

SECTION A: REGIONAL VISION, GOALS AND STRATEGIES

- A.1. Describe the regional workforce development area's vision for a skilled workforce.

The vision of **Regional Workforce Development Area One**, which includes Local Workforce Development Area One and Two, in Northwest Minnesota, is a healthy economy where employer and employees alike are given the opportunity to thrive. Employees succeed with family sustaining employment and employers in successful prosperous business. Through sector partnerships our goal is to see all individuals through a lens of equity and inclusion and to promote business culture that thrives in the daily practices of acknowledgement of everyone's strengths.

- A.2. Describe the region's strategic alignment with the State's Vision, Goals and Strategies.

We are aligned with the State's Vision, Goals, and Strategies for success. Sector partnerships have never been as important as they are within the 2024-2027 plan. The need to recognize the value that is gained through intentional collaboration within business, education, workforce, and economic development is crucial to success. Region One has long understood this need for alliance and has worked to establish a strong Regional Workforce Alliance group that brings employers, educators, local and state resources, and tribal entities to the table. Through funds awarded through the Drive for five competitive grants, we identified multiple employers that are committed to supporting individuals enrolled in workforce initiatives that will fill the need in the most high-demand occupations in the state. In the future it is our intention to build stronger alliances through the local regional workforce alliance that will initiate training through WIOA and State funds that support Inclusive workforce and increased knowledge across the workforce in emerging technology, labor market demands and resources for new Minnesotans.

- A.3. Describe best practices or areas of strength of the region as it relates to the State's Vision, Goals and Strategies that should be considered for replication or scale across the state.

In alignment with DEED's mission of a healthy Minnesota economy for everyone, the Minnesota Indigenous Workforce Initiative should be developed and promoted statewide. Though it is a statewide initiative, the heaviest concentration of cohort members resides in the Northwest. Native communities are the poorest communities in our state, and the best way to provide families with an opportunity to break from generational poverty is to provide native job seekers with meaningful work with

equitable pay. The NW Region has prioritized developing Inclusive Worksites and has been building strong partnerships with local businesses that share in the vision of a diverse and talented workforce. Over the coming years we would like to develop goals to measure the success of a truly inclusive workforce. This will start with identifying groups that are facing the largest disparities in family sustaining wages such as Native Americans, new Americans, and those who have been justice-involved and clearly setting measurements of success.

- A.4. Describe the strategy to work with the entities within your region to conduct the core programs to align resources available in the region to achieve the strategic vision and goals of the local area boards and the state.

Workforce Development Areas 1 and 2 (WDA 1 and WDA 2) will collaborate with regional partners, including the Regional Workforce Alliance (RWA), the Community Workforce Inclusivity Council (CWIC), local workforce boards, education providers, and community organizations, to align core workforce programs and resources in support of local and state goals. This work is centered on the Good Jobs Employer Designation, which provides a shared framework for promoting high-quality employment practices across the region. CWIC, as a subgroup of the RWA, supports this effort by reviewing employer applications, identifying strengths and opportunities for improvement, providing technical assistance, and recommending employers for designation. Through this coordinated approach, partners align business services, career pathways, and training opportunities with employers committed to job quality, while also implementing consistent outreach and marketing strategies that promote designated businesses as Good Jobs Employers. This alignment strengthens workforce outcomes, reduces duplication of effort, and ensures regional activities support the strategic vision of both local workforce boards and the State of Minnesota

- A.5. Describe any additional goals being set by the regional leadership or individual local area boards.

The northwest region continues to recognize and adapt to ongoing demographic and economic shifts impacting both the workforce and regional communities. In response, regional leadership and local workforce boards are prioritizing the promotion of the Department of Labor and Industry's **Good Jobs Principles** as a standard for employment across the region. A key goal for this planning period is to **launch the Good Jobs Employer Designation**, establishing a framework to recognize and support employers committed to providing high-quality jobs and to promote them as employers of choice.

