



State of Rural 2023

JANUARY 2023

Who we are

The Center for Rural Policy and Development is a non-partisan, not-for-profit policy research organization dedicated to benefiting Minnesota by providing its policy makers with unbiased information and evaluation of issues from a rural perspective.

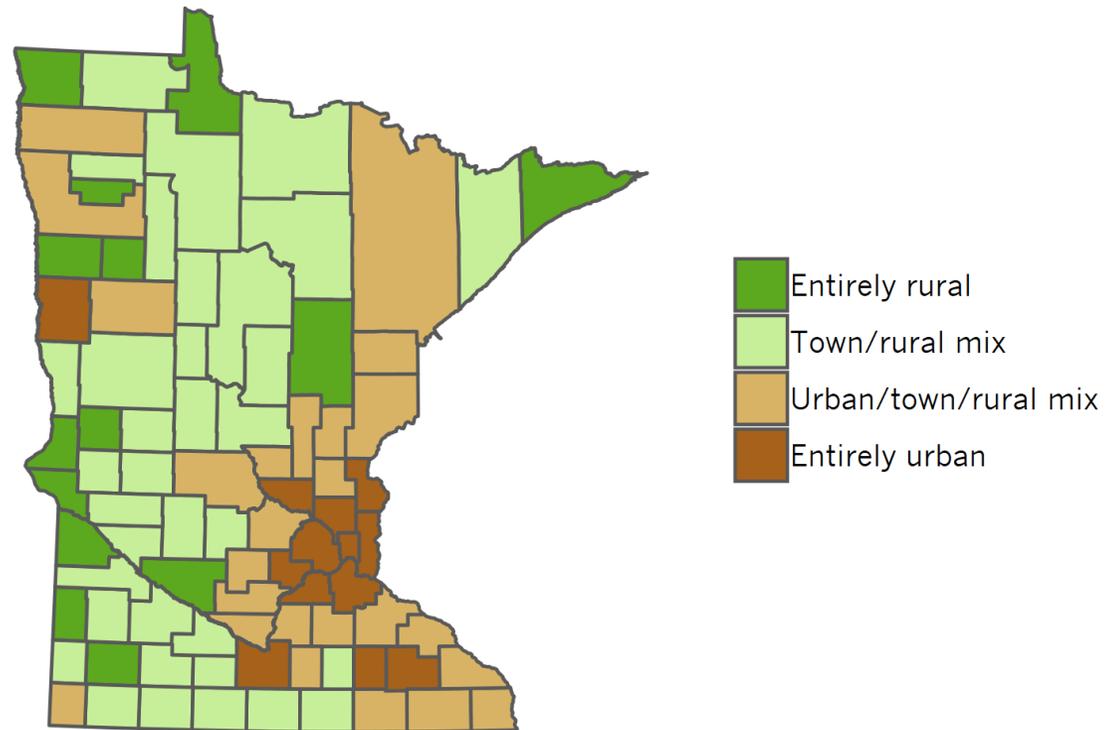


Defining rural

Throughout this presentation we will present information using four county groups developed by the Minnesota Demographic Center using USDA's Rural-Urban Commuting Area codes.

Grouping counties by "ruralness" and "urbanness" instead by location gives us another way to look at the state.

County categorizations based on rural-urban commuting areas



People

A SHIFT IN MIGRATION TRANSLATES INTO MORE RURAL COUNTIES EXPERIENCING POPULATION INCREASES

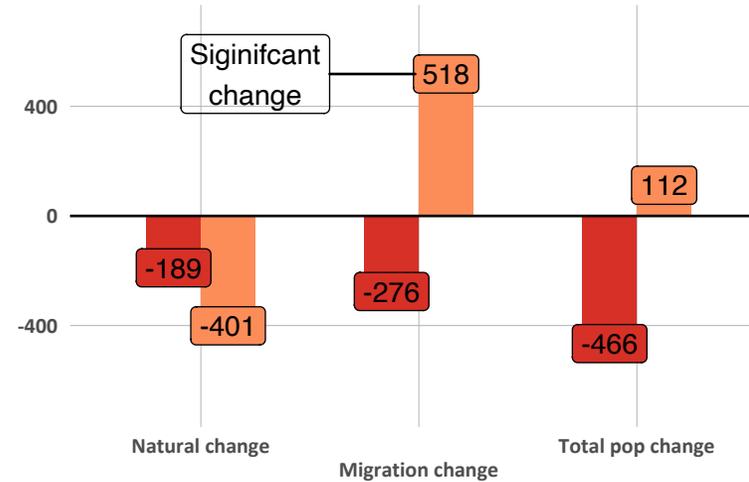
A major shift in migration over last few years.

Comparing the population changes between 2010-2019 to 2020-2021 shows a definite shift in migration. Rural areas are experiencing population increases while entirely urban counties experienced a decline due to changes in migration.

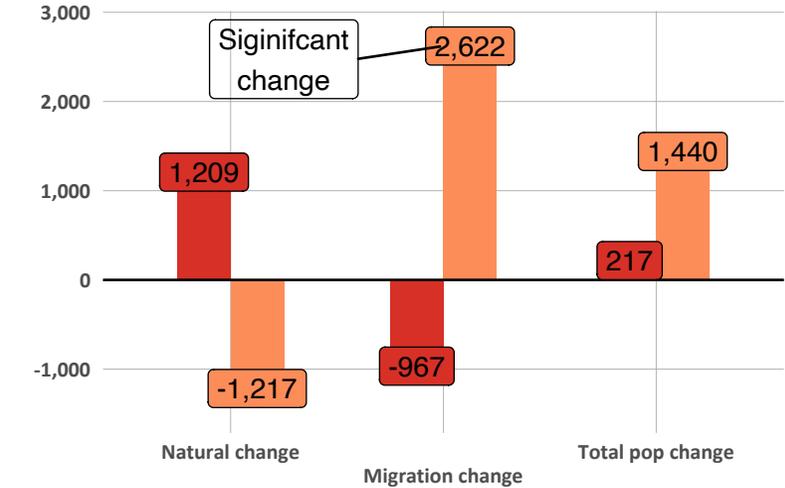
Average annual components of population change, 2010-2019 & 2020-2021

