

Chapter 7

Economic Competitiveness





Introduction

Economic development is an evolving concept. In the past, this concept was simply supporting the growth and expansion of businesses and jobs in a community – new business meant a growing economy. While economic prosperity still depends on strong linkages between business growth and jobs of varying skills and wages, the concept of economic development today is based more on the overall economic environment. Becoming economically competitive in the Twin Cities metropolitan area depends on community livability to create a healthy and vibrant economy for all persons.

As Rogers seeks to create a climate for meaningful economic growth and provide a strong economic base for its residents and workforce, it also seeks to be competitive with other cities. Located in western Hennepin County and 25 minutes from downtown Minneapolis, Rogers is in unique position within the Twin Cities metropolitan area with great access to excellent highway systems, quality schools and educated residents, and wide open spaces and rich natural resources to offer unique living and working experiences. These community assets have made, and will continue to make, Rogers a preferred location for businesses and residential development.

Economic Competitiveness for Rogers will depend on broadening the employment base to increase wage and job mobility opportunities, enhancing the quality of its workforce, supporting efforts to reshape community commerce and employment centers, and identifying local programs that will assist business development. A competitive advantage for Rogers is its balance of urban amenities and natural landscapes that provide truly unique living experience and sense of place.

Employment

Employment touches many aspects of community life. It includes both the types of jobs that residents have compared to the types of jobs available to them within the community. Where residents and workers live in relation to their jobs impacts the transportation systems. Rogers benefitted greatly from its location in the Twin Cities metropolitan area, resulting in a significant growth in its employment base from 1998 to 2008.

Types of Jobs

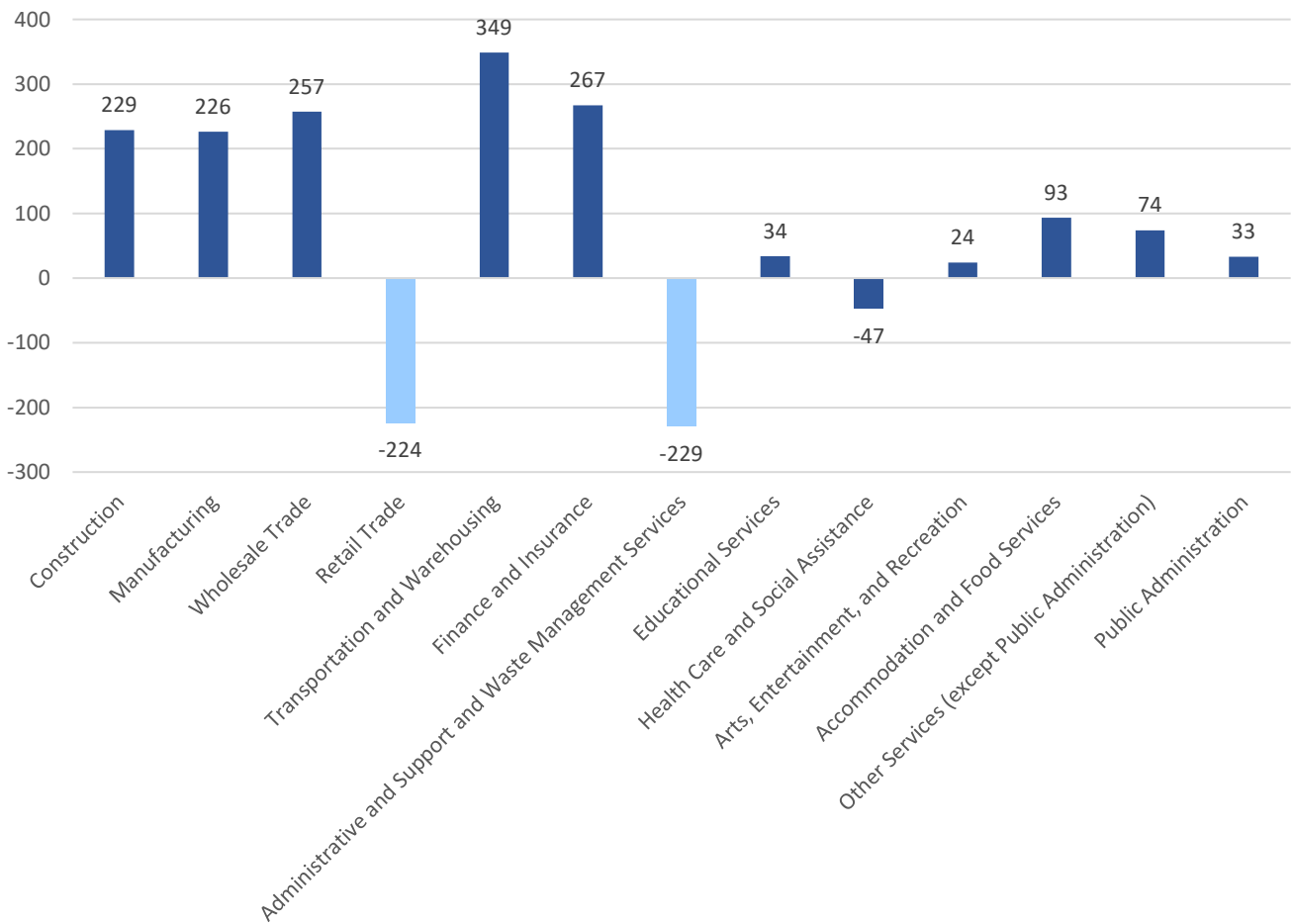
The most significant growth area in the employment base was around manufacturing and distribution (**Table 7.1**). In 2017, 17 percent of Rogers workers were employed in Manufacturing, 14 percent in Construction, 13 percent in Retail Trade, 12 percent in Wholesale Trade, 9 percent in Accommodation and Food Services and 6 percent in Health Care and Social Assistance.

