



# State of Rural 2026

MN HOUSE OF REPRESENTATIVES – AGRICULTURE FINANCE AND POLICY COMMITTEE

MARCH 16<sup>TH</sup>, 2026

# Who we are

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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.



# Demographic and Economic Highlights

## People

- Population
- Migration
- Race & Ethnicity

## Economic Vitality

- Top employment industries
- % of jobs in government
- Self-employed
- Earnings
- Job Vacancies
- Income maintenance

## Ag

- Land values
- Net income



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## The State of Rural Minnesota, 2025

*The shifts in trends from the pandemic continue in the most recent data release.*

January 2025

By Kelly Asche, Senior Researcher | Marnie Werner, Vice President of Research and Operations

Each year, the Center for Rural Policy and Development provides an update on various economic and demographic data pertaining to rural Minnesota. As policy discussions concerning the various regions of the state unfold, it is important to understand the past, present, and potential futures of rural regions. This report provides historical data points illustrating how rural conditions have changed and where they are at now, making for healthy discussions about the current demographic and economic vitality of these areas.

### *Rural Atlas Online*

To supplement and support the annual State of Rural Minnesota report, we also maintain and regularly update the Atlas of Rural Minnesota Online. This collection of interactive maps and charts provides readers with a higher-level analysis of the data, breaking it down in a variety of ways to give a better understanding of Minnesota's demographic, economic, and societal characteristics at the state, county, planning region, and economic development region levels. Visit <http://www.ruralmn.org/atlas-online-2025/> to view the site.

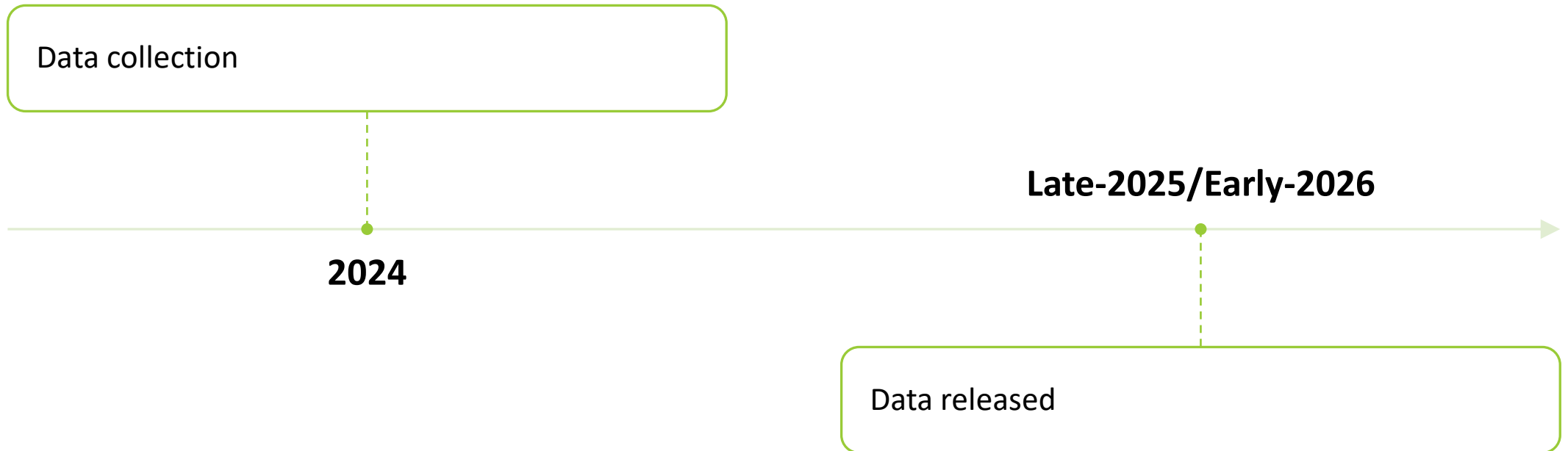
### *The quick takeaways for 2024*

#### People

Immediately following the pandemic, there was a significant shift in population patterns. For the first time in decades rural counties were experiencing population gains. In rural areas, these modest gains were due to in-migration. However, long-term population gains are likely unrealistic due to rural Minnesota's aging population and the increasing number of deaths that will occur there over the next 20 years.

# Data Lag

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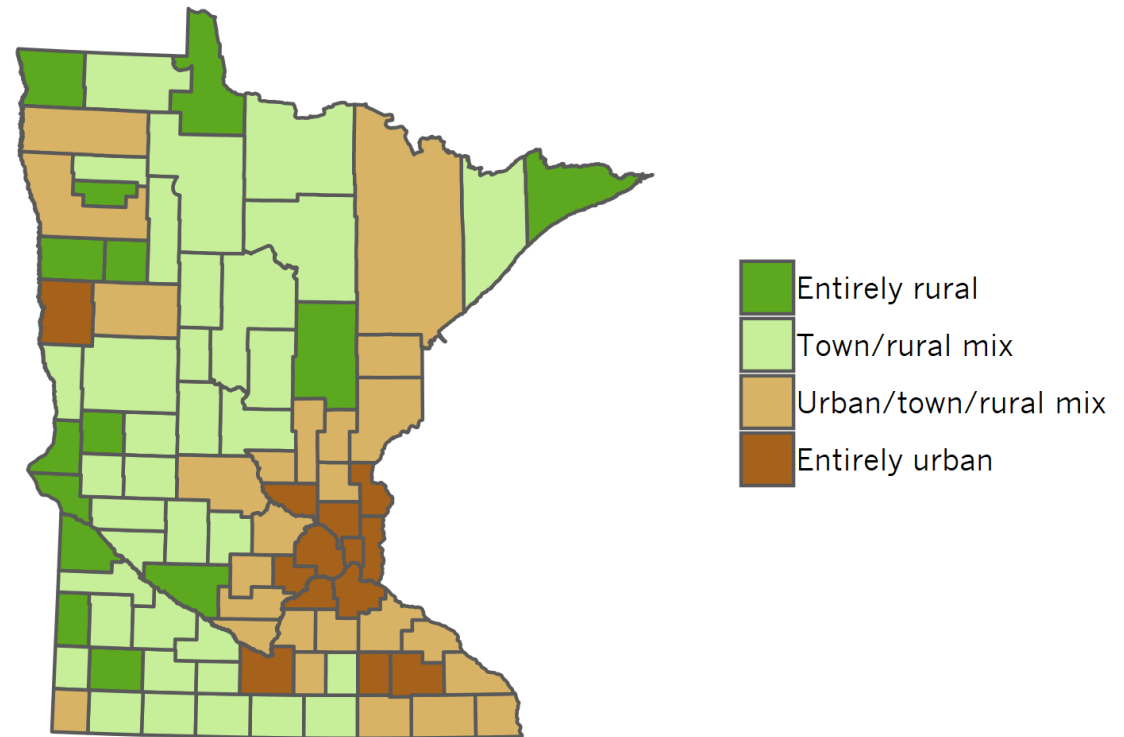


# Defining rural

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



# State of Rural - People

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# Two components of population change

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**Natural Change**  
(Births – Deaths)

**Migration Change**  
(In-migration –  
Out-migration)

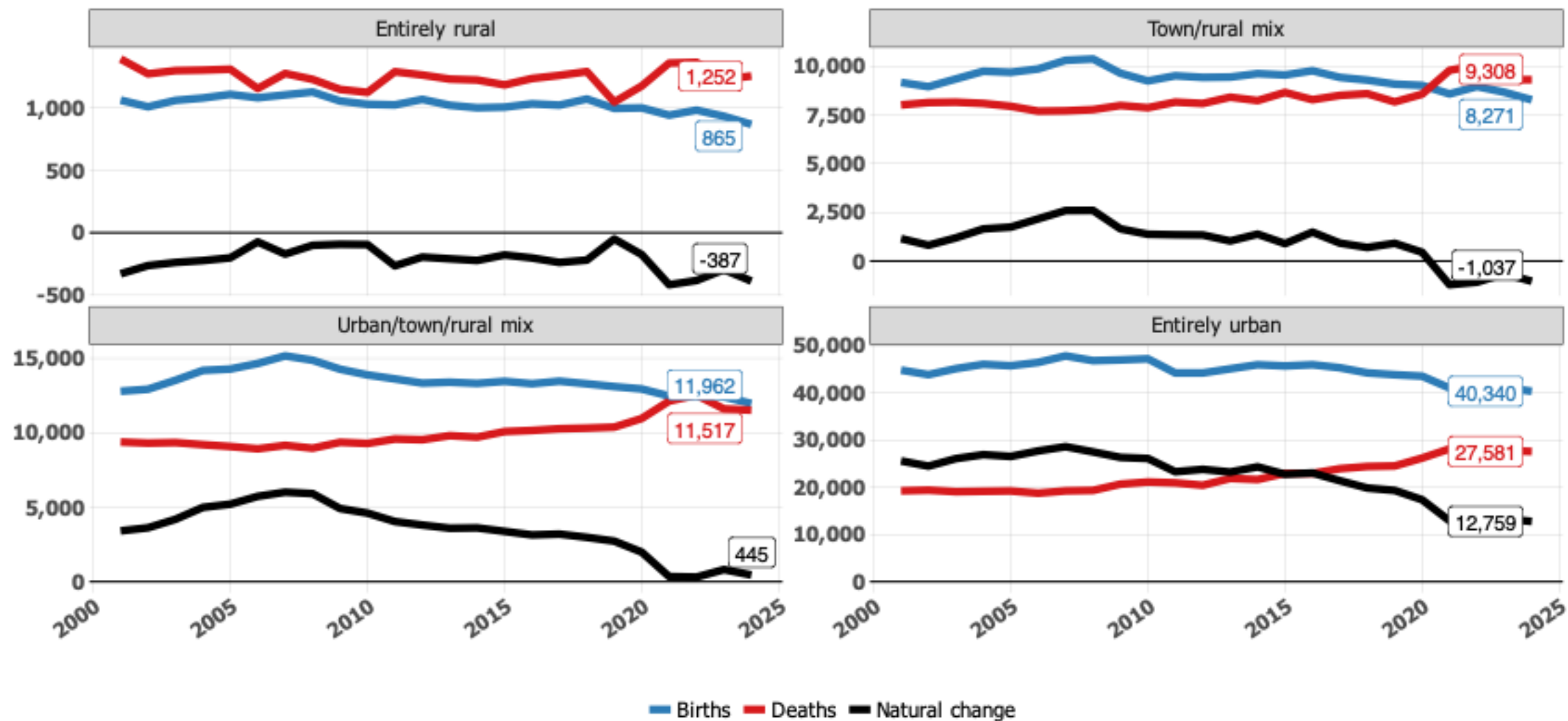


# Aging populations impacting rural natural change

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# Components of natural population change

