



State of Rural 2025

JANUARY 2025

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.

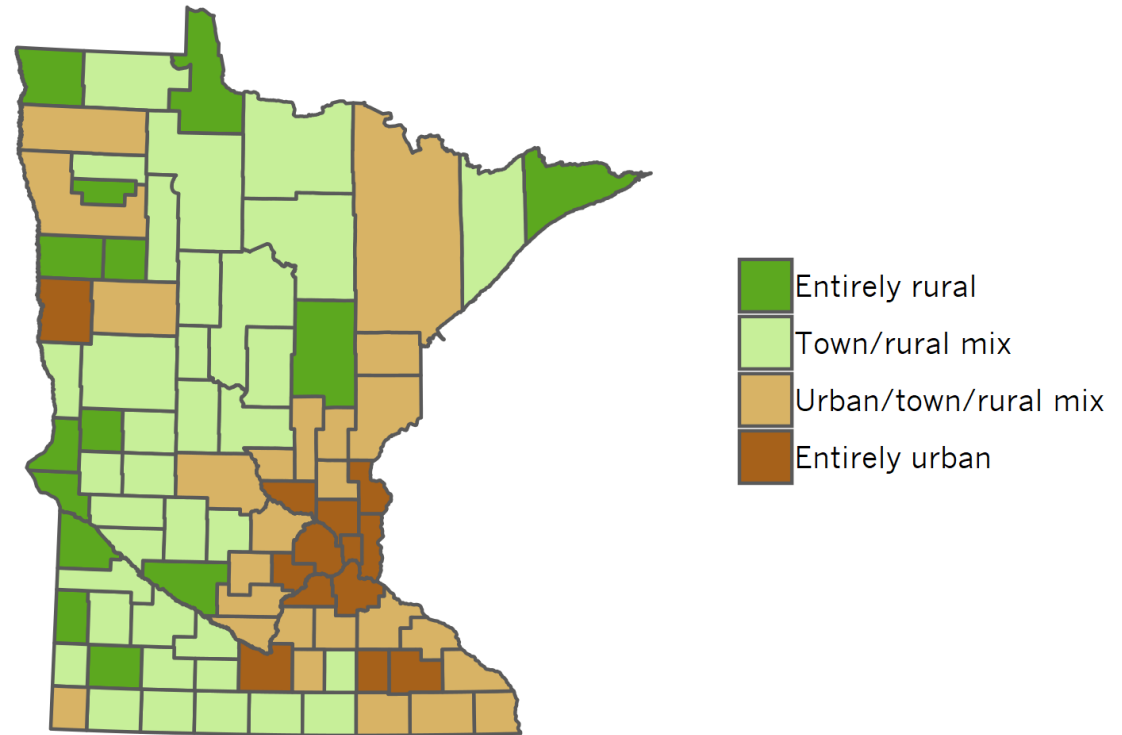


Defining rural

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

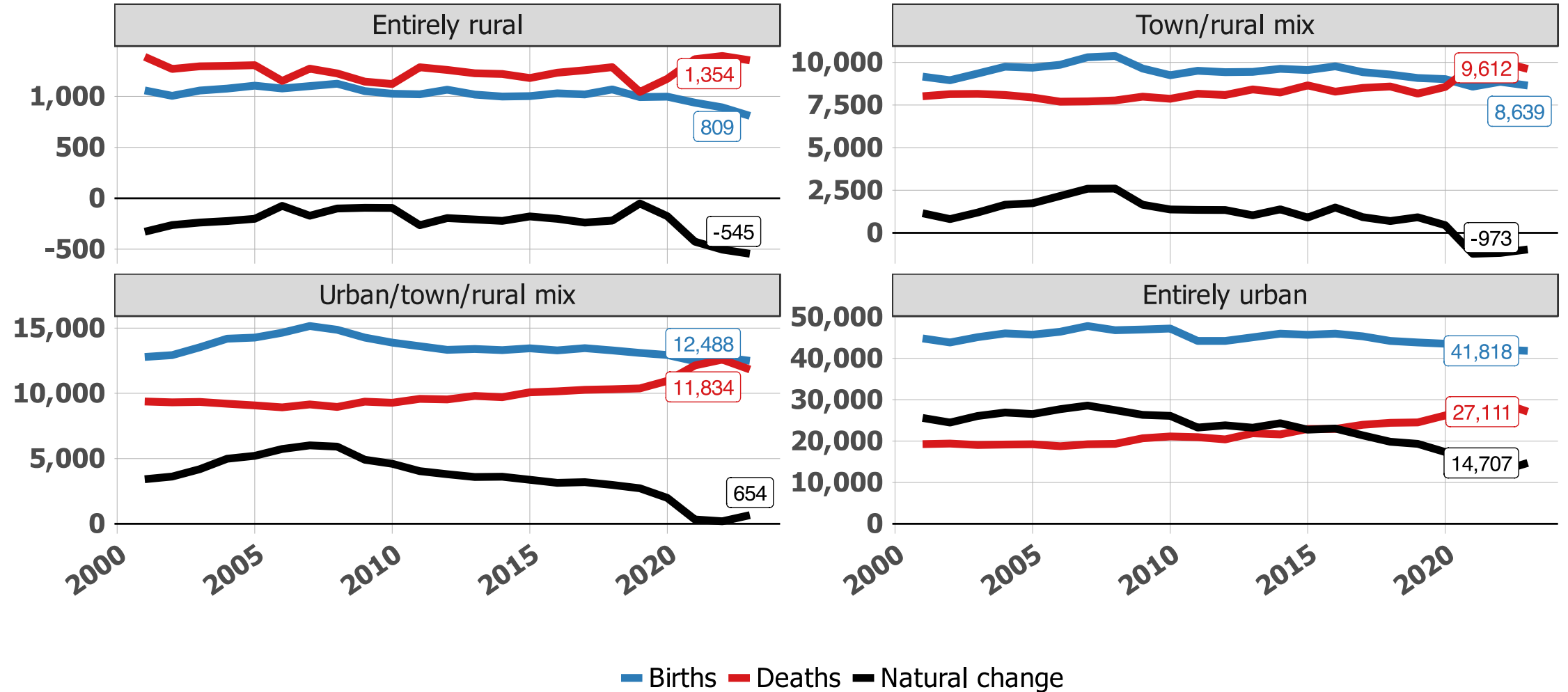


People

AGING POPULATIONS IN RURAL AREAS IMPACTING NATURAL
POPULATION CHANGE

Components of natural population change

Rural areas are experiencing more deaths than births due to aging populations



U.S. Census Bureau - Population Estimates

People

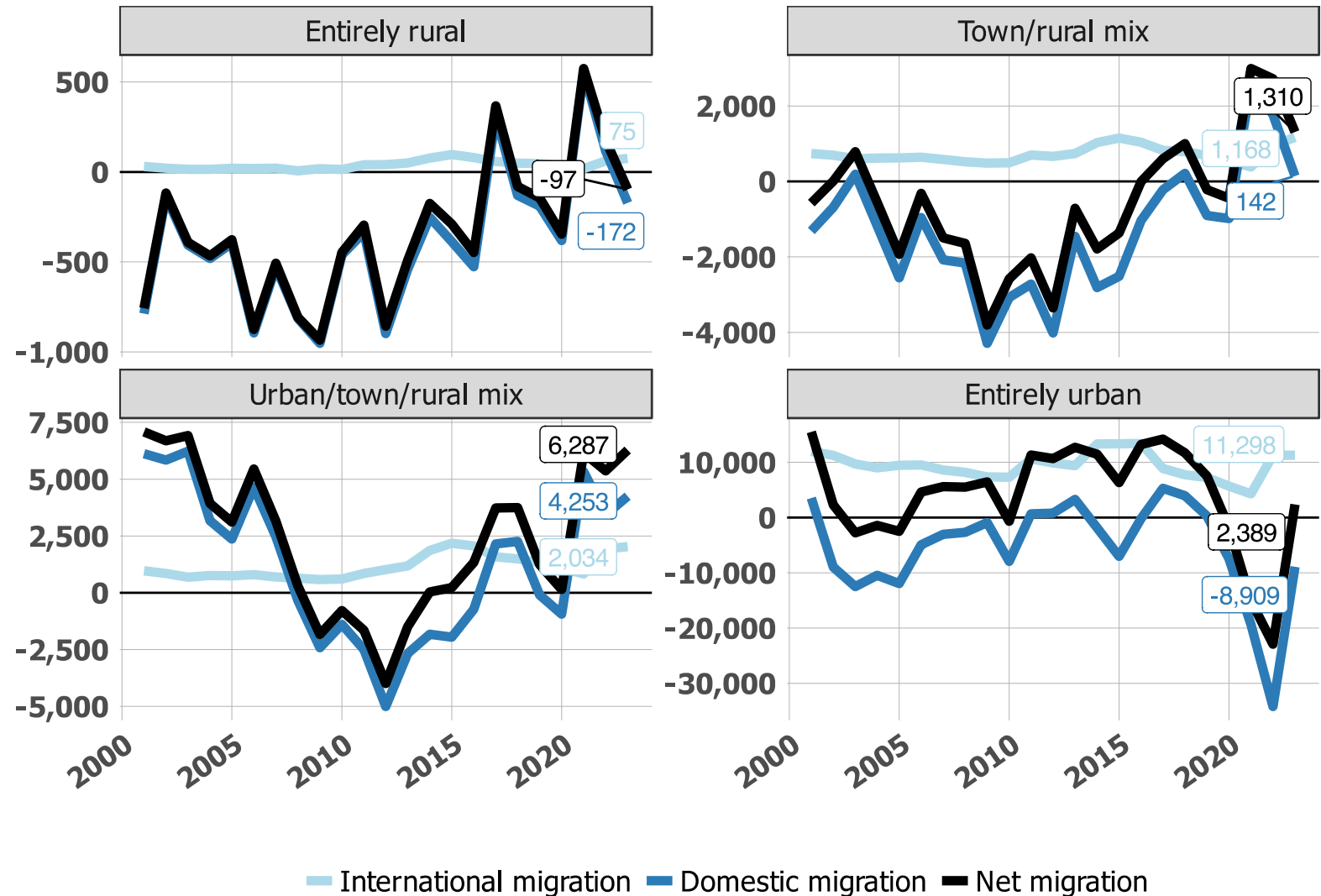
A SHIFT IN MIGRATION FOR RURAL COUNTIES

A major shift in migration over last few years.

Since 2017, rural counties have seen a reverse in their domestic migration trends. Throughout the 2010s, rural areas were experiencing a consistent domestic out-migration. By 2017, the trend was improving and rural areas were beginning to experience a domestic net in-migration. The opposite has been occurring in our most rural counties.

Components of migration change

Significant shifts in rural domestic migration has resulted in a positive net migration.