Rural areas are experiencing a significant in-migration

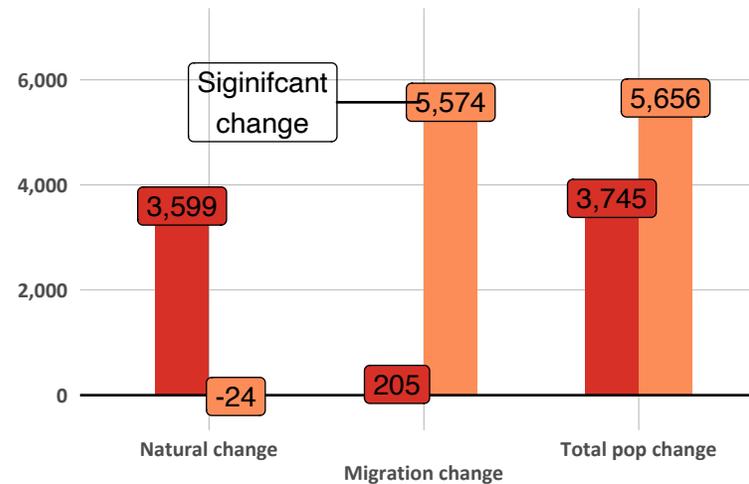
Entirely rural



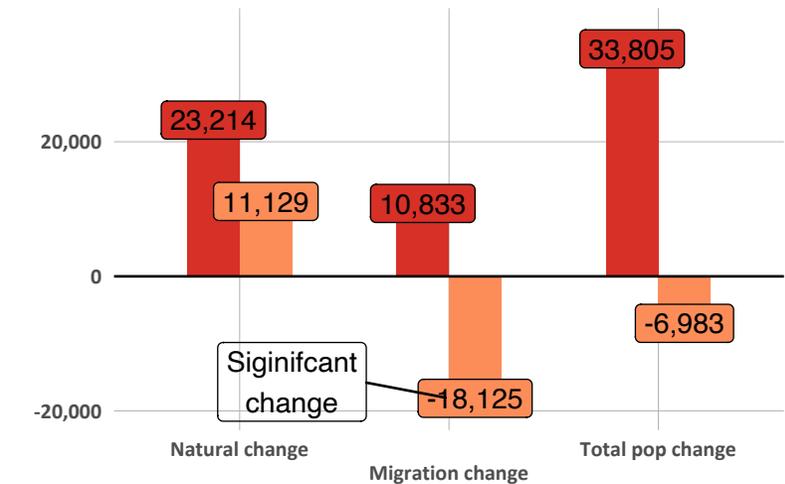
Town/rural mix



Urban/town/rural mix



Entirely urban



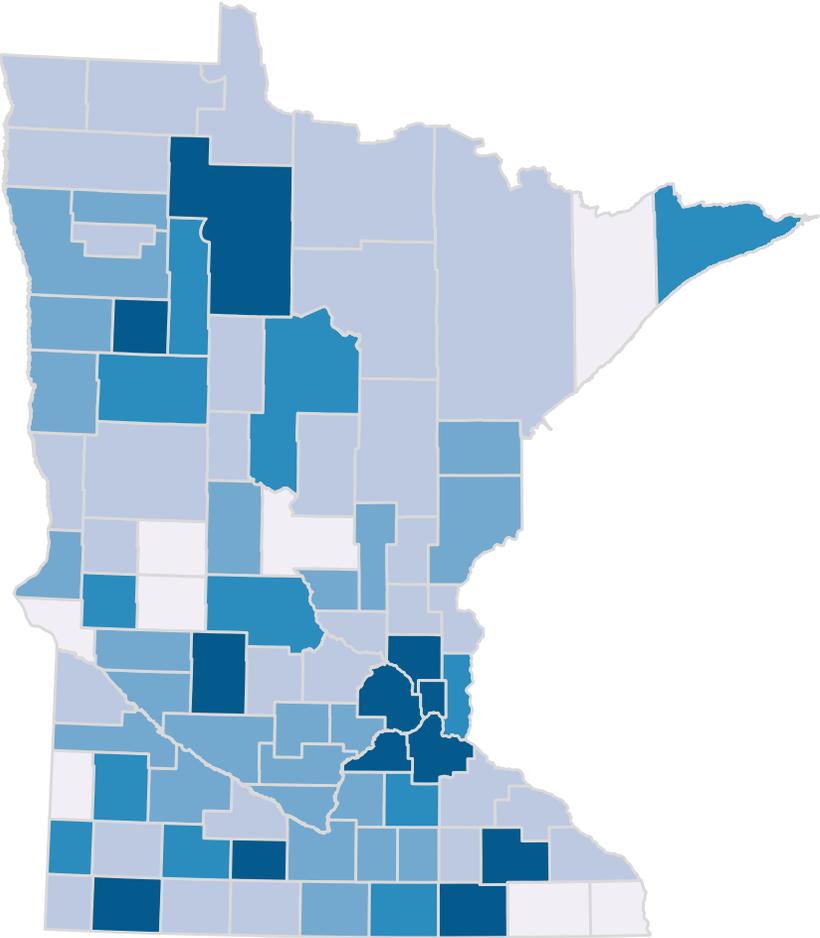
People

COUNTIES WITH LARGE BIPOC POPULATIONS CONTINUE TO GROW
IN RURAL MINNESOTA

Percent of population that is BIPOC or Latino, 2019

BIPOC and Latino populations continue to grow

In over forty counties across Greater Minnesota, more than 10% of the population is black, indigenous, Latino, or other persons of color.