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



U.S. Census Bureau - Population Estimates

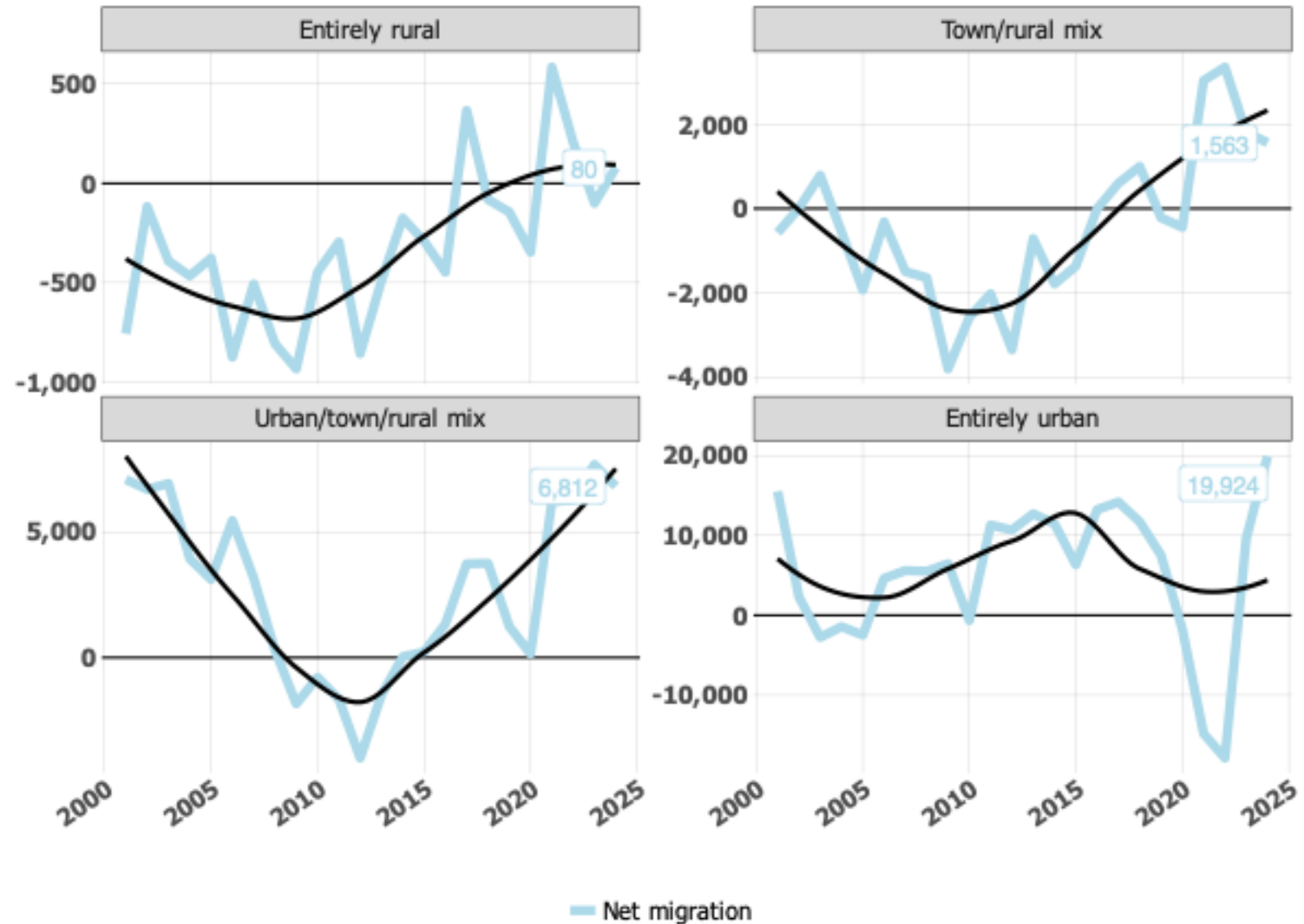
# MIGRATION CHANGE

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.

## Net migration

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



U.S. Census Bureau - Population Estimates



# International vs. Domestic Migration

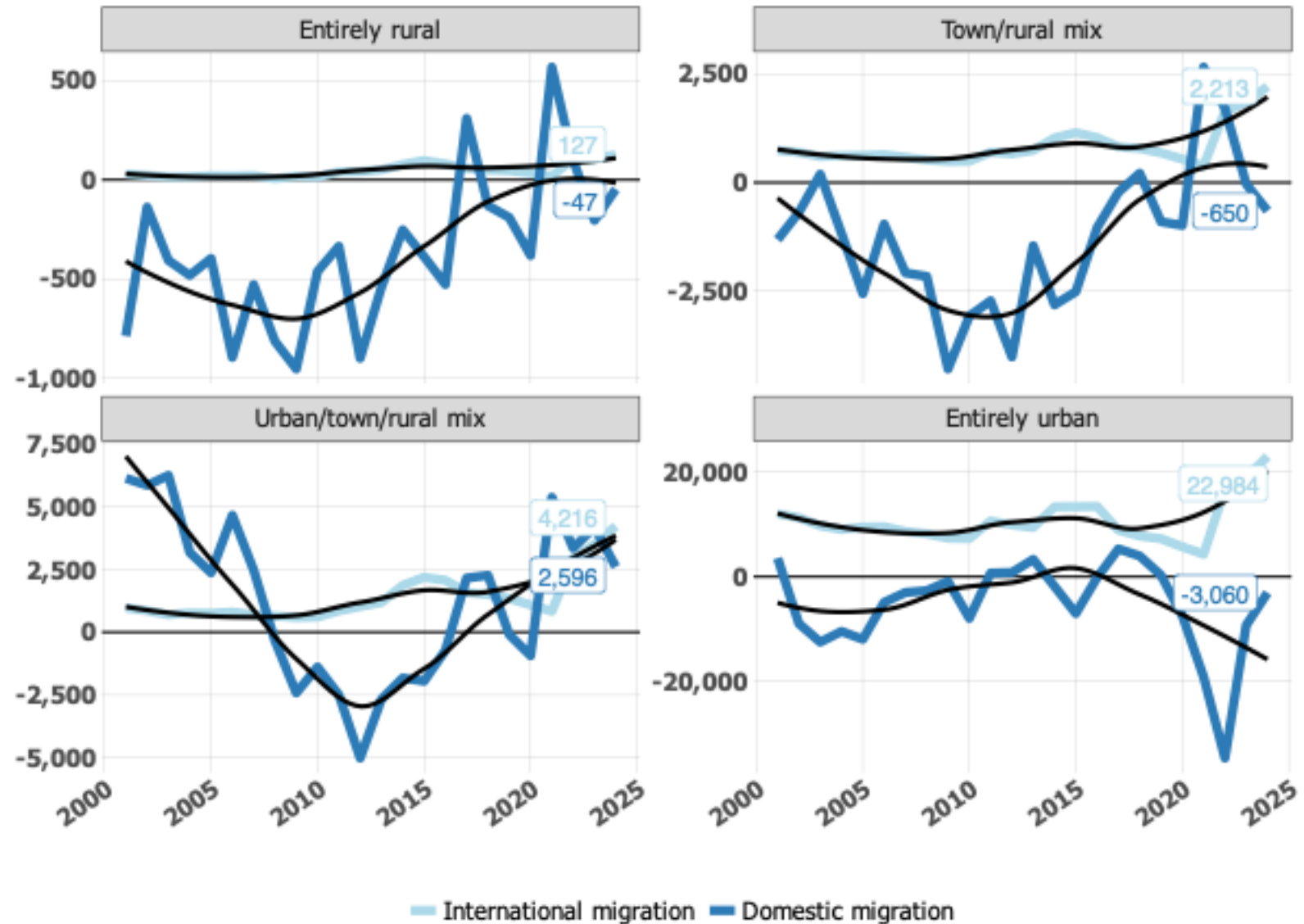
# Domestic or International?

International migration has been positive since the early-2000s and continues to grow across Minnesota. For many areas, international migration has offset negative domestic migration.

However, domestic migration continues to improve across rural areas.

## Components of migration change

International migration and improving domestic migration are positive trends in rural areas.



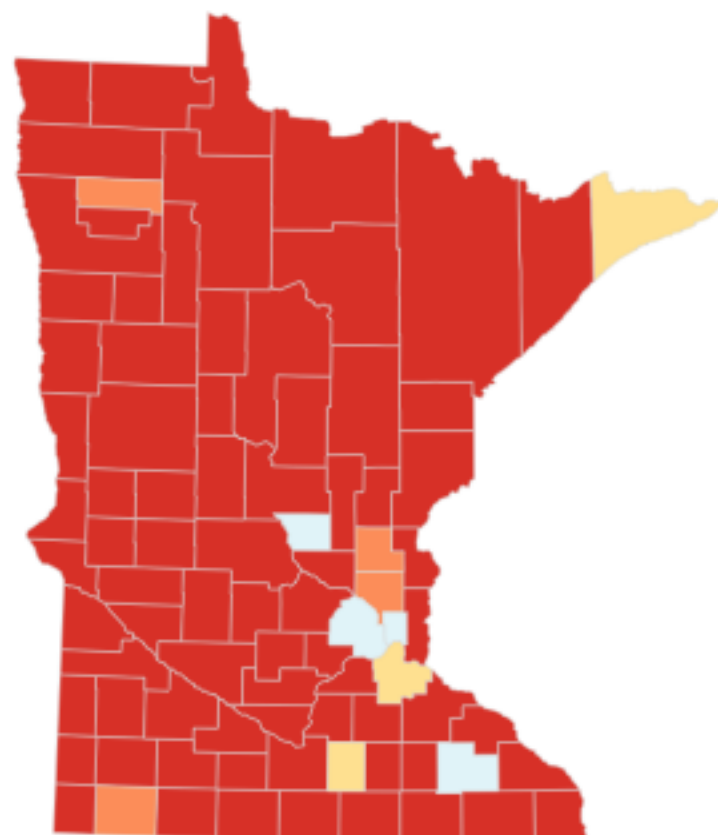
U.S. Census Bureau - Population Estimates

# Who Is Moving?

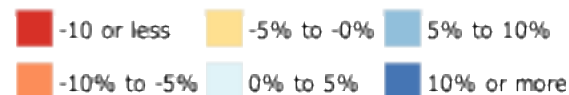
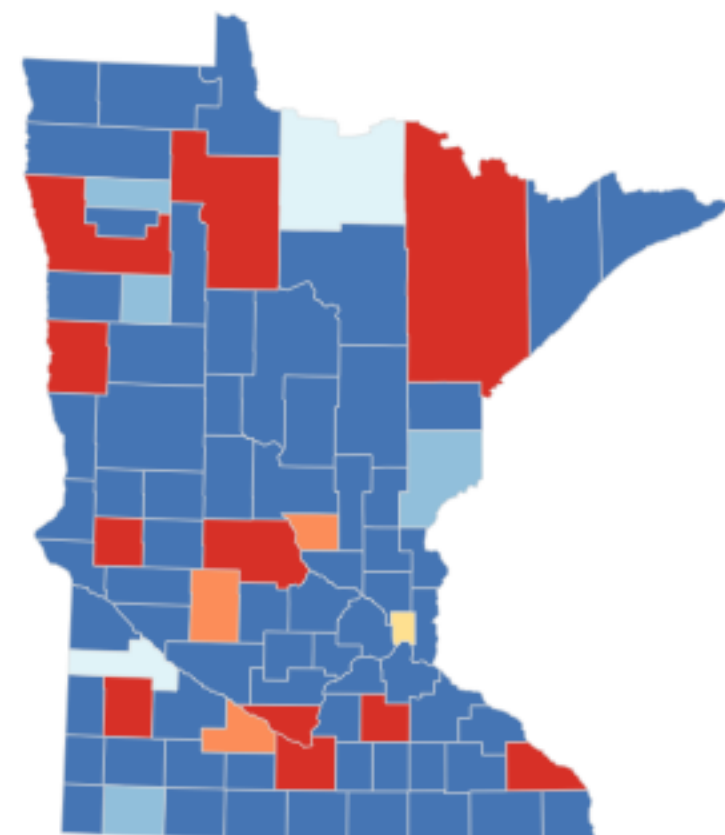
# Returning 30- to 49-year-olds

Almost all rural counties experienced an out-migration of people 25 to 29 years old between 2010 & 2020. 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.

