

ECONOMIC DEVELOPMENT REGION 4: West Central

Covers counties:

Becker, Clay, Douglas, Grant, Otter Tail,
Pope, Stevens, Traverse, and Wilkin

2016 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2015

Economic Development Region 4 – West Central includes a total of 9 counties, located in the Northwest Minnesota planning area. Region 4 was home to 227,038 people in 2015, comprising 4.1 percent of the state’s total population. The region saw an 8.1 percent population increase since 2000, making it the 6th largest and 6th fastest growing of the 13 economic development regions (EDRs) in the state. In comparison, the state of Minnesota saw an 11.6 percent gain from 2000 to 2015 (see Table 1).

	2000 Population	2015 Estimates	2000-2015 Change	
			Number	Percent
Region 4	210,059	227,038	+16,979	+8.1%
Becker Co.	30,000	33,386	+3,386	+11.3%
Clay Co.	51,229	62,324	+11,095	+21.7%
Douglas Co.	32,821	37,075	+4,254	+13.0%
Grant Co.	6,289	5,903	-386	-6.1%
Otter Tail Co.	57,159	57,716	+557	+1.0%
Pope Co.	11,236	11,041	-195	-1.7%
Stevens Co.	10,053	9,796	-257	-2.6%
Traverse Co.	4,134	3,401	-733	-17.7%
Wilkin Co.	7,138	6,396	-742	-10.4%
Minnesota	4,919,479	5,489,594	+570,115	+11.6%

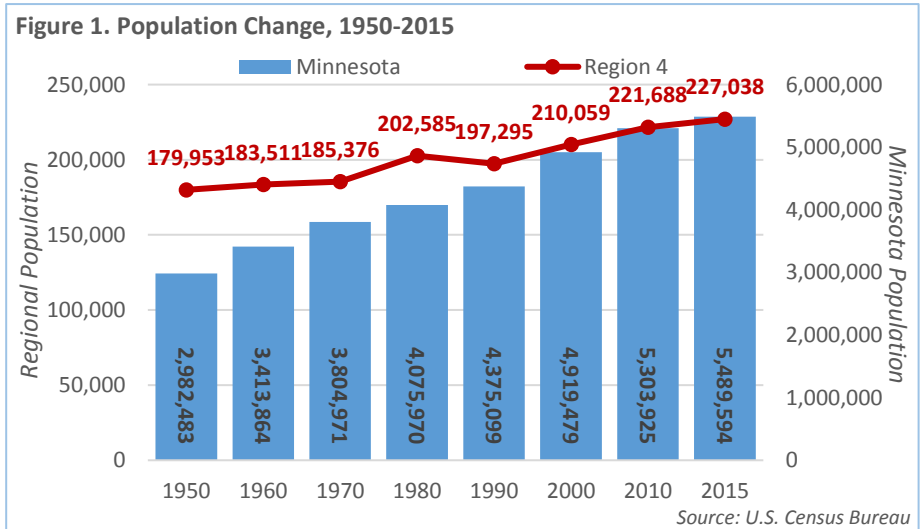
Source: U.S. Census Bureau, Population Estimates

Interestingly, only 4 of the 9 counties in the region saw population gains. As part of the fast growing Fargo-Moorhead Metropolitan Statistical Area, Clay County added 11,095 new residents, a 21.7 percent increase, making it the 9th fastest growing county (of 87) in the state and the largest in the region. Becker and Douglas County both gained more than 3,000 residents from 2000 to 2015, placing them among the top 25 fastest growing counties in the state, while Otter Tail County, which is the 2nd largest county in the region, gained about 560 people. In contrast, Traverse County was the smallest in the region, and saw the 2nd fastest decline of the 87 counties in the state. Wilkin County’s population dropped 10.4 percent, Grant County declined by 6.1 percent, and Pope and Stevens County both declined around 2 percent.

The recent population gains are part of a longer-term trend in the region, where the population has increased by just over 47,000 people over the past 65 years. As shown in Figure 1, the region suffered some population loss during the 1980s, then has seen rapid growth. Since 1990, the region’s population has gained almost 30,000 people, including about 17,000 new residents since 2000 (see Figure 1).

Again, 5 of the 9 counties in the region saw population declines, with Traverse County losing almost 60 percent of its population from 1950 to 2015. Wilkin and Grant County both declined about 40 percent, and Stevens and Pope fell between 10 and 15 percent since 1950.

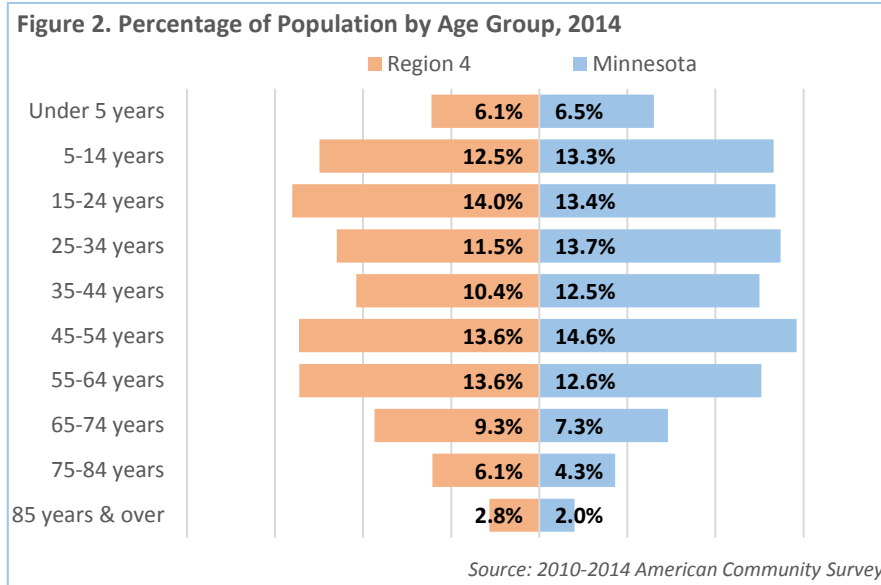
In contrast, led by Moorhead, Clay County doubled in size from 1950 to



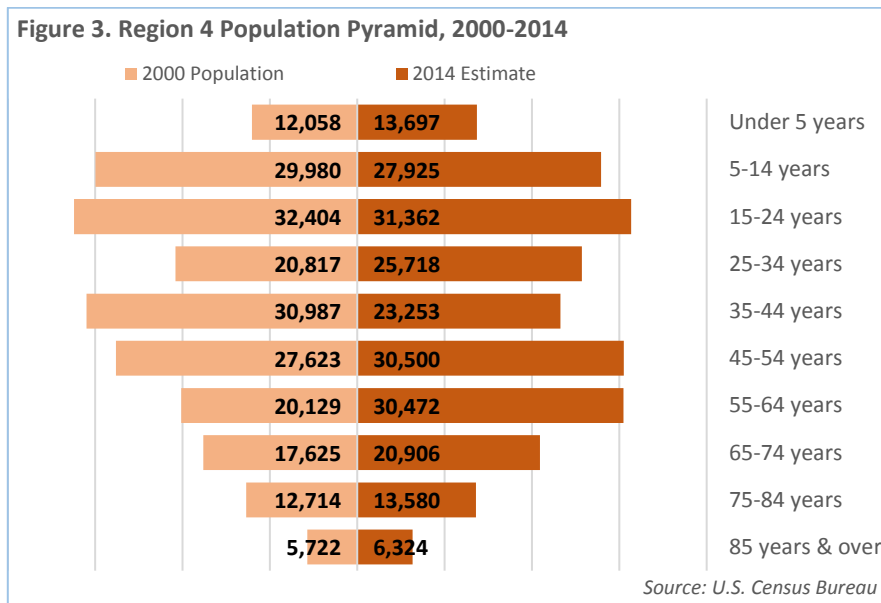
2015, leading the region in growth by adding almost 32,000 people. Anchored by Alexandria, Douglas County grew 74 percent, gaining 15,771 net new residents. Becker County increased by 8,550 people, a 34.4 percent growth rate, and Otter Tail County expanded 12.5 percent from 1950 to 2015, welcoming 6,396 new residents.

