
The Economy

Labor Force

The number of persons participating in Blue Earth County's labor force increased by 3,003 persons during the 1980s. The number of males and females participating in the labor force both increased their numbers during the 1980s. As is the case in most demographic areas, females have increased their numbers in the labor force much more than have the males. Of the 3,003 additional participants, nearly two thirds are female. As inferred in these numbers, the County's labor force is becoming more dependent upon female participation. In 1980, 45% of the labor force was female. The 1990 census found nearly 47% of the labor force was female. By the year 2000, this gap should close even further. More workers indicated they worked outside the county in 1990 than was the case in 1980. It is difficult to draw conclusions regarding the location of the new jobs due to the fact that the 1980 census shows nearly 8% of respondents failed to indicate the location of their workplace. In 1990 no respondents failed to answer this question. Despite this data problem, the inference can be made that the labor force in the County is primarily employed in the County. Nearly 79% of the labor force indicated they were employed in the County in 1980 while nearly the same percentage was found in 1990.

Labor Force Statistics

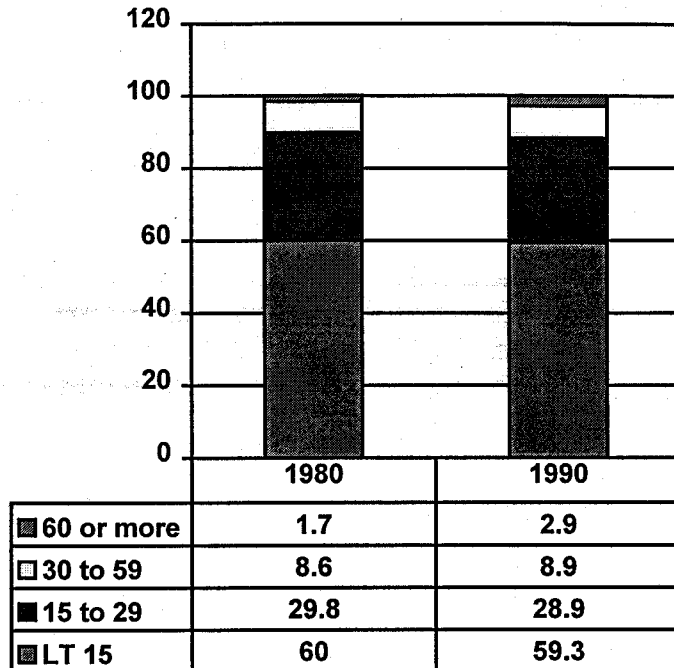
	1970	1980	1990	# change 1980 - 1990
labor force	21632	31003	34006	3003
# of males	13005	17076	18153	1077
# of females	8627	13927	15853	1926
# who worked in County		18526	21442	2916
# who worked outside County		3198	5857	2659
# not reporting		1785	0	(1785)

Source: U.S. Census - 1980 & 1990

In the graphic below, the travel times of the County's workforce is displayed by percentage. As can be seen, little overall change occurred between the two census periods. The largest change occurred for those traveling 60 minutes or more, increasing from 1.7% in 1980 to 2.9% in 1990. The average travel time increased by just one (1) minute between 1980 and 1990, going from 14 minutes to 15 minutes. The increase in those traveling 60 or more minutes to work is typical for most areas of the state. With the increase in labor force participation rates, it is probably becoming more common for one member of a two person working household to be commuting to another community for work. In addition, some people have made the decision that living in a more rural area and then commuting to an urban area for work is desirable. Good road connections, less expensive housing costs, lower property taxes, and smaller school systems are some of the reasons for this type of choice.

Another indicator regarding the changing household composition can be found in the labor force data. For most census areas, more families are found to have two or more workers participating in the labor force in 1990 than was typically the case in 1980. As seen in the table below, Blue Earth County's resident population is no exception. Sixty six (66%) percent of the families in 1990 had two or more workers in the labor force. Less than 63% of the families in 1980 had two or more workers. An increase also occurred in the percentage of families with no workers. This is probably reflective of the increase in the number of families headed by a single parent or could be reflective of the large number of college students living in the area.

Travel Time to Work (by % of workforce)



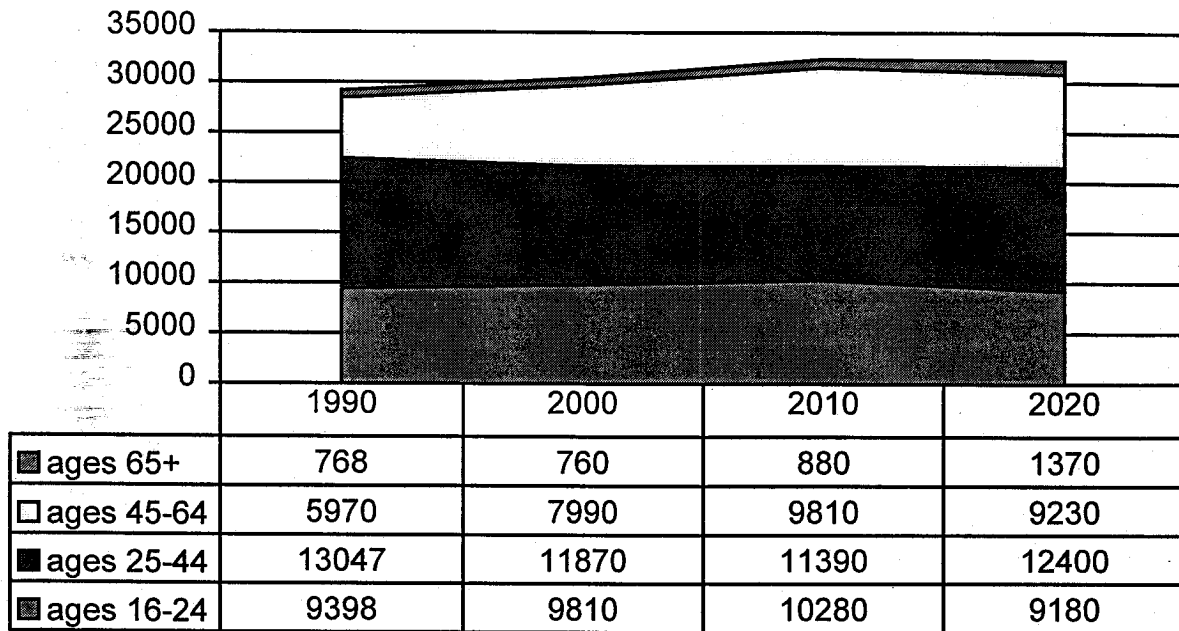
Number of Workers per Family

	1980	1990	Change
no workers	1221	1378	157
1 worker	3385	2673	(712)
2 workers	7725	7983	258

