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SOUTHWEST REGIONAL DEVELOPMENT COMMISSION



Comprehensive Economic Development Strategy

CEDS 2027-2031

Southwest Regional Development Commission



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Introduction

The Southwest Regional Development Commission (SRDC) is a planning and development organization representing nine counties, 163 townships, 81 cities, 34 unincorporated communities, and one tribal nation. Regional Development Commissions (RDCs) were established by Minnesota State Stature in 1969.

As outlined in the Regional Development Act, the purpose of RDCs is to support multijurisdictional collaboration, coordinate resources to address regional and local needs, and guide planning efforts across their respective regions.

SRDC's Mission

Providing professional expertise and leadership to enhance regional apportunities.

The Southwest Regional Development Commission (SRDC) is designated by the U.S. Economic Development Administration (EDA) as the planning organization for the region's Economic Development District (EDD), serving Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, and Rock counties in Minnesota. [1, 2]

What is the CEDS?

A Comprehensive Economic Development Strategy (CEDS) is a locally driven framework that brings together public and private sector partners to develop a coordinated roadmap for strengthening and diversifying regional economies. Grounded in a thorough analysis of current economic conditions, the CEDS guides the establishment of regional goals and priorities, outlines strategies for implementation, and identifies key investment opportunities and funding sources.

Updated every five years and submitted to the U.S. Economic Development Administration (EDA), the CEDS is supported by annual progress reports and revisions. This ongoing planning process fosters collaboration among community leaders, encourages meaningful private sector engagement, and promotes data-informed decision-making. The result is a shared strategic vision that enhances regional competitiveness, supports economic resilience, and drives long-term, sustainable growth. [3]

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Southwest Minnesota CEDS 2027-2031 Cornerstones



Key focus areas guiding the Comprehensive Economic Development Strategy

Human Capital

Attracting, retaining, and developing talent is essential for the growth and sustainability of businesses and communities in Southwest Minnesota. Understanding the characteristics of the labor force and the needs of employers and creating strategies to align the two forms is the foundation of this important effort.

Economic Competitiveness

Attracting and developing talent is vital for the growth of businesses and communities in Southwest Minnesota. Understanding the labor force and employer needs and creating aligned strategies is essential for this initiative.

Community Resources

Southwest Minnesota communities are committed to preserving and strengthening the social, cultural, and natural assets that define the region's identity and quality of life. Community Resources focuses on sustaining local heritage while enhancing the places, amenities, and community connections that support long-term economic resilience and regional vitality.

Foundational Assets

Southwest Minnesota communities require proactive and collaborative approaches to address infrastructure needs in a cost-effective manner. Managing the access to, maintenance, replacement, and growth of these assets is key to preserving and maintaining communities and providing growth opportunities. Foundational assets include above-ground and below-ground infrastructure such as transportation, water-wastewater, housing, and broadband.

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Stakeholder Involvement & Public Comment

SRDC conducted a regional stakeholder survey to gather input from public- and private-sector leaders involved in economic and community development throughout Southwest Minnesota. The survey focused on identifying key challenges, opportunities, and priorities within the four CEDS cornerstone areas: Human Capital, Economic Competitiveness, Community Resources, and Foundational Assets. 1

The survey received 84 responses representing a broad cross-section of regional stakeholders. Feedback from respondents was incorporated into the development of the CEDS goals, objectives, and strategies. *(A detailed summary of survey results is provided in the Appendix.)* 1

In accordance with CEDS requirements, a 30-day public review and comment period was held November 1 through November 30, 2026. The draft CEDS document was made available electronically on the SRDC website, with hard copies available upon request. Notice of the public comment period was distributed through SRDC communication channels, including the agency website, social media platforms, email communications, and regional partner networks. Public comments received during the review period were reviewed and considered in the preparation of the final CEDS document for submission to the U.S. Economic Development Administration (EDA). 3

The CEDS Committee reviewed the draft 2027-2031 Comprehensive Economic Development Strategy (CEDS) and adopted a resolution recommending its approval in December 2026. *(The resolution is included in the Appendices.)* 1

Following the Committee's recommendation, the SRDC Board of Directors reviewed the draft CEDS and adopted a resolution approving the 2027-2031 CEDS in December 2026. *(The Board resolution is also included in the Appendices.)* 1

Throughout the planning process, SRDC actively promoted stakeholder participation and public engagement through regional partners, economic and community development meetings, local government and organizational networks, SRDC electronic communications, social media platforms, website announcements, and the dedicated CEDS webpage on the SRDC website. These outreach efforts helped ensure broad regional awareness of the planning process and provided opportunities for stakeholders and residents to contribute input that informed the development of the 2027-2031 CEDS.

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Regional Economic Resilience

Regional Economic Resilience refers to a region's capacity to anticipate, withstand, respond to, and recover from significant economic disruptions that affect its economic base. Economic resilience is integrated throughout each cornerstone of this plan, reflecting its importance to long-term regional prosperity. [3, 1]

The EDA identifies three main sources of economic disruption:

1. **Broad Economic Recessions**
2. **Declines in Key Regional Industries**
3. **External Shocks**
   such as natural disasters, major business closures, or climate-related impacts.



Population

Southwest Minnesota's population has been steadily declining since 1960. The region's population totaled 116,046 in 2023, [4] accounting for 2% of the state's residents.

Between 2020 and 2023, Southwest Minnesota lost 1,391 residents, or 1.2% of its population. This was the third-largest population decline among Minnesota's 13 Economic Development Regions (EDRs). In comparison, Minnesota's overall population increased by 0.6% during the same period (Table 1). [4]

One single county in the region enjoyed population gains so far this decade. Home to Marshall, Lyon County is the largest county in the region, with just over 25,000 people. Lyon County saw a slight increase from 2020-2023 of 0.6% from an additional 158 net new residents. Anchored by Worthington, [4] Nobles County lost 563 residents from 2020 to 2023, a 2.5% decline. These recent declines are part of a long-term trend in the region, which has been losing population since at least 1950, although the decline has tapered in recent decades.

Table 1. Population Change 2023-2025

	2023 Population	2025 Population	2023-25 Change (number)	2023-25 Change (percent)
Region 8	116,887	116,858	-29	0.0%
Cottonwood Co.	11,427	11,405	-22	-0.2%
Jackson Co.	9,898	9,857	-41	-0.4%
Lincoln Co.	5,584	5,583	-1	0.0%
Lyon Co.	25,587	25,684	97	0.4%
Murray Co.	8,090	7,942	-148	-1.8%
Nobles Co.	22,065	22,338	273	1.2%
Pipestone Co.	9,289	9,260	-29	-0.3%
Redwood Co.	15,326	15,265	-61	-0.4%
Rock Co.	9,621	9,524	-97	-1.0%
State of MN	5,752,998	5,830,405	77,407	1.3%

[4] **Source**: U.S. Census Bureau, Population Estimates Program



Population

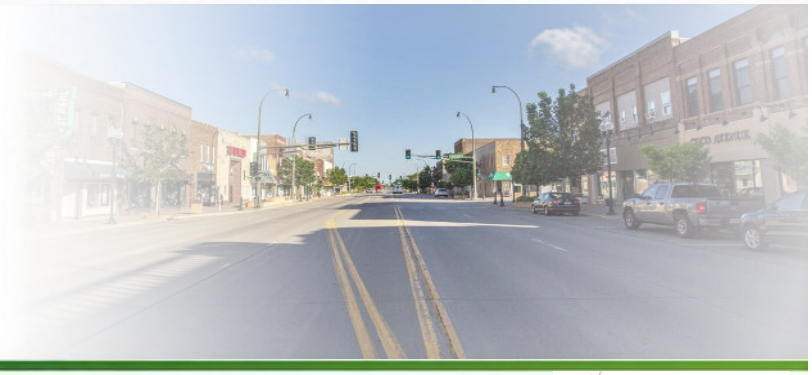
In the southwest region over 20% of the residents are aged 65 years or older; this is in comparison to the 16.3% statewide average. The southwest region also has a lower percentage of people in their "prime working years" (25 to 54 years old),[5] but a slightly higher percent of school-aged children. The region is expected to lose up to 5,680[6] residents from 2020 to 2050, a 4.9% decrease, whereas the state of Minnesota is projected to grow 8.8%.

Table 2. Components of Population Change, 2020-2023

			Vital Events		Net Migration		
	Total Change	*Natural Increase*	Births	Deaths	*Total*	*Inter-national*	*Domestic*
Region 8	*-1,619*	*+167*	4,632	4,465	*-1,827*	*+806*	*-2,633*
Minnesota	*+31,111*	*+40,368*	207,857	167,489	*-11,352*	*+34,624*	*-45,976*

Source: U.S. Census Bureau, Population Estimates Program

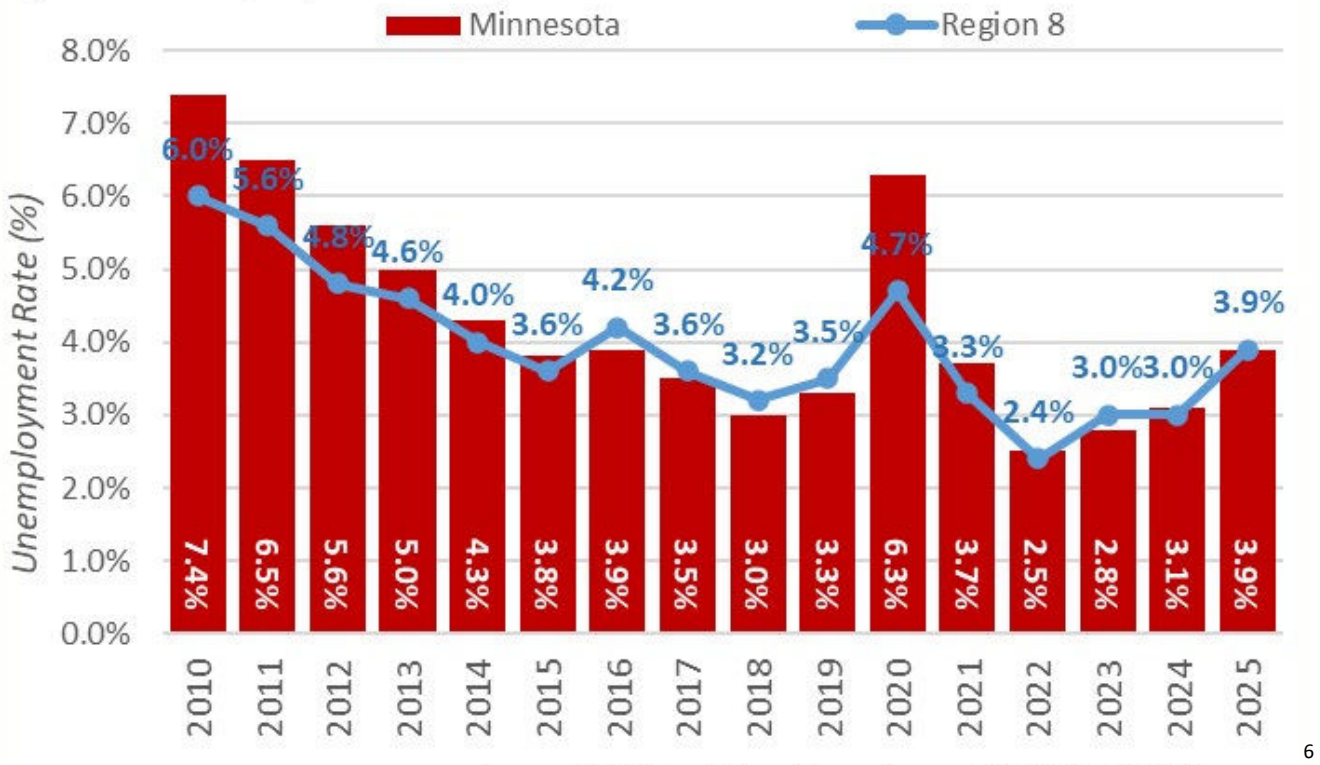




Employment

Region 8's labor force has declined steadily, falling by approximately 2,700 workers since 2008 and reaching just over 63,200 workers in 2023. After experiencing strong labor force growth during the 1990s, the region shifted to consistent declines over the past decade. The COVID-19 pandemic further reduced workforce participation, and although some workers returned, the labor market remains exceptionally tight. As a result, workforce shortages and the limited availability of skilled workers are among the region's most significant barriers to future economic growth.[6]

Figure 7. Unemployment Rates, 2010-2025



[6]

Source: DEED Local Area Unemployment Statistics (LAUS) program

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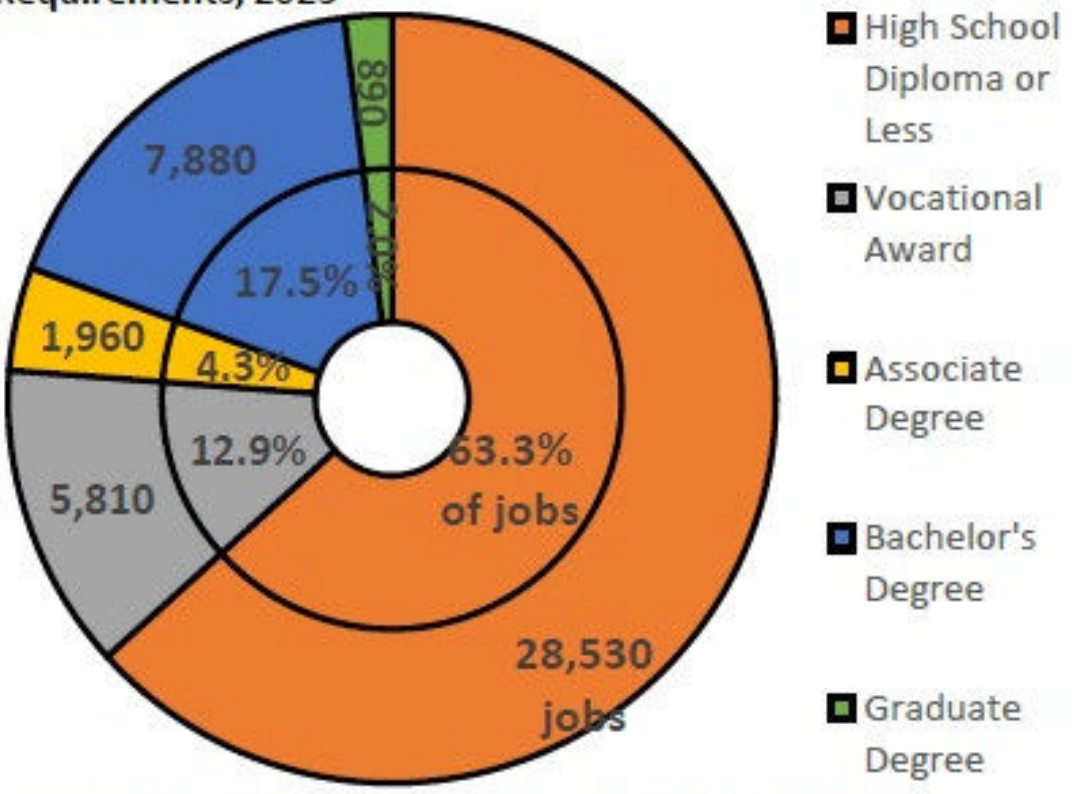


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Education Attainment

Southwest Minnesota's workforce needs span a wide range of education and training levels. Approximately 63% of jobs can be entered with a high school diploma or less and on-the-job training, while 37% require postsecondary education. Higher levels of education often provide access to specialized, high-demand occupations with greater earning potential, but many essential careers remain accessible through technical training, certifications, apprenticeships, and employer-based training programs. As workforce demands evolve, expanding access to both career and technical education and higher education pathways will be critical to meeting regional workforce needs and supporting long-term economic growth.

