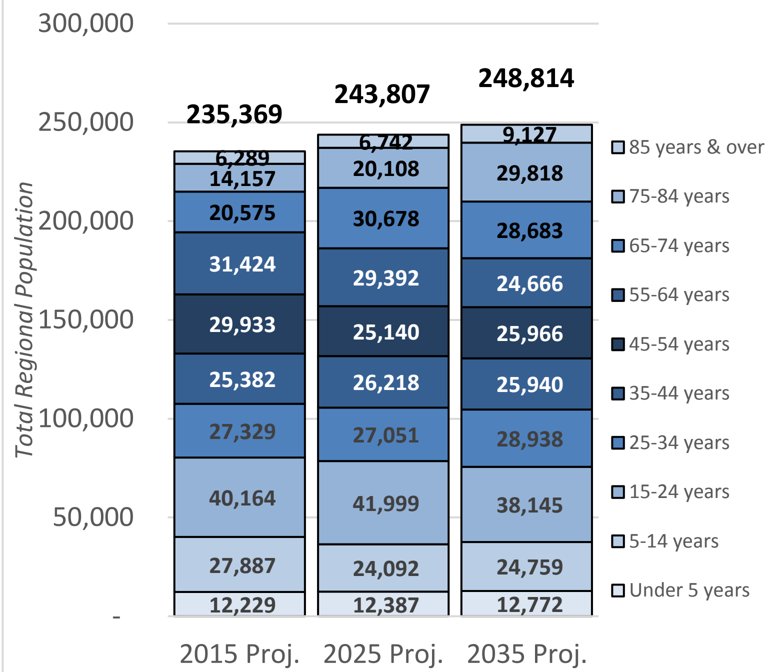


Source: U.S. Census Bureau

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Region 9 is projected to enjoy a slow but steady population increase in the next 20 years as well. According to population projections from the State Demographic Center, South Central is expected to gain about 13,500 net new residents from 2015 to 2035, a 5.7 percent increase (see Figure 4). In comparison, the state of Minnesota is projected to grow 10.8 percent.

Figure 4. Region 9 Population Projections by Age Group, 2015-2035



Source: Minnesota State Demographic Center

However, much of this population growth is expected to be in older age groups. Region 9 is projected to add nearly 26,600 people aged 65 years and over, a 64.9 percent increase. The region is also expected to gain people in the 25- to 44-year-old age group, as well as a corresponding increase in children under 5 years of age. In contrast, South Central is expected to lose school-aged children and young adults from 5 to 24 years, as well as people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

POPULATION BY RACE, 2014

Region 9's population is less diverse than the state's, but is becoming more diverse over time. In 2014, nearly 95 percent of the region's residents reported White alone as their race, compared to 85.2 percent of residents statewide. The region had much smaller percentages of Black or African American residents, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people of some other race or two or more races. However, at 5.1 percent, South Central had a higher percentage of people reporting Hispanic or Latino origin than the state, and saw huge increases in all race categories except some other race over the past decade (see Table 2).

Table 2. Race and Hispanic Origin, 2014	Region 9			Minnesota	
	Number	Percent	*Change from 2000-2014*	Percent	*Change from 2000-2014*
Total	**231,099**	**100.0%**	***+3.7%***	**100.0%**	***+9.4%***
White	219,174	94.8%	*+2.8%*	85.2%	*+4.2%*
Black or African American	3,763	1.6%	*+140.0%*	5.4%	*+69.2%*
American Indian & Alaska Native	725	0.3%	*+28.5%*	1.0%	*+2.8%*
Asian & Other Pac. Islander	2,431	1.1%	*+21.8%*	4.3%	*+61.8%*
Some Other Race	1,893	0.8%	*-47.4%*	1.5%	*+19.8%*
Two or More Races	3,113	1.3%	*+73.8%*	2.6%	*+68.0%*
Hispanic or Latino	11,822	5.1%	*+62.9%*	4.9%	*+84.3%*

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

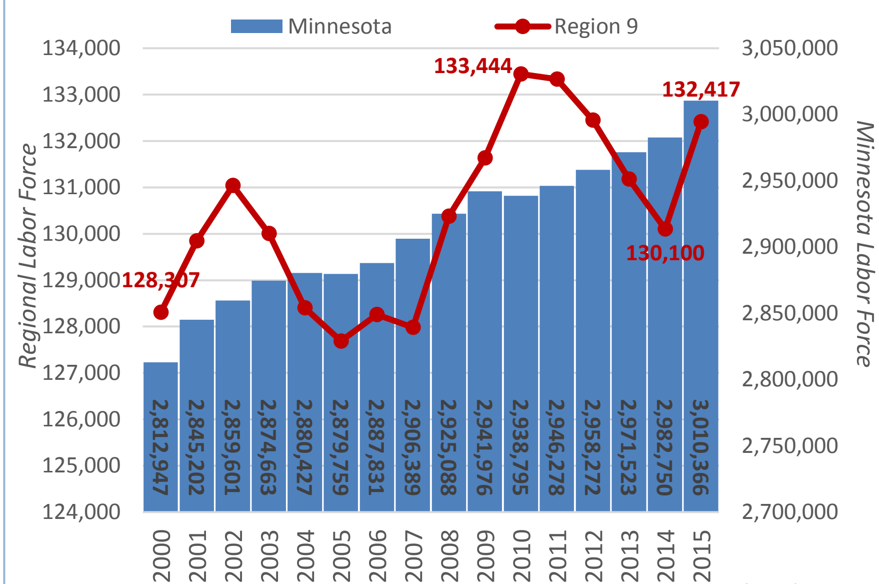
Watonwan County had the most diverse populace in the region, including 21.8 percent of residents reporting Hispanic origin, which was the second highest rate in the state. Blue Earth and Nicollet County also had relatively diverse populations for the region, though they were less diverse than the state. In contrast, over 97 percent of residents in Brown and Faribault County were white alone.

LABOR FORCE

LABOR FORCE CHANGE, 2000-2015

According to data from DEED's [Local Area Unemployment Statistics](#) program, Region 9 has experienced some substantial fluctuations in the size of the available labor force over the last 15 years in response to changing economic conditions. During the recessions in both 2001 and 2007, workers flooded into the labor market to earn extra income; then dropped back out when the region's economy improved (see Figure 5).

Figure 5. Annual Labor Force Estimates



Source: DEED Local Area Unemployment Statistics (LAUS) program

In line with the region's population gain overall, South Central also added about 4,000 workers over the last 15 years, from 128,307 available workers in 2000 to 132,417 workers in 2015. However, the labor force peaked in 2010 at 133,444 workers, and the region had dropped back to 130,100 workers in 2014 before spiking in the last year. Previous labor force jumps had been related to recessions, but the increase in 2015 came during a time of economic strength. As the economy has recovered, the labor market in the region has been getting tighter. There were less than 5,000 unemployed workers in the region in 2015, down from almost 10,000 in 2009 during the recession.

LABOR FORCE PROJECTIONS, 2015-2025

If Region 9's population changes at the projected rates shown in Figure 4 above, the region would be expected to see a small decline in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a small drop in workforce numbers.