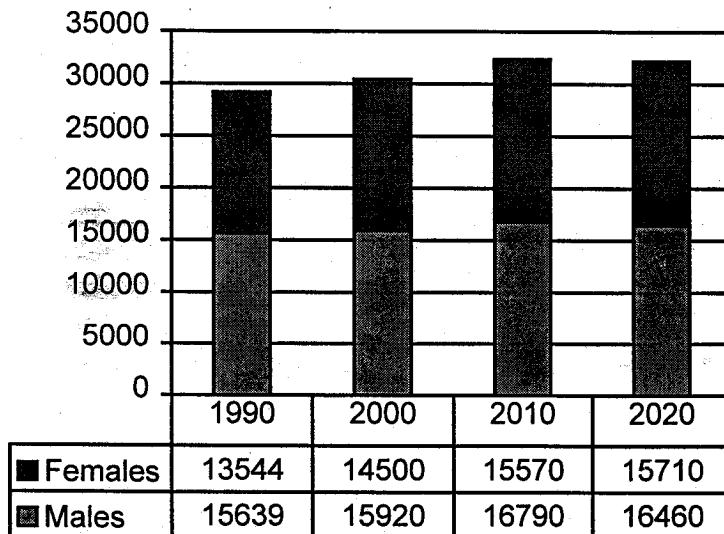
Source: U.S. Census - 1980 & 1990

The graphic below illustrates projections made by the Minnesota State Demographer's Office for the change in the County's labor force. The projections show a slow but steady growth in the labor force through the year 2010. Then it is expected to level off and experience some small declines. During this time period, there will be an aging of the labor force. A larger percentage of the labor force will come from the age group 45 to 64 and a larger number of persons aged 65 or older are anticipated to become active labor force participants.

Labor Force Projections by Age Group & Year



Male/Female Mix in Labor Force by Year



These same projections include breakouts of the expected male and female mix. In the second graphic below, this mix is illustrated to the year 2020. As can be seen, the growth in participation rates for females is expected to continue. In each of the projected time periods, females are expected to increase their numbers. In each decade, their numbers are expected to grow faster than those for men. By the year 2020, the County's labor force is projected to be nearly 49% female, an upward change from 47% in 1990.

EMPLOYMENT SECTORS:

Where are Blue Earth County residents employed? Based upon the employment data contained in the 1990 census materials, the retail industry is the largest employment

sector for Blue Earth County residents with more than 20% of the labor force employed in this sector. This is followed by education services (14%), manufacturing of non-durables (10.8%), health services (8.6%), and manufacturing of durable goods (7.8%).

Employment Sector	1970	%	1980	%	1990	%	# change
farming/forestry/mining	1954	9.5	1708	6.9	1353	4.9	(601)
construction	1129	5.5	1212	4.9	1278	4.6	149
manufacturing (non-durables)	1913	9.3	2116	8.6	2999	10.8	1086
manufacturing (durables)	1298	6.3	2172	8.8	2169	7.8	871
transportation	497	2.4	737	3	841	3	344
communications/public utilities	510	2.5	457	1.9	490	1.8	(20)
wholesale trade	879	4.3	1376	5.6	1238	4.5	359
retail trade	4457	21.7	5231	2.1	5609	20.2	1152
finance/insurance/real estate	725	3.5	931	3.8	1030	3.7	305
business repair services	435	2.1	747	3	1149	4.1	714
personal, entertainment, recreation	887	4.3	1057	4.3	1064	3.8	177
health services	1301	6.3	1845	7.5	2373	8.6	1072
education services	3144	15.3	3201	13	3867	14	723
other professional services	814	4	1026	4.2	1503	5.4	689
public administration	638	3.1	772	3.1	746	2.7	108
Totals	20581	100	24588	100	27709	100	7128

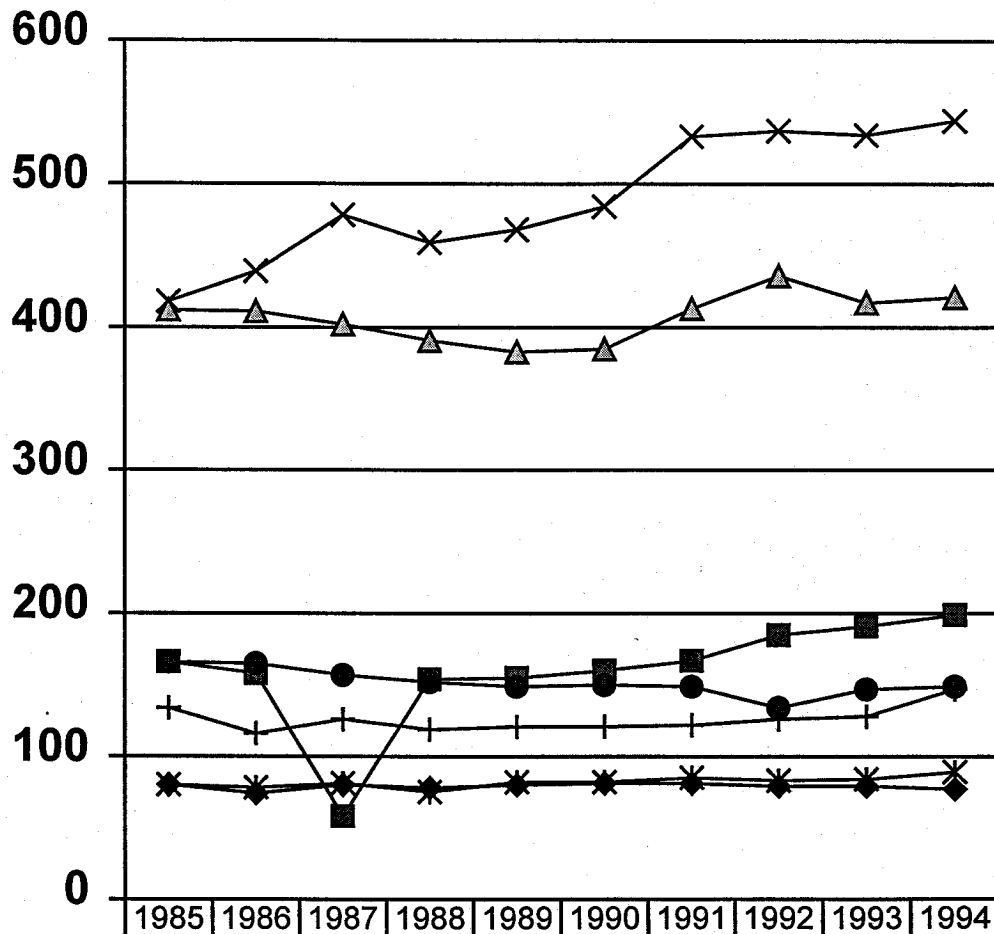
Source: U.S. Census - 1970, 1980, & 1990