Figure 14. Region 8 Share of Jobs by Educational Requirements, 2023



Source: DEED Occupational Employment & Wage Statistics

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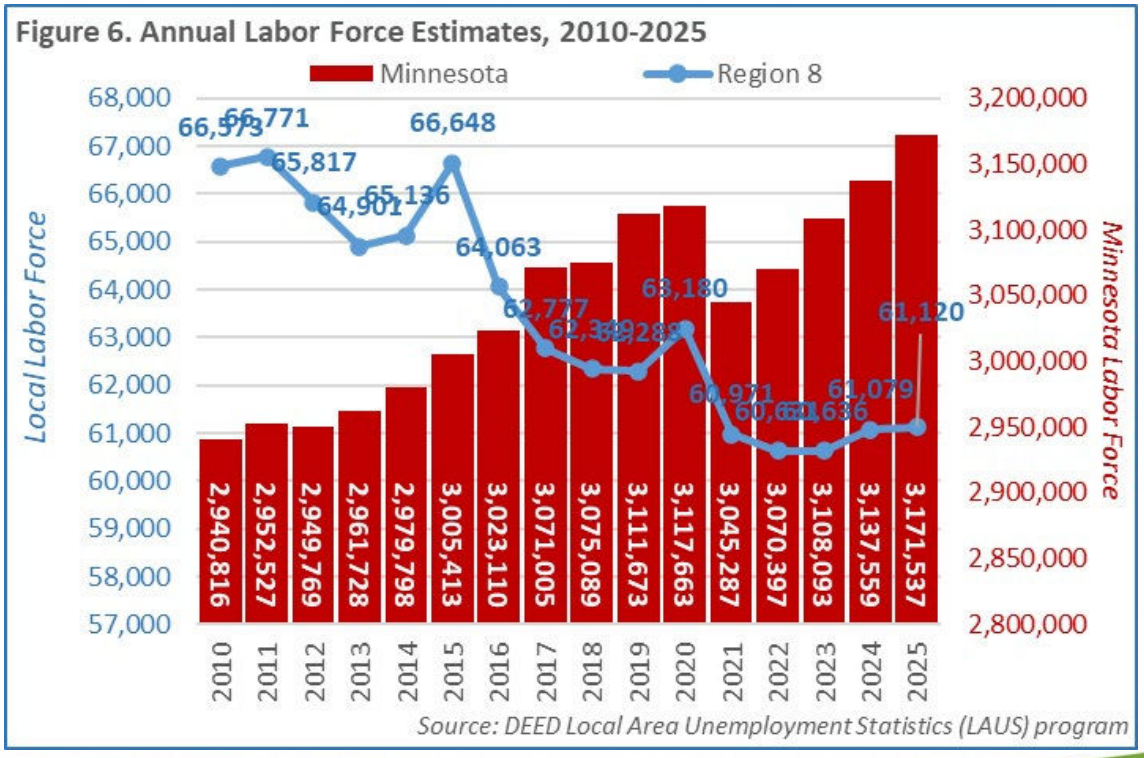


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Labor Force Participation

Labor force participation is the proportion of people ages 16 and older who are either working or seeking work. Students, homemakers, retired individuals, and others not looking for work do not count as participating in the labor force. Southwest Minnesota had an annual average labor force count of just over 63,200 workers through 2023. In line with the region's population decline and labor force changes across the country, Region 8 has lost about 2,700 workers since 2008 and is down from a peak of 68,029 workers in 2009. (Figure 6). The labor force declined by nearly 1,300 workers during the 2020 Pandemic Recession, and has continued to lose workers.[6]

A growing scarcity of workers with appropriate skills is recognized as one of the most significant barriers to future economic growth in Region 8. As noted above, the labor market shifted in 2020 from the economic shock of the COVID-19 pandemic, and for a brief time there were record numbers of unemployed workers despite the loss of 2,920 workers. That quickly changed to a record low number of unemployed workers as 1,506 workers came back into the labor force. Still, the small number of unemployed workers combined with labor force losses is contributing to a very tight labor market moving forward.[6]





Labor Force Participation

Labor Force Participation

A growing scarcity of workers with appropriate skills is one of the most significant barriers to future economic growth in Region 8.

1 2020 Economic Shock

The COVID-19 pandemic disrupted the labor market and, for a brief time, led to record numbers of unemployed workers despite the loss of 2,920 workers.

2,920 workers lost

2 Return to the Labor Force

Conditions quickly shifted as 1,506 workers came back into the labor force.

1,506 workers returned

3 Ongoing Challenge

The small number of unemployed workers, combined with labor force losses, is contributing to a very tight labor market moving forward.

Very tight labor market

SWOT

HUMAN CAPITAL (2027–2031)



S – Strengths

- Strong network of schools, postsecondary institutions, workforce organizations, and economic development partners.
- Robust CTE pathways support manufacturing, health care, transportation, agriculture, and other key industries.
- Diverse employers and industries offer broad career opportunities.
- Youth interest in staying or returning when aware of local career options.
- Workforce programs supporting career exploration, training, adult education, and employer connections.
- High quality of life and community environment supporting worker and family attraction.
- Stakeholder collaboration ensures workforce strategies reflect regional priorities and shared goals.

W – Weaknesses

- Long-term population decline, reducing workforce size and new entrants.
- Aging population is increasing retirements and loss of experienced workers.
- Persistent labor shortages limit employer growth and operations.
- Educational attainment below statewide averages.
- Limited rural access to specialized training and post-secondary programs.
- Childcare shortages and affordability barriers reducing workforce participation.
- Out-migration of young adults and skilled workers.
- Small communities lack capacity for sustained workforce initiatives.
- Need for continued stakeholder engagement to address gaps in resources and capacity.

O – Opportunities

- Expand CTE, apprenticeships, internships, work-based learning, and industry-recognized credentials.
- Strengthen education-to-career pathways through regional collaboration.
- Increase awareness of local careers via fairs, tours, job shadowing, social media, and regional platforms.
- Engage mature workers, immigrants and refugees, individuals with disabilities, and others facing employment barriers.
- Expand adult education, GED, ESL, flexible training, and alternative pathways.
- Develop regional talent attraction and retention strategies targeting young adults, former residents, skilled workers, families, and entrepreneurs.
- Build on "brain gain" by encouraging former residents and graduates to return.
- Strengthen childcare capacity through provider support, employer involvement, and community-based solutions.
- Use online learning and mobile training to expand rural access to education and workforce training.
- Expand mentoring, leadership development, and youth career exploration.
- Public input and stakeholder partnerships provide momentum for innovative workforce solutions.

T – Threats

- Continued population decline intensifying labor shortages.
- Accelerating retirements, reducing experienced workers and specialized skills.
- Competition from larger employment centers (Sioux Falls, Brookings, etc.).
- Childcare shortages and rising costs limiting workforce participation.
- Housing availability and affordability constraining worker attraction.
- Changing skill requirements widening gaps between worker capabilities and employer needs.
- Out-migration of young adults and college-educated residents reduces future leadership and entrepreneurship.
- Rising costs of education, training, transportation, and household expenses creating participation barriers.
- Employers competing for a limited worker pool, especially challenging for small and rural employers.
- Failure to sustain broad stakeholder involvement could weaken long-term workforce resilience.

SWOT

ECONOMIC COMPETITIVENESS



S - Strengths

- Broad business base across agriculture, manufacturing, health care, transportation, industrial, and more.
- Strong entrepreneurial foundation with small businesses as key employers and economic contributors.
- Established network of support: economic development organizations, chambers, lenders, and Small Business Development Centers.
- Private business growth (+7.56% establishments, 2016–2021).
- Value-added agriculture and food businesses expanding local economic activity.
- Revolving loan funds, grants, and technical assistance available for investment.
- Communities offer access to agricultural resources, transportation networks, land, and lower-density locations.
- Strong community relationships and regional collaboration support business growth.

W - Weaknesses

- Workforce availability remains a major constraint on growth and recruitment.
- Small/rural businesses face limited access to capital, technical assistance, and specialized services.
- Many businesses lack resources for planning, financing, digital marketing, succession, and technology adoption.
- Limited access to alternative capital (angel, venture, crowdfunding).
- Succession challenges as owners retire without successors.
- Smaller population limits consumer markets and amenities.
- Region contributes a relatively small share to Minnesota's overall economy.
- Regulatory requirements and high operating costs add pressure.

O - Opportunities

- Expand awareness and use of varied financing options (loans, grants, crowdfunding, angel investment).
- Strengthen technical assistance: planning, financing, marketing, succession.
- Expand entrepreneurship education, mentoring, incubators, and shared workspaces.
- Support succession planning and ownership transitions to retain businesses and jobs.
- Encourage adoption of technology, automation, e-commerce, and digital marketing.
- Build on agricultural strengths through value added products, food processing, and local food markets.
- Broaden the regional economic base with new businesses, emerging industries, and innovative products.
- Strengthen connections among businesses, lenders, schools, workforce organizations, and partners.
- Expand opportunities for entrepreneurs facing barriers to financing or networks.
- Promote shop-local initiatives and programs connecting businesses with consumers.
- Support retention and expansion of existing businesses while attracting new investment.

T - Threats

- Persistent workforce shortages limiting expansion and discouraging investment.
- Population decline and aging reducing labor and consumer markets.
- Competition from larger regional centers drawing workers, businesses, and investment.
- Rising labor, energy, materials, insurance, and transportation costs reducing profitability.
- Economic uncertainty limits financing and delaying investment.
- Business closures or failed succession reducing jobs and services.
- Communities with a narrow industry base vulnerable to downturns.
- Increasing regulatory burdens disproportionately affect small businesses.
- Difficulty attracting entrepreneurs, skilled workers, and investment.
- Rapid changes in technology, consumer behavior, and markets leave some businesses less competitive.



SWOT

COMMUNITY RESOURCES (2027–2031) -



S – Strengths

- Strong community connections, local leadership, volunteerism, and civic engagement.
- Rich recreational, cultural, historic, and natural assets enhancing quality of life and tourism.
- Parks, trails, lakes, rivers, arts organizations, and events supporting recreation and vitality.
- Local governments, chambers, nonprofits, schools, and businesses provide a strong collaboration base.
- Active downtowns, locally owned businesses, festivals, and gathering places strengthen identity and economy.
- Agricultural landscape and rural character support outdoor recreation, tourism, and local food.
- Tradition of community investment and stewardship of public spaces and cultural assets.
- Opportunities to connect tourism, recreation, arts, and local businesses to increase visitor spending.

W – Weaknesses

- Population decline and aging reduce civic participation, volunteerism, and leadership capacity.
- Difficulty recruiting and retaining volunteers and new leaders.
- Childcare shortages and affordability challenges limit family participation.
- Smaller communities face limited financial and organizational capacity to maintain assets.
- Lack of amenities and gathering spaces appealing to young families and new residents.
- Limited population and visitor spending constrain retail, dining, entertainment, and cultural offerings.
- Tourism spending often leaves the region for larger centers.
- Aging buildings, downtowns, and recreational facilities require significant reinvestment.
- Community organizations compete for limited volunteers, funding, and staff.
- Environmental stewardship and water quality protection add to financial and technical demands.

O – Opportunities

- Strengthening leadership development, civic engagement, and volunteer recruitment.
- Attract and retain young families, entrepreneurs, and residents by improving amenities and recreation.
- Support childcare as a community and economic development priority.
- Revitalize downtowns through placemaking, façade improvements, adaptive reuse, and local business development.
- Expand arts, culture, festivals, and recreational opportunities to strengthen identity and local spending.
- Promote tourism through regional marketing, connected attractions, and support for local lodging and retail.
- Develop outdoor recreation using parks, trails, lakes, rivers, and wildlife areas.
- Expand partnerships among communities, schools, nonprofits, and businesses to share resources.
- Identify new approaches to funding and maintaining community facilities and public spaces.
- Preserve and reuse historic buildings and cultural resources.
- Increase use of state, federal, philanthropic, and private funding for community projects.
- Strengthen natural resource stewardship and water quality efforts.
- Use events, tourism, arts, and local businesses together to create stronger destinations.

T – Threats

- Continued population decline and aging reduce participation, leadership, and customer base.
- Difficulty attracting young families and working-age residents weakens community vitality.
- Persistent childcare shortages discourage families from staying.
- Declining volunteer participation limits organizational capacity.
- Competition from larger centers draws residents and visitors away.
- Rising costs for construction, maintenance, insurance, and operations strain communities.
- Limited tax bases constrain investment in downtowns, parks, and cultural facilities.
- Vacant or deteriorating properties reduce attractiveness and private investment.
- Loss of locally owned businesses reduces vitality, spending, and services.
- Severe weather, invasive species, and environmental pressures increase costs and risks.
- Water quality challenges and aging infrastructure raise costs for communities and landowners.
- Communities unable to adapt amenities to changing needs may struggle to attract residents and visitors.



SWOT

FOUNDATIONAL ASSETS (2027–2031)



S – Strengths

- Extensive transportation networks support agriculture, manufacturing, freight, commuting, tourism, and commerce.
- Strategic location within major supply chains drives demand for reliable infrastructure.
- Multiple transportation modes: highways, local roads, airports, transit, bicycle/pedestrian facilities, and freight.
- Experienced local governments managing transportation, water, wastewater, and essential infrastructure.
- Broadband expansion increasing access to high-speed internet.
- Strong partnerships among governments, utilities, and agencies for infrastructure planning and development.
- Communities experience securing state/federal grants, loans, and funding.
- Existing plans and asset management practices guiding long-term investment.
- Regional collaboration enabling coordinated projects and shared resources.

W – Weaknesses

- Aging roads, bridges, water, and wastewater systems requiring costly maintenance and replacement.
- Limited tax bases and small populations constrain financing capacity.
- Rising construction, engineering, and utility costs increase project expenses.
- Small communities often lack staff and technical expertise for complex projects.
- Water/wastewater systems face compliance, capacity, and cost challenges.
- Broadband access remains uneven in rural areas.
- Some communities lack scale to support infrastructure without external assistance.
- Large geographic areas increase transportation service and maintenance costs.
- Limited public transit options create mobility challenges.
- Housing shortages and aging stock hinder workforce and family attraction.

