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ECONOMIC OPPORTUNITY

Economic opportunity for all people can be both determinant and product of a resilient community where all can thrive and prosper. While there is no universal definition of economic opportunity, we propose it centers on the realization of personal and community potential. In this understanding, it can be seen as the most interdependent of the seven resilience indicators – relying on strong and supportive systems for housing, energy, transportation, health & wellness, materials & waste, and water quality. The Bemidji Community Resilience Model further recognizes, for these systems to be supportive of equitable economic opportunity, we must protect and maintain a healthy natural environment. Throughout the broader Bemidji community, economic opportunity is inextricably tied to environmental health. Surrounding lakes and forests draw people to the area for both career and leisure opportunities. Nearly all participants of community conversations informing this report identified the natural environment as a beloved component of life in Bemidji. Many even suggested it as a primary motivator for their move to the community. Attraction to the natural beauty of Minnesota’s Northwoods will continue contributing to tension between economic development and protection for ecological integrity of this astounding place.

In her 2017 book *Doughnut Economics*, Kate Raworth describes these tensions through an illustrative model of economic progress. Challenging the traditional acceptance of linear or exponential growth, Raworth suggests a new shape of progress. The “doughnut consists of two concentric rings: a social foundation, to ensure that no one is left falling short on life’s essentials, and an ecological ceiling, to ensure humanity does not collectively overshoot the planetary boundaries that protect Earth’s life-supporting systems”. She argues “today, we have economies that need to grow, whether or not they make us thrive; yet what we need are economies that make us thrive, whether or not they grow”.

Drawing on Indigenous Knowledge, we also encourage the expansion of our understanding of economic opportunity. An economy can be broadly defined as the exchange of goods and services. From an anthropocentric view, we think of buying an apple or paying for a dental cleaning. Each decision has consequences on many levels. Was the apple from a local farmer? Do they use pesticides that will harm the health of my children? Do they pay their employees a good wage? If we can begin to more fully understand the impacts of our economic decisions, we can start to make better decisions about what products and services to support. Additionally, once we understand there is a community of life participating in these exchanges, we can begin to ask many good questions about our actions. We can begin to understand

“Especially during this pandemic period, you see all these small businesses and restaurants are closing. It’s a good sign in downtown Bemidji that we have not lost any of them (small businesses) yet. It seems resilient that we are holding it together.”

“Amid the economic challenges of the pandemic, we need to ensure workers experience the same level of support as business owners. The same is true for renters. We need to practice bottom-up, or trickle-up, economics by financially supporting those in lower economic levels, who spend their dollars locally.”

“Protect our natural resources as they are [a] vital [piece] to our tourism industry. Without quality lakes and forests, it could impact our economy.”





our responsibility as members of a community. So, now we also must ask ourselves, does the apple tree farmer use pesticides that contaminate the river and all who depend upon the river, both human and non-human? Are the apples and apple trees cared for as part of a community? Do we see them in the store as a living being, who has been nurtured and will nurture us in return? Do we show reciprocity for this gift? These are but some of the many questions for a system that is not working for everyone.

COMMUNITY ECONOMIC CONDITIONS

It is often noted there are two Bemidjis, split between stark disparities of the haves and the have-nots in the community. Traditional economic progress indicators showed 2021 was a strong year for the greater Bemidji regional economy. Employment increased nearly 5% over the previous year, and the unemployment rate has returned to pre-pandemic levels at around 3.7%. Retail sales and lodging sales increased 17.8% and 36% respectively over the past year. And Politicom ranked the Greater Bemidji region 122 out of 542 micropolitan areas (urbanized areas with at least 10,000 people but fewer than 50,000) up from a rank of 336th in 2016.

Additional metrics, however, tell a very different story. One that highlights critical disparities in education, income, and access to healthcare. Bemidji's household income for white families is approximately \$49,000. However, our Native American households experience a median income of just \$29,800. White workers have an unemployment rate of 3.1% while Native American workers face an unemployment rate of 21%. 35% of Native American residents in our community live in poverty, while the poverty rate among white residents is 13%. Educational discrepancies in economic opportunity are equally as stark with residents with a high school education (but no additional schooling) experiencing a median household income of \$21,000 with nearly 6% being unemployed. Comparatively, residents who have earned a bachelor's degree earn 225% more than high school seniors (approximately \$47,000) and experience less than 1% unemployment rate.