The difference between 15 to 19-year-olds in 2010 and 25 to 29-year-olds in 2020



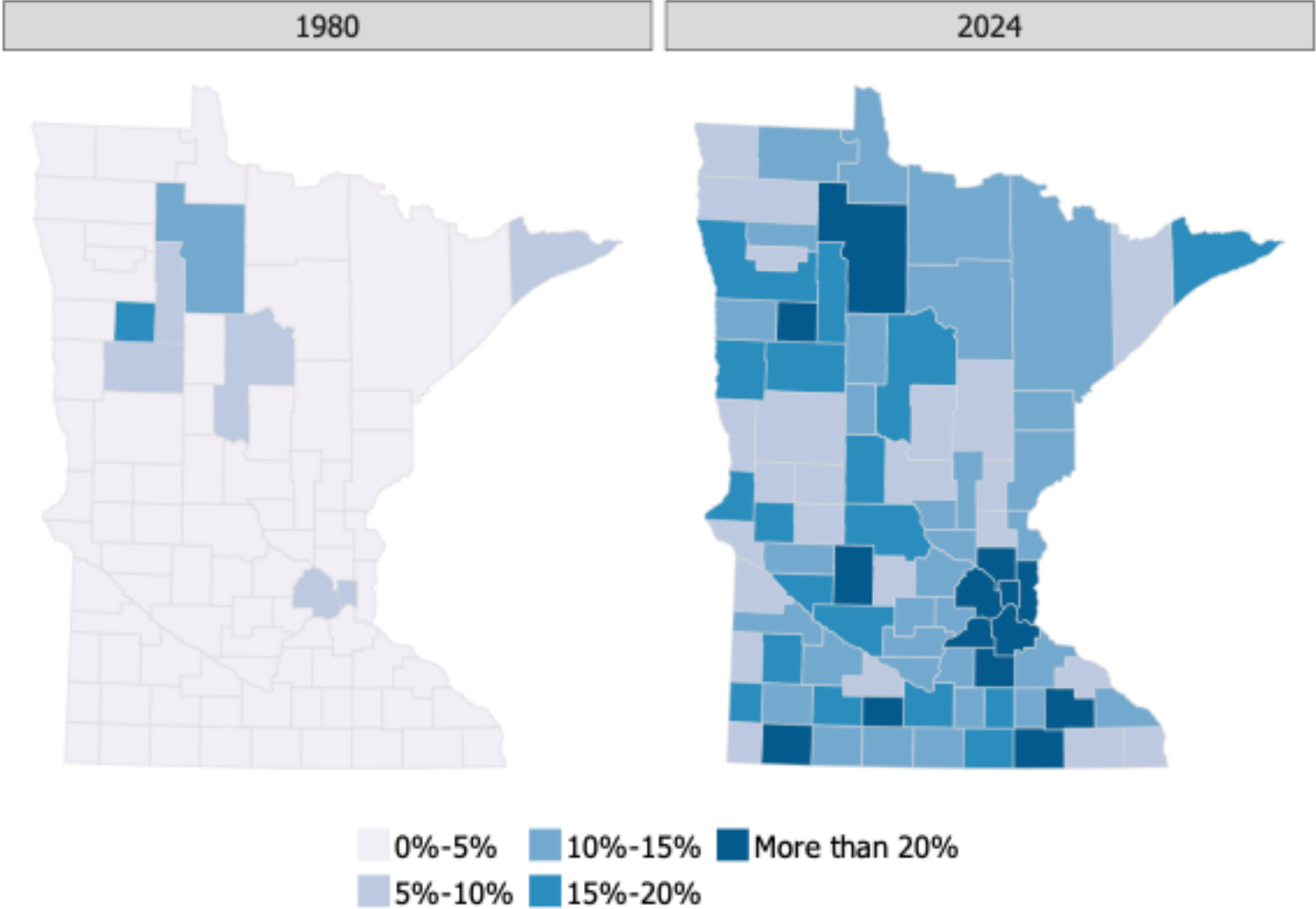
The difference between 20 to 24-year-olds in 2010 and 30 to 34-year-olds in 2020



# Race & Ethnicity

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

Much of Greater Minnesota has experienced growth in BIPOC populations.



# Population Change

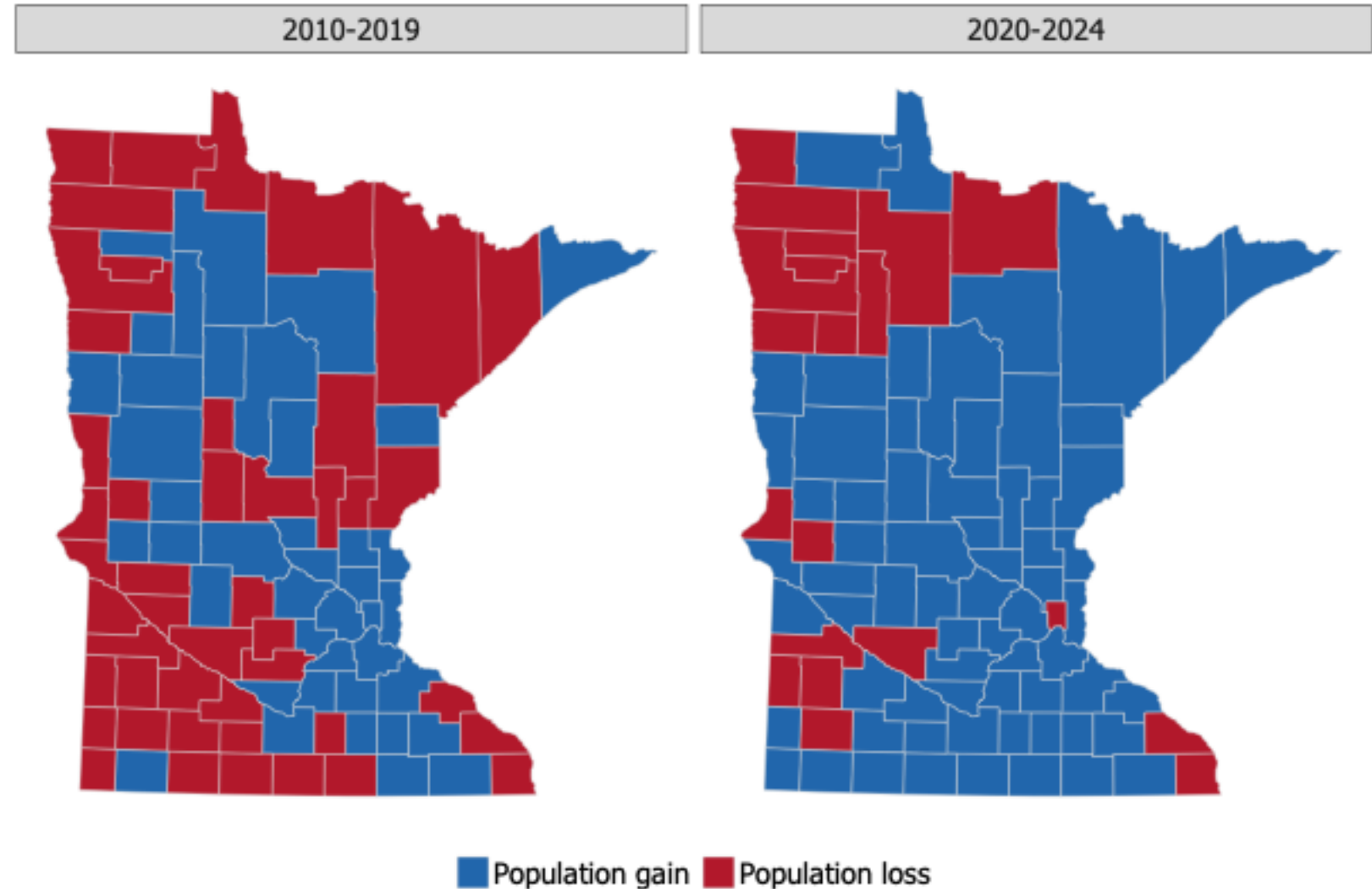
This decade has been good for rural areas so far

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 20 counties have a lower population in 2024 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