U.S. Census Bureau - Population Estimates

People

MORE RURAL COUNTIES EXPERIENCING POPULATION GAINS

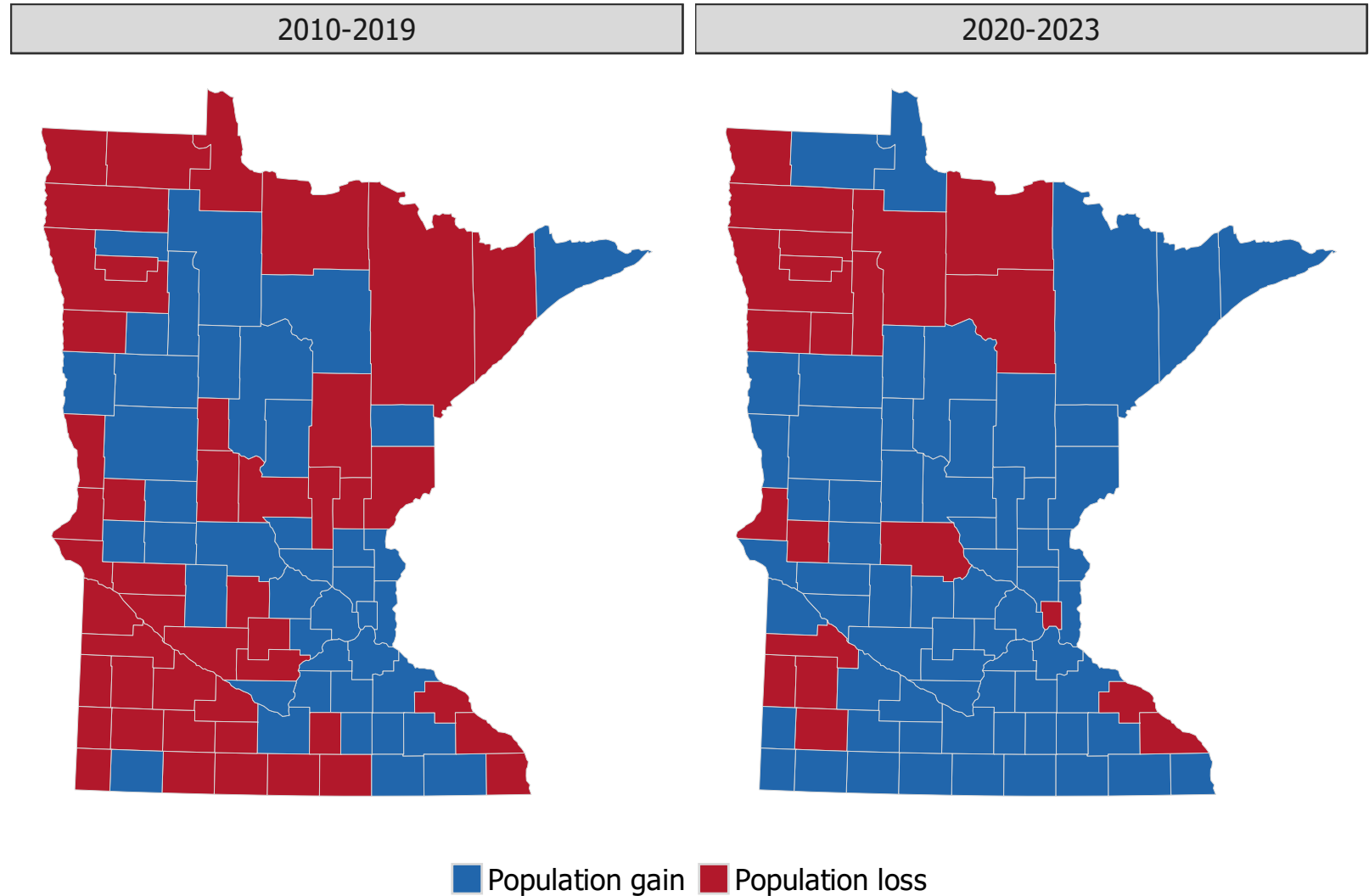
This decade has been good for rural areas so far

The changes in migration have positively impacted rural population numbers. Despite increasingly having more deaths than births, rural areas have been able to stave off population declines with more in-migration so far this decade.

In 2019, 46 counties (all rural) had a lower population than in 2010. So far this decade, only 21 counties have a lower population in 2023 than they did in 2020, and one of those counties is entirely urban (Ramsey).

Population gain or loss last decade compared to this decade

Many more rural counties experiencing populations gains this decade compared to last decade

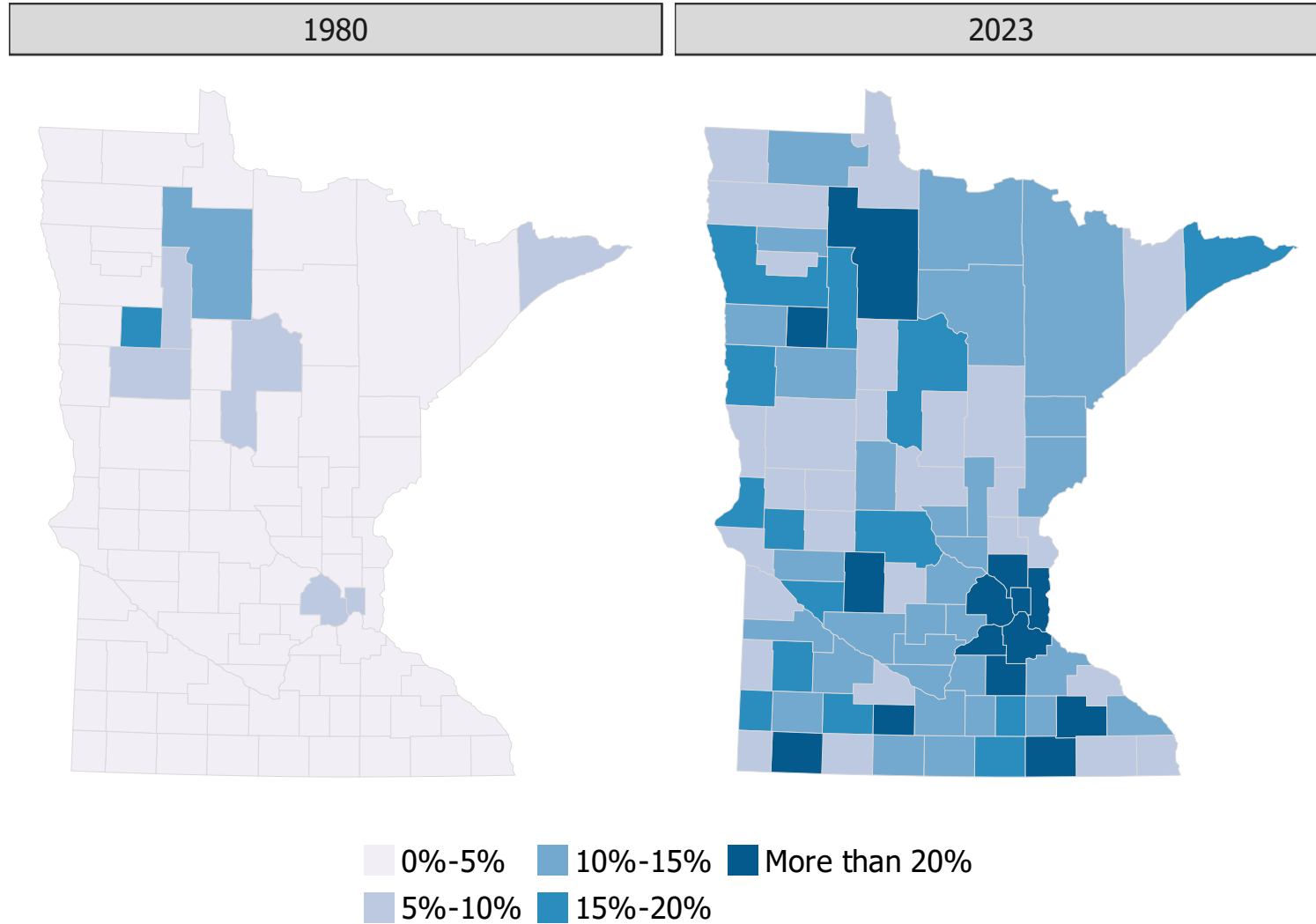


People

BIPOC POPULATIONS CONTINUE TO GROW IN RURAL MINNESOTA

Percent of population that is Black, Indigenous, Person of color, Latino or Hispanic

Much of Greater Minnesota has experienced growth in BIPOC populations.