Educational institutions such as Bemidji State University and Northwest Technical College have a huge role to play in promoting an inclusive and thriving local economy. There are many important local organizations that focus on strengthening economic opportunity in the Bemidji area such as the Headwaters Regional Development Commission, Greater Bemidji, the Bemidji Chamber of Commerce, the Northwest Minnesota Foundation, the Azhoomon: the Northwest Indian Community Development Center, Oshkiimaajitahdah, and the United Way of the Bemidji Area.

ECONOMY & ENVIRONMENT

More than many other places, economic opportunity in this community is inextricably tied to environmental health. This is true not only because natural resources are so important for the tourism industry, but because the lakes and forests draw people to the community for their careers in addition to leisure. Nearly all participants in community conversations identified the natural environment as a core element that they love about living in Bemidji, and often the primary element that drew them to move to the community.

COVID-19 & CLIMATE MIGRATION

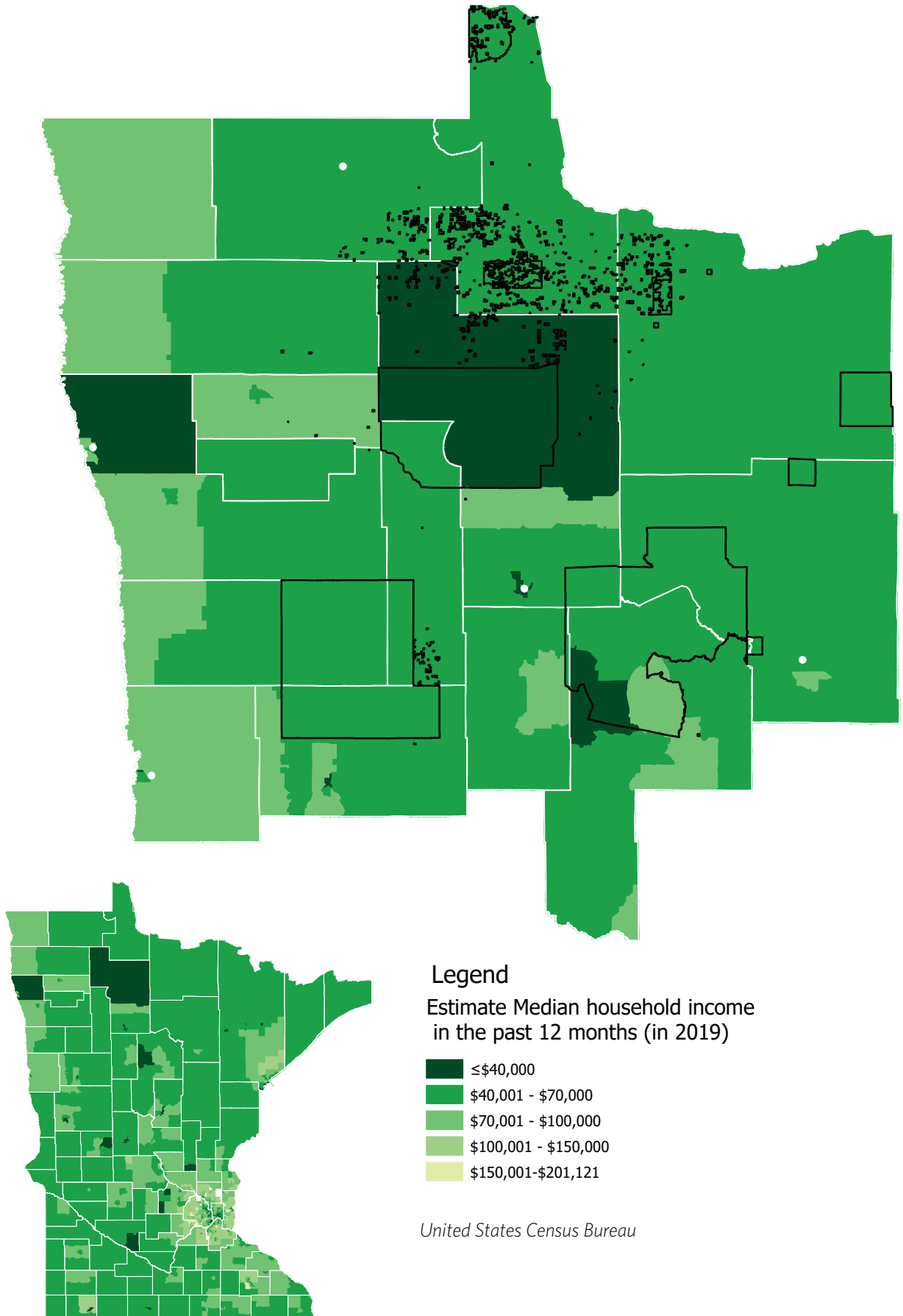
The pandemic and the sudden ability for so many professionals to work remotely has increased the ability of people to relocate to areas they love irrespective of available jobs. Bemidji has actively solicited relocation of professionals to the region. Additionally, climate change may drive population growth as the area becomes increasingly desirable as climate change refugees flee impacted areas.