Statistics contained within census materials from 1970 to 1990 show the largest job growth for Blue Earth County residents has occurred in the retail trade with an additional 1,152 positions in 1990 than were seen in 1970. During this twenty year period, the manufacture of non-durable goods saw an increase of 1,086 additional jobs, health services experienced an increase of 1,072 additional jobs, and health services experienced an increase of 1,072 additional jobs. Other significant increases were seen in the manufacture of durable goods, education services, and business and repair services. Just one sector experienced major losses during this time period. The agricultural, forestry, and mining sector lost about one third of their jobs during the twenty year period. Only one other job sector experienced losses during this time, the communications and public utilities sector with 20 fewer jobs in 1990 than in 1970. An overall increase of 7,128 employed persons was seen during the 1970s and 1980s.

Another source of information regarding employment data is through the County Business Patterns. The following two graphics display the change in the number of establishments and the change in the number of employees by employment sector from 1985 through 1994. As can be seen in the first graphic, the service and retail sectors have the largest number of individual establishments; services show the largest increase over the ten year period. The manufacturing and wholesale sectors are the only sectors showing a loss of establishments in the County during the period displayed. All others show an overall increase over the ten years. The retail and service industries display the most volatility; services with several years of quick growth and just one year

of large losses, and the retail industry with five straight years of losses, two years of quick growth then followed by a year of retrenchment.

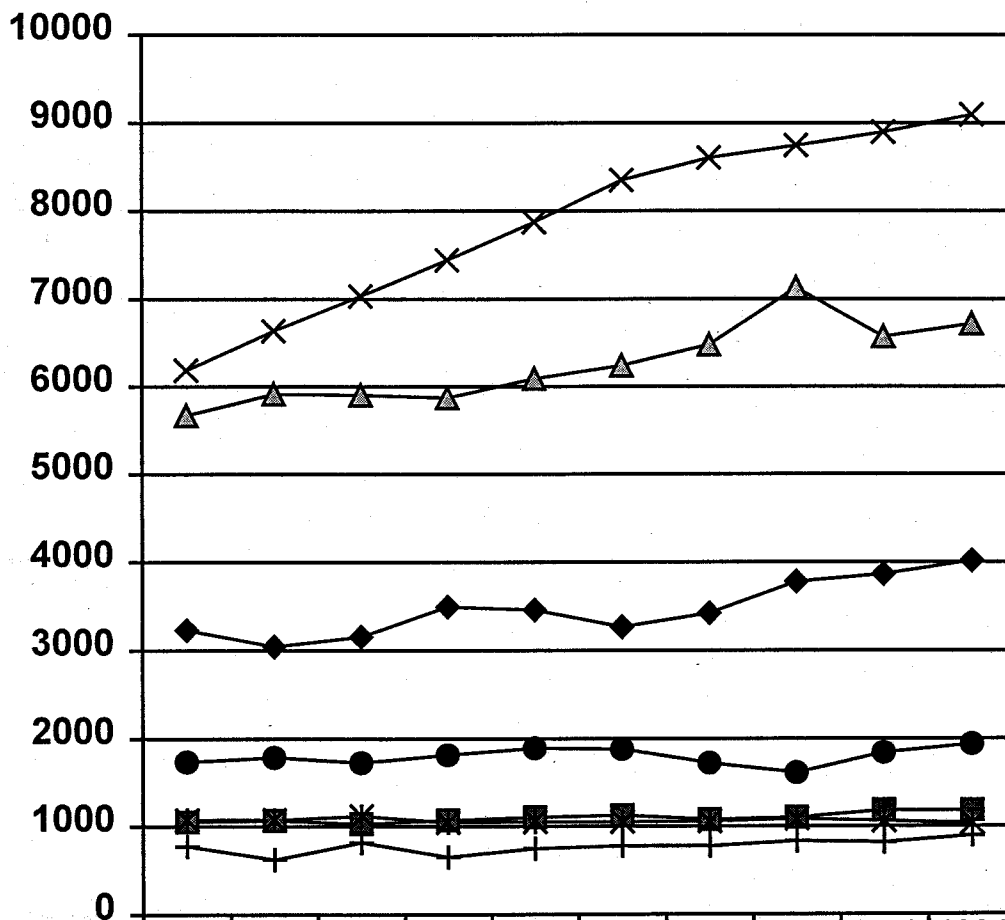
Change in Number of Establishments by Sector



	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
—◆— manufacturing	80	74	80	78	80	81	81	79	79	77
—■— FIR	166	158	58	154	155	160	167	185	191	199
—▲— retail	412	411	402	391	383	385	413	436	417	421
—×— services	418	439	478	459	468	484	533	537	534	544
—*— transp/pub utils	80	78	81	75	82	82	85	83	84	89
—●— wholesale	166	165	157	152	149	150	149	134	147	149
—+— construction	134	116	126	119	121	121	122	126	128	147

The second graphic below shows total employment by employment sector. It shows that the service sector, retail, and manufacturing sectors are the largest employment sectors