People

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

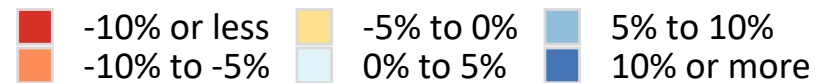
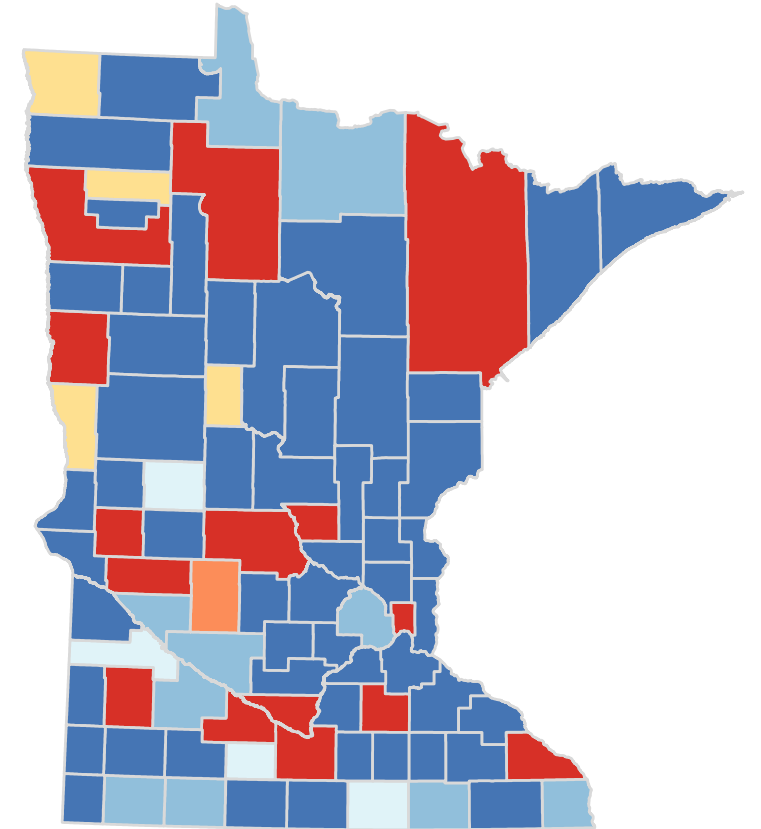
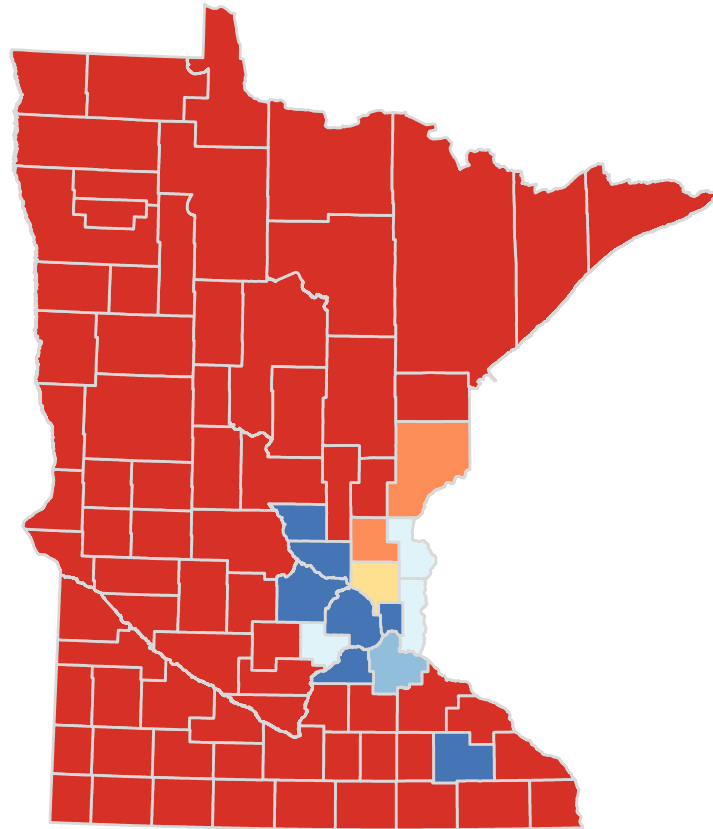
Returning 30- to 49-year-olds

