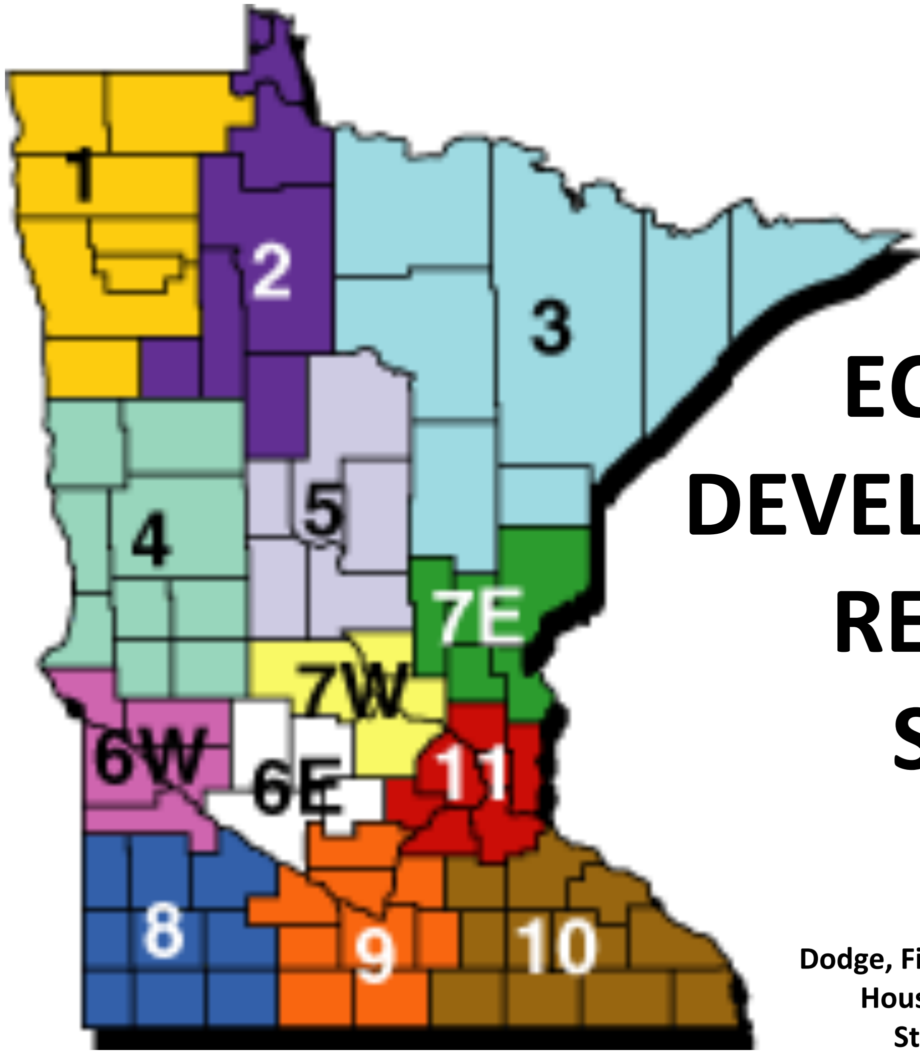

ECONOMIC DEVELOPMENT REGION 10: Southeast

Covers counties:

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

2016 REGIONAL PROFILE

Updated December 1, 2016

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2015

Economic Development Region 10, which is also known as Southeast Minnesota, is an 11-county region located in the southeast corner of the state, bordering the Twin Cities metro area, Wisconsin, and Iowa. According to population data from the U.S. Census Bureau, Region 10 was home to 501,850 people in 2015, accounting for 9.1 percent of the state's total population. That made it the 2nd largest of the 13 economic development regions in the state. It was also the 5th fastest growing region, as Region 10 gained 41,748 residents over the last decade and a half, a 9.1 percent increase, as compared to an 11.6 percent increase statewide (see Table 1).

Table 1. Population Change 2000-2015

	2000 Population	2015 Estimates	*2000-2015 Change* Number	*2000-2015 Change* Percent
Region 10 - Southeast	**460,102**	**501,850**	***+41,748***	***+9.1%***
Dodge Co.	17,731	20,364	*+2,633*	*+14.8%*
Fillmore Co.	21,122	20,834	*-288*	*-1.4%*
Freeborn Co.	32,584	30,613	*-1,971*	*-6.0%*
Goodhue Co.	44,127	46,435	*+2,308*	*+5.2%*
Houston Co.	19,718	18,773	*-945*	*-4.8%*
Mower Co.	38,603	39,116	*+513*	*+1.3%*
Olmsted Co.	124,277	151,436	*+27,159*	*+21.9%*
Rice Co.	56,665	65,400	*+8,735*	*+15.4%*
Steele Co.	33,680	36,755	*+3,075*	*+9.1%*
Wabasha Co.	21,610	21,239	*-371*	*-1.7%*
Winona Co.	49,985	50,884	*+900*	*+1.8%*
State of Minnesota	**4,919,479**	**5,489,594**	***+570,115***	***+11.6%***

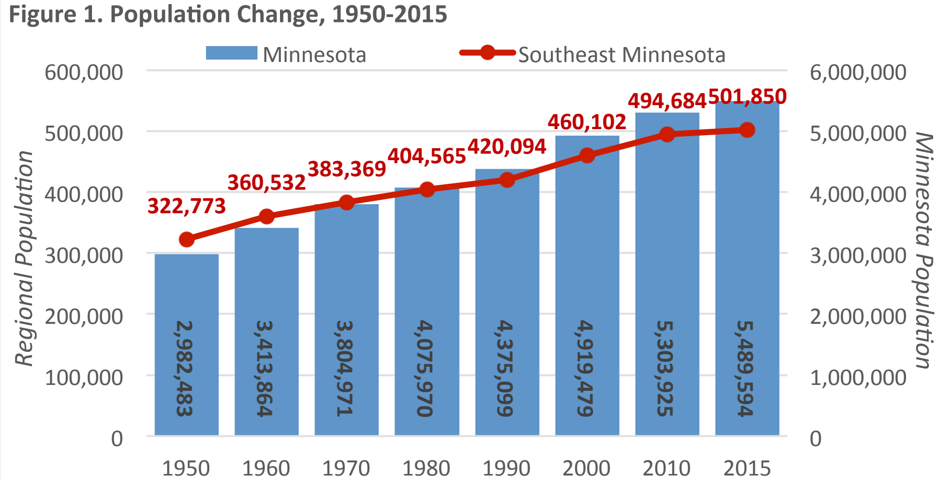
Source: U.S. Census Bureau, Population Estimates

Home to Rochester, Olmsted County is the largest and fastest growing county in the region with 151,436 people, and was the 8th largest and 8th fastest growing county in the state. Including Olmsted, seven of the 11 counties in the region gained population from 2000 to 2015. Rice and Dodge County were also among the top 20 fastest growing counties in the state, both growing about 15 percent. Steele and Goodhue also enjoyed steady growth, while Mower County added just over 500 people. In contrast, the other four counties saw declines – including Freeborn County, which was the fastest declining county in the region, followed by Houston, Fillmore, and Wabasha County.

Since 1950, Region 10 has seen a steady increase in population equal to a total gain of 179,007, a 55.5 percent growth rate. The largest gain in population in the region occurred between 1990 and 2000 in which the population grew by just over 40,000 people while the smallest gain was in the decade prior with a gain of only 15,529 (see Figure 1).

The largest population growth occurred in Olmsted County, which jumped by over 103,000 people, making it the largest and fastest growing county in the region. Rice County was second with a gain of 29,165 people. However, three of the 11 counties in Region 10 suffered population declines from 1950 through 2015, including Mower (-3,161) Fillmore (-3,631), and Freeborn, which saw the largest decline with a loss of 3,904 residents.