Table 3. Region 9 Labor Force Projections

	2015 Labor Force Projection	2025 Labor Force Projection	*2015-2025 Projected Change*	
			Numeric	*Percent*
16 to 19 years	9,018	8,880	*-138*	*-1.5%*
20 to 24 years	16,143	17,850	*+1,706*	*+10.6%*
25 to 44 years	47,375	47,876	*+502*	*+1.1%*
45 to 54 years	26,562	22,309	*-4,253*	*-16.0%*
55 to 64 years	24,417	22,838	*-1,579*	*-6.5%*
65 to 74 years	5,750	8,573	*+2,823*	*+49.1%*
75 years & over	1,202	1,579	*+377*	*+31.3%*
Total Labor Force	**130,468**	**129,905**	***-563***	***-0.4%***

Source: calculated from [Minnesota State Demographic Center population projections](#), and [2010-2014 American Community Survey 5-Year Estimates](#)

In addition to the overall decline, the labor force will 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. However, the region is still expected to see gains in the number of entry-level workers and 25 to 44 year olds (see Table 3). 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.

EMPLOYMENT CHARACTERISTICS, 2014

With 69.8 percent of the population aged 16 years and over in the labor force, Region 9 had almost the same labor force participation rate as the state. However, the region actually had higher labor force participation rates than the state in all but one age group, but had a higher percentage of workers in the youngest and oldest age groups (see Table 4).

In contrast, Region 9 had lower participation rates than the state for most race categories; especially Blacks and people of two or more races. Like the state, the region suffered large unemployment rate disparities for minority groups. Region 9 had over 6,800 veterans and 6,000 workers with disabilities in the labor force, with both also having higher unemployment rates than the general population. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

Table 4. Region 9 Employment Characteristics, 2014

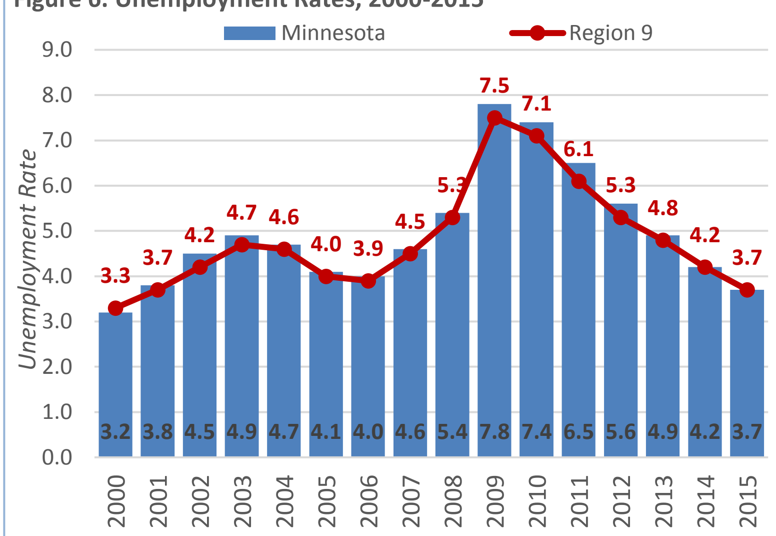
	Region 9			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	**129,516**	**69.8%**	**5.1%**	**70.1%**	**6.5%**
16 to 19 years	7,930	56.6%	14.8%	51.1%	18.7%
20 to 24 years	16,119	79.7%	7.0%	81.8%	10.2%
25 to 44 years	48,889	89.9%	4.9%	88.1%	5.8%
45 to 54 years	27,481	88.7%	3.3%	87.3%	5.0%
55 to 64 years	22,971	77.7%	3.6%	71.8%	4.9%
65 to 74 years	5,032	27.9%	3.5%	26.6%	4.1%
75 years & over	1,087	5.9%	6.4%	5.9%	3.5%
Employment Characteristics by Race & Hispanic Origin					
White alone	124,266	69.9%	4.9%	70.2%	5.6%
Black or African American	1,600	60.8%	21.0%	68.0%	16.4%
American Indian & Alaska Native	326	59.4%	8.9%	59.4%	17.4%
Asian or Other Pac. Islanders	1,417	71.8%	3.4%	70.6%	7.2%
Some Other Race	895	76.4%	12.5%	76.2%	11.0%
Two or More Races	993	60.5%	7.4%	69.5%	13.2%
Hispanic or Latino	5,200	71.8%	12.0%	75.0%	10.1%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	6,833	83.9%	7.3%	82.9%	6.9%
Employment Characteristics by Disability					
With Any Disability	6,080	58.6%	10.3%	51.0%	14.0%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	99,332	86.4%	4.1%	84.0%	5.4%
Less than H.S. Diploma	4,767	70.3%	11.6%	65.8%	13.1%
H.S. Diploma or Equivalent	30,079	83.6%	5.1%	79.1%	7.3%
Some College or Assoc. Degree	37,700	88.1%	3.7%	85.3%	5.6%
Bachelor's Degree or Higher	26,785	91.1%	2.3%	89.2%	3.1%

Source: [*2010-2014 American Community Survey, 5-Year Estimates*]

UNEMPLOYMENT RATE, 2000-2015

Region 9's unemployment rate has closely tracked the state's rate over time, regardless of the state of the economy. According to Local Area Unemployment Statistics, the region's unemployment rate hovered just 0.1 percent below the state rate from 2005 to 2008, before rising over 7.0 percent in 2009 and 2010, then dropping back to prerecession levels in 2014 and 2015 (see Figure 6). South Central typically has several counties each month among the lowest unemployment rates in the state, led by Nicollet and Blue Earth, which were below 3.5 percent.

Figure 6. Unemployment Rates, 2000-2015



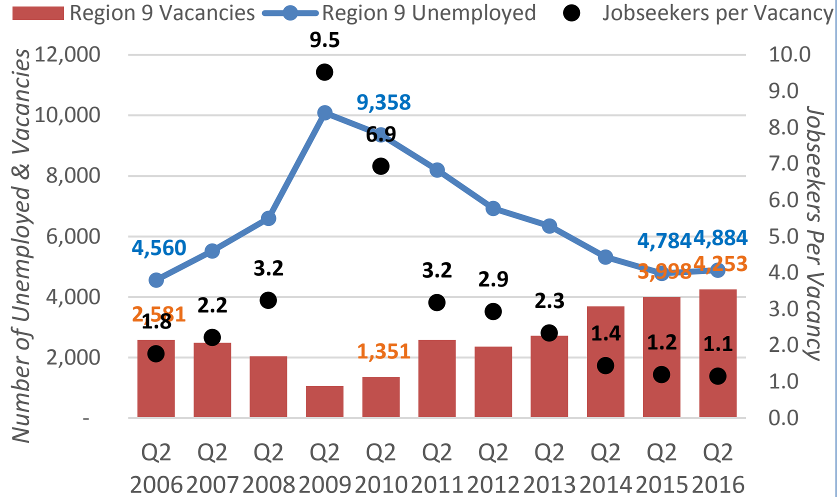
Source: DEED Local Area Unemployment Statistics (LAUS) program

JOBSEEKERS PER VACANCY, 2016

As the number of available 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 now stands at 1.1-to-1 in Region 9.