U.S. Census Bureau - Decennial Census & Population Estimates

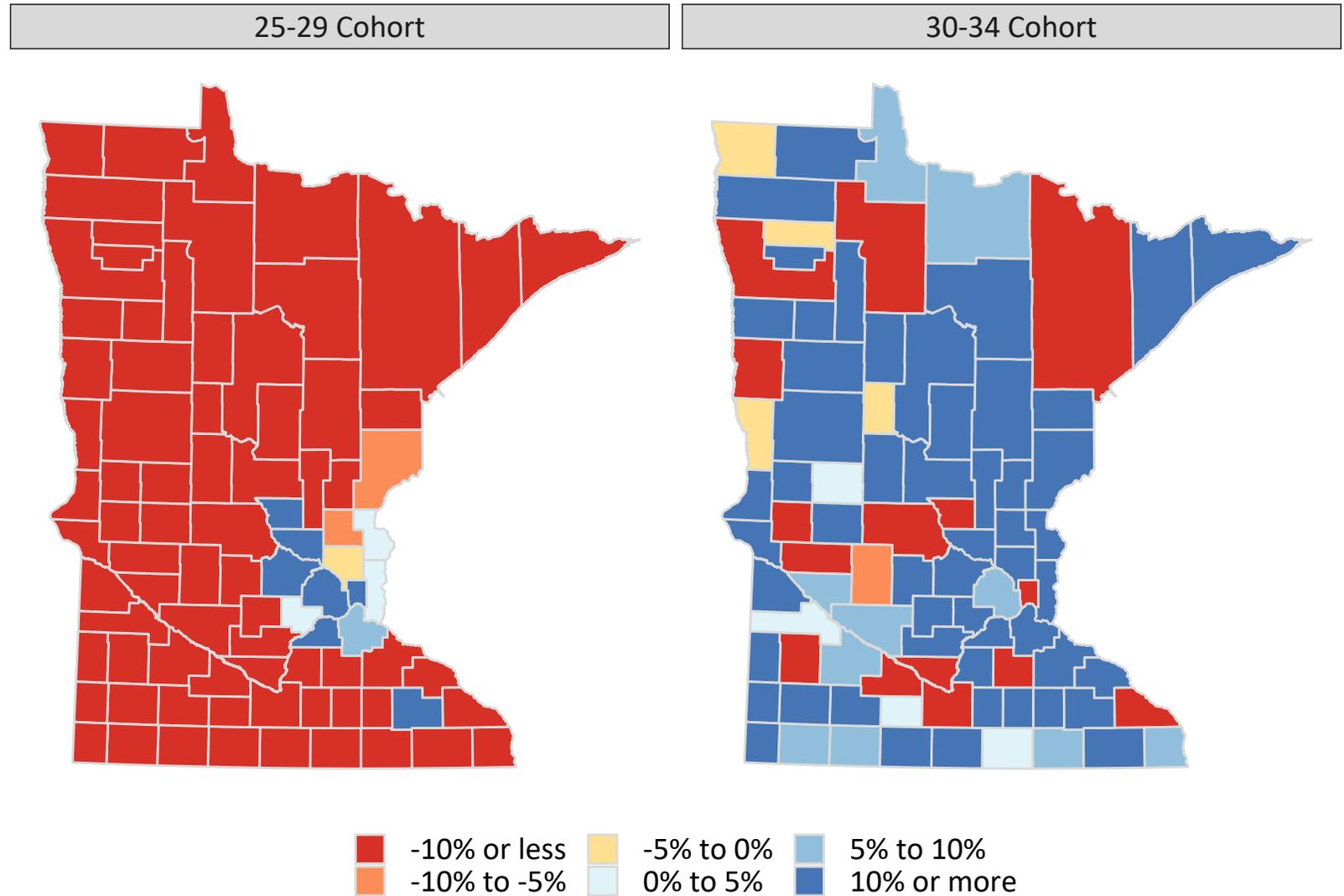
People

MOST RURAL COUNTIES EXPERIENCE A REGULAR IN-MIGRATION OF
30- TO 49-YEAR-OLDS

Returning 30- to 49-year-olds

Almost all rural counties experienced an out-migration of people 25 to 29 years old between 2000 & 2010. However, at the same time, people in their early 30s were migrating into these same rural counties. This trend continues up through the 45-49 age cohort across all of rural Minnesota. New 2020 data, when it comes out, may reveal a continuation of this trend.