O – Opportunities

- Expand access to state/federal funding and technical assistance for infrastructure projects.
- Align infrastructure investments with housing, workforce, and economic development priorities.
- Encourage right-sized water/wastewater systems and regional/shared approaches.
- Improve asset management and capital planning to anticipate needs.
- Continue expanding reliable, affordable broadband for households, businesses, schools, and health care.
- Invest in transportation improvements for freight, safety, connectivity, and resiliency.
- Strengthen regional transportation planning among counties, MnDOT, transit, airports, and freight partners.
- Expand transit, bicycle, and pedestrian options to improve access to jobs, education, and amenities.
- Integrate resiliency into infrastructure planning to reduce vulnerability to hazards.
- Support infrastructure enabling industrial, commercial, and residential development.
- Encourage shared services and regional coordination for utilities, broadband, and transportation.
- Explore innovative financing, public-private partnerships, and alternative funding.
- Connect infrastructure planning with housing and workforce development.
- Use investments to improve energy efficiency and incorporate renewable technologies.

T – Threats

- Continued aging infrastructure increases costs and risk of service interruptions.
- Needs exceeding available resources, leading to deferred projects.
- Rising construction and financing costs limiting project scope.
- Severe weather, flooding, and hazards damaging critical infrastructure.
- Population decline reducing utility revenues and tax bases.
- Increasing regulatory requirements, adding costs and technical demands.
- Delayed improvements raising future replacement costs and limiting development.
- Broadband gaps restricting rural business, remote work, education, and health care.
- Competition for funding disadvantaging smaller communities.
- Transportation funding constraints delaying needed improvements.
- Loss of critical infrastructure capacity disrupting businesses, residents, and supply chains.



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REGIONAL ECONOMIC RESILIENCY PLAN

Regional economic resilience is the ability of a region to prepare for, withstand, and recover from significant disruptions to its economy. This involves identifying potential threats, understanding how they could affect important industries, businesses, workers, and community assets, and having the resources and partnerships in place to respond effectively.

Regions generally face three types of economic disruptions:

* **Demand disruptions** — events that reduce demand for locally produced goods, services, or consumer spending.
- **Industry-specific downturn**s — declines in sectors that represent a significant share of the regional economy.
- **External shocks** — sudden events such as natural disasters, major employer closures, supply chain interruptions, or other unexpected disruptions.

A strong regional economy prepares for these challenges by identifying possible impacts, planning ahead, strengthening local and regional partnerships, and maintaining the ability to respond, adjust, and recover when disruptions occur. [3]





REGIONAL ECONOMIC RESILIENCY PLAN

The SRDC advances a wide range of steady-state economic resilience initiatives that help communities prepare for, withstand, and recover from disruptions.[1,3] These efforts include:

- Comprehensive planning that integrates hazard mitigation, long-range development goals, and risk-informed decision-making.

Economic development focused on cultivating emerging industries and clusters that leverage regional strengths and provide stability during market downturns.

- Versatile business retention and expansion strategies that respond to evolving economic conditions and support long-term business vitality.
- Workforce resilience initiatives that strengthen skills, flexibility, and talent pipelines across the region.
- GIS-driven planning to improve data-informed decision-making and enhance situational awareness.
- Emergency preparedness efforts that promote readiness across local governments, businesses, and community partners.

The SRDC advances a range of responsive economic resilience initiatives designed to help communities react quickly and effectively to disruptions. These efforts include:

- Pre-disaster recovery planning that positions communities to act swiftly when emergencies occur. Ongoing communication and monitoring to stay current on business needs, emerging issues, and shifting economic conditions.
- Rapid response communication that ensures timely coordination among partners during disruptions.
- Recovery planning across all time horizons addressing short-term stabilization, intermediate recovery, and long-term rebuilding.



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REGIONAL ECONOMIC RESILIENCY PLAN

Planning For and Implementing Resilience

All communities must be able to identify their vulnerabilities and take proactive steps to reduce the impacts of economic disruptions. Clear goals, targeted strategies, and coordinated actions help mitigate economic shocks and strengthen long-term recovery. In addition to developing a regional economic resiliency plan, SRDC will emphasize core components that establish a regional framework for economic resilience, including assessing vulnerabilities, aligning strategies with regional priorities, and building the capacity needed to respond effectively to future economic incidents. [1]

The Regional Economic Resiliency Plan is built around two core components—a regional market and demographic analysis and a county-level assessment of strengths and weaknesses. Together, these components identify opportunities that enhance community quality of life, pinpoint vulnerable lands, resources, and populations, and highlight supporting industries that complement existing regional characteristics. The plan's purpose is to strengthen the regional economy by leveraging strengths, addressing vulnerabilities, and building a resilient future through strategies such as workforce contingency planning, identifying complementary business opportunities, and supporting small- and mid-sized businesses during economic shocks. [1]



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REGIONAL ECONOMIC RESILIENCY PLAN





Establishing Information Networks

In addition to creating a regional economic resiliency plan, SRDC has the capacity to facilitate active and regular communication between the relevant stakeholders and serve as an information hub by collecting data and convening the appropriate players to facilitate recovery post-disruption. [1]

Economic resilience is integrated within the CEDS by planning for and implementing resilience through specific goals or actions, via our four cornerstones, to bolster the long-term economic durability of the region and to collaborate on existing and potential future challenges. [1]





Cornerstone: Human Capital

Labor Force

Call to Action:
Southwest Minnesota's economy is becoming increasingly global, creating pressure to meet today's hiring and skill demands while preparing for growth in both service-sector and higher-wage technical and professional fields. At the same time, the region's labor force is shrinking—and is expected to continue declining—as a large share of workers retire. This tightening labor pool is already limiting business operations and constraining future expansion, making workforce availability one of the region's most critical economic challenges. [6]



Context:
Labor force participation reflects the share of people ages 16 and older who are working or actively seeking work. Individuals who are not pursuing employment—such as students, homemakers, and retirees—are not counted as part of the labor force. [6]

Minnesota's labor force participation has not fully rebounded from pre-pandemic levels.[6] The Southwest region continues to experience lower participation than the state overall, while Minnesota—despite maintaining one of the strongest labor markets nationally—has seen participation fall from its 2018 peak.[6]

Smart Goal:
Increase Southwest Minnesota's labor force participation rate by 2 percentage points—from its current post-pandemic baseline—to reach at least 64% by 2031.

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Cornerstone: Human Capital

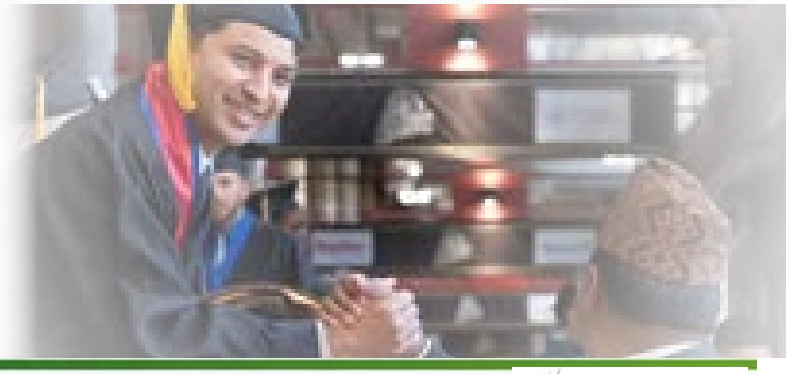
Labor Force Strategies

1. **Southwest Minnesota will strengthen its workforce pipeline** by aligning education and training systems with the evolving skill needs of regional employers. This includes encouraging businesses to clearly identify the minimum requirements for open positions, helping jobseekers better understand pathways into high-demand fields. The region will deepen collaboration between employers and educators, expanding models that connect students directly with industry through early interventions, work-based learning, and career exploration.

Targeted support will be provided to the Lower Sioux Indian Community as they advance their business incubator, ensuring access to technical assistance during early implementation. To help students and families make informed career decisions, the region will share current labor force data broadly—including through partnerships with community connectors who can reach students of color and other underrepresented groups. Together, these strategies build a more responsive, accessible, and future-ready workforce system.



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Cornerstone: Human Capital

Labor Force Strategies

2. Southwest Minnesota will expand workforce participation by engaging mature workers, newcomers to the region, individuals with criminal records, people facing physical or health-related employment barriers, and others who may encounter challenges entering or remaining in the workforce. Efforts will focus on reducing barriers through expanded English-language instruction, workplace communication support, locally trained translators, and access to citizenship classes. Alternative training pathways will be developed for adults without a GED, along with programs designed to help individuals with criminal backgrounds prepare for and obtain employment. Together, these strategies will broaden labor force participation and help more residents connect with meaningful employment opportunities.



3. Southwest Minnesota will improve access to affordable, high-quality childcare by strengthening provider capacity, expanding family-based options, and engaging employers and communities in shared solutions. The region will pursue grant and loan programs to support providers, mentorship opportunities for family childcare, and public education on childcare requirements and early learning. Quality will be advanced through support of the Parent Aware rating system and outreach to bilingual providers, while flexible models such as legally non-licensed care, drop-in, and overnight options will be promoted to meet diverse family needs..

4. Southwest Minnesota will build a strong regional talent pipeline by connecting students to local career opportunities and preparing them to become the future workforce. Through coordinated partnerships with schools, employers, and community organizations, the region will provide clear pathways into high-demand industries, ensuring that young people are informed, engaged, and equipped with the skills needed to thrive in the regional economy.



Cornerstone: Human Capital

Labor Force Strategies

5. **Southwest Minnesota will create and sustain** vibrant, healthy communities that attract and retain residents by fostering quality of life, strengthening local assets, and supporting balanced growth. Efforts will focus on enhancing housing, childcare, healthcare, and recreational opportunities, while supporting cultural vitality and community engagement. By investing in both physical infrastructure and social connections, the region will build welcoming communities where people choose to live, work, and stay long-term.

6. Southwest Minnesota will promote and expand mentoring and leadership opportunities for youth, women, or those facing barriers to employment. By fostering inclusive networks and pathways to leadership, the region will help underrepresented groups build skills, gain confidence, and access career advancement opportunities. These efforts strengthen equity, broaden participation in the labor market, and ensure that diverse voices contribute to the region's long-term economic vitality.



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Cornerstone: Human Capital

Educational Attainment

Call to Action:
As Southwest Minnesota's workforce continues to shrink, raising educational attainment is essential to sustaining productivity and driving economic growth. A stronger foundation of skills will enable workers to adapt to evolving industry demands, support innovation, and ensure the region remains competitive in a global economy. By investing in education and training, Southwest Minnesota can create and retain a vibrant workforce prepared to meet current and future challenges.



* DEED Labor Market Information (OEWS)

Context:
Southwest Minnesota continues to face challenges in educational attainment compared to statewide averages. As of 2026, 88.1% of adults age 18 and older hold at least a high school diploma, below Minnesota's statewide rate of 93.9%. Within the region, attainment levels vary significantly among counties. Nobles County reports the lowest high school completion rate at 76.3%, while Lyon County reports the highest rate at 92%. The region also trails statewide averages in residents with some college experience and bachelor's degrees, although it maintains a higher proportion of residents with associate's degrees and technical training.[5]

Labor market demand continues to reflect the region's educational profile. Many in-demand occupations require a high school diploma, industry-recognized credential, technical training, apprenticeship, or associate's degree rather than a traditional four-year degree. At the same time, employers increasingly require workers with specialized technical skills, certifications, and advanced education in fields such as healthcare, engineering, information technology, manufacturing, agriculture, management, and skilled trades. Meeting these workforce demands will require stronger alignment among education providers, employers, workforce organizations, and community partners.

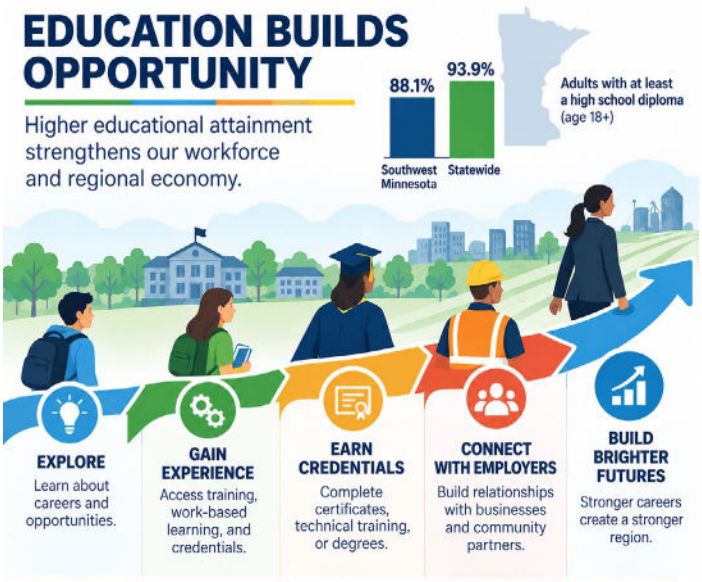
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Cornerstone: Human Capital

Educational Attainment Context Continued:
Creating a coordinated career-connected learning system will be essential to increasing educational attainment and workforce participation. Students, adult learners, and job seekers need opportunities to explore careers, gain workplace experience, earn credentials, access postsecondary education, and connect with employers. Employers, educators, workforce organizations, and community leaders must work together to ensure that career awareness, career exploration, technical education, work-based learning, and employment opportunities are part of a coordinated continuum that leads to successful career outcomes and long-term regional prosperity.



Education Attainment Smart Goals

1. Increase High School Completion
Increase the number of adults in Southwest Minnesota with a GED, high school diploma, or equivalent credential by 3 percentage points by 2031, reducing educational attainment gaps and strengthening workforce participation.

2. Expand Postsecondary Attainment
Increase the proportion of residents ages 18-64 who complete postsecondary education, technical training, apprenticeships, or industry-recognized credentials aligned with regional workforce needs and increase the share of residents ages 25-44 holding a bachelor's degree or higher to 36% by 2031. [5]

3. Reduce Workforce Shortages
Reduce labor shortages in occupations requiring postsecondary education, technical training, credentials, or apprenticeships to 30% or less by 2031 while maintaining strong employment outcomes for educated and skilled workers.

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Cornerstone: Human Capital

Educational Attainment Strategies

1. Strengthen career and technical education (CTE) and career pathway opportunities throughout the region.

a. Expand access to high-quality CTE programs, work-based learning, apprenticeships, internships, and industry-recognized credentials aligned with regional workforce needs.

b. Increase opportunities for students and adult learners to access training through high schools, community and technical colleges, employers, workforce organizations, and other education and training providers.

c. Utilize technology, online learning, mobile training resources, shared CTE delivery models, and regional partnerships to expand access to education and training opportunities, particularly in rural communities.

d. Promote equitable access to career-connected learning, technical education, work-based learning, and training opportunities across all regional school districts and communities.

e. Promote career laddering and stackable credentials that allow individuals to enter the workforce, advance their skills, and pursue higher-paying careers.

f. Encourage flexibility in high school graduation requirements and postsecondary pathways that support experiential learning, work-based learning, dual-credit opportunities, and industry-recognized credentials.