In addition, the region will focus on strengthening sector partnerships—supported through ongoing Regional Workforce Alliance engagement and sector-focused initiatives—expanding career pathway opportunities, and enhancing alignment between workforce, education, and economic development efforts. **Recent and ongoing regional workforce data continue to guide these priorities**, identifying challenges such as skills gaps, labor shortages, and shifting resources within rural communities. Through collaboration with the Regional Workforce Alliance, local workforce boards, ICCC, and other community partners, the region will advance strategies that support workforce attraction, retention, and long-term economic sustainability.

- A.6. Describe how the region is working together to prepare the workforce for state and federal investments in the Bipartisan Infrastructure Law (BIL), the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act, and the Inflation Reduction Act (IRA) (collectively referred to as Investing in America (IIA)).
- A.6. Describe how the region is working together to prepare the workforce for state and federal investments in the Bipartisan Infrastructure Law (BIL), the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act, and the Inflation Reduction Act (IRA) (collectively referred to as Investing in America (IIA)) as applicable.

Workforce Development Area 2 (WDA 2) in Northwest Minnesota is a highly rural region where direct access to large-scale Investing in America (IIA) projects can be limited. To address this, WDA 2 leverages strong, established relationships with local Workforce Development Boards, CareerForce, education partners, and employers to identify practical in-roads that connect residents to emerging opportunities. The region builds on proven initiatives such as **Drive for Five** and **Pathways to Prosperity (P2P)** to align career pathways with high-demand occupations linked to infrastructure, broadband, energy, and manufacturing. These partnerships support targeted training, work-based learning, and workforce strategies that reflect employer needs. Despite rural constraints, WDA 2's coordinated approach ensures residents, including those facing barriers to employment, are prepared to access regional and statewide opportunities created by these federal investments and participate in growing sectors.

SECTION B: REGIONAL OPERATIONS

- B.1. **Provide a Strengths Weaknesses Opportunities Threats (SWOT) analysis of the regional workforce system.**

Through a region-wide survey completed February 2024, followed by review and collaboration, the following concepts were identified at the March 2024 Regional Workforce Alliance Group as a method of planning for workforce initiatives and the following factors drew most attention.

Strengths: Proactive, strong sector partnerships. Employer Flexibility, Employers are taking action to improve workplace culture.

Weakness: Continued barriers within transportation, childcare and housing and technology in rural communities. Population changes that impact small rural communities that are changing the make-up of the small town. Continued disparity in attachment to labor force perpetuating generational poverty and limited resources.

Opportunity: Support of Inclusive Workforce initiatives around equity and diversity. Structured guidance on Minnesota's Job Quality Principles for Employers, Emerging groups designed to assist employers such as the Reasonable Accommodations fund.

Threat: Aging population, workforce shortages, skills gaps, inflation, and corporate agriculture.

B.2. Describe the selection process for the membership who will provide the leadership to oversee the development and coordination of the regional plan.

The Region 1 Workforce Development Boards (WDB) are composed of employers. We are well-positioned to help the local workforce system with employer links, apprise the CareerForce Center partners of local business trends, and bring innovative ideas to the system. Three of our members also serve on the Governor's Workforce Development Board. The WDB members participate in Minnesota Association of Workforce Boards and the National Association of Workforce Boards Conferences. Our full Local Workforce Development boards oversee the development of the Regional Plan.

B.3. Describe how the selected organizations from the region will provide oversight to development and implementation of the regional plan. Complete Attachment A - Regional Oversight Committee

The Regional Workforce Alliance (RWA) serves as the primary body providing oversight into the development and implementation of the regional plan. Comprised of representatives from Workforce Development Areas 1 and 2, local workforce boards, education and training providers, economic development partners, and industry, the RWA ensures regional strategies remain aligned with workforce needs and state priorities.

