

ECONOMIC DEVELOPMENT REGION 6W: Upper Minnesota Valley

Covers counties:

Big Stone, Chippewa, Lac qui Parle,
Swift, and Yellow Medicine

2015 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

Economic Development Region 6W – Upper Minnesota Valley includes a total of 5 counties, located in the Southwest Minnesota planning region. Region 6W was home to 43,673 people in 2014, comprising 0.8 percent of the state’s total population. The region saw a -12.7 percent population decline since 2000, which was the largest and fastest population decline of the 13 economic development regions (EDRs) in the state. In comparison, the state of Minnesota saw a 10.9 percent gain from 2000 to 2014 (see Table 1). Swift County saw the fastest population decline of the 87 counties in the state, followed by Lac qui Parle County with the fourth fastest decline, Big Stone County with the eighth fastest decline, and Yellow Medicine and Chippewa the 14th and 18th fastest declines, respectively.

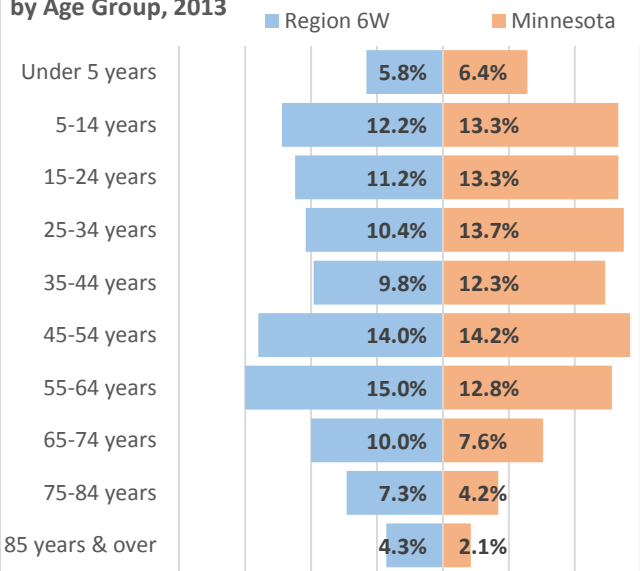
	2000 Population	2014 Estimates	2000-2014 Change	
			Number	Percent
Region 6W	50,011	43,673	-6,338	-12.7%
Big Stone Co.	5,820	5,127	-693	-11.9%
Chippewa Co.	13,088	12,110	-978	-7.5%
Lac qui Parle Co.	8,067	6,891	-1,176	-14.6%
Swift Co.	11,956	9,436	-2,520	-21.1%
Yellow Medicine Co.	11,080	10,109	-971	-8.8%
State of Minnesota	4,919,479	5,457,173	+537,694	+10.9%

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

POPULATION BY AGE GROUP, 2000-2013

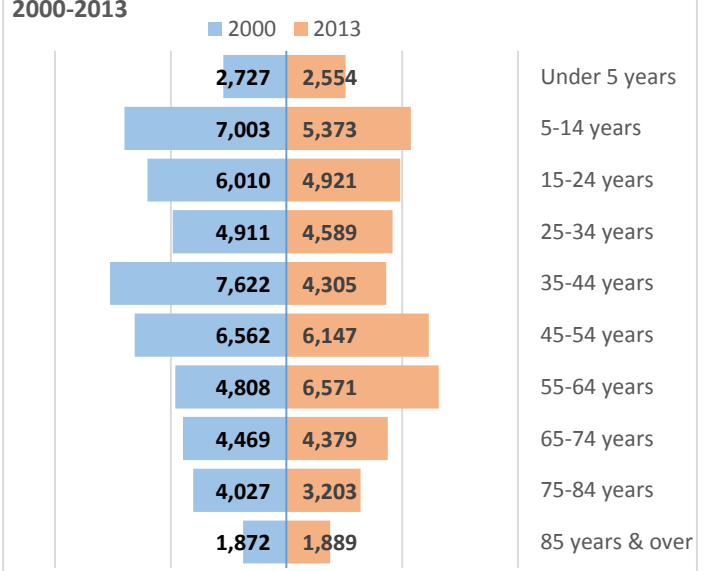
Region 6W’s population has been aging over time, with 21.6 percent of the population aged 65 years and over in 2013, compared to 13.9 percent statewide. However, the number of people aged 65 years and over in Region 6W actually fell from 10,368 in 2000 to 9,471 in 2013, an -8.7 percent decline. The number of senior citizens climbed by 27.2 percent statewide. In contrast, Region 6W 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. With just one postsecondary institution in the region, Region 6W also had a lower percentage of people aged 15 to 24. More than one-fourth 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 45 to 64 years was rapidly increasing (see Figure 1 and Figure 2).

Figure 1. Percentage of Population by Age Group, 2013



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

Figure 2. Region 6W Population Pyramid, 2000-2013

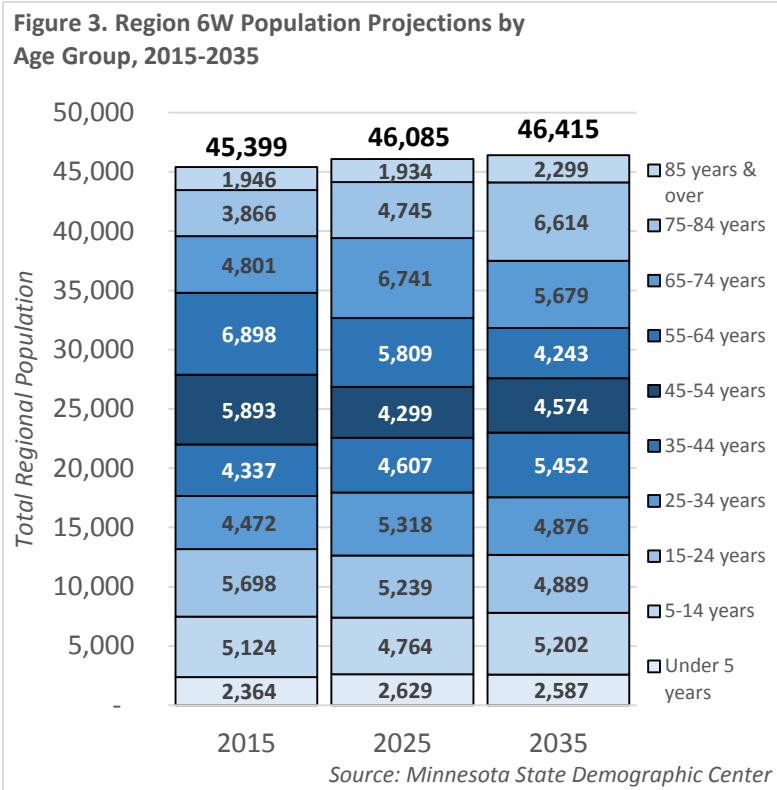


Source: U.S. Census Bureau, American Community Survey

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

After several decades of population declines, Region 6W is projected to enjoy a population increase in the next twenty years. According to population projections from the [Minnesota State Demographic Center](#), Region 6W is expected to gain just over 1,000 net new residents from 2015 to 2035, a 2.2 percent increase (see Figure 3). In comparison, the state of Minnesota is projected to grow 10.8 percent.