According to recent job vacancy survey results, there were 4,253 openings reported by employers compared to 4,884 unemployed jobseekers in the region. The ratio climbed as high as 9.5 during the recession in 2009 (see Figure 7).

Figure 7. Jobseekers Per Vacancy, 2006-2016



Source: DEED Job Vacancy Survey, LAUS program

EDUCATIONAL ATTAINMENT BY AGE GROUP, 2014

Even with 31.2 percent of adults aged 18 years and over having a college degree, Region 9 has lower educational attainment than the state, where 40.5 percent of adults have an associate, bachelor's, or advanced degree. In contrast, Region 9 has a higher percentage of people with some college but no degree, and a high school diploma or less (see Table 5).

However, for the younger age groups, a different picture emerges. Over half (56.5%) of people aged 18 to 24 years have attended some college, but hadn't earned a degree yet, and over 13 percent already had a college degree. Region 9 also had a higher percentage of people in the 25 to 44 and 45 to 64 year old age groups who had attended some college than the state, but lower percentages of degree earners in both age categories.

Not only does Region 9 have a higher percentage of the population in the oldest age groups, those residents have much lower educational attainment than the rest of the state, and those in younger age groups (see Table 5).

Table 5. Educational Attainment by Age Group, 2014	Region 9		Minnesota
	Number	Percent	Percent
18 to 24 years	**28,660**	**15.9%**	**12.3%**
Less than high school	2,322	8.1%	12.8%
High school grad. (incl. equiv.)	6,345	22.1%	26.0%
Some college, no degree	16,207	56.5%	43.4%
Associate's degree	1,642	5.7%	6.1%
Bachelor's degree	2,087	7.3%	11.3%
Advanced degree	57	0.2%	0.5%
25 to 44 years	**54,396**	**30.2%**	**34.3%**
Less than high school	3,451	6.3%	6.7%
High school grad. (incl. equiv.)	14,070	25.9%	19.5%
Some college, no degree	13,374	24.6%	22.0%
Associate's degree	8,397	15.4%	12.9%
Bachelor's degree	11,469	21.1%	27.5%
Advanced degree	3,635	6.7%	11.4%
45 to 64 years	**60,532**	**33.6%**	**35.6%**
Less than high school	3,331	5.5%	5.6%
High school grad. (incl. equiv.)	21,910	36.2%	27.3%
Some college, no degree	14,411	23.8%	23.7%
Associate's degree	6,593	10.9%	11.1%
Bachelor's degree	10,003	16.5%	21.1%
Advanced degree	4,284	7.1%	11.2%
65 years & over	**36,489**	**20.3%**	**17.8%**
Less than high school	6,362	17.4%	13.8%
High school grad. (incl. equiv.)	15,576	42.7%	38.1%
Some college, no degree	6,554	18.0%	19.5%
Associate's degree	1,310	3.6%	4.7%
Bachelor's degree	4,232	11.6%	14.6%
Advanced degree	2,455	6.7%	9.3%

Source: 2010-2014 American Community Survey, 5-Year Estimates

COMMUTE SHED AND LABOR SHED, 2014

According to commuting data from the U.S. Census Bureau, the vast majority – about 71 percent – of workers who live in the region also work within the region. However, Region 9 is a net exporter of labor, having slightly more workers than available jobs; not only drawing in workers from surrounding counties but also having residents drive outside the region to find work. In sum, 78,597 workers both lived and worked in Region 9 in 2014, while another 25,660 workers drove into the region for work, compared to 31,737 workers who lived in the region but drove to surrounding counties for work (see Table 6 and Figure 8).

Table 6. Region 9 Inflow/Outflow Job Counts (All Jobs), 2014	2014	
	Count	Share
Employed in the Selection Area	104,257	100.0%
Employed in the Selection Area but Living Outside	25,660	24.6%
Employed and Living in the Selection Area	78,597	75.4%
Living in the Selection Area	110,334	100.0%
Living in the Selection Area but Employed Outside	31,737	28.8%
Living and Employed in the Selection Area	78,597	71.2%

Source: U.S. Census Bureau, OnTheMap

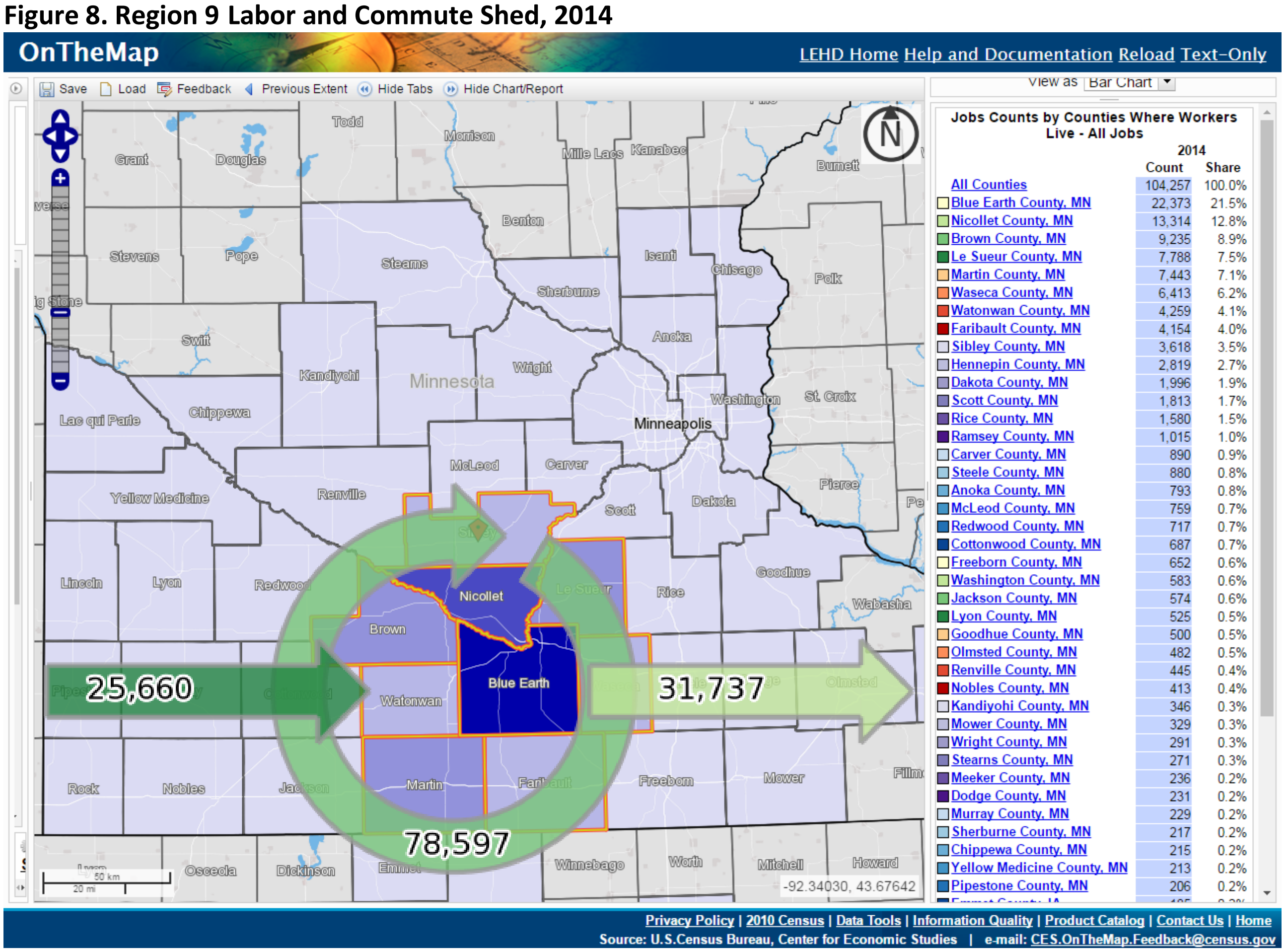
Blue Earth County is the largest employment center in the region and was the biggest draw for workers, followed by Nicollet, Brown, Martin, and Le Sueur County. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as Rice and Steele County to the east (see Table 7 and Figure 8).

Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to
Hennepin Co. MN	Hennepin Co. MN
Dakota Co. MN	Scott Co. MN
Scott Co. MN	Ramsey Co. MN
Rice Co. MN	Dakota Co. MN
Ramsey Co. MN	Steele Co. MN

Table 7. Region 9 Commuting Patterns

Source: U.S. Census Bureau, OnTheMap

Figure 8. Region 9 Labor and Commute Shed, 2014

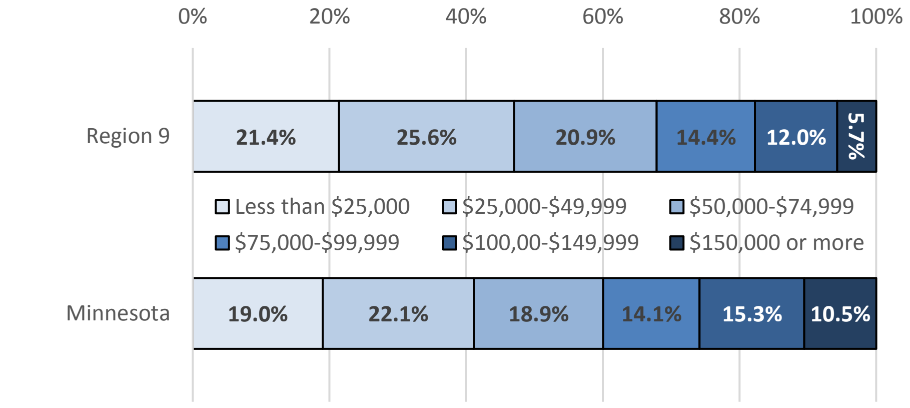


INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were slightly lower in Region 9 than the rest of the state. Median household incomes ranged from $45,601 in Faribault County, which was the 12th lowest in the state, to $60,296 in Le Sueur and $59,963 in Nicollet County, which was the 13th and 14th highest. Nearly half (47.0%) of the households in the region had incomes below $50,000 in 2014, compared to 41.1 percent statewide. About 35 percent of households earned between $50,000 and $100,000 in the region. In contrast, only 17.7 percent of households in South Central earned over $100,000 per year, compared to 25.8 percent of households statewide (see Figure 9).

Figure 9. Household Incomes, 2014

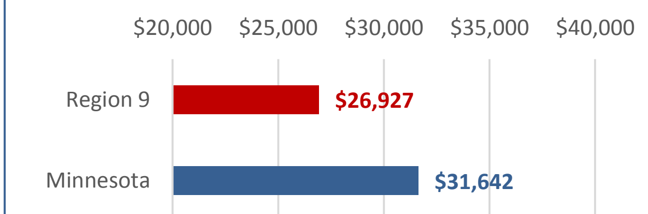


Source: 2010-2014 American Community Survey 5-Year Estimates

PER CAPITA INCOMES

Per capita incomes were also slightly lower in the region than the state, ranging from a low of $25,834 in Faribault County to a high of $28,179 in Le Sueur County, compared to $31,642 in the state (see Figure 10). Brown, Martin, and Nicollet County all had per capita incomes between $27,500 and $28,000.

Figure 10. Per Capita Income, 2014



Source: 2010-2014 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 $54,804 in 2016. The cost of living for a similar family in Region 9 was $45,528 – which was the 4th lowest of the 13 EDRs in the state. The highest monthly costs were for transportation, food, and housing; with the region's housing, child care, taxes, and transportation costs were significantly lower than the rest of the state (see Table 8).

In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn $14.59 per hour.

Table 8. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2016

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Trans-portation	Other	Taxes
Region 9	$45,528	$14.59	$220	$761	$408	$732	$737	$467	$469
Minnesota	$54,804	$17.57	$462	$771	$408	$916	$805	$528	$677

Source: DEED Cost of Living tool

For a single person living alone and working full-time, the estimated yearly cost in Region 9 would be $26,364, which would require an hourly wage of $12.68 to meet the basic needs standard of living.

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Region 9 was $16.39 in the first quarter of 2016, which was in the middle of the 13 regions in the state. South Central's median wage was nearly $2.50 below the state's median hourly wage and $4.40 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to about $9,000 less per year for a full-time worker. Median wages in Region 9 were also below surrounding regions like Region 10 ($17.77) and Region 6E ($16.78), but were almost $1.00 above Region 8 ($14.79) and $1.32 ahead of the lowest-earning region (see Table 9).

Table 9. Occupational Employment Statistics by Region, 1st Qtr. 2016	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	$16.48	38,910
EDR 2 - Headwaters	$16.19	31,570
EDR 3 - Arrowhead	$16.61	142,870
EDR 4 - West Central	$16.03	82,910
EDR 5 - North Central	$15.07	60,260
EDR 6E - Southwest Central	$16.78	48,890
EDR 6W - Upper MN Valley	$15.52	16,200
EDR 7E - East Central	$17.00	54,650
EDR 7W - Central	$16.92	182,330
EDR 8 - Southwest	$15.48	52,940
EDR 9 - South Central	**$16.39**	**107,390**
EDR 10 - Southeast	$17.77	228,960
EDR 11 - 7-County Twin Cities	$20.79	1,719,000
State of Minnesota	**$18.88**	**2,772,240**

Source: DEED Occupational Employment Statistics

Because of the region's unique industry mix, Region 9 has a relatively high concentration of jobs in production, education, transportation, and farming occupations. Not surprisingly, the lowest-paying jobs are concentrated in food preparation and serving, personal care and service, sales and related, and building, grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 9 and the state is lower in these jobs. Wages are most competitive in community and social service, production, and protective service occupations (see Table 10).

