

Economy and Employment

Economy and employment are a key part of any thriving community. Rice Lake's economy is an integral piece of the Duluth area regional economy. This economic connection will continue to be based on commuting and regional economic factors. This chapter of the Comprehensive Plan is intended to report on local economic and employment issues and opportunities.

Economic development generally consists of those public and private efforts which promote and develop business enterprises within a community plus the housing development that serves commuters to Duluth and other areas. The City's regulatory climate can have an impact on the retention, expansion and attraction of business. Zoning regulations can provide development standards which ensure that business development adds to the quality of neighborhoods and overall community life. Such standards can protect property values of homes and whole neighborhoods and can minimize undesirable off-site impacts from business activities. Such standards can also protect businesses from nuisance complaints and negative image situations. The Comprehensive Plan, along with zoning, is a tool to attract business because of the designation of protected locations and the provision of standards which ensure land use compatibility within the community.

Goals and Objectives

Goal: Support and expand the City's existing economic base.

Objectives:

- Work with existing businesses to remain or expand on their current sites or to relocate to more appropriate sites.
- Use the City's tools of zoning, capital improvement plans, transportation plans, and financial incentives to support development.
- Ensure that city processes and regulations related to land development, permits, and construction are easy to understand.

Goal: Provide adequate land and infrastructure to make locations within Rice Lake attractive to businesses.

Objectives:

- Ensure an adequate supply of land for business location and target new areas for businesses in the Land Use Plan.
- Plan for and expand public utilities and streets to the industrial park area when needed.