Figure 1. Population Change, 1950-2015

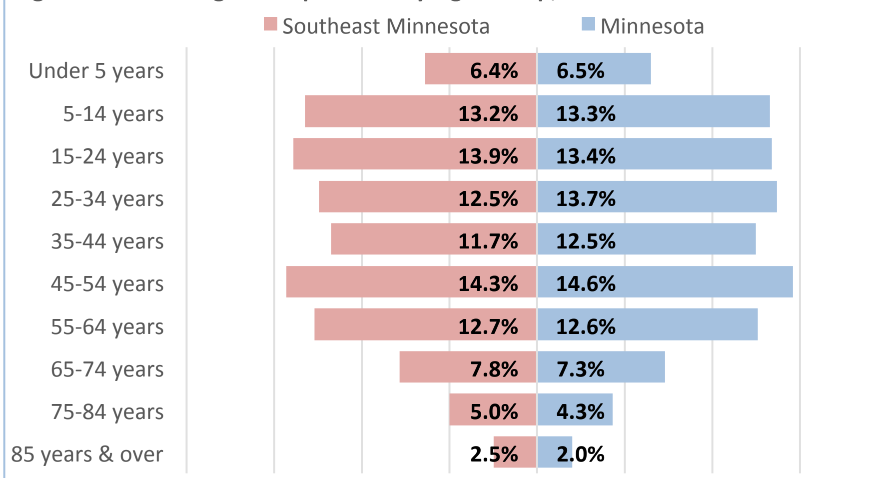


Source: U.S. Census Bureau

POPULATION BY AGE GROUP, 2000-2014

Region 10 - Southeast has a slightly older population than the rest of the state, with 15.3 percent of the population aged 65 and over, compared to 13.6 percent statewide. Consequently, Southeast had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years." With the presence of several postsecondary educational institutions in the region, there is a slightly higher percentage of people aged 15 to 24 in Southeast Minnesota compared to the state (see Figure 2).

Figure 2. Percentage of Population by Age Group, 2014



Source: 2010-2014 American Community Survey

More than one quarter of the region's population was part of the Baby Boom generation, which is creating a significant shift in the population over time. While the number of younger residents is growing slowly, the number of residents aged 45 years and over is rapidly increasing (see Figure 3).

Figure 3. Region 10 Population Pyramid, 20

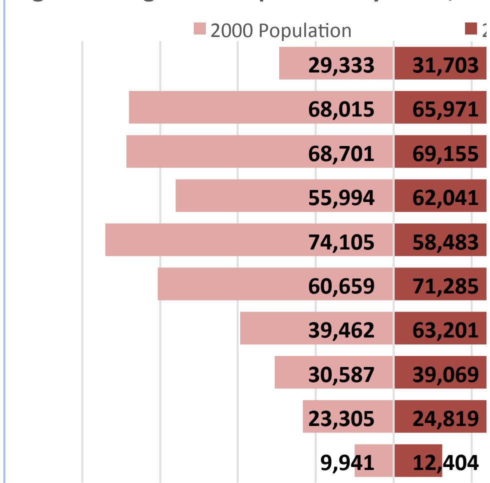
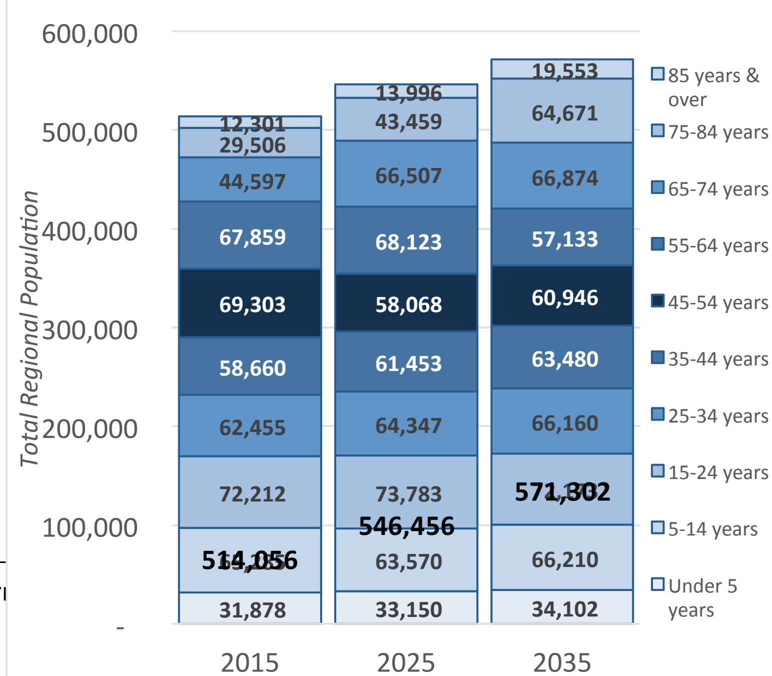


Figure 4. Region 10 Population Projections by Age Group, 2015-2035



POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Though the starting projections for 2015 are high compared to actual 2015 estimates, Region 10 is projected to enjoy a rapid increase in the next 20 years as well. According to population projections from the State Demographic Center, Region 10 is expected to gain about 57,200 net new residents from 2015 to 2035, an 11.1 percent increase (see Figure 4). In comparison, the state is projected to grow 10.8 percent.

However, much of this population growth is expected to be in the older age groups. Region 10 is projected to add nearly 65,000 people aged 65 years and over, a 75 percent rise. The region is also expected to see a slight gain in many younger age groups, with a jump of about 8,000 25 to 44 year olds, and a jump of about 2,200 children under 5 years of age. In contrast, Region 10 is expected to lose about 19,000 people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

POPULATION BY RACE, 2014

Region 10's population is less diverse than the state's, but is becoming more diverse over time. In 2014, nearly 92 percent of the region's residents reported White alone as their race, compared to 85.2 percent of residents statewide. The region had a smaller percentage of Black or African American residents, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people of Some Other Race or Two or More Races. However, at 5.2 percent, Region 10 had a higher percentage of people reporting Hispanic or Latino origin than the state after nearly doubling since 2000. The region also saw huge increases in all race categories except Some Other Race over the past 15 years (see Table 2).

Table 2. Race and Hispanic Origin, 2014	Region 10 - Southeast			Minnesota	
	Number	Percent	*Change from 2000-2014*	Percent	*Change from 2000-2014*
Total	**498,131**	**100.0%**	***+8.3%***	**100.0%**	***+9.4%***
White	456,254	91.6%	*+5.1%*	85.2%	*+4.2%*
Black or African American	13,514	2.7%	*+142.4%*	5.4%	*+69.2%*
American Indian & Alaska Native	1,534	0.3%	*+9.2%*	1.0%	*+2.8%*
Asian & Other Pac. Islander	12,908	2.6%	*+47.8%*	4.3%	*+61.8%*
Some Other Race	5,246	1.1%	*-6.2%*	1.5%	*+19.8%*
Two or More Races	8,675	1.7%	*+82.8%*	2.6%	*+68.0%*
Hispanic or Latino	25,885	5.2%	*+94.3%*	4.9%	*+84.3%*

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

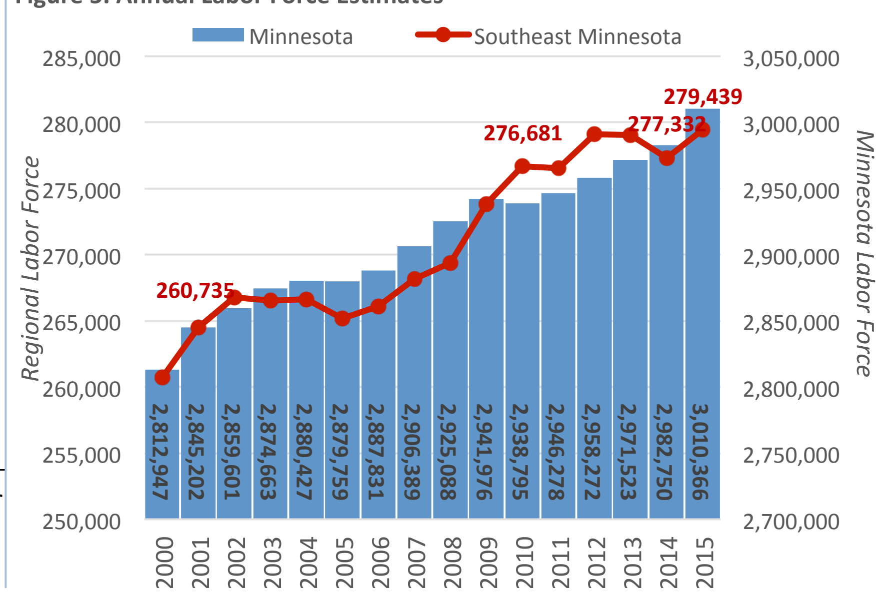
With about 5 percent of the population reporting both Asian and Black or African American, Olmsted County was the most diverse in the region and had the largest percentages for any county outside the Twin Cities. The rest of the counties were less racially diverse, though Mower, Freeborn, Rice, and Steele all reported higher percentages of Hispanic or Latino residents than the state.

