

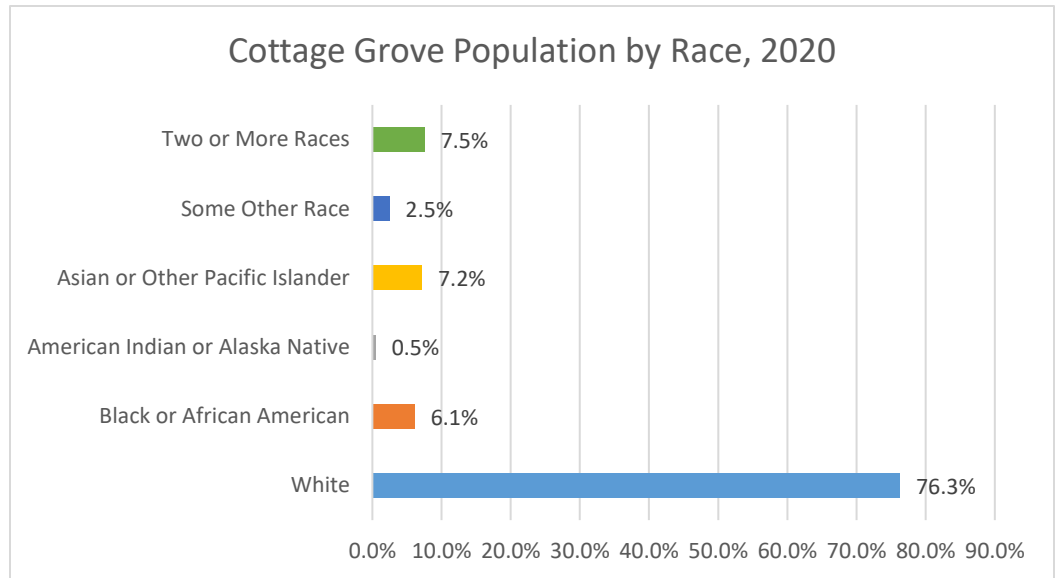
The City of Cottage Grove

Population Demographics

The City of Cottage Grove had an estimated total population of 38,839 people in 2020. Of this population, approximately 76.3% reported as white, 6.1% reported as Black or African American, 0.5% reported as American Indian or Alaska Native, 7.2% reported as Asian or Other Pacific Islander, 2.5% reported Some Other Race, and 7.5% reported Two or More Races.

The city's total population expanded by 12.3% (+4,250 persons) between 2010 and 2020. During this time, the city's population reporting as white decreased by 1.0% (-298 persons). All other races held steady or witnessed growth:

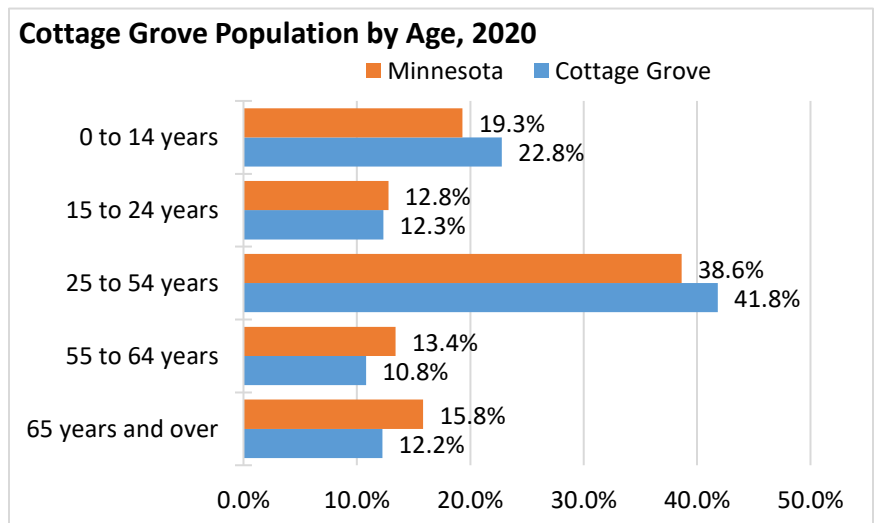
- Black or African American: +75.8% (+1,022 persons)
- American Indian or Alaska Native: +1.1% (+2 persons)
- Asian or Other Pacific Islander: +51.3% (+944 persons)
- Some Other Race: +94.5% (+466 persons)
- Two or More Races: +260.3% (+2,114 persons)



Additionally, 2,628 people in Cottage Grove report having Hispanic or Latino origins (and may be of any race). This represents about 6.8% of the city's total population. Between 2010 and 2020, the city's Hispanic or Latino population increased by 58.5% (+970 persons).

According to the 2016-2020 American Community Survey (ACS) 5-Year Estimates, Cottage Grove's median age is 36.5 years. This was slightly younger than Minnesota's median age of 38.1 years. Cottage Grove's population broken down by age cohorts:

- 0 to 14 years: 22.8% of the total population (8,457 people)
- 15 to 24 years: 12.3% (4,576 people)
- 25 to 54 years: 41.8% (15,528 people)
- 55 to 64 years: 10.8% (4,014 people)
- 65 years and over: 12.2% (4,545 people)



Between the 2015 and 2020 5-year ACS estimates, Cottage Grove's total population increased by 4.8% (approximately 1,715 people). The fastest-growing age cohort was those 65 years of age and older (+33.9%; +1,150 people). The population between the ages of 0 and 14 years also witnessed significant growth during this period (+5.4%; +433 people). Those between the ages of 55 and 64 years (+2.4%; +94 people), and the prime-working-age population, or

those 25 to 54 years of age (+1.1%; +164 people) witnessed slower growth. Cottage Grove’s population between 15 and 24 years of age declined slightly between the 2015 and 2020 estimates (-2.7%; -126 people).

Households, Income, and Poverty

The City of Cottage Grove has approximately 12,266 total households according to the 2016-2020 American Community Survey 5-year estimates. Of these households, an estimated 88.9% were owner-occupied, with the remaining 11.1% being renter-occupied. The average household size was 3.02.

As of 2020, household incomes were significantly higher in the City of Cottage Grove than they were for the rest of Minnesota. The median household income in Cottage Grove was \$102,600 in 2020, which was 39.8% higher than Minnesota’s median household income of \$73,382. Zooming in, 14.8% of Cottage Grove’s households had incomes below \$50,000, compared to 33.5% of such households statewide.

Census data also allows one to analyze Family income, where Cottage Grove’s median family income was \$110,860 in 2020. In this case, a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together.

Per capita income, according to its US Census Bureau definition, is the average income computed for every man, woