

# ECONOMIC DEVELOPMENT REGION 10: Southeast

***Covers counties:***

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

## 2017 REGIONAL PROFILE

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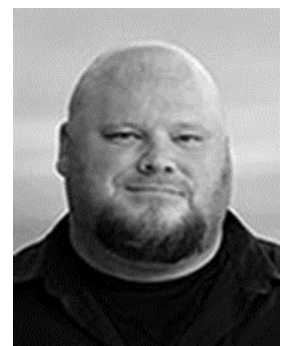
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## DEMOGRAPHICS

### POPULATION CHANGE, 2000-2016

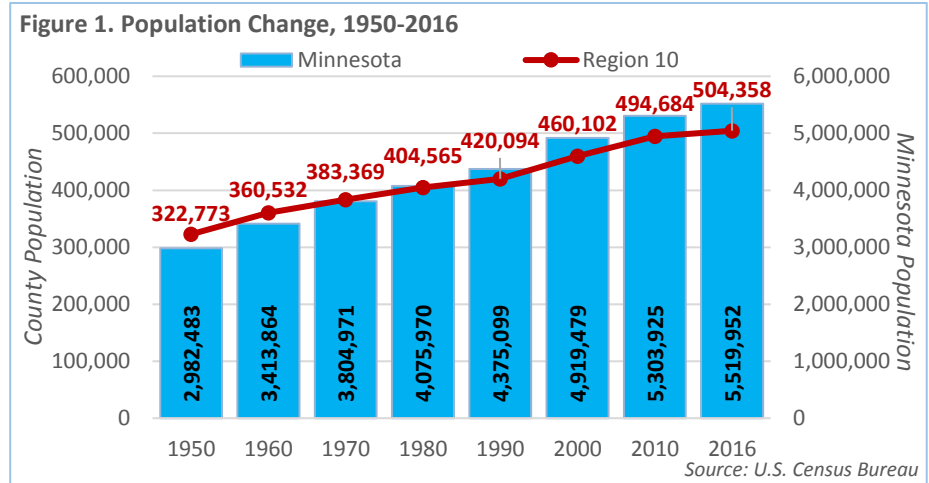
Economic Development Region 10, which is also known as Southeast Minnesota, is an 11-county region located in the southeast corner of the state, bordering the Twin Cities metro area, Wisconsin, and Iowa. According to population data from the U.S. Census Bureau, Region 10 was home to 504,358 people in 2016, accounting for 9.1 percent of the state’s total population. That made it the 3<sup>rd</sup> largest of the 13 economic development regions in the state. It was also the 5<sup>th</sup> fastest growing region, gaining 44,256 residents since 2000, a 9.6 percent increase, as compared to a 12.2 percent increase statewide. This also made it the second highest region in regards to numerical gain (see Table 1).

Home to Rochester, Olmsted County is the largest and fastest growing county in the region with 153,102 people, and was the 8<sup>th</sup> largest and 8<sup>th</sup> fastest growing county in the state. Including Olmsted, seven of the 11 counties in the region gained population from 2000 to 2016. Rice and Dodge County were also among the top 20 fastest growing counties in the state, both growing over 15 percent. Steele and Goodhue also enjoyed steady growth, while Winona County added over 900 people and Mower County added over 500. In contrast, the other four counties saw declines – including Freeborn County, which was the fastest declining county in the region, followed by Houston, Wabasha, and Fillmore County.

	2000 Population	2016 Estimates	2000-2016 Change	
			Number	Percent
<b>Region 10: Southeast</b>	<b>460,102</b>	<b>504,358</b>	<b>+44,256</b>	<b>+9.6%</b>
Dodge Co.	17,731	20,506	+2,775	+15.7%
Fillmore Co.	21,122	21,003	-119	-0.60%
Freeborn Co.	32,584	30,446	-2,138	-6.60%
Goodhue Co.	44,127	46,676	+2,549	+5.8%
Houston Co.	19,718	18,814	-904	-4.60%
Mower Co.	38,603	39,163	+560	+1.5%
Olmsted Co.	124,277	153,102	+28,825	+23.2%
Rice Co.	56,665	65,622	+8,957	+15.8%
Steele Co.	33,680	36,805	+3,125	+9.3%
Wabasha Co.	21,610	21,273	-337	-1.60%
Winona Co.	49,985	20,948	+963	+1.9%
<b>State of Minnesota</b>	<b>4,919,479</b>	<b>5,519,952</b>	<b>+600,473</b>	<b>+12.2%</b>

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

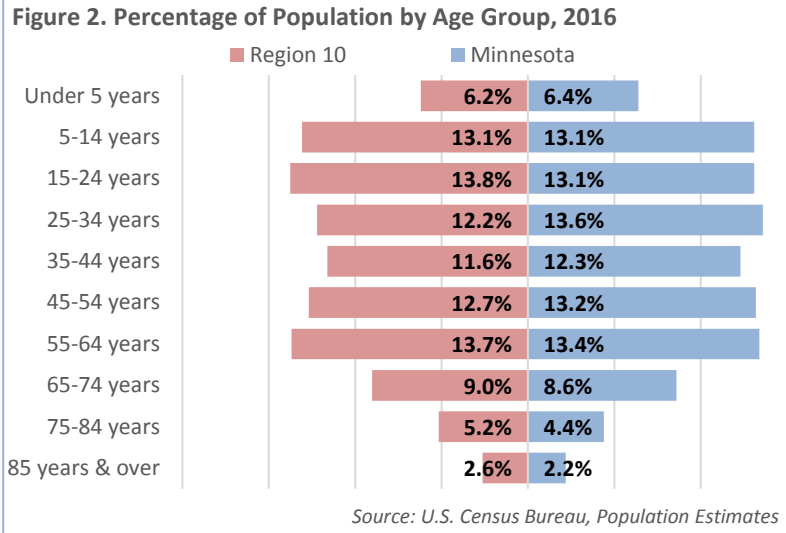
Since 1950, Region 10 has seen a steady increase in population equal to a total gain of 181,585, a 56.3 percent growth rate. The largest gain in population in the region occurred between 1990 and 2000 in which the population grew by just over 40,000 people while the smallest gain was in the decade prior with a gain of only 15,529 (see Figure 1).



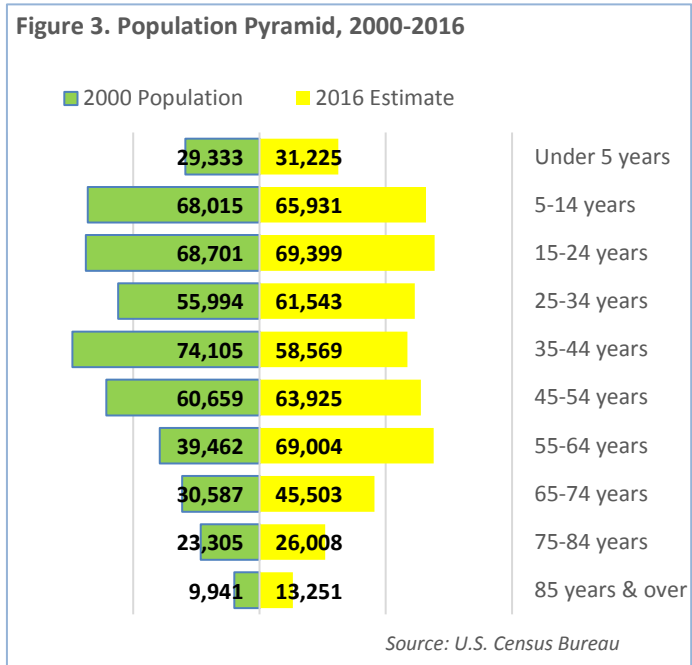
The largest population growth occurred in Olmsted County, which jumped by over 105,000 people, making it the largest and fastest growing county in the region. Rice County was second with a gain of 29,420 people. However, three of the 11 counties in Region 10 suffered population declines from 1950 through 2016, including Mower (-3,008) Fillmore (-3,398), and Freeborn, which saw the largest decline with a loss of 4,001 residents.