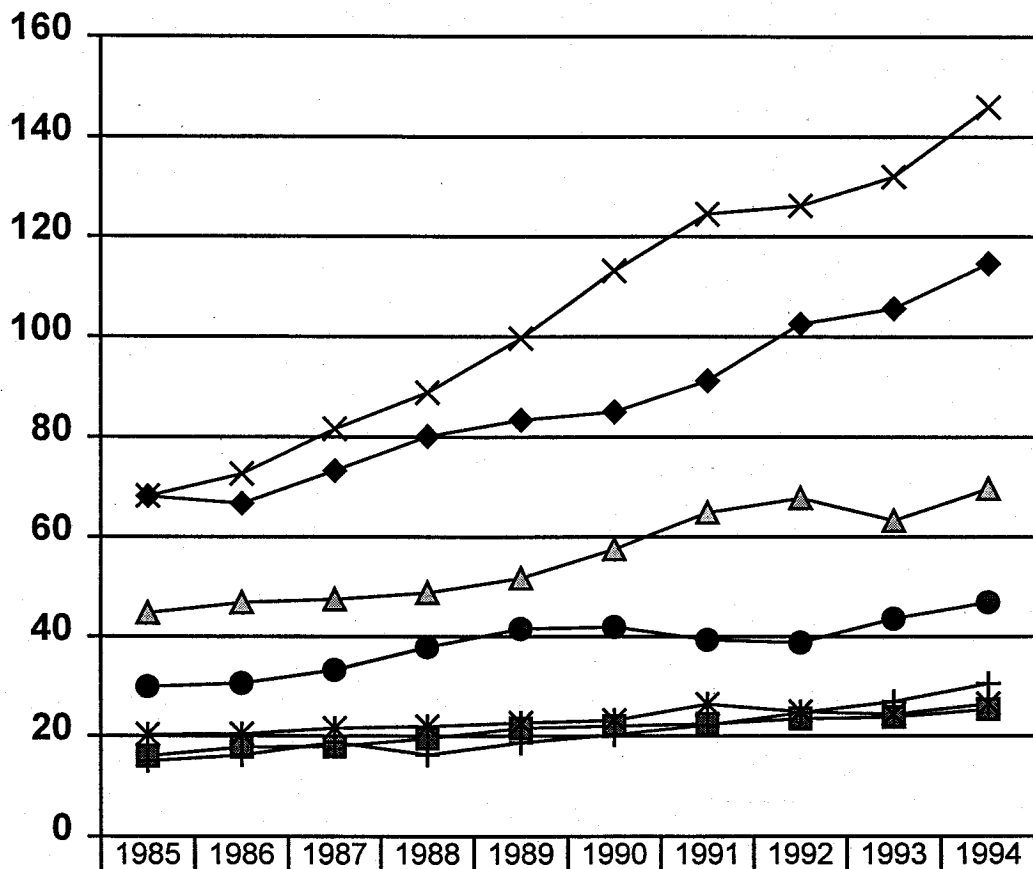
Change in Employment by Employment Sector



	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
—◆— manufacturing	3234	3044	3158	3495	3461	3270	3422	3781	3867	4016
—■— FIR	1049	1066	1028	1069	1099	1121	1076	1098	1179	1176
—△— retail	5666	5912	5903	5871	6090	6239	6476	7129	6569	6717
—×— services	6182	6635	7032	7443	7871	8352	8609	8749	8899	9093
—*— transp/pub utils	1073	1070	1115	1043	1050	1050	1055	1082	1057	1031
—●— wholesale	1736	1787	1724	1815	1890	1878	1721	1609	1840	1938
—+— construction	772	619	815	651	748	774	776	829	816	890

in the County. Growth is especially noticeable in the service sector with the addition of nearly 3,000 jobs over the ten year period. The retail industry added nearly 1,100 jobs between 1985 and 1994. The manufacturing industry, during the same period, added nearly 800 more. This type of growth trend was also seen and discussed when looking at the decennial census data. Transportation and public utility employment was the only industry displayed in which employment losses are seen.

Comparison of Annual Payrolls by Industry (\$000,000)



—◆— manufacturing	68.15	66.7	73.25	80.1	83.35	85	91.27	102.6	105.7	114.6
—■— FIR	16	17.79	17.9	19.53	21.57	22	22.4	23.43	23.78	25.35
—▲— retail	44.68	46.79	47.41	48.73	51.69	57.51	64.86	67.79	63.23	69.72
—×— services	68.19	72.65	81.57	88.81	99.64	113.2	124.4	126.1	131.9	145.9
—*— transp/pub utils	20.25	20.37	21.55	21.94	22.6	23.16	26.34	24.85	24.31	26.44
—●— wholesale	29.87	30.58	33.25	37.88	41.52	41.85	39.34	38.75	43.54	46.85
—+— construction	15.03	16.23	18.73	16.27	18.71	20.29	22.18	24.65	26.85	30.49

The graphic above illustrates changes in the total payroll by industry for the most recent ten year period for which this data was available. Simply viewed, the service industry has the largest overall total payroll in Blue Earth County. Manufacturing has the second largest total payroll with the retail industry having the third largest payroll. Comparing this data to the number of employees it can be seen that although the service industry has a total payroll of about \$30 million more than the manufacturing industry, or about 20% more, this industry also has more than twice the number of employees than manufacturing. Retail has 40% more total employees than manufacturing yet has a total payroll of only 60% of manufacturing. Obviously the manufacturing industry pays significantly higher wages than is seen in both the service and retail industries.

As was mentioned earlier, the significant job growth in Blue Earth County during this ten year period has occurred in the service and the retail industry. Continued growth in these two job sectors may mean that income growth by household may decline. Or, given the tight labor market, should the service and retail industries continue to grow, wages for these two industries may need to be increased to attract qualified personnel.

Five year census surveys are conducted within the various economic entities as well. Data regarding the business climate in Blue Earth County exists just for the manufacturing, service, retail, and agricultural industries. The other census reports contain too much suppressed data to be of value. The most recent year the data is available through these reports is 1992. Report data from the 1987 and 1982 census surveys is also included to provide a trend illustration.

CENSUS OF MANUFACTURING

	1982	1987	1992
# of establishments	81	83	76
# of employees	3300	3300	3700
total payroll (\$000)	\$61100	\$73400	\$99000
value added (\$000)	\$167700	\$219200	\$272600
cost of materials (\$000)	\$505400	\$421100	\$551300
value of shipments (\$000)	\$680700	\$629400	\$822900
new capital expansion (\$000)	\$14400	\$15600	\$12800

Source: U.S. Census of Manufacturers, 1982, 1987, & 1992

As can be seen in the table above, the trend data reaffirms the earlier data presented. There has been growth in the manufacturing industry in Blue Earth County. The number of employees grew by 400 during the ten years. Total payroll increased by more than 50% during this same time period. The value added to products shipped increased by more than \$100 million. Capital expansion continues to occur in the region.