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

25-29 Cohort

30-34 Cohort



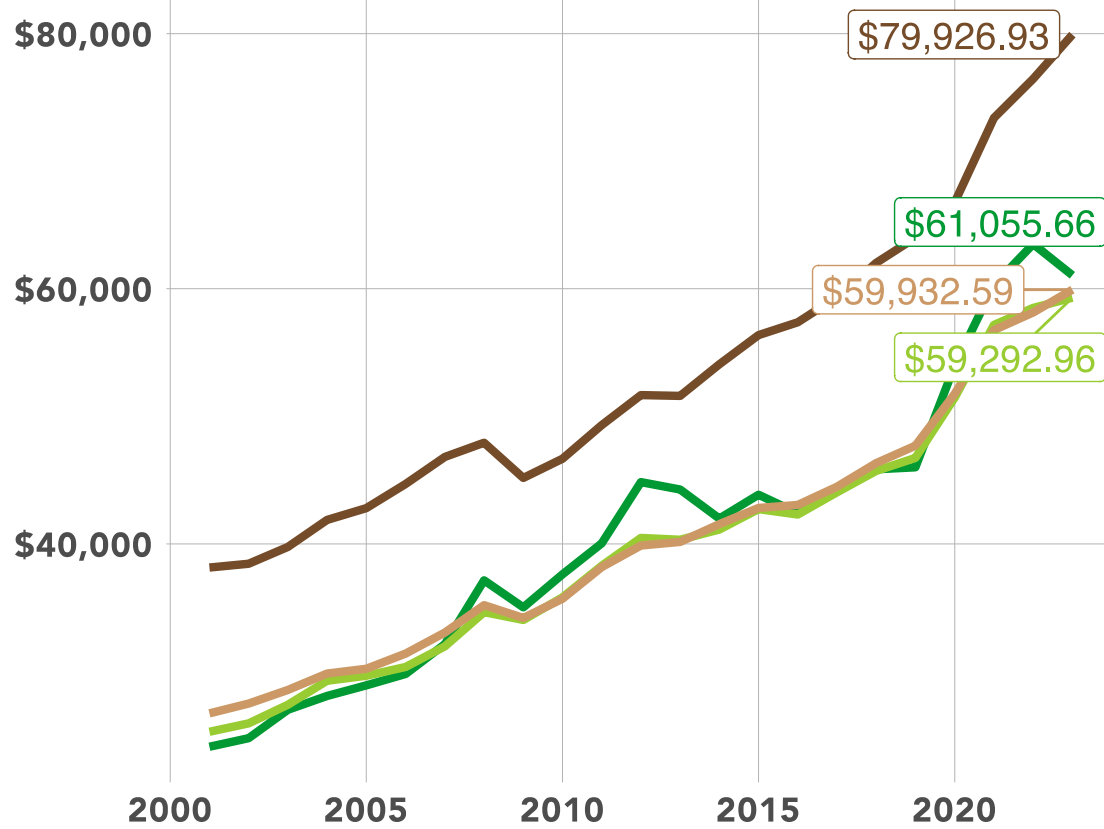
U.S. Census Bureau - Decennial Census

Economic Vitality

DESPITE LOWER EARNINGS, RURAL AREAS ARE OUTPACING URBAN COUNTIES IN EARNINGS GROWTH

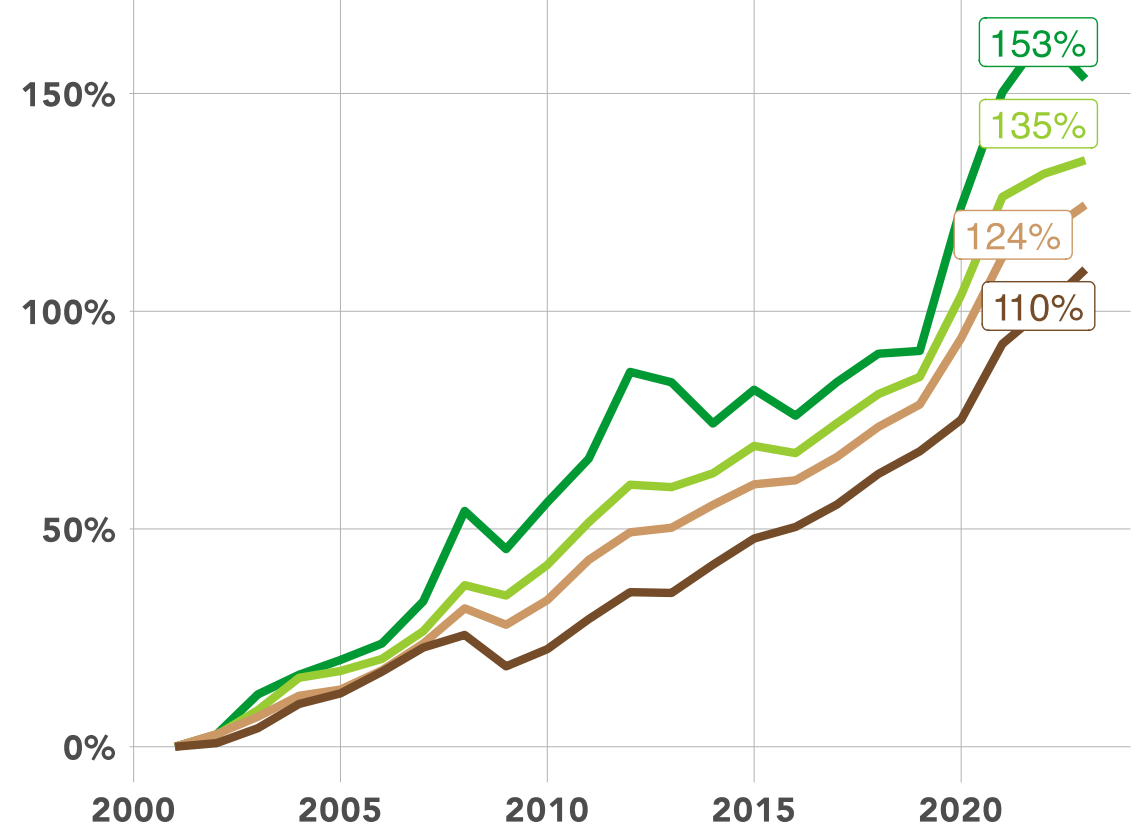
Earnings per capita

Urban counties have significantly higher earnings per capita



Earnings per capita, index

Rural counties have significantly higher growth in earnings per capita



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

Bureau of Economic Analysis - Local and regional personal income

Economic Vitality

EDUCATION AND HEALTH SERVICES ARE THE DOMINANT
EMPLOYMENT INDUSTRY ACROSS RURAL MINNESOTA

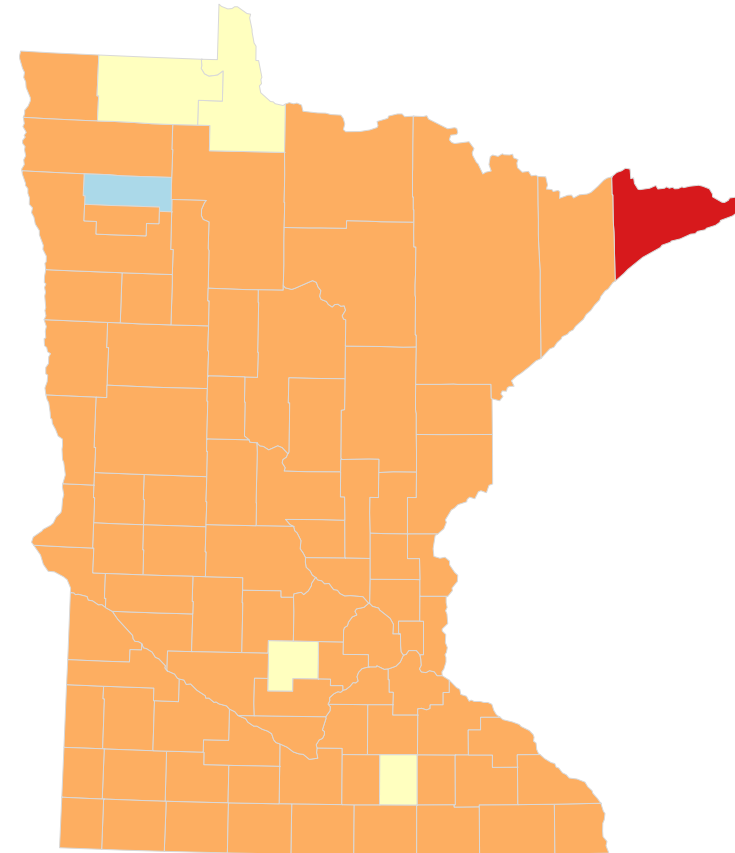
Top employment industries

Educational services, health care, and social assistance has the highest employment in nearly all counties across Minnesota.

Note: One issue that arises when looking at jobs and employment in rural areas is that many data sources only capture workers covered by unemployment insurance, which does not include most farm and other resource extractive jobs. In previous years, we were able to work