**POPULATION BY AGE GROUP, 2000-2016**

Region 10 - Southeast has a slightly older population than the rest of the state, with 16.8 percent of the population aged 65 and over (an increase of 1.1 percent from last year), compared to 15.2 percent statewide. Consequently, Southeast had a lower percentage of people in the 25- to 54-year-old age group, typically considered the “prime working years.” With the presence of several postsecondary educational institutions in the region, there is a slightly higher percentage of people aged 15 to 24 in Southeast Minnesota compared to the state (see Figure 2).



More than one quarter of the region’s population was part of the Baby Boom generation, which is creating a significant shift in the population over time. While the number of younger residents is growing slowly, the number of residents aged 55 years and over is rapidly increasing. Specifically, the population of those ages 55 to 74 saw very large increases from 2000-2016, with the largest growth being in the 55 to 64 range which saw a 75 percent increase, equaling almost 30,000 people. And despite gains in three of the five youngest age categories, there was an overall loss of 9,481 people of these ages. This was largely fueled by a massive loss of those between 35 and 44 years of age – a numeric loss of just over 15,500 people (21 percent).

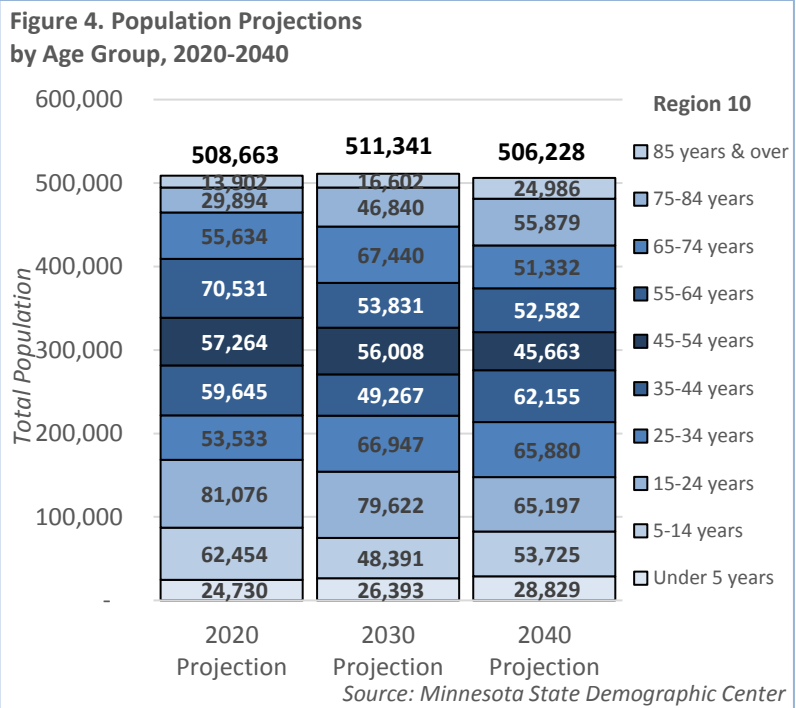


**POPULATION PROJECTIONS BY AGE GROUP, 2020-2040**

While the Southeast Region has enjoyed an increase in population over the past decades, according to population projections from the State Demographic Center, the region’s population is expected to drop by 0.5 percent or about 2,400 people from 2020 to 2040. In comparison, the state is projected to grow 8.8 percent.

Despite the overall projected decline, some of the age groups are expected to see an increase in population. Those ages 75 and over are expected to grow by 84.6 percent, adding just over 37,000 people. Additionally, the population between the ages of 25 and 44 are also expected to see a 13.1 percent increase (about 15,000 people) and an additional 4,100

individuals under 5 years is projected. However, this gain is offset by a large decline projected among the 5 to 24 (-17.1 percent) and 45 to 64 (-23.1 percent) age brackets where a total loss of 29,950 is expected.



**POPULATION BY RACE, 2015**

Region 10’s population is less diverse than the state’s, but is becoming more diverse over time. In 2015, nearly 92 percent of the region’s residents reported White alone as their race, compared to 84.8 percent of residents statewide. The region had a smaller percentage of Black or

	Region 10			Minnesota	
	Number	Percent	Change from 2000-2015	Percent	Change from 2000-2015
<b>Total</b>	<b>499,185</b>	<b>100.0%</b>	<b>8.5%</b>	<b>100.0%</b>	<b>10.2%</b>
White	456,324	91.4%	5.1%	84.8%	4.4%
Black or African American	14,087	2.8%	152.7%	5.5%	74.2%
American Indian & Alaska Native	1,709	0.3%	21.6%	1.0%	2.9%
Asian & Other Pac. Islander	13,817	2.8%	58.2%	4.5%	68.6%
Some Other Race	4,825	1.0%	-13.7%	1.5%	24.7%
Two or More Races	8,423	1.7%	77.5%	2.7%	74.3%
Hispanic or Latino origin	26,453	5.3%	98.5%	5.0%	89.0%

Source: U.S. Census Bureau, 2011-2015 American Community Survey

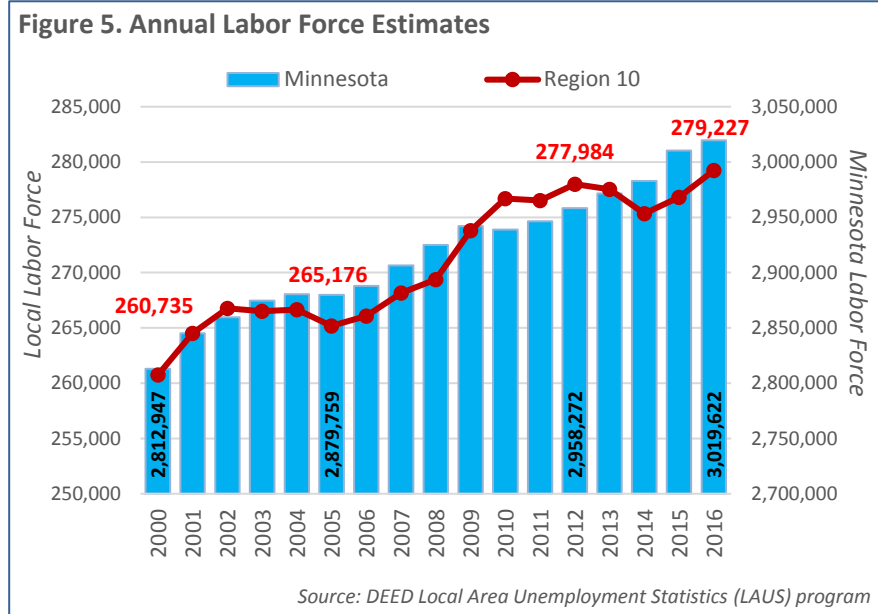
African American residents, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people identifying as Some Other Race or Two or More Races. However, at 5.3 percent, Region 10 had a higher percentage of people reporting Hispanic or Latino origin than the state after nearly doubling since 2000. The region also saw huge increases in all race categories except Some Other Race over the past 15 years (see Table 2).

With about 85.6 percent of the population reporting white, Olmsted County was the most diverse in the region. All of the counties in the region, with the exception of Houston and Mower, saw large increases in Black or African American population, ranging from +84.3 percent in Goodhue County to +451.6 percent in Mower County. Additionally, Freeborn, Mower, and Rice counties had higher percentages of Hispanic or Latinos than the state (Rice county also had higher percentage of some other race), and Olmsted County had a higher percentage of those identifying as Asian or Other Pacific Islander.

## LABOR FORCE

### LABOR FORCE CHANGE, 2000-2016

According to data from DEED’s [Local Area Unemployment Statistics](#) program, Region 10 - Southeast had nearly 279,500 available workers in 2016, which was an increase of just over 2,400 from the previous year. In line with the region’s overall population gain, Region 10 added almost 20,000 workers over the last 16 years, from 260,735 available workers in 2000 to 279,227 workers in 2016. However, labor force changes have been uneven in recent years, with downs than ups since 2010. In contrast, the state was, for the most part, gaining new workers over the last decade and a half, regardless of economic conditions, even surpassing 3 million workers in 2016 (see Figure 5).



As the economy has recovered, the labor market has been getting tighter. In 2016, the entire region had only about 9,600 unemployed workers who reported actively seeking work, which was less than half the number reported during the recession in 2009.

