

# **Chisago County Labor Market Profile**

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## Executive Summary

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Located on the northern fringe of the Twin Cities Metro Area, Chisago County is one of the fastest growing areas in the state of Minnesota. According to the Minnesota State Demographic Center, Chisago County was the sixth fastest-growing county in the state from 2000 to 2007, welcoming over 9,000 more people – a jump of 22.0 percent.

Population projections from the state demographer show continued growth in the future as well, with Chisago County expected to see a 50.4% increase from 2006 to 2020, up to 75,600 people and nearly 90,000 people by 2030.

This past, present, and future growth provides area employers with a hard-working, available work force and a steady consumer base. However, close proximity to the job markets of the Twin Cities means that despite local population and job growth, many of the area communities are sending their residents to work in other counties. Nearly 2 out of every 3 workers (65.8%) in Chisago County worked outside their county of residence, including 56.6 percent who were working in the seven-county Twin Cities Metropolitan area. Compare that to the State of Minnesota, where only 33.6% of residents worked outside their home county.

This is a significant export, as Chisago County has extremely high labor force participation rates, especially for females. For those working in Chisago County, the area has a healthy economic base with employment spread across several diverse industry sectors, including healthcare & social assistance, manufacturing, retail trade, construction, educational services, accommodation & food services, and public administration. Employment in Chisago County has been growing steadily, and it is part of the fastest growing region in the state. Several industry sectors actually added jobs in the region despite statewide trends to the contrary.

As the Twin Cities continues to expand outward, demographic statistics show that Chisago County provides available workers in a wide variety of industries at less cost than the Twin Cities Metro Area.

## Population and Diversity

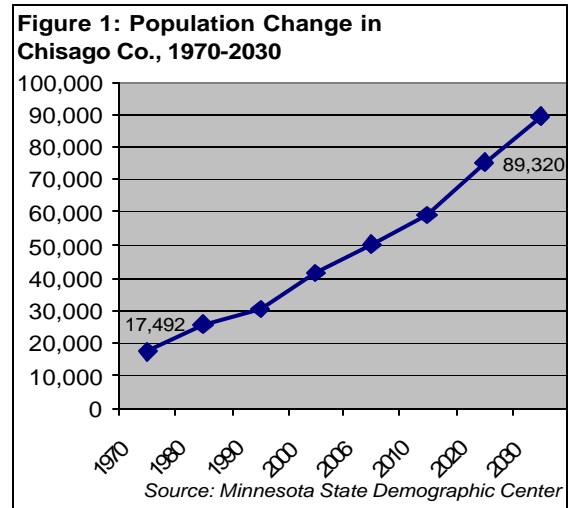
Located just north of the Twin Cities Metro Area, Chisago County is one of the largest and fastest growing areas in the state of Minnesota. According to the 2007 population estimates from the U.S. Census Bureau, Chisago County was the 18<sup>th</sup> largest county in terms of population, with 50,128 people, after jumping 22.0% from 2000 to 2007.

In Minnesota, only Scott, Sherburne, Wright, Carver, and Isanti County grew faster than Chisago County from 2000 to 2007. The total population in Chisago County increased 9,027 people, after increasing 34.7%, or 10,580 people, from 1990 to 2000. (See Table 1.)

	1990	2000	2007
Chisago Co.	30,521	41,101	50,128
Minnesota	4,375,099	4,919,479	5,197,621