Change in age cohort from previous census



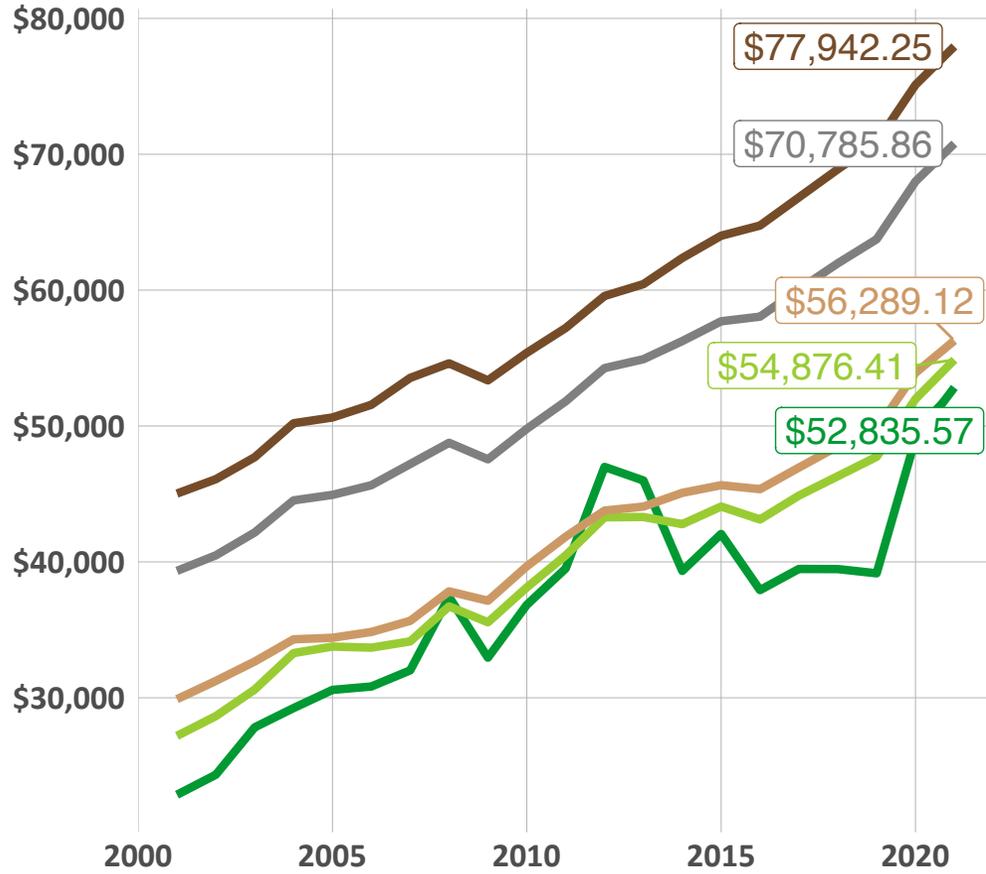
U.S. Census Bureau - Decennial Census

Economic Vitality

GROWTH IN EARNINGS SIMILAR ACROSS MINNESOTA

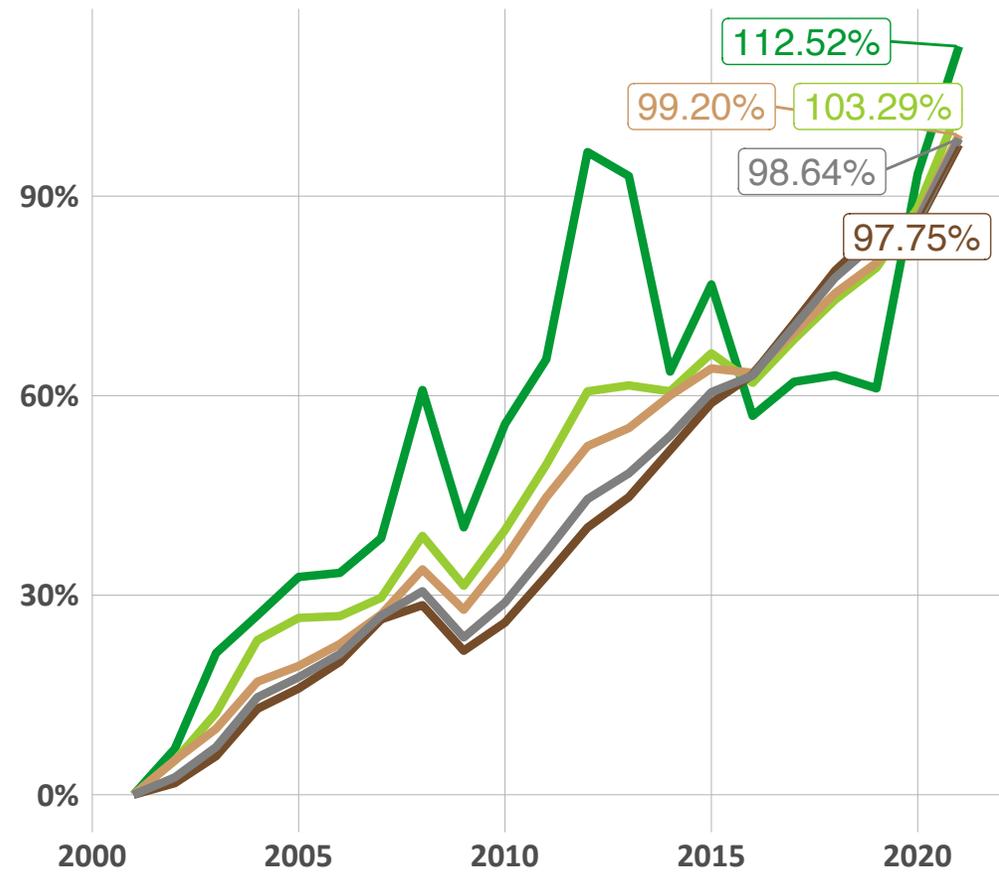
Earnings per job

Earnings continue to be significantly lower in rural areas



Change in earnings since 2001

Largest growth in rural Minnesota



— Entirely rural — Urban/town/rural mix
— Town/rural mix — Entirely urban

Earnings continue to increase across the state

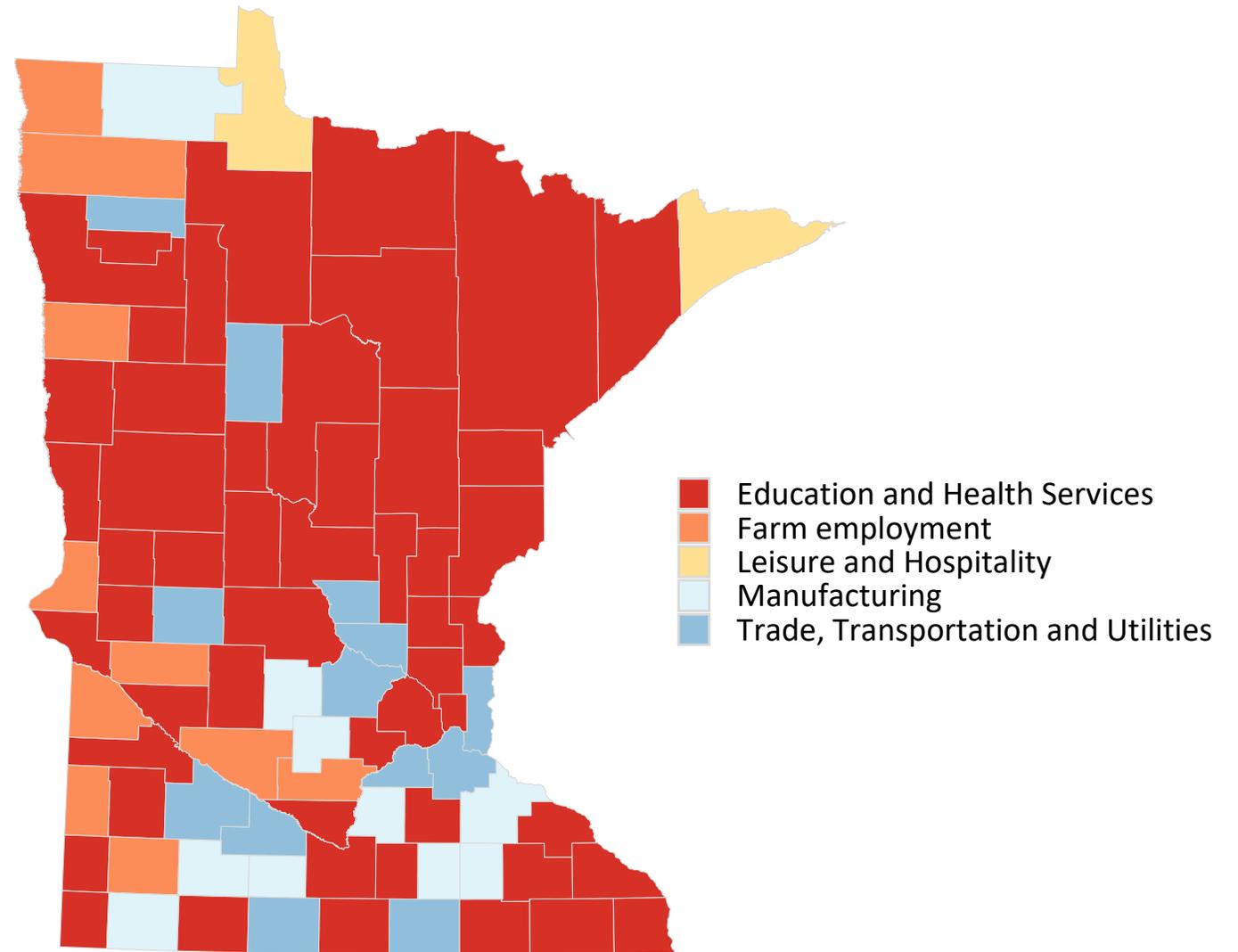
Economic Vitality

RURAL AREAS HAVE A HIGHER PERCENTAGE OF WORKERS
EMPLOYED IN GOVERNMENT OR AS SOLE PROPRIETORS

Top employment industries

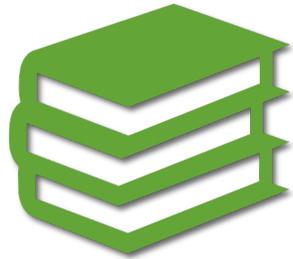
While the highest percentage of employment across Minnesota continues to be in the education and health services industry, farm employment is prominent in western counties, leisure and hospitality