LABOR FORCE

LABOR FORCE CHANGE, 2000-2015

According to data from DEED's Local Area Unemployment Statistics program, Region 10 - Southeast had nearly 279,500 available workers in 2015. In line with the region's overall population gain, Region 10 added almost 20,000 workers over the last 15 years, from 260,735 available workers in 2000 to 279,439 workers in 2015. However, labor force changes have been uneven in recent years, with more downs than ups since 2010. In contrast, the state was

Figure 5. Annual Labor Force Estimates



gaining new workers over the last decade and a half, regardless of economic conditions, even surpassing 3 million workers in 2015 (see Figure 5).

As the economy has recovered, the labor market has been getting tighter. In 2015, the entire region had only about 9,400 unemployed workers who reported actively seeking work, which was less than half the number reported during the recession in 2009.

LABOR FORCE PROJECTIONS, 2015-2025

If Region 10's population changes at the projected rates shown in Figure 4 above, the region would be expected to see a slower increase in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a surprisingly small increase in workforce numbers.

Table 3. Region 10 - Southeast Labor Force Projections				
	2015 Labor Force Projection	**2025 Labor Force Projection**	***2015-2025 Change***	
			Numeric	***Percent***
16 to 19 years	17,216	17,179	*-37*	*-0.2%*
20 to 24 years	27,980	29,339	*+1,359*	*+4.9%*
25 to 44 years	106,195	110,303	*+4,108*	*+3.9%*
45 to 54 years	62,039	51,981	*-10,057*	*-16.2%*
55 to 64 years	51,212	51,412	*+199*	*+0.4%*
65 to 74 years	12,290	18,329	*+6,038*	*+49.1%*
75 years & over	2,882	3,961	*+1,079*	*+37.4%*
Total Labor Force	**279,815**	**282,503**	***+2,689***	***+1.0%***

Source: calculated from Minnesota State Demographic Center projections and, 2010-2014 American Community Survey 5-Year Estimates

In addition to the overall increase, the labor force will see a significant shift over time, with large gains in the number of workers aged 65 years and over against a huge decline in the number of workers aged 45 to 54 years (see Table 3). However, the region is still expected to see gains in younger workers from 20 to 44 years. This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

EMPLOYMENT CHARACTERISTICS, 2014

Table 4. Employment Characteristics, 2014					
	Region 10 - Southeast			Minnesota	
Age Group	Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	**274,538**	**69.7%**	**5.7%**	**70.1%**	**6.5%**
16 to 19 years	15,985	56.4%	19.1%	51.1%	18.7%
20 to 24 years	28,059	82.2%	8.2%	81.8%	10.2%
25 to 44 years	105,677	87.7%	5.4%	88.1%	5.8%
45 to 54 years	63,813	89.5%	3.9%	87.3%	5.0%
55 to 64 years	47,697	75.5%	3.2%	71.8%	4.9%
65 to 74 years	10,767	27.6%	3.9%	26.6%	4.1%
75 years & over	2,566	6.9%	2.5%	5.9%	3.5%
Employment Characteristics by Race & Hispanic Origin					
White alone	255,856	69.9%	5.3%	70.2%	5.6%
Black or African American	5,519	59.9%	17.8%	68.0%	16.4%
American Indian & Alaska Native	551	45.1%	9.2%	59.4%	17.4%
Asian	7,117	71.8%	4.0%	70.6%	7.2%
Some Other Race	2,829	77.4%	9.3%	76.2%	11.0%
Two or More Races	2,704	69.2%	11.5%	69.5%	13.2%
Hispanic or Latino	11,586	72.1%	11.6%	75.0%	10.1%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	13,817	84.1%	6.1%	82.9%	6.9%

Employment Characteristics by Disability					
With Any Disability	11,874	55.7%	11.7%	51.0%	14.0%
Employment Characteristics by Educational Attainment					
Population 25 to 64 years	217,204	85.2%	4.5%	84.0%	5.4%
Less than H.S. Diploma	11,092	67.2%	14.3%	65.8%	13.1%
H.S. Diploma or Equivalent	56,451	83.2%	6.1%	79.1%	7.3%
Some College or Assoc. Degree	79,956	86.0%	4.2%	85.3%	5.6%
Bachelor's Degree or Higher	69,676	89.7%	2.0%	89.2%	3.1%

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

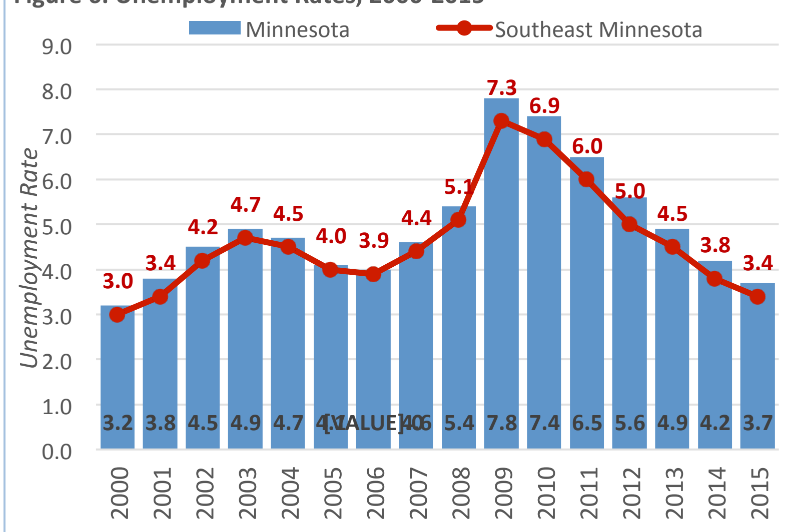
With 69.7 percent of the population aged 16 years and over in the labor force, the region had slightly lower labor force participation rates than the state's 70.1 percent. However, Region 10 actually had higher participation rates for every age group except 25 to 44 year olds. The overall rate was lower because a higher percentage of Region 10's labor force was older (see Table 4).

Region 10 had a less diverse workforce than the state; but had similar unemployment rate disparities for minority groups. There were nearly 14,000 veterans in the labor force in the region, with higher labor force participation rates and lower unemployment rates. Southeast also had about 12,000 workers with disabilities. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

UNEMPLOYMENT RATE, 2000-2015

Region 10 - Southeast has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to the Local Area Unemployment Statistics program, Region 10's unemployment rate hovered just under the state rate from 2000 to 2008, then dropped 0.5 percent below the state rate from 2009 to 2012, even while climbing as high as 7.3 percent. Since then, Region 10's rate has fallen back to prerecession levels, ending at 3.4 percent in 2015, the second lowest in the state (see Figure 6).