However, much of this population growth is expected to be in the older age groups. Region 6W is projected to add nearly 4,000 people aged 65 years and over, a 37.5 percent increase. The region is also expected to gain nearly 1,500 people in the 25- to 44-year-old age group, as well as a corresponding increase in school-aged children. In contrast, Region 6W is expected to lose young adults from 15 to 24 years of age, and nearly 4,000 people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.



POPULATION BY RACE, 2013

Region 6W’s population is less diverse than the state’s, but is becoming more diverse over time. In 2013, 95.5 percent of the region’s residents reported White alone as their race, compared to 85.6 percent of residents statewide. Less than 1.0 percent of the region’s residents were Black or African American, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people of Some Other Race. However, at 3.6 percent, Region 6W had a slightly lower percentage of people reporting Hispanic or Latino origin than the state, and 1.6 percent of people reported being of Two or More Races (see Table 2).

The region saw declines in the number of White residents, and also saw declines in the number of every race group except people of Two or More Races. In addition, the number of Hispanic or Latino residents doubled over the past decade, making it the largest minority group in the region.

Table 2. Race and Hispanic Origin, 2013	Region 6W			Minnesota	
	Number	Percent	Change from 2000-2013	Percent	Change from 2000-2013
Total	44,637	100.0%	-10.7%	100.0%	+8.7%
White	42,615	95.5%	-11.0%	85.6%	+4.0%
Black or African American	263	0.6%	-30.8%	5.2%	+63.0%
American Indian & Alaska Native	394	0.9%	-15.3%	1.1%	+4.6%
Asian & Other Pac. Islander	273	0.6%	-41.3%	4.2%	+56.9%
Some Other Race	369	0.8%	-8.7%	1.4%	+17.4%
Two or More Races	723	1.6%	+63.9%	2.5%	+59.6%
Hispanic or Latino	1,592	3.6%	+97.3%	4.8%	+79.3%

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

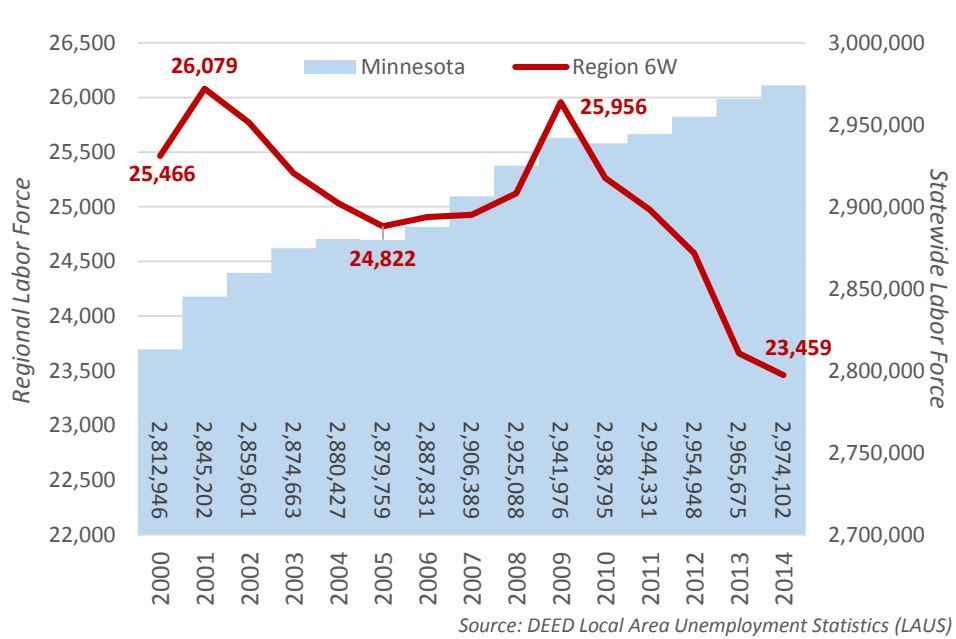
LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED’s [Local Area Unemployment Statistics](#) program, Region 6W has experienced substantial fluctuations in the size of the available labor force over the last 14 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. In line with the

region’s population decline overall, Region 6W lost about 2,000 workers over the last 14 years, from 25,466 available workers in 2000 to 23,459 workers in 2014. In contrast, the state was gaining workers over the past decade and a half (see Figure 4). As the economy has recovered, the labor market in the region has been getting tighter, with only about 1,055 unemployed workers that were actively seeking work in 2014.

Figure 4. Annual Labor Force Estimates, 2000-2014



LABOR FORCE PROJECTIONS, 2015-2025

Applying current labor force participation rates to future population projections by age group, as shown in Figure 3 above, would lead to a continued drop in workforce numbers in Region 6W.

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 a gains in the number of workers aged 25 to 44 years, and the 25 to 54 year old age group will still be the largest part of the labor force, still accounting for about 55 percent of the total workforce (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.

	2015 Labor Force Projection	2025 Labor Force Projection	2015-2025 Change	
			Numeric	Percent
16 to 19 years	1,499	1,315	-184	-12.3%
20 to 24 years	2,045	2,002	-43	-2.1%
25 to 44 years	7,637	8,605	+968	+12.7%
45 to 54 years	5,209	3,800	-1,409	-27.0%
55 to 64 years	5,277	4,444	-833	-15.8%
65 to 74 years	1,431	2,009	+578	+40.4%
75 years & over	325	374	+49	+15.1%
Total Labor Force	23,423	22,549	-874	-3.7%

Source: [Minnesota State Demographic Center, 2009-2013 American Community Survey 5-Year Estimates](#)

EMPLOYMENT CHARACTERISTICS, 2013

With just 64.8 percent of the population aged 16 years and over in the labor force, Region 6W had lower labor force participation rates than the state’s 70.3 percent. However, the region actually had higher labor force participation rates than the state in several age groups, but the overall rate was lower because a higher percentage of Region 6W’s labor force was older (see Table 4).