The RWA meets quarterly to review progress and provide guidance on emerging workforce priorities impacting employers, including benefits, workplace practices, and the application of the State's Good Jobs Principles. These discussions support the implementation of the **Good Jobs Employer Designation**, which integrates these

elements into a cohesive framework for recognizing and supporting employers committed to high-quality jobs.

Through ongoing collaboration, the RWA evaluates regional initiatives, supports alignment of resources, and works with key partners, including the Community Workforce Inclusivity Council (CWIC), to ensure effective implementation of strategies outlined in the regional plan. This coordinated approach ensures that regional efforts remain responsive, data-informed, and focused on achieving workforce and economic outcomes.

- B.4. Describe how the approach used will ensure that partner engagement includes diverse representation, specifically among populations experiencing barriers to employment.

A regional approach supporting diversity has been the hallmark of past efforts within the WIOA Regional Plan. Elements of our past and future initiatives call for an increase in the awareness of diversity in the workforce in the 26-counties in Northwest Minnesota. While both LWDBs in the region have taken specific actions to address diversity, specific attention to diversity and the development of an action plan will continue, including steps to re-address and refresh previous actions. This plan has helped identify various sectors that make up local diversity and set forth a plan to address diversity on a region-wide approach. Through guidance derived from the DEED Regional Analyst we will identify populations with the most disparities and the elements that perpetuate low employment, poverty, and skills gaps. This is a significant task that will take place over time and will require strategic investment of multiple levels of community members including employers, educators, community-based organizations, public and private entities. Success will not only be measured by the number of employers that commit to inclusive workforce practice but also in attachment to labor force based on population representation.

- B.5. Describe how the local area boards will direct system alignment within the region through shared policies and practices.

The WDB sets the direction of the local workforce system and provides valuable input and feedback into the activities designed to meet the needs of employers and participants. They review performance measures and results, are active in environmental scanning, and enable us to structure program components, plan service levels and prioritize services to participants. The WDB also serves as oversight for the local workforce system and approves various measures, budgets, and initiatives. All providers provide regular reports to the WDB on data, activities, and initiatives.

- B.6. Describe any cooperative service arrangements being planned for the region and how they will promote consistency within the regional workforce development area and with state policy.

All partners follow state policy regarding Memorandums of Understanding (MOU). Core partners use state policy as a guideline when negotiating commitment of resources that lead to the development of the MOU.

SECTION C: PROGRAM AND SERVICE DELIVERY

- C.1. Describe the condition of the regional economy (cite the sources of data and analysis).

According to DEED's Regional Profile, updated September 2023. NORTHWEST MINNESOTA ECONOMIC DEVELOPMENT REGIONS 1, 2, 4, 5 Covering the following counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, and Wilkin

• DEMOGRAPHICS

- Northwest Minnesota is a mostly rural, 26-county region located in the central and northwest areas of the state, bordering North Dakota and Canada. Covering four Economic Development Regions (EDRs), the region accounts for approximately **10.1% of the state's total population** (Minnesota Department of Employment and Economic Development [DEED], *Northwest Regional Profile*, October 2025).
- Reflective of WDA 2's rural landscape, population trends show modest regional growth alongside continued challenges in smaller communities. The region added approximately **8,300 residents from 2020 to 2024 (+1.4%)**, with growth concentrated in larger population centers while many smaller counties continue to decline (DEED, 2025). This pattern reinforces the limited and dispersed labor pool across rural areas within WDA 2.
- Regional hubs such as Clay County and Crow Wing County continue to drive growth, highlighting a shift toward population concentration in larger communities, while more rural counties face ongoing population loss (DEED, 2025). Recent gains have been supported by **net immigration**, which helps offset natural population decline (more deaths than births), a trend common across rural Minnesota (Center for Rural Policy and Development, *State of Rural Minnesota*, 2026). [\[fundinglandscape.com\]](https://fundinglandscape.com) [\[bidenwhite...chives.gov\]](https://www.bidenwhitehouse.gov)

• LABOR FORCE

According to the Minnesota Department of Employment and Economic Development (DEED), Northwest Minnesota's labor force has experienced modest growth alongside increasing demographic constraints. While the labor force expanded over the past decade, recent data show that growth has slowed due to the region's aging population and limited immigration in more rural areas (DEED, *Northwest Regional Profile*, October 2025).