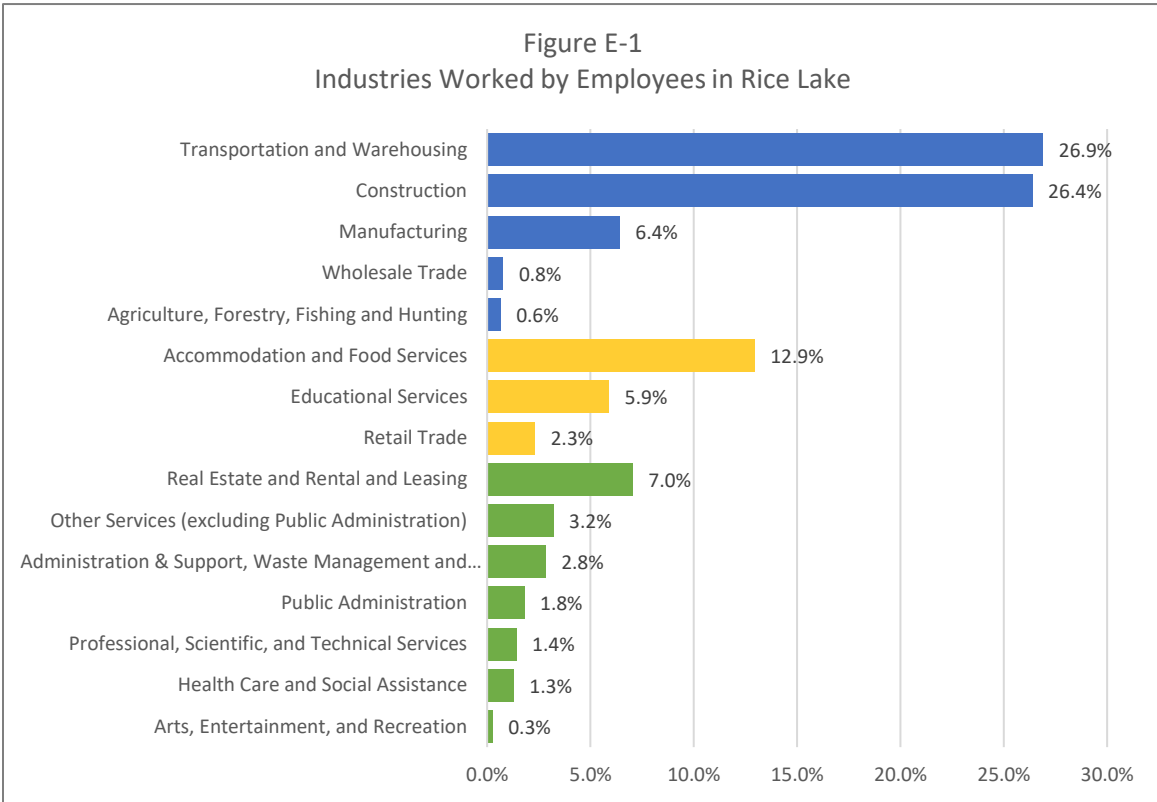
Current Conditions

Occupational and Professional Choices

Occupation and professional choices can be described for both residents of Rice Lake, and those employed within the City. Figure E-2 illustrates occupations for the residents of Rice Lake. According to 2017 data, nearly 30% of employed residents worked in the Health Care/Social Assistance industry. Another 27.8% work in retail, education, and accommodation and food services.

More than 21% are employed in a variety of professional services, from public administration to real estate. Construction and manufacturing-type occupations account for 16.4% of the jobs. The remaining 2% are arts, entertainment, recreation and information positions.

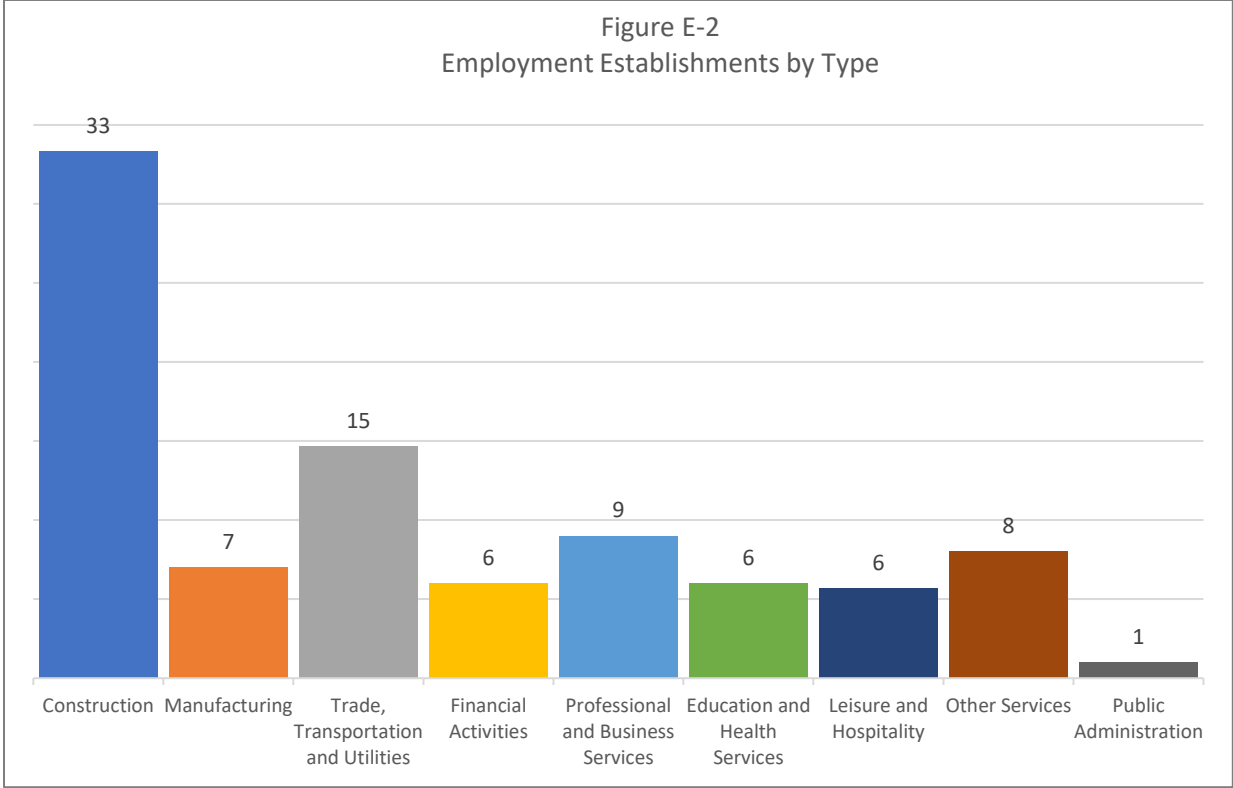
The second measure of choices is the types of industries located within Rice Lake. According to 2017 data, there were 781 employees working within the City. Figure E-1 illustrates the various industries worked by these 781 employees.