In contrast, the region had lower participation rates than the state for every race group; and also had large unemployment rate disparities for most minority groups, with the exception of American Indians and people of Two or More Races. Region 6W had about 1,300 veterans and about 1,350 workers with disabilities in the labor force, with both having lower unemployment rates in the region than the state. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

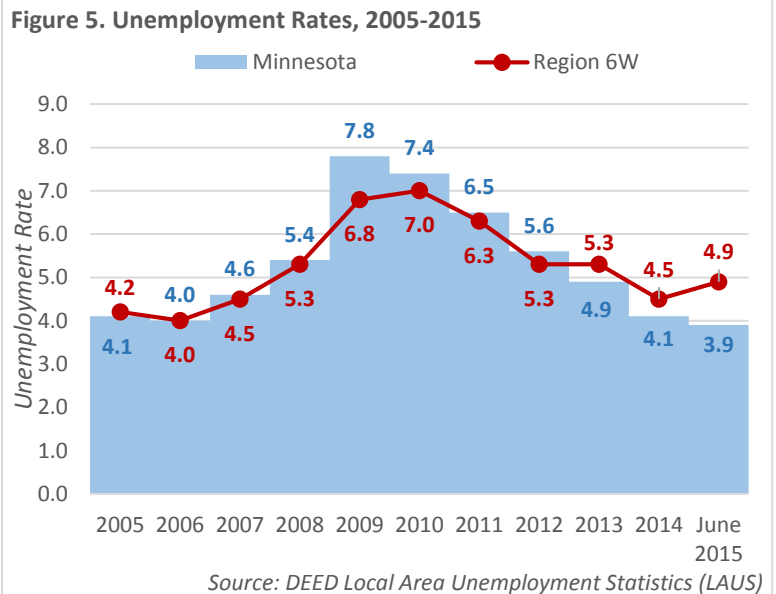
Table 4. Employment Characteristics, 2013

	Region 6W			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	23,322	64.8%	4.2%	70.3%	7.1%
16 to 19 years	1,278	56.0%	13.8%	50.9%	20.2%
20 to 24 years	1,799	86.9%	8.2%	81.6%	11.2%
25 to 44 years	7,946	86.7%	3.4%	88.2%	6.3%
45 to 54 years	5,921	88.4%	3.2%	87.5%	5.6%
55 to 64 years	4,825	76.5%	2.7%	71.7%	5.5%
65 to 74 years	1,271	29.8%	5.9%	26.5%	4.5%
75 years & over	288	5.6%	1.1%	5.8%	4.6%
Employment Characteristics by Race & Hispanic Origin					
White alone	22,568	64.9%	4.1%	70.5%	6.3%
Black or African American	81	45.0%	18.5%	67.6%	17.5%
American Indian & Alaska Native	167	59.0%	4.2%	60.1%	18.8%
Asian or Other Pac. Islanders	130	64.7%	10.8%	69.8%	8.5%
Some Other Race	158	75.6%	18.3%	77.6%	10.9%
Two or More Races	214	68.8%	1.4%	69.0%	14.4%
Hispanic or Latino	740	80.5%	16.9%	75.1%	10.4%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	1,282	79.6%	3.6%	77.8%	7.7%
Employment Characteristics by Disability					
With Any Disability	1,344	55.1%	10.2%	51.6%	14.6%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	18,691	84.3%	3.1%	84.2%	5.9%
Less than H.S. Diploma	939	61.8%	8.2%	66.9%	14.6%
H.S. Diploma or Equivalent	5,891	81.4%	3.9%	79.4%	8.0%
Some College or Assoc. Degree	7,947	88.1%	2.8%	85.6%	6.1%
Bachelor’s Degree or Higher	3,910	89.0%	1.6%	89.1%	3.4%

Source: 2009-2013 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATE, 2005-2015

Up until the last two years, Region 6W consistently reported slightly lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to [Local Area Unemployment Statistics](#), the region’s unemployment rate hovered just below the state rate from 2005 to 2008, before rising to about 7.0 percent in 2009 and 2010 (see Figure 5). However, while the state’s economy has recovered and unemployment rates are back to prerecession levels, Region 6W’s rate has stayed higher, and was even increasing through June of 2015.



COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the [Census Bureau](#), Region 6W is a net labor exporter, having more workers than available jobs. In sum, 13,382 workers both lived and worked in Region 6W in 2013, while another 4,717 workers drove into the region from surrounding counties for work, compared to 9,698 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

Table 5. Region 6W Inflow/Outflow Job Counts (All Jobs), 2013	2013	
	Count	Share
Employed in the Selection Area	18,099	100.0%
Employed in the Selection Area but Living Outside	4,717	26.1%
Employed and Living in the Selection Area	13,382	73.9%
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Living in the Selection Area	23,080	100.0%
Living in the Selection Area but Employed Outside	9,698	42.0%
Living and Employed in the Selection Area	13,382	58.0%