CENSUS OF SERVICE PROVIDERS

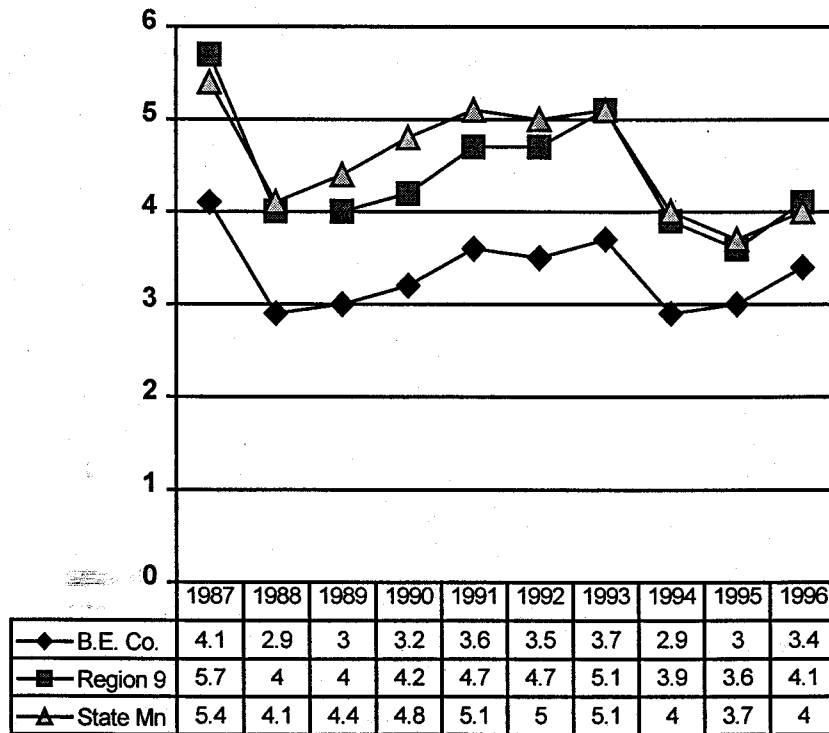
	1982	1987	1992
# of establishments	290	364	399

	1982	1987	1992
# of employees	2724	3501	4662
total payroll (\$000)	\$32445	\$51928	\$82061
total receipts (\$000)	\$78875	\$126003	\$207989

Source: U.S. Census of Service Providers, 1982, 1987, & 1992

The table above illustrates the strong growth in the service industry in Blue Earth County. In all periods shown, the County has seen growth in the number of service establishments, the number of employees, total payroll, and in total receipts. Growth in receipts during the ten year period was more than 160% while growth in total payroll during the same time was nearly 153%. The growth rate for hiring employees was 71%.

Comparison of Annual Unemployment Rates (%)



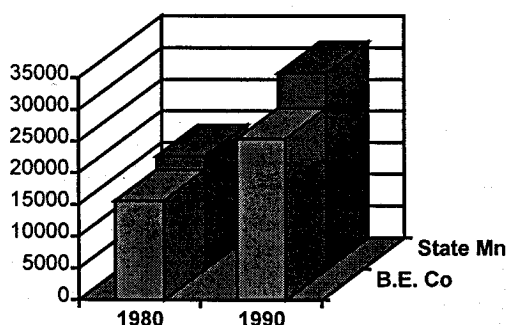
The unemployment rates of the County, the region, and the State are displayed in the graphic to the left for the previous ten (10) years. As can be seen, the typical unemployment rate for Blue Earth County is less than that found at the region and the State. While the unemployment rates for each of the entities tend to move together, the unemployment rate for the County is typically about 1% less than those found in the other two jurisdictions. During two of the years displayed, the County's annual unemployment rate was less than 3%.

INCOME MEASURES:

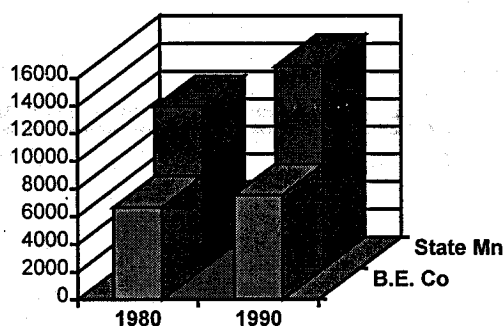
In comparing income levels for the County's and State's households, as displayed in the two graphics below, the 1980s was a time in which the income levels for the average Blue Earth County resident increased at slower rates than was seen for State residents. As seen in the graphic to the left, even though the median household income for the Blue Earth County residents increased by nearly 63% during the 1980s, this income

figure lost ground to those displayed for the State as a whole which saw increases of 74%. In 1980, the median household income for Blue Earth County was just under 88% of the same figure for the State of Minnesota. By 1990, this income comparison for the County dropped to 82% of the State figure.

Change in Median Hshld
Incomes 1980 to 1990



Change in Per Capita Incomes
1980 to 1990



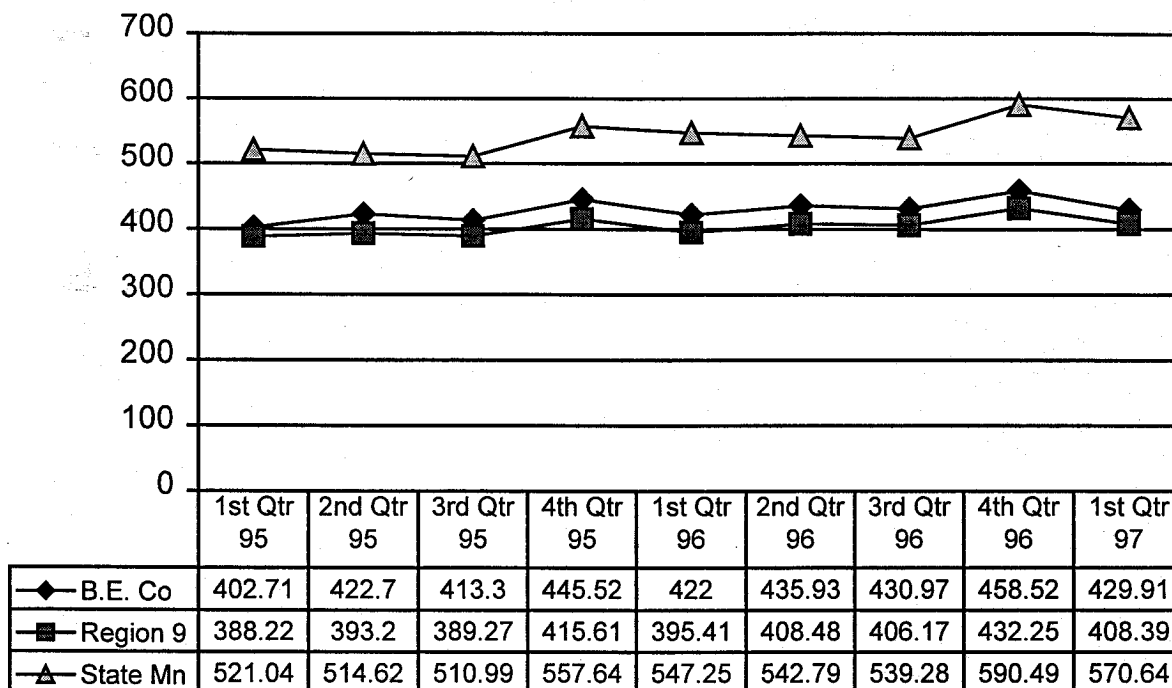
When considering per capita income, the graphic on the right, an even wider gap is seen. The 1980 census indicates the per capita incomes in Blue Earth County were 88.5% of those seen for the typical resident of the State of Minnesota. However, the 1980s were a time of slower income growth rates in the County than for the State, as a whole. The per capita income in the County increased by 75.2% during the 1980s, a faster rate than the median household income, but during this same time period, the State's per capita income grew at more than 94%. As a result, the per capita income of Blue Earth County dropped to less than 80% of the State's per capita income level for 1990.