Figure 6. Unemployment Rates, 2000-2015

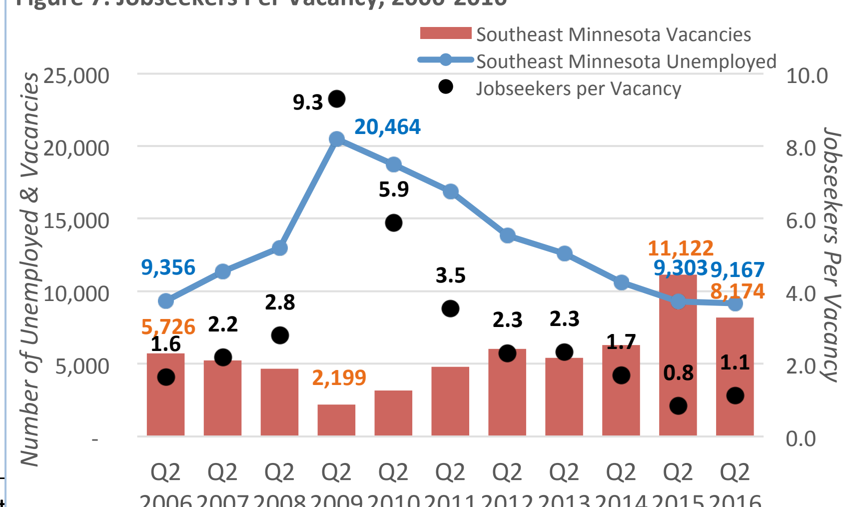


Source: DEED Local Area Unemployment Statistics (LAUS) program

JOBSEEKERS PER VACANCY, 2016

As the unemployment rate has continued to decline and the economy continues to recover, the region's labor market has tightened. One clear example of this is the ratio of unemployed job seekers per vacancy, which stood at only 1.1-to-1 Region 10 in the second quarter of 2016. According to recent job vacancy survey results, there were 8,174 openings reported by employers

Figure 7. Jobseekers Per Vacancy, 2006-2016



Source: DEED Job Vacancy Survey, LAUS program compared to 9,167 unemployed job seekers in the region. The ratio climbed as high as 9.3 in the depths of the recession in 2009, but also dropped to only 0.8 in 2015 (see Figure 7).

EDUCATIONAL ATTAINMENT BY AGE GROUP, 2014

Although 36.2 percent of adults aged 18 years and over have a college degree, Region 10 still has lower educational attainment than the state, where 40.5 percent of adults have an associate, bachelor's, or advanced degree. In contrast, Region 10 - Southeast has a slightly higher percentage of people with some college but no degree, and a high school diploma or less (see Table 5).

For the younger age groups, a different picture emerges. Nearly 45 percent of people aged 18 to 24 years have attended some college, and 15.6 percent already had a college degree. Region 10 also had a higher percentage of people in the 25 to 44 and 45 to 64 year old age groups who had attended some college and earned associate's degrees than the state, but lower percentages of bachelor's and advanced degrees in both age categories. Not only does Region 10 have a higher percentage of the population in the oldest age group, those residents have lower educational attainment than the rest of the state (see Table 5).

Table 5. Educational Attainment by Age Group, 2014	Region 10		Minnesota
	Number	Percent	Percent
18 to 24 years	**49,189**	**12.9%**	**12.3%**
Less than high school	5,960	12.1%	12.8%
High school graduate (incl. equiv.)	13,550	27.5%	26.0%
Some college, no degree	22,000	44.7%	43.4%
Associate's degree	3,411	6.9%	6.1%
Bachelor's degree	4,118	8.4%	11.3%
Advanced degree	150	0.3%	0.5%
25 to 44 years	**120,524**	**31.7%**	**34.3%**
Less than high school	9,052	7.5%	6.7%
High school graduate (incl. equiv.)	27,857	23.1%	19.5%
Some college, no degree	26,735	22.2%	22.0%
Associate's degree	17,064	14.2%	12.9%
Bachelor's degree	26,776	22.2%	27.5%
Advanced degree	13,040	10.8%	11.4%
45 to 64 years	**134,486**	**35.3%**	**35.6%**
Less than high school	7,445	5.5%	5.6%
High school graduate (incl. equiv.)	39,971	29.7%	27.3%
Some college, no degree	33,089	24.6%	23.7%
Associate's degree	16,093	12.0%	11.1%
Bachelor's degree	24,601	18.3%	21.1%
Advanced degree	13,287	9.9%	11.2%
65 years & over	**76,292**	**20.1%**	**17.8%**
Less than high school	11,571	15.2%	13.8%
High school graduate (incl. equiv.)	31,530	41.3%	38.1%
Some college, no degree	13,895	18.2%	19.5%
Associate's degree	3,809	5.0%	4.7%
Bachelor's degree	9,144	12.0%	14.6%
Advanced degree	6,343	8.3%	9.3%

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

COMMUTE SHED AND LABOR SHED, 2014

According to commuting data from the U.S. Census Bureau, the vast majority – 77.3 percent – of workers who live in the region also work within the region. However, Region 10 is a net exporter of labor, having more workers than available jobs; not only drawing in workers from surrounding counties but also having residents drive outside the region to find work. In sum, 195,530 workers both lived and worked in Region 10 in 2014, while another 43,512 workers drove into the region for work, compared to 57,362 workers who lived in the region but drove to surrounding counties for work (see Table 6 and Figure 8).

Table 6. Region 10 - Southeast Minnesota Inflow/Outflow Job Counts (All Jobs), 2014	2014	
	Count	Share
Employed in the Selection Area	239,042	100.0%
Employed in the Selection Area but Living Outside	43,512	18.2%
Employed and Living in the Selection Area	195,530	81.8%
Living in the Selection Area	239,042	100.0%
Living in the Selection Area but Employed Outside	57,362	22.7%
Living and Employed in the Selection Area	195,530	77.3%

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

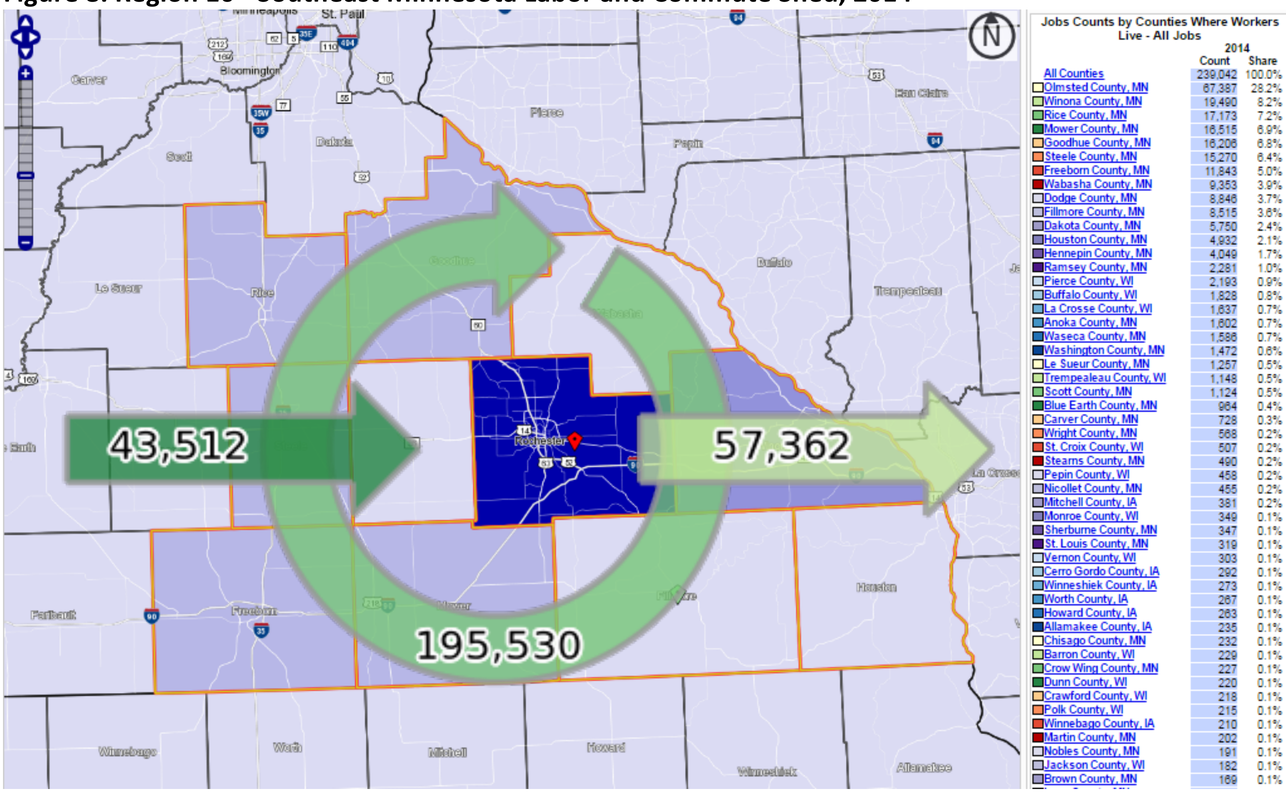
Table 7. Region 10 Commuting Data	
Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to