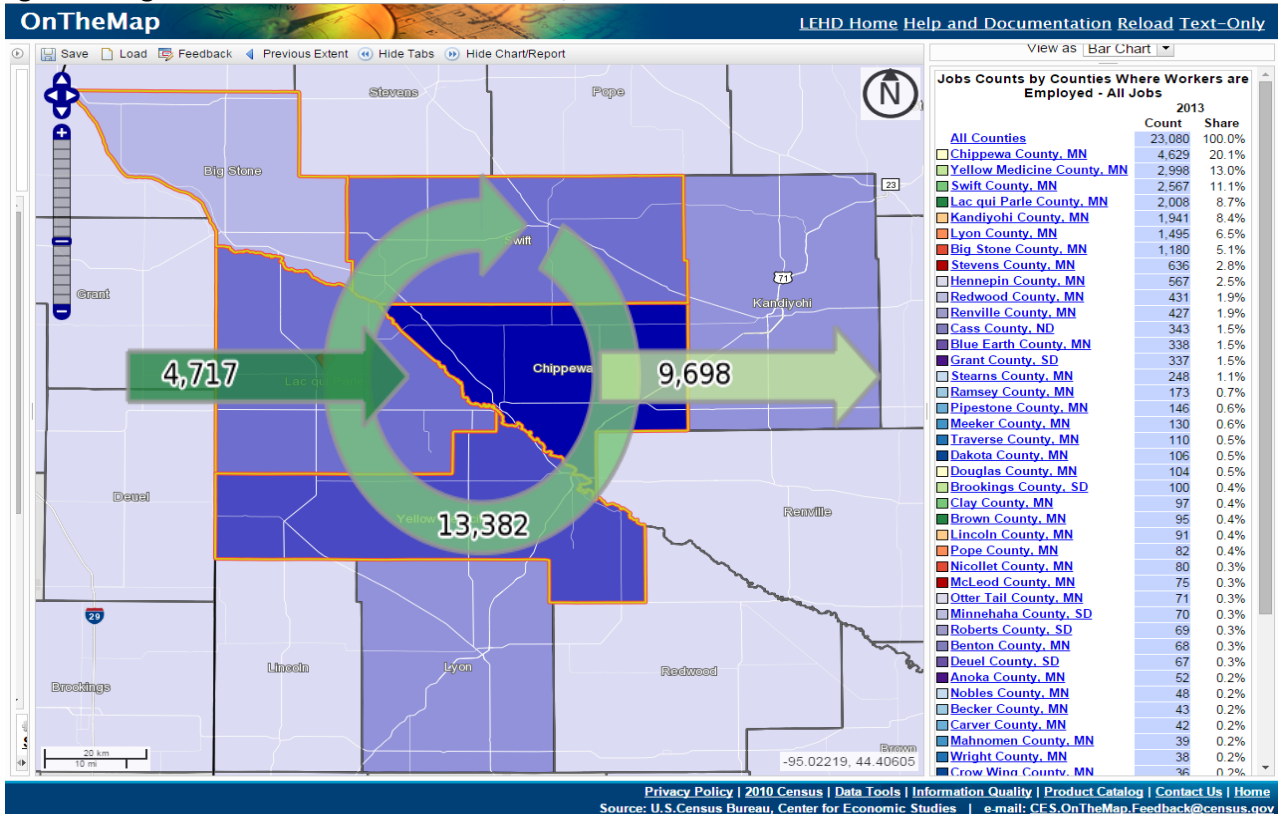
Source: U.S. Census Bureau, OnTheMap

Home to Montevideo, Chippewa County is the largest employment center in the region and was the biggest draw for workers, followed by Yellow Medicine, Swift, and Lac qui Parle County. Employers in the region both lose and draw workers from nearby regional centers like Willmar in Kandiyohi County, Marshall in Lyon County, and Redwood Falls in Redwood County, as well as Olivia in Renville County and Morris in Stevens County. Region 6W has a significant net loss of workers to Kandiyohi and Lyon County (see Table 6 and Figure 6).

Table 6. Region 6W Commuting Patterns	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
	Kandiyohi Co. MN	Kandiyohi Co. MN
	Lyon Co. MN	Lyon Co. MN
	Renville Co. MN	Stevens Co. MN
	Redwood Co. MN	Hennepin Co. MN
	Otter Tail Co. MN	Redwood Co. MN

Source: U.S. Census Bureau, OnTheMap

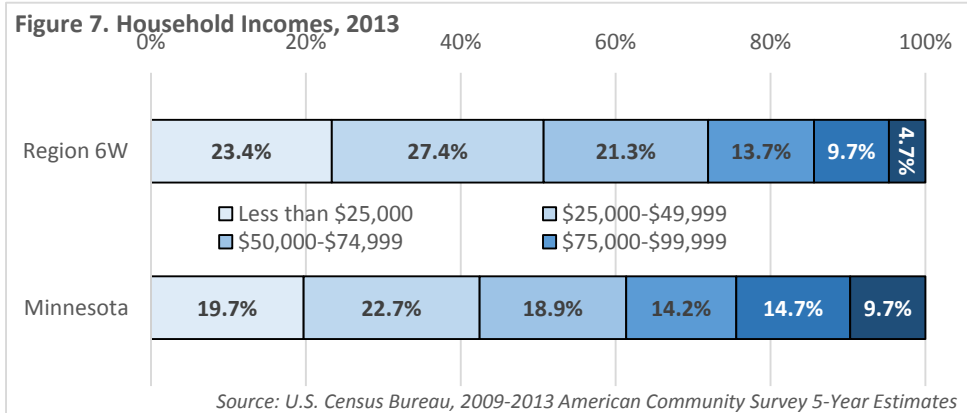
Figure 6. Region 6W Labor and Commute Shed, 2013



INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

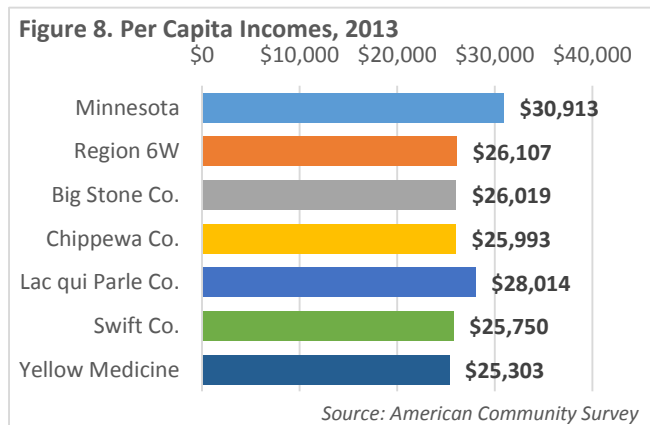
Household incomes were significantly lower in Region 6W than the rest of the state. Median household incomes ranged from \$46,313 in Big Stone County, which was the 20th lowest in the state, to \$52,510 in Yellow Medicine County, which was the 28th highest. Just over half



(50.8%) of the households in the region had incomes below \$50,000 in 2013, compared to 42.4 percent statewide. About 35 percent of households earned between \$50,000 and \$100,000 in the region. In contrast, only 14.4 percent of households in Region 6W earned over \$100,000 per year, compared to 24.4 percent of households statewide (see Figure 7).

PER CAPITA INCOMES

Per capita incomes were also lower in the region than the state, ranging from \$25,303 in Yellow Medicine to \$28,014 in Lac qui Parle County, compared to \$30,913 in Minnesota. In sum, Region 6W's per capita income was \$26,107 (see Figure 8).



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 \$50,988 in 2015. The cost of living for a similar family in Region 6W was \$40,464 – which was the second lowest of the 13 EDRs in the state. The highest monthly costs were for transportation, food, and housing; but the region's housing, child care, taxes, and transportation costs were significantly lower than the rest of the state (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario listed above would need to earn \$12.97 per hour.

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 6W	\$40,464	\$12.97	\$189	\$778	\$400	\$660	\$931	\$201	\$213
Minnesota	\$50,988	\$16.34	\$443	\$772	\$405	\$907	\$1,039	\$235	\$448

Source: DEED Cost of Living tool

WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Region 6W was \$15.34 in the first quarter of 2015, which was the third lowest wage level of the 13 EDRs in the state. Region 6W's median wage was over \$3.30 below the state's median hourly wage, equaling 82.3 percent of the statewide wage rate, and over \$5.00 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to nearly \$10,000 per year for a full-time worker. Region 6W had higher wages than Region 8 at \$14.79, but lower wages than Region 4 at \$15.66 and Region 6E at \$16.42 (see Table 8).