Following the sharp decline during the COVID-19 pandemic, the labor force rebounded in 2022; however, more current trends indicate stabilization rather than continued rapid growth. Despite overall employment gains, the available labor pool remains constrained, with DEED reporting approximately 12,700 job vacancies in 2024 and a 5.6% vacancy rate, above the statewide average, indicating continued tight labor market conditions (Minnesota Economic Trends, June 2025). [global-imi.com]

Population trends further reinforce these workforce challenges. The region's population grew modestly by approximately 1.4% from 2020 to 2024, with gains concentrated in larger counties, while smaller rural counties continue to lose population (DEED, 2025). As a result, labor force growth is uneven and limited across the region, particularly in rural areas such as those within WDA 2. [fundinglandscape.com]

Looking ahead, labor force growth is expected to remain constrained. Although overall population is projected to increase slightly, the labor force is expected to grow more slowly due to ongoing retirements among the large Baby Boomer cohort. This demographic shift will continue to reduce the number of available workers and increase reliance on younger workers and in-migration to sustain the workforce (Center for Rural Policy and Development, State of Rural Minnesota, 2026).

These trends indicate that future workforce challenges in Northwest Minnesota will be driven less by job availability and more by workforce supply. As a result, employers and regional partners must continue to adapt recruitment, retention, and training strategies to engage underrepresented populations, including youth, individuals with disabilities, and other workers facing barriers to employment.

- **EMPLOYMENT CHARACTERISTICS**

With 63.0% of the population over 16 years of age in the labor force, Northwest had a much lower labor force participation rate than Minnesota's 68.5%. This is because of all, but the two youngest age groups had lower labor force participation rates than those statewide, and the overall rate is also lower because a higher percentage of the region's labor force is in the oldest age groups (Table 6). Participation rates varied by race in Northwest but also lagged state averages. American Indians were

the only race that had a higher participation rate here than the state overall, and Hispanic or Latino workers were just above statewide. Like the state, the region's unemployment rates were higher than whites for every race and ethnicity group, and higher than the state overall. In sum, unemployment was higher, and participation rates lower among young workers, minorities, people with lower educational attainment, and workers with disabilities. *Regional Profile NW MN Planning Region 10/2025.*

- **HOUSEHOLD WAGES**

Median household income was lower in Northwest Minnesota than statewide, at \$70,600 compared to \$87,556. Northwest had the second lowest median household income of the six planning regions. About 35% of households in the region had incomes below \$50,000 in 2023, compared to just 27.1% statewide. The share earning \$75,000 to \$99,000 was statewide, and another 32.9% earned \$100,000 or more compared to 43.7% statewide. *Regional Profile NW MN Planning Region 10/2025*

The median hourly wage for all occupations in Northwest Minnesota was \$22.98 in first quarter of 2025. As such, Northwest has the lowest median wage of Minnesota's six planning areas. Further, Northwest's median wage was \$3.24 below the state's median hourly wage. Compared to surrounding areas, Northwest's median hourly wage was \$0.87 per hour less than Central and \$0.49 less than Northeast. Within Northwest, EDR 5 – North Central had the lowest median wage and EDR 1 – Northwest had the highest wages, reflecting the different occupational mix within the Northwest Minnesota planning area. The region had an estimate of around 223,320 workers in the most recent DEED OEWS survey.