Dakota Co. MN	Hennepin Co. MN
Hennepin Co. MN	Dakota Co. MN
Ramsey Co. MN	Ramsey Co. MN
Pierce Co. WI	La Crosse Co. WI
Buffalo Co. WI	Blue Earth Co. MN

Source: U.S. Census Bureau, OnTheMap

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

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



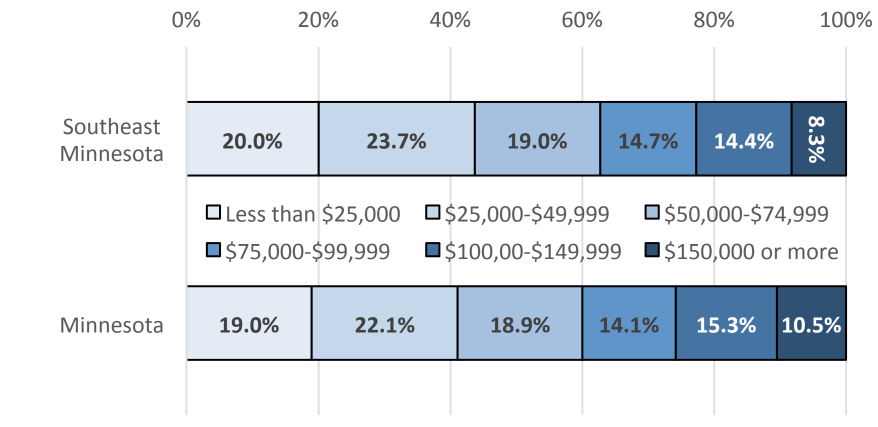
INCOMES, WAGES AND OCCUPATIONS

Table 9. Occupational	Median	Estimated

HOUSEHOLD INCOMES

Region 10 - Southeast has very similar household income levels to the state, and had the highest income levels of any region outside the Twin Cities metro area. Median household incomes ranged from $45,569 in Freeborn County, which was the 11th lowest (of 87) in the state, to $68,587 in Dodge and $67,2089 in Olmsted, which were both among the 10 highest in the state. About 44 percent of the households in Region 10 had incomes below $50,000 in 2014, compared to 41.1 percent statewide. A little over one-third of households earned between $50,000 and $100,000 in the region. The remaining 22.7 percent of households in Southeast earned over $100,000 per year, compared to 26 percent of households statewide (see Figure 9).

Figure 9. Household Incomes, 2014

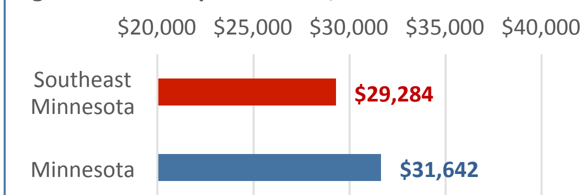


Source: 2010-2014 American Community Survey 5-Year Estimates

PER CAPITA INCOMES

There were a wide range of per capita incomes in the region, though Region 10's $29,284 per capita income was just slightly lower than the state at $31,642. Per capita incomes ranged from $24,050 in Winona County to $34,891 in Olmsted County, which was among the highest in the state (see Figure 10).

Figure 10. Per Capita Income, 2014



Source: 2010-2014 American Community Survey

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 10 was $48,828 – which was 4th highest of the 13 economic development regions in the state. The highest monthly costs were for transportation, food, and housing; but the region's costs were lower than the state in each case (see Table 8).

In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn $15.65 per hour. For a single person living alone and working full-time, the estimated yearly cost in Region 10 would be $27,420, which would require an hourly wage of $13.18 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	Trans-portation	Other	Taxes
Region 10	$48,828	$15.65	$280	$760	$408	$817	$762	$493	$549
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 10 - Southeast was $17.77 in the first quarter of 2016, which was the second highest wage level of the 6 planning regions in the state. Region 10's median hourly wage was about $1.00 below the state's median wage, and $3.00 below the Twin Cities metro area, which would amount to nearly $6,000 per year for a full-time worker (see Table 9).

Employment Statistics by Region, 1st Qtr. 2016	Hourly Wage	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 10 stands out for having higher concentrations of healthcare practitioners and technical, production, healthcare support, and farming, fishing and forestry occupations. Just over 11 percent Region 10's jobs are healthcare practitioners, which is almost double the concentration found statewide. Region 10 also has higher concentrations of life, physical, and social science occupations, community and social service, and protective services workers than the state.

Not surprisingly, the lowest-paying jobs are concentrated in food preparation and serving, personal care and service, sales and related, and building, grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements, and smaller wage gaps compared to the state (see Table 10).

Table 10. Region 10 - Southeast Occupational Employment Statistics, 1st Qtr. 2016

	Region 10 - Southeast				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	**$17.77**	**228,960**	***100.0%***	***1.0***	**$18.88**	**2,772,240**	***100.0%***
Office & Administrative Support	$16.50	31,200	*13.6%*	*0.9*	$17.65	403,870	*14.6%*
Production	$16.11	28,830	*12.6%*	*1.6*	$16.80	219,390	*7.9%*
Healthcare Practitioners & Technical	$29.45	25,350	*11.1%*	*1.8*	$31.65	167,800	*6.1%*
Sales & Related	$11.41	18,050	*7.9%*	*0.8*	$13.03	274,960	*9.9%*
Transportation & Material Moving	$15.54	16,790	*7.3%*	*1.2*	$16.35	174,150	*6.3%*
Education, Training, & Library	$22.72	14,410	*6.3%*	*1.1*	$22.59	162,330	*5.9%*
Food Preparation & Serving Related	$9.29	12,370	*5.4%*	*0.6*	$9.39	232,550	*8.4%*
Healthcare Support	$13.56	11,570	*5.1%*	*1.6*	$13.96	87,470	*3.2%*
Management	$42.07	11,080	*4.8%*	*0.8*	$48.47	167,820	*6.1%*
Personal Care & Service	$10.83	7,920	*3.5%*	*0.8*	$11.29	125,520	*4.5%*
Business & Financial Operations	$27.23	7,700	*3.4%*	*0.6*	$31.06	162,610	*5.9%*
Installation, Maintenance, & Repair	$20.62	7,660	*3.3%*	*1.0*	$21.96	94,280	*3.4%*
Computer & Mathematical	$39.39	6,210	*2.7%*	*0.8*	$38.93	94,470	*3.4%*
Building, Grounds Cleaning & Maint.	$12.26	6,160	*2.7%*	*0.9*	$12.25	82,220	*3.0%*
Construction & Extraction	$22.87	5,870	*2.6%*	*0.7*	$25.36	95,560	*3.4%*
Community & Social Service	$21.48	4,440	*1.9%*	*1.1*	$20.99	50,160	*1.8%*
Protective Service	$21.41	4,010	*1.8%*	*1.1*	$19.85	42,440	*1.5%*
Architecture & Engineering	$33.34	3,200	*1.4%*	*0.7*	$35.14	52,680	*1.9%*
Arts, Design, Entertainment & Media	$19.68	2,810	*1.2%*	*1.0*	$22.49	35,510	*1.3%*
Life, Physical, & Social Science	$28.37	2,130	*0.9%*	*1.1*	$29.94	24,380	*0.9%*
Legal	$28.98	740	*0.3%*	*0.5*	$38.40	18,450	*0.7%*
Farming, Fishing, & Forestry	$14.20	450	*0.2%*	*1.5*	$14.86	3,610	*0.1%*

Source: DEED Occupational Employment Statistics, Qtr. 1 2016

In contrast, the highest paying jobs are found in management, computer and mathematical, architecture and engineering, life, physical and social science, business and financial operations, and legal, which all need higher levels of education and experience, including many that require bachelor's degrees or higher.