2. Develop a coordinated career-connected learning continuum.

a. Organize career-connected learning opportunities around a progression of career awareness, exploration, preparation, work-based learning, credential attainment, postsecondary education, apprenticeship, and employment.

b. Connect career fairs, classroom presentations, employer tours, job shadows, mentoring, internships, apprenticeships, and credential opportunities so each experience builds upon previous learning and leads to meaningful next steps.

c. Expand opportunities for students and adult learners to participate in paid and unpaid work-based learning experiences.

d. Strengthen collaboration among schools, employers, workforce organizations, and postsecondary institutions to align career pathways with regional workforce needs.

3. Increase awareness of regional career opportunities and strengthen employer engagement.

a. Promote career opportunities to students, families, educators, adult learners, and job seekers through career fairs, employer tours, job shadows, classroom presentations, social media, videos, and regional career websites.

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Cornerstone: Human Capital

Educational Attainment Strategies

b. Encourage employers to communicate career pathways, education and training requirements, advancement opportunities, wage ranges, and available support programs.

c. Develop and share regional success stories highlighting local employers, career pathways, and individuals building successful careers in Southwest Minnesota.

d. Establish a tiered employer engagement framework that encourages businesses to participate at varying levels based on their capacity and resources.

e. Provide opportunities for employers to engage through career presentations, workplace tours, job shadows, mentoring, student projects, educator externships, internships, apprenticeships, tuition assistance programs, and direct-hire pathways.

f. Develop shared outreach tools, employer resources, and regional points of contact that simplify employer participation, particularly for small and rural employers.

4. Engage youth as partners in regional education, workforce, and economic development efforts.

a. Involve youth through surveys, focus groups, advisory committees, leadership opportunities, and participation in planning processes.

b. Incorporate youth perspectives into career-connected learning initiatives and workforce development programs.

c. Support youth leadership, civic engagement, and entrepreneurship opportunities that strengthen connections to the region.

d. Encourage youth participation in evaluating and improving regional education and workforce initiatives.

5. Expand access to financial resources for education and training.

a. Provide students, families, and adult learners with information and direct assistance navigating scholarships, grants, employer tuition assistance programs, apprenticeship opportunities, workforce training funds, and supportive services.

b. Promote and coordinate existing state, federal, institutional, employer, and nonprofit resources that reduce barriers to education and training.

c. Track outcomes such as financial assistance received, training participation, credential attainment, and program completion to measure effectiveness and identify gaps.

6. Strengthen talent attraction, retention, and welcoming initiatives.

a. Collaborate across communities and organizations to implement regional strategies that attract, retain, and welcome workers, families, entrepreneurs, and new residents.

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Cornerstone: Human Capital

Educational Attainment Strategies

b. Support initiatives that encourage young adults, recent graduates, and former residents to live and work in Southwest Minnesota.

c. Connect talent attraction and retention efforts to career-connected learning opportunities, internships, apprenticeships, alumni outreach, return-to-region initiatives, and early-career employment pathways.

d. Promote Southwest Minnesota as a place to live, work, raise a family, start a business, and build a career.

e. Develop targeted communications for students, families, educators, job seekers, adult learners, and former residents that highlight career opportunities, wages, advancement pathways, regional employers, and quality-of-life advantages.

7. Align education and training investments with regional workforce and economic development needs.

a. Strengthen collaboration among K-12 schools, postsecondary institutions, workforce organizations, employers, and economic development organizations.

b. Use workforce, industry, and demographic data to identify emerging occupations and future skill needs.

c. Align educational programming and training investments with current and projected workforce demand.

d. Promote career pathways that connect education, credentials, training, and employment while supporting upward mobility and wage growth.



* DEED Labor Market Information (OEWS)

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Cornerstone: Human Capital

Economic Resilience in Human Capital

Human capital is a critical component of Southwest Minnesota's economic resilience. The region's ability to withstand and recover from economic disruptions depends in part on the availability, skills, adaptability, and retention of its workforce, as well as the ability of communities and employers to respond to changing demographic and economic conditions. In Southwest Minnesota, human capital resilience is influenced by several interconnected trends:

Population Loss or Stagnant Growth: When population growth does not keep pace with workforce needs, communities may face labor shortages that limit business expansion, entrepreneurship, and economic development. Population decline can also reduce local consumer demand and make it more difficult to attract employers and residents, creating a cycle of continued population and workforce loss.[6]

Rural Brain Drain: Southwest Minnesota communities face challenges retaining young adults, college graduates, and skilled workers who may relocate for career opportunities, housing, amenities, or quality of life. Attracting and retaining these workers is essential to maintaining a skilled and adaptable workforce. [6]

Aging Population: As experienced workers retire, fewer working-age residents are available to fill workforce needs, creating recruitment challenges for employers and potential loss of institutional knowledge. At the same time, older workers provide valuable experience and skills that can be leveraged through flexible employment, mentoring, and workforce transition strategies. [6, 5]

The 2027–2031 CEDS Smart Goals will strengthen human capital by expanding workforce participation, supporting education and training, improving worker attraction and retention, and connecting workers with regional opportunities. These efforts will build a skilled, adaptable workforce to support long-term economic growth.



Economic Resilience in Human Capital

Organizations

Stronger People.
Stronger Communities.
A More Resilient Region.

EDUCATION & WORKFORCE DEVELOPMENT

Building Skills for What's Next.

- Minnesota West Community and Technical College
- Southwest Minnesota State University
- U of M Extension
- Southwest Adult Basic Education
- Region 8 School Board
- Southwest West Central Service Cooperative
- LYFT Career Pathways
- CareerForce

ECONOMIC & COMMUNITY PARTNERS

Collaborating for a Stronger, More Resilient Region.

- Local government (cities, townships, counties, and municipalities)
- Local Chambers of Commerce
- Local EDA authorities and corporations
- Southwest Initiative Foundation
- Southwest Minnesota Private Industry Council
- Minnesota Department of Employment and Economic Development

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BUILDING A MORE RESILIENT TOMORROW.



People.
Workforce.
Opportunity.
Thriving Together.

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Cornerstone: Economic Competitiveness

Entrepreneurship & Innovation

Call to action:
Southwest Minnesota must foster entrepreneurship and innovation to remain competitive in a changing global economy. Supporting entrepreneurs, startups, and existing small businesses will strengthen local economies, create jobs, and drive long-term regional growth.

Context:
The StatsAmerica Index benchmarks local economic performance against state and national trends across four areas: human capital, economic dynamics, productivity and employment, and economic well-being.

With 100% representing the national average, Southwest Minnesota scores 105.1% on the StatsAmerica Headline Innovation Index, compared with 116.9% for Minnesota. The region trails the national average in human capital, economic dynamics, and productivity and employment, but exceeds it in economic well-being. [7]

Smart Goal: Increase the percentage of Southwest Minnesota residents who report that their community works effectively together to address local needs by 5% by 2031, based on regional community survey data.



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Cornerstone: Economic Competitiveness

Entrepreneurship & Innovation Strategies

1. Expand Access to Capital and Capital Readiness

Increase entrepreneurs' access to financing, financial education, and resources needed to start, acquire, and grow businesses.

a. Provide capital-readiness training focused on business planning, and financing options.

b. Connect entrepreneurs with lenders, investors, CDFIs, and public and private financing programs.

c. Promote diverse financing options, including microloans, crowdfunding, angel investment, and venture capital.

d. Expand outreach and financing opportunities for entrepreneurs facing barriers to accessing capital and business resources.

e. Support business succession and acquisition through financing and technical assistance.

2. Strengthen Entrepreneurial Networks and Innovation Spaces

Expand access to shared workspaces, business incubators, maker spaces, and other resources that support entrepreneurship, innovation, and business growth.

a. Identify and share successful models that communities can adapt to local needs.

b. Strengthen regional entrepreneur networks, mentoring, and peer-to- peer connections.

c. Connect entrepreneurs with technical assistance, educational resources, and business development services.

3. Foster an Entrepreneurial and Innovation Culture

Build a regional culture that encourages entrepreneurship, innovation, and business growth.

a. Expand entrepreneurship education, programming, mentoring, and technical assistance.

b. Promote initiatives that develop entrepreneurial skills, encourage innovation, and support new and existing businesses.

c. Connect entrepreneurs, businesses, educational institutions, and community partners to share ideas and opportunities.

4. Strengthen Digital Business Development

Help businesses build strong digital and online marketing strategies to reach customers, increase engagement, and expand sales.

5. Support Innovation and Economic Diversification

Encourage value-added opportunities, new markets, technology adoption, and innovative uses of regional resources to strengthen existing industries and broaden the region's economic base.

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CORNERSTONE
HUMAN CAPITAL

Cornerstone: Economic Competitiveness

Small Business Growth

Call to Action

Southwest Minnesota's small businesses, particularly those in rural communities, often face greater barriers to capital, technical assistance, and business resources. Expanding access to financing, information, and support services will help small businesses start, grow, adapt, and remain competitive.

Context

According to DEED's Quarterly Census of Employment and Wages (QCEW), Southwest Minnesota was home to 13,018 business establishments and 173,010 jobs in 2024. Employment remained relatively stable from 2023 to 2024 but was 3,594 jobs, or 2.0%, below 2019 levels, highlighting the continued need to support small business growth, entrepreneurship, and a broader, more resilient economic base. [6]

Smart Goals:

1. Expand Access to Capital: Increase the number and availability of capital investment and financing programs accessible to small and medium enterprises (SMEs)—defined as businesses with 50 or fewer employees—to support business expansion, modernization, entrepreneurship, and job creation throughout Southwest Minnesota by 2031.

2. Increase Business Establishments: Build on the 7.56% growth in private business establishments from 2016–2021 by increasing the number of private business establishments in Southwest Minnesota by 5% or more by 2031.

3. Increase Regional Gross Sales: Increase Southwest Minnesota's share of Minnesota's total gross sales from 1.75% to at least 2% by 2031, strengthening the region's contribution to the state's economy.



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CORNERSTONE
HUMAN CAPITAL

Cornerstone: Economic Competitiveness

Small Business Growth Strategies

1. **Expand access to business financing** by increasing awareness of traditional and alternative funding options, including loans, grants, crowdfunding, angel investors, and venture capital.

2. **Strengthen regional business support services** by improving access to business planning, technical assistance, loan packaging, grant writing, and Small Business Development Center resources.

3. **Support business creation, growth, and succession** through entrepreneurship programs, succession planning, technical assistance, and resources for new and established businesses.

4. **Strengthen partnerships** among lenders, businesses, and economic development organizations to address gaps in business financing and increase lending opportunities for small and medium enterprises.

5. **Support value-added agriculture and local food businesses** through technical assistance, education, networking, and connections to markets and financing.

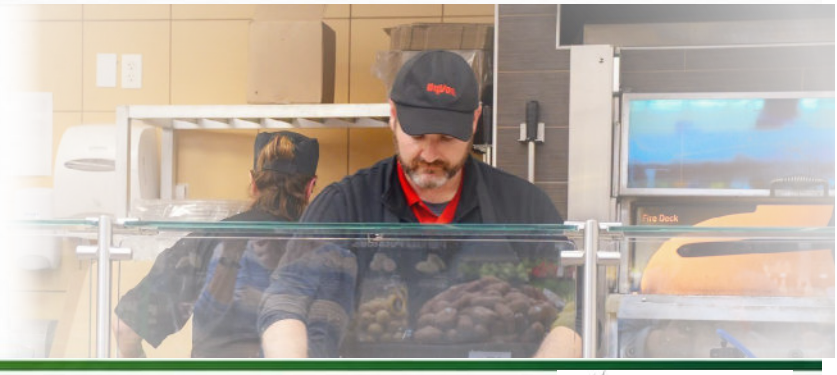
6. Promote inclusive entrepreneurship by expanding business training, technical assistance, and access to capital for new Americans, people of color, and other underserved entrepreneurs.

7. Strengthen local and regional business networks through professional development, peer learning, networking, and collaboration among economic development professionals and business leaders.

8. Promote local business growth and consumer spending through shop-local initiatives, business welcome programs, and efforts that connect businesses with local customers and markets.



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Cornerstone: Economic Competitiveness

Economic Resilience in Economic Competitiveness

Economic competitiveness can be affected by disruptions that reduce business investment, entrepreneurship, and local economic activity. In Southwest Minnesota, key vulnerabilities include:

- **Reduced Access to Capital:** Economic uncertainty can make lenders more cautious, limiting financing available for business start-up, expansion, and investment.

- **Business Closures:** The loss of local businesses reduces competition, employment, and local spending and can create a ripple effect when other businesses depend on those enterprises as customers, suppliers, or partners.

- **Limited Economic Breadth:** Communities with a narrow range of industries and businesses are more vulnerable to industry-specific downturns and economic shocks. A broader business and industry base can strengthen economic stability while creating additional opportunities for innovation, investment, and growth.

The 2027–2031 SMART Goals focus on strengthening economic resilience by expanding access to capital, supporting entrepreneurship and innovation, encouraging business growth and retention, and promoting a broader regional economic base.



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Economic Resilience in Economic Competitiveness

Organizations

Thriving Businesses.
Skilled Workforce.
A More Resilient Region.



ECONOMIC DEVELOPMENT & BUSINESS PARTNERS

Growing Businesses. Strengthening Communities.

- Local government (cities, townships, counties, and municipalities)
- Local Chamber of Commerce
- Local EDA authorities and corporations
- Southwest Initiative Foundation

WORKFORCE, CAREER & ENTREPRENEURSHIP SUPPORT

Opportunity. Innovation. Regional Growth.

- Minnesota Department of Employment and Economic Development
- Small Business Development Center
- LYFT Career Pathways
- CareerForce

SUPPORTING ENTREPRENEURSHIP.
BUILDING WORKFORCE CAPACITY.
ADVANCING A MORE RESILIENT TOMORROW.

Business.
Workforce.
Opportunity.
Stronger Together.



SOUTHWEST MINNESOTA | STRONGER TOGETHER

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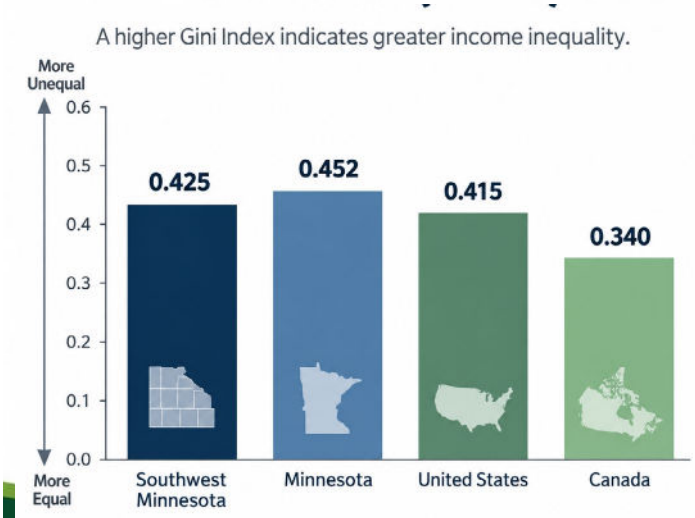
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Cornerstone: Community Resources

Social Capital

Call to Action
Strengthen community connections and regional quality of life by promoting local assets, encouraging civic participation, building partnerships, and supporting efforts to attract and retain businesses, services, and community amenities throughout Southwest Minnesota.