in a few northern counties, and manufacturing in southern Minnesota. It's worth noting that leisure and hospitality used to be the top employment industry in a few more northern counties but is no longer due to the repercussions of the pandemic. It hasn't gone away, but it is no longer the top employer it once was.

Top employment industry, 2021

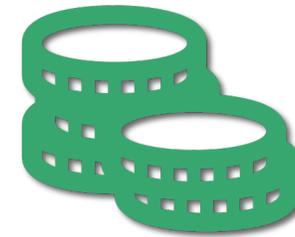


Bureau of Labor Statistics - QCEW
Bureau of Economic Analysis - Local Area Personal Income and Employment

Major employment industries



Top employment industry across all regions of Minnesota: Education and health services



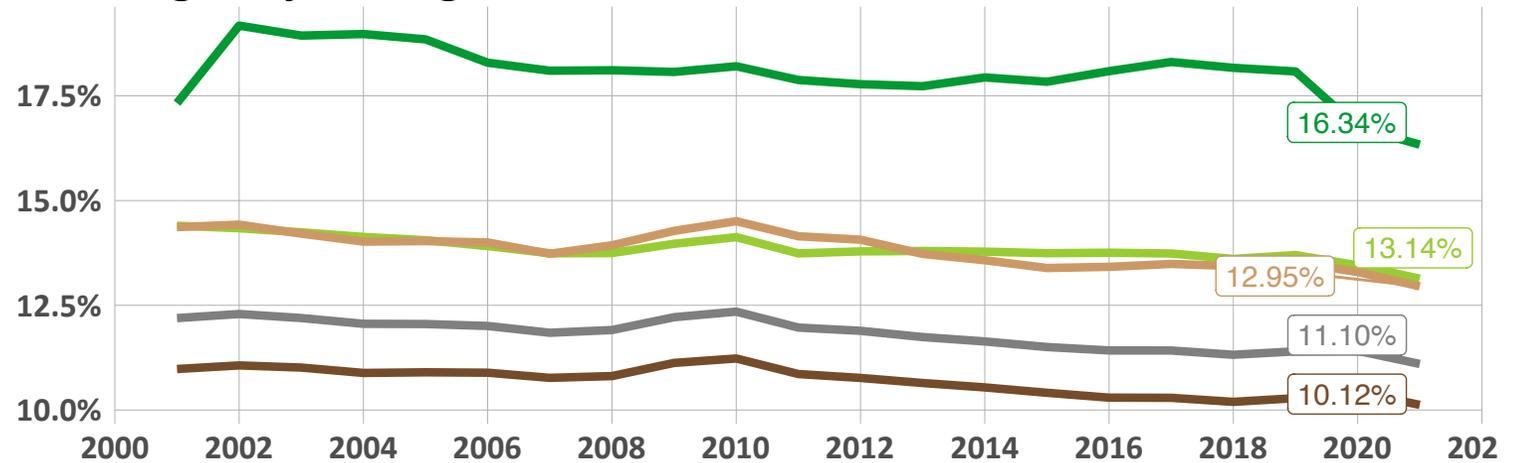
Typically rounding out the top 5 employment industries

Trade, transportation and utilities
Leisure and hospitality
Manufacturing
Construction
Farm employment
Professional and Business Services

Non-employers are a larger share of jobs in rural areas.