POPULATION BY AGE GROUP, 2000-2014

Region 4’s population has been aging over time, with 18.2 percent of the population aged 65 years and over in 2014, compared to 13.6 percent statewide. In contrast, Region 4 had a lower percentage of people in the 25- to 54-year-old age group, typically considered the “prime working years,” as well as a smaller percentage of school-aged children. However, with several postsecondary institutions in the region, Region 4 had a higher percentage of people aged 15 to 24 (see Figure 2).



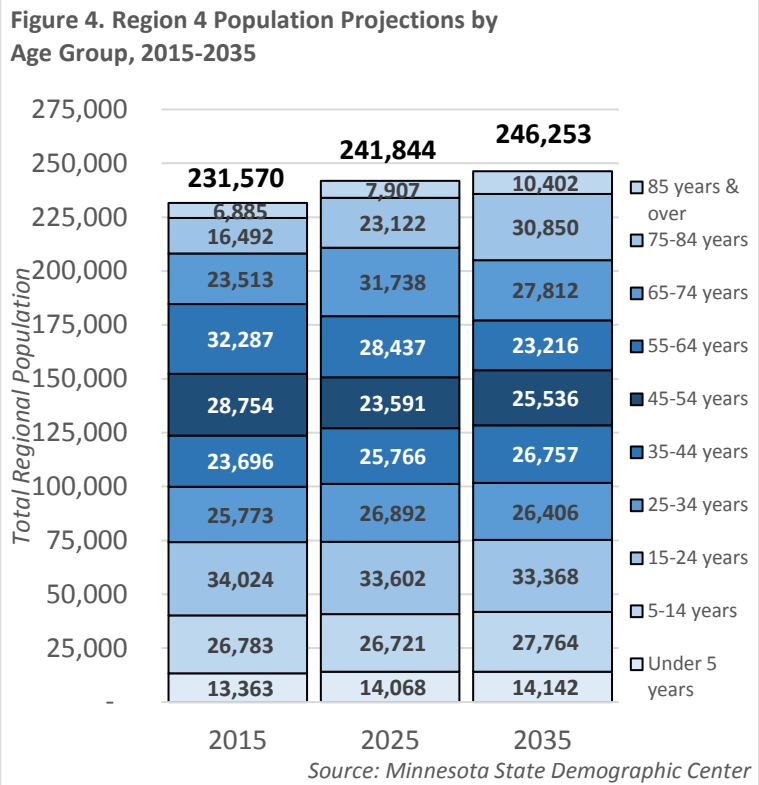
A large portion of the region’s population was a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger residents was experiencing a small decline, the number of residents aged 45 years and over was rapidly increasing (see Figure 3).



POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Region 4 is projected to enjoy continued population growth in the next 20 years as well. According to population projections from the [Minnesota State Demographic Center](#), Region 4 is expected to gain almost 15,000 net new residents from 2015 to 2035, a 6.3 percent increase (see Figure 4). 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 4 is projected to add over 22,000 people aged 65 years and over, a 47.3 percent increase. The region is also expected to gain nearly 3,700 people in the 25- to 44-year-old age group, as well as a corresponding increase in school-aged children. In contrast, Region 4 is expected to lose young adults from 15 to 24 years of age, and almost 12,300 people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.



POPULATION BY RACE, 2014

Region 4’s population is less diverse than the state’s, but is becoming more diverse over time. In 2014, 94.1 percent of the region’s residents reported White alone as their race, compared to 85.2 percent of residents statewide. Less than 1.0 percent of the region’s residents were Black or African American, Asian or Other Pacific Islanders, and people of Some Other Race. However, at 1.8 percent, Region 4 had a slightly higher percentage of American Indian and Alaska Natives than the state, while 2.0 percent of people reported being of Two or More Races and 2.6 percent of people reported Hispanic or Latino origin (see Table 2).

The region saw a slow and steady increase in the number of White residents, then saw much faster gains in every race group except Some Other Race. The number of people of Two or More Races jumped 90 percent, and the number of Hispanic or Latino residents rose 60 percent in the past decade and a half, making them the largest minority groups in the region (see Table 2).

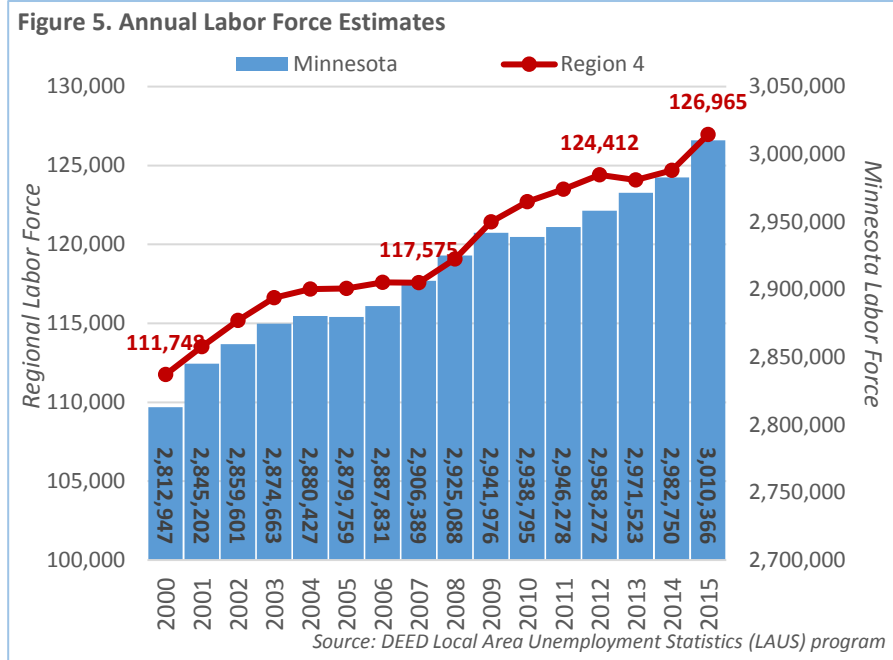
Table 2. Race and Hispanic Origin, 2014	Region 4			Minnesota	
	Number	Percent	Change from 2000-2014	Percent	Change from 2000-2014
Total	223,737	100.0%	+6.5%	100.0%	+9.4%
White	210,576	94.1%	+4.9%	85.2%	+4.2%
Black or African American	2,079	0.9%	+201.7%	5.4%	+69.2%
American Indian & Alaska Native	3,930	1.8%	+8.6%	1.0%	+2.8%
Asian & Other Pac. Islander	1,537	0.7%	+36.0%	4.3%	+61.8%
Some Other Race	1,177	0.5%	-25.6%	1.5%	+19.8%
Two or More Races	4,438	2.0%	+89.8%	2.6%	+68.0%
Hispanic or Latino	5,765	2.6%	+60.5%	4.9%	+84.3%

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

LABOR FORCE

LABOR FORCE CHANGE, 2000-2015

According to data from DEED’s [Local Area Unemployment Statistics](#) program, Region 4 has experienced steady growth in the size of the available labor force over the last 15 years regardless of changing economic conditions. The labor force expanded quickly from 2000 to 2003, then stabilized until 2007, when workers started to pour into the labor force to earn extra money during the recession. In line with the region’s population growth overall, Region 4 added about 15,000 workers over the last 15 years, from 111,748 available workers in 2000 to 126,965 workers in 2015. Similarly, the state was gaining workers over the past decade and a half (see Figure 5). As the economy has recovered, the labor market in the region has been getting tighter, with only about 4,660 unemployed workers that were actively seeking work in 2015, down from a high of about 8,150 unemployed workers in both 2009 and 2010.