Northwest has higher concentrations of Farming, Fishing & Forestry, Education, Training & Library, Construction & Extraction, and Building, Grounds Cleaning & Maintenance. These occupations, along with Healthcare Support, Protective Service, and Transportation & Material Moving occupations pay the closest wages statewide. Part of the overall difference in wages between Northwest and statewide for Total, All Occupations is due to the Northwest's greater share of Sales & Related and Food Preparation & Serving occupations, which are the two occupational groups with the lowest wages.

- **ECONOMY**

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Northwest Minnesota was home to 18,410 business establishments providing 227,053 covered jobs in 2024, with a total payroll of just over \$12.1 billion. That was

about 7.8% of total employment in the state of Minnesota and was the fourth largest of the six planning regions in the state in terms of job counts. Average annual wages were \$53,438 in the region, which was about \$20,000 lower than the state's average annual wage.

C.2. Describe the sectors or occupations of focus for region, including:

- a. How the region will use the labor market information and conduct outreach to business and industry to select the targeted sectors for developing sector partnerships for occupations in demand that provide family sustaining wages. If sectors and occupations have already been selected, describe them within this response.

Our WDB is comprised of most private sector employees. RMCEP, Inter-County Community Council, and CareerForce staff participate in local boards, sector partnerships, and Trade Associations, which create a catalyst for influence to foster workforce development initiatives. The WDB will sponsor listening sessions every two years at which we engage businesses in discussion with Labor Market analysts to provide accurate data about the sectors in demand in our region. Healthcare, Manufacturing, Agriculture, Trades and Transportation are the local key industry sectors identified in our Regional Plan. Career pathway partnerships will continue to strengthen our ability to increase the number of qualified applicants for those jobs in demand.

Additionally, staff host job fairs, including occupationally specific job fairs, diversity-focused job fairs and industry-specific job fairs. This past year we have expanded our job fairs to welcome individuals who have had a justice-involved past and those that have been struggling with some of the most difficult barriers such as addiction and homelessness, by offering these "second chance" opportunities we are acknowledging that our labor force has been closed to groups of individuals that can no longer be overlooked. Additionally, employers are invited on site when available through such activities as Job Clubs and "Employer of the Day" to discuss their needs and openings with job seekers. Providers collaborate one-on-one with individual employers to develop job sites and OJT opportunities. Using Incumbent Training projects more employers are receiving specific training on site supported by the local WDB that is sustaining employment and increasing the skill levels of employees in the region.

- b. Alignment to the five sectors of focus in Drive for 5, including which local area in the region is focused on each or any of the Drive for 5 sectors. Complete

Attachment G – Local Workforce Development Area Key Industries in Regional Economy.

Through the Drive for Five, industry sectors of technology, labor, caring professions, and manufacturing will be supported through recently awarded grant funding. We will assist in identifying training, eliminating barriers, and supporting industry recognized in-demand occupations in the four sectors listed above that lead to family-sustaining wages. We will build and enhance sector relationships with employers, educational institutions, and other training providers to identify those with the most need. We have identified Economic Development Regions through connections with the Regional Workforce Alliance, the local workforce board and employer connections established within previous WIOA and State Dislocated worker programing. Health Care sector job vacancies in the NW region are up 19% from 2021. Manufacturing accounts for 13.1% percent of total employment and employment grew by 1,867 jobs from 2020 to 2022 these openings require skilled laborers that the area is lacking. Finally, trade and technology related occupations are also in demand in NW MN.

- c. The make-up of the sector's partnerships will be determined and the expertise and resources they bring to the partnership.

Sector partnerships are fluid within economic regions and communities; the relationships often match the prevailing industry needs. Partnerships often align with regional issues, characteristics and or community needs. Such as childcare barriers, in the Bemidi area there is an active sector partnership working towards improving childcare accessibility. In our western counties partnerships came together to align with programs focused on assisting with re-entry programs designed to improve the employment outcomes of individuals leaving incarceration.

- C.3. The demographic makeup of the labor force in those sectors as compared to the regional labor force, and how the region will work to close any identified gaps.