Context
Strong social capital and community engagement are important assets for Southwest Minnesota. Residents who feel connected to their communities and believe they can work together effectively are better positioned to address local challenges, support community initiatives, and create opportunities for future [8]



The Blandin Foundation's Rural Pulse™ research provides insight into community priorities and collaboration. 86% of Southwest Minnesota residents indicated that residents are able to work together effectively, compared with 82% statewide. The study also identified several critical issues facing the region, including healthcare, jobs, economic development, affordable housing, drug abuse, mental health, racial barriers, and childcare availability. These findings highlight both the region's strong foundation of community collaboration and the challenges that communities must continue to address.[8]

Income distribution is another factor that can influence economic opportunity and community well-being. The Gini Index, a measure of income inequality, ranges from 0 to 1, with lower values indicating a more equal distribution of income. In 2018, the Gini Index was 0.425 for Southwest Minnesota and 0.452 for Minnesota, compared with 0.415 for the United States and 0.340 for Canada. These measures provide context for understanding economic conditions and the distribution of resources within the region. [8]



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Cornerstone: Community Resources

Social Capital / Community Connections & Participation

Call to Action

Moving forward, Southwest Minnesota can build on its strong social capital by encouraging civic participation, strengthening partnerships, and working collaboratively to address community priorities, improve quality of life, and expand opportunities throughout the region.

Smart Goal

Increase the percentage of Southwest Minnesota residents who report that their community works together effectively to address local issues from the previous baseline of 86% to at least 91% by 2031.

Strategies

1. Develop and support emerging community leaders through leadership opportunities, mentoring, and networking.

2. Strengthen connections among community leaders and young professionals to encourage collaboration and civic engagement.

3. Provide leadership and professional development opportunities for community leaders, educators, and other community stakeholders.

4. Promote volunteerism and civic engagement by sharing successful local programs and community success stories.

5. Strengthen community partnerships and coalitions that bring residents, organizations, businesses, and local governments together around shared priorities.

6. Improve outreach and engagement by using creative approaches to connect with residents and communities that may be less engaged in traditional community activities.

7. Support community planning efforts of the Lower Sioux Indian Community by strengthening partnerships and pursuing funding opportunities for local priorities and projects.





Cornerstone: Community Resources

Arts & Culture

Call to Action
Support arts, culture, and placemaking initiatives that strengthen Southwest Minnesota's economy, enhance quality of life, celebrate cultural diversity, and create opportunities for community connection and collaboration.

Context
Arts, culture, and creative activities contribute to the economic vitality, quality of life, and attractiveness of Southwest Minnesota communities. The region's arts and cultural assets—including local events, historic and cultural resources, creative businesses, and community-based organizations—help strengthen community identity, attract visitors, and create opportunities for residents to connect and participate. [11]

While arts, design, entertainment, and media employment represents a smaller share of regional employment than statewide, these activities can have an impact beyond direct employment by supporting tourism, downtown revitalization, small businesses, and community placemaking. Continued investment in arts and culture can help Southwest Minnesota create vibrant, welcoming communities and strengthen connections among diverse populations.[11]

Smart Goal:
Increase participation in and awareness of arts, cultural, and placemaking activities by supporting at least 10 regional initiatives or events annually that celebrate Southwest Minnesota's unique communities, strengthen community connections, and enhance quality of life by 2031.

Strategies

1. Support arts, culture, and placemaking initiatives that strengthen downtowns, public spaces, community identity, and quality of life.

2. Connect artists, creative entrepreneurs, and cultural organizations with resources, funding, training, and business support to help sustain and grow the region's creative economy.

3. Expand access to arts and cultural opportunities by supporting programs, events, and partnerships that reach rural communities and underserved populations.

4. Promote cultural tourism and regional collaboration by highlighting local arts, heritage, events, and cultural assets as economic and community development resources.

5. Support creative spaces and opportunities for artists and entrepreneurs, including shared workspaces, studios, incubators, and community-based creative projects.

6. Encourage partnerships among communities, schools, businesses, artists, and cultural organizations to develop innovative arts and cultural programming throughout Southwest Minnesota.



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Cornerstone: Community Resources

Tourism

Call to Action
Strengthen tourism as a driver of economic development by promoting Southwest Minnesota's unique attractions, outdoor recreation, cultural assets, events, and local businesses. Regional collaboration and strategic marketing can increase visitation, support local businesses, and enhance the region's competitiveness as a destination.

Context
Tourism is an important contributor to Southwest Minnesota's economy, supporting local businesses, jobs, and community vitality throughout the region. Visitor spending benefits a wide range of industries, including hospitality, retail, restaurants, recreation, transportation, and other local services.

Southwest Minnesota has a diverse collection of tourism assets, including state and national parks, historic sites and structures, county and municipal parks, outdoor recreation opportunities, cultural attractions, and community events. These assets provide opportunities to attract visitors, encourage longer stays, and generate economic activity in local communities.[9]

Continued investment in tourism infrastructure, promotion, partnerships, and destination development can help Southwest Minnesota strengthen its competitiveness, expand visitor spending, and support sustainable economic growth.[4]

Smart Goal:
Increase annual visitor spending in Southwest Minnesota by 10% by 2031, while supporting tourism-related businesses, attractions, events, and destinations through regional marketing, collaboration, and strategic Investment.[11]





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Cornerstone: Community Resources

Tourism Strategies

1. Strengthen and expand tourism attractions, experiences, and amenities.

a. Partner with chambers of commerce, tourism organizations, communities, and businesses to identify tourism opportunities and gaps.

b. Encourage development of new or enhanced dining, entertainment, outdoor recreation, arts, cultural heritage, and agri-tourism experiences.

c. Explore niche tourism opportunities that build on the region's unique assets and visitor interests.

d. Connect communities and tourism businesses with resources for tourism development and investment.

2. Strengthen regional tourism marketing and promotion.

a. Explore regional approaches to promote Southwest Minnesota as a destination.

b. Develop or enhance shared tools, platforms, campaigns, or other resources that showcase regional attractions, businesses, events, and recreational opportunities.

c. Coordinate tourism marketing efforts among communities, chambers, tourism organizations, and other regional partners.

d. Promote opportunities that encourage visitors to explore multiplecommunities and extend their stays.

3. Strengthen the tourism workforce and career pipeline.

a. Promote tourism and hospitality careers, internships, and career pathways to students and younger workers.

b. Support soft-skills training, including communication, customer service, teamwork, flexibility, and professionalism.

c. Work with employers and educational institutions to expand internships, work-based learning, and career exploration opportunities.

d. Encourage tourism employers to address workforce retention through competitive wages, benefits, and opportunities for advancement.



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Cornerstone: Community Resources

Tourism Strategies Continued

4. Increase community awareness and support for tourism.

a. Educate residents, businesses, and community leaders about the economic benefits of tourism and visitor spending.

b. Promote local participation in tourism activities, events, attractions, and hospitality efforts.

c. Encourage communities to identify and strengthen tourism assets that contribute to local economic activity.

5. Support vibrant downtowns and community destinations.

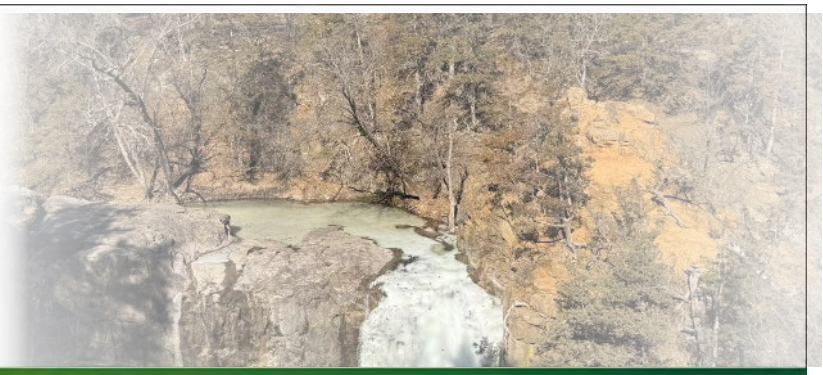
a. Encourage revitalization of main streets and downtown districts through expanded shopping, dining, entertainment, lodging, and visitor experiences.

b. Connect downtown development, historic preservation, arts, cultural activities, and community events with tourism promotion.

c. Encourage communities to create welcoming, attractive destinations that encourage visitors to stay longer and spend locally.

Strategies





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Cornerstone: Community Resources

Natural Resources

Call to Action

The southwestern region is fortunate to have an abundance of natural resources that are essential to its economy. However, the strain on these resources is increasing, placing pressure on stakeholders to adapt. To thrive, Southwest Minnesota must address several challenges, including groundwater overuse and contamination, invasive species, the decline of natural areas, the exploitation of resources, and a loss of biodiversity.

Context

Minnesota's natural resources continue to support a significant outdoor recreation and tourism economy. Outdoor recreation generates billions of dollars in consumer spending and supports thousands of jobs statewide. In Southwest Minnesota, agriculture, forestry, fishing, hunting, and mining remain important components of the regional economy. In 2025, the broader Southwest Minnesota region supported 5,125 jobs in Agriculture, Forestry, Fishing & Hunting and 246 jobs in Mining, with a combined annual payroll of nearly $300 million. These industries continue to contribute to the region's economic base and provide employment connected to the area's natural resources. [6]

Invasive species continue to pose challenges to Southwest Minnesota's natural resources, water quality, forests, recreation, and local economies. Aquatic invasive species such as zebra mussels, invasive carp, Eurasian watermilfoil, starry stonewort, faucet snails, and spiny waterflea, along with terrestrial forest pests such as emerald ash borer, can affect native ecosystems and the recreational and economic uses of natural resources.[10]

The Minnesota Department of Natural Resources reports that, as of September 2026, approximately 9% of Minnesota's 11,842 lakes are on the state's infested waters list, with zebra mussels confirmed in 378 lakes and wetlands as of June 2025. New infestations continue to be identified, underscoring the importance of prevention, early detection, monitoring, and management efforts.[10]

CEDS
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



SRDC
SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

Cornerstone: Community Resources

Smart Goals:

1. Support 10 projects that protect or restore natural resources by 2031.
2. Conduct or support five educational activities promoting sustainable practices by 2031

Strategies:

1. Identify, protect, and promote natural resources and outdoor heritage through conservation, education, recreation, and tourism.

2. Integrate natural resource conservation into local and regional planning.

3. Promote land-use planning that balances economic development, community resilience, quality of life, and natural resource preservation.

a. Support efforts to prevent, manage, and reduce invasive species.

4. Provide regional planning and project review assistance for developments with significant community or environmental impacts.

5. Promote energy efficiency and renewable energy to reduce energy costs and environmental impacts.

a. Support energy audits and energy-efficiency improvements.

b. Promote Property Assessed Clean Energy (PACE) and other financing resources

c. Connect businesses and communities with energy-efficiency.

6. Promote waste reduction, recycling, composting, and other sustainable practices.

7. Support alternative-fuel transportation and infrastructure where appropriate.

a. Expand EV charging opportunities in rural areas.

b. Support electric and biofuel vehicles for transit and school districts.

c. Consider multimodal transportation options in transportation planning.





Cornerstone: Community Resources

Water Quality

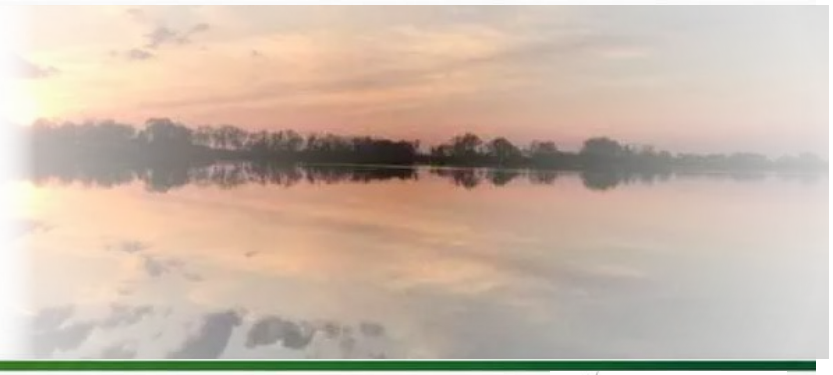
Call to Action
Protect and improve Southwest Minnesota's water resources to support healthy communities, agriculture, economic development, and natural resources. Regional collaboration, conservation, and investments in water quality and infrastructure can help address water-related challenges, protect drinking water supplies, and strengthen the long-term resilience of communities and the regional economy.

Context:
Water quality is an important environmental and economic resource for Southwest Minnesota, supporting drinking water supplies, agriculture, recreation, wildlife, and community vitality. Groundwater provides drinking water for approximately 75% of Minnesotans and nearly all water used for crop irrigation; however, groundwater availability is limited in some areas of southwestern Minnesota, making protection and responsible management particularly important.[12]

Water quality challenges remain throughout the region. Agricultural land use, runoff, nutrients, sediment, altered waterways, and other sources can affect lakes, rivers, streams, and groundwater. MPCA identifies agricultural runoff as a significant source of nitrate pollution, with more than 70% of nitrate pollution in Minnesota waters coming from cropland.[12]

Minnesota's water quality is also showing signs of progress. Long-term MPCA monitoring indicates that fish and insect populations are improving in many rivers and streams, phosphorus levels in major rivers are stabilizing or decreasing, and water clarity is improving in many lakes and streams. At the same time, ongoing challenges—including land-use changes, climate impacts, nutrients, and emerging contaminants—require continued monitoring, protection, and restoration efforts.[12]

The MPCA evaluates Minnesota waters every two years and identifies waterbodies that do not meet established water quality standards. The 2024 Impaired Waters List included 6,338 water-quality impairments across 2,847 waterbodies statewide. Southwest Minnesota includes numerous watersheds where local governments, soil and water conservation districts, watershed organizations, landowners, and other partners are implementing projects to protect and restore water resources.[12]



Cornerstone: Community Resources

Water Quality

Smart Goal

Establish a 2027 baseline of water quality protection- and restoration activities in Southwest Minnesota and increase implementation of identified best management practices and restoration projects by 10% by 2031, through regional collaboration, watershed planning, technical assistance, and investment.

Strategies

1. Support regional efforts to protect and improve water quality.

a. Promote implementation of watershed restoration and protection plans.

b. Support partnerships among counties, cities, watershed organizations, SWCDs, landowners, and other stakeholders.

c. Encourage projects that address identified water quality priorities.

2. Promote agricultural and rural best management practices that reduce runoff, erosion, and nutrient loss.

a. Support conservation practices such as cover crops, buffers, wetland restoration, nutrient management, and soil health practices.

b. Connect landowners and communities with technical and financial resources.