### LABOR FORCE PROJECTIONS, 2015-2025

Given that the Southeast Region is projected to see a decline in population over the next couple of decades, it is not surprising that future labor force projections also predict a decline. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show an overall decline of over 6,000 (2.3 percent) labor force participants.

Region 10	2020	2030	2020-2030 Change	
	Labor Force Projection	Labor Force Projection	Numeric	Percent
16 to 19 years	17,362	15,630	-1,733	-10.0%
20 to 24 years	36,001	37,942	1,941	5.4%
25 to 44 years	99,157	101,816	2,660	2.7%
45 to 54 years	50,919	49,802	-1,117	-2.2%
55 to 64 years	53,146	40,562	-12,584	-23.7%
65 to 74 years	15,466	18,748	3,282	21.2%
75 years & over	2,965	4,295	1,330	44.9%
<b>Total Labor Force</b>	<b>275,016</b>	<b>268,795</b>	<b>-6,220</b>	<b>-2.3%</b>

Source: [Minnesota State Demographic Center population projections and 2011-2015 American Community Survey 5-Year Estimates](#).

In addition to the overall decrease, the labor force will see a significant shift over time, with large gains in the number of workers aged 65 years and over against a huge decline in the number of workers aged 45 to 54 years (see Table 3). However, the region is still expected to see gains in younger workers from 20 to 44 years. 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, 2015**

With 69.5 percent of the population aged 16 years and over in the labor force, the region had slightly lower labor force participation rates than the state’s 70 percent. However, Region 10 actually had higher participation rates for every age group except 25 to 44 year olds. The overall rate was lower because a higher percentage of Region 10’s labor force was older (see Table 4).

Region 10 had a less diverse workforce than the state other than a slightly higher percentage of those identifying as Asian or Other Pacific Islander; but had similar unemployment

rate disparities for minority groups. The one exception is again Asian or Other Pacific Islander individuals. Additionally, there were nearly 13,000 veterans in the labor force in the region, with higher labor force participation rates and lower unemployment rates. Southeast also had over 12,000 workers with disabilities with much lower participation rates as well as higher unemployment rates.

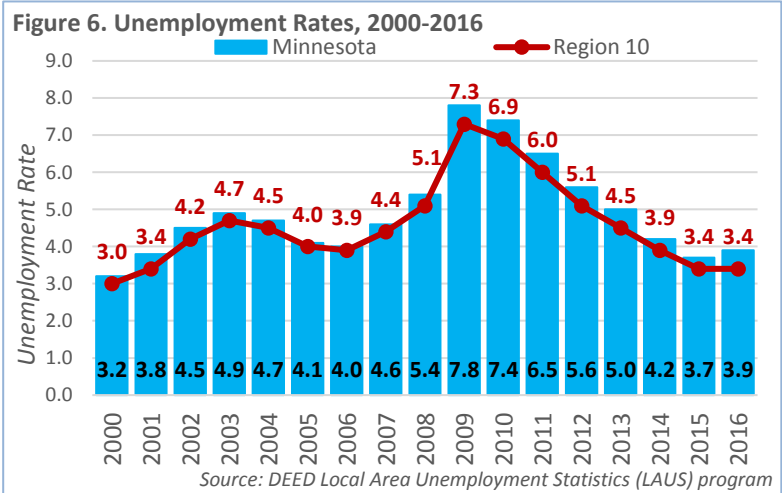
**Table 4. Employment Characteristics, 2015**

	Region 10			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
<b>Total Labor Force</b>	<b>274,708</b>	<b>69.5%</b>	<b>5.0%</b>	<b>70.0%</b>	<b>5.6%</b>
16 to 19 years	16,244	57.3%	15.6%	51.9%	16.1%
20 to 24 years	28,846	83.4%	6.8%	82.8%	9.2%
25 to 44 years	104,897	87.6%	4.8%	88.1%	5.0%
45 to 54 years	62,102	88.9%	3.6%	87.2%	4.3%
55 to 64 years	48,754	75.4%	2.8%	72.1%	4.2%
65 to 74 years	11,250	27.8%	3.8%	26.9%	3.6%
75 years & over	2,557	6.8%	2.6%	6.0%	3.5%
<b>Employment Characteristics by Race &amp; Hispanic Origin</b>					
White alone	254,854	69.5%	4.6%	70.0%	4.8%
Black or African American	5,984	63.0%	16.9%	68.8%	14.7%
American Indian & Alaska Native	602	45.0%	13.5%	58.6%	16.3%
Asian or Other Pac. Islanders	7,615	72.8%	3.0%	70.4%	6.4%
Some Other Race	2,701	78.7%	5.6%	77.4%	9.4%
Two or More Races	2,928	68.0%	10.8%	71.0%	11.5%
Hispanic or Latino	12,326	74.4%	11.1%	75.0%	9.1%
<b>Employment Characteristics by Veteran Status</b>					
Veterans, 18 to 64 years	12,683	80.2%	4.4%	77.6%	5.7%
<b>Employment Characteristics by Disability</b>					
With Any Disability	12,467	56.2%	11.1%	51.3%	12.7%
<b>Employment Characteristics by Educational Attainment</b>					
Population, 25 to 64 years	215,787	84.9%	3.9%	84.0%	4.6%
Less than H.S. Diploma	10,741	68.5%	5.1%	65.4%	6.5%
H.S. Diploma or Equivalent	55,255	82.2%	3.6%	78.8%	3.9%
Some College or Assoc. Degree	79,377	85.7%	3.4%	85.2%	4.7%
Bachelor's Degree or Higher	70,392	89.5%	1.6%	89.3%	2.7%

Source: 2011-2015 American Community Survey, 5-Year Estimates

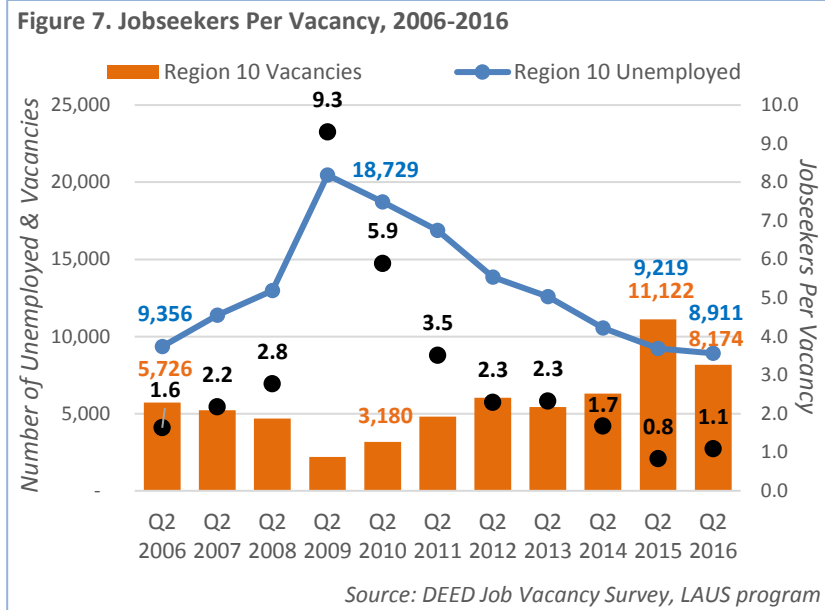
**UNEMPLOYMENT RATE, 2000-2016**

The Southeast region has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to the [Local Area Unemployment Statistics](#) program, Region 10’s unemployment rate hovered just under the state rate from 2000 to 2008, then dropped 0.5 percent below the state rate from 2009 to 2012, even while climbing as high as 7.3 percent. Since then, Region 10’s rate has fallen back to prerecession levels, ending at 3.4 percent in 2016 (see Figure 6).



**JOBSEEKERS PER VACANCY, 2016**

As the unemployment rate has continued to decline, the region’s labor market has tightened. One clear example of this is the ratio of unemployed job seekers per vacancy, which stood at only 1.1-to-1 in the fourth quarter of 2016. According to recent job vacancy survey results, there were 8,347 openings reported by employers compared to 8,838 unemployed job seekers in the region. The ratio climbed as high as 7.5 in the depths of the recession in 2009, but also dropped to only 0.8 in the second quarter of 2015 before jumping up to 1.1 in the fourth quarter. (see Figure 7).