around this issue by utilizing data from the Bureau of Economic Analysis. Unfortunately, that data is no longer provided, therefore we are using data from the American Community Survey, which will, unfortunately, undercount workers that are not covered by unemployment insurance (i.e. farm employment).

Top employment industry: 2023

Educational services, health care and social assistance are the top employment industries across Minnesota

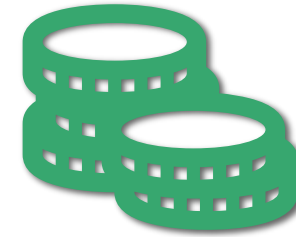


- Arts, entertainment, and recreation, and accommodation and food services
- Educational services, and health care and social assistance
- Manufacturing
- Wholesale trade

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
Resource extraction
Professional and Business Services

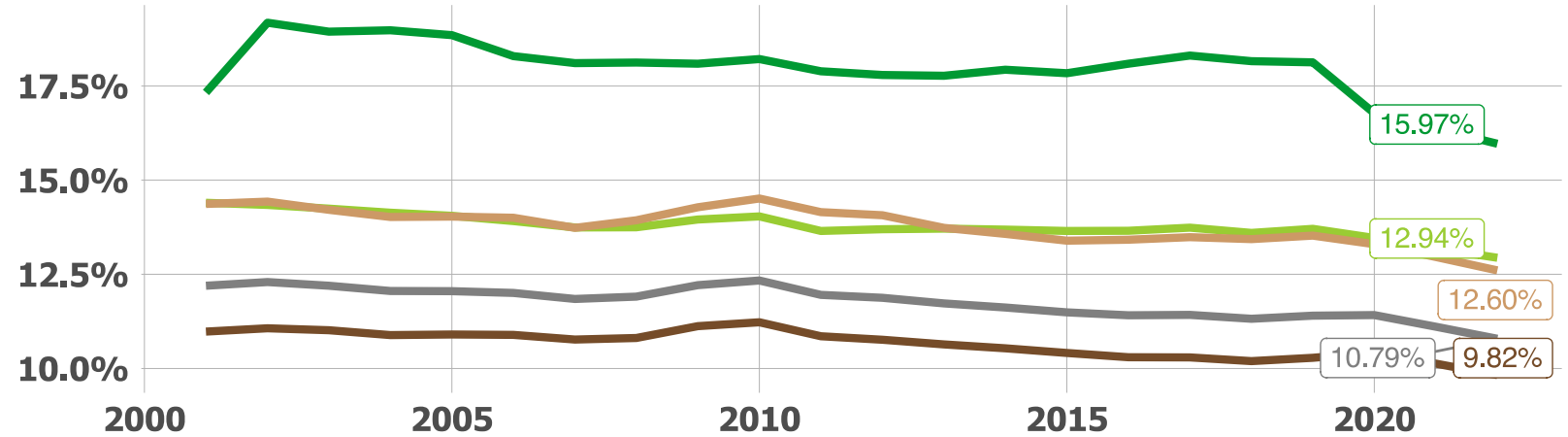
Economic Vitality

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

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

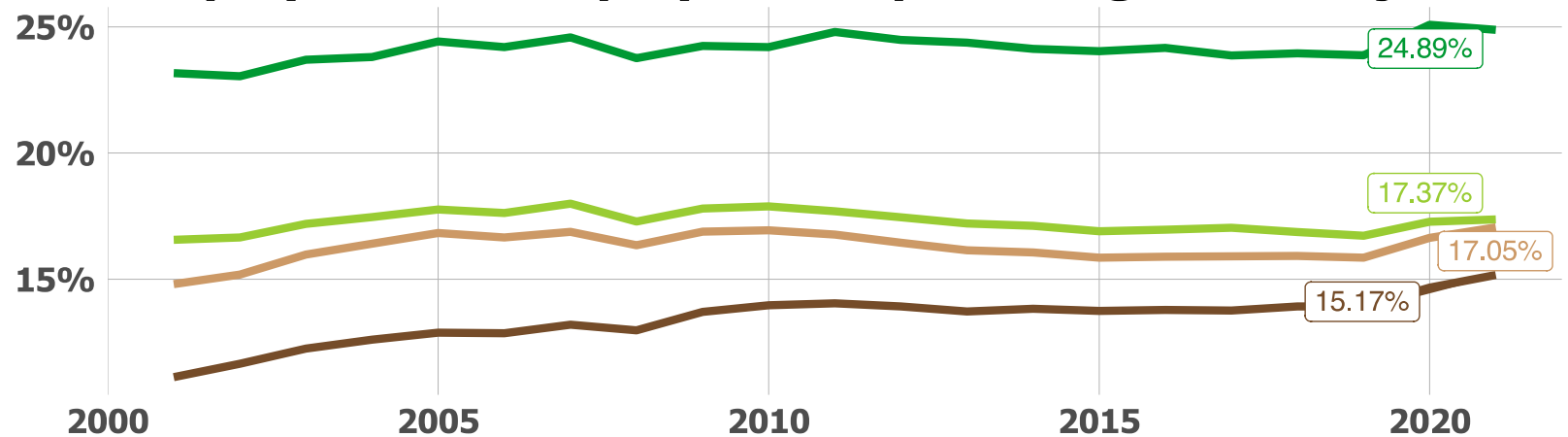
A surprising employment fact in rural regions is the number of non-employers and self-employed as well as the percentage of jobs in government. The state's most rural counties have the highest percentage of both.