Note that some sectors with a large employment share have relatively low incomes. Retail Trade, for example, had an average annual income of \$33,517 in 2017; for Accommodation and Food Services, average annual income was \$17,151. These incomes are low compared to median incomes and median home values in Rogers. Consequently, some lower-wage workers may not be able to afford to live in Rogers, and some local businesses may look to fill jobs with workers who live outside of Rogers.

From 2010 to 2016, the percentage of the Rogers population aged 16 and over that participated in the labor force decreased from 78 percent to 74 percent. However, it has remained somewhat higher than for Hennepin County (72 percent). In 2016, the weighted unemployment rate in Rogers was 1.3 percent, lower than Hennepin County (5.1 percent). Sixty-eight percent (68 percent) of married-couple families in Rogers reported both partners in the labor force, with 40 percent of those families reporting both partners were working full-time.



Figure 7.1: Change in Annual Average Employment from 2012 to 2017



Source: Quarterly Census of Employment and Wages.

Note: Data was suppressed for some categories due to changes in QCEW reporting methodology from 2012-2017.

Job Growth Projections

Employment opportunities in Rogers peaked from 1998 to 2008. Despite the national economic recession that occurred from 2008 to 2012, the number of jobs available in Rogers has remained stable and on an upward trend. Between 2010 and 2017 jobs available locally grew nearly 23 percent. That upward trend is projected to continue with the total number of jobs swelling to 14,800 by 2040 – an 87 percent increase or an additional 6,893 jobs. Based on community growth projections, **Table 7.1** shows Rogers benefits from a strong balance between jobs and residents – currently more than 2.0 jobs available per household; the regional average is 1.5.