Table 10. Region 9 Occupational Employment Statistics, 1st Qtr. 2016

	Region 9				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*	*Location Quotient*	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*
Total, All Occupations	**$16.39**	**107,390**	***100.0%***	***1.0***	**$18.88**	**2,772,240**	***100.0%***
Office & Administrative Support	$15.76	15,740	*14.7%*	*1.0*	$17.65	403,870	*14.6%*
Production	$16.80	11,520	*10.7%*	*1.4*	$16.80	219,390	*7.9%*
Education, Training, & Library	$21.42	10,720	*10.0%*	*1.7*	$22.59	162,330	*5.9%*
Sales & Related	$11.05	10,590	*9.9%*	*1.0*	$13.03	274,960	*9.9%*
Transportation & Material Moving	$16.35	6,750	*6.3%*	*1.0*	$16.35	174,150	*6.3%*
Food Preparation & Serving Related	$9.32	6,420	*6.0%*	*0.7*	$9.39	232,550	*8.4%*
Healthcare Practitioners & Technical	$25.65	6,020	*5.6%*	*0.9*	$31.65	167,800	*6.1%*
Management	$37.29	5,560	*5.2%*	*0.9*	$48.47	167,820	*6.1%*
Personal Care & Service	$11.80	4,690	*4.4%*	*1.0*	$11.29	125,520	*4.5%*
Healthcare Support	$11.94	3,980	*3.7%*	*1.2*	$13.96	87,470	*3.2%*
Installation, Maintenance, & Repair	$20.16	3,740	*3.5%*	*1.0*	$21.96	94,280	*3.4%*
Business & Financial Operations	$27.33	3,630	*3.4%*	*0.6*	$31.06	162,610	*5.9%*
Building, Grounds Cleaning & Maint.	$11.65	3,320	*3.1%*	*1.0*	$12.25	82,220	*3.0%*
Construction & Extraction	$21.80	3,320	*3.1%*	*0.9*	$25.36	95,560	*3.4%*
Protective Service	$18.16	2,220	*2.1%*	*1.4*	$19.85	42,440	*1.5%*
Community & Social Service	$21.31	2,040	*1.9%*	*1.0*	$20.99	50,160	*1.8%*
Architecture & Engineering	$30.88	1,830	*1.7%*	*0.9*	$35.14	52,680	*1.9%*
Computer & Mathematical	$26.89	1,750	*1.6%*	*0.5*	$38.93	94,470	*3.4%*
Arts, Design, Entertainment & Media	$16.67	1,480	*1.4%*	*1.1*	$22.49	35,510	*1.3%*
Life, Physical, & Social Science	$23.47	710	*0.7%*	*0.8*	$29.94	24,380	*0.9%*
Legal	$32.43	310	*0.3%*	*0.4*	$38.40	18,450	*0.7%*
Farming, Fishing, & Forestry	$13.19	270	*0.3%*	*1.9*	$14.86	3,610	*0.1%*

Source: DEED Occupational Employment Statistics, Qtr. 1 2016

In contrast, the highest paying jobs are found in management, legal, architecture and engineering, computer, business and financial operations, and healthcare practitioners, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state tend to be much bigger in these occupations.

JOB VACANCY SURVEY

Employers reported 4,253 job vacancies in the second quarter of 2016, the third highest number ever recorded and over four times more than reported in the second quarter of 2009, during the height of the recession. Overall, 33 percent of the current openings were part-time, and over 40 percent required postsecondary education or one or more years of experience. The median hourly wage offer was $13.99, up nearly $2.00 over the prior year (see Table 11).

Table 11. Region 9 Job Vacancy Survey Results

Region 9	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	**4,253**	**33%**	**14%**	**40%**	**42%**	**35%**	**$13.99**
Construction & Extraction	784	1%	38%	61%	73%	62%	$17.75
Production	403	9%	3%	2%	22%	15%	$12.73
Food Preparation & Serving Related	402	63%	7%	3%	13%	6%	$9.63
Personal Care & Service	393	72%	1%	4%	3%	10%	$10.88
Healthcare Practitioners & Technical	294	45%	2%	98%	51%	96%	$22.68
Office & Administrative Support	267	40%	6%	40%	48%	5%	$12.86
Transportation & Material Moving	246	34%	26%	5%	28%	46%	$14.18
Healthcare Support	179	66%	0%	29%	22%	72%	$11.84
Building, Grounds Cleaning & Maint.	179	76%	28%	1%	18%	25%	$10.14
Education, Training & Library	176	43%	17%	81%	65%	63%	$17.52
Sales & Related	169	31%	8%	31%	20%	3%	$12.14
Business & Financial Operations	151	3%	3%	79%	86%	7%	$19.82
Management	125	0%	0%	89%	81%	13%	$26.42
Architecture & Engineering	111	0%	0%	83%	97%	49%	$32.85
Arts, Design, Entertainment & Media	73	76%	3%	31%	35%	13%	$12.05
Community & Social Service	72	21%	0%	72%	55%	62%	$14.00
Computer & Mathematical	47	2%	0%	87%	80%	0%	$20.88
Installation, Maintenance & Repair	42	10%	0%	61%	56%	40%	$17.36
Life, Physical & Social Sciences	23	0%	0%	87%	87%	79%	$22.52
Protective Service	18	79%	46%	15%	21%	93%	$9.09

Source: DEED Job Vacancy Survey, Qtr. 2 2016

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are 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, personal care aides, nursing assistants, home health aides, registered nurses, team assemblers, welders, industrial engineering technicians, and heavy and tractor trailer truck drivers are among the top occupations in demand based on the consistent need for workers in these industries. Many of the jobs are concentrated in manufacturing, health care, transportation, and other related industries (see Table 12).