JOB VACANCY SURVEY

Employers reported 8,174 job vacancies in the second quarter of 2016, which was the fifth highest number ever recorded, and the third straight quarter with more than 8,000 vacancies. Overall, 42 percent of the openings were part-time, 14 percent were temporary or seasonal, 30 percent required postsecondary education, and 34 percent required a year or more of experience. The median hourly wage offer was $12.32 across all occupations, but ranged from a low of $9.87 for food preparation and serving workers to more than $25.00 per hour for management, architecture and engineering, life, physical and social science, and computer and mathematical occupations (see Table 11).

Table 11. Region 10 - Southeast Job Vacancy Survey Results, Qtr. 2 2016

	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	**8,174**	**42%**	**14%**	**30%**	**34%**	**29%**	**$12.32**
Food Preparation & Serving Related	1,458	64%	11%	1%	13%	8%	$9.87
Sales & Related	931	57%	3%	1%	15%	2%	$10.89
Personal Care & Service	914	72%	18%	1%	8%	6%	$10.29
Education, Training & Library	861	16%	51%	93%	76%	83%	$14.98
Office & Administrative Support	537	36%	1%	25%	34%	6%	$13.63
Healthcare Support	514	46%	17%	48%	4%	52%	$12.72
Healthcare Practitioners & Technical	488	28%	1%	97%	47%	87%	$23.65
Construction & Extraction	488	3%	28%	4%	48%	26%	$13.29
Transportation & Material Moving	461	35%	0%	0%	35%	59%	$13.98
Production	358	15%	1%	27%	33%	2%	$13.62
Building, Grounds Cleaning & Maint.	219	65%	29%	1%	28%	24%	$10.49
Management	160	3%	0%	86%	90%	26%	$25.20
Community & Social Service	135	52%	3%	52%	66%	42%	$13.82
Installation, Maintenance & Repair	119	19%	11%	37%	49%	38%	$15.34
Architecture & Engineering	111	1%	0%	95%	85%	10%	$29.86
Arts, Design, Entertainment & Media	98	77%	4%	24%	63%	22%	$14.18
Life, Physical & Social Sciences	87	1%	3%	95%	89%	26%	$32.31
Business & Financial Operations	60	7%	0%	54%	64%	22%	$19.69
Legal	59	0%	1%	8%	98%	7%	$19.00
Computer & Mathematical	57	5%	0%	70%	77%	19%	$25.38
Protective Service	36	43%	18%	24%	35%	58%	$12.27
Internships	18	47%	88%	47%	1%	0%	$10.22

Source: DEED Job Vacancy Survey, Qtr. 2 2016

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are over 180 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. These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, registered nurses, retail salespersons, heavy and tractor-trailer truck drivers, combined food preparation and service workers, and laborers and freight, stock and material movers are among the top occupations in demand based on the consistent need for workers in these fields. Many of the jobs are found in manufacturing, health care, sales, and food service (see Table 12).

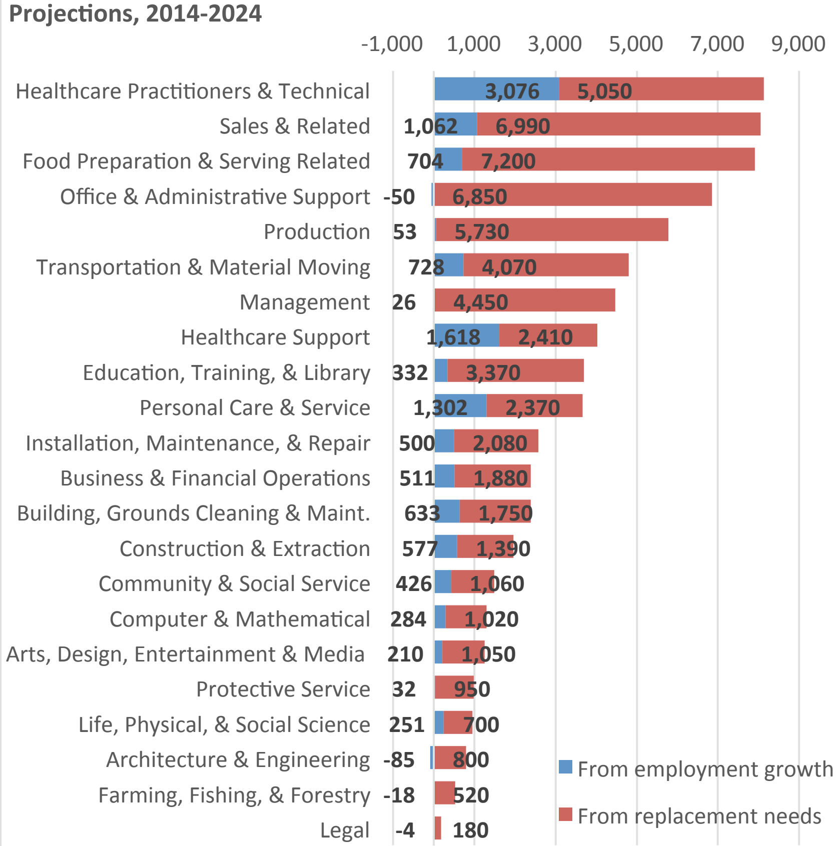
Table 12. Region 10 - Southeast Occupations in Demand by Education Level, 2016			
Less than High School	**High School or Equivalent**	**Some College or Assoc. Degree**	**Bachelor's Degree or Higher**
Retail Salespersons ($21,735)	Team Assemblers ($31,711)	Registered Nurses ($60,870)	Software Developers, Applications ($93,645)
Food Prep & Serving Workers ($18,865)	Secretaries & Administrative Assistants ($35,641)	Heavy & Tractor-Trailer Truck Drivers ($43,534)	Financial Managers ($97,148)
Laborers & Freight, Stock & Material Movers ($28,999)	Office Clerks, General ($30,662)	Nursing Assistants ($25,734)	Accountants & Auditors ($57,379)
Personal Care Aides ($22,869)	Electricians ($61,383)	Licensed Practical & Licensed Voc. Nurses ($42,405)	Medical & Health Services Managers ($102,909)
Cashiers ($19,757)	Customer Service Representatives ($31,008)	Medical Assistants ($37,516)	Computer Systems Analysts ($72,013)
Waiters & Waitresses ($18,814)	Food Batchmakers ($41,077)	HVAC Mechanics ($49,821)	Nurse Practitioners ($106,327)
Cooks, Restaurant ($21,925)	Medical Secretaries ($40,807)	Telecom. Equip. Installers & Repairers ($64,768)	Construction Managers ($86,523)
Stock Clerks & Order Fillers ($23,893)	Social & Human Service Assistants ($35,344)	Emergency Medical Techs. & Paramedics ($34,747)	Medical & Clinical Laboratory Techs. ($67,185)
Home Health Aides ($23,220)	Sales Representatives, Wholesale & Mfg. ($47,438)	Radiologic Technologists ($67,480)	Computer & Information Systems Managers ($112,426)
Construction Laborers ($34,540)	Welders, Cutters, Solderers, & Brazers ($41,291)	Medical Records & Health Info. Technicians ($47,814)	Software Developers, Systems Software ($107,503)
			Source: DEED Occupations in Demand