Table 7.1: Jobs Per Household

Year	Households	Employment	Jobs / Household Ratio
2010	3,748	7,907	2.11
2017	4,184	9,714	2.08
2020	5,000	11,400	2.28
2030	6,700	13,300	1.99
2040	8,750	14,800	1.69



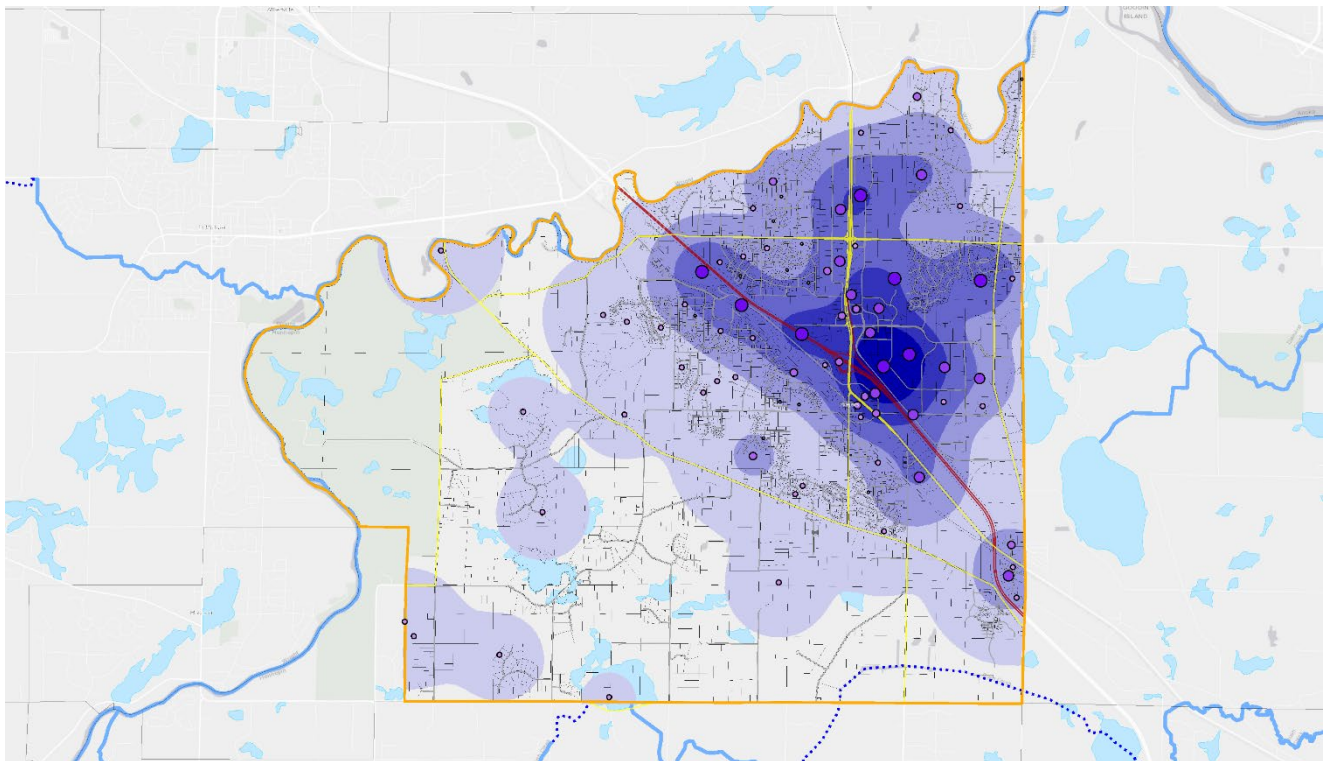
Generally, this ratio is important as it shows whether a community has enough housing for employees to live near their work as well as sufficient jobs within residential areas. For Rogers, a ratio in excess of 1.5 is supported by the workforce inflow/outflow and commuting data – showing a high number of workers commuting to Rogers due to the availability and surplus of local jobs. By 2030 this ratio dips to less than 2.0, and by 2040 it drops to 1.69.