**EDUCATIONAL ATTAINMENT BY AGE GROUP, 2015**

Although 37 percent of adults aged 18 years and over have a college degree, Region 10 still has lower educational attainment than the state, where 41.3 percent of adults have an associate, bachelor’s, or advanced degree. In contrast, Region 10 - Southeast has a slightly higher percentage of people with some college but no degree and a high school diploma or less (see Table 6).

Among those with some college but no degree, all but the oldest population had a higher percentage in the population compared to the state. Additionally, all age categories had a higher percentage of individuals with a high school diploma or equivalent while two age brackets, 25 to 44 and 65 and over, had higher percentages of population with less than a high school diploma.

Table 13. Educational Attainment by Age Group, 2015	Region 10		Minnesota
	Number	Percent	Percent
<b>18 to 24 years</b>	<b>49,689</b>	<b>13.0%</b>	<b>12.2%</b>
Less than high school	6,071	12.2%	12.7%
High school graduate (incl. equiv.)	13,416	27.0%	26.2%
Some college, no degree	22,612	45.5%	42.7%
Associate's degree	3,345	6.7%	6.3%
Bachelor's degree	4,101	8.3%	11.6%
Advanced degree	144	0.3%	0.4%
<b>25 to 44 years</b>	<b>119,730</b>	<b>31.3%</b>	<b>34.1%</b>
Less than high school	8,604	7.2%	6.7%
High school graduate (incl. equiv.)	27,661	23.1%	19.2%
Some college, no degree	26,364	22.0%	21.6%
Associate's degree	17,262	14.4%	13.1%
Bachelor's degree	26,268	21.9%	27.6%
Advanced degree	13,571	11.3%	11.7%
<b>45 to 64 years</b>	<b>134,542</b>	<b>35.2%</b>	<b>35.5%</b>
Less than high school	7,078	5.3%	5.7%
High school graduate (incl. equiv.)	39,598	29.4%	26.9%
Some college, no degree	32,281	24.0%	23.3%
Associate's degree	16,746	12.4%	11.3%
Bachelor's degree	25,212	18.7%	21.4%
Advanced degree	13,627	10.1%	11.4%
<b>65 years &amp; over</b>	<b>78,243</b>	<b>20.5%</b>	<b>18.2%</b>
Less than high school	10,641	13.6%	12.8%
High school graduate (incl. equiv.)	31,623	40.4%	37.3%
Some college, no degree	14,778	18.9%	19.8%
Associate's degree	4,303	5.5%	5.1%
Bachelor's degree	9,950	12.7%	15.2%
Advanced degree	6,948	8.9%	9.8%

Source: 2011-2015 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 – 77.3 percent – of workers who live in the region also work within the region. However, Region 10 is a net exporter of labor, having 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, 195,530 workers both lived and worked in Region 10 in 2014, while another 43,512

workers drove into the region for work, compared to 57,362 workers who lived in the region but drove to surrounding counties for work (see Table 7 and Figure 8).

Anchored by Rochester, Olmsted County is the largest employment center in the region and was the biggest draw for workers, followed by Winona, Rice, Steele, Mower, Goodhue, and Freeborn County. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as several counties across the border in Wisconsin. In contrast, the region also sends workers out of the region, primarily to the Twin Cities, but also to La Crosse County in Wisconsin, and Blue Earth County and the Mankato/ North Mankato metro area (see Table 7 and Figure 8).

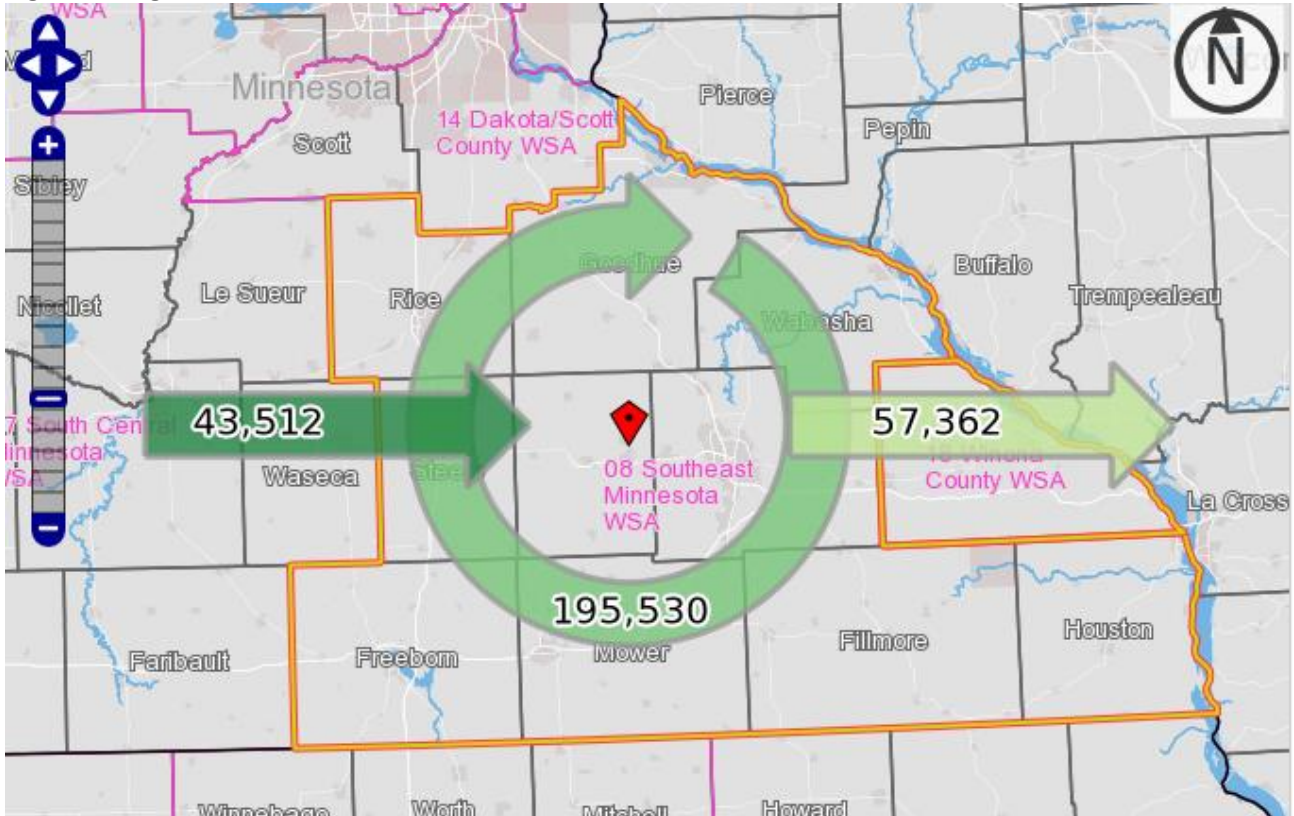
Table 7. Region 10 - Southeast Minnesota Inflow/Outflow Job Counts (All Jobs), 2014	2014	
	Count	Share
Employed in the Selection Area	239,042	100.0%
Employed in the Selection Area but Living Outside	43,512	18.2%
Employed and Living in the Selection Area	195,530	81.8%
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Living in the Selection Area	252,892	100.0%
Living in the Selection Area but Employed Outside	57,362	22.7%
Living and Employed in the Selection Area	195,530	77.3%

*Source: U.S. Census Bureau, OnTheMap*

Table 7. Region 10 Commuting Data	
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
Dakota Co. MN	Hennepin Co. MN
Hennepin Co. MN	Dakota Co. MN
Ramsey Co. MN	Ramsey Co. MN
Pierce Co. WI	La Crosse Co. WI
Buffalo Co. WI	Blue Earth Co. MN