Almost one-fourth of the jobs in Region 6W were production occupations, which was nearly three times more concentrated than in the state as a whole. Region 6W also had a higher share of workers in transportation and material moving; education, training, and library; healthcare support; installation, maintenance, and repair; construction and extraction; and farming, fishing and forestry occupations (see Table 9).

	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	\$16.39	36,130
EDR 2 - Headwaters	\$15.77	27,330
EDR 3 - Arrowhead	\$16.58	141,800
EDR 4 - West Central	\$15.66	83,540
EDR 5 - North Central	\$14.37	56,050
EDR 6E - Southwest Central	\$16.42	46,490
EDR 6W - Upper MN Valley	\$15.34	18,380
EDR 7E - East Central	\$16.43	44,580
EDR 7W - Central	\$16.80	172,200
EDR 8 - Southwest	\$14.79	53,380
EDR 9 - South Central	\$15.99	105,260
EDR 10 - Southeast	\$17.74	253,990
EDR 11 - 7-County Twin Cities	\$20.49	1,691,650
State of Minnesota	\$18.65	2,730,020

Source: [DEED Occupational Employment Statistics](#).

	Region 6W				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	\$15.34	18,380	100.0%	1.0	\$18.65	2,730,020	100.0%
Production	\$15.21	4,270	23.2%	2.9	\$16.61	217,830	8.0%
Office & Administrative Support	\$14.59	2,030	11.0%	0.7	\$17.27	409,100	15.0%
Sales & Related	\$11.45	1,590	8.7%	0.9	\$13.24	270,540	9.9%
Transportation & Material Moving	\$16.86	1,410	7.7%	1.3	\$16.18	167,130	6.1%
Education, Training, & Library	\$17.53	1,400	7.6%	1.3	\$22.72	156,090	5.7%
Healthcare Support	\$11.94	890	4.8%	1.5	\$13.63	89,360	3.3%
Installation, Maintenance, & Repair	\$18.97	840	4.6%	1.3	\$21.52	94,310	3.5%
Healthcare Practitioners & Technical	\$23.56	790	4.3%	0.7	\$31.54	160,390	5.9%
Construction & Extraction	\$20.39	770	4.2%	1.3	\$24.88	91,240	3.3%
Management	\$34.40	690	3.8%	0.6	\$47.47	165,730	6.1%
Food Preparation & Serving Related	\$8.84	690	3.8%	0.4	\$9.21	228,640	8.4%
Building & Grounds Cleaning & Maint.	\$11.58	560	3.0%	1.0	\$12.03	81,560	3.0%
Personal Care & Service	\$10.98	540	2.9%	0.7	\$11.11	120,000	4.4%
Business & Financial Operations	\$24.30	520	2.8%	0.5	\$30.37	159,970	5.9%
Protective Service	\$15.54	350	1.9%	1.2	\$19.43	43,660	1.6%
Community & Social Service	\$17.32	340	1.8%	1.0	\$20.51	49,210	1.8%
Architecture & Engineering	\$23.28	300	1.6%	0.9	\$34.76	50,980	1.9%
Arts, Design, Entertainment & Media	\$17.92	110	0.6%	0.4	\$21.82	36,430	1.3%
Computer & Mathematical	\$24.78	90	0.5%	0.1	\$37.96	91,560	3.4%
Farming, Fishing, & Forestry	\$14.09	80	0.4%	3.3	\$14.41	3,570	0.1%
Life, Physical, & Social Science	\$22.78	70	0.4%	0.4	\$30.29	24,410	0.9%
Legal	\$23.95	50	0.3%	0.4	\$38.48	18,330	0.7%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2015](#)

Not surprisingly, the lowest-paying jobs are in food preparation and serving, personal care and service, sales and related, and building and grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 6W and the state is also lower in these jobs. In contrast, the highest paying jobs are found in management, computer, business and financial operations, healthcare practitioners, and architecture and engineering occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations.

JOB VACANCY SURVEY

Employers in Region 6W reported 816 job vacancies in the second quarter of 2015, a 6 percent increase compared to the previous year, and a 210 percent increase from the low point during the recession in the second quarter of 2009. Overall, almost half of the openings were part-time, and about one-third required postsecondary education or 1 or more years of experience. The median hourly wage offer for all occupations was \$12.40, but was as low as \$9.00 for sales and related; installation, maintenance and repair; and food preparation and serving related jobs; and as high as \$42.80 for management occupations (see Table 10).

	Number of Total Vacancies	Percent Part-time	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	816	49%	34%	33%	21%	\$12.40
Construction & Extraction	262	57%	38%	38%	0%	\$12.42
Food Preparation & Serving Related	133	86%	3%	5%	0%	\$9.01
Installation, Maintenance, & Repair	67	0%	8%	12%	12%	\$9.00
Production	46	0%	97%	99%	8%	\$16.05
Transportation & Material Moving	45	59%	14%	26%	81%	\$14.20
Healthcare Practitioners & Technical	40	31%	100%	52%	100%	\$20.96
Personal Care & Service	38	71%	17%	9%	7%	\$9.97
Healthcare Support	33	12%	24%	6%	100%	\$11.56
Office & Administrative Support	33	50%	28%	22%	7%	\$11.13
Building, Grounds Cleaning & Maint.	25	18%	0%	13%	1%	\$10.96
Sales & Related	23	100%	0%	0%	0%	\$8.89
Management	5	43%	93%	48%	28%	\$42.80

Source: DEED Job Vacancy Survey, Qtr. 2 2015

OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are 179 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. Many of the occupations in demand require a high school diploma or less, while a much smaller percentage require some postsecondary training, a vocational award, or an associate's degree. In general, the highest paying occupations in demand require a bachelor's degree or higher.

These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, home health aides, nurses, salespersons, welders, mechanics, and heavy and tractor trailer truck drivers are among the top occupations in demand based on the consistent need for workers in the manufacturing, health care, retail trade, transportation, agriculture, and other related industries (see Table 11).