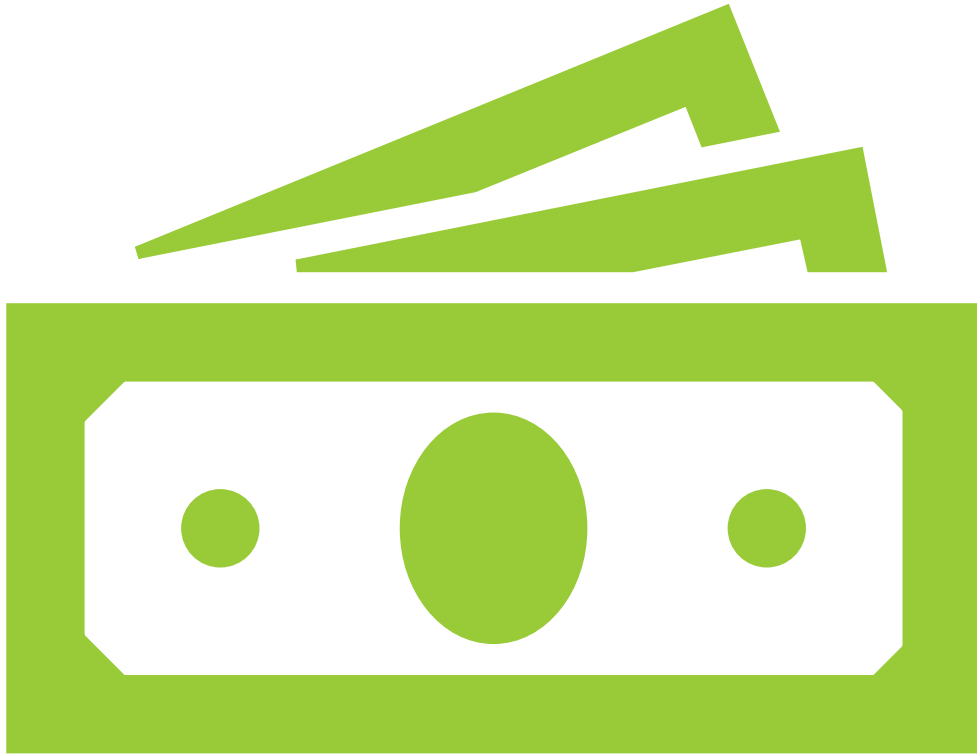


# State of Rural – Economic Vitality

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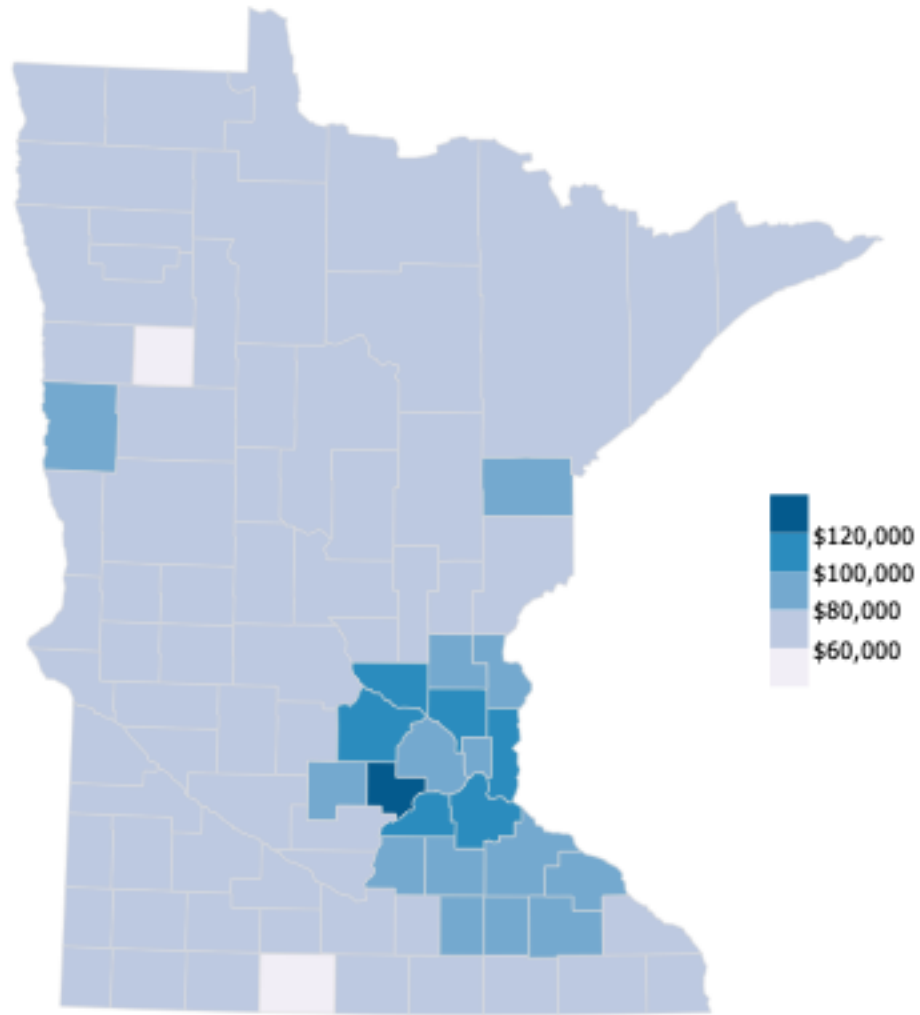


# Median Household Income

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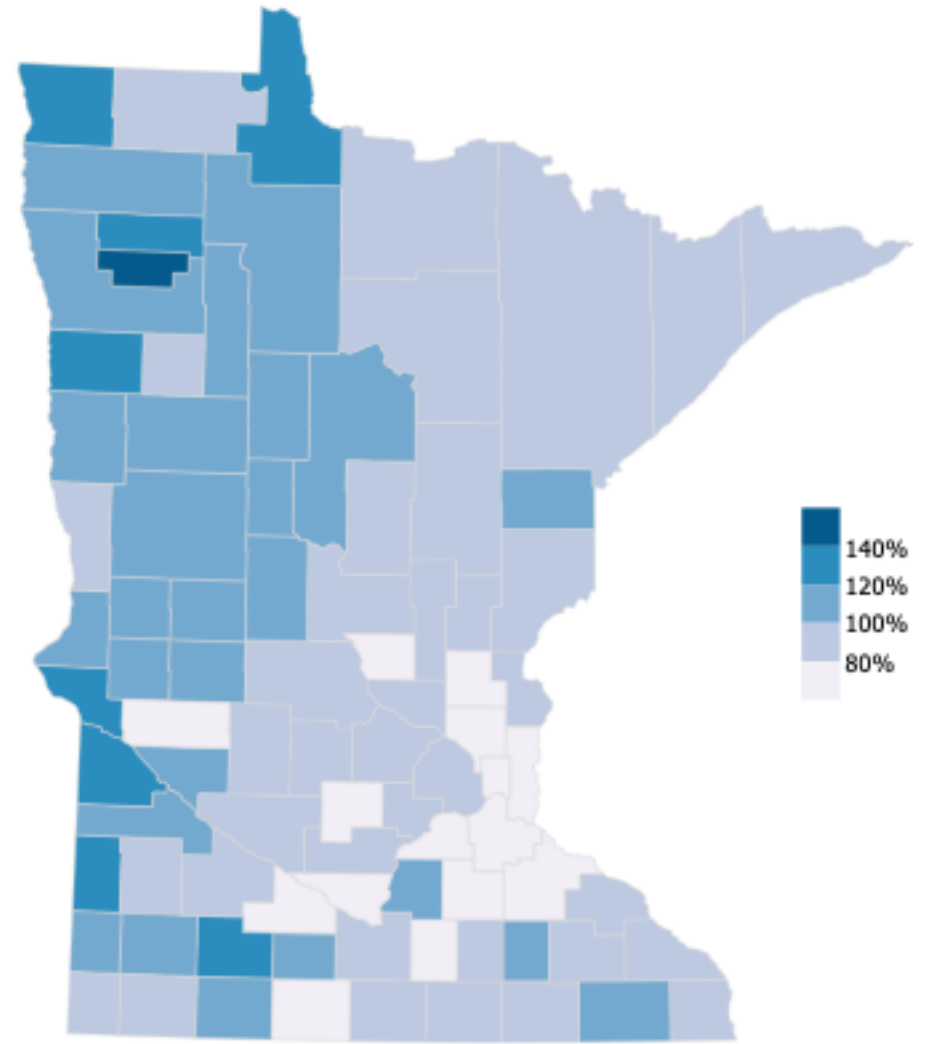
### Median Household Income, 2024

The highest median household incomes are located in the state's major metropolitan areas.



### Change in Median Household Income, 2000-2024

The largest change in median household occurred in Greater Minnesota.

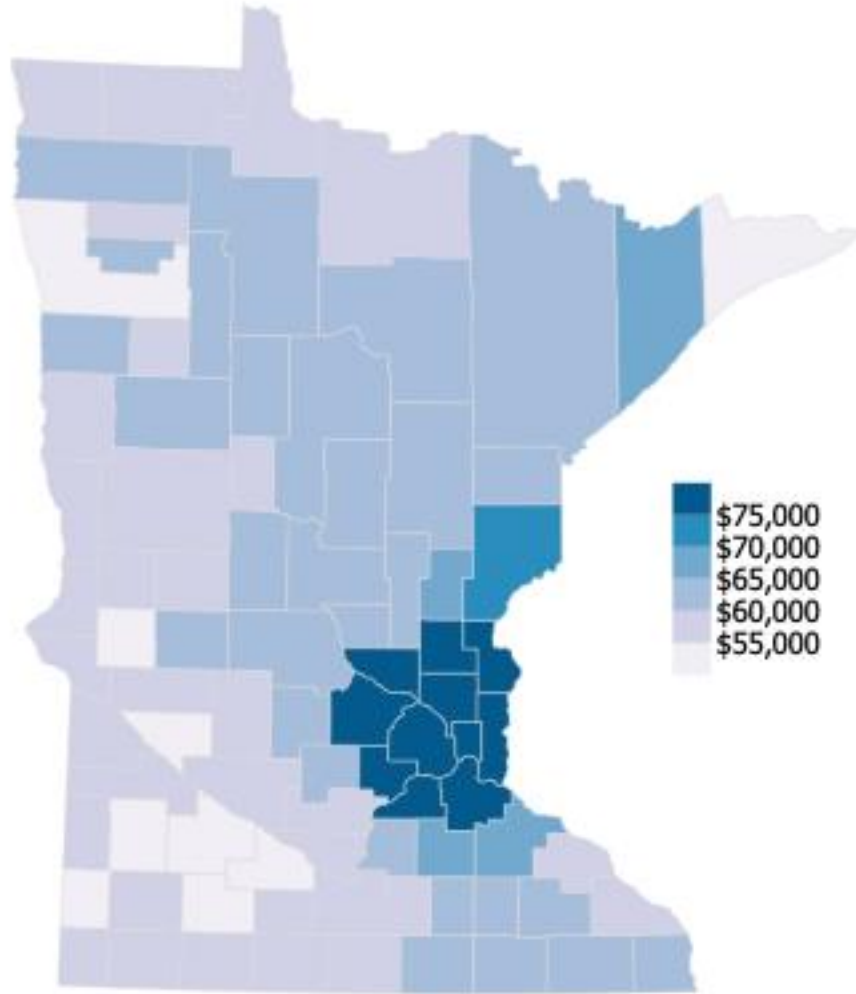




# Cost of Living

## Yearly Cost of Living, 2024

The cost of living in Greater Minnesota is about \$10,000 to \$20,000 less than the Seven County Metro