For Rogers, that dip in jobs-to-households ratio is a factor of its growth projections. As the primary employment areas in Rogers are mostly fully developed, and with the majority of development expected to be residential through 2040, the growth in households will eventually outpace job growth. However, a ratio closer to 1.5 is a positive indication of a healthier job-housing balance, suggesting the City is creating job diversity and satisfying housing needs of its workforce, enabling workers to live and work in Rogers. Yet, it shall be incumbent upon the City, partnering with its businesses and developers, to ensure that ratio remains constant by ensuring jobs and housing available continue to satisfy worker income requirements and housing affordability.

Job Concentration

Historically, Rogers has benefitted from the expansion of transportation systems. The arrival of the railroad in the late 1800s strengthened the local economy by supporting the growing agricultural industry and providing access to the rich timber resources of the area. The expansion of interstate system in the 1970s opened up new areas, like Rogers, to growth opportunities that significantly altered its local economy. Today, employment concentrations in Rogers occupy the areas adjacent to Interstate 94 (I-94) and Trunk Highway (TH) 101 (**Figure 7.2**). Access to and visibility from I-94 and TH 101 has resulted in companies such as Graco USA, Clam Outdoors and FedEx opening production and distribution facilities. Graco and Clam, specifically, have located their world headquarters in Rogers. Graco has recently added significant manufacturing capacity to its existing facility, and operates its worldwide product distribution center from Rogers.