DEED Labor Market Information, Regional Analysis & Outreach 10/2025

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region has been aging over the past 10 years. Over one-quarter (25.5%) of workers in the region were 55 years or older, compared to 22.6% statewide and just 22.3% in the region one decade earlier. In contrast, the percentage of workers under 25 was falling rapidly. However, the number of hours worked increased the most for younger workers, as did their wages. People of color held 10.9% of the jobs in the Northwest Minnesota Planning Region, according to data from the Quarterly Workforce

Indicators program. In 2022, that equaled 23,906 jobs held by BIPOC workers, compared to 195,748 jobs held by workers who were White Alone. BIPOC workers accounted for just 5.8% of total jobs in 2002, meaning their employment almost doubled (a 1.9-fold increase) over 20 years.

- C.4. How the local board will make opportunities in these areas known to customers, including employers and job seekers, and how the local board will create, modify, or expand responsive workforce development programs and initiatives.

Through Workforce Innovation and Opportunity Act (WIOA) Regional Planning, the 26-county Northwest Minnesota region brings workforce, education, business, economic development, and community partners together to identify and address regional workforce needs. Regional engagement includes discussion of occupations in demand, employer workforce challenges, and the underlying conditions contributing to worker shortages. This collaborative approach helps partners validate labor market data with real world employer and community perspectives and identify strategies that strengthen the regional workforce system. The emphasis was on methodology to validate the data surrounding occupations in demand, and for workforce development professionals to become more aware of the specific challenges affecting business in each of the four EDRs in the Northwest Region. Keeping in mind that each EDR is distinctly unique, it was important to listen more than talk; therefore, the underlying design was to provide a business panel as well as a roundtable discussion at each summit for an uninhibited exchange of ideas. The emphasis of these meetings has been on the efficacy of developing inclusive and equitable recruiting and retention strategies. Our goal over the next several years is to address the barriers that lead to underemployed and unemployed individuals for specific groups. Through identifying the barriers that are inhibiting re-entry into the workforce or support career advancement pathways, we can build our workforce and strengthen our economy. In our region, there is a substantial portion of the Native American labor force that has left the workforce and is not actively seeking work due to limited job opportunities and a lack of employers practicing inclusive workplace cultures. Through steps to support responsive workforce development, including targeted diversity and inclusion training, we aim to develop measurable goals, starting first with base-line data that will guide initiatives that will increase workforce attachment, increase skills, and strengthen our economy.

- C.5. Based on the regional/local assessment of workforce development system services, describe how strategies will be created to pursue a more responsive alignment of employment and training services.

Moving forward, it is our goal to connect with each EDR to re-fresh the “Core Team” of committed business and seek out new members to represent workforce and economic

development professionals. The goal will be to engage monthly to discuss issues and to plan for actionable intents to help solve some of the most pressing issues. Specific workforce deliverables that have occurred in the past and need to be reviewed and maintained include “Infographics,” and the “Employability Skills Certification” and the “National Career Readiness Certificate.”

- C.6. Describe how the entities responsible for participating in this process will be selected, including their expected roles and responsibilities.

Developing strategies to address in demand sectoral and occupational needs has been conducted under the purview of the two LWDBs in the Northwest Region for decades. These boards worked with the local Regional Labor Market Analyst to pioneer the process of identifying regional Occupations in Demand. Local business, education, labor, government, and non-profit leaders meet in each EDR to use statistics and personal knowledge to identify industry workforce needs and project occupations in demand.

- C.7. Describe how outcomes will be determined in terms of employment and training services.

Continuation of summits and regionally planned events are part of the ongoing plans for serving the needs of the region’s businesses. Many future activities have already been funded by the Minnesota Association of Workforce Boards (MAWB). The intent is to stay current with business needs and to be able to react in a timely manner for development and implementation of innovative ideas.

DRAFT