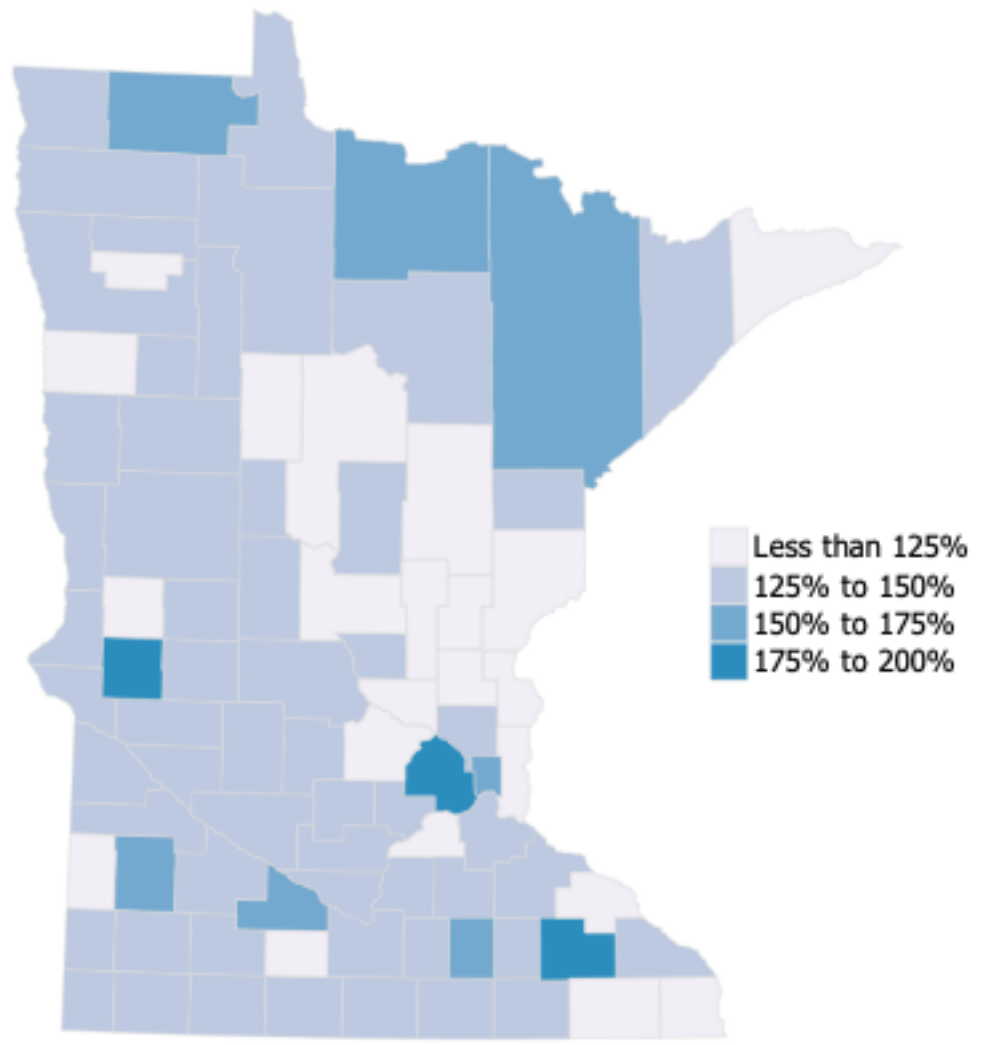
# Cost of Living

# 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.

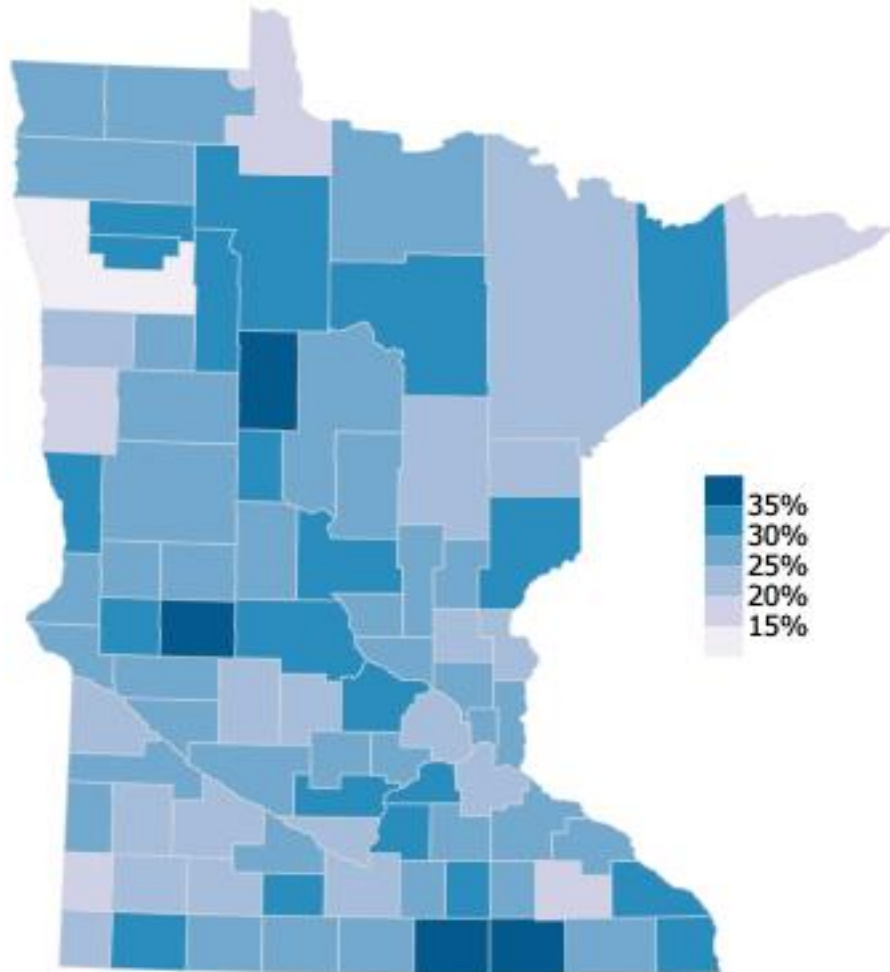
## Median wages as a percent of the cost of living, 2024



MN DEED - Cost of Living Calculator & QCEW

## Change in Cost of Living Since 2018

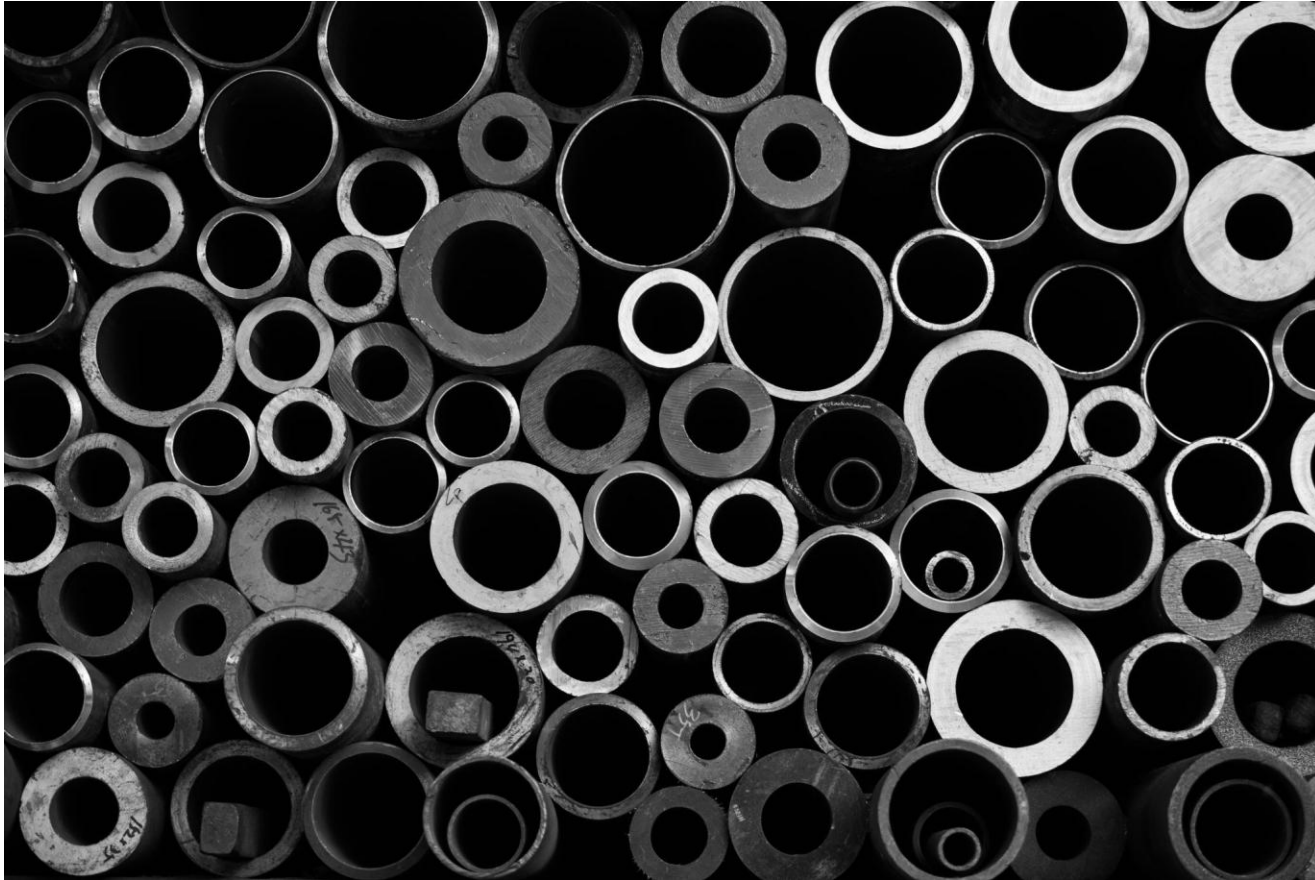
Highest increases in the cost of living are occurring in Greater Minnesota



# Change in the Cost of Living

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MN DEED - Cost of Living Calculator & QCEW