*Source: U.S. Census Bureau, OnTheMap*

**Figure 8. Region 10 - Southeast Minnesota Labor and Commute Shed, 2014**

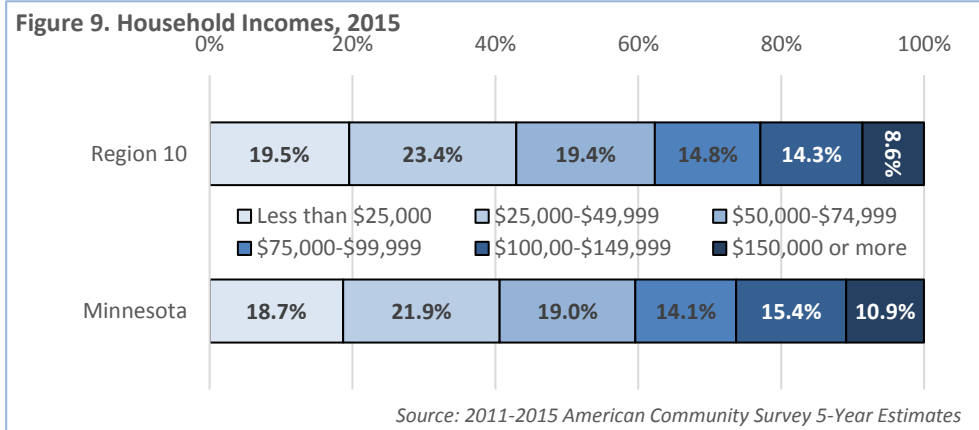




## INCOMES, WAGES AND OCCUPATIONS

### HOUSEHOLD INCOMES

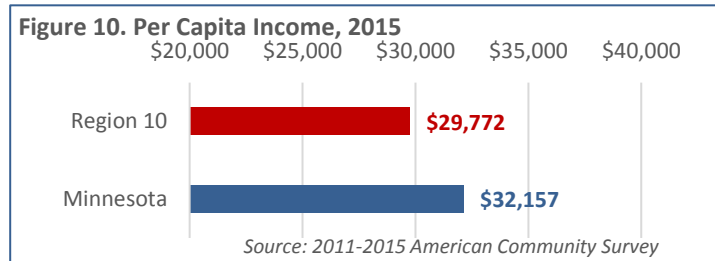
Region 10 - Southeast has very similar household income levels to the state, and had the highest income levels of any region outside the Twin Cities metro area. Median household incomes ranged from \$47,105 in Freeborn County, which was the 13<sup>th</sup> lowest (of 87) in the state, to



\$68,116 in Dodge and \$68,023 in Olmsted, which were both among the 10 highest in the state. About 42.9 percent of the households in Region 10 had incomes below \$50,000 in 2015, compared to 40.6 percent statewide. A little over one-third of households earned between \$50,000 and \$99,999 in the region. The remaining 22.9 percent of households in Southeast earned \$100,000 or more per year, compared to 26.3 percent of households statewide (see Figure 9).

### PER CAPITA INCOMES

There were a wide range of per capita incomes in the region, though Region 10's \$29,772 per capita income was lower than the state at \$32,157. Per capita incomes ranged from \$24,660 in Winona County to \$35,267 in Olmsted County, which was the 6<sup>th</sup> highest in the state (see Figure 10).



### COST OF LIVING

According to DEED's [Cost of Living tool](#), the basic needs budget for an average family in Minnesota (which

	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 10	\$48,408	\$15.52	\$311	\$752	\$396	\$834	\$748	\$464	\$529
Minnesota	\$55,200	\$17.69	\$468	\$763	\$472	\$936	\$788	\$496	\$677

Source: DEED Cost of Living tool

consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$55,200 in 2016. The cost of living for a similar family in Region 10 was \$48,408 – which was 4<sup>th</sup> highest of the 13 economic development regions in the state. The highest monthly costs were for housing, food, and transportation; but the region's costs were lower than the state for every expense (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 \$15.52 per hour. For a single person living alone and working full-time, the estimated yearly cost in Region 10 would be \$27,084, which would require an hourly wage of \$13.02 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 10 was \$18.53 in the first quarter of 2017, which was the second highest wage level of the regions in the state. The median hourly wage was about \$1.00 below the state's median wage, and \$3.00 below the Twin Cities metro area, which would amount to about \$6,240 per year for a full-time worker (see Table 9).

Region 10 stands out for having higher concentrations of healthcare practitioners and technical, production, healthcare support, and farming, fishing and forestry occupations than the state. Just over 14 percent of Region 10's jobs are healthcare practitioners - more than double than statewide. Region 10 also has higher concentrations of life, physical, and social science and education, training and library occupations.

The lowest-paying jobs in the region 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, and smaller wage gaps compared to the state (see Table 9).

In contrast, the highest paying jobs are found in management, computer and mathematical, architecture and engineering, legal, and healthcare practitioners and technical, which all require higher levels of education and experience, including many that require bachelor's degrees or higher.

	Median Hourly Wage	Estimated Regional Employment
Region 1 - Northwest	\$17.59	38,070
Region 2 - Headwaters	\$16.80	30,860
Region 3 - Arrowhead	\$17.25	141,910
Region 4 - West Central	\$16.94	85,410
Region 5 - North Central	\$15.70	61,170
Region 6E - Southwest Central	\$17.07	47,410
Region 6W - Upper MN Valley	\$15.93	16,600
Region 7E - East Central	\$17.78	48,990
Region 7W - Central	\$17.48	184,510
Region 8 - Southwest	\$16.17	50,360
Region 9 - South Central	\$16.99	114,470
Region 10 - Southeast	\$18.53	259,060
Region 11 - 7-County Twin Cities	\$21.55	1,751,580
<b>State of Minnesota</b>	<b>\$19.62</b>	<b>2,810,400</b>

*Source: DEED Occupational Employment Statistics, Qtr. 1 2017*

## JOB VACANCY SURVEY

Occupational Group	Region 10				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment	Location Quotient	Median Hourly Wage	Estimated Statewide Employment	Share of Total Employment
<b>Total, All Occupations</b>	<b>\$18.53</b>	<b>259,060</b>	<b>100.0%</b>	<b>1.0</b>	<b>\$19.62</b>	<b>2,810,400</b>	<b>100.0%</b>
Office & Administrative Support	\$17.22	35,270	13.6%	0.9	\$18.26	404,120	14.4%
Production	\$16.98	27,120	10.5%	1.3	\$17.46	220,570	7.8%
Healthcare Practitioners & Technical	\$30.16	36,800	14.2%	2.3	\$32.85	174,230	6.2%
Sales & Related	\$11.62	19,280	7.4%	0.8	\$13.48	275,740	9.8%
Transportation & Material Moving	\$16.27	15,820	6.1%	1.0	\$17.06	178,270	6.3%
Education, Training & Library	\$23.42	18,780	7.2%	1.2	\$23.33	164,560	5.9%
Food Preparation & Serving Related	\$9.94	12,250	4.7%	0.6	\$10.05	236,820	8.4%
Healthcare Support	\$14.84	12,750	4.9%	1.6	\$15.11	84,730	3.0%
Management	\$43.03	12,470	4.8%	0.8	\$49.20	168,370	6.0%
Personal Care & Service	\$11.33	8,680	3.4%	0.7	\$11.77	129,490	4.6%
Business & Financial Operations	\$28.48	9,140	3.5%	0.6	\$31.83	164,180	5.8%
Installation, Maintenance & Repair	\$21.13	7,860	3.0%	0.9	\$22.41	95,700	3.4%
Computer & Mathematical	\$40.68	8,380	3.2%	0.9	\$39.75	97,680	3.5%
Building, Grounds Cleaning & Maint.	\$13.16	7,750	3.0%	1.0	\$13.68	83,180	3.0%
Construction & Extraction	\$24.72	7,300	2.8%	0.8	\$26.55	98,730	3.5%
Community & Social Service	\$22.10	4,560	1.8%	0.9	\$21.32	53,060	1.9%
Protective Service	\$22.73	3,920	1.5%	1.0	\$19.80	42,740	1.5%
Architecture & Engineering	\$36.66	3,480	1.3%	0.7	\$35.96	54,400	1.9%
Arts, Design, Entertainment & Media	\$19.38	3,100	1.2%	0.9	\$22.39	37,290	1.3%
Life, Physical & Social Science	\$29.08	3,320	1.3%	1.5	\$30.59	24,230	0.9%
Legal	\$30.61	610	0.2%	0.4	\$40.36	18,640	0.7%
Farming, Fishing & Forestry	\$14.73	410	0.2%	1.2	\$15.31	3,680	0.1%

*Source: DEED Occupational Employment Statistics, Qtr. 1 2017*

Employers reported 8,347 job vacancies in the fourth quarter of 2016, which was the fourth highest number ever recorded, and the fourth straight quarter with more than 8,000 vacancies. Overall, 48 percent of the openings were part-time, 8 percent were temporary or seasonal, 27 percent required postsecondary education, and 34 percent required a year or more of experience. The median hourly wage offer was \$12.70 across all occupations, but ranged from a low of \$10.17 for food preparation and serving workers to more than \$25.00 per hour for computer and mathematical, legal, and healthcare practitioners and technical occupations, and over \$30.00 per hour for management occupations (see Table 11).