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LABOR FORCE PROJECTIONS, 2015-2025

Despite the region’s projected population growth, applying current labor force participation rates to future population projections by age group, as shown in Figure 4 above, would lead to a drop in workforce numbers in Region 4 over the next decade.

In addition to the overall decline, the labor force will see a significant shift over time, with large gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. However, the region is still expected to see gains in the number of 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 56.7 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	8,655	8,296	-359	-4.1%
20 to 24 years	12,307	12,581	+273	+2.2%
25 to 44 years	43,966	46,800	+2,834	+6.4%
45 to 54 years	25,238	20,706	-4,532	-18.0%
55 to 64 years	22,895	20,165	-2,730	-11.9%
65 to 74 years	6,531	8,816	+2,285	+35.0%
75 years & over	1,279	1,697	+419	+32.7%
Total Labor Force	120,871	119,061	-1,810	-1.5%

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

EMPLOYMENT CHARACTERISTICS, 2014

With just 66.2 percent of the population aged 16 years and over in the labor force, Region 4 had much lower labor force participation rates than the state’s 70.1 percent. Though the region actually had higher labor force participation rates than the state in several age groups, the overall rate was lower because a higher percentage of Region 4’s labor force was in older age groups (see Table 4).

Likewise, the region had similar participation rates to the state in most race groups; and also had large unemployment rate disparities for most minority groups. Region 4 had about 6,400 veterans and about 6,200 workers with disabilities in the labor force. In sum, unemployment rates in the region were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

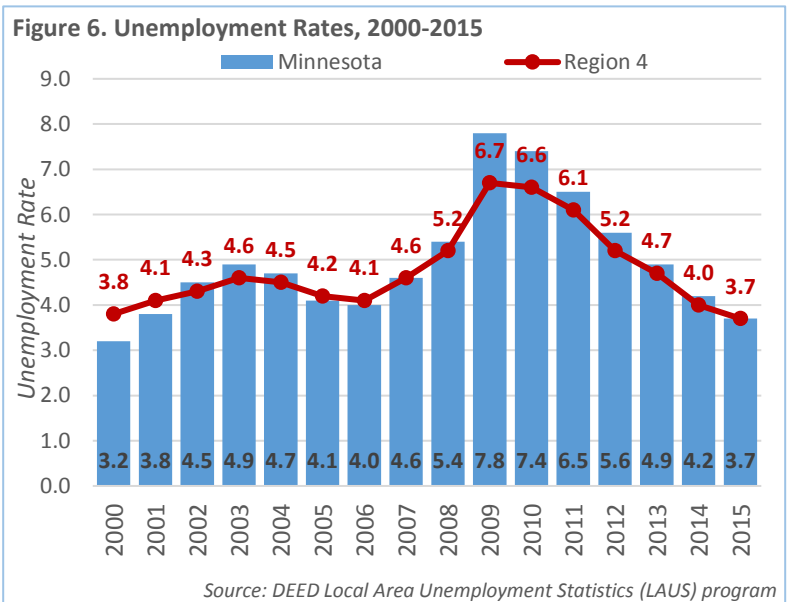
Table 4. Employment Characteristics, 2014

	Region 4			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	118,752	66.2%	4.9%	70.1%	6.5%
16 to 19 years	7,460	58.5%	12.0%	51.1%	18.7%
20 to 24 years	12,539	79.2%	6.3%	81.8%	10.2%
25 to 44 years	43,523	88.9%	4.5%	88.1%	5.8%
45 to 54 years	26,771	87.8%	4.0%	87.3%	5.0%
55 to 64 years	21,608	70.9%	3.9%	71.8%	4.9%
65 to 74 years	5,807	27.8%	4.1%	26.6%	4.1%
75 years & over	1,089	5.5%	3.8%	5.9%	3.5%
Employment Characteristics by Race & Hispanic Origin					
White alone	113,081	66.3%	4.6%	70.2%	5.6%
Black or African American	923	65.3%	14.3%	68.0%	16.4%
American Indian & Alaska Native	1,571	57.6%	17.3%	59.4%	17.4%
Asian or Other Pac. Islanders	901	70.8%	7.6%	70.6%	7.2%
Some Other Race	700	73.5%	7.1%	76.2%	11.0%
Two or More Races	1,620	71.1%	10.2%	69.5%	13.2%
Hispanic or Latino	2,586	74.1%	11.0%	75.0%	10.1%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	6,402	82.0%	8.5%	82.9%	6.9%
Employment Characteristics by Disability					
With Any Disability	6,176	51.6%	12.0%	51.0%	14.0%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	91,888	83.6%	4.2%	84.0%	5.4%
Less than H.S. Diploma	3,531	65.2%	11.1%	65.8%	13.1%
H.S. Diploma or Equivalent	23,806	79.2%	5.7%	79.1%	7.3%
Some College or Assoc. Degree	38,412	85.4%	4.0%	85.3%	5.6%
Bachelor’s Degree or Higher	26,160	88.8%	2.4%	89.2%	3.1%

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

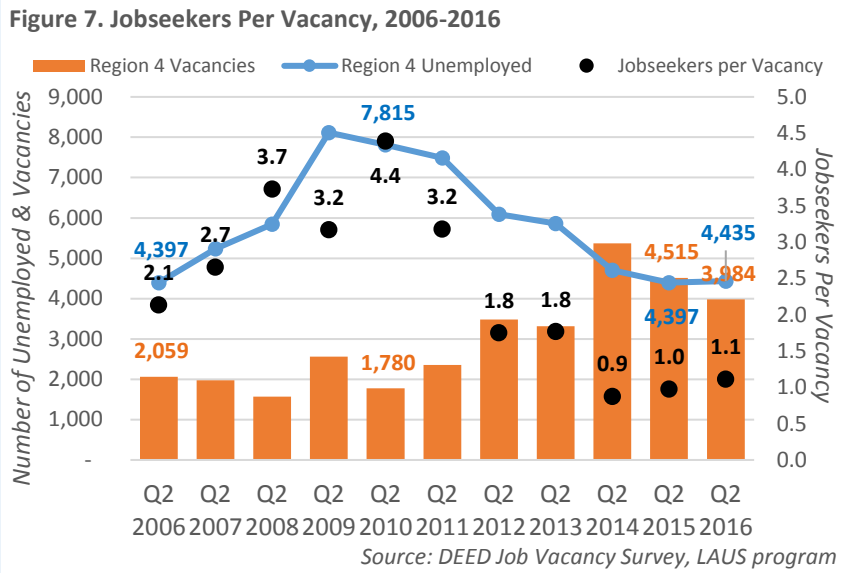
UNEMPLOYMENT RATE, 2000-2015

Region 4’s unemployment rate has closely tracked the state rate over the past decade, typically falling within 0.2 percent of the state rate, either above or below. However, the region’s rate stayed well below the state rate during the recession. According to DEED’s [Local Area Unemployment Statistics](#), the region’s unemployment rate rose just above 6.5 percent in 2009 and 2010, while the state rate was about 1 percent higher. Since then, the state and region’s economies have recovered and unemployment rates are back to prerecession levels, even dropping back to 3.7 percent in 2015 (see Figure 6).



JOBSEEKERS PER VACANCY, 2016

As the economy has recovered, the region’s labor market has tightened over time. The recent surge in vacancies has matched the number of unemployed workers in Region 4, leading to a 1.1-to-1 ratio of unemployed jobseekers per vacancy. According to recent job vacancy survey results, there were 3,984 openings reported by employers compared to 4,435 unemployed jobseekers in the region. The ratio climbed as high as 4.4 in the depths of the recession in 2010, and has since steadily declined (see Figure 7).