# Employment Industries

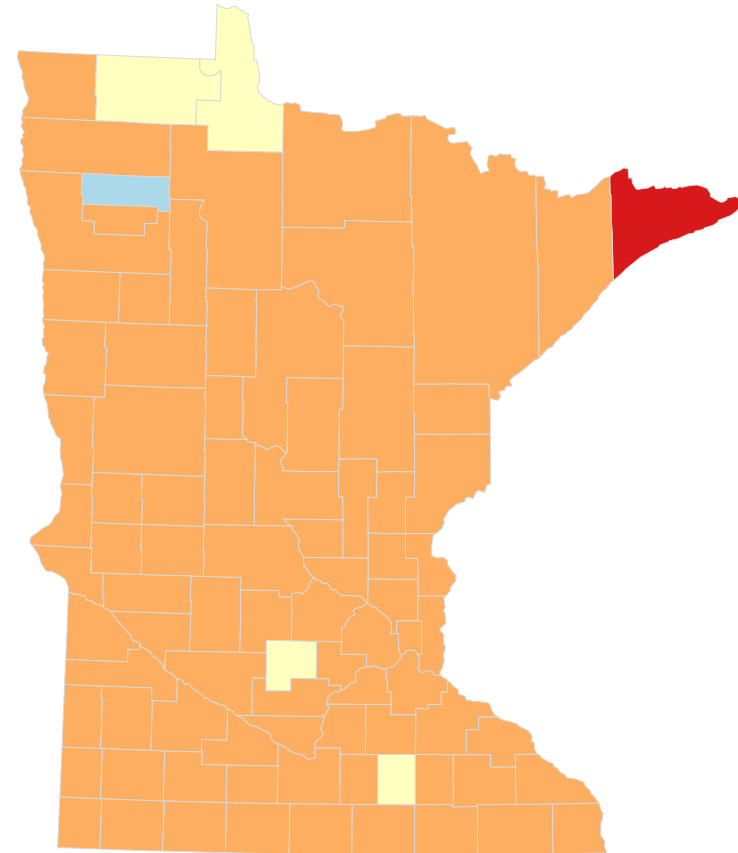
# Top employment industries

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



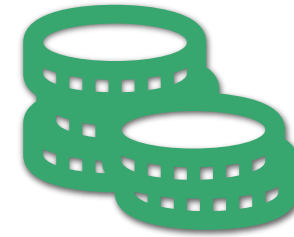
- Arts, entertainment, and recreation, and accommodation and food services
- Educational services, and health care and social assistance
- Manufacturing
- Wholesale trade

# Major employment industries

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



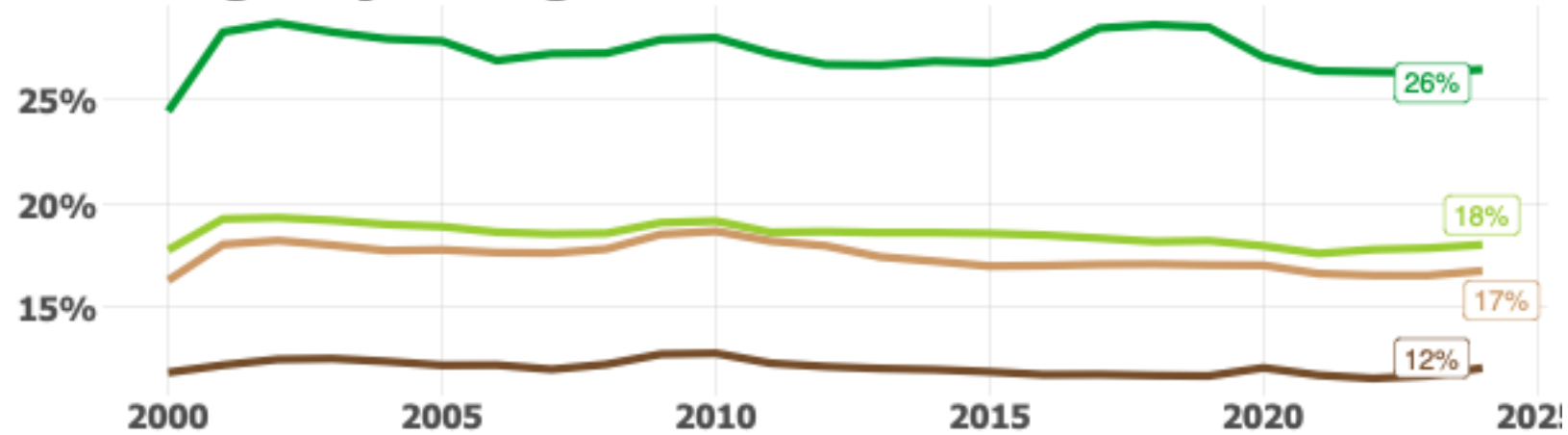
**Typically rounding out the top 5 employment industries**

Trade, transportation and utilities  
Leisure and hospitality  
Manufacturing  
Construction  
Resource extraction  
Professional and Business Services

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

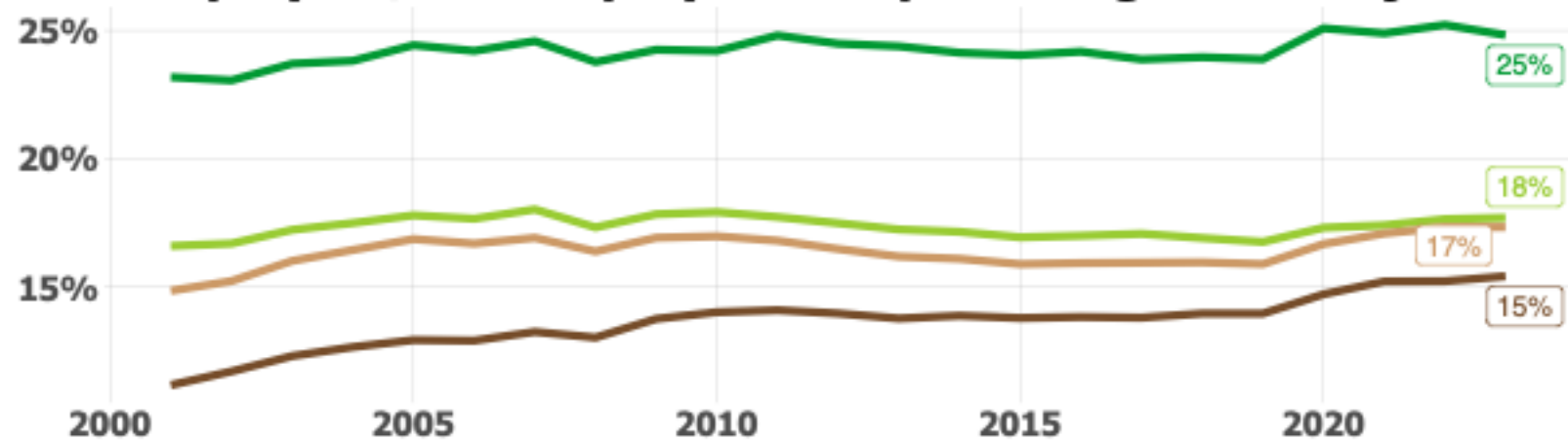
A surprising employment fact in rural regions is the number of non-employers and self-employed as well as the percentage of jobs in government. The state's most rural counties have the highest percentage of both.

### Percentage of jobs in government



Bureau of Economic Analysis - Local Areas Personal Income and Employment

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

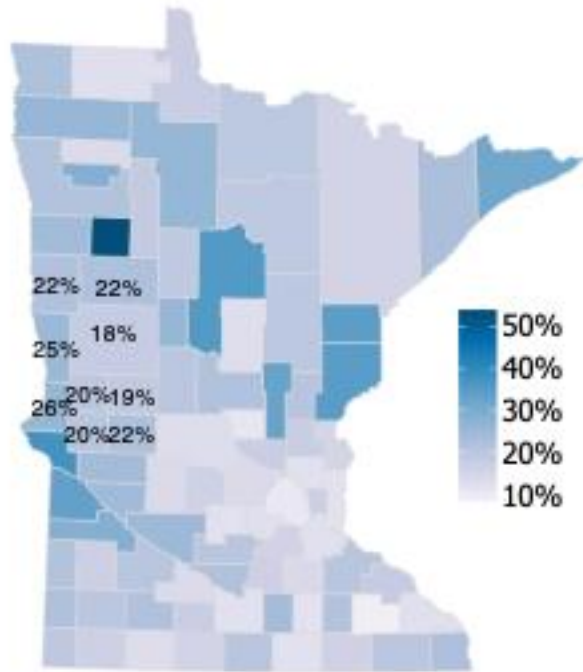


U.S. Census Bureau - Non-employer Statistics

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

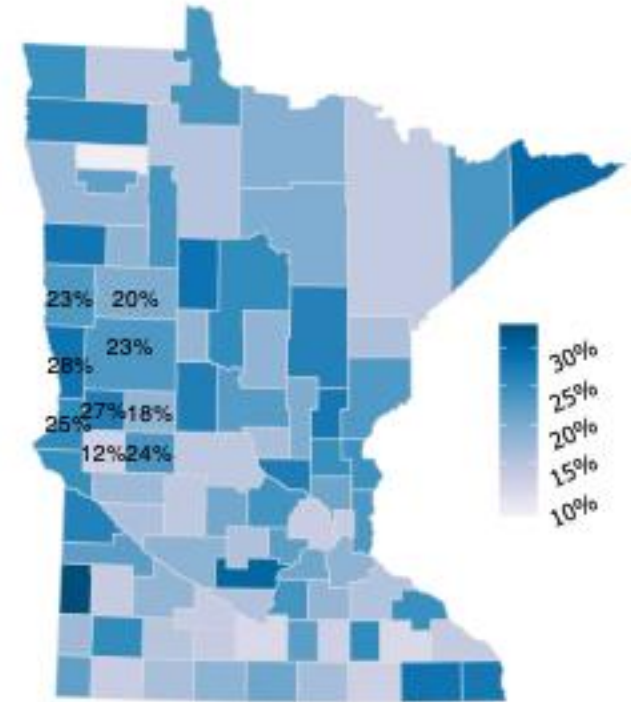
## Percent of jobs in Government

18% of jobs in Otter Tail County are in the Government



## Non-employers as a Percentage of Jobs

The number of self-employed businesses is the same as 23% of jobs in Otter Tail County.