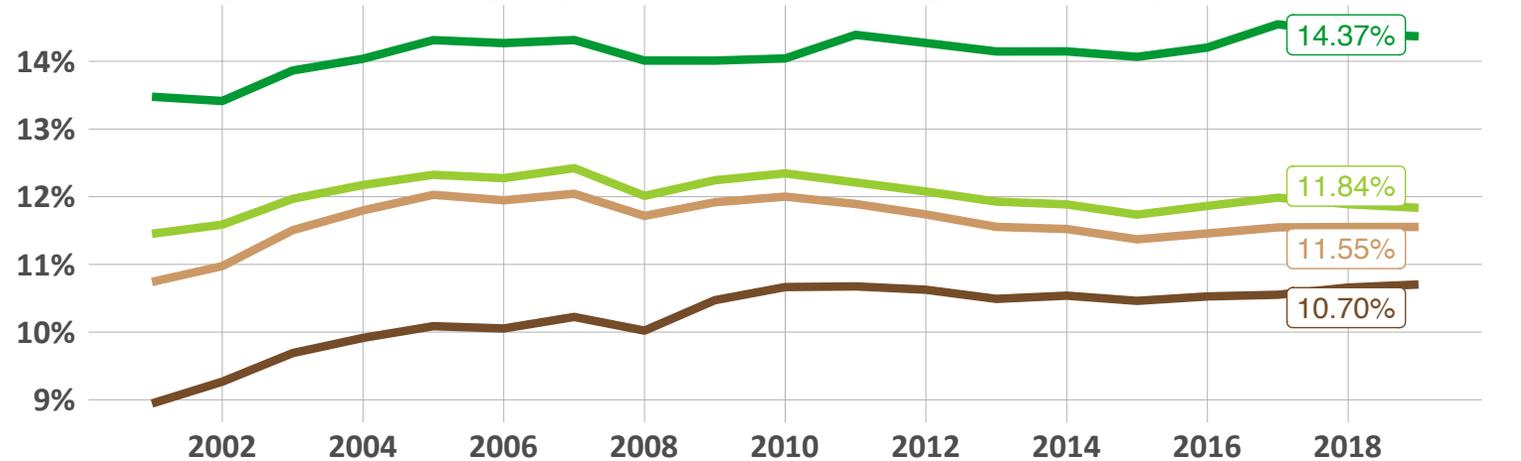
A surprising employment fact in rural regions is the number of non-employers and self-employed as well as the percentage of jobs in government. The state's most rural counties have the highest percentage of both.

Percentage of jobs in government



Bureau of Economic Analysis - Local Areas Personal Income and Employment

Non-employers/self-employed as a percentage of total jobs



U.S. Census Bureau - Non-employer Statistics

- Entirely rural
- Town/rural mix
- Urban/town/rural mix
- Entirely urban

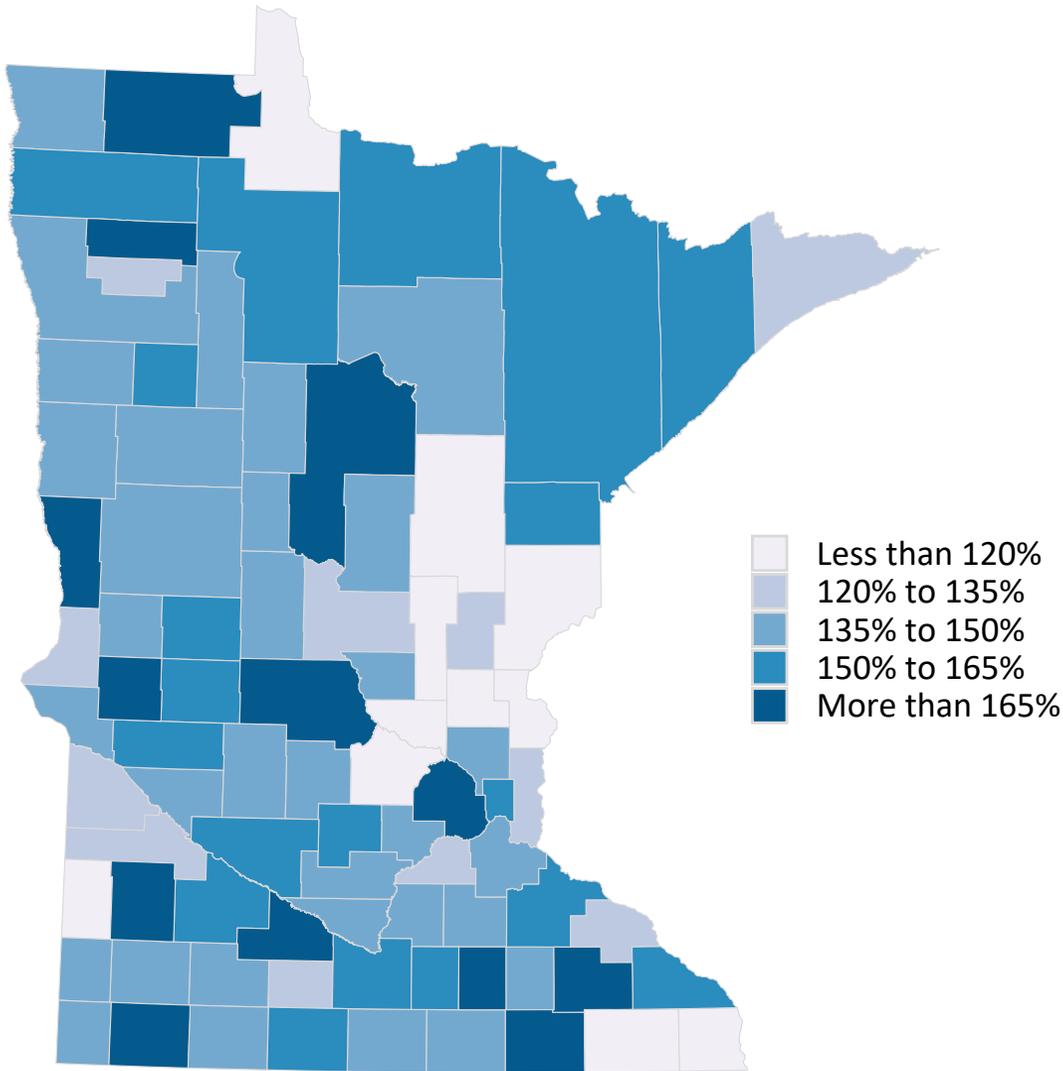
Economic Vitality

LOWER WAGES CAN GO FARTHER IN GREATER MINNESOTA

Median wages as a percent of the cost of living, 2021

Wages may be lower, but so is the cost of living

MN DEED's cost of living calculator assumes a three-person household, one person working full-time and another working part-time with one child needing childcare. As the map shows, even though wages tend to be lower in Greater Minnesota, they are just as competitive as the Twin Cities, if not more so, when taking the lower cost of living into consideration. Much of the difference is in housing cost.