While many community members identified a need to invest in broadband infrastructure, Beltrami County was identified by the MN Department of Employment and Economic Development as the #1 county in Minnesota for access to Gigabit internet speeds, with 98.78% of the county having access to these speeds.

Investments in broadband infrastructure have enabled the Bemidji area to achieve designation as a Telecommuter Forward! Community by the Minnesota Department of Employment and Economic Development. Through its 218 Relocate program, the Greater Bemidji economic development agency currently offers incentives, including up to \$2500 to offset moving expenses, to professionals who relocate to the area but work remotely. While this program likely increases the tax base and median income of the area, current residents expressed concern about the equity of this program and the belief many long-term residents remain underserved.

MEDIAN HOUSEHOLD INCOME

ESTIMATE BY CENSUS TRACT IN NORTHWEST MINNESOTA



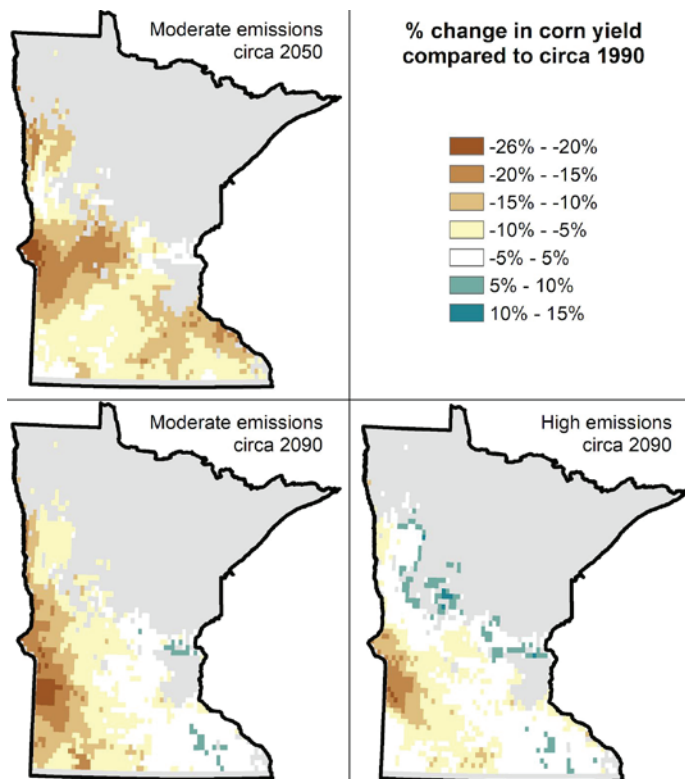
INCOME DISPARITIES

Despite a thriving business community, the Beltrami area has one of the lowest median incomes in the state, with some areas having a median household income below \$40,000. This is in stark contrast to many part-time residents who own second homes for summer leisure in the area, drawn to the lakes and natural environment. If Bemidji is to thrive into the future and be as resilient as possible to future disruptions, the disparities in income and economic opportunities must be addressed. Many local non-profits are working to create real change in this area, and the resilience planning team is engaging in these conversations whenever possible.