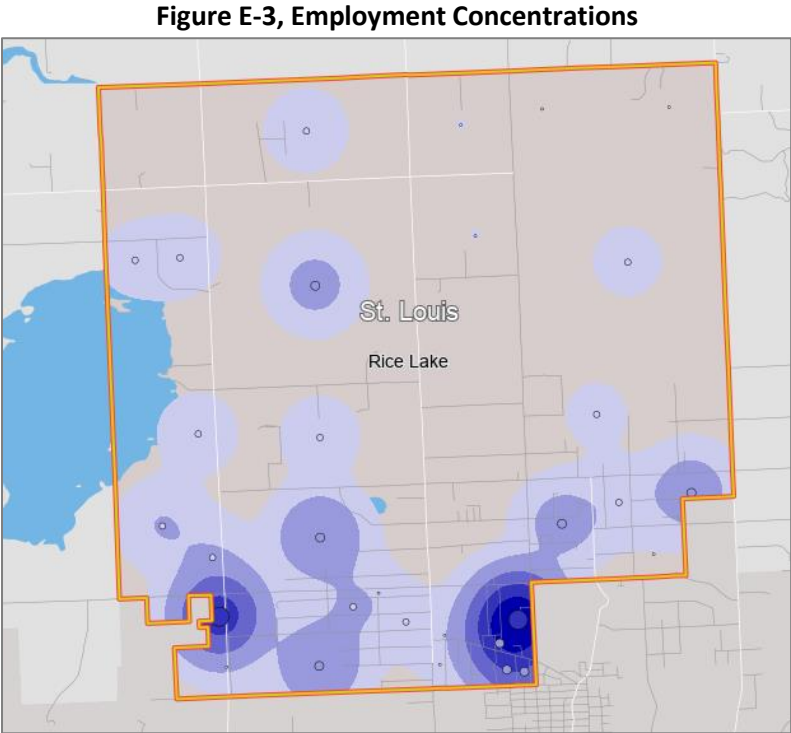
More than 61% of the jobs in Rice Lake are within the transportation and warehousing, construction, manufacturing, wholesale and agricultural industries. Approximately 21% of the jobs are in accommodations/food service, education and retail. The remaining 17.8% are in professional services and arts.

Employment Establishments

According to the Minnesota Department of Employment and Economic Development (DEED), in 2017 there were approximately 78 employment establishments in the City of Rice Lake. The majority of these establishments were either construction or transportation and utilities. Figure E-2 shows the employment establishments by type.