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

Economic Vitality

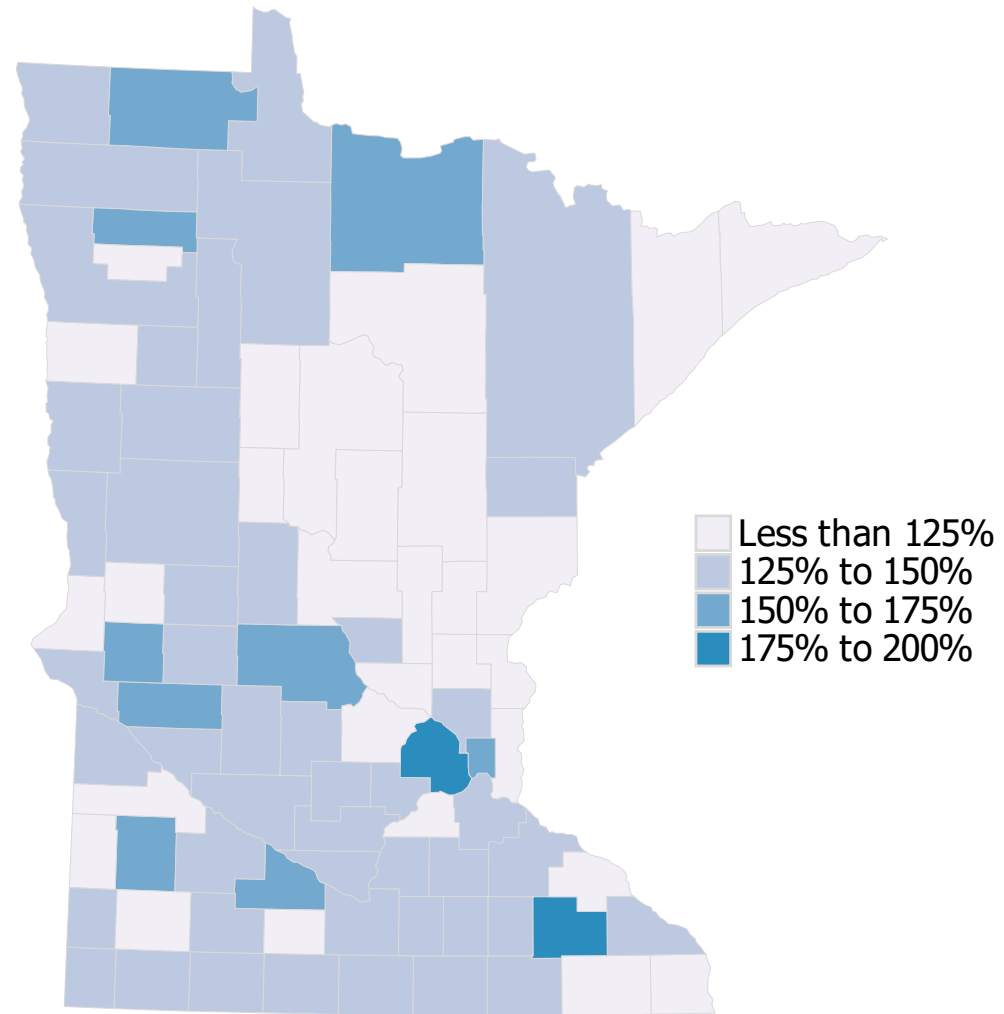
WAGES MEETING THE COST OF LIVING VARIES SIGNIFICANTLY
ACROSS MINNESOTA

Median wages as a percent of the cost of living, 2023

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.

Although rural areas tend to have significantly lower wages, the lower cost of living can sometimes make up the difference. However, that isn't necessarily the case in the central lakes region and north of the seven county metro.