Table 11. Region 6W Occupations in Demand by Education Level, 2014

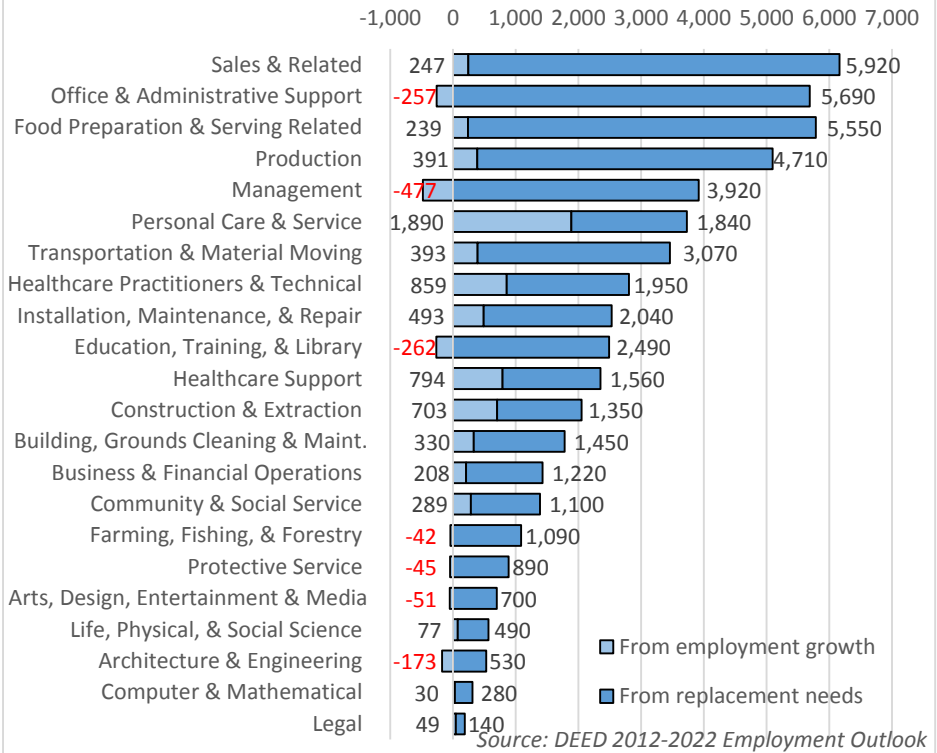
Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Home Health Aides (\$22,302)	Welders, Cutters, Solderers, & Brazers (\$35,901)	Heavy & Tractor-Trailer Truck Drivers (\$38,117)	Nurse Practitioners (\$103,709)
Personal Care Aides (\$22,605)	Computer-Controlled Machine Tool Operators (\$31,184)	Nursing Assistants (\$24,856)	Family & General Practitioners (\$178,235)
Combined Food Preparation & Serving Workers (\$18,418)	Office Clerks, General (\$28,961)	Registered Nurses (\$62,221)	Mechanical Engineers (\$54,866)
Farmworkers & Laborers, Crop, Nursery (\$25,507)	Farm Equipment Mechanics & Service Technicians (\$40,358)	Licensed Practical Nurses (\$39,366)	Secondary School Teachers (\$48,907)
Parts Salespersons (\$24,739)	Light Truck or Delivery Services Drivers (\$33,280)	Emergency Medical Techs. & Paramedics (\$28,229)	General & Operations Managers (\$71,093)
Cashiers (\$18,711)	First-Line Supervisors of Office Workers (\$44,544)	First-Line Supervisors of Production Workers (\$46,619)	Elementary School Teachers (\$60,042)
Laborers & Freight, Stock, & Material Movers (\$28,087)	Social & Human Service Assistants (\$25,571)	Computer User Support Specialists (\$50,588)	Sales Managers (\$91,641)
Stock Clerks & Order Fillers (\$19,150)	Tellers (\$25,192)	Medical Assistants (\$29,898)	Loan Officers (\$55,292)
Laundry & Dry-Cleaning Workers (\$23,042)	Sales Representatives, Wholesale & Mfg. (\$58,095)	Surgical Technologists (\$51,307)	Financial Managers (\$82,097)
Slaughterers & Meat Packers (\$27,909)	Truck Mechanics & Diesel Engine Specialists (\$38,001)	Dental Assistants (\$43,848)	Appraisers & Assessors of Real Estate (\$37,287)

Source: [DEED Occupations in Demand](#)

EMPLOYMENT PROJECTIONS

Region 6W is a small part of the larger 23-county Southwest Minnesota planning region, which also includes Region 8 and Region 9. The entire region is projected to grow 2.7 percent from 2012 to 2022, making it the slowest growing planning region in the state, which is expected to expand by 7.0 percent. The region could gain about 5,685 new jobs, but will also need to fill 48,000 replacement openings for existing jobs left vacant by retirements and other career changers. 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; primarily due to projected growth in personal care aides. Seven occupational groups will not see any new growth, but will still have demand for workers (see Figure 9).

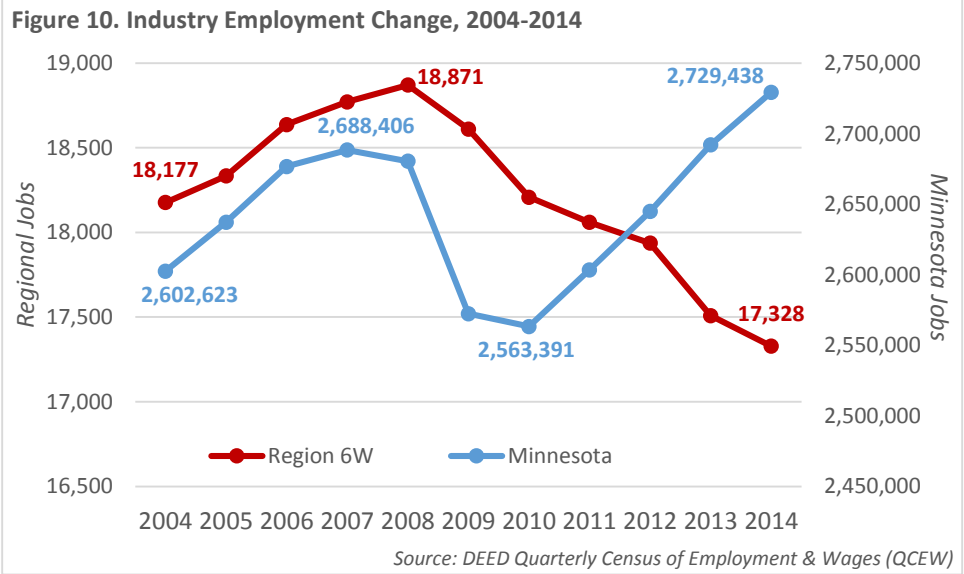
Figure 9. Southwest Minnesota Employment Projections, 2012-2022



ECONOMY

INDUSTRY EMPLOYMENT

Region 6W has seen employment ups and downs over the past decade, but ended 2014 with 849 fewer jobs than it had in 2004. The region entered the recession later than the state, still experiencing job growth through 2008, before suffering steady declines in 2009 and 2010. Since then, Region 6W has not seen the same recovery experienced in the rest of the state, which



gained jobs at a 6.5 percent clip from 2010 to 2014, compared to a -4.8 percent decline in the region. Region 6W reached a peak of 18,871 jobs in 2008, then hit a low of 17,328 jobs in 2014 (see Figure 10).