Figure 7.2: Job Concentration in Rogers



Source: On the Map, U.S. Census



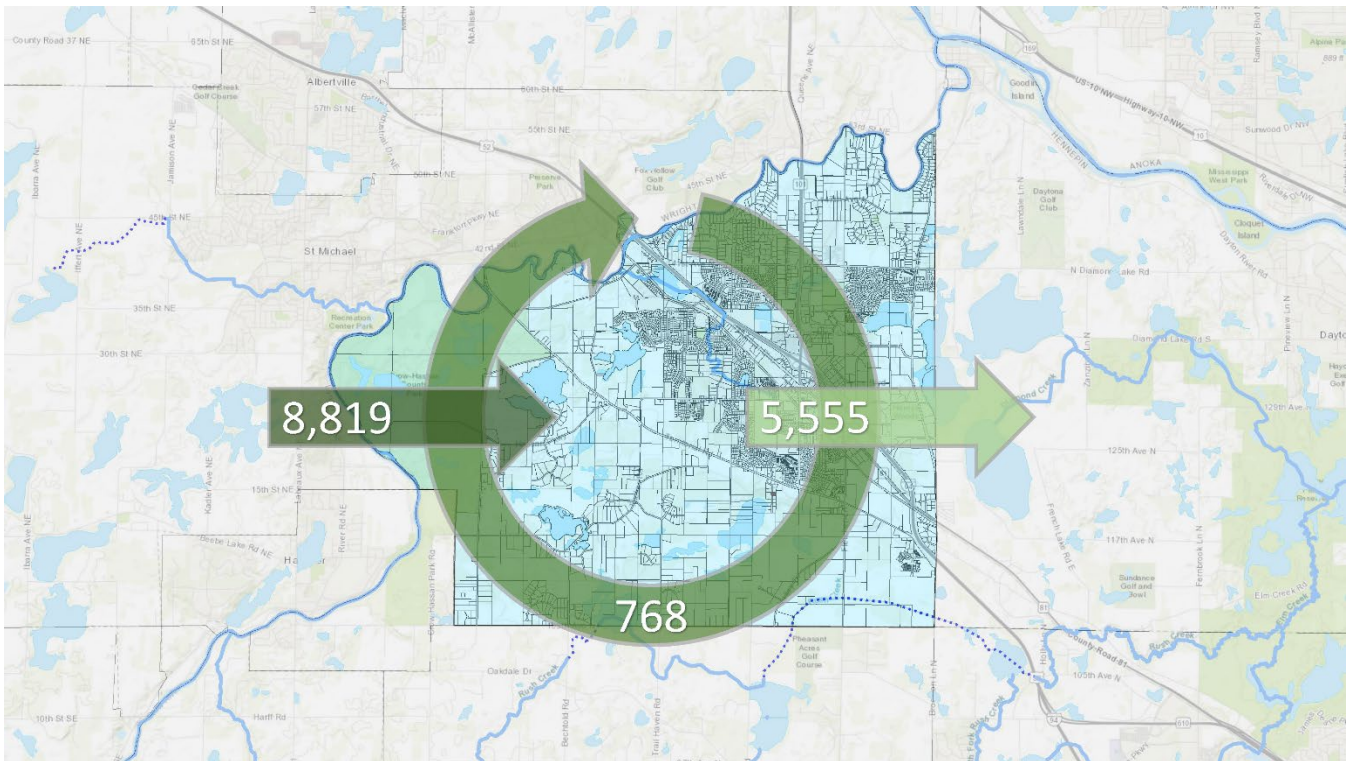
Table 7.2: Largest Employers in Rogers

15 Largest Employers located in the City of Rogers		
Veritiv	Graco USA	School District 728
Reinhart Foodservice	Park Nicollet Health Services	Veit & Company
Archway Marketing Services	Target Stores	Metro Mold & Design
Capitol Beverage Management	Kohl’s	Cabela’s
Flame Metals	Decimet Sales	Great Northern Equipment

Labor Force Availability

Efforts to enhance labor force availability is dependent on understanding the origins of its workforce and the needs of those workers. According to 2015 origin-destination statistics obtained from the U.S. Census (**Figure 7.3**), on average, there were 8,819 jobs in Rogers (92 percent of jobs) that were held by residents from other communities, while 5,555 Rogers residents (88 percent of working residents) commuted out of Rogers to work in other communities. Thus, there is a net inflow of employment, making Rogers’ employment base relatively larger than its population base. Thus, only 8.0 percent (768) of residents in the workforce live and work in Rogers.

Figure 7.3: Rogers Workforce Inflow/Outflow



Source: On the Map, U.S. Census

This inflow/outflow of workers presents Rogers with tremendous opportunities on multiple fronts. The larger daytime population, due to the influx of workers, adds a subset to the consumer base, driving the need for a more expansive offering of retail- and service-oriented businesses necessary to support those workers, which benefits employers. Serving the workforce population enables diversity of the business community by creating jobs and



enhancing community amenities available to those that live in Rogers. Of the workers commuting elsewhere for jobs, the majority are typically highly educated and higher wage earners. The City seeks to capitalize on its current housing market and higher-than-average median income to broaden the employment base by attracting higher paying jobs that create career mobility locally and further enable people to live and work in Rogers.