EDUCATIONAL ATTAINMENT BY AGE GROUP, 2014

With 35 percent of adults aged 18 years and over having a college degree, Region 4 has slightly lower educational attainment than the state, where 40.5 percent of adults have an associate, bachelor’s, or advanced degree. However, 12.9 percent of adults in Region 4 have an associate degree, and another 26.3 percent have some college experience, but no degree, which both outpace the state. Region 4 also has a higher percentage of people with a high school diploma or less – 38.5 percent of adults in the region.

However, for the younger age groups, a different picture emerges. Nearly half (48.7%) of people aged 18 to 24 years have attended some college, but hadn’t earned a degree yet, and over 15 percent already had a college degree. Region 4 also had a much higher percentage of people in the 25 to 44 and 45 to 64 year old age groups who had earned associate degrees, but lower percentages of people with bachelor’s degrees or higher.

Finally, not only does Region 4 have a higher percentage of the population in the oldest age groups, those residents have much lower educational attainment than the rest of the state, and those in younger age groups (see Table 5).

Table 5. Educational Attainment by Age Group, 2014	Region 4		Minnesota
	Number	Percent	Percent
18 to 24 years	22,878	13.2%	12.3%
Less than high school	2,130	9.3%	12.8%
High school grad. (incl. equiv.)	6,130	26.8%	26.0%
Some college, no degree	11,148	48.7%	43.4%
Associate's degree	1,685	7.4%	6.1%
Bachelor's degree	1,722	7.5%	11.3%
Advanced degree	63	0.3%	0.5%
25 to 44 years	48,971	28.2%	34.3%
Less than high school	2,731	5.6%	6.7%
High school grad. (incl. equiv.)	10,782	22.0%	19.5%
Some college, no degree	11,274	23.0%	22.0%
Associate's degree	9,782	20.0%	12.9%
Bachelor's degree	11,102	22.7%	27.5%
Advanced degree	3,300	6.7%	11.4%
45 to 64 years	60,972	35.1%	35.6%
Less than high school	2,683	4.4%	5.6%
High school grad. (incl. equiv.)	19,291	31.6%	27.3%
Some college, no degree	15,161	24.9%	23.7%
Associate's degree	8,769	14.4%	11.1%
Bachelor's degree	10,598	17.4%	21.1%
Advanced degree	4,470	7.3%	11.2%
65 years & over	40,810	23.5%	17.8%
Less than high school	6,564	16.1%	13.8%
High school grad. (incl. equiv.)	16,575	40.6%	38.1%
Some college, no degree	8,111	19.9%	19.5%
Associate's degree	2,077	5.1%	4.7%
Bachelor's degree	4,824	11.8%	14.6%
Advanced degree	2,659	6.5%	9.3%

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

COMMUTE SHED AND LABOR SHED, 2014

According to commuting data from the [Census Bureau](#), Region 4 is a net labor exporter, having more workers than available jobs. In sum, 67,013 workers both lived and worked in Region 4 in 2014, while another 26,533 workers drove into the region from surrounding counties for work, compared to 40,366 workers who lived in the region but drove to surrounding counties for work (see Table 6 and Figure 8).

Table 6. Region 4 Inflow/Outflow Job Counts (All Jobs), 2014	2014	
	Count	Share
Employed in the Selection Area	93,546	100.0%
Employed in the Selection Area but Living Outside	26,533	28.4%
Employed and Living in the Selection Area	67,013	71.6%
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Living in the Selection Area	107,379	100.0%
Living in the Selection Area but Employed Outside	40,366	37.6%
Living and Employed in the Selection Area	67,013	62.4%

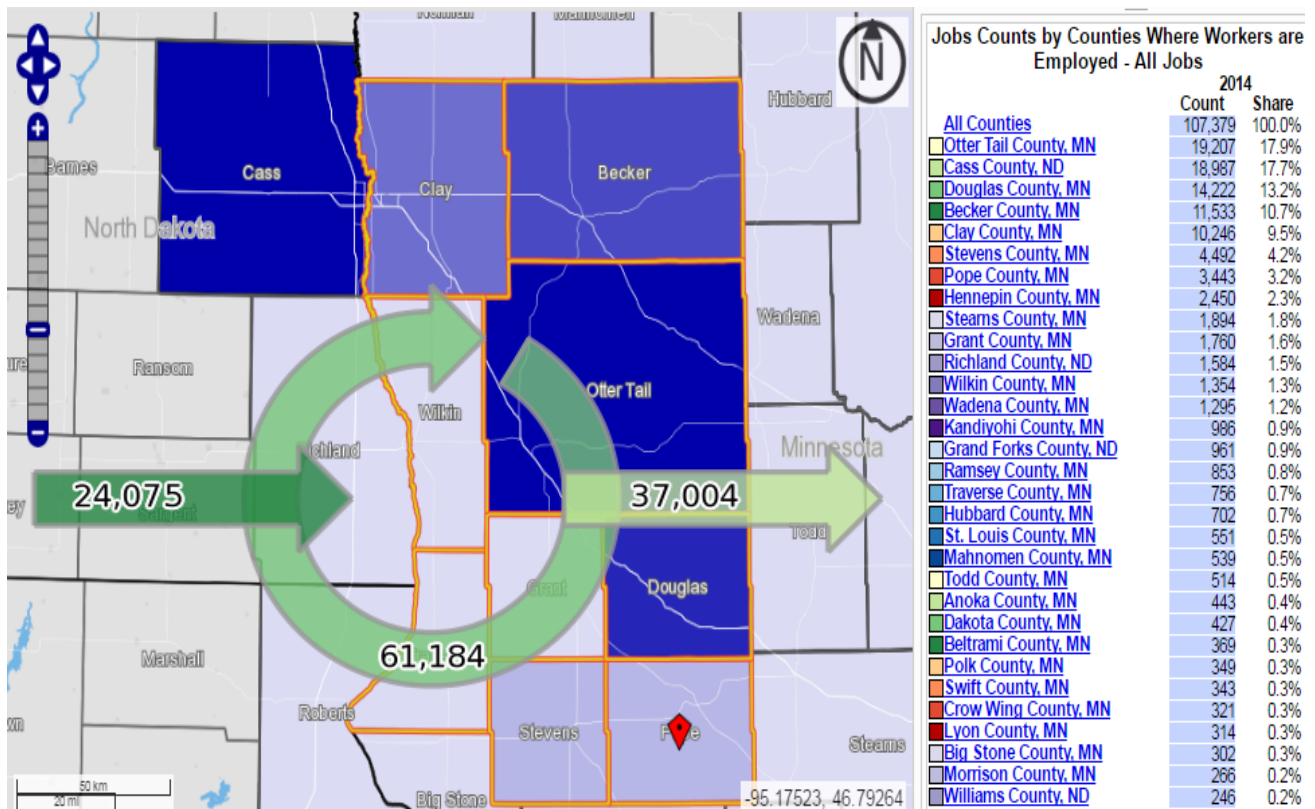
Source: U.S. Census Bureau, OnTheMap

Over half of the workers that commute outside the region for work are traveling into North Dakota. In fact, the region sends about 13,000 more workers into Cass County, North Dakota, which combines with Clay County to comprise the Fargo-Moorhead metropolitan area, than it gets back, leading to much of the region’s net labor export. Within the region, Otter Tail is the largest county and the largest employment center, followed by other smaller regional centers like Douglas, Becker, and Stevens County (see Table 7 and Figure 8).