FUTURE CLIMATE PROJECTIONS

As the climate changes, the Beltrami area will experience less disruption than many other areas of the state, country, and planet. See below projections for climate impacts on corn and soy productivity as one small example which shows minimal impact in the area with much greater impact elsewhere. Whereas other areas must plan for climate disruptions that greatly impact the local climate and economic opportunities, the Beltrami area must plan to be an increasingly desirable location, which will bring up important conversations about how the community wants to grow, how that will impact the local culture and environment, and who benefits from that growth.

EFFECTS ON CORN & SOY PRODUCTIVITY



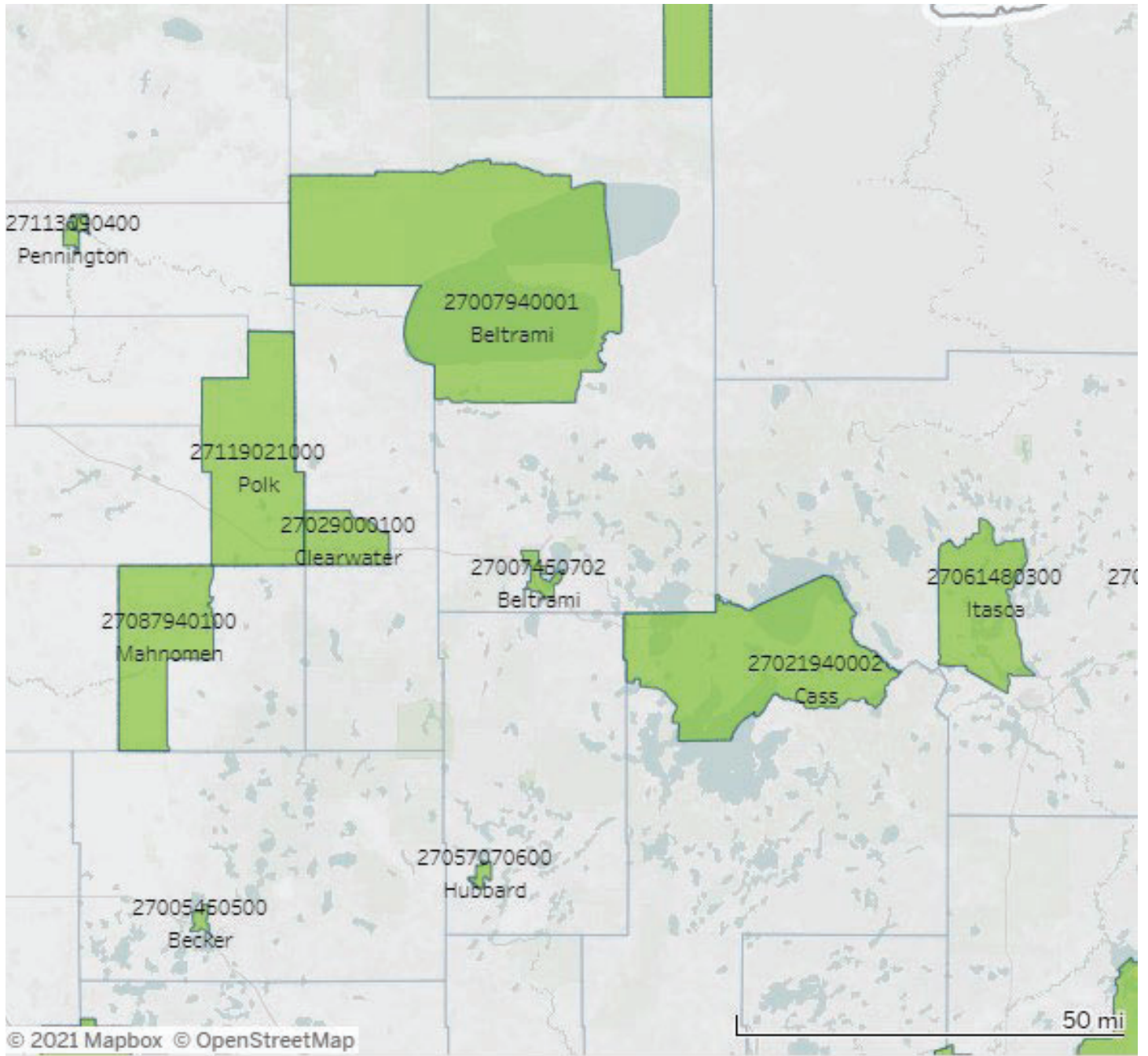
from *Climate change projections for improved management of infrastructure, industry, and water resources in Minnesota*