Region 10	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
<b>Total, All Occupations</b>	<b>8,347</b>	<b>48%</b>	<b>8%</b>	<b>27%</b>	<b>34%</b>	<b>33%</b>	<b>\$12.70</b>
Management	135	2%	1%	68%	97%	13%	\$30.78
Business & Financial Operations	261	66%	2%	28%	96%	5%	\$14.32
Computer & Mathematical	90	3%	6%	67%	77%	21%	\$27.82
Architecture & Engineering	93	9%	9%	82%	88%	25%	\$23.28
Life, Physical & Social Sciences	54	34%	31%	98%	84%	34%	\$24.09
Community & Social Service	180	39%	2%	73%	79%	44%	\$13.98
Legal	18	6%	6%	100%	6%	0%	\$26.22
Education, Training & Library	210	59%	14%	88%	40%	33%	\$17.14
Arts, Design, Entertainment & Media	68	71%	28%	30%	35%	29%	\$16.61
Healthcare Practitioners & Technical	1,010	38%	2%	81%	58%	92%	\$25.82
Healthcare Support	549	73%	0%	27%	17%	83%	\$12.60
Protective Service	60	49%	8%	10%	31%	37%	\$12.30
Food Preparation & Serving Related	1,615	59%	0%	0%	8%	1%	\$10.17
Building, Grounds Cleaning & Maint.	703	35%	35%	12%	20%	52%	\$12.32
Personal Care & Service	543	56%	7%	13%	25%	36%	\$10.94
Sales & Related	1,087	74%	11%	5%	23%	5%	\$11.27
Office & Administrative Support	412	44%	24%	13%	20%	6%	\$12.05
Construction & Extraction	194	0%	0%	25%	92%	32%	\$22.57
Installation, Maintenance & Repair	220	2%	1%	59%	81%	43%	\$18.37
Production	372	5%	2%	19%	38%	6%	\$13.47
Transportation & Material Moving	350	47%	6%	0%	21%	64%	\$14.29
Internships	42	40%	0%	91%	7%	2%	\$16.85

Source: DEED Job Vacancy Survey, Qtr. 4 2016

## OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are over 190 occupations showing relatively high demand in the region, with training and education requirements ranging from short- to long-term on-the-job training and less than a high school diploma to advanced degrees, including doctoral degrees. These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, registered nurses, retail salespersons, heavy and tractor-trailer truck drivers, combined food preparation and service workers, and laborers and freight, stock and material movers are among the top occupations in demand based on the consistent need for workers in these fields. Many of the jobs are found in manufacturing, health care, sales, and food service (see Table 12).

**Table 22. Regional Occupations in Demand, 2016**

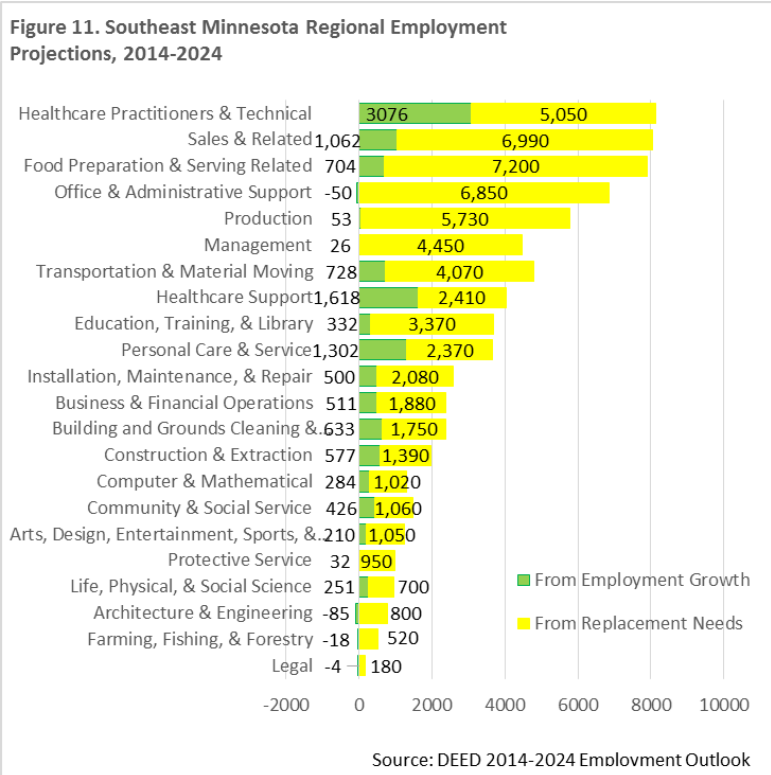
Region 10 - Southeast Minnesota			
Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Retail Salespersons \$21,735	Team Assemblers \$31,711	Registered Nurses \$60,870	Software Developers - Applications \$93,645
Food Prep & Serving Workers \$18,865	Secretaries & Admin. Assistants \$35,641	Heavy & Tractor-Trailer Truck Drivers \$43,534	Financial Managers \$97,148
Laborers & Freight, Stock & Movers \$28,999	Office Clerks - General \$30,662	Nursing Assistants \$25,734	Accountants & Auditors \$57,379
Personal Care Aides \$22,869	Electricians \$61,383	Licensed Practical & Voc. Nurses \$42,405	Medical & Health Serv. Mgrs. \$102,909
Cashiers \$19,757	Customer Serv. Reps. \$31,008	Medical Assistants \$37,516	Computer Systems Analysts \$72,013
Waiters & Waitresses \$18,814	Food Batchmakers \$41,077	HVAC Mechanics \$49,821	Nurse Practitioners \$106,327
Restaurant Cooks \$21,925	Medical Secretaries \$40,807	Telecom. Equip. Installers & Repairers \$64,768	Construction Managers \$86,523
Stock Clerks & Order Fillers \$23,893	Social & Human Service Assistants \$35,344	Emergency Medical Technicians & Paramedics \$34,747	Medical & Clinical Laboratory Technologists \$67,185
Home Health Aides \$23,220	Sales Reps. - Wholesale & Mfg. \$47,438	Radiologic Technologists \$67,480	Computer & Information Systems Mgrs. \$112,426
Construction Laborers \$34,540	Welders, Cutters, Solderers & Brazers \$41,291	Medical Records & Health Info. Technicians \$47,814	Software Developers - Systems \$107,503

*Source: DEED Occupations in Demand*

**EMPLOYMENT PROJECTIONS**

Region 10 - Southeast is projected to grow 4.5 percent from 2014 to 2024, a gain of 12,168 new jobs, making it the second fastest growing region in the state. In addition, the region is also expected to need 61,690 replacement openings to fill jobs left vacant by retirements and other career changers. The number of replacement openings is expected to dwarf the number of new jobs in every group except for healthcare practitioners, healthcare support, and personal care and service occupations (see Figure 11).