Table 7. Region 4 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
Cass Co. ND	Cass Co. ND
Stearns Co. MN	Hennepin Co. MN
Todd Co. MN	Stearns Co. MN
Hennepin Co. MN	Richland Co. ND
Wadena Co. MN	Wadena Co. MN

Source: U.S. Census Bureau, OnTheMap

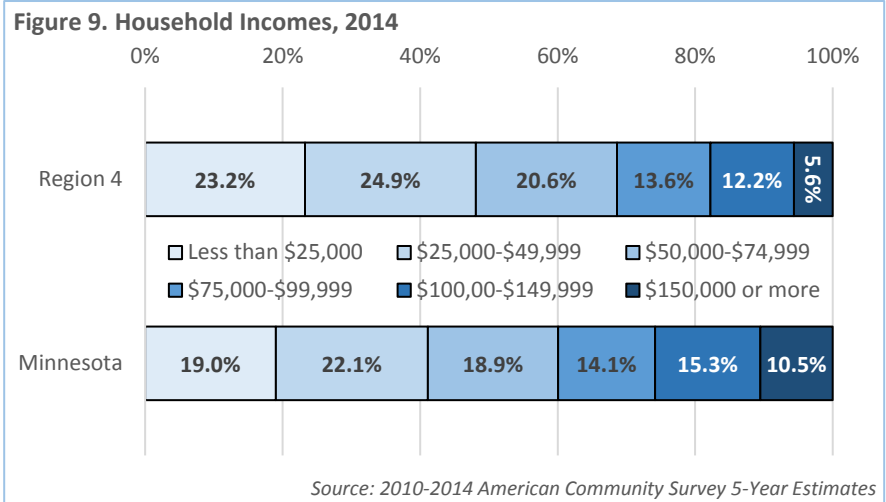
Figure 8. Region 4 Labor and Commute Shed, 2014



INCOMES, WAGES AND OCCUPATIONS

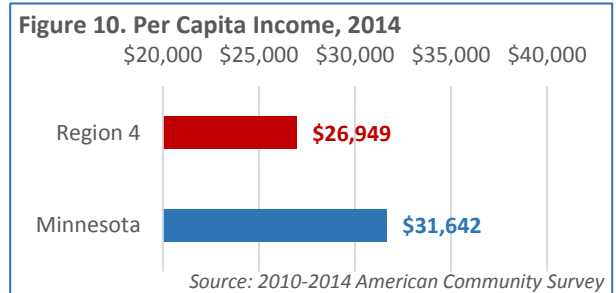
HOUSEHOLD INCOMES

Household incomes were lower in Region 4 than the rest of the state. The region’s median household income was \$52,448 compared to \$60,828 in the state overall. By county, median household incomes ranged from \$48,750 in Traverse County, which was the 30th lowest in the state, to \$55,582 in Clay County, which was the 21st highest. Almost half (48.1%) of regional households had incomes below \$50,000 in 2014, compared to 41.1 percent statewide. Just over one-third of households earned between \$50,000 and \$100,000 in the region, and only 17.8 percent of households in Region 4 earned over \$100,000 per year, compared to 25.8 percent of households statewide (see Figure 9).



PER CAPITA INCOMES

Though lower than the state, Region 4 had the 6th highest per capita income of the 13 EDRs, about \$5,000 below the state’s per capita income (see Figure 10). Per capita incomes in the region all ranged between \$25,000 and \$29,500, with the lowest incomes reported in Clay (\$25,398) and Becker (\$25,899) and the highest incomes found in Douglas (\$28,755), Traverse (\$29,000), and Pope (\$29,260).



COST OF LIVING

According to DEED’s [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$54,804 in 2016. The cost of living for a similar family in Region 4 was \$45,672 – which was the 5th 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 8).

In order to meet the basic cost of living for the region, the workers in the family scenario listed above would need to earn \$14.64 per hour. For a single person living alone and working full-time, the estimated yearly cost in Region 4 would be \$26,028, which would require an hourly wage of \$12.51 to meet the basic needs standard of living.

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

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 4	\$45,672	\$14.64	\$233	\$760	\$408	\$700	\$773	\$457	\$475
Minnesota	\$54,804	\$17.57	\$462	\$771	\$408	\$916	\$805	\$528	\$677

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 4 was \$16.03 in the first quarter of 2016, which was the 4th lowest wage level of the 13 EDRs in the state. Region 4's median wage was \$2.85 below the state's median hourly wage, equaling 85 percent of the statewide wage rate, and about \$4.75 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 4 had higher wages than surrounding regions like Region 5 at \$15.07 and Region 6W at \$15.52, but lower wages than Region 1 at \$16.48 and Region 6E at \$16.78 (see Table 9).

Just over 12 percent of the jobs in Region 4 were education, training, and library occupations, which was twice as concentrated as the state as a whole. Region 4 also had a higher share of workers in production; protective service; community and social service; transportation and material moving; installation, maintenance, and repair; construction and extraction; building and grounds cleaning and maintenance; and farming, fishing and forestry occupations (see Table 10).

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

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

	Region 4				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment	Location Quotient	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment
Total, All Occupations	\$16.03	82,910	100.0%	1.0	\$18.88	2,772,240	100.0%
Office & Administrative Support	\$15.27	11,440	13.8%	0.9	\$17.65	403,870	14.6%
Education, Training, & Library	\$21.23	9,990	12.0%	2.1	\$22.59	162,330	5.9%
Production	\$16.48	8,360	10.1%	1.3	\$16.80	219,390	7.9%
Sales & Related	\$11.58	8,070	9.7%	1.0	\$13.03	274,960	9.9%
Transportation & Material Moving	\$16.10	5,700	6.9%	1.1	\$16.35	174,150	6.3%
Food Preparation & Serving Related	\$9.34	5,060	6.1%	0.7	\$9.39	232,550	8.4%
Healthcare Practitioners & Technical	\$27.65	4,250	5.1%	0.8	\$31.65	167,800	6.1%
Management	\$35.67	3,800	4.6%	0.8	\$48.47	167,820	6.1%
Personal Care & Service	\$11.08	3,770	4.5%	1.0	\$11.29	125,520	4.5%
Construction & Extraction	\$19.28	3,390	4.1%	1.2	\$25.36	95,560	3.4%
Installation, Maintenance, & Repair	\$19.18	3,340	4.0%	1.2	\$21.96	94,280	3.4%
Building, Grounds Cleaning & Maint.	\$11.55	2,980	3.6%	1.2	\$12.25	82,220	3.0%
Healthcare Support	\$12.47	2,610	3.1%	1.0	\$13.96	87,470	3.2%
Business & Financial Operations	\$25.76	2,300	2.8%	0.5	\$31.06	162,610	5.9%
Community & Social Service	\$19.49	2,270	2.7%	1.5	\$20.99	50,160	1.8%
Protective Service	\$20.18	1,930	2.3%	1.5	\$19.85	42,440	1.5%
Architecture & Engineering	\$28.38	1,180	1.4%	0.7	\$35.14	52,680	1.9%
Computer & Mathematical	\$29.81	860	1.0%	0.3	\$38.93	94,470	3.4%
Life, Physical, & Social Science	\$25.76	630	0.8%	0.9	\$29.94	24,380	0.9%
Arts, Design, Entertainment & Media	\$17.03	620	0.7%	0.6	\$22.49	35,510	1.3%
Farming, Fishing, & Forestry	\$12.73	210	0.3%	1.9	\$14.86	3,610	0.1%
Legal	\$29.00	150	0.2%	0.3	\$38.40	18,450	0.7%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2016](#)

Not surprisingly, the lowest-paying jobs are in food preparation and serving, personal care and service, sales and related, healthcare support, 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 4 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, legal, and architecture and engineering occupations, which all need higher levels of education and experience. The pay gaps between the region and state are much bigger in these occupations.

JOB VACANCY SURVEY

Employers in Region 4 reported 3,984 job vacancies in the second quarter of 2016, a 25 percent decline from the peak recorded in 2014, but a 124 percent increase from the recession low point in the second quarter of 2010. Overall, 46 percent of the openings were part-time, and less than one-quarter required postsecondary education or 1 or more years of experience. The median hourly wage offer for all occupations was \$11.94, but ranged from \$9.33 for food prep jobs to \$31 for management (see Table 11).