"Future development could be impacted by accessibility to clean water sources in a changing climate"

"The pandemic has highlighted the need to identify new jobs that are not in the service and food industry. We need to focus on creating new jobs that are not centered around the service industry and provide new jobs in advanced manufacturing, technology, health."

"For me the biggest in terms of the topic I know best is the business community. A huge act of resiliency is participation in our covid long tables that we conducted when businesses closed in march. We held long tables once a week, and it was business owners (some were even in competition with each other) they were offering advice and helping each other out."

BELTRAMI AREA OPPORTUNITY ZONES



OPPORTUNITY ZONES

Through the Tax Cut and Jobs Act of 2017, Congress established a community development program known as Opportunity Zones. The program strives to support low-income, distressed neighborhoods by encouraging long-term investments from the private sector. A state's Governor must designate eligible census tracts to be opportunity zones, but this ability is limited to only 25% of eligible census tracts statewide. As of May 2018, the State of Minnesota has designated 128 census tracts as Qualified Opportunity Zones. The Bemidji community and Red Lake Nation are opportunity zones within Beltrami County. Of the surrounding region, the census tract including the Leech Lake Band of Ojibwe, in Cass County, is also an opportunity zone. It will be important to engage with how this program can positively impact Bemidji and surrounding communities.

INVESTING IN THE FUTURE

High school graduation rates are one indicator of investment in the future of the community. Graduation rates have generally been improving over time, but disparities remain. Since 2017, the Project Graduate initiative has worked throughout the region to increase graduation rates. Many school districts, Bemidji Area School District (ISD #31) included, remain below the goal of 100% graduation. Community-wide efforts will be necessary to continue increasing not only graduation rates, but the quality of education provided to community youth.

Bemidji area voters determined the outcome of ballot measures in 2020 and 2021, rejecting in both years ISD #31's referendum to replace its current \$180 per pupil levy, approved in 2014, with a \$460 per pupil levy. Continuing to operate under the existing levy puts the District in a challenging position of stabilizing its budget through cuts to programs, staff, and student services. One source of budget challenges are underfunded statewide mandates, particularly for special education and busing services. As discussed in the Transportation section, rural school districts struggle to transport the populations they serve, which are dispersed across greater geographic ranges, when state funding is determined on a per pupil model. Supporting strong education systems throughout the region will depend not only on state legislation but the willingness of citizens to support their school system.

“Build communities around youth to provide mentorship and leadership program to provide economic opportunity.”

“[I feel] an example of resilience is Bemidji's growing awareness of the gift that is BSU as more than an economic engine, but a source of ~5,000 individuals living in and serving the broader community with creativity and vision.”

“On campus, I see resiliency among students. Students whose internships were canceled, whose job offers were rescinded. I have seen individuals' examples of resiliency during the pandemic.”



BSU AS ECONOMIC DRIVER

An economic impact study on the Minnesota State system of 26 state colleges and seven state universities, released in January 2023, has found that Bemidji State University and Northwest Technical College combine to contribute an estimated total of \$310.4 million and more than 2,200 jobs to Minnesota's economy each year.

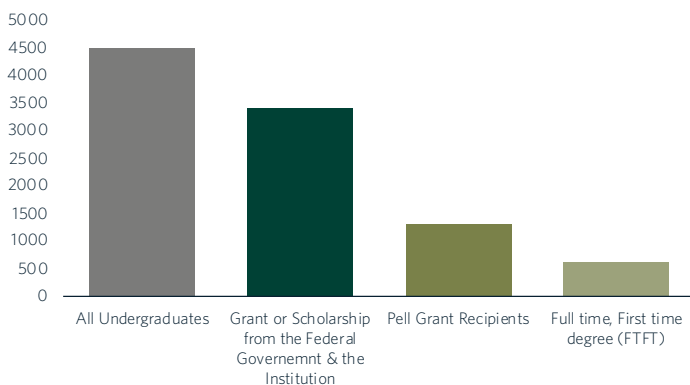
According to the study, this economic activity has a direct impact on the state's labor market, as BSU and NTC either support or sustain an estimated total of 2,277 jobs in Minnesota. Those jobs include persons directly employed by both BSU and NTC, as well as indirect or induced jobs created by supply and equipment vendors, contractors and laborers for the construction and renovation of facilities and jobs created in the community at hotels, restaurants and retail stores in support of the BSU/NTC faculty, staff, students and visitors.