Another source of demographic information is from a database created and managed by Claritas, Inc. This database contains estimates for the most current year (1997) and five (5) year projections. The median household income estimate for Blue Earth County for the year 1997 is at \$35,371, or 39% growth since the 1990 census survey results. The projection for the year 2002 is for an additional growth of 22% to a projected \$43,220. Per capita income is estimated to be at \$16,093 for 1997 and projected to see an increase to \$21,091 during the next five (5) years.

In the graphic below, a comparison is made of the average weekly wages for those employees who are covered under the Minnesota unemployment compensation tax law, or approximately 97% of the total nonagricultural wage and salary employment in the state. As can be seen, the average weekly wages paid to employees in Blue Earth County is typically a little higher than the wages paid at the regional level but are approximately \$90 to \$150 less than the average wages for the state as a whole. This

just illustrates the disparity in wage levels needing to be paid within the Minneapolis - St. Paul metropolitan area compared to the remaining portion of the State.

Average Weekly Wages by Reporting Quarter



Retail Sales:

The graphic below illustrates total retail sales for the entire County from 1980 through 1992 (the data for 1993 through 1995 was flawed on the database accessed). The good data that did exist though shows that the growth in retail sales was steady from 1982 through 1992, increasing by an average of nearly \$26 million per year. Growth rates during this time period ranged from a low of 4% to a high of nearly 12%. The largest share of the retail sales is typically found in food stores, auto dealers and service stations, miscellaneous retail sales, and general merchandise stores. The food stores and auto dealers and service stations sales are approximately 20% each of the total retail sales in the County.

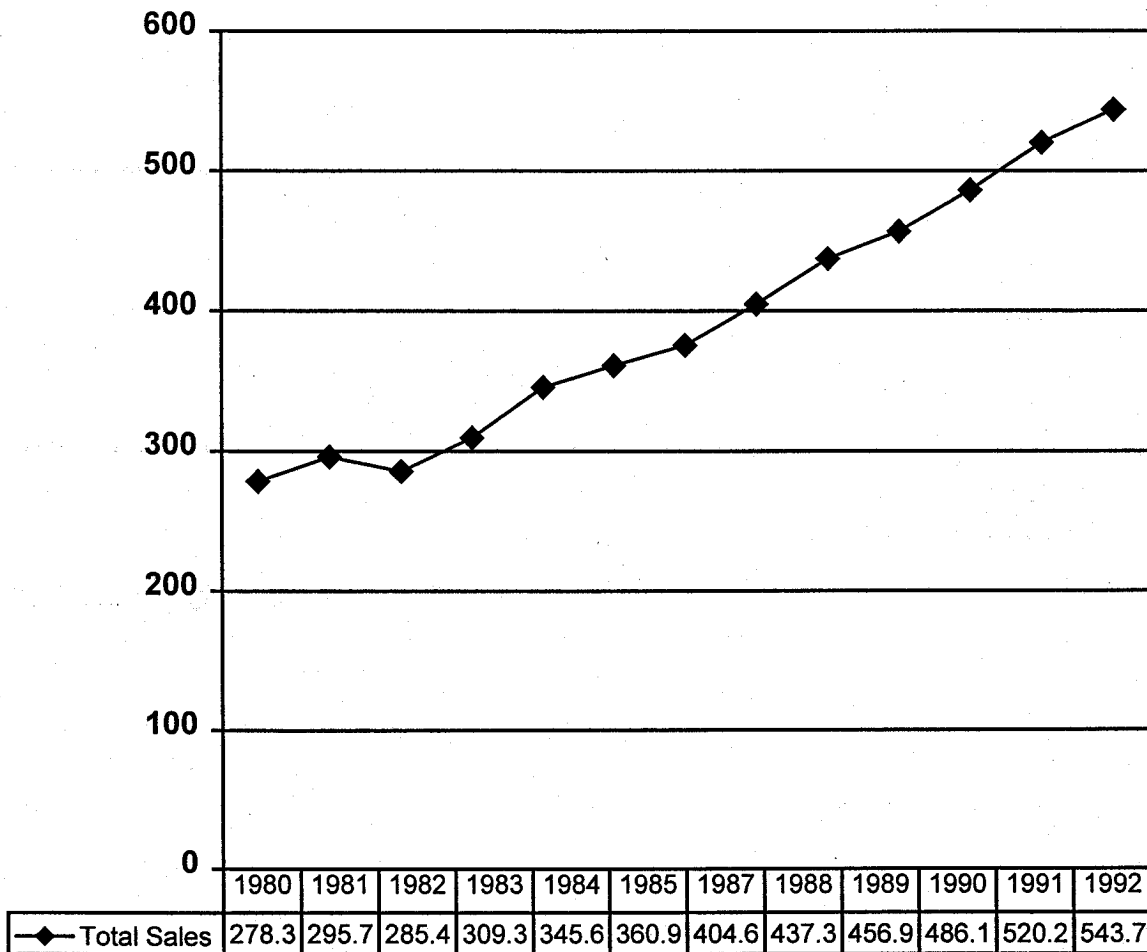
CENSUS OF RETAIL

	1982	1987	1992
# of establishments	546	404	419
# of employees	4931	5921	6629
total payroll (\$000)	\$33288	\$47458	\$59688
total sales (\$000)	\$292385	\$410469	\$528301

Source: U.S. Census of Retail, 1982, 1987, & 1992

In the census materials illustrated above, continued growth is once again seen. Steady growth in the number of paid employees has occurred over the ten years with nearly 1,000 additional persons employed in 1987 compared to 1982 and an additional 700 persons employed in 1992 from the 1987 level. As expected, steady increases also occurred in this industry's payroll, more than \$14 million in 1987 and more than \$12 million more in 1992. Total sales increases were strong with increases of nearly \$120 in 1987 and an addition \$118 million by 1992. The data above shows that there was a large decline in the number of retail establishments in 1987 from the 1982 level and then a small increase in 1992. The 1982 figure for establishments may be a bad number. There does not appear to be a reason for the severe decline and may be the result in changing classification of businesses at the data gathering level.