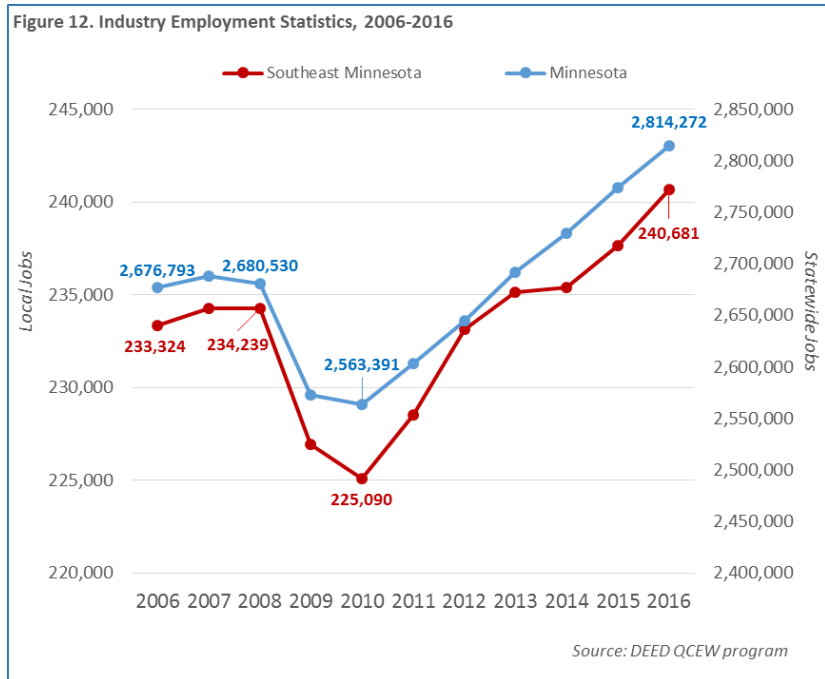
The highest amount of demand will be found in healthcare practitioners and technical, sales and related, food preparation & serving related, office and administrative support, production, and transportation and material moving occupations.



## ECONOMY

### INDUSTRY EMPLOYMENT

Region 10 - Southeast has seen employment ups and downs over the past decade, similar to the state, but ended 2016 with over 7,300 more jobs than it had in 2006. The region entered the recession later than the state, still experiencing job growth through 2008, before suffering severe declines in 2009 and 2010. Since then, Region 10 has recovered more slowly than the state, which gained jobs at an 9.8 percent clip from 2010 to 2016, compared to a 6.9 percent increase in the region. Region 10 reached a pre-recession peak of 234,239 jobs in 2008, then hit a low of 225,090 jobs in 2010, and like the state, finally recovered all of the jobs lost during the recession in 2013 (see Figure 12).



Olmsted County is the largest employment center in the region and the sixth largest in the state, with 95,957 jobs at 3,271 firms. Four other counties in the region have between 21,000 and 25,000 jobs, including Winona with 24,827 jobs, Rice with 24,376 jobs, Steele with 21,577 jobs, and Goodhue at 21,442 jobs. Eight of the 11 counties in the region added jobs since 2011, led by Olmsted, Rice, Steele, Winona and Dodge County. In contrast, Freeborn County lost 231 jobs from 2011 to 2016. Just 6 of the 11 counties saw job gains in the past year, led again by Olmsted, Rice, and Mower County; while Wabasha County saw more than 250 jobs lost from 2015 to 2016 (see Table 13).

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2011-2016		2015-2016	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
<b>Region 10 - Southeast</b>	<b>11,732</b>	<b>240,681</b>	<b>\$11,549,583,475</b>	<b>\$47,996</b>	<b>+12,162</b>	<b>+5.3%</b>	<b>+3,044</b>	<b>+1.3%</b>
Dodge Co.	427	5,924	\$253,749,499	\$42,796	+757	+14.7%	-21	-0.4%
Fillmore Co.	632	6,134	\$199,937,073	\$32,552	+208	+3.5%	+55	+1.0%
Freeborn Co.	777	12,061	\$477,652,808	\$39,572	-231	-1.9%	-8	-0.0%
Goodhue Co.	1,263	21,442	\$954,344,719	\$44,512	-193	-0.9%	-52	-0.2%
Houston Co.	431	5,149	\$166,948,057	\$32,396	+324	+6.7%	+168	+3.4%
Mower Co.	819	16,545	\$804,359,924	\$48,598	+398	+2.5%	+282	+1.7%
Olmsted Co.	3,271	95,957	\$5,518,365,060	\$57,512	+7,618	+8.6%	+2,076	+2.2%
Rice Co.	1,480	24,376	\$1,064,563,503	\$43,628	+1,823	+8.1%	+711	+3.0%
Steele Co.	938	21,577	\$889,335,370	\$41,184	+774	+3.7%	+151	+0.7%
Wabasha Co.	557	6,686	\$237,112,339	\$35,412	-79	-1.2%	-254	-3.7%
Winona Co.	1,137	24,827	\$983,215,122	\$39,572	+763	+3.2%	-66	+0.3%
<b>State of Minnesota</b>	<b>161,520</b>	<b>2,814,272</b>	<b>\$152,795,190,643</b>	<b>\$54,288</b>	<b>+210,746</b>	<b>+8.1%</b>	<b>+39,864</b>	<b>+1.4%</b>

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

With 62,632 jobs at 1,027 firms, health care and social assistance is the largest employing industry in Region 10, accounting for 26 percent of total jobs in the region. That is 9.1 percent higher than the state's concentration of employment in health care and social services. In addition, Southeast is still adding health care and social assistance jobs, gaining 4,056 jobs since 2011, a 6.9 percent increase. In the last year alone the region has seen an increase of over 2,100 jobs in health care and social assistance – a 3.5 percent increase. At \$64,424 in 2016, average annual wages were nearly \$16,500 higher in health care and social assistance than all industries.

The next largest industry in Region 10 was manufacturing, with 37,913 jobs at 652 firms, which was 4.5 percent more concentrated in Region 10 than the state as a whole. After losing jobs during the recession, manufacturing has gained 1,690 jobs over the past five years, a 4.7 percent increase. However, over the last year the region gained only 20 jobs in manufacturing.

Retail trade is the third largest industry, with 27,275 jobs at 1,687 establishments – an increase of 842 jobs in the last half decade despite a decline of 25 retail establishments. The related accommodation and food services industry had 18,910 jobs at 1,047 establishments after gaining 842 jobs since 2011. Accounting for 19.2 percent of jobs in the region, wages are relatively low in both industries, likely due to the characteristic part-time nature of many of these jobs.

Other important industries in Region 10 include educational services, accommodation and food services, public administration, construction, and administrative support and waste management and remediation services (which includes temporary staffing agencies). Sixteen of the 20 main industries added jobs from 2011 to 2015, with huge gains in health care and social assistance, accommodation and food services, manufacturing, educational services, and construction.

Region 10	2016 Annual Data				2011-2016		2015-2016	
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	11,732	240,681	\$11,549,583	\$47,987	12,162	5.3%	3,044	1.3%
Health Care & Social Assistance	1,027	62,632	\$4,034,988	\$64,424	4,056	6.9%	2,109	3.5%
Manufacturing	652	37,913	\$2,107,457	\$55,587	1,690	4.7%	22	0.1%
Retail Trade	1,687	27,275	\$686,029	\$25,152	842	3.2%	492	1.8%
Educational Services	243	19,542	\$847,079	\$43,347	1,235	6.7%	181	0.9%
Accommodation & Food Services	1,047	18,910	\$297,579	\$15,737	1,926	11.3%	415	2.2%
Public Administration	364	10,588	\$534,334	\$50,466	390	3.8%	177	1.7%
Construction	1,387	9,024	\$480,747	\$53,274	1,154	14.7%	226	2.6%
Admin. Support & Waste Mgmt. Svcs.	478	8,350	\$221,887	\$26,573	-88	-1.0%	-528	-5.9%
Transportation & Warehousing	552	7,465	\$304,503	\$40,791	603	8.8%	39	0.5%
Wholesale Trade	501	6,710	\$408,063	\$60,814	179	2.7%	26	0.4%
Other Services	1,196	6,642	\$161,369	\$24,295	204	3.2%	76	1.2%
Finance & Insurance	650	5,799	\$390,972	\$67,421	-427	-6.9%	13	0.2%
Arts, Entertainment, & Recreation	230	3,671	\$89,348	\$24,339	-184	-4.8%	54	1.5%
Professional & Technical Services	696	3,526	\$182,086	\$51,641	-148	-4.0%	-89	-2.5%
Information	182	3,508	\$176,000	\$50,171	273	8.4%	-74	-2.1%
Agriculture, Forestry, Fish & Hunt	386	3,188	\$103,147	\$32,355	387	13.8%	44	1.4%
Management of Companies	50	2,914	\$315,383	\$108,230	193	7.1%	-77	-2.6%
Real Estate & Rental & Leasing	343	1,445	\$42,493	\$29,407	-62	-4.1%	-10	-0.7%
Utilities	45	1,432	\$158,856	\$110,933	-59	-4.0%	-58	-3.9%
Mining	18	144	\$7,263	\$50,435	17	13.4%	7	5.1%

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

## DISTINGUISHING INDUSTRIES

In addition to health care and manufacturing, Region 10 has a broader list of industry sectors that are more prevalent in the region than the state. Several unique industries have a strong presence in Region 10 with location quotients over 2.5, including broadcasting (except internet), textile product mills, nonmetallic mineral product manufacturing, food manufacturing, and ambulatory health care services (see Table 15).