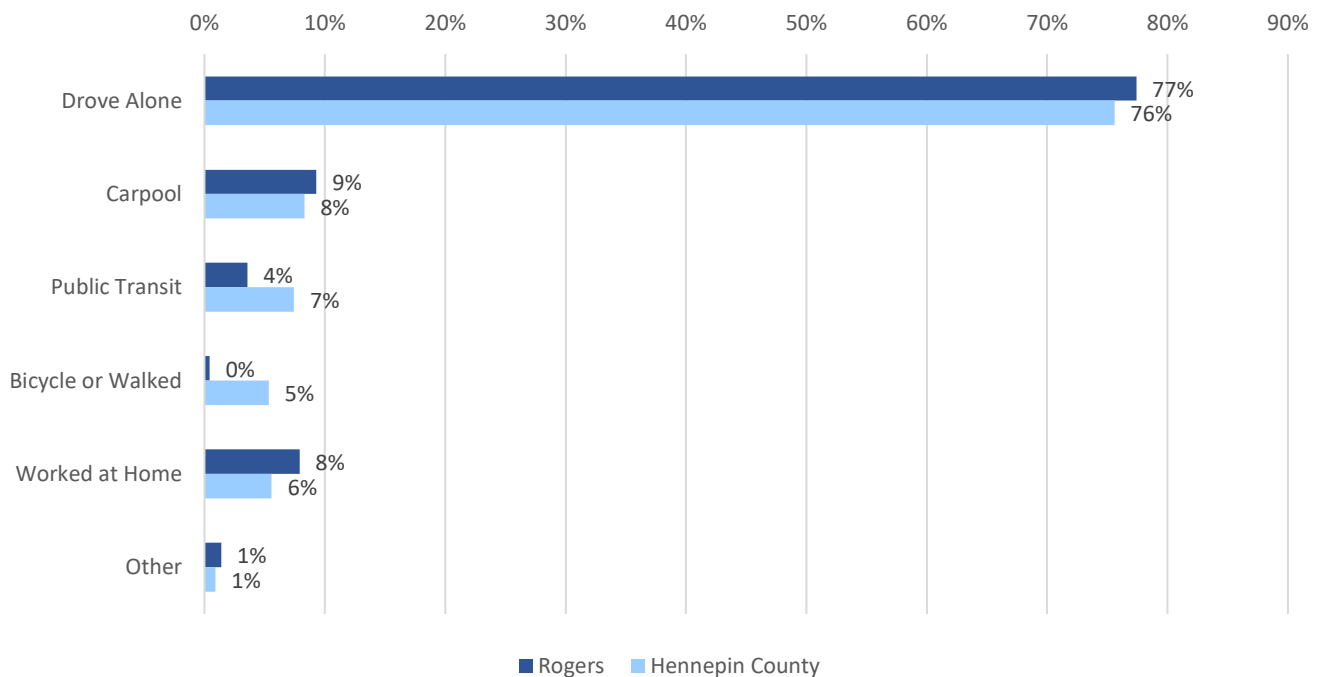
On the residential front, the ability to attract new business depends on the availability of housing options necessary to satisfy employee needs related to their income. The import of workers and recent growth of lower wages jobs and jobs-housing imbalance is driving the demand for workforce housing and more attainable housing options. That need is mirrored by a surging market for apartments and more attainable housing options across the Twin Cities metropolitan area. The ability to provide housing options that satisfy all workers, regardless of age and income, further supports the local economy and job creation.

Work Commuting

An imbalance in jobs and housing creates longer commute times, more single driver commutes, loss of job opportunities for workers without vehicles or with limited transportation options, a reduced workforce pool for businesses, and traffic congestion, resulting in poor air quality. Additionally, the imbalance between the types of jobs available and workers available to fill them, and limited local transportation alternatives, such as public transit, results in a far greater percentage of the Rogers workforce commuting to work elsewhere

As shown in **Table 7.3**, in 2016, approximately 77 percent of the working population commuted alone, 9 percent carpool, and 4 percent used transit, walked or biked. These patterns have not changed appreciably since 2010. The ability to diversify the employment base to create new job opportunities locally and enhance the local and regional transportation systems to expand commuting options will enable residents to work where they live, retain a greater amount of disposable income locally, and address climate concerns by reducing carbon emissions.

Table 7.3: Means of Commute to Work (2016)