Total Retail Sales Trend (\$000,000)



Agricultural Data:

The agricultural industry is very important to Blue Earth County. As can be seen in the table of census numbers below, the market value of agricultural products sold eclipsed \$125 million in 1992, up from \$115 million in 1982. The value of crops has been fairly stagnant through the time period shown but livestock sales and/or livestock products sold has shown steady increases. The number of farms is steadily declining, as is the

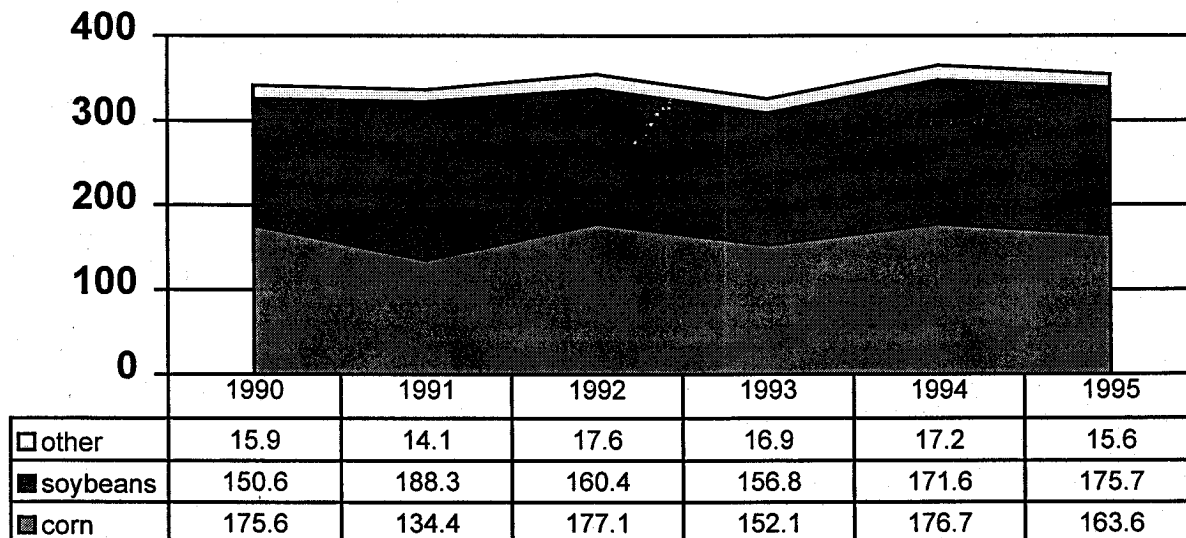
CENSUS OF AGRICULTURE

	1962	1982	1987	1992
#.of farms	2147	1459	1280	1091
land in farms (by acres)	439579	413543	401557	383373
average size of farms (by acres)	205	283	314	351
total cropland (in acres)		366260	366644	353929
market value of crops sold (\$000)		\$67759	\$61408	\$68846
market value of livestock or livestock products sold (\$000)		\$47626	\$49633	\$57242

Source: U.S. Census of Agriculture, 1982, 1987, & 1992

case for most agricultural counties. From 1982 to 1992, the number of farms declined by 368 or more than 25%. During this same time, there was a total decline of 30,170 acres contained within farms, a decrease of 7.3%. At the same time, the decline in the amount of cropland was a little more than 12,300 acres or a decrease of 3.4%. Looking at the data from 1962 and comparing it to the most recent data, the number of farms in 1992 is half the number found 30 years prior and more than 56,000 fewer acres were contained in farms during this same time period.

Principal Crops by Harvested Acres (000s)



In the graphic above, the harvested acres of the County's principal crops is displayed for the years 1990 through 1995. Corn and soybeans dominate the local crop choice. A smattering of other small grains and hay crops make up the remaining harvested crops for the County. Typically speaking, the only real difference from year to year occurs in what choices operators make between planting more corn or more soybeans.

Feedlot information was supplied at the end of 1996 by the Blue Earth County Environmental Services Department. As can be seen in the table below, the typical feedlot in the County contains 300 animal units or less. There are no feedlots containing more than 2,000 animal units. Expectations would be that data organized in this manner several years from now would show growth in those feedlots containing a larger number of animal units. That is the current trend. Those townships containing the greatest number of feedlots include Sterling, Lyra, Vernon Center, Beauford, and Rapidan. The following two maps illustrates where the concentration of feedlots are.

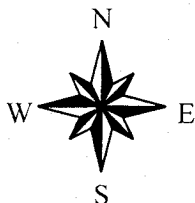
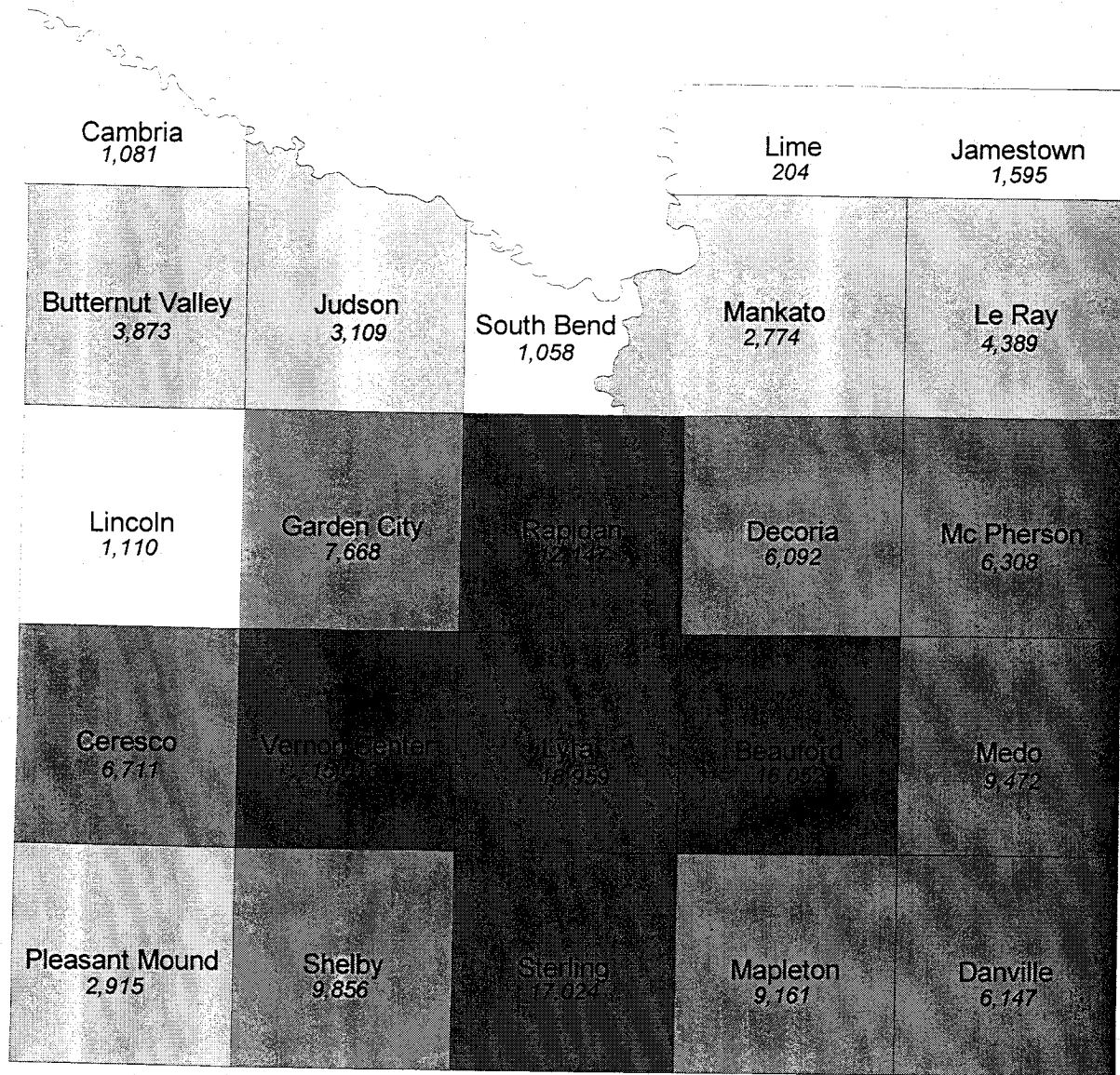
NUMBER OF FEEDLOTS BY ANIMAL UNITS

	50 or less	51 to 300	301 to 600	601 to 1000	1001 to 2000
Number of Feedlots	196	239	83	29	25

Source: Blue Earth County Environmental Services - 1996

Animal Units By Township

June 1998

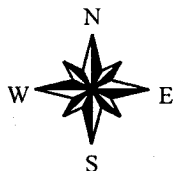
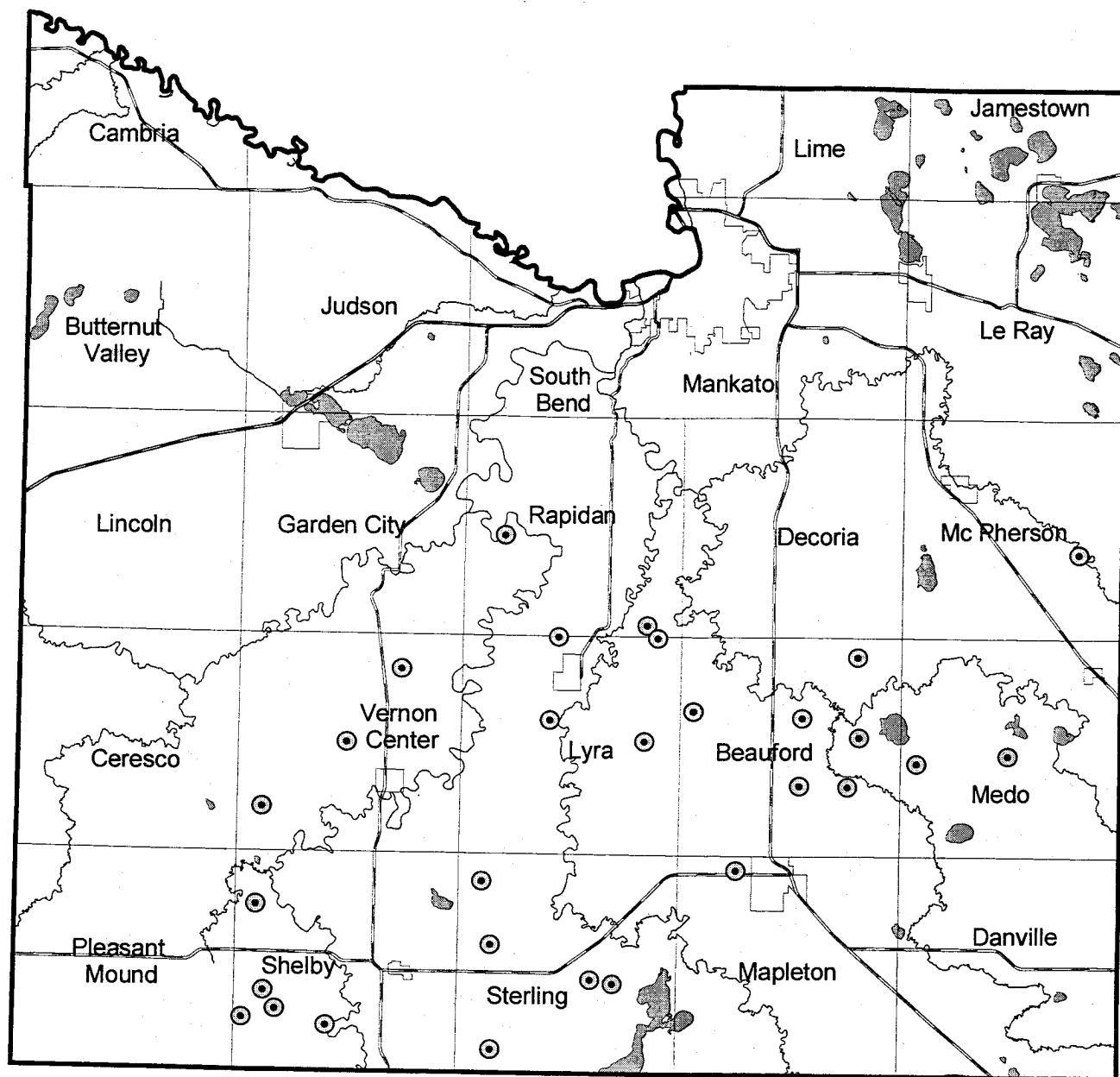


Prepared By:
Blue Earth County
Environmental Services
June 8, 1998

Permitted Animal Units



Feedlots 1,000 Animal Units or Larger June 1998



Prepared By:
Blue Earth County
Environmental Services
June 8, 1998

- ⊙ Feedlot 1,000 AU or Larger
- Township
- Municipality
- Lake
- ~ Stream
- == U.S. or State Highway