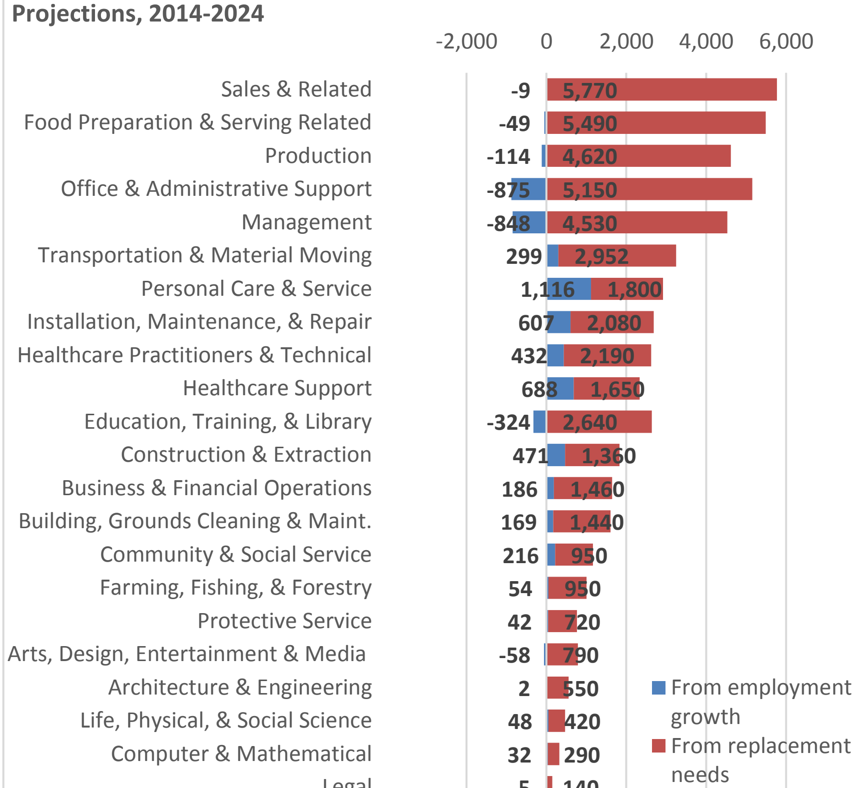
Table 12. Region 9 Occupations in Demand by Education Level, 2016			
Less than High School	**High School or Equivalent**	**Some College or Assoc. Degree**	**Bachelor's Degree or Higher**
Personal Care Aides ($25,098)	First-Line Supervisors of Retail Workers ($34,209)	Nursing Assistants ($25,136)	Sales Managers ($95,718)
Food Prep & Serving Workers ($19,090)	Welders, Cutters, Brazers, & Solderers ($37,964)	Heavy & Tractor-Trailer Truck Drivers ($37,196)	Accountants & Auditors ($60,471)
Home Health Aides ($22,896)	Secretaries & Admin. Assistants ($35,541)	Registered Nurses ($55,837)	Industrial Engineers ($72,620)
Cooks, Restaurant ($19,930)	Office Clerks, General ($30,173)	Licensed Practical & Voc. Nurses ($41,577)	Elementary & Secondary School Teachers ($48,572)
Stock Clerks & Order Fillers ($21,830)	Customer Service Representatives ($31,269)	Computer User Support Specialists ($42,052)	Network & Computer Systems Admins. ($62,067)
Janitors & Cleaners ($24,723)	Bus Drivers, School or Special Client ($27,018)	HVAC Mechanics ($47,356)	Financial Managers ($95,820)
Laborers & Freight, Stock & Mat'l. Movers ($28,992)	Light Truck or Delivery Services Drivers ($33,533)	Teacher Assistants ($26,098)	Physician Assistants ($102,714)
Waiters & Waitresses ($18,606)	Team Assemblers ($30,567)	Hairdressers, Hairstylists, & Cosmetologists ($24,062)	Child, Family, & School Social Workers ($51,702)
Retail Salespersons ($20,298)	Social & Human Service Assistants ($40,679)	Industrial Engineering Technicians ($45,750)	Industrial Production Managers ($78,204)
Cashiers ($19,248)	Maintenance & Repair Workers, General ($38,534)	Computer Network Support Specialists ($54,577)	Clinical & Counseling Psychologists ($59,020)

Source: DEED Occupations in Demand

EMPLOYMENT PROJECTIONS

Region 9 is a part of the 23-county Southwest planning region, which also includes Region 6W and 8. The entire region is projected to grow just 1.0 percent from 2014 to 2024, making it the slowest growing planning region in the state, which is expected to expand by 4.3 percent. The region could gain 2,114 new jobs, but will also need to fill 48,070 replacement openings for existing jobs left vacant by retirements and other career changes. In fact, the number of replacement openings is expected to dwarf the number of new jobs in every group except for personal care and service occupations. Seven occupational groups will not see any new growth, but will still have demand for workers (see Figure 11).

Figure 11. Southwest Minnesota Regional Employment Projections, 2014-2024



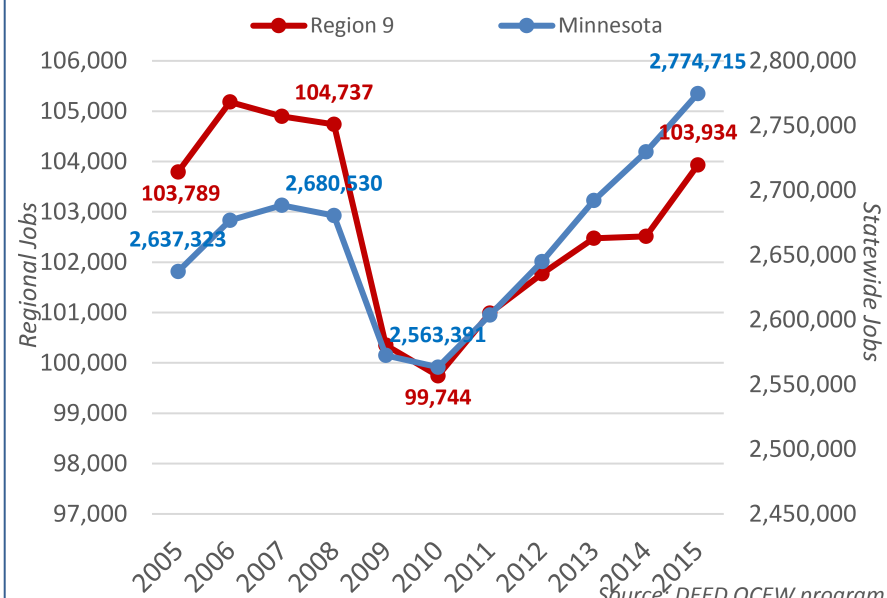
Source: DEED 2014-2024 Employment Outlook

ECONOMY

INDUSTRY EMPLOYMENT

Region 9 has seen employment ups and downs over the past decade, ending 2015 with almost the same number of jobs as in 2005. The region entered the recession earlier than the state, already experiencing job declines from 2006 to 2008, before suffering severe job losses in 2009 and 2010. Since then, Region 9 has recovered much more slowly than the state, which gained jobs at an 8.2 percent clip from 2010 to 2015, compared to a 4.2 percent increase in the region. Region 9 reached a peak of 105,182 jobs in 2006, hit a low of 99,744 jobs in 2010, before recovering to 103,934 jobs through 2015 (see Figure 12).

Figure 12. Industry Employment Statistics, 2005-2015



Source: DEED QCEW program

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Region 9 was home to 6,378 business establishments providing 103,934 covered jobs through 2015, with a total payroll of just over $4.0 billion. That was about 3.75 percent of total employment in the state of Minnesota. Average annual wages were $39,104 in the region, which was $14,500 lower than the state's average annual wage.

Home to Mankato, Blue Earth County is the largest employment center in the region, with 38,683 jobs at 1,934 firms; followed by Nicollet County with 14,392 jobs at 678 firms and Brown County with 801 firms and 13,827 jobs. Five of the 9 counties in the region added jobs since 2010, led by Blue Earth (+2,491 jobs), Le Sueur (+1,691 jobs), and Nicollet (+1,399 jobs). In contrast, Waseca (-947 jobs) and Martin (-495 jobs) saw big declines from 2010 to 2015 (see Table 13).