EMPLOYMENT PROJECTIONS

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

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

Figure 11. Southeast Minnesota Regional Employment Projections, 2014-2024



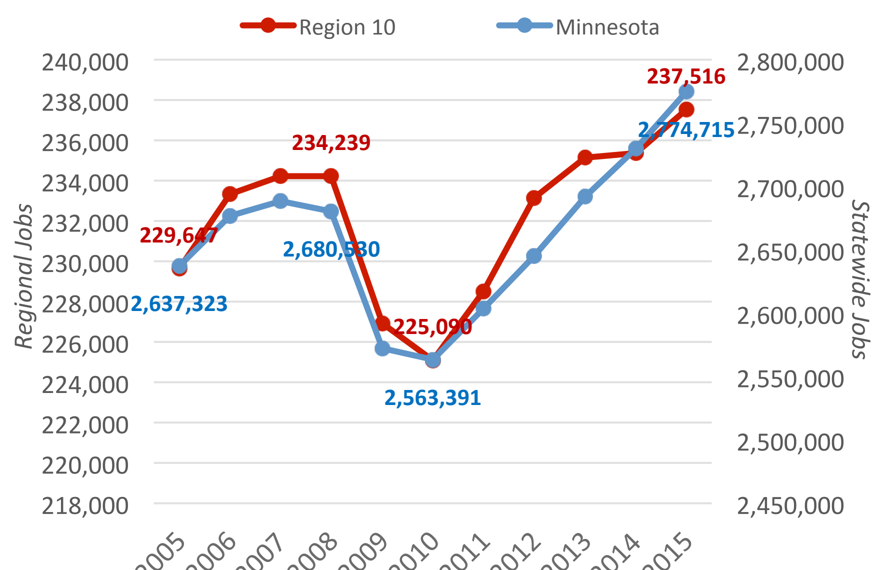
Source: DEED 2014-2024 Employment Outlook

ECONOMY

INDUSTRY EMPLOYMENT

Region 10 - Southeast has seen employment ups and downs over the past decade, but ended 2015 with over 8,000 more jobs than it had in 2005. The region entered the recession later than the state, still experiencing job growth through 2008, before suffering severe declines in 2009 and 2010. Since then, Region 10 has recovered more slowly than the state, which gained jobs at an 8.2 percent clip from 2010 to 2015, compared to a 5.5 percent increase in the region. Region 10 reached a pre-recession peak of 234,239 jobs in 2008, then hit a low of 225,090 jobs in 2010, and like the state, finally recovered all of the jobs lost during the recession in 2013 (see Figure 12).

Figure 12. Industry Employment Statistics, 2005-2015



Source: DEED QCEW program

Olmsted County is the largest employment center in the region and the sixth largest in the state, with 93,889 jobs at 3,284 firms. Four other counties in the region have between 21,000 and 25,000 jobs, including Winona with 24,849 jobs, Rice with 23,631 jobs, Goodhue at 21,493 jobs, and Steele County with 21,406 jobs. Ten of the 11 counties in the region added jobs since 2010, led by Olmsted, Winona, Rice, and Steele County. In contrast, Freeborn County lost 102 jobs from 2010 to 2015. Just 8 of the 11 counties saw job gains in the past year, led again by Olmsted, Dodge, and Rice County; while Goodhue and Steele County saw more than 100 jobs lost from 2014 to 2015 (see Table 13).

Table 13. Region 10 Industry Employment Statistics, 2015

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2010-2015 Change in Jobs	2010-2015 Percent Change	2014-2015 Change in Jobs	2014-2015 Percent Change
Region 10 - Southeast	**11,775**	**237,516**	**$11,160,479,186**	**$46,956**	***+12,426***	***+5.5%***	***+2,134***	***+0.9%***
Dodge Co.	436	5,944	$245,198,166	$41,184	*+813*	*+15.8%*	*+325*	*+5.8%*
Fillmore Co.	635	6,079	$194,533,446	$31,980	*+101*	*+1.7%*	*+70*	*+1.2%*
Freeborn Co.	780	12,033	$468,925,042	$38,948	*-102*	*-0.8%*	*-61*	*-0.5%*
Goodhue Co.	1,287	21,493	$978,418,812	$45,500	*+475*	*+2.3%*	*-136*	*-0.6%*
Houston Co.	423	4,978	$156,315,800	$31,356	*+133*	*+2.7%*	*+44*	*+0.9%*
Mower Co.	839	16,275	$761,410,670	$46,696	*+168*	*+1.0%*	*+20*	*+0.1%*
Olmsted Co.	3,284	93,889	$5,274,717,044	$56,160	*+6,698*	*+7.7%*	*+1,591*	*+1.7%*
Rice Co.	1,458	23,631	$1,015,163,057	$42,952	*+1,287*	*+5.8%*	*+318*	*+1.4%*
Steele Co.	914	21,406	$855,490,332	$39,936	*+1,134*	*+5.6%*	*-124*	*-0.6%*
Wabasha Co.	580	6,937	$242,870,440	$34,996	*+281*	*+4.2%*	*+19*	*+0.3%*
Winona Co.	1,140	24,849	$967,436,377	$38,896	*+1,438*	*+6.1%*	*+68*	*+0.3%*
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 60,453 jobs at 1,007 firms, health care and social assistance is the largest employing industry in Region 10, accounting for 25.5 percent of total jobs in the region. That is almost 9 percent higher than the state's concentration of employment in health care and social services. In addition, Southeast is still adding health care and social assistance jobs, gaining 2,801 jobs since 2010, a 4.9 percent increase. At $62,816 in 2015, average annual wages were nearly $16,000 higher in health care and social assistance than all industries.

The next largest industry in Region 10 was manufacturing, with 37,847 jobs at 650 firms, which was also much more concentrated in Region 10 than the state as a whole. After losing jobs during the recession, manufacturing has gained 2,449 jobs over the past five years, a 6.9 percent increase.

Retail trade is the third largest industry, with 26,775 jobs at 1,716 establishments. The related accommodation and food services industry had 18,503 jobs at 1,045 establishments after gaining 1,694 jobs since 2010. Accounting for 19 percent of jobs in the region, wages are relatively low in both industries.

Other important industries in Region 10 include educational services, public administration, administrative support and waste management and remediation services, construction, transportation and warehousing, wholesale trade, and other services. Sixteen of the 20 main industries added jobs from 2010 to 2015, with huge gains in health care and social assistance, manufacturing, accommodation and food services, administrative support and waste management – which includes temporary staffing agencies, construction, educational services, and transportation and warehousing. Job growth was strong in the past year as well, with 14 of the 20 industries adding jobs between 2014 and 2015 (see Table 14).

Table 14. Region 10 - Southeast Industry Employment Statistics, 2015

	2015 Annual Data				Avg.	*2010-2015*		*2014-2015*	
NAICS Industry Title	Number of Firms	Number of Jobs	*Percent of Jobs*	Total Payroll ($1,000s)	Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Total, All Industries	**11,775**	**237,516**	***100.0%***	**$11,160,479**	**$46,956**	***+12,426***	***+5.5%***	***+2,134***	***+0.9%***
Health Care & Social Assistance	1,007	60,453	*25.5%*	$3,799,463	$62,816	*+2,801*	*+4.9%*	*+942*	*+1.6%*
Manufacturing	650	37,847	*15.9%*	$2,117,613	$55,952	*+2,449*	*+6.9%*	*+665*	*+1.8%*
Retail Trade	1,716	26,775	*11.3%*	$656,979	$24,492	*+303*	*+1.1%*	*+99*	*+0.4%*
Educational Services	248	19,365	*8.2%*	$813,075	$42,068	*+1,007*	*+5.5%*	*+200*	*+1.0%*
Accommodation & Food Services	1,045	18,503	*7.8%*	$286,638	$15,444	*+1,694*	*+10.1%*	*+109*	*+0.6%*
Public Administration	351	10,411	*4.4%*	$509,684	$48,984	*-109*	*-1.0%*	*+56*	*+0.5%*
Admin. Support & Waste Mgmt. Svcs.	458	8,884	*3.7%*	$226,611	$25,480	*+1,629*	*+22.5%*	*-446*	*-4.8%*
Construction	1,401	8,806	*3.7%*	$453,834	$51,272	*+1,049*	*+13.5%*	*+280*	*+3.3%*
Transportation & Warehousing	569	7,419	*3.1%*	$298,513	$40,196	*+791*	*+11.9%*	*+57*	*+0.8%*
Wholesale Trade	521	6,686	*2.8%*	$400,641	$59,904	*+276*	*+4.3%*	*+32*	*+0.5%*
Other Services	1,187	6,552	*2.8%*	$155,824	$23,764	*+109*	*+1.7%*	*+84*	*+1.3%*
Finance & Insurance	662	5,786	*2.4%*	$376,095	$65,000	*-578*	*-9.1%*	*-57*	*-1.0%*
Arts, Entertainment, & Recreation	222	3,623	*1.5%*	$84,125	$23,296	*-312*	*-7.9%*	*+107*	*+3.0%*
Professional & Technical Services	724	3,616	*1.5%*	$183,530	$50,752	*+82*	*+2.3%*	*-97*	*-2.6%*
Information	178	3,582	*1.5%*	$170,089	$47,476	*+306*	*+9.3%*	*-53*	*-1.5%*
Agriculture, Forestry, Fish & Hunt	378	3,131	*1.3%*	$96,386	$30,732	*+563*	*+21.9%*	*+203*	*+6.9%*
Management of Companies	51	2,991	*1.3%*	$316,808	$105,664	*+378*	*+14.5%*	*+56*	*+1.9%*
Utilities	51	1,490	*0.6%*	$166,134	$111,436	*+25*	*+1.7%*	*-15*	*-1.0%*
Real Estate & Rental & Leasing	342	1,454	*0.6%*	$41,889	$28,808	*-30*	*-2.0%*	*-93*	*-6.0%*
Mining	18	137	*0.1%*	$6,550	$46,124	*+15*	*+12.3%*	*+3*	*+2.2%*