3. Promote stormwater management, erosion **control, and natural resource conservation.**

a. Encourage stormwater management practices in communities and rural areas.

b. Support streambank stabilization, shoreline protection, wetland preservation, and other practices that reduce sediment and nutrient runoff.

c. Identify and protect critical ecosystems and high-value water resources.

4. Support efforts to maintain and improve drinking water quality and water infrastructure.

a. Connect communities with resources to address aging or failing water and wastewater infrastructure.

b. Promote protection of groundwater and drinking water sources.

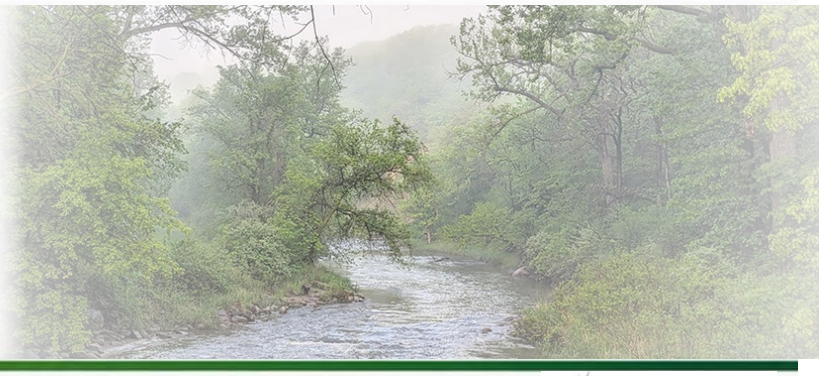
c. Support planning and investments that improve long-term water system resilience.

5. Promote water quality education, monitoring, and community engagement.

a. Encourage volunteer monitoring and public education about water quality.

b. Increase awareness of the connection between land use, conservation practices, and water quality.

c. Share successful local and regional water quality projects and practices.



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Cornerstone: Community Resources

Economic Resilience in Community Resources

Strong community and natural resources contribute to the economic resilience, quality of life, and long-term competitiveness of Southwest Minnesota. Community facilities, outdoor recreation, tourism assets, arts and cultural resources, and clean and reliable water supplies support local businesses, attract visitors, strengthen communities, and contribute to the region's ability to respond to economic and environmental challenges.

Economic disruptions, changing demographics, extreme weather events, declining participation, and limited public resources can place these assets at risk. Reduced funding or participation can affect community facilities, arts and recreation programs, and other amenities that contribute to community vitality. Damage to natural resources or reductions in outdoor recreation can also reduce visitor activity and the local spending that supports tourism-related businesses.

Water quality and reliable water supplies are particularly important toeconomic resilience. Communities need adequate and dependable water resources to support residents, businesses, agriculture, public safety, and future development. Water quality concerns, infrastructure needs, drought, flooding, and other environmental challenges can increase costs and limit opportunities for community and economic growth.

Building resilience requires continued investment, regional collaboration, resource conservation, and access to funding and technical assistance. Protecting and strengthening Southwest Minnesota's community and natural resources will help maintain quality of life, support local economies, attract visitors and residents, and provide a strong foundation for long-term economic development.



Economic Resilience in Community Resources

Organizations

Connected Communities.
Stronger Support Systems.
A More Resilient Region.



COMMUNITY SUPPORT & DEVELOPMENT PARTNERS

People. Partnerships. Stronger Communities.

- Local government (cities, townships, counties, and municipalities)
- Local Chambers of Commerce
- Local EDA authorities and corporations
- Southwest Health and Human Services
- U of M Extension
- Southwestern Minnesota Opportunity Council
- United Community Action Partnership
- Small Business Development Center
- Southwest Initiative Foundation
- Southwest Minnesota Housing Partnership
- Blandin Foundation

RECREATION, ENVIRONMENTAL & REGIONAL PARTNERS

Healthy Places. Vibrant Communities. A Resilient Region.

- Friends of Casey Jones
- Greater Minnesota Regional Parks and Trails Commission
- Regional DNR offices
- Minnesota Association of Soil and Water Conservation Districts

SUPPORTING PEOPLE AND COMMUNITIES.
BUILDING OPPORTUNITY.
CREATING A MORE RESILIENT TOMORROW.

Vibrant Communities.
Opportunity Everywhere.
Stronger Together.





Cornerstone: Foundational Assets

Broadband

Call to Action

Ensure Southwest Minnesota communities, businesses, farms, and residents have access to reliable, affordable, high-speed broadband. Continued investment in broadband infrastructure, expansion into underserved areas, and adoption of available technologies will strengthen economic competitiveness, support workforce and business development, improve access to education and services,and help communities remain connected and resilient.

Context

Reliable, affordable broadband is essential infrastructure for Southwest Minnesota's economy and communities. Businesses, farms, residents, schools, health care providers, and local governments increasingly depend on high-speed internet for business operations, education, telehealth, agriculture, remote work, public services, and access to markets. Minnesota's Office of Broadband Development identifies universal access to high-speed internet as a statewide goal and continues to support communities in expanding broadband availability and adoption.

Broadband availability improved across Minnesota, but rural areas continue to lag behind the state as a whole. According to Minnesota DEED's 2025 broadband availability data, 92.11% of residential locations statewide had access to wireline broadband service of at least 100 Mbps download and 20 Mbps upload. Among rural residential locations, availability was lower at 80.97%. This disparity highlights the continuing challenges associated with expanding high-speed broadband infrastructure in rural Minnesota.[14]

The definition of adequate broadband has also changed. In 2024, the Federal Communications Commission increased its fixed broadband benchmark from 25/3 Mbps to 100/20 Mbps, reflecting increased demand for broadband capacity and the needs of activities such as telework, telehealth, and online learning. [14]

Southwest Minnesota communities will continue to need investment to reach remaining unserved and underserved locations, improve reliability and affordability, and ensure residents and businesses can fully use available broadband services. Minnesota's $652 million federal Broadband Equity, Access and Deployment (BEAD) allocation is expected to support expansion to more than 74,000 Minnesota locations identified as unserved or underserved. Continued coordination among communities, broadband providers, regional organizations, and state and federal programs will be important to extending high-speed connectivity throughout Southwest Minnesota.[14]



Cornerstone: Foundational Assets

Broadband Context Continued

Broadband expansion can strengthen the region's economic competitiveness by supporting business growth, entrepreneurship, remote and hybrid work, workforce participation, education, health care access, and agricultural innovation. Ensuring that residents and businesses have access to reliable and affordable high-speed internet will remain an important component of Southwest Minnesota's long-term economic resilience.

Broadband Strategies

1. Support continued investment in broadband infrastructure to reach unserved and underserved areas.

- Connect communities and broadband providers with state and federal funding opportunities.
- Support broadband projects that address remaining rural and high-cost service gaps.
- Encourage regional coordination to maximize available broadband Investments.

2.21

- Encourage improvements in service reliability, capacity, affordability, and customer access.
- Support efforts to identify and address areas where broadband service does not meet current needs.

3. Improve broadband data and identify remaining service gaps.

- Use current broadband availability data, speed-test information, and community input to identify underserved and unserved locations.
- Maintain current information to help communities pursue infrastructure investments and funding.

4. Strengthen public-private and regional partnerships for broadband development.

- Encourage collaboration among local governments, broadband providers, businesses, educational institutions, health care providers, and regional organizations.
- Share successful approaches to broadband deployment in rural and sparsely populated communities.

5. Promote broadband adoption and digital connectivity.

- Increase awareness of broadband resources, available services, and programs that help residents and







Cornerstone: Foundational Assets

Broadband Smart Goal

By 2031, increase access to reliable broadband service of at least 100 Mbps download and 20 Mbps upload throughout Southwest Minnesota, with priority given to remaining unserved and underserved homes and businesses.

Broadband Strategies

1. Support continued investment in broadband infrastructure to reach unserved and underserved areas.

- Connect communities and broadband providers with state and federal funding opportunities.
- Support broadband projects that address remaining rural and high-cost service gaps.
- Encourage regional coordination to maximize available broadband Investments.

2. Promote reliable, affordable, and high-quality broadband service.

- Encourage improvements in service reliability, capacity, affordability, and customer access.
- Support efforts to identify and address areas where broadband service does not meet current needs.

3. Improve broadband data and identify remaining service gaps.

- Use current broadband availability data, speed-test information, and community input to identify underserved and unserved locations.
- Maintain current information to help communities pursue infrastructure investments and funding.

4. Strengthen public-private and regional partnerships for broadband development.

- Encourage collaboration among local governments, broadband providers, businesses, educational institutions, health care providers, and regional organizations.
- Share successful approaches to broadband deployment in rural and sparsely populated communities.

5. Promote broadband adoption and digital connectivity.

- Increase awareness of broadband resources, available services, and programs that help residents and businesses connect.
- Promote digital skills and the effective use of broadband for telehealth, education, remote work, agriculture, entrepreneurship, and other economic and community activities.





Cornerstone: Foundational Assets

Transportation

Call to Action

Maintain and strengthen Southwest Minnesota's transportation infrastructure to support economic growth, regional connectivity, and quality of life. Reliable highways, roads, bridges, rail, air, transit, and other transportation systems are essential for moving people and goods, supporting agriculture and manufacturing, connecting businesses to markets and workers, and maintaining the region's economic competitiveness and resilience.

Context

Transportation infrastructure is essential to Southwest Minnesota's economy, connecting businesses, agricultural producers, manufacturers, workers, and communities to regional and national markets. The region relies heavily on highways to move people and freight, while rail, aviation, transit, and other transportation systems provide important connections to jobs, services, and markets.[15]

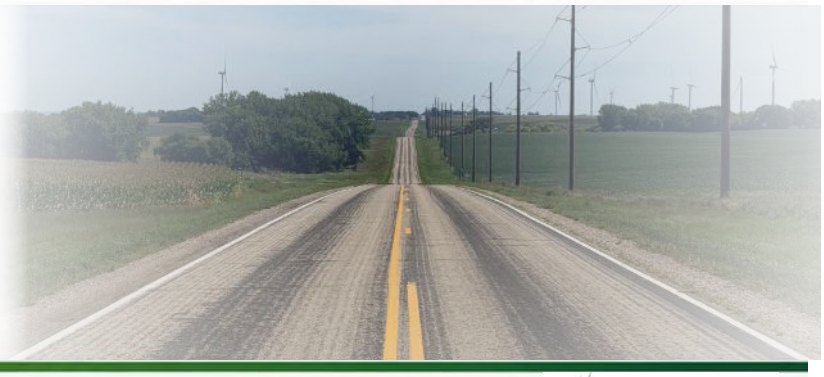
MnDOT's 2023–2042 Minnesota State Highway Investment Plan estimates $36.7 billion in available revenues compared with $52–57 billion in identified highway needs, creating an estimated $15–20 billion funding gap. Continued investment in roads, bridges, safety, mobility, and system resilience will be important to maintaining Southwest Minnesota's economic competitiveness and quality of life. [15]

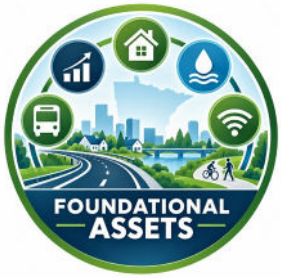
Smart Goal

By 2031, maintain or increase the percentage of Southwest Minnesota roadways rated in good condition and maintain or expand the county 10-ton road network to support the efficient movement of people and freight.

Transportation Strategies

1. **Strengthen regional coordination and advocacy** for transportation investments. Work with counties, cities, MnDOT, transit providers, transportation organizations, and other partners to ensure Southwest Minnesota's transportation needs are represented in state, federal, and local transportation plans and funding programs.
2. **Support preservation and improvement** of the regional transportation network. Identify roadway, bridge, safety, and mobility needs and assist communities and counties in pursuing resources for maintenance, reconstruction, and strategic improvements.
3. **Strengthen freight transportation connections.** Work with counties and communities to identify major freight generators, priority freight routes, bottlenecks, and first- and last-mile connections that support agriculture, manufacturing, and other regional industries.





Cornerstone: Foundational Assets

4. Improve transportation safety and mobility. Support projects and planning efforts that improve roadway safety, reduce transportation barriers, and enhance mobility, including passing opportunities, intersection improvements, safe routes, and other targeted improvements.

5. Maintain and improve local transportation planning data and systems. Assist counties and communities with functional classification, transportation inventories, mapping, project identification, and other data needed to support transportation planning and funding applications.

6. Provide technical assistance for transportation project development and funding. Help local governments identify transportation priorities, participate in MnDOT and regional planning processes, prepare project information, and pursue state and federal transportation funding opportunities.

7. Support multimodal transportation connections. Promote coordinated planning for highways, rail, aviation, transit, bicycle, pedestrian, and other transportation modes that connect Southwest Minnesota communities, businesses, workers, and markets.

8. Support local and regional efforts to identify and pursue federal, state, and other transportation funding opportunities, including technical assistance with project development, grant applications, and required documentation.

9. Support local governments in planning and preparing for the reconstruction and improvement of roads transferred through state or local turnbacks to ensure infrastructure meets applicable standards and long-term community needs.

10. Support efforts to maintain and improve regional general aviation infrastructure and streamline planning and regulatory processes for eligible airport improvements.

11. Provide technical assistance to local governments and businesses in identifying, planning, and documenting the need for freight infrastructure improvements.

12. Explore public-private partnerships and other collaborative financing approaches to support needed freight and transportation infrastructure investments.

13. Promote the preservation, optimization, and maintenance of existing transportation infrastructure, including roads, bridges, airports, rail, and other critical transportation assets.





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Cornerstone: Foundational Assets

Transit

Call to Action

Reliable transit is an important component of a strong rural economy and quality of life. In Southwest Minnesota, transit helps connect residents to employment, health care, education, shopping, and other essential services.As communities experience an aging population, workforce shortages, and changing transportation needs, regional transit systems must remain accessible, reliable, and responsive to the people they serve. Continued coordination among transit providers, local governments, employers, and community partners can help identify emerging needs and strengthen transportation options throughout the region.

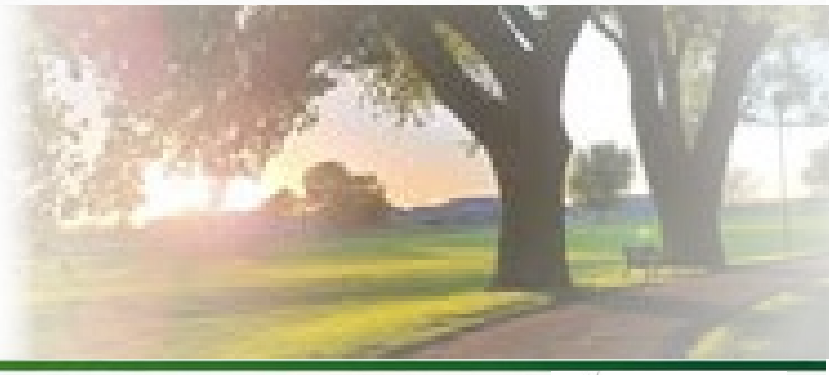
Context

Two public transit systems serve the Southwest Minnesota region. Community Transit of UCAP serves eight of the region's nine counties, while Prairieland Transit/Heartland Express serves Nobles County. Transit providers also offer volunteer-driver services to expand transportation options for residents.[15]

Smart Goal

By 2031, support regional transit providers in maintaining or expanding transit service in Southwest Minnesota based on identified community needs, with progress measured through changes in service coverage, hours, routes, ridership, and/or other service indicators reported by regional transit providers.