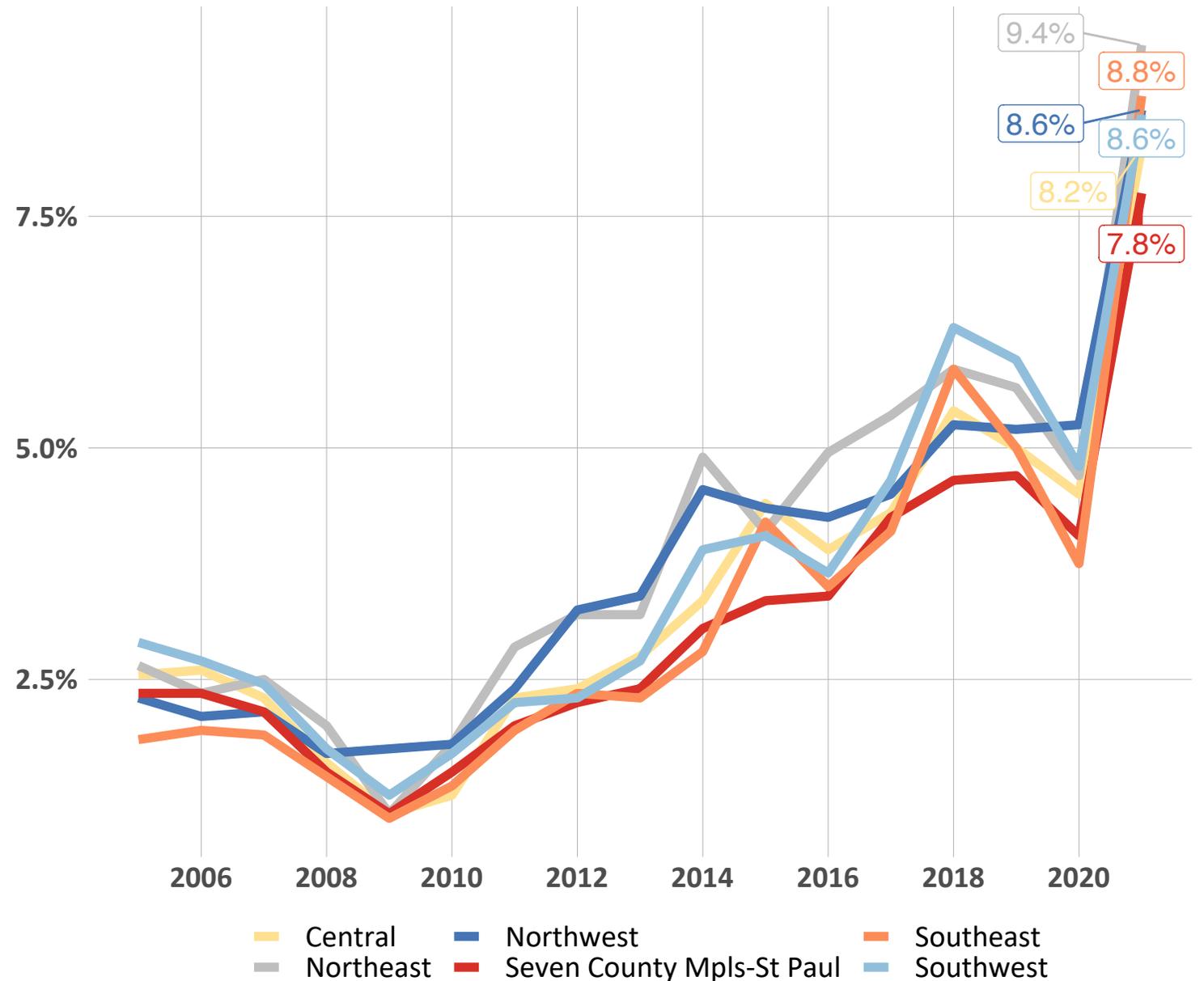
Economic Vitality

GREATER MINNESOTA FEELING PRESSURE TO FILL JOB VACANCIES

The job vacancy rate is higher in Greater Minnesota

The job vacancy rate reflects the average quarterly number of job vacancies each year as a percentage of total jobs in the region. The higher the percentage, the more challenging it is to fill the positions. Every region in the state is at its highest vacancy rate ever, despite the dip during COVID-19.