Economic Vitality

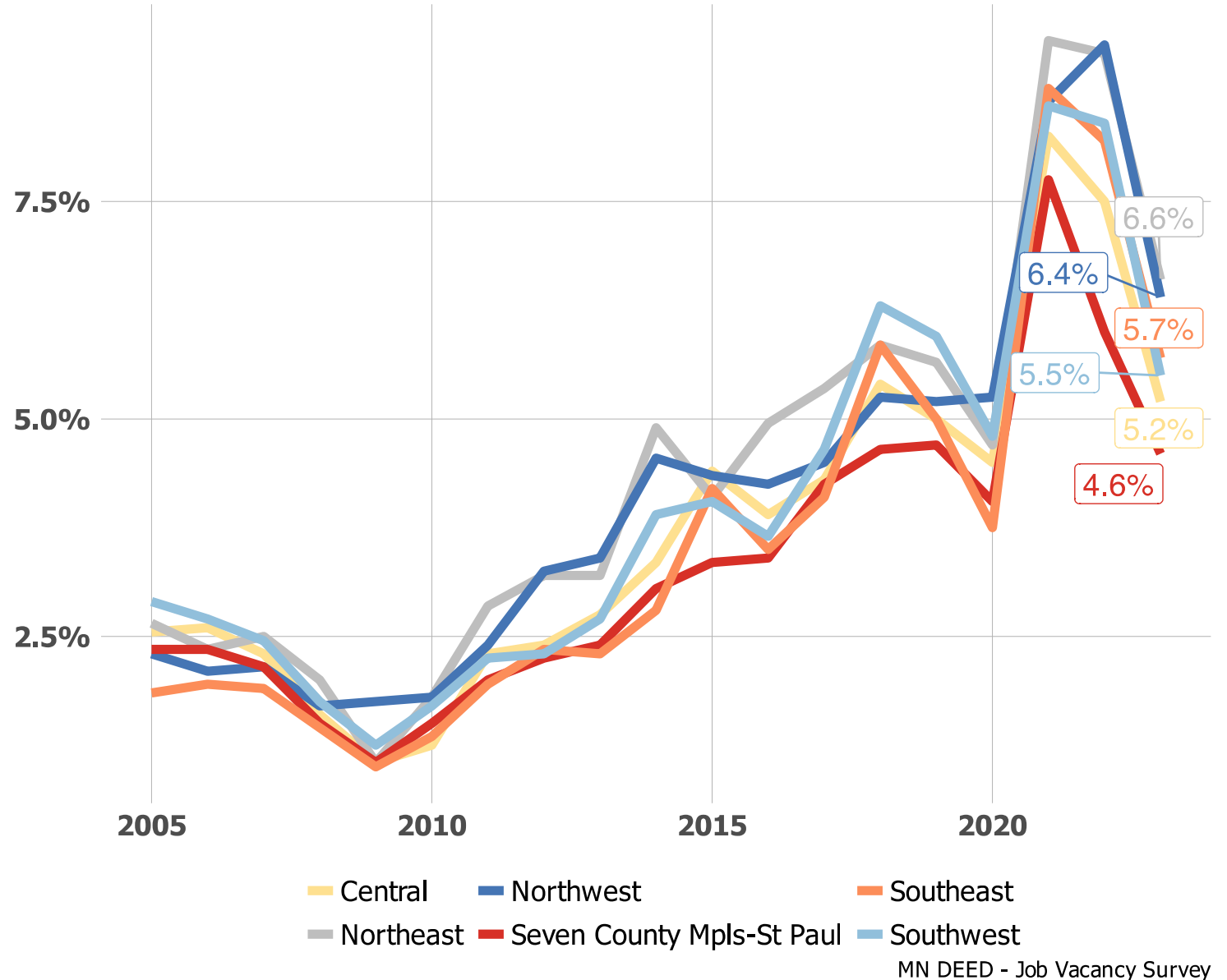
GREATER MINNESOTA FEELING PRESSURE TO FILL JOB VACANCIES

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. After peaking in 2021, job vacancy rates have fallen but continue to be high across all of rural Minnesota.

Job vacancies as a percent of total employment

Job vacancies continue to be high in rural Minnesota

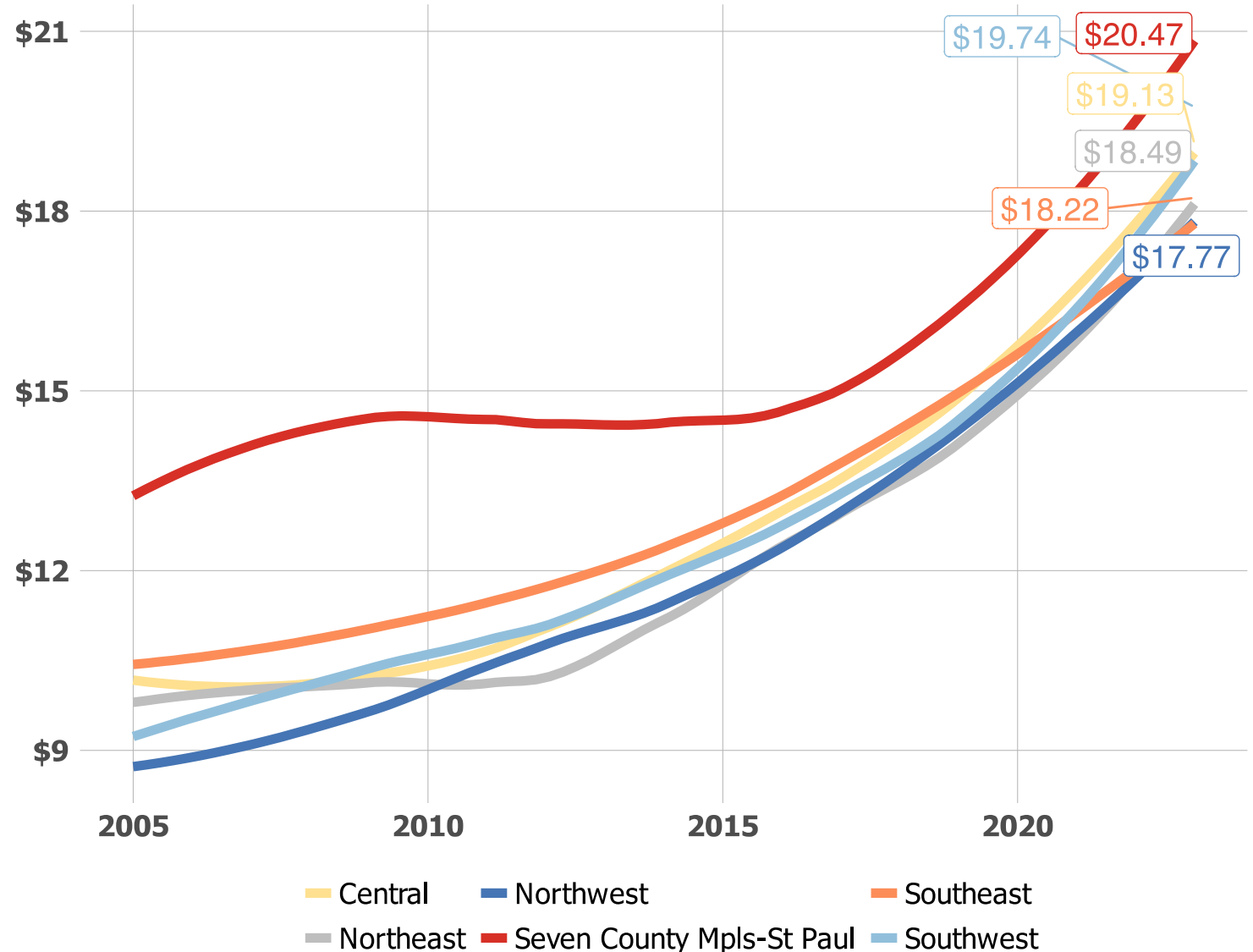


Largest growth in wages for job vacancies is in Greater Minnesota

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

Wages for job vacancies continue to grow





Questions?

Email: crpd@ruralmn.com

Phone: (507) 934-7700