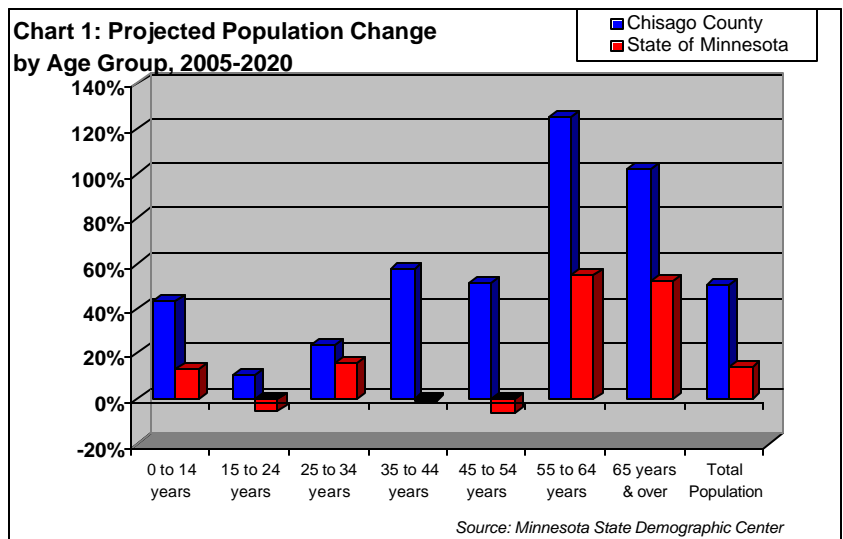
*Source: U.S. Census Bureau*

A half century ago, Chisago County was home to 13,419 people, making it one of the state's smaller counties. From 1960 to 2007, Chisago County nearly quadrupled (273.6%) by adding 36,709 people, and is now the 18<sup>th</sup> largest county in the state with 50,123 people. Three-fourths of the recent population growth was due to net in-migration, as more than 6,400 people moved into Chisago County from 2000 to 2005. Chisago County also had the 12<sup>th</sup> largest natural increase in the state during that time frame – with 1,893 more births (3,470) than deaths (1,577). Population projections from the state demographer show continued growth in the future as well, with Chisago County expected to see a 50.4% increase from 2006 to 2020, up to 75,600 people and nearly 90,000 people by 2030. (See Figure 1.)



Population growth in Chisago County is projected to outpace the state of Minnesota in all age groups through 2020, most noticeably in two key areas. First, residents in the 25- to 54-year-old group – considered the prime working years – is expected to expand by 43.9% in Chisago County, as compared to 2.3% in the state of Minnesota as a whole. Many of these new residents are young-married couple families, allowing Chisago County to easily surpass statewide growth of the population aged under 5 years. The youngest age group is projected to grow 29.0% in Chisago and 12.9% in the state. (See Chart 1.)

Much like the rest of the state, the fastest growing age group in Chisago County includes baby boomers. The number of people aged 65 years and over will double (101.9%) in the area from 2005 to 2020. In 2005, just over 9.2% of the Chisago County population was aged 65 years and over, as compared to 12.0% in Minnesota. By 2020, just 12.3% of Chisago County will be 65 years and over, as compared to 15.9% in the state.

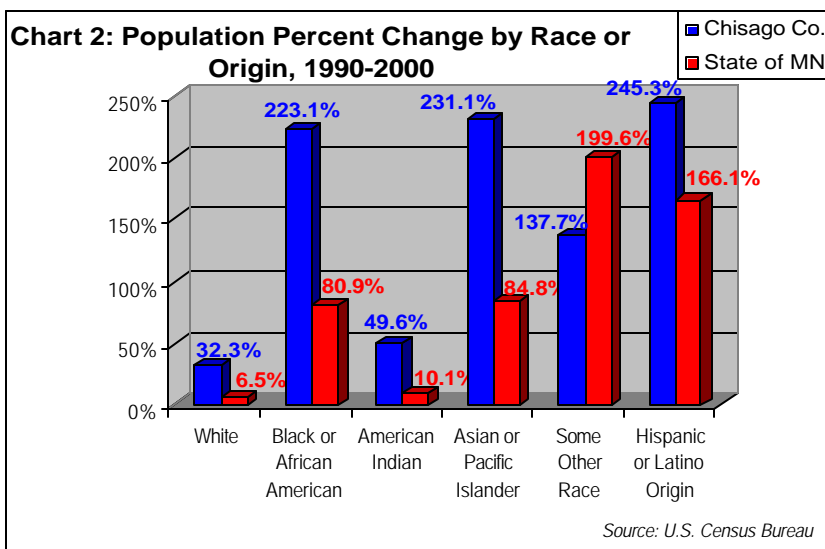


DEED research has shown that Central Minnesota cities and townships located on four-lane highways that are connected to metropolitan areas added people three times as fast as those on two-lane highways from 2000 to 2004; and created jobs four times as fast. Not coincidentally, the fastest growing cities and townships in Chisago County are found along the I-35 corridor, including Wyoming and Wyoming Township, Stacy, Lent Township, Oxford Township, North Branch, Sunrise Township, Harris, Fish Lake Township, Rush City, Rushseba Township, and Nessel Township. (See <http://www.deed.state.mn.us/lmi/publications/review/0106/rs.htm>)

Into the future, several cities and townships within the county are projected to be among the fastest growing in the entire state, including: North Branch (117%), Rush City (89%), Wyoming (88%), Sunrise Township (74%), Fish Lake Township (73%), Chisago City (67%), Wyoming Township (66%), Lindstrom (59%), Taylors Falls (59%), Harris (57%), and Lent Township (50%), which are all projected to expand more than 50 percent from 2000 to 2030.