	Number of Total Vacancies	Percent Part-time	Percent Temporary or Seasonal	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	3,984	46%	13%	21%	23%	33%	\$11.94
Food Preparation & Serving Related	810	73%	17%	1%	14%	13%	\$9.33
Healthcare Support	675	50%	0%	9%	2%	17%	\$10.72
Transportation & Material Moving	401	60%	40%	0%	11%	95%	\$14.65
Office & Administrative Support	286	27%	2%	44%	47%	8%	\$14.47
Production	247	0%	2%	9%	22%	7%	\$11.71
Building, Grounds Cleaning & Maint.	229	37%	7%	0%	2%	36%	\$13.43
Installation, Maintenance & Repair	221	42%	0%	51%	55%	8%	\$15.30
Healthcare Practitioners & Technical	211	33%	1%	87%	47%	89%	\$21.75
Education, Training & Library	190	42%	8%	60%	48%	67%	\$16.91
Construction & Extraction	150	0%	78%	8%	53%	36%	\$14.86
Sales & Related	147	65%	1%	9%	20%	8%	\$12.81
Personal Care & Service	107	76%	21%	4%	14%	45%	\$10.19
Arts, Design, Entertainment & Media	87	32%	3%	17%	27%	63%	\$15.24
Management	71	4%	0%	98%	76%	59%	\$31.23
Community & Social Service	40	30%	0%	71%	54%	37%	\$14.42
Protective Service	31	86%	49%	12%	4%	73%	\$10.42
Business & Financial Operations	29	3%	20%	49%	29%	4%	\$15.31
Architecture & Engineering	18	6%	12%	100%	85%	10%	\$25.91
Computer & Mathematical	15	0%	0%	77%	84%	20%	\$27.41
Life, Physical & Social Sciences	12	14%	15%	100%	76%	59%	\$23.08

Source: [DEED Job Vacancy Survey, Qtr. 2 2016](#)

OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are over 200 occupations showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees. Many of the occupations in demand in the region require a high school diploma or less. These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, truck drivers, nurses, cashiers, laborers, maintenance, production, and construction jobs are among the top occupations in demand based on the consistent need for these workers (see Table 12).

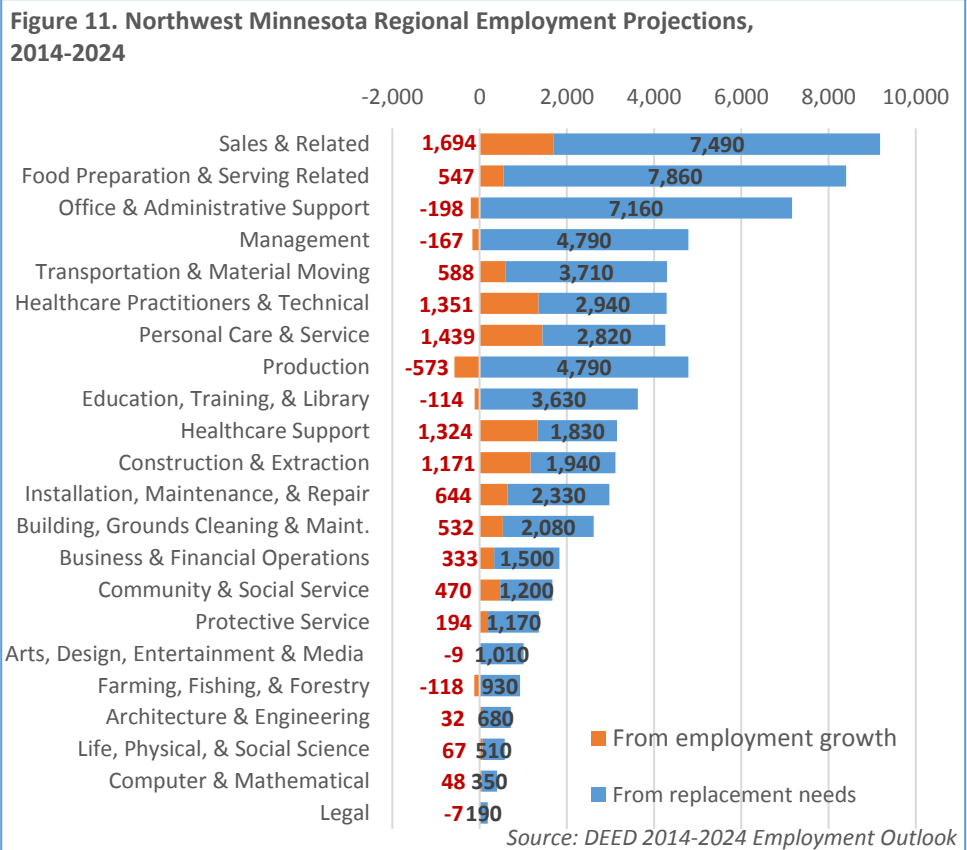
Table 12. Region 4 Occupations in Demand by Education Level, 2016

Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Food Prep & Serving Workers (\$18,795)	Welders, Cutters, Solderers & Brazers (\$37,460)	Heavy & Tractor-Trailer Truck Drivers (\$36,479)	Elementary & Secondary School Teachers (\$54,648)
Cashiers (\$19,175)	Secretaries & Administrative Assistants (\$34,338)	Nursing Assistants (\$24,629)	Physician Assistants (\$104,496)
Personal Care Aides (\$22,845)	Bus Drivers, School or Special Client (\$30,456)	Registered Nurses (\$68,693)	Child, Family, & School Social Workers (\$47,941)
Retail Salespersons (\$21,543)	Office Clerks, General (\$30,189)	Teacher Assistants (\$27,738)	Accountants & Auditors (\$59,706)
Maids & Housekeeping Cleaners (\$23,352)	First-Line Supervisors of Food Prep & Serving (\$30,506)	Licensed Practical & Licensed Voc. Nurses (\$37,750)	Mental Health Counselors (\$37,445)
Stock Clerks & Order Fillers (\$22,206)	Bus, Truck & Diesel Engine Mechanics (\$41,801)	Massage Therapists (\$41,592)	Medical & Health Svcs. Managers (\$86,326)
Laborers & Freight, Stock & Material Movers (\$29,975)	Childcare Workers (\$20,844)	Computer User Support Specialists (\$45,096)	Recreation Workers (\$23,419)
Janitors & Cleaners (\$24,646)	Light Truck or Delivery Services Drivers (\$30,071)	Hairdressers, Hairstylists, & Cosmetologists (\$22,224)	Food Scientists & Technologists (\$95,482)
Cooks, Fast Food (\$18,622)	Social & Human Service Assistants (\$33,683)	Emergency Medical Techs. & Paramedics (\$30,095)	Financial Managers (\$90,275)
Helpers--Production Workers (\$24,212)	Machinists (\$36,698)	Telecom. Equipment Install & Repairers (\$53,553)	Education Administrators, Elem. & Secondary (\$90,809)

Source: [DEED Occupations in Demand](#)