In total, Parker Phillips' study estimated the combined impact of Minnesota State's 26 colleges and seven state universities, plus the spending of its faculty, staff and students, is approximately \$8.4 billion per year, which generates an estimated 62,125 Minnesota jobs.

*For the graph at right, undergraduate data utilizes 6th spring accounting, which includes students who graduate within 6 years, or 12 semesters, of first enrolling. Graduate data utilizes 3rd spring accounting, including students who graduate within 3 years. *No graduate program enrollment in 2014 resulted in zero 2017 graduates.*

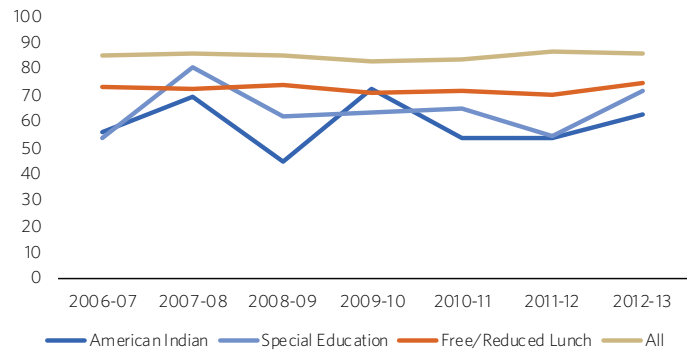
BSU FINANCIAL AID

2019-2020 (# OF STUDENTS)



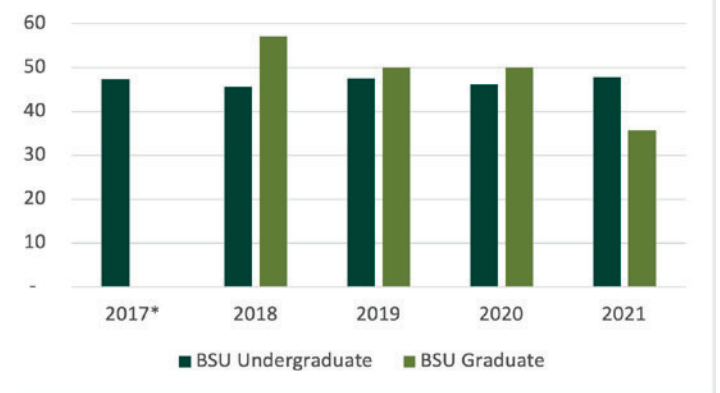
Data Source: IPEDS Data Collection System. Bemidji State University Overview.

BEMIDJI HIGH SCHOOL GRADUATION RATES (%)



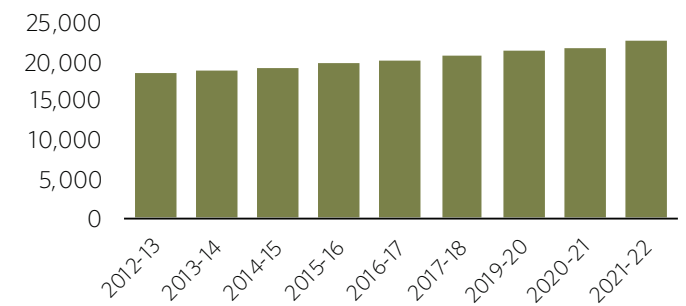
Data Source: Bemidji High School

BSU GRADUATION RATES (%)



Data Source: IPEDS Data Collection System. Bemidji State University Overview.

BSU COST OF EDUCATION (\$)



Data Source: IPEDS Data Collection System. Bemidji State University Overview.