Source: U.S. Census, 2016 American Community Survey

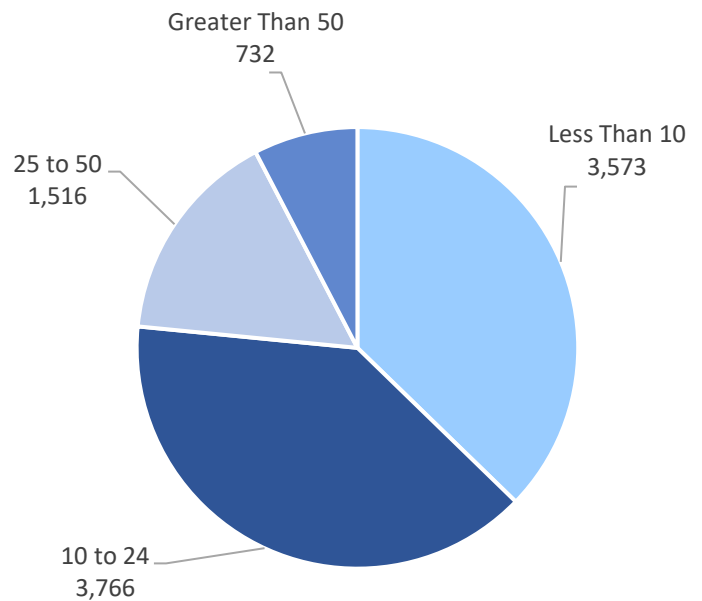
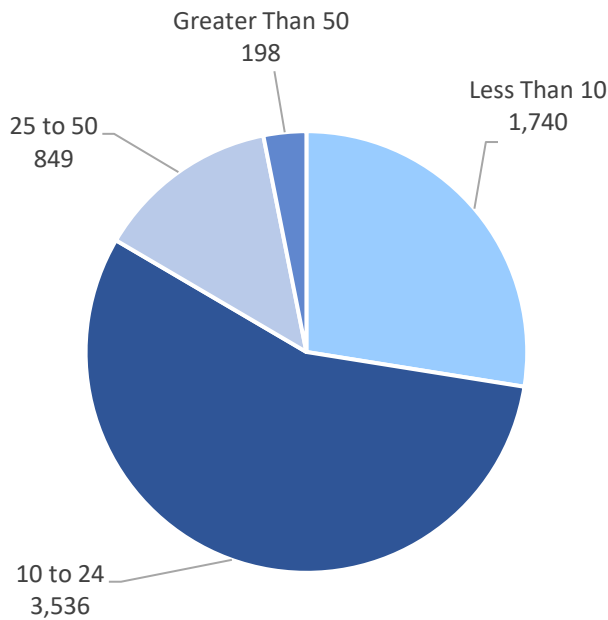


Based on the inflow/outflow data, of those that commute elsewhere for work, 55.9 percent of them traveling between 10 to 24 miles and 13.4 percent traveling up to 50 miles, with nearly 100 percent of those commuters traveling toward the core of the Twin Cities metropolitan area. Unlike the focused destination of Rogers residents, those commuting to Rogers for work come from a greater mix of communities, with an equal mix traveling less than 10 miles (37.3 percent) as compared to those traveling between 10 to 24 miles (39.3 percent). The number of non-residents that travel up to 50 miles to work in Rogers (15.8 percent) is also greater than the number of residents that travel this same distance to work elsewhere.

Figure 7.4: Commuting Distances

From Home/Rogers to Work (Miles)

From Work/Rogers to Home (Miles)



Income

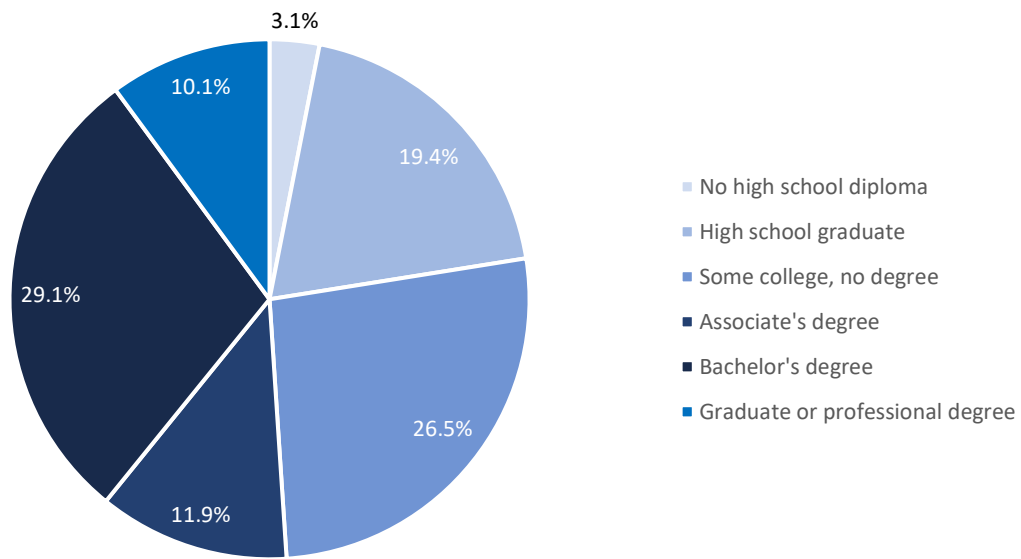
In 2016, the median household income for Rogers was \$109,000. This figure is substantially higher than the median household income for Hennepin County (\$68,000) and the seven-county metropolitan area (\$70,900). The per capita income in Rogers was \$39,500, which is similar as Hennepin County’s (\$39,900) and lower than the seven-county metro (\$36,200). Higher household incomes reflect Rogers’ higher ratio of family households with more than one wage-earner. However, Rogers also has a higher percentage of households with children, and children bring down per capita incomes.