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
<b>Total, All Industries</b>	<b>0</b>	<b>11,732</b>	<b>240,681</b>	<b>\$11,549,583,475</b>	<b>\$47,987</b>	<b>1.0</b>
Broadcasting (Except Internet)	515	41	1,451	\$63,152,605	\$43,472	3.1
Textile Product Mills	314	14	641	\$32,471,395	\$50,752	2.9
Nonmetallic Mineral Product Manuf.	327	44	2,409	\$134,545,855	\$55,692	2.8
Food Manufacturing	311	105	10,491	\$537,903,982	\$51,220	2.6
Ambulatory Health Care Services	621	474	31,027	\$2,696,595,331	\$86,944	2.5
Animal Production and Aquaculture	112	206	2,173	\$70,098,303	\$32,240	2.4
Furniture & Related Product Manuf.	337	42	1,402	\$69,427,978	\$49,504	1.7
Support Activities for Agriculture and Forestry	115	73	337	\$10,063,230	\$29,796	1.6
Gasoline Stations	447	198	3,321	\$65,799,304	\$19,760	1.6
Warehousing and Storage	493	20	997	\$48,849,053	\$49,036	1.4
Machinery Manufacturing	333	62	4,056	\$219,017,223	\$53,976	1.4

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

## INDUSTRY PROJECTIONS

Southeast Minnesota's economy is projected to grow 4.5 percent from 2014 to 2024, a gain of 12,168 new jobs. The largest and fastest growing industry is expected to be health care and social assistance, which may gain 8,830 jobs in the region from 2014 to 2024. Other industries that are expected to see high growth in the region include administrative support and waste management services, professional and technical services, real estate, rental and leasing, construction, educational services, and transportation and warehousing.

In contrast, the Southeast region is expected to see significant declines in mining, information, manufacturing, utilities, public administration, agriculture, forestry, fishing and hunting, and other services (see Table 16).

Industry	Estimated Employment 2014	Projected Employment 2024	Percent Change 2014-2024	Numeric Change 2014-2024
<b>Total, All Industries</b>	<b>267,404</b>	<b>279,572</b>	<b>+4.5%</b>	<b>+12,168</b>
Health Care & Social Assistance	58,556	67,386	+15.0%	+8,830
Manufacturing	37,283	35,982	-3.4%	-1,301
Public Administration	30,037	29,570	-1.5%	-467
Retail Trade	26,762	27,604	+3.1%	+842
Self-Employed & Family Workers	22,932	23,463	+2.3%	+531
Accommodation & Food Services	18,371	19,083	+3.8%	+712
Administrative & Waste Services	9,774	10,864	+11.1%	+1,090
Other Services	9,694	9,632	-0.6%	-62
Construction	8,222	8,745	+6.3%	+523
Wholesale Trade	7,119	7,173	+0.7%	+54
Transportation & Warehousing	6,780	7,066	+4.2%	+286
Finance & Insurance	6,166	6,392	+3.6%	+226
Educational Services	5,435	5,733	+5.4%	+298
Professional & Technical Services	3,938	4,345	+10.3%	+407
Arts, Entertainment, & Recreation	3,611	3,745	+3.7%	+134
Information	3,723	3,489	-6.2%	-234
Management of Companies	2,967	3,249	+9.5%	+282
Agriculture, Forestry, Fish & Hunt	2,977	2,940	-1.2%	-37
Real Estate & Rental & Leasing	1,567	1,687	+7.6%	+120
Utilities	1,352	1,319	-2.4%	-33
Mining	138	105	-23.9%	-33

Source: [DEED 2014-2024 Employment Outlook](#)

### EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 10 are small businesses, with 51.9 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 2.1 percent had 100 to 499 employees, though that was in line with the state, and Just 31 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).

Number of Employees	Region 10		Minnesota
	Number of Firms	Percent of Firms	Percent of Firms
1-4	6,361	51.9%	53.7%
5-9	2,451	20.0%	17.7%
10-19	1,716	14.0%	13.3%
20-49	1,078	8.8%	9.3%
50-99	364	3.0%	3.2%
100-249	201	1.6%	1.9%
250-499	60	0.5%	0.5%
500 or more	31	0.3%	0.3%
<b>Total Firms</b>	<b>12,262</b>	<b>100.0%</b>	<b>100.0%</b>

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 10 was home to 32,019 self-employed businesses or "nonemployers" in 2015, 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)." Though only 4 of 11 counties saw an increase, Region 10 has seen a slow but steady increase in nonemployers over the past decade. In sum, the region gained 120 new nonemployers from 2005 to 2015, a 0.4 percent rise. Olmsted County led the way with 1,091 new nonemployer establishments during the last decade, followed by Rice, Winona, and Dodge County. These nonemployers generated sales receipts of \$1.4 billion (see Table 18).

	2015		2005-2015	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
<b>Region 10 - Southeast</b>	<b>32,019</b>	<b>\$1,415,477</b>	<b>119</b>	<b>0.4%</b>
Dodge Co.	1,353	\$76,133	2	0.1%
Fillmore Co.	1,757	\$73,944	-86	-4.7%
Freeborn Co.	1,817	\$81,183	-193	-9.6%
Goodhue Co.	3,016	\$136,813	-235	-7.2%
Houston Co.	1,452	\$68,967	-63	-4.2%
Mower Co.	1,846	\$82,213	-332	-15.2%
Olmsted Co.	9,714	\$437,393	1,091	12.7%
Rice Co.	4,240	\$173,824	233	5.8%
Steele Co.	2,364	\$98,911	-190	-7.4%
Wabasha Co.	1,568	\$69,125	-178	-10.2%
Winona Co.	2,892	\$116,971	70	2.5%
<b>State of Minnesota</b>	<b>397,378</b>	<b>\$18,435,244</b>	<b>23,959</b>	<b>6.4%</b>

Source: U.S. Census Nonemployer Statistics Program

### CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 10 is agriculture, with 12,079 farms producing almost \$3.4 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 10 had 16.2 percent of the state's farms, and 15.9 percent of the state's total market value, led by Mower, Goodhue, and Freeborn County, which were all among the top 14 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 61.3 percent increase in the market value of products sold (see Table 19).

	Number of Farms	Market Value of Products Sold	State Rank	Change in
				Market Value, 2007-2012
<b>Region 10 -Southeast</b>	<b>12,079</b>	<b>\$3,392,056,000</b>	<b>3</b>	<b>+61.3%</b>
Dodge Co.	621	\$288,129,000	36	+66.6%
Fillmore Co.	1,553	\$342,205,000	25	+53.4%
Freeborn Co.	1,122	\$416,020,000	14	+62.4%
Goodhue Co.	1,536	\$435,687,000	12	+65.1%
Houston Co.	920	\$146,256,000	57	+60.7%
Mower Co.	1,053	\$475,801,000	10	+65.4%
Olmsted Co.	1,150	\$250,093,000	42	+61.4%
Rice Co.	1,304	\$231,589,000	47	+68.8%
Steele Co.	796	\$293,053,000	34	+58.6%
Wabasha Co.	909	\$231,196,000	48	+60.3%
Winona Co.	1,115	\$282,027,000	37	+50.7%
<b>State of Minnesota</b>	<b>74,542</b>	<b>\$21,280,184,000</b>		<b>+61.5%</b>

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](mailto:mark.schultz@state.mn.us). 1