# Jobs with the Government & Self-Employed Businesses



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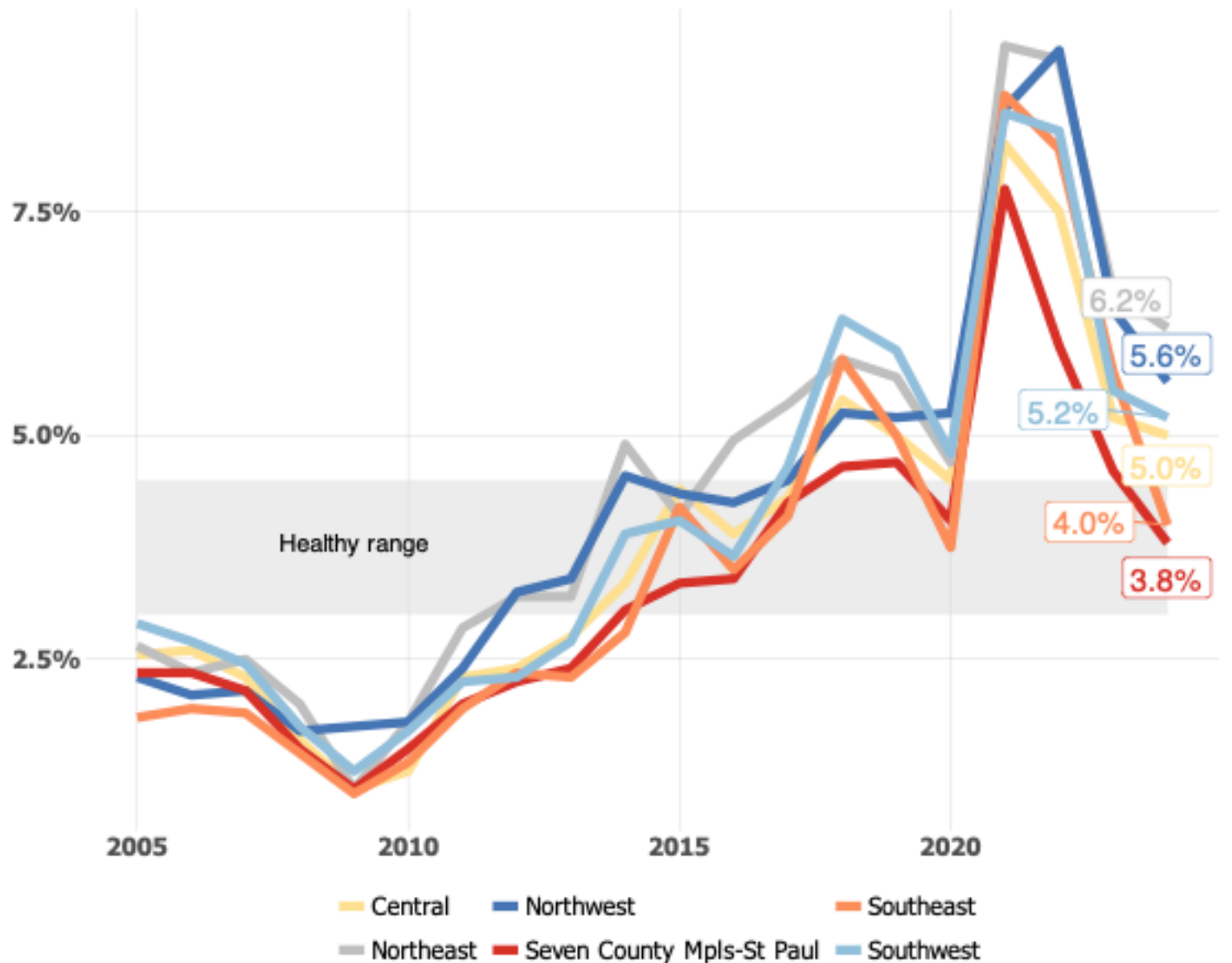
# Job Vacancies

# 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



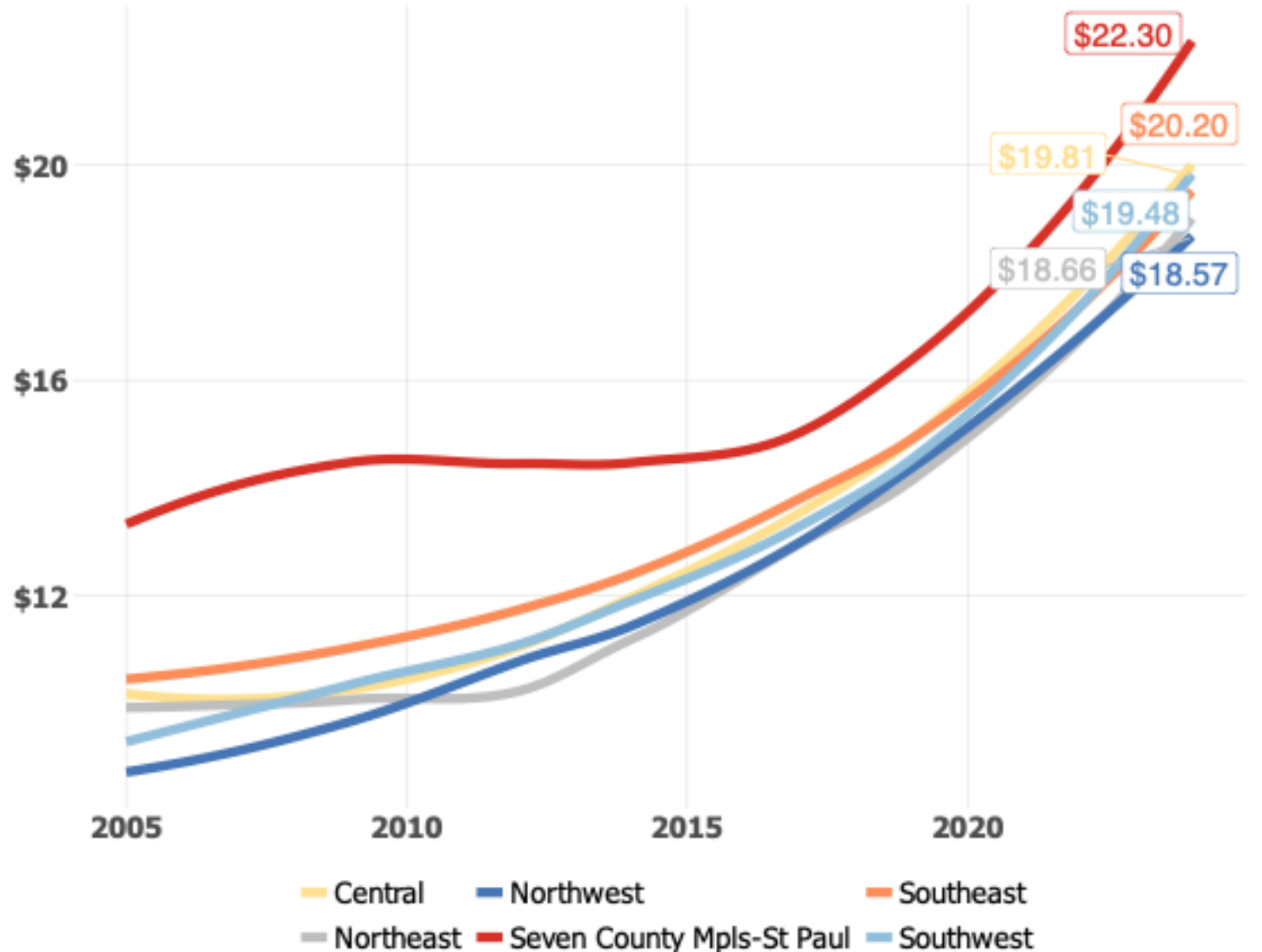
MN DEED - Job Vacancy Survey

# Largest growth in wages for job vacancies is in Greater Minnesota

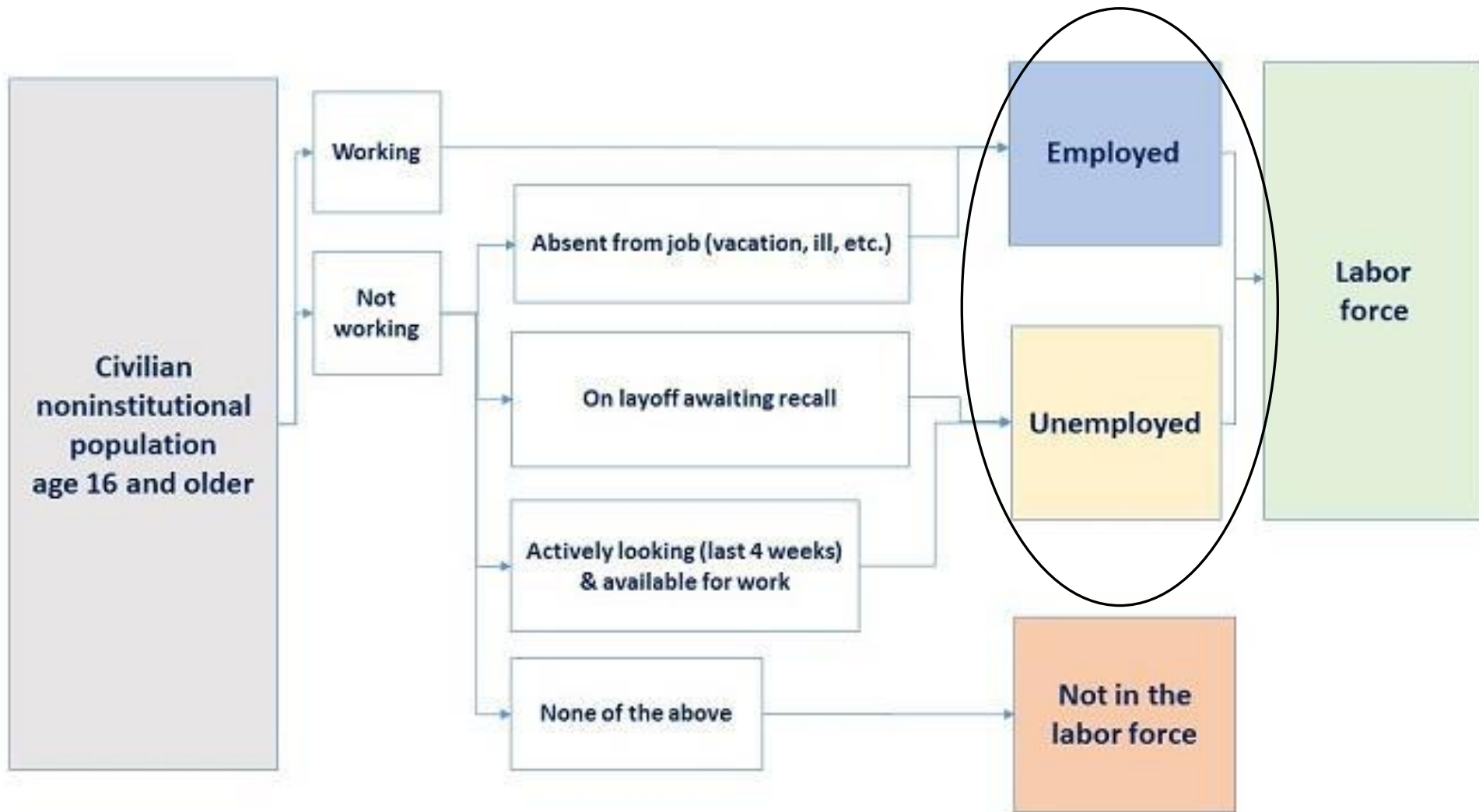
Although the median wages for all job vacancies continue to be lower in Greater Minnesota than in the seven-county metro area, the largest increases in wages have been occurring in Greater Minnesota. The Twin Cities' median wage is starting to swing upward as well, however.