Table 13. Region 9 Industry Employment Statistics, 2015				Average	*2010-2015*		*2014-2015*	
Geography	Number of Firms	Number of Jobs	Total Payroll	Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
EDR 9 - South Central	**6,378**	**103,934**	**$4,067,781,200**	**$39,104**	***+4,190***	***+4.2%***	***+1,420***	***+1.4%***
Blue Earth Co.	1,934	38,683	$1,548,596,328	$39,988	*+2,491*	*+6.9%*	*+619*	*+1.6%*
Brown Co.	801	13,827	$535,249,424	$38,688	*+380*	*+2.8%*	*+300*	*+2.2%*
Faribault Co.	441	4,834	$193,858,928	$40,092	*-175*	*-3.5%*	*-30*	*-0.6%*
Le Sueur Co.	698	8,916	$341,407,901	$38,220	*+1,691*	*+23.4%*	*+382*	*+4.5%*
Martin Co.	659	8,670	$330,021,561	$38,012	*-495*	*-5.4%*	*+89*	*+1.0%*
Nicollet Co.	678	14,392	$575,541,634	$39,936	*+1,399*	*+10.8%*	*+275*	*+1.9%*
Sibley Co.	372	3,988	$150,448,756	$37,648	*-216*	*-5.1%*	*-44*	*-1.1%*
Waseca Co.	484	6,636	$263,503,927	$39,728	*-947*	*-12.5%*	*-138*	*-2.0%*
Watonwan Co.	312	3,986	$129,152,741	$32,344	*+61*	*+1.6%*	*-35*	*-0.9%*
Minnesota	**160,678**	**2,774,765**	**$148,563,385,038**	**$53,560**	***+211,374***	***+8.2%***	***+45,152***	***+1.7%***

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

With 19,103 jobs at 353 firms, manufacturing is the largest employing industry in Region 9, accounting for 18.4 percent of total jobs in the region. That is about 7 percent higher than the state's concentration of employment in manufacturing. In addition, Region 9 is still adding manufacturing jobs, gaining 800 net new jobs over the past five years. At $48,724 in 2015, average annual wages were over $9,500 higher in manufacturing than the total of all industries.

The next largest industry in Region 9 was health care and social assistance, with 17,623 jobs at 595 firms, after gaining 148 net new jobs in the past five years. Due to the region's older population, the largest sector was nursing and residential care facilities, followed by hospitals, social assistance, and ambulatory health care services, though that sector saw the biggest job gain in the past 5 years.

Retail trade is the third largest industry, with 12,639 jobs at 836 establishments after gaining 710 jobs in the past five years. The related accommodation and food services industry added 307 jobs since 2010, climbing to 7,661 jobs. However, wages are relatively low in both industries, at $22,464 in retail trade and $12,480 in accommodation and food services.

Other important industries in Region 9 include educational services, public administration, construction, wholesale trade, transportation and warehousing, agriculture, other services, and finance and insurance. Sixteen of the 20 main industries in the region added jobs since 2010, with huge gains in manufacturing, construction, retail trade, agriculture, transportation and warehousing, accommodation and food services, and professional and technical services. In contrast, the region saw job declines in wholesale trade, management of companies, and finance and insurance. Fifteen of the 20 sectors gained jobs in the past year as well, led by construction, transportation, manufacturing, and retail trade (see Table 14).

Table 14. Region 9 Industry Employment Statistics, 2015

	2015 Annual Data				Avg.	*2010-2015*		*2014-2015*	
NAICS Industry Title	Number of Firms	Number of Jobs	*Percent of Jobs*	Total Payroll ($1000s)	Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Total, All Industries	**6,378**	**103,934**	***100.0%***	**$4,067,781**	**$39,104**	***+4,190***	***+4.2%***	***+1,420***	***+1.4%***
Manufacturing	353	19,103	*18.4%*	$931,441	$48,724	*+800*	*+4.4%*	*+252*	*+1.3%*
Health Care & Social Assistance	595	17,623	*17.0%*	$708,139	$40,144	*+148*	*+0.8%*	*+28*	*+0.2%*
Retail Trade	836	12,639	*12.2%*	$284,518	$22,464	*+710*	*+6.0%*	*+241*	*+1.9%*
Educational Services	120	9,295	*8.9%*	$374,830	$40,456	*+47*	*+0.5%*	*+75*	*+0.8%*
Accommodation & Food Services	452	7,661	*7.4%*	$95,863	$12,480	*+307*	*+4.2%*	*+130*	*+1.7%*
Public Administration	282	5,506	*5.3%*	$230,075	$41,808	*+56*	*+1.0%*	*+80*	*+1.5%*
Construction	775	4,766	*4.6%*	$232,723	$48,672	*+759*	*+18.9%*	*+309*	*+6.9%*
Wholesale Trade	307	3,816	*3.7%*	$208,109	$54,444	*-147*	*-3.7%*	*+16*	*+0.4%*
Transportation & Warehousing	369	3,619	*3.5%*	$133,495	$36,764	*+511*	*+16.4%*	*+267*	*+8.0%*
Agriculture, Forestry, Fish & Hunt	308	3,130	*3.0%*	$130,804	$41,652	*+576*	*+22.6%*	*+92*	*+3.0%*
Other Services	548	3,018	*2.9%*	$76,327	$25,272	*+78*	*+2.7%*	*+12*	*+0.4%*
Finance & Insurance	406	2,892	*2.8%*	$164,709	$56,940	*-72*	*-2.4%*	*-48*	*-1.6%*
Professional & Technical Services	343	2,578	*2.5%*	$135,613	$52,676	*+300*	*+13.2%*	*+153*	*+6.3%*
Admin. Support & Waste Mgmt. Svcs.	209	2,494	*2.4%*	$66,286	$26,520	*+6*	*+0.2%*	*-121*	*-4.6%*
Information	100	2,224	*2.1%*	$107,430	$48,308	*+103*	*+4.9%*	*-18*	*-0.8%*
Arts, Entertainment & Recreation	124	1,081	*1.0%*	$12,664	$11,700	*+118*	*+12.3%*	*+36*	*+3.4%*
Management of Companies	33	914	*0.9%*	$92,209	$100,724	*-134*	*-12.8%*	*-91*	*-9.1%*
Real Estate & Rental & Leasing	175	811	*0.8%*	$22,384	$27,560	*+10*	*+1.2%*	*+13*	*+1.6%*
Utilities	38	489	*0.5%*	$40,633	$83,148	*-29*	*-5.6%*	*-19*	*-3.7%*
Mining	9	269	*0.3%*	$19,531	$72,696	*+43*	*+19.0%*	*+10*	*+3.9%*

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

DISTINGUISHING INDUSTRIES

Region 9 stands out in the state for its higher concentrations of employment in manufacturing and agriculture, but has a broader list of industry sectors that are more prevalent in the region than the state. South Central has 3.75 percent of total state employment, but has over 23 percent of the state's jobs in animal production and aquaculture, and over 21 percent of statewide jobs in electrical equipment, appliance, and component manufacturing. The region also has over 10 percent of the state's employment in printing, nonmetallic mineral product manufacturing and food manufacturing, as well as strengths in support activities for agriculture, beverage manufacturing, and transportation equipment manufacturing (see Table 15).