According to DEED’s [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 6W was home to 1,528 business establishments providing 17,328 covered jobs through 2014, with a total payroll of just under \$600 million. That was about 0.6 percent of total employment in the state of Minnesota, making it the smallest of the 13 EDRs in the state. Average annual wages were \$34,476 in the region, which was \$17,000 lower than the state’s average annual wage, and the third lowest of the 13 EDRs.

Chippewa County is the largest employment center in the region, with 5,709 jobs at 428 firms; followed by Yellow Medicine County with 4,070 jobs at 342 firms and Swift County with 328 firms and 3,499 jobs. As shown above, the region suffered job losses in the past five years; and 4 of the 5 counties in the region also lost jobs since 2010, with only Chippewa County adding jobs. The other four counties saw significant job declines, ranging from -6.4 percent in Swift County to -10.3 percent in Lac qui Parle County. Chippewa County also added jobs in the past year, as did Big Stone County, while the other three counties lost jobs from 2013 to 2014 (see Table 12).

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2010-2014		2013-2014	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
Region 6W	1,528	17,328	\$598,124,054	\$34,476	-880	-4.8%	-181	-1.0%
Big Stone Co.	207	1,763	\$60,323,029	\$34,216	-161	-8.4%	+25	+1.4%
Chippewa Co.	428	5,709	\$199,269,753	\$34,892	+136	+2.4%	+13	+0.2%
Lac qui Parle Co.	223	2,286	\$75,883,482	\$33,176	-263	-10.3%	-21	-0.9%
Swift Co.	328	3,499	\$123,769,522	\$35,360	-240	-6.4%	-26	-0.7%
Yellow Medicine Co.	342	4,070	\$138,878,268	\$34,112	-353	-8.0%	-172	-4.1%
State of Minnesota	164,409	2,729,438	\$140,857,248,755	\$51,584	+166,047	+6.5%	+37,321	+1.4%

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

With 3,610 jobs at 111 firms, health care and social assistance is the largest employing industry in Region 6W, accounting for 20.8 percent of total jobs in the region. However, the region saw a decline in health care jobs in the past five years. Due to the region's older population, the two largest sectors were hospitals and nursing and residential care facilities, which both had over 1,200 jobs in 2014, followed by ambulatory health care services, which had about 530 jobs.

Manufacturing is the next largest employing industry in Region 6W, with 2,273 jobs at 80 firms, accounting for 13.1 percent of total jobs in the region. The largest sectors include machinery manufacturing and food manufacturing, which both lost jobs since 2010, as well as computer and electronic product manufacturing and fabricated metal product manufacturing, which gained jobs. Overall, Region 6W suffered a loss of manufacturing jobs since 2010. At \$45,292 in 2014, average annual wages were over \$10,000 higher in manufacturing than the total of all industries.

Retail trade is the third largest industry, with 1,756 jobs at 199 establishments. However, wages are relatively low in retail trade. The region has a higher concentration of employment in educational services, with 1,649 jobs at 34 institutions, primarily at elementary and secondary schools, as well as junior colleges.

Other important industries in Region 6W include public administration, wholesale trade, construction, accommodation and food services, transportation and warehousing, other services, finance and insurance, agriculture, and arts, entertainment, and recreation. Just six of the 20 main industries in the region added jobs since 2010, with huge losses in health care and social assistance, manufacturing, wholesale trade, and other services. In contrast, the region saw small job gains in utilities, construction, management of companies, and real estate, rental, and leasing (see Table 13).

NAICS Industry Title	2014 Annual Data				Avg. Annual Wage	2010-2014		2013-2014	
	Number of Firms	Number of Jobs	Percent of Jobs	Total Payroll		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	1,528	17,328	100.0%	\$598,124,054	\$34,476	-880	-4.8%	-181	-1.0%
Health Care & Social Assistance	111	3,610	20.8%	\$114,812,894	\$31,772	-339	-8.6%	-13	-0.4%
Manufacturing	80	2,273	13.1%	\$102,987,233	\$45,292	-145	-6.0%	-2	-0.1%
Retail Trade	199	1,756	10.1%	\$35,694,586	\$20,332	-5	-0.3%	-22	-1.2%
Educational Services	34	1,649	9.5%	\$57,233,386	\$34,736	-37	-2.2%	-7	-0.4%
Public Administration	81	1,187	6.9%	\$42,011,945	\$35,464	-28	-2.3%	0	0.0%
Wholesale Trade	84	1,122	6.5%	\$56,596,922	\$50,440	-105	-8.6%	-14	-1.2%
Construction	193	1,040	6.0%	\$50,471,965	\$48,568	+26	+2.6%	-34	-3.2%
Accommodation & Food Services	96	916	5.3%	\$9,343,378	\$10,192	-41	-4.3%	-13	-1.4%
Transportation & Warehousing	108	610	3.5%	\$20,695,792	\$33,904	-4	-0.7%	+28	+4.8%
Other Services	130	560	3.2%	\$12,324,858	\$21,944	-98	-14.9%	-3	-0.5%
Finance & Insurance	103	517	3.0%	\$22,903,869	\$44,304	-66	-11.3%	-43	-7.7%
Arts, Entertainment & Recreation	28	467	2.7%	\$10,891,545	\$23,452	+10	+2.2%	-16	-3.3%
Agriculture, Forestry, Fish & Hunt	84	381	2.2%	\$13,523,230	\$35,412	-60	-13.6%	-40	-9.5%
Professional & Technical Services	76	359	2.1%	\$14,522,844	\$40,456	-52	-12.7%	-2	-0.6%
Admin. Support & Waste Mgmt.	46	231	1.3%	\$5,887,709	\$25,584	-19	-7.6%	+1	+0.4%
Utilities	12	187	1.1%	\$14,772,324	\$79,248	+54	+40.6%	+1	+0.5%
Real Estate & Rental & Leasing	32	181	1.0%	\$3,158,050	\$17,420	+13	+7.7%	-1	-0.5%
Information	22	160	0.9%	\$4,572,674	\$28,548	-10	-5.9%	+2	+1.3%
Management of Companies	5	76	0.4%	\$3,439,390	\$44,980	+16	+26.7%	-3	-3.8%
Mining	6	41	0.2%	\$2,279,460	\$53,820	+9	+28.1%	+1	+2.5%

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

DISTINGUISHING INDUSTRIES

Region 6W stands out in the state for its higher concentrations of employment in a wide variety of subsectors, ranging from agriculture to manufacturing to casinos. Region 6W has 0.6 percent of total state employment, but has over 3.0 percent of the state's jobs in crop production, 2.0 percent of textile product mill jobs, and 1.8 percent of statewide jobs in merchant wholesalers of nondurable goods and construction of buildings (see Table 14).