## Median wages of job vacancies

Wages for job vacancies continue to grow



MN DEED - Job Vacancy Survey



# Unemployment Rates – Historically Low

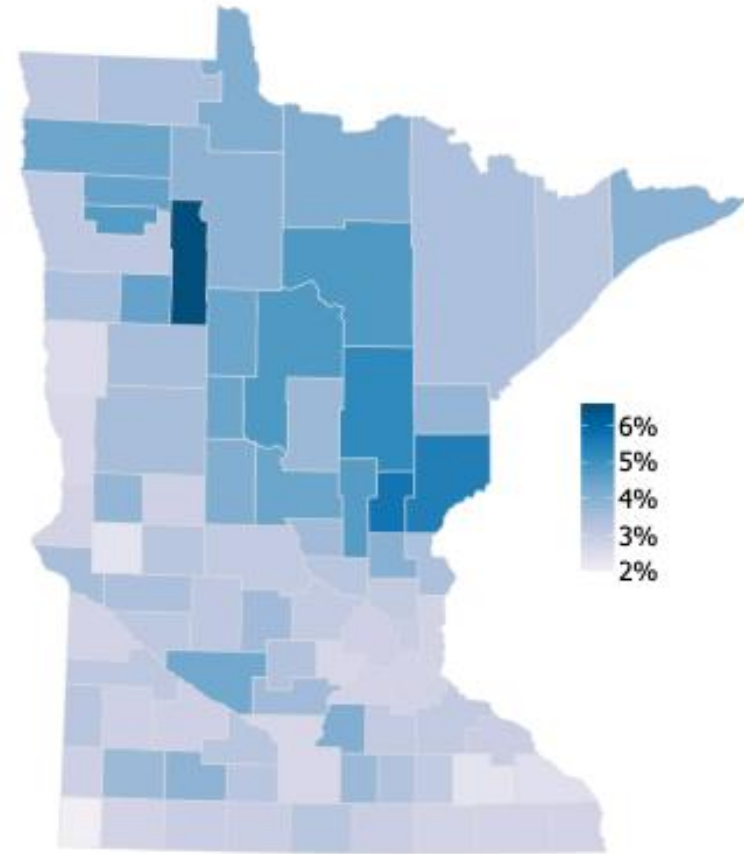
Lowest: Rock – 2%

Mean: 3.4%

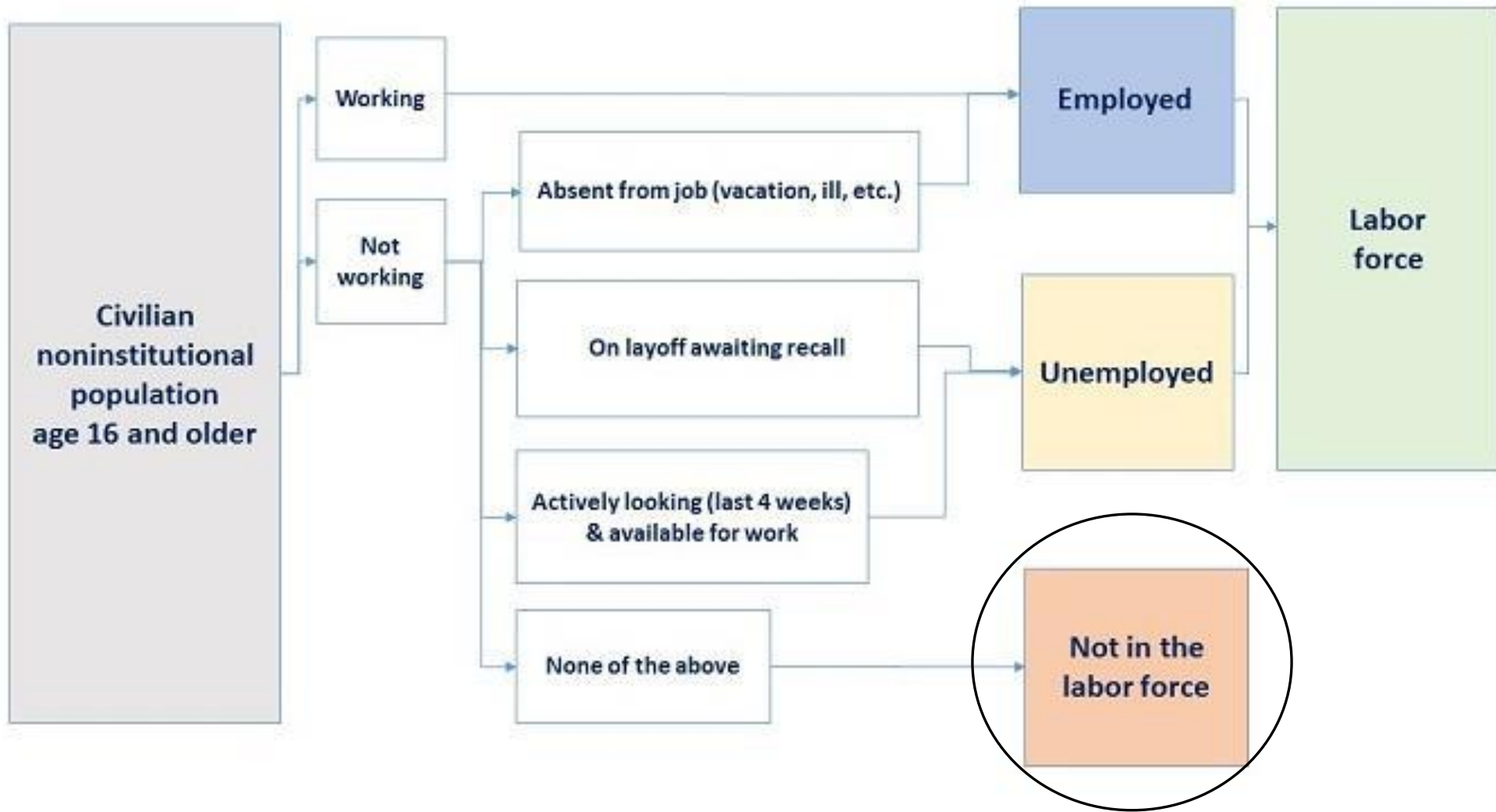
Median: 3.2%

Highest: Clearwater, 6.6%

## Unemployment Rate, 2024

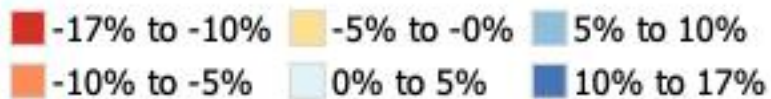
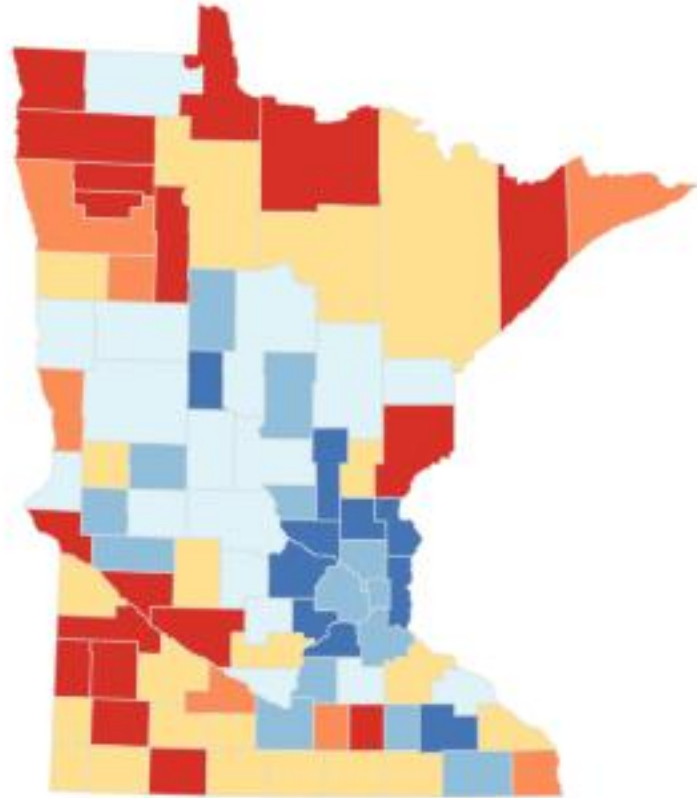


MN DEED - LAUS



## Percent change in labor force since 2012

Most of rural Minnesota has less labor force in 2024 than in 2012



MN DEED - LAUS

# Change in NUMBER of labor force participation

Largest decline: -16.7% (Steele)

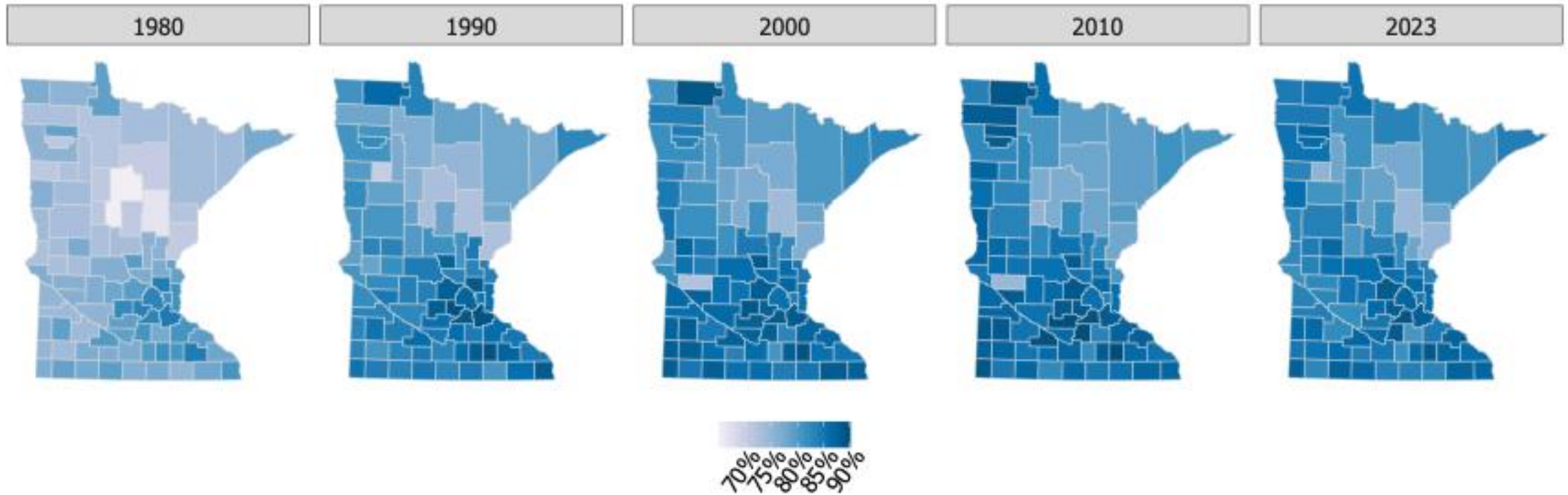
Mean change: -.5%

Median change: -1.5%

Largest increase: 20.8% (Wright)

## Percent of 20-64 years olds participating in labor force

Labor force participation has improved dramatically



U.S. Census Bureau - Decennial Census & ACS 5-year

# Labor force participation RATE



# A Note About Housing

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	Change in Population 1970-2024	Change in Households 1970-2024
EDR 4 – West Central	29%	77%
Otter Tail County	31%	74%



## Questions?

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