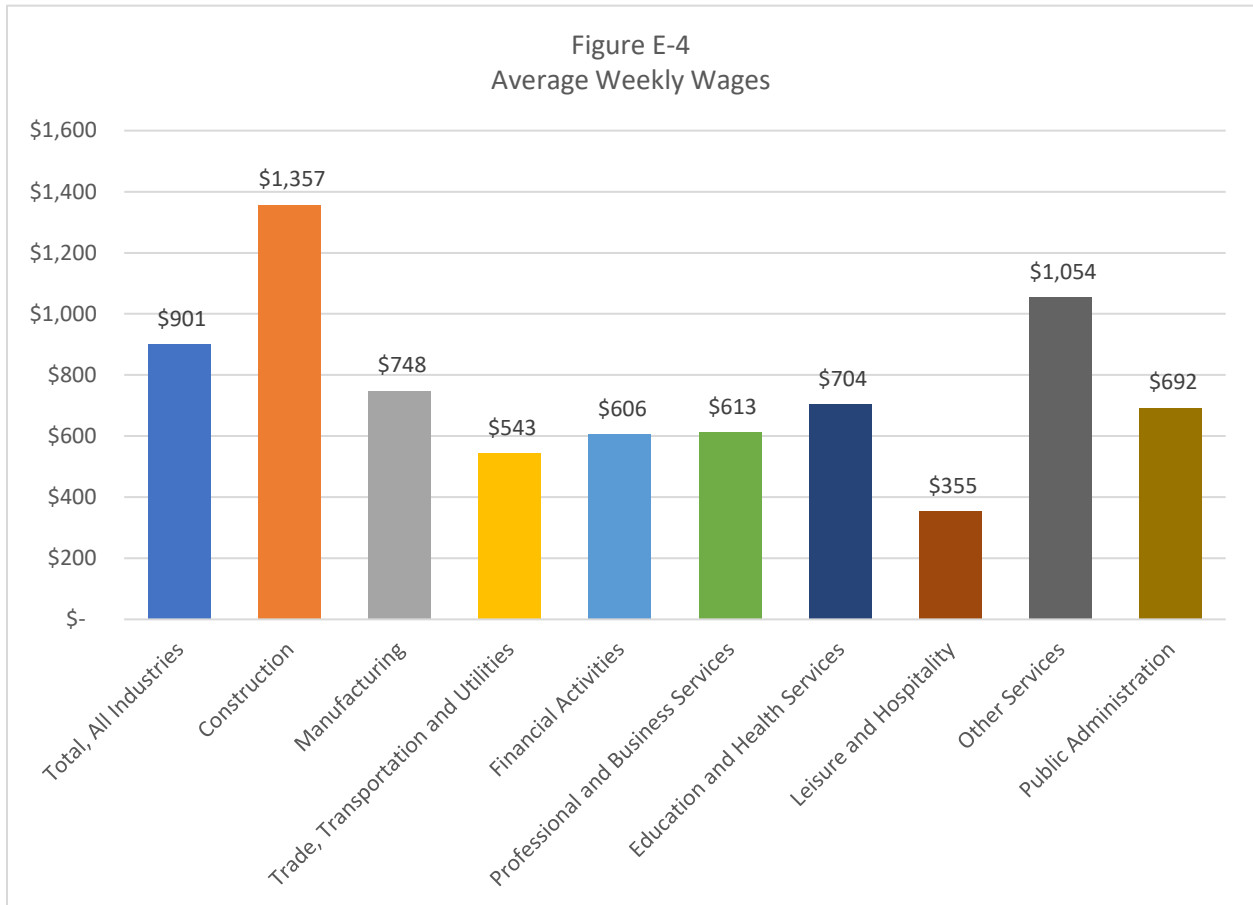


The majority of these establishments are located in southern Rice Lake, along the major road corridors of Rice Lake Road and Arnold Road. Figure E-3 illustrates the employment concentrations.



Income

Figure E-4 compares the average weekly wages by industry in Rice Lake.



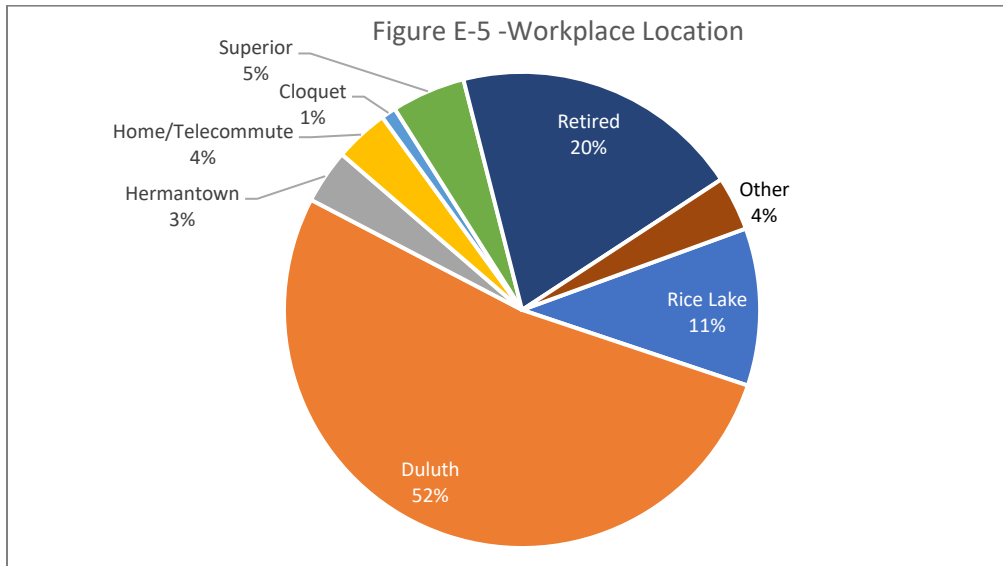
The average weekly wage is slightly lower in Rice Lake as compared to the State of Minnesota and St. Louis County; however, the median household income in the City of Rice Lake is slightly higher than the state and county.