EMPLOYMENT PROJECTIONS

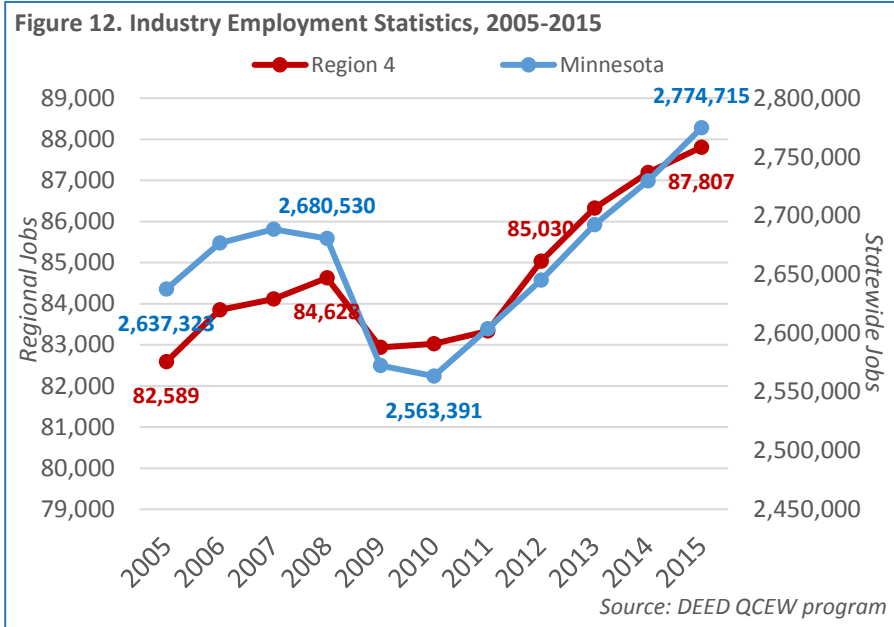
The Northwest Minnesota planning area is projected to grow 3.5 percent from 2014 to 2024, a gain of nearly 9,250 new jobs. In addition, the region is also expected to need to fill 61,000 replacement openings left vacant by retirements and other career changes. The number of replacement openings is expected to dwarf the number of new jobs in most occupational groups, though the region will see steady growth for sales, health care, personal care, and construction jobs in the next decade. In contrast, seven occupational groups are expected to see a decline in jobs through 2024, but will still have replacement openings (see Figure 11).



ECONOMY

INDUSTRY EMPLOYMENT

Region 4 has seen strong job growth over the past decade, gaining over 5,200 net new jobs from 2005 to 2015. The region experienced job gains from 2005 to 2008 before suffering a less severe decline than the state in 2009 and 2010. Because the region saw a smaller decline, it surpassed its prerecession employment peak earlier than the state, in 2012. Since then, the region has recovered steadily, adding jobs at a 5.8 percent clip from 2010 to 2015, compared to an 8.2 percent recovery in the state (see Figure 12).



According to DEED’s [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 4 was home to 6,610 business establishments providing 87,807 covered jobs through 2015, with a total payroll of just over \$3.3 billion. That was about 3.2 percent of total employment in the state of Minnesota, making it the 6th largest of the 13 EDRs in the state. Average annual wages were \$37,804 in the region, which was \$15,750 lower than the state’s average annual wage, and the 6th lowest of the 13 EDRs.

Otter Tail County is the largest employment center in the region, with 22,270 jobs at 1,691 firms; followed by Clay County with 18,508 jobs at 1,314 firms and Douglas County with 1,315 firms and 18,212 jobs. As shown above, the region recovered quickly over the past five years; with 7 of the 9 counties in the region seeing job gains since 2010, led by Becker, Douglas, and Otter Tail County. The fastest growth occurred in Pope and Stevens County, while just Traverse and Wilkin saw job declines since 2010. Six of the 9 counties also added jobs in the past year, with Becker and Douglas County again seeing the largest increase in jobs from 2014 to 2015 (see Table 13).

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2010-2015		2014-2015	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
Region 4	6,610	87,807	\$3,322,224,218	\$37,804	+4,781	+5.8%	+618	+0.7%
Becker Co.	1,017	14,152	\$509,692,473	\$36,036	+1,275	+9.9%	+264	+1.9%
Clay Co.	1,314	18,508	\$699,962,216	\$37,752	+222	+1.2%	+53	+0.3%
Douglas Co.	1,315	18,212	\$718,430,146	\$39,416	+1,265	+7.5%	+235	+1.3%
Grant Co.	246	1,921	\$69,055,041	\$35,880	+104	+5.7%	-7	-0.4%
Otter Tail Co.	1,691	22,270	\$810,008,168	\$36,348	+920	+4.3%	-68	-0.3%
Pope Co.	336	4,286	\$178,992,690	\$41,756	+641	+17.6%	+91	+2.2%
Stevens Co.	344	5,438	\$227,494,790	\$41,756	+583	+12.0%	+97	+1.8%
Traverse Co.	142	1,056	\$35,251,450	\$33,384	-77	-6.8%	+1	+0.1%
Wilkin Co.	206	1,961	\$73,337,244	\$37,336	-152	-7.2%	-49	-2.4%
State of Minnesota	160,678	2,774,765	\$148,563,385,038	\$53,560	+211,374	+8.2%	+45,152	+1.7%

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

With 14,951 jobs at 609 firms, health care and social assistance is the largest employing industry in Region 4, accounting for 17 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 largest sector was nursing and residential care facilities, which had 5,300 jobs in 2015, followed by hospitals with 3,786 jobs, ambulatory health care services with 3,084 jobs, and social assistance, which had 2,781 jobs.

Manufacturing is the next largest employing industry in Region 4, with 12,370 jobs at 332 firms, accounting for 14.1 percent of total jobs in the region. The largest sectors include food manufacturing, fabricated metal product manufacturing, and machinery manufacturing, which all had about 2,500 jobs in 2015. Overall, Region 4 enjoyed a big rebound in manufacturing jobs since 2010, adding 2,359 jobs since the recession, a 23.6 percent increase. At \$47,996 in 2015, average annual wages were over \$10,000 higher in manufacturing than the total of all industries.

Retail trade is the third largest industry, with 11,555 jobs at 909 establishments. The related accommodation and food services industry had 7,704 jobs at 506 firms. Combined, those two industries comprised 22 percent of total employment in the region, but had relatively low wages. With several postsecondary institutions in the area, Region 4 has a higher concentration of employment in educational services than the state, with 9,048 jobs at 127 institutions.

Other important industries in Region 4 include public administration, construction, wholesale trade, other services, transportation and warehousing, agriculture, finance and insurance, and administrative support and waste management services. Thirteen of the 20 main industries in the region added jobs since 2010, led by huge gains in manufacturing, and smaller gains in wholesale trade, agriculture, public administration, construction, administrative support – including temporary staffing agencies – and retail trade. In contrast, the region saw small job losses in health care and social assistance and information (see Table 14).

Table 14. Region 4 Industry Employment Statistics, 2015

NAICS Industry Title	2015 Annual Data				Avg. Annual Wage	2010-2015		2014-2015	
	Number of Firms	Number of Jobs	Percent of Jobs	Total Payroll (\$1,000s)		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	6,610	87,807	100.0%	\$3,322,224	\$37,804	+4,781	+5.8%	+618	+0.7%
Health Care & Social Assistance	609	14,951	17.0%	\$551,753	\$36,868	-459	-3.0%	-285	-1.9%
Manufacturing	332	12,370	14.1%	\$593,905	\$47,996	+2,359	+23.6%	+317	+2.6%
Retail Trade	909	11,555	13.2%	\$297,910	\$25,740	+373	+3.3%	+29	+0.3%
Educational Services	127	9,048	10.3%	\$357,916	\$39,572	-35	-0.4%	+39	+0.4%
Accommodation & Food Services	506	7,704	8.8%	\$106,902	\$13,832	-116	-1.5%	+8	+0.1%
Public Administration	238	5,356	6.1%	\$242,285	\$45,240	+447	+9.1%	+463	+9.5%
Construction	883	4,584	5.2%	\$211,576	\$45,500	+383	+9.1%	+15	+0.3%
Wholesale Trade	295	4,273	4.9%	\$243,247	\$56,992	+511	+13.6%	-115	-2.6%
Other Services	610	2,705	3.1%	\$60,003	\$22,152	+178	+7.0%	+140	+5.5%
Transportation & Warehousing	350	2,660	3.0%	\$99,790	\$37,440	+164	+6.6%	+95	+3.7%
Agriculture, Forestry, Fish & Hunt	316	2,554	2.9%	\$100,778	\$39,156	+481	+23.2%	+118	+4.8%
Finance & Insurance	377	2,155	2.5%	\$111,915	\$51,896	-75	-3.4%	+10	+0.5%
Admin. Support & Waste Mgmt. Svcs.	240	2,034	2.3%	\$63,288	\$31,096	+378	+22.8%	-227	-10.0%
Professional & Technical Services	344	1,665	1.9%	\$79,255	\$47,528	+3	+0.2%	+10	+0.6%
Arts, Entertainment & Recreation	135	1,131	1.3%	\$14,984	\$13,468	+133	+13.3%	+73	+6.9%
Information	100	1,025	1.2%	\$45,926	\$44,824	-216	-17.4%	-36	-3.4%
Utilities	24	692	0.8%	\$56,507	\$81,692	-22	-3.1%	-5	-0.7%
Management of Companies	31	634	0.7%	\$55,426	\$87,672	+254	+66.8%	-11	-1.7%
Real Estate & Rental & Leasing	168	564	0.6%	\$21,522	\$38,116	-7	-1.2%	-27	-4.6%
Mining	18	143	0.2%	\$7,336	\$48,620	+48	+50.5%	+7	+5.1%