While population growth can occur both from an increase in births or a decrease in deaths, immigration is also a significant factor. As demographic statistics show, Chisago County has been a magnet for new residents in the last fifteen years. In fact, 29.3% of Chisago residents aged 5 years and over lived in a different county in 1995, compared to 20.8% in Minnesota. More than one in every three houses (33.6%) in Chisago County were built between 1990 and 2000, as compared to 16.0% in Minnesota, and Chisago County's median house value was 8.3% higher than the state median value in 2000.

Since then, according to the U.S. Census Bureau Building Permit Estimates program<sup>^</sup>, Chisago County has issued privately-owned residential building permits for more than 3,900 new units. This includes 143 units in 2007, 259 units in 2006, 349 units in 2005, 494 units in 2004, 664 units in 2003, 610 units in 2002, 687 units in 2001, 659 units in 2000; as well as 54 new units through June of 2008. Like many other areas of the country, housing construction has slowed significantly in the last two years in Chisago County, as witnessed by the 79% drop in new privately-owned residential building permits issued from 2003 to 2007.



The area also saw significant changes in all race and origin categories, including rapid growth in Black or African American residents, Asian or Pacific Islanders, and persons of Hispanic origin. (See Chart 2.)

While the percent change looked large, the actual numeric change was much smaller. For example, the number of people of Hispanic or Latino origin increased 245.3%, but the number of Hispanic persons increased only 336, from 137 to 473 people. Other changes were similar.

All of this growth helps Chisago County continue to provide an available labor force to local employers, as well as consumers to local businesses. Growing diversity is also valuable to employers in terms of meeting changing customer demands and creating innovative ideas.

<sup>^</sup> <http://censtats.census.gov/cgi-bin/bldgprmt/bldgssel.pl>  
Chisago County Labor Market Profile

## Labor Force Availability

This past, present, and future growth provides area employers with a hard-working, available work force and a steady consumer base. However, close proximity to the job markets of the Twin Cities means that many of the area communities are sending their residents to work in other counties. Nearly 2 out of every 3 workers (65.8%) in Chisago County worked outside their county of residence. Compare that to the State of Minnesota, where only 33.6% of residents worked outside their county; or Stearns County, where just 19.4% worked outside their county of residence.

By comparing the number of jobs with the number of employed residents in a given area, import and export of workers can be estimated. According to the U.S. Census, 20,772 Chisago County residents were working, while 11,915 people worked in Chisago County, leaving a net export of 8,857 employed residents to jobs in other counties. Chisago County attracted more than 4,800 people from other counties for work each day.

Just over 7,100 residents both lived and worked in Chisago County; 4,255 people commuted to Ramsey County; 2,782 traveled to Hennepin County; 2,558 drove into Washington County; and 1,630 commuted to Anoka County. In sum, more than 11,750 people drove into the 7-county Twin Cities Metro Area from Chisago County. (See Table 2.)

**Table 2: Commuting Patterns**

Residence County	Workplace County	No. of Workers	Residence County	Workplace County	No. of Workers
Chisago	Chisago	7,109	Chisago	Chisago	7,109
Chisago	Ramsey	4,255	Washington	Chisago	824
Chisago	Hennepin	2,782	Isanti	Chisago	744
Chisago	Washington	2,558	Anoka	Chisago	743
Chisago	Anoka	1,630	Pine	Chisago	726
Chisago	Isanti	735	Polk (WI)	Chisago	609
Chisago	Dakota	474	Ramsey	Chisago	350
Chisago	Polk (WI)	341	Hennepin	Chisago	184
Chisago	Pine	292	Kanabec	Chisago	132

Source: U.S. Census Bureau Journey To Work files

However, Chisago County also had a net labor import of 268 workers with Polk County WI, who sent 609 workers into Chisago County. In addition, Chisago County brought 2,218 workers out of the 7-county Twin Cities area, and had a net labor import from surrounding counties including Isanti (+9 workers), Pine (+434 workers), and Kanabec (+108 workers).