Table 15. Region 9 Distinguishing Industries, 2015

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	**0**	**6,378**	**103,934**	**$4,067,781,200**	**$39,104**	**1.0**
Animal Production & Aquaculture	112	164	2,508	$107,579,400	$42,796	6.2
Electrical Equip, Appliance, & Component Mfg.	335	17	1,885	$105,382,231	$55,848	5.7
Printing & Related Support Activities	323	45	3,329	$138,534,629	$41,548	3.8
Nonmetallic Mineral Product Mfg.	327	16	1,373	$75,996,709	$55,224	3.8
Food Manufacturing	311	57	5,035	$247,956,310	$49,192	2.9
Support Activities for Agriculture & Forestry	115	53	230	$9,294,137	$40,612	2.6
Telecommunications	517	26	1,128	$62,779,346	$55,640	2.4
Beverage & Tobacco Product Manufacturing	312	8	272	$10,555,165	$39,000	2.3
Transportation Equipment Manufacturing	336	16	804	$36,596,194	$45,708	1.8
Gasoline Stations	447	115	1,598	$24,477,163	$15,236	1.7

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

INDUSTRY PROJECTIONS

As noted above, the 23-county Southwest Minnesota Planning Area is projected to grow 1.0 percent from 2014 to 2024, a gain of 2,114 new jobs. The largest and fastest growing industry is expected to be health care and social assistance, which may gain over 3,100 jobs. Southwest is also expected to see rapid employment growth in construction, administrative support and waste services, wholesale trade, finance and insurance, and transportation and warehousing. In contrast, the region is expected to see declines in retail trade, public administration, self-employed workers, manufacturing, and management of companies (see Table 16).

Table 16. Southwest Minnesota Industry Projections, 2014-2024

Industry	Estimated Employment 2014	Projected Employment 2024	*Percent Change 2014-2024*	*Numeric Change 2014-2024*
Total, All Industries	**208,555**	**210,669**	***+1.0%***	***+2,114***
Manufacturing	31,340	30,844	*-1.5%*	*-496*
Public Administration	31,816	30,682	*-3.5%*	*-1,134*
Health Care & Social Assistance	25,914	29,025	*+12.0%*	*+3,111*
Self-Employed & Family Workers	26,449	26,008	*-1.6%*	*-441*
Retail Trade	20,285	19,570	*-3.5%*	*-715*
Accommodation & Food Services	12,038	12,106	*+0.5%*	*+68*
Wholesale Trade	8,104	8,457	*+4.3%*	*+353*
Construction	7,613	8,164	*+7.2%*	*+551*
Other Services	8,056	7,901	*-1.9%*	*-155*
Finance & Insurance	6,131	6,399	*+4.3%*	*+268*
Transportation & Warehousing	5,377	5,583	*+3.8%*	*+206*
Agriculture, Forestry, Fish & Hunt	5,335	5,360	*+0.4%*	*+25*
Admin. Supp. & Waste Mgmt Svcs.	4,200	4,566	*+8.7%*	*+366*
Professional & Technical Services	4,301	4,458	*+3.6%*	*+157*
Arts, Entertainment & Recreation	2,556	2,784	*+8.9%*	*+228*
Information	2,839	2,673	*-5.8%*	*-166*
Educational Services	1,950	1,920	*-1.5%*	*-30*
Management of Companies	1,822	1,625	*-10.8%*	*-197*
Real Estate & Rental & Leasing	1,225	1,376	*+12.3%*	*+151*
Utilities	813	760	*-6.5%*	*-53*
Mining	391	408	*+4.3%*	*+17*

Source: DEED 2014-2024 Employment Outlook

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 9 are small businesses, with 51.7 percent of businesses reporting 1 to 4 employees in 2014, according to County Business Patterns from the U.S. Census Bureau. Another 34 percent had between 5 and 19 employees; and 11.8 percent had between 20 and 99 employees. Only 2.3 percent had 100 to 499 employees, though that was in line with the state. Just 10 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Obviously then, small businesses are vital to the region's economy (see Table 17).

Table 17. Employers by Size Class, 2014			
	Region 9		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	3,186	51.7%	53.9%
5-9	1,240	20.1%	17.7%
10-19	863	14.0%	13.4%
20-49	534	8.7%	9.1%
50-99	193	3.1%	3.2%
100-249	111	1.8%	1.9%
250-499	31	0.5%	0.5%
500 or more	10	0.2%	0.3%
Total Firms	**6,168**	**100.0%**	**100.0%**

Source: U.S. Census, County Business Patterns

NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Region 9 was home to 15,573 self-employed businesses or "nonemployers" in 2014, 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)." Much like covered employment, Region 9 has seen a slower but steady increase in nonemployers over the past decade. In sum, the region gained 489 new nonemployers from 2004 to 2014, a 3.2 percent increase. The largest amount of nonemployers and the fastest growth occurred in Blue Earth, Nicollet, Le Sueur, and Sibley County, whereas the other five counties saw declines in self-employment. These nonemployers generated sales receipts of $668 million in 2014 (see Table 18).

Table 18. Nonemployer Statistics, 2014				
	2014		*2004-2014*	
	Number of Firms	Receipts ($1,000s)	*Change in Firms*	*Percent Change*
Region 9	**15,573**	**$668,535**	***+489***	***+3.2%***
Blue Earth Co.	4,035	$173,055	*+361*	*+9.8%*
Brown Co.	1,821	$72,473	*-79*	*-4.2%*
Faribault Co.	1,128	$55,975	*-165*	*-12.8%*
Le Sueur Co.	1,956	$86,059	*+304*	*+18.4%*
Martin Co.	1,516	$63,610	*-23*	*-1.5%*
Nicollet Co.	2,113	$84,874	*+196*	*+10.2%*
Sibley Co.	1,087	$47,491	*+30*	*+2.8%*
Waseca Co.	1,196	$56,598	*-91*	*-7.1%*
Watonwan Co.	721	$28,400	*-44*	*-5.8%*
Minnesota	**394,690**	**$17,982,080**	***+33,610***	***+9.3%***

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 9 is agriculture, with 7,918 farms producing nearly $3.5 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 9 had 10.6 percent of the state's farms, and 16.4 percent of the state's total market value, led by Martin, Blue Earth, Faribault, Nicollet, Brown, and Sibley County, which were all among the top 21 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a 53 percent rise in the market value of products sold from 2007 to 2012 (see Table 19).

Table 19. Census of Agriculture, 2012				
	Number of Farms	Market Value of Products Sold	*State Rank*	*Change in Market Value, 2007-2012*
Region 9	**7,918**	**$3,495,022,000**		***+53.0%***
Blue Earth Co.	1,070	$505,423,000	*6*	*+54.3%*
Brown Co.	1,055	$382,917,000	*20*	*+49.4%*
Faribault Co.	824	$414,201,000	*15*	*+42.8%*
Le Sueur Co.	1,051	$224,307,000	*50*	*+60.6%*
Martin Co.	897	$619,565,000	*3*	*+53.7%*
Nicollet Co.	764	$386,630,000	*19*	*+63.3%*
Sibley Co.	949	$377,027,000	*21*	*+54.5%*
Waseca Co.	805	$303,906,000	*33*	*+50.6%*
Watonwan Co.	503	$281,046,000	*39*	*+52.2%*
Minnesota	**74,542**	**$21,280,184,000**		***+61.5%***

Source: 2012 Census of Agriculture

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