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

DISTINGUISHING INDUSTRIES

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

Table 15. Region 10 - Southeast Distinguishing Industries, 2015					Avg.	
NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Annual Wages	Location Quotient
Total, All Industries	**0**	**11,775**	**237,516**	**$11,160,479,186**	**$46,956**	**1.0**
Textile Product Mills	314	14	672	$57,700,457	$85,176	3.3
Nonmetallic Mineral Product Manuf.	327	44	2,431	$131,256,954	$53,976	3.3
Broadcasting (Except Internet)	515	39	1,526	$60,651,635	$39,780	3.0
Food Manufacturing	311	104	10,237	$509,900,814	$49,816	2.5
Ambulatory Health Care Services	621	468	29,521	$2,516,389,510	$85,384	2.4
Animal Production and Aquaculture	112	203	2,175	$68,361,154	$31,408	2.3
Furniture & Related Product Manuf.	337	42	1,356	$65,178,799	$48,048	2.0
Motion Picture & Sound Recording	512	12	464	$9,835,974	$21,268	2.0
Gasoline Stations	447	198	3,167	$60,593,407	$19,032	1.4
Machinery Manufacturing	333	56	3,986	$214,748,173	$53,872	1.4
Source: DEED Quarterly Census of Employment & Wages (QCEW)						

INDUSTRY PROJECTIONS

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

Table 16. Southeast Minnesota Industry Projections, 2014-2024				
Industry	Estimated Employment 2014	Projected Employment 2024	*Percent Change 2014-2024*	*Numeric Change 2014-2024*
Total, All Industries	**267,404**	**279,572**	***+4.5%***	***+12,168***
Health Care & Social Assistance	58,556	67,386	*+15.0%*	*+8,830*
Manufacturing	37,283	35,982	*-3.4%*	*-1,301*
Public Administration	30,037	29,570	*-1.5%*	*-467*
Retail Trade	26,762	27,604	*+3.1%*	*+842*
Self-Employed & Family Workers	22,932	23,463	*+2.3%*	*+531*
Accommodation & Food Services	18,371	19,083	*+3.8%*	*+712*
Administrative & Waste Services	9,774	10,864	*+11.1%*	*+1,090*
Other Services	9,694	9,632	*-0.6%*	*-62*
Construction	8,222	8,745	*+6.3%*	*+523*
Wholesale Trade	7,119	7,173	*+0.7%*	*+54*
Transportation & Warehousing	6,780	7,066	*+4.2%*	*+286*
Finance & Insurance	6,166	6,392	*+3.6%*	*+226*
Educational Services	5,435	5,733	*+5.4%*	*+298*
Professional & Technical Services	3,938	4,345	*+10.3%*	*+407*
Arts, Entertainment, & Recreation	3,611	3,745	*+3.7%*	*+134*
Information	3,723	3,489	*-6.2%*	*-234*
Management of Companies	2,967	3,249	*+9.5%*	*+282*
Agriculture, Forestry, Fish & Hunt	2,977	2,940	*-1.2%*	*-37*
Real Estate & Rental & Leasing	1,567	1,687	*+7.6%*	*+120*
Utilities	1,352	1,319	*-2.4%*	*-33*
Mining	138	105	*-23.9%*	*-33*
Source: DEED 2014-2024 Employment Outlook				

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

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 10 are small businesses, with 51.9 percent of businesses reporting 1 to 4 employees in 2014, according to County Business Patterns from the U.S. Census Bureau. Another 34.2 percent had between 5 and 19 employees; and 11.5 percent had between 20 and 99 employees. Only 2.1 percent had 100 to 499 employees, though that was in line with the state. Just 34 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).

Table 17. Employers by Size Class, 2014

	Region 10		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	6,375	51.9%	53.9%
5-9	2,447	19.9%	17.7%
10-19	1,755	14.3%	13.4%
20-49	1,065	8.7%	9.1%
50-99	338	2.8%	3.2%
100-249	202	1.6%	1.9%
250-499	57	0.5%	0.5%
500 or more	34	0.3%	0.3%
Total Firms	**12,273**	**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 10 was home to 31,843 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)." Though only 4 of 11 counties saw an increase, Region 10 has seen a slow but steady increase in nonemployers over the past decade. In sum, the region gained 1,038 new nonemployers from 2004 to 2014, a 3.4 percent rise. These nonemployers generated sales receipts of $1.37 billion (see Table 18).

Table 18. Nonemployer Statistics, 2014

	2014		*2004-2014*	
	Number of Firms	Receipts ($1,000s)	*Change in Firms*	*Percent Change*
Region 10 - Southeast	**31,843**	**$1,371,234**	***+1,038***	***+3.4%***
Dodge Co.	1,311	$69,496	*+9*	*+0.7%*
Fillmore Co.	1,769	$71,002	*-15*	*-0.8%*
Freeborn Co.	1,850	$80,664	*-79*	*-4.1%*
Goodhue Co.	3,029	$132,374	*-97*	*-3.1%*
Houston Co.	1,431	$64,976	*-28*	*-1.9%*
Mower Co.	1,846	$85,987	*-300*	*-14.0%*
Olmsted Co.	9,609	$418,001	*+1,324*	*+16.0%*
Rice Co.	4,146	$171,108	*+322*	*+8.4%*
Steele Co.	2,413	$99,241	*-69*	*-2.8%*
Wabasha Co.	1,549	$68,902	*-130*	*-7.7%*
Winona Co.	2,890	$109,483	*+101*	*+3.6%*
State of 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 10 is agriculture, with 12,079 farms producing almost $3.4 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 10 had 16.2 percent of the state's farms, and 15.9 percent of the state's total market value, led by Mower, Goodhue, and Freeborn County, which were all among the top 14 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a 61.3 percent increase in the market value of products sold (see Table 19).

Table 19. Census of Agriculture, 2012

	Number of Farms	Market Value of Products Sold	*State Rank*	*Change in Market Value, 2007-2012*
Region 10 -Southeast	**12,079**	**$3,392,056,000**		***+61.3%***
Dodge Co.	621	$288,129,000	*36*	*+66.6%*
Fillmore Co.	1,553	$342,205,000	*25*	*+53.4%*
Freeborn Co.	1,122	$416,020,000	*14*	*+62.4%*
Goodhue Co.	1,536	$435,687,000	*12*	*+65.1%*
Houston Co.	920	$146,256,000	*57*	*+60.7%*
Mower Co.	1,053	$475,801,000	*10*	*+65.4%*
Olmsted Co.	1,150	$250,093,000	*42*	*+61.4%*
Rice Co.	1,304	$231,589,000	*47*	*+68.8%*
Steele Co.	796	$293,053,000	*34*	*+58.6%*
Wabasha Co.	909	$231,196,000	*48*	*+60.3%*
Winona Co.	1,115	$282,027,000	*37*	*+50.7%*
State of 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 Mark Schultz at 507-205-6068 or at mark.schultz@state.mn.us.