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	0	1,528	17,328	\$598,124,054	\$34,476	1.0
Crop Production	111	55	211	\$7,580,804	\$35,412	4.9
Textile Product Mills	314	4	50	\$749,263	\$14,872	3.2
Merchant Wholesalers, Nondurable Goods	424	56	799	\$39,631,759	\$49,660	2.9
Construction of Buildings	236	58	438	\$24,616,779	\$56,524	2.8
Gasoline Stations	447	29	388	\$7,128,086	\$18,408	2.5
Electric Power Generation, Transmission & Dist.	2211	7	173	\$13,953,215	\$80,912	2.3
Machinery Manufacturing	333	12	459	\$23,443,759	\$51,012	2.2
Executive, Legislative, & Other Gov't Support	921	42	935	\$30,694,397	\$32,968	2.2
Amusement, Gambling & Recreation Industries	713	19	432	\$10,169,767	\$23,608	1.9
Animal Production and Aquaculture	112	18	124	\$4,421,139	\$35,568	1.9

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

INDUSTRY PROJECTIONS

As noted above, Region 6W is part of the 23-county Southwest Minnesota planning region, which is projected to grow 2.7 percent from 2012 to 2022, a gain of 5,685 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for over 70 percent of total projected growth in the region from 2012 to 2022. The region is also expected to see significant employment growth in construction, professional and technical services, administrative support and waste management services, retail trade, wholesale trade,

and accommodation and food services. In contrast, the region is expected to see declines in government employment, information, utilities, and other services (see Table 15).

Industry	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012-2022	Numeric Change 2012-2022
Total, All Industries	207,849	213,534	+2.7%	+5,685
Manufacturing	31,654	31,719	+0.2%	+65
Total Government	31,721	30,668	-3.3%	-1,053
Health Care & Social Assistance	25,529	29,605	+16.0%	+4,076
Retail Trade	20,071	20,404	+1.7%	+333
Accommodation & Food Services	11,915	12,153	+2.0%	+238
Wholesale Trade	8,262	8,526	+3.2%	+264
Other Services	8,312	8,265	-0.6%	-47
Construction	7,299	7,809	+7.0%	+510
Finance & Insurance	5,874	5,903	+0.5%	+29
Agriculture, Forestry, Fish & Hunt	5,389	5,519	+2.4%	+130
Transportation & Warehousing	5,123	5,317	+3.8%	+194
Professional & Technical Services	4,069	4,486	+10.2%	+417
Admin. Support & Waste Mgmt.	3,893	4,252	+9.2%	+359
Information	2,914	2,608	-10.5%	-306
Arts, Entertainment, & Recreation	2,507	2,551	+1.8%	+44
Management of Companies	1,977	2,072	+4.8%	+95
Educational Services	1,971	2,037	+3.3%	+66
Real Estate & Rental & Leasing	1,270	1,396	+9.9%	+126
Utilities	772	704	-8.8%	-68
Mining	383	458	+19.6%	+75

Source: [DEED 2012-2022 Employment Outlook](#)

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 6W are small businesses, with 57.5 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 32.3 percent had between 5 and 19 employees; and 8.4 percent had between 20 and 99 employees. Only 1.6 percent had 100 to 499 employees, compared to 2.4 percent of businesses in the state. Just 2 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 16).

Number of Employees	Region 6W		Minnesota
	Number of Firms	Percent of Firms	Percent of Firms
1-4	824	57.5%	54.2%
5-9	290	20.2%	17.7%
10-19	173	12.1%	13.4%
20-49	96	6.7%	8.9%
50-99	24	1.7%	3.2%
100-249	19	1.3%	1.9%
250-499	5	0.3%	0.5%
500-999	1	0.1%	0.2%
1,000 or more	1	0.1%	0.1%
Total Firms	1,433	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 6W was home to 3,386 self-employed businesses or "nonemployers" in 2013, 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)." Unlike covered employment, Region 6W saw a small increase in nonemployers over the past decade, responding to economic changes. In sum, the region gained 100 new nonemployers from 2003 to 2013, a 3.0 percent increase. The largest amount of nonemployers and the fastest growth occurred in Yellow Medicine County, while Chippewa County saw a big decline in self-employment. In sum, these nonemployers generated sales receipts of \$131.7 million in 2013 (see Table 17).

	2013		2003-2013	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Region 6W	3,386	\$131,763	+100	+3.0%
Big Stone Co.	390	\$18,031	+30	+8.3%
Chippewa Co.	862	\$34,509	-100	-10.4%
Lac qui Parle Co.	611	\$23,138	+71	+13.1%
Swift Co.	689	\$24,079	-14	-2.0%
Yellow Medicine Co.	834	\$32,006	+113	+15.7%
State of Minnesota	388,900	\$17,268,230	+40,173	+11.5%

Source: *U.S. Census, Nonemployer Statistics program*

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 6W is agriculture, with 3,612 farms producing nearly \$1.5 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 6W had 4.8 percent of the state's farms, and 6.9 percent of the state's total market value, led by Swift, Chippewa, Yellow Medicine, and Lac qui Parle County, which were all among the top 30 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 huge 77.6 percent increase in the market value of products sold from 2007 to 2012, as many farms got bigger and commodity prices went up (see Table 18).

	Number of Farms	Market Value of Products Sold	State Rank	Change in Market Value, 2007-2012
Region 6W	3,612	\$1,471,581,000		+77.6%
Big Stone Co.	400	\$164,624,000	55	+89.6%
Chippewa Co.	674	\$333,231,000	27	+97.2%
Lac qui Parle Co.	852	\$311,757,000	30	+97.8%
Swift Co.	801	\$339,173,000	26	+64.6%
Yellow Medicine Co.	885	\$322,796,000	28	+54.4%
State of Minnesota	74,542	\$21,280,184,000		+61.5%

Source: *2012 Census of Agriculture*