Average Wage and Income Comparison		
	Average Weekly Wage	Median Household Income
Minnesota	\$1,137	\$65,699
St. Louis County	\$914	\$50,936
Rice Lake	\$901	\$70,517

Workers' Commutes

According to the 2017 American Community Survey, 86.3% of the Rice Lake residents 16 years and older and employed work within St. Louis County. Sixty-seven percent of workers travel 25 minutes or less to their place of employment. The American Community Survey data does not provide specific workplace locations, but respondents to the 201-2020 Comprehensive Plan survey answered a question about their work location. As shown in Figure E-5, 66% of the respondents

indicated they worked in Rice Lake, Duluth or Hermantown, which is consistent with the American Community Survey data. It is also interesting to note 20% of the respondents are retired.

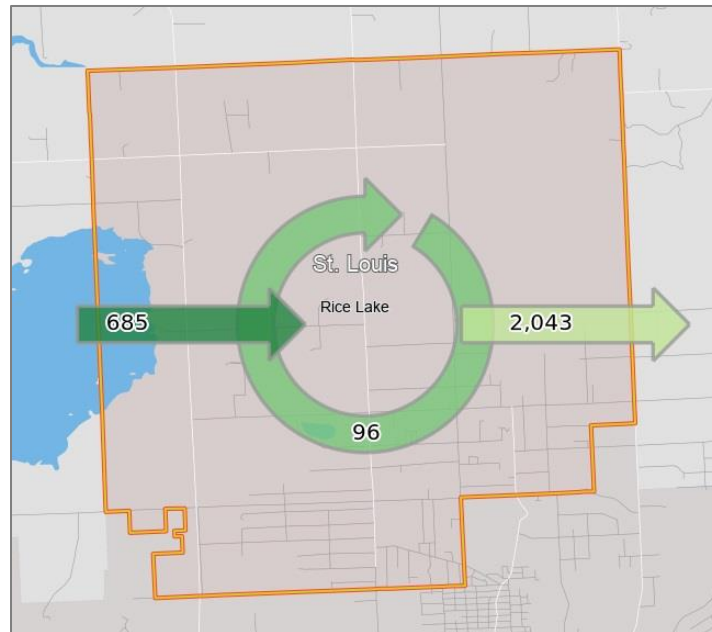


The American Community Survey also indicated 93% of people used a car, truck or van to get to work. More than 88% drove alone. This result is similar to the Community Survey, in which 78% of respondents indicated they drove alone to work.

Workforce Inflow/Outflow Trends

According to the US Census Bureau's On the Map data tool, in 2017 there were a total of 781 jobs in the City of Rice Lake, and 2,139 people living in Rice Lake were employed. Only 4.5% of the employed persons living in Rice Lake also worked in Rice Lake; 95.5% worked outside of Rice Lake. The remainder of the jobs in Rice Lake (685) were filled by people who lived outside of the City. Figure E-6 illustrates these inflow/outflow trends.

Figure E-6, Inflow/Outflow Trends



Source: US Census

Regional Economy

Rice Lake is part of the Northeast Minnesota Planning Area, which consists of seven counties including Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis. According to the Minnesota Department of Employment and Economic Development (DEED), the northeast region has consistently reported higher unemployment rates than Minnesota, typically hovering at least 1.0 percent above the state rate. The current unemployment rate is 4.3. On the other hand, the region's labor market has tightened. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which now stands at 0.7-to-1 in Northeast Minnesota.

Overall, DEED estimates the Northeast planning area is projected to grow 1.1 percent from 2016 to 2026, a gain of 1,725 new jobs. Health care practitioners and support, personal care and service, building grounds cleaning and maintenance, community and social service, installation, maintenance and repair and food preparation and serving related occupations are expected to see the most new growth.

DEED's Occupational Employment Statistics program also shows that only around one-third of current jobs held in the region require post-secondary education to enter. The other two-thirds require no more than a high school diploma, and sometimes less.