Job vacancies as a percent of total employment

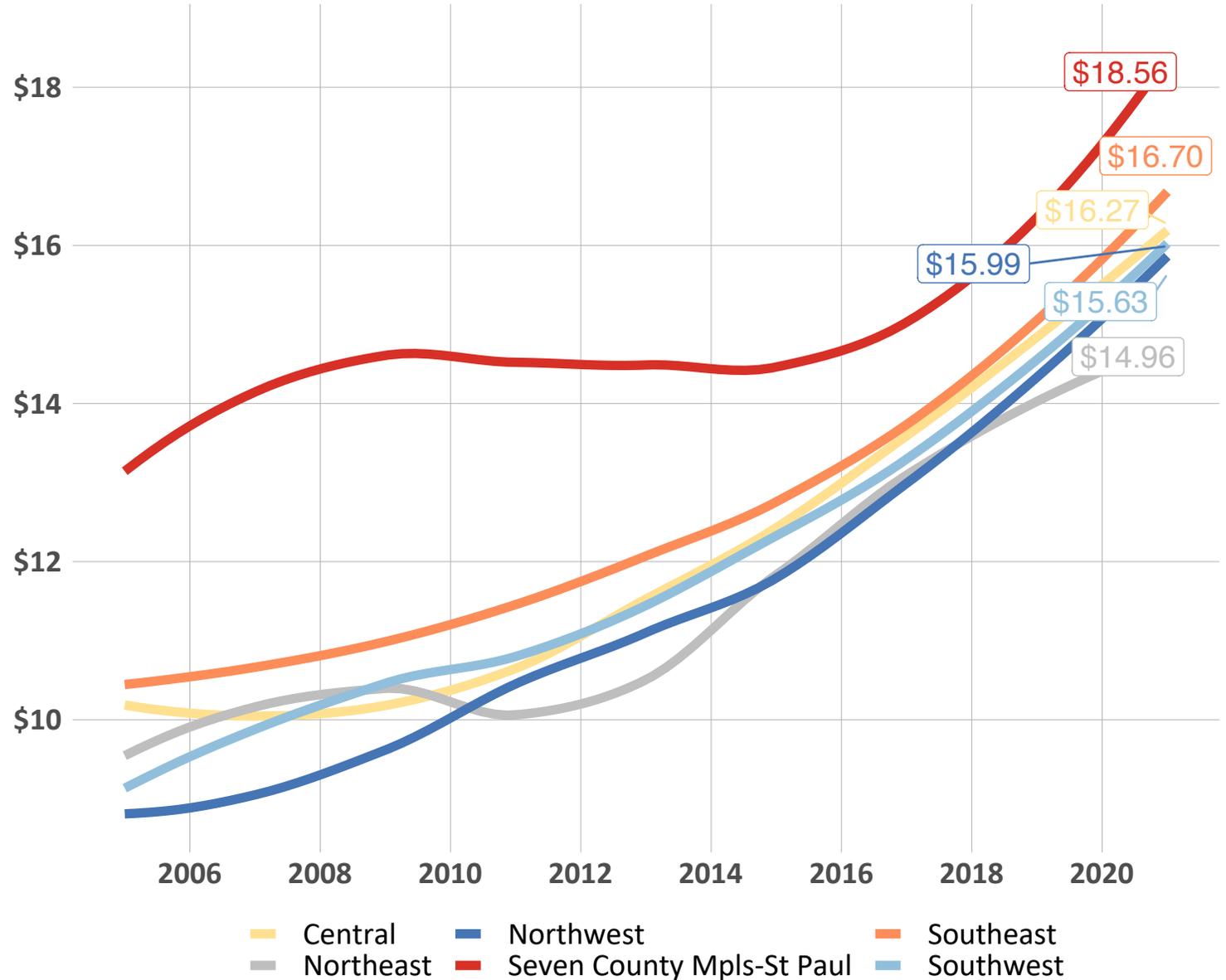


MN DEED - Job Vacancy Survey

Largest growth in wages for job vacancies is in Greater Minnesota

Although the median wages for all job vacancies continue to be lower in Greater Minnesota than in the seven-county metro area, the largest increases in wages have been occurring in Greater Minnesota. The Twin Cities' median wage is starting to swing upward as well, however.

Median wages of job vacancies



Agriculture

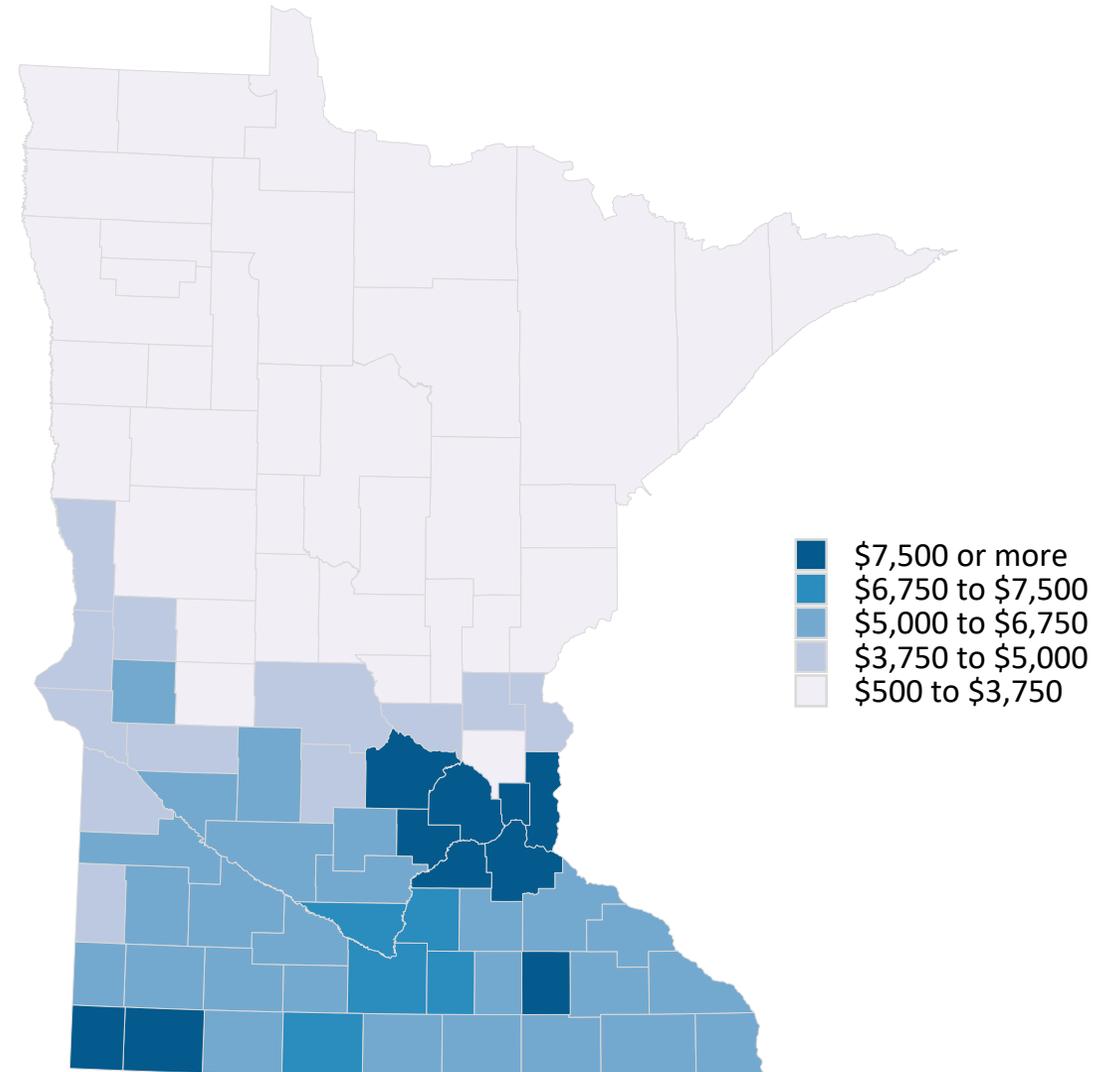
AG LAND STILL CONSIDERED A GOOD INVESTMENT

Land values and farm income continue to be high

Land value estimates from the University of Minnesota Land Economics department show continued high values in agriculture land values. Net income for farms have recovered in the past few years as well due to both improved markets and government safety nets during tougher times.

Value of agricultural land per acre, 2021

Besides southern Minnesota, ag land values in seven county metro are also high due to demand for residential and commercial development





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Questions?

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