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

DISTINGUISHING INDUSTRIES

Region 4 stands out in the state for its high concentrations of employment in manufacturing, agriculture, and educational services. West Central has 3.2 percent of total state employment, but has over 10 percent of the state's jobs in support activities for agriculture and forestry, crop production, and animal production. EDR 4 also has high concentrations of employment in primary metal, fabricated metal, nonmetallic mineral product, machinery, and transportation equipment manufacturing (see Table 15).

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	0	6,610	87,807	\$3,322,224,218	\$37,804	1.0
Crop Production	111	189	964	\$35,256,424	\$36,400	4.4
Animal Production and Aquaculture	112	69	1,255	\$53,029,650	\$42,016	3.6
Support Activities for Agriculture and Forestry	115	54	319	\$11,859,702	\$37,128	4.3
Nonmetallic Mineral Product Manufacturing	327	23	667	\$38,368,716	\$57,772	2.2
Primary Metal Manufacturing	331	4	499	\$26,255,553	\$52,468	2.5
Fabricated Metal Product Manufacturing	332	76	2,578	\$116,586,630	\$45,240	1.9
Machinery Manufacturing	333	41	2,448	\$142,741,792	\$58,344	2.3
Transportation Equipment Manufacturing	336	12	731	\$29,469,584	\$40,300	2.0
Gasoline Stations	447	135	1,595	\$28,432,315	\$17,836	2.0
Executive, Legislative, and Other Gov. Support	921	113	4,093	\$171,646,327	\$41,964	1.9

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

INDUSTRY PROJECTIONS

As noted above, the 26-county Northwest Minnesota Planning Area is projected to grow 3.5 percent from 2014 to 2024, a gain of 9,248 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for nearly 60 percent of total projected growth in the region. Northwest is also expected to see significant employment growth in retail trade, construction, wholesale trade, and accommodation and food services. In contrast, the region is expected to see declines in manufacturing, information, public administration, and agriculture, forestry, hunting and fishing (see Table 16).

Industry	Estimated Employment 2014	Projected Employment 2024	Percent Change 2014-2024	Numeric Change 2014-2024
Total, All Industries	259,813	269,061	+3.5%	+9,248
Public Administration	45,300	44,877	-0.9%	-423
Health Care & Social Assistance	32,398	37,767	+16.5%	+5,369
Self-Employed & Family Workers	31,435	31,703	+16.5%	+5,369
Retail Trade	27,609	29,513	+6.8%	+1,904
Manufacturing	28,567	27,191	-4.8%	-1,376
Accommodation & Food Services	20,147	20,583	+2.1%	+436
Wholesale Trade	12,150	13,032	+7.2%	+882
Construction	9,852	11,258	+14.2%	+1,406
Other Services	10,644	10,813	+1.5%	+169
Admin. Supp. & Waste Mgmt Svcs.	5,867	6,290	+7.2%	+423
Transportation & Warehousing	5,624	5,897	+4.8%	+273
Finance & Insurance	5,748	5,830	+1.4%	+82
Agriculture, Forestry, Fish & Hunt	5,836	5,715	-2.0%	-121
Arts, Entertainment, & Recreation	4,978	5,238	+5.2%	+260
Professional & Technical Services	4,561	4,463	-2.1%	-98
Educational Services	2,541	2,509	-1.2%	-32
Information	2,827	2,382	-15.7%	-445
Real Estate & Rental & Leasing	1,421	1,541	+8.4%	+120
Utilities	1,186	1,182	-0.3%	-4
Management of Companies	876	1,056	+20.5%	+180
Mining	246	221	-10.1%	-25

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

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 4 are small businesses, with 56.5 percent of businesses reporting 1 to 4 employees in 2014, according to County Business Patterns from the U.S. Census Bureau. Another 32.4 percent had between 5 and 19 employees; and 9.4 percent had between 20 and 99 employees. Only 1.6 percent had 100 to 499 employees, compared to 2.4 percent in the state. Just 11 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 4		Minnesota
	Number of Firms	Percent of Firms	Percent of Firms
1-4	3,589	56.5%	53.9%
5-9	1,212	19.1%	17.7%
10-19	843	13.3%	13.4%
20-49	466	7.3%	9.1%
50-99	131	2.1%	3.2%
100-249	79	1.2%	1.9%
250-499	24	0.4%	0.5%
500 or more	11	0.2%	0.3%
Total Firms	6,355	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 4 was home to 17,748 self-employed businesses or "nonemployers" in 2014, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Like covered employment, Region 4 saw a steady increase in nonemployers over the past decade, responding to economic changes. In sum, the region gained 1,268 new nonemployers from 2004 to 2014, a 7.7 percent increase. The largest amount of nonemployers and the fastest growth occurred in Otter Tail and Clay County, while Douglas, Traverse, and Grant all saw a decline in self-employment. These nonemployers generated sales receipts of \$814 million in 2014 (see Table 18).

	2014		2004-2014	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Region 4	17,748	\$814,317	+1,268	+7.7%
Becker Co.	2,848	\$140,615	+100	+3.6%
Clay Co.	3,961	\$156,147	+731	+22.6%
Douglas Co.	3,283	\$161,320	-76	-2.3%
Grant Co.	530	\$24,118	-10	-1.9%
Otter Tail Co.	4,791	\$204,329	+447	+10.3%
Pope Co.	986	\$42,670	+52	+5.6%
Stevens Co.	643	\$30,035	+41	+6.8%
Traverse Co.	250	\$11,280	-28	-10.1%
Wilkin Co.	456	\$43,803	+11	+2.5%
Minnesota	394,690	\$17,982,080	+33,610	+9.3%

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

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 4 is agriculture, with 8,917 farms producing nearly \$2.75 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 4 had 12 percent of the state's farms, and 12.9 percent of the state's total market value, led by Otter Tail, Stevens, and Clay County, which were all among the top 20 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 93 percent increase in the market value of products sold from 2007 to 2012, as many farms got bigger (see Table 19).

	Number of Farms	Market Value of Products Sold	State Rank	Change in Market Value, 2007-2012
Region 4	8,917	\$2,745,767,000		+93.0%
Becker Co.	1,107	\$261,493,000	41	+74.9%
Clay Co.	804	\$398,075,000	18	+97.3%
Douglas Co.	1,091	\$120,897,000	59	+85.1%
Grant Co.	542	\$213,466,000	51	+106.6%
Otter Tail Co.	3,033	\$504,304,000	7	+68.1%
Pope Co.	931	\$237,704,000	45	+103.4%
Stevens Co.	560	\$441,340,000	11	+80.9%
Traverse Co.	458	\$264,539,000	40	+137.8%
Wilkin Co.	391	\$303,949,000	32	+132.9%
Minnesota	74,542	\$21,280,184,000		+61.5%

Source: *2012 Census of Agriculture*

Upon request, this information can be made available in alternate formats for people with disabilities by contacting Chet Bodin at (218) 825-2183 or at chet.bodin@state.mn.us.