Educational Attainment

Rogers is a highly educated population. According to the 2016 American Community Survey, 68 percent of the Rogers population aged 25 or over had a bachelor’s degree, an associate’s degree, or had attended college (**Figure 7.5**), compared to 58 percent for both Hennepin County and the Twin Cities metropolitan area.



Figure 7.5: Educational Attainment (2016)



Source: 2016 American Community Survey

Redevelopment

The rapid business development of the early 2000s left Rogers with smaller pockets of remnant, vacant land. This is especially true in the main commercial and industrial areas adjacent to I-94 and TH 101. With limited land available for new business or business expansion in these areas, sustainable economic growth and job creation aimed at improving employment options, especially attracting higher paying jobs, will require a concerted focus on compact development strategies through redevelopment, infill and reuse to assemble a supply of land necessary to attract the types of businesses that will enrich the employment base and satisfy the needs of a growing community. Thus, enhancing the economics of the commercial and employment districts of Rogers will be accomplished by emphasizing smart growth strategies through compact development. Blending housing options into commercial districts will require a reimagining those districts to create unique spaces and places that give people the type of community and living experience they seek. Connecting living and working together in common areas, with access to services, shopping and entertainment, recreational opportunities and transportation options, will be an important characteristic to grow business and create jobs, thereby expanding

Business Development

Rogers is committed to not only attracting new business to the community, but also investing locally to help existing businesses thrive and add workers. The City will do this by helping business gain access to resources and information they need to develop their business strategies. A new tool in the City’s economic development toolbox is Open to Business. The City recently joined the program to enable local businesses, or residents looking to open a business, access to an organization that offers free business advice and consultation. The program helps determine the feasibility of a new business or assists business owners find capital or develop marketing strategies. All consultation is one-on-one and can provide entrepreneurs with the information they need to bring a new business to the area. Open to Business is managed by the Metropolitan Consortium of Community Developers (MCCD). The City will also actively engage its Economic Development Authority and continue to partner with State



and regional organizations to help develop and growth business and employment offerings to the community. Those organizations include, but are not limited to: Greater MSP, Minnesota Department of Employment and Economic Development (DEED) and I-94 West Chamber of Commerce.

Downtown Rogers

The desire for connection to community and life experiences is helping to recharge the importance of downtowns to cities across Minnesota, and especially cities in the Twin Cities metropolitan area that have established traditional downtowns. At the core of the Rogers economic engine is downtown, a traditional Main Street with quintessential historic buildings occupied by small retail shops. Based on the re-emergence in downtowns, an identified long-term economic competitive advantage for Rogers, and important to its economic stability, is a vibrant downtown.

The direction for Downtown Rogers is to fulfill a dual role as both a social district and hub of activity for the community, and a place of commerce, with an emphasis on small, locally-owned businesses as the central occupants of the downtown area. Revitalization of Downtown Rogers will depend on a combination of preserving and restoring its historic charm through public and private investment, and redevelopment and infill of blighted properties and vacant lots. Much like the City's other main commercial and employment centers, a healthy mix of residential retail, restaurants, services, entertainment and living to create a sense of place.