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Cornerstone: Foundational Assets

Transit Strategies

1. Support long-range transit planning that responds to changing population, workforce, and mobility needs throughout Southwest Minnesota.

2. Work with transit providers and local partners to identify transportation gaps and support service options that improve access to employment, health care, education, and other essential services.

3. Participate in and support the Southwest Regional Transportation Coordinating Council (RTCC) to strengthen communication, coordination, and collaboration among transportation providers and community partners.

4. Promote coordination among public transit, volunteer driver programs, and other transportation providers to expand mobility options and address transportation gaps.

5. Support efforts to improve public awareness of available transportation services through clear, accessible, and easy-to-understand information.

6. Provide technical assistance and connect communities and transportation providers with resources and funding opportunities that support transit service, coordination, and mobility improvements.



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Cornerstone: Foundational Assets

Active Transportation

Call to Action
Active transportation planning can help Southwest Minnesota communities create safer, more connected places for walking, bicycling, and other active modes of travel. Investing in these connections can support community vitality, quality of life, and access to local destinations.

Context
The Bicycle Friendly Community (BFC) program provides a roadmap to improve conditions for bicycling and guidance to create and implement a plan to better bikeable communities. Designations are given to communities, businesses, and universities as "Bicycle Friendly." Of the 32 Minnesota communities listed as a Bicycle Friendly Community, Jackson and Marshall are located within the southwest region. [15]

The Casey Jones State Trail, the region's only state trail, is currently listed as a secondary status with the Minnesota Department of Natural Resources (DNR). Although there are several smaller county, city, and park trails in the region, there is a need to maintain,-expand and add trails within the region to Improve connectivity. [10]

Smart Goal
By 2031, update the Southwest Minnesota Regional Trails Plan and support implementation of identified priorities by advancing trail planning, maintenance, connectivity, and expansion projects throughout the region.

Active Transportation Strategies:

1. Coordinate with state, regional, and local partners to plan and develop safe, connected bicycle and pedestrian networks.

2. Encourage communities to incorporate bicycle and pedestrian facilities into transportation, street, park, and development projects.

3. Support efforts to identify sustainable funding and resources for the maintenance, improvement, and expansion of active transportation infrastructure.

4. Promote active transportation options, including bicycling, walking, and e-bikes, as convenient and accessible modes of transportation and recreation.

5. Support connections between trails, parks, neighborhoods, schools, businesses, and other community destinations to improve access and connectivity.

6. Provide technical assistance and connect communities with planning resources, funding opportunities, and best practices for active transportation projects.

7. Encourage communities, businesses, and other organizations to pursue recognized bicycle- and pedestrian-friendly practices and programs.

8. Support implementation of priorities identified in the Southwest Minnesota sRegional Trails Plan and other local and regional active transportation plans.

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Cornerstone: Foundational Assets

Water-Wastewater Infrastructure

Call to Action

Reliable water and wastewater infrastructure is essential to community health, economic development, and quality of life. Small communities often face greater challenges in financing, maintaining, and upgrading these systems due to limited customer bases and aging infrastructure. Regional coordination, long-term planning, and access to infrastructure funding can help communities maintain reliable and affordable services.

Context

Southwest Minnesota communities continue to face significant costs to maintain, replace, and upgrade water and wastewater infrastructure. These challenges can be particularly difficult for smaller communities with limited ratepayer bases. State and federal programs, including Minnesota's Clean Water and Drinking Water State Revolving Funds and Water Infrastructure Fund, provide critical financing, but communities must compete for limited resources and meet program requirements. [16]

Recent state funding needs demonstrate the continuing demand: Minnesota's Public Facilities Authority identified $126 million in grant need for 27 unfunded Point Source Implementation Grant projects, while requesting additional funding for water infrastructure programs to address projects expected to be ready for construction. [16]

Smart Goal

By 2031, provide technical assistance to Southwest Minnesota communities to identify, plan, and pursue funding for water and wastewater infrastructure improvements needed to maintain or achieve compliance with Minnesota Pollution Control Agency requirements.



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Cornerstone: Foundational Assets

Water-Wastewater Infrastructure Strategies:

1. Assist local governments in identifying and pursuing funding and technical assistance for water, wastewater, and other essential infrastructure improvements.

2. Support communities in evaluating right-sized infrastructure and regionalization options that are financially and operationally sustainable.

3. Encourage local governments to develop and maintain capital improvement plans that align infrastructure investments with comprehensive plans, land use goals, and community priorities.

4. Provide or connect communities with technical assistance during the early stages of infrastructure planning, project development, and funding applications.

5. Share best practices, innovative approaches, and financing strategies that help small communities address aging, outdated, or undersized water and wastewater systems.

6. Promote environmentally responsible and cost-effective infrastructure solutions that are appropriate for the size, capacity, and long-term needs of Southwest Minnesota communities.





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Cornerstone: Foundational Assets

Housing Availability

Call to Action
Housing issues in the southwest region vary from community to community. In 2021, rental vacancies were low across Southwest Minnesota. Housing construction in Southwest Minnesota has also not kept up with current nor forecasted need. Access to safe and affordable housing remains a basic need for all Minnesotans. Housing also plays a critical role in workforce attraction, which is critical for the future economic growth of Southwest Minnesota. To prosper, tight rental and ownership markets, costburdened households, workforce and elderly housing shortages, homelessness, and low-quality and aging housing stock need to be addressed.

Context:
A household is considered cost burdened when 30% or more of the household's gross income is dedicated to housing.In the southwest region, 19.79% (ranged from 16.5% to 24.16%) of households are cost burdened, 15.68% (ranged from 13.03% to 19.28%) of homeowners are cost burdened and 32.02% (ranged from 25.71% to 42.53%) of renters are cost burdened as of 2021. According to data compiled by Minnesota Compass in 2018, 19.3% of homeowners in the state of Minnesota were cost burdened and 46.2% of renters were cost burdened, for a combined rate of 25.5%. Disparities are stark for BIPOC residents in all 87 counties of the state. Homeownership disparities are above 65% in every county in Minnesota with most over 90%. [17]

Homelessness in the southwest region is still a pertinent issue. In 2024, overall homeless in the SW CoC MN-511 was 155 with 50 children and two seniors. Further the SW CoC effectively ended veterans homelessness in January 2017 and ended chronic homelessness in April 2019. That designation does not mean that homelessness does not happen, but that when it does, a homeless occurrence is rare, brief, and non-reoccurring.The region has seen a 33% increase in homelessness since the year 2000.[17]

A 5% or less rental vacancy rate is generally considered an indicator of a "tight" rental market. The Minnesota Housing Partnership is seeing indications that across Minnesota, the supply of rental housing is not keeping up with demand, for all but very high-income households. The problem is particularly serious in Greater Minnesota communities experiencing robust job growth.[17]

Smart Goal
Move toward equilibrium in local housing markets. Reduce the percentage of costburdened households in Southwest Minnesota from 20.28% in 2019 to 19% in 2027.

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Cornerstone: Foundational Assets

Housing Availability Strategies:

1. Advocate funding programs for demolition of vacant, unsafe, and dilapidated housing units.

a. Research successful housing demolition programs and consider replicating regionally.

2. Support comprehensive coordinated housing planning.

3. Increase the number of units rehabilitated or preserved.

4. Work with communities and businesses to address student and workforce housing shortages. Include options that transition from rental to home-ownership to stabilize workforce.

5. Encourage the support and preservation of existing permanent supportive housing units.

6. Collect and share best management practices around housing policy and financing.

7. Work collaboratively with the Southwest Minnesota Continuum of Care to track needs, secure financial resources, and coordinate regional goals to prevent and end homelessness.

8. Research programs that support feasibility studies and/or infrastructure for Manufactured home planned developments in regional centers as a potential cost-effective housing option.

9. Promote energy-efficient homes for low-to moderate-income people.





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SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

Cornerstone: Foundational Assets

Economic Resilience in Foundational Assets

Communities and businesses depend on reliable foundational assets—including transportation, broadband, water and wastewater systems, utilities, and other essential infrastructure—to support economic activity, attract investment, and maintain quality of life. In Southwest Minnesota, many communities face the challenge of maintaining aging infrastructure while also addressing changing population, workforce, and business needs. Limited local resources, rising construction costs, and increasingly complex funding requirements can make it difficult for smaller communities to plan and complete needed improvements. The region's foundational asset challenges include:

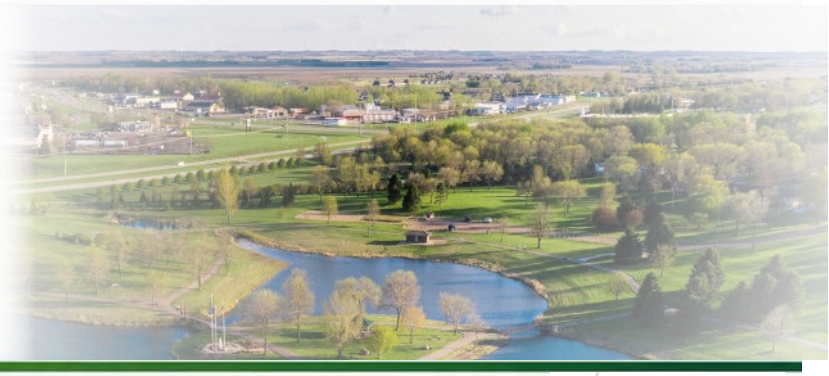
Transportation infrastructure and freight needs: Southwest Minnesota's economy relies heavily on an efficient roadway network to move agricultural products, manufactured goods, workers, and other commodities. Local roads and bridges must accommodate increasingly important freight movements while also remaining resilient to severe weather and other disruptions. Continued investment in roads, bridges, freight routes, airports, transit, and active transportation is necessary to maintain regional access and support business development.

Broadband and digital connectivity: Reliable, high-speed broadband is essential for businesses, education, health care, public services, and residents. Gaps in broadband availability, affordability, and capacity can limit opportunities for rural businesses and residents and make it more difficult for communities to attract and retain people and employers.

Water, wastewater, and community infrastructure: Rural communities face significant costs associated with maintaining and replacing water, wastewater, stormwater, and other essential infrastructure. Aging systems, regulatory requirements, limited rate bases, and rising construction costs can create funding challenges, particularly for smaller communities. Right-sized systems, regional approaches, long-term capital planning, and coordinated pursuit of state and federal funding can help communities address these needs.

Infrastructure funding and long-term planning: Many communities have infrastructure needs that exceed available local resources. Delaying improvements can increase future costs and create greater risks to public health, economic activity, and community development. Strengthening local planning capacity, identifying funding opportunities, and coordinating investments with comprehensive plans and economic development priorities will help communities make strategic infrastructure decisions.

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Cornerstone: Foundational Assets

Economic Reslilience in Foundational Assets continued

The 2027–2031 SMART goals for Foundational Assets focus on maintaining and improving critical infrastructure, strengthening transportation and broadband connectivity, supporting water andwastewater system needs, improving access to infrastructure funding, and increasing the resiliency of communities and businesses. These investments will help ensure that Southwest Minnesota has the physical and digital infrastructure necessary to support economic competitiveness, housing, workforce development, and long-term community vitality



Economic Resilience in Foundational Assets

Organizations

Reliable Infrastructure.
Vibrant Communities.
A Stronger Tomorrow.



COMMUNITY INFRASTRUCTURE & PUBLIC ASSETS

Strong Foundations for What's Next.

- Local government (cities, townships, counties, and municipalities)
- Local Chamber of Commerce
- Local EDA authorities and corporations
- Southwest Minnesota Housing Partnership
- Southwest Initiative Foundation
- Blandin Foundation

NATURAL RESOURCES, RECREATION & TRANSPORTATION

Connected Assets. Thriving Communities.

- Local parks and trails Friends groups
- Greater Minnesota Regional Parks and Trails Commission
- Minnesota Valley Regional Rail Authority
- Buffalo Ridge Regional Rail Authority
- Minnesota Association of Soil and Water Conservation Districts
- Regional DNR offices

INVESTING IN FOUNDATIONAL ASSETS.
CONNECTED COMMUNITIES.
A MORE RESILIENT TOMORROW.

Healthy Places.
Opportunity Everywhere.
Stronger Together.



CEDS
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



SRDC
SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

Action Plan

Action Plan
The 2027–2031 CEDS Action Plan provides a framework for implementing the goals and strategies identified within the four Cornerstones of the CEDS. It is intended to guide SRDC, local governments, economic development organizations, community partners, businesses, workforce organizations, and other stakeholders in moving regional priorities from planning to action. [1, 3]

The Action Plan identifies priority actions, responsible partners, timeframes, and performance measures that can be used to monitor progress throughout the five-year CEDS period. It is designed to be flexible and will be reviewed and updated annually to reflect changing regional conditions, emerging opportunities, new funding programs, and progress toward identified goals.[1, 3]

Performance Measures: Each CEDS strategy will have at least one performance measure or method for assessing progress. Measures will be selected based on the nature of the strategy and may include quantitative data, project activity, funding secured, technical assistance provided, partnerships established, or other documented outcomes.[1, 3]

Each strategy will be assigned an implementation timeframe based on the level of effort, available resources, and expected time required to achieve results.

- Short Term: Indicates a specific action or program that can orshould be achieved within two years through specific, known actions.
- Ongoing: A strategy that should be continuously implemented through multiple activities and projects thatoccur in a shorter timeframe.
- Long-term: A strategy that will take multiple coordinated efforts over a longer period before results can be seen. Someof these projects extend beyond the 5-year CEDS window. [1, 3]

Funding and Budget: Specific dollar amounts are not attached to each goal or strategy item. The scope of this plan is five years, with staff time as the anticipated greatest cost. SRDC plans topartner with other organizations and explore grant and cost-sharing opportunities to reduce duplicated efforts and lower costs.



CEDS
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



CEDS 2027-2031 | ACTION PLAN

Human Capital Action Plan

HUMAN CAPITAL

Building the people, skills, and pathways that support a resilient regional economy.

Labor Force

Expand workforce participation among youth, older workers, immigrants, tribal members, and individuals facing employment barriers.	Labor force participation rate increases.	☐ In progress ☐ Complete
Support childcare expansion and workforce housing initiatives.	Additional childcare slots and housing units created.	☐ In progress ☐ Complete
Increase apprenticeships, internships, and work-based learning opportunities.	Number of placements increases.	☐ In progress ☐ Complete

Educational Attainment

Business Education Alignments.	Enrollment and completion rates increase.	☐ In progress ☐ Complete
Strengthen career pathways in healthcare, manufacturing, skilled trades, and technology.	Participants entering target occupations increase.	☐ In progress ☐ Complete
Expand talent attraction and retention initiatives.	Net population and workforce growth.	☐ In progress ☐ Complete

CEDS
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



Economic Competitiveness Action Plan

ECONOMIC COMPETITIVENESS

Helping businesses start, grow, innovate, transition, and compete in a changing economy.