The increased commuting has led to longer travel times for workers, with average one-way commute times surpassing a half hour. The mean travel time for Chisago County workers reached 31.9 minutes in 2000. Compare that to Stearns County, where the average travel time was still under 20 minutes, and the state of Minnesota, where the travel time held at 21.9 minutes in 2000. This data shows that workers are displaying an increased willingness to spend more time in the car on the way to work.

However, in a Labor Force Assessment conducted in late 2001, residents in Chisago County showed a desire to decrease their travel times and work closer to home.

**Figure 2: Commuter Preferences, 2001 Labor Force Assessment**

Current Travel Time (in Minutes)	0 to 15 Minutes	16 to 30 Minutes	Not Willing	31 to 45 Minutes	Not Willing	46 or More Minutes	Not Willing
0 to 15 Min.		\$ 4.81	26%	\$ 5.00	35%	\$ 7.21	61%
16 to 30 Min.	\$ 1.00			\$ 2.00	56%	\$ 4.81	58%
31 to 45 Min.	\$ 1.00	\$ 0.50	57%			\$ 4.00	65%
46 or More Min.	\$ 2.00	\$ 1.92	47%	NA	68%		

Many Chisago County commuters would be willing to accept \$1.00 to \$2.00 less per hour to drop their travel times below 30 or 45 minutes, respectively. (See Figure 2.)

## Labor Force Participation

Employees in Minnesota are well known for their willingness to work and their hard work ethic. In fact, Minnesota has one of the highest labor force participation rates in the U.S., at 71.2%, and ranks number one in female labor force participation, at 66.0%.

Chisago County easily exceeds these superior rankings, with an overall labor force participation rate of 72.6%, while the female labor force participation rate is 67.9%. In addition, nearly 71% of the families in Chisago County had all parents (whether dual-income or single-parent) in the labor force, well above the 68.8% rate in Minnesota. (See Table 3.)

Area	Labor Force Participation	
	Overall	Female
Chisago County	72.6%	67.9%
State of Minnesota	71.2%	66.0%

*Source: US Census Bureau, 2000*

Because workers are less mobile than other factors of production, availability of workers is important to firm location. Obviously, the most available workers are the unemployed. Chisago County's labor force has grown from 23,206 people in 2000 to 28,084 people in June of 2008; a 21.0% jump. Combined, Region 7E has an available labor force of close to 85,000 workers. (See Table 4.)

Geographic Area	Labor Force	Employment	Unemp. Rate
Chisago County	28,084	26,346	6.2%
Washington County	130,618	124,192	4.9%
Isanti County	21,906	20,591	6.0%
Anoka County	195,153	184,773	5.3%
Pine County	13,612	12,553	7.8%
Polk County WI (*-2006 data)	24,802	22,983	7.3%
Ramsey County	275,563	260,833	5.3%
Hennepin County	666,138	632,490	5.1%
Kanabec County	8,036	7,347	8.6%
Region 7E	84,366	78,544	6.9%
7-County Twin Cities	1,625,999	1,543,490	5.1%
State of Minnesota	2,965,810	2,808,529	5.3%

*Source: DEED Local Area Unemployment Statistics*

## Labor Force Quality

Although the importance of labor quality is a recurring theme in survey results and site selection consultants' judgments, the empirical research faces difficulties quantifying "quality." The most common labor quality indicator is the education of the workforce. A prevalence of other businesses that employ workers with desired skills also indicates workforce quality.

The percentage of the population with a high school education is often found to matter for business growth. Minnesota is well known for its high-quality education and high graduation rates. Nearly 88% of Minnesota residents aged 25 years and over are high school graduates, and more than one out of every four people (27.4%) have a bachelor's degree or higher. In comparison, only 80.4% of United States residents are high school graduates and 24.4% have a bachelor's degree or higher.

Even higher than Minnesota, Chisago County had close to 89% of residents aged 25 years and over with a high school diploma or GED. Chisago County also had significantly higher percentages of people with some

	Chisago County	State of Minnesota	United States
High school graduate or higher	88.7%	87.9%	80.4%
Some college, no degree	27.4%	24.0%	21.0%
Associate degree	8.9%	7.7%	6.3%
Bachelors degree or higher	15.3%	27.4%	24.4%

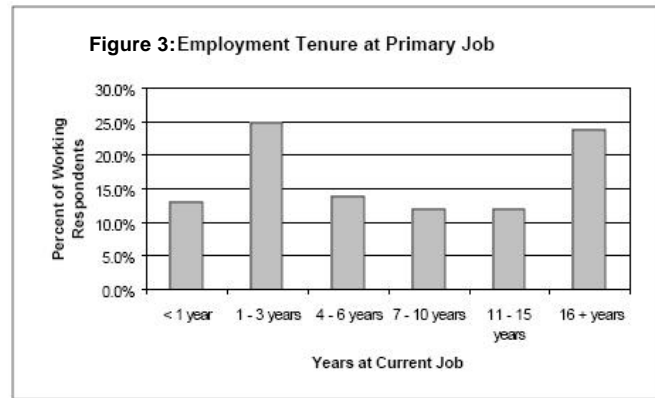
*Source: U.S. Census Bureau*

college experience (27.4%) and associate's degrees (8.9%), but a lower percentage of bachelor's degrees or graduate/advanced degrees than Minnesota and the U.S. (See Table 5.)

More than 7,000 Chisago County residents aged 25 years and over had some college experience, 2,300 had earned an Associate degree, close to 3,000 had a bachelor's degree, and just over 1,000 residents had a graduate or professional degree.

Looking at underemployment using data from the 2001 Labor Force Assessment, 12% of working respondents self-reported having a higher education level than required for their current job, and another 30% reported having their education in a different field.

Research shows that Americans are changing jobs and careers more frequently, regardless of the economy. This has tremendous costs for businesses in recruiting, hiring, and training. The median number of years that wage and salary workers had been with their current employer (referred to as employee tenure) throughout the U.S. was 3.7 years in January 2002. Despite these trends to the contrary, workers in Chisago County continue to display a remarkable amount of loyalty to their employers. According to a recent Labor Force Assessment conducted in Chisago and Isanti Counties, median employee tenure was set almost twice as high, at 6 years. (See Figure 3.)



## Largest and Distinguishing Industries

For those working in Chisago County, the area has a growing economic base with employment spread across several diverse industry sectors, including healthcare & social assistance, manufacturing, retail trade, construction, educational services, public administration, and more. (See Table 6.)

Nursing & residential care facilities were the largest sector in healthcare (1,559 jobs); food services and drinking places offered 1,346 jobs; plastics & rubber products were the largest manufacturing sector (550 jobs); and specialty trade contractors were the largest sector in construction (569 jobs).

Other large sectors include heavy & civil engineering construction (322 jobs), transportation equipment mfg. (351 jobs), fabricated metal product mfg. (305 jobs), food and beverage stores (327 jobs), credit intermediation (318 jobs), administrative and support services (444 jobs), executive, legislative, and general government (559 jobs), and justice, public order, and safety activities (432 jobs).

	Number of Firms	Number of Jobs	Average Weekly Wage
Total, All Industries	1,258	14,328	\$627
Healthcare & Social Assistance (Q4 2007)	82	3,395	\$780
Manufacturing	96	1,916	\$777
Retail Trade	144	1,613	\$410
Educational Services (Q4 2007)	25	1,486	\$624
Accommodation & Food Services (private)	98	1,378	\$186
Public Administration	43	1,045	\$734
Construction	264	1,020	\$912
Administrative & Waste Services (private)	59	509	\$378
Finance & Insurance	55	394	\$730
Other Services, Exc. Public Admin.	94	368	\$394
Arts, Entertainment & Recreation	21	313	\$207
Wholesale Trade	44	285	\$816
Real Estate, Rental & Leasing	54	116	\$261
Information	15	57	\$599

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

Table 7: Chisago County Industry Employment Statistics		4 <sup>th</sup> Qtr. 2005 Data			4 <sup>th</sup> Qtr. 2007 Data			2005-2007	
		Number of Firms	Number of Jobs	Avg. Weekly Wage	Number of Firms	Number of Jobs	Avg. Weekly Wage	Numeric Change in Jobs	Percent Change in Jobs
00	Total, All Industries	1,238	14,170	\$639	1,276	14,456	\$650	286	2.0%
101	Goods-producing Domain	369	3,397	\$887	374	2,943	\$884	-454	-13.4%
23	Construction	259	1,254	\$998	266	1,041	\$900	-213	-17.0%
31	Manufacturing	100	2,098	\$828	95	1,864	\$881	-234	-11.2%
102	Service-providing Domain	869	10,773	\$561	902	11,512	\$591	739	6.9%
42	Wholesale Trade	42	242	\$803	45	282	\$931	40	16.5%
44	Retail Trade	142	1,723	\$403	149	1,604	\$422	-119	-6.9%
51	Information	13	60	\$808	15	50	\$902	-10	-16.7%
52	Finance & Insurance	50	387	\$759	54	390	\$810	3	0.8%
53	Real Estate & Leasing	65	143	\$333	54	107	\$255	-36	-25.2%
54	Professional & Tech. Svcs.	78	212	\$739	ND	ND	ND	ND	ND
56	Admin. & Waste Services	68	593	\$357	59	500	\$421	-93	-15.7%
61	Educational Services	ND	ND	ND	25	1,486	\$624	ND	ND
62	Healthcare & Social Asst.	71	2,810	\$766	81	3,387	\$781	577	20.5%
71	Arts, Entertainment, & Rec.	23	210	\$283	ND	ND	ND	ND	ND
72	Accommod. & Food Svcs.	90	1,116	\$179	ND	ND	ND	ND	ND
81	Other Svcs., ex Public Adm.	88	307	\$491	94	387	\$374	80	26.1%
92	Public Administration	43	994	\$655	43	1,099	\$690	105	10.6%

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

Chisago County has continued to grow despite a nationwide and statewide recession, adding 38 net new firms and 286 jobs from the 4th qtr. of 2005 to the 4th qtr. of 2007. Much of this growth was in health care and social assistance (+577 jobs, +20.5%) and public administration (+105 jobs, +10.6%). However growth was offset by declines in construction (-213 jobs, -17.0%), manufacturing (-234 jobs, -11.2%) and retail trade (-119 jobs, -6.9%). (See Table 7.)

### Labor Force Affordability

Although businesses will pay more for higher quality workers, they would rather have equivalently skilled workers at less cost. Chisago County and Region 7E offers skilled, available workers at less cost than the Twin Cities Metro Area.

Included at right is data collected from the 1st Qtr. 2008 Minnesota Salary Survey, showing the median hourly wages for different occupation groups. Detailed wage rates (including the 10th, 25th, 50th, 75th, & 90th percentiles) for 750 different occupations are available online.

Some of the largest gaps in pay occur in management occupations, but there are also noticeable disparities in architecture & engineering occupations, computer occupations, legal occupations, construction occupations, and production occupations. Overall, the wages in Region 7E and Chisago County are significantly lower than comparable wages in the 7-County Twin Cities metro area.

Since labor is a major cost of doing business, these savings translate directly to the bottom line. (See Table 8.)

Table 8: Minnesota Salary Survey, Median Hourly Wages (Qtr. 1 2008)	Region 7E	Minneapolis-St. Paul MSA
Total, All Occupations	\$14.62	\$18.68
Management Occupations	\$33.20	\$47.95
Business & Financial Operations Occs.	\$22.01	\$27.71
Computer & Mathematical Occupations	\$23.80	\$35.19
Architecture & Engineering Occupations	\$23.51	\$31.39
Life, Physical, & Social Science Occs.	\$25.36	\$29.92
Community & Social Service Occupations	\$19.44	\$18.70
Legal Occupations	\$18.82	\$37.95
Education, Training, & Library Occs.	\$19.80	\$20.51
Arts, Design, Ent., Sports, & Media Occs.	\$17.47	\$22.88
Healthcare Practitioners & Technical Occs.	\$26.93	\$30.99
Healthcare Support Occupations	\$11.71	\$14.09
Protective Service Occupations	\$18.37	\$16.62
Food Prep. & Serving Related Occupations	\$8.73	\$9.59
Building & Grounds Cleaning & Maint. Occs	\$11.39	\$12.14
Personal Care & Service Occupations	\$10.71	\$11.52
Sales & Related Occupations	\$9.57	\$13.98
Office & Admin. Support Occupations	\$13.83	\$16.33
Farming, Fishing, & Forestry Occupations	\$11.30	\$11.13
Construction & Extraction Occupations	\$20.99	\$27.26
Installation, Maint., & Repair Occupations	\$17.42	\$21.48
Production Occupations	\$14.14	\$16.29
Transportation & Material Moving Occs.	\$13.71	\$14.78

Source: 2008 1st Qtr. DEED Minnesota Salary Survey