Entrepreneurship & Innovation

Expand access to capital.	Additional funds for businesses.	☐ In progress ☐ Complete
Provide technical assistance.	Technical assistance provided.	☐ In progress ☐ Complete

Small Business Growth

Promote business succession planning assistance.	Small business succession planning promoted.	☐ In progress ☐ Complete
Expand revolving loan fund utilization.	Loan volume increase.	☐ In progress ☐ Complete
Support underserved businesses.	Increase business ownership.	☐ In progress ☐ Complete

CEDS
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



CEDS 2027-2031 I ACTION PLAN

Community Resources Action Plan

COMMUNITY RESOURCES

Strengthening inclusive communities, cultural vitality, tourism, and quality of place.

Social Capital

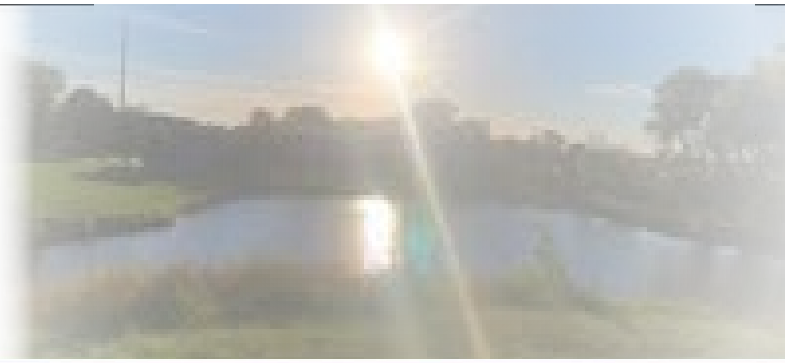
Develop emerging community leaders.	Participants completing leadership programs.	☐ In progress ☐ Complete
Strengthen welcoming community initiatives.	Communities participating.	☐ In progress ☐ Complete

Arts & Culture

Support arts-based placemaking and downtown revitalization.	Arts projects completed.	☐ In progress ☐ Complete
Increase resources for artists and creative businesses.	Artists assisted.	☐ In progress ☐ Complete
Expand cultural programming and events.	Attendance and event counts.	☐ In progress ☐ Complete

Tourism

Develop and enhance regional tourism assets and visitor experiences while supporting coordinated destination marketing.	Increased visitation, extended visitor stays, and strengthened regional economy.	☐ In progress ☐ Complete
Expand recreation and cultural attractions.	New attractions developed.	☐ In progress ☐ Complete



CEDS 2027-2031 I ACTION PLAN

Community Resources Action Plan

COMMUNITY RESOURCES

Protecting natural systems and water resources while advancing long-term community resilience.

Natural Resources

Maintain Community Forests.	Trees planted & maintained.	☐ In progress ☐ Complete
Advance sustainability projects.	Projects funded and completed.	☐ In progress ☐ Complete

Water Quality

Promote watershed protection and stormwater management.	Water quality improvements documented.	☐ In progress ☐ Complete
Support rural water infrastructure improvements.	Projects completed.	☐ In progress ☐ Complete
Advance conservation best practices.	Best practice replicated.	☐ In progress ☐ Complete

Foundational Assets Action Plan



FOUNDATIONAL ASSETS

Investing in the infrastructure and systems that connect people, places, and opportunity.

Broadband

Expand high-speed broadband access.	Locations served.	☐ In progress ☐ Complete
Leverage federal and state broadband funding.	Funding secured.	☐ In progress ☐ Complete

Transportation

Support strategic transportation investments.	Projects advanced.	☐ In progress ☐ Complete
Improve freight mobility and safety.	Freight corridor improvements.	☐ In progress ☐ Complete
Coordinate regional transportation planning.	Plans completed.	☐ In progress ☐ Complete

Transit

Enhance mobility options for all populations.	Ridership and service coverage.	☐ In progress ☐ Complete
Support coordinated transportation networks.	Partnerships formed.	☐ In progress ☐ Complete
Expand volunteer driver and demand-response services.	Trips provided.	☐ In progress ☐ Complete

Foundational Assets Action Plan



FOUNDATIONAL ASSETS

Investing in the infrastructure and systems that connect people, places, and opportunity.

Active Transportation

Expand bicycle and pedestrian infrastructure including trail systems development.	Miles added.	☐ In progress ☐ Complete
Support Complete Streets implementation.	Communities adopting policies.	☐ In progress ☐ Complete

Water / Wastewater Infrastructure

Assist communities with infrastructure funding.	Improvement made.	☐ In progress ☐ Complete
Share best practices for system upgrades.	Communities assisted.	☐ In progress ☐ Complete

Housing Availability

Increase affordable housing supply.	Housing units developed.	☐ In progress ☐ Complete
Rehabilitate aging housing stock.	Units rehabilitated.	☐ In progress ☐ Complete
Support housing for seniors and residents with specific housing needs.	Units created or preserved.	☐ In progress ☐ Complete

APPENDICES: SOURCES AND REFERENCES

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CEDS 2027-2031 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

SRDC SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

2026 CEDS Survey Overview of Results

118 Responses

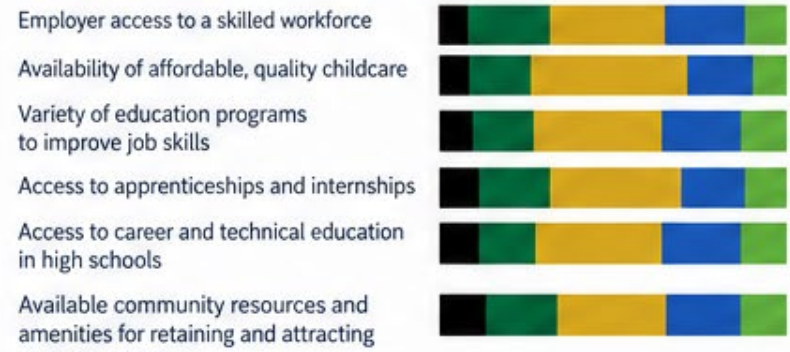
3%	Cottonwood
13%	Jackson
6%	Lincoln
19%	Lyon
7%	Murray
34%	Nobles
8%	Pipestone
8%	Redwood
2%	Rock

Respondents have lived in the region:

- 62% Over 21 years
- 16% 11-20 years
- 8% 6-10 years
- 11% 1-5 years
- 3% Less than 1 year

HUMAN CAPITAL

Rated Components *(A = Outstanding C = Average F = Needs Significant Improvement)*



Top 3 Concerns:

#1 Workforce Shortage
51% of responses
Lack of skilled workforce at all skill levels, including:
- Lack of competitive wages
- Impact on businesses
- Difficulty finding qualified workers

#2 Younger Workforce
43% of responses
- Career readiness in high school
- Education not meeting workforce needs
- Attraction and retention of young workers

#3 Childcare
28% of responses
- Lack of childcare options
- Cost of childcare
- Impact on workforce participation

ECONOMIC COMPETITIVENESS

Rated Components *(A = Outstanding C = Average F = Needs Significant Improvement)*



Top 3 Concerns:

#1 Workforce/Jobs
46% of responses
- Access to a skilled workforce
- Competitive wages and benefits
- Retention of workers

#2 Funding/Assistance
33% of responses
- Access to funding and capital
- Technical assistance for small businesses
- Support for business growth

#3 Business Growth
24% of responses
- Attracting new businesses
- Expanding existing businesses
- Availability of industrial and commercial space

F D C B A

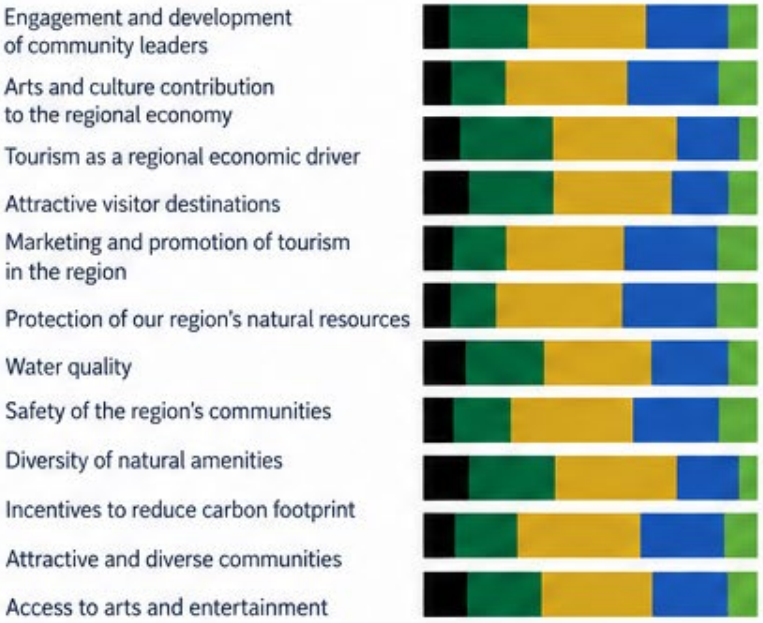
Percentages rounded to the nearest whole number.

CEDS 2027-2031 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

SRDC SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

COMMUNITY RESOURCES

Rated Components *(A = Outstanding C = Average F = Needs Significant Improvement)*



Top 3 Concerns:

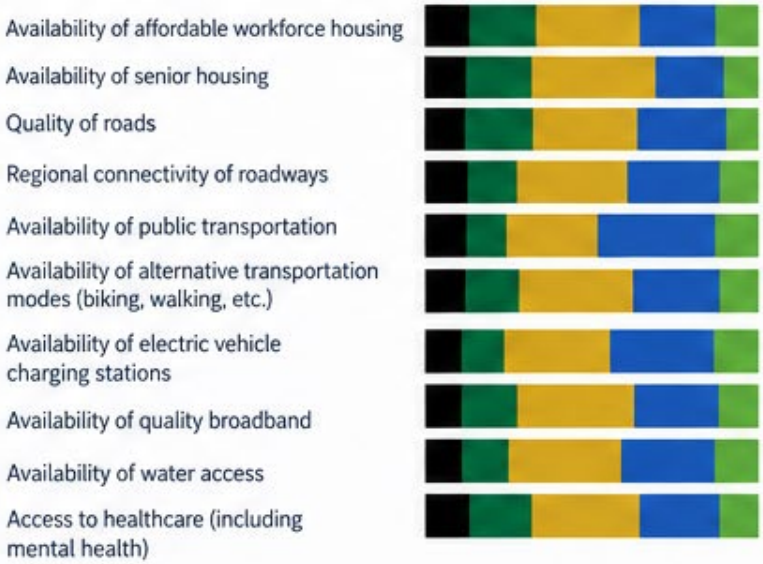
#1 Marketing/Promotion
54% of responses
- Need for stronger regional marketing
- Attracting visitors and new residents
- Increasing awareness of assets and opportunities

#2 Tourism and Attractions
42% of responses
- More restaurants and entertainment
- More events and year-round activities
- Improving and expanding visitor attractions

#3 Natural Resources and Water Quality
29% of responses
- Protecting natural resources
- Maintaining and improving water quality
- Balancing development with environmental protection

FOUNDATIONAL ASSETS

Rated Components *(A = Outstanding C = Average F = Needs Significant Improvement)*



Top 3 Concerns:

#1 Housing
69% of responses
- Need for affordable housing (rental and for sale)
- Lack of available housing units
- Need for a regional plan or strategy

#2 Transportation
41% of responses
- Road and bridge quality/maintenance
- Limited public and alternative transportation options
- Regional connectivity

#3 Broadband and Services
32% of responses
- Need for reliable and affordable service
- Cell phone and 5G coverage
- High-speed internet for homes and businesses

F D C B A

Percentages rounded to the nearest whole number.

CEDS 2027-2031 | COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

SRDC SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

Acknowledgements

The Southwest Regional Development Commission (SRDC) extends sincere appreciation to the organizations, communities, partners, and individuals who contributed time, data, local knowledge, and feedback to help shape the Comprehensive Economic Development Strategy (CEDS).

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Continued on page 3



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**Denotes Board of Directors*

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Sheila Crowley, Communications Specialist



RESOLUTION
Authorizing Adoption of Southwest Regional Development Commission's 2027-2031 Comprehensive Economic Development Strategy

WHEREAS, the State of Minnesota established the Southwest Regional Development Commission (SRDC) to work with and on behalf of the 9 counties (Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood & Rock), 80 cities, 163 townships, parts of 32 school districts, and 1 tribal nation to improve the economic conditions of the region; and

WHEREAS, the SRDC has been designated an Economic Development District (EDD) by the federal Economic Development Administration (EDA); and

WHEREAS, the EDA provides the SRDC with an annual planning grant to provide economic development planning assistance to local units of government and businesses; and

WHEREAS, the 2027-2031 CEDS was developed in 2026 that reflects the specific economic challenges and opportunities of the region and contains the key CEDS elements of vision, analysis, action plan, and evaluation; and

WHEREAS, an approved CEDS is a condition to qualify for grants for local economic development projects and the annual planning grant from the EDA; and

WHEREAS, the SRDC CEDS Committee has reviewed the draft CEDS and found that it accurately reflects the economic development objectives, goals, and needs of the region.

Adopted this _____ day of December, 2021

By:

_____
Rod Hamilton
CEDS Committee Chair

Attest:

_____
Robin Weis
SRDC Deputy Director

RESOLUTION
Authorizing Adoption of Southwest Regional Development Commission's 2027-2031 Comprehensive Economic Development Strategy

WHEREAS, the State of Minnesota established the Southwest Regional Development Commission (SRDC) to work with and on behalf of the 9 counties (Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood & Rock), 80 cities, 163 townships, parts of 32 school districts, and 1 tribal nation to improve the economic conditions of the region; and

WHEREAS, the SRDC has been designated an Economic Development District (EDD) by the federal Economic Development Administration (EDA); and

WHEREAS, the 2027-2031 CEDS was developed in 2026 that reflects the specific economic challenges and opportunities of the region and contains the key CEDS elements of vision, analysis, action plan, and evaluation; and

WHEREAS, input from residents, communities, businesses, and organizations in the region were solicited in order to ensure broad geographic representation; and

WHEREAS, an approved CEDS is a condition to qualify for grants for local economic development projects and the annual planning grant from the EDA; and

WHEREAS, the SRDC CEDS Committee has reviewed the draft CEDS and found that it accurately reflects the economic development objectives, goals, and needs of the region.

THEREFORE, BE IT RESOLVED, the Southwest Regional Development Commission approves the 2027-2031 CEDS as presented to the SRDC Board of Directors and is hereby authorized to execute such agreement and any amendments.

Adopted this 9th day of December, 2026

By:

_____
Paul Langseth
SRDC Board Chair

Attest:

_____
Jayme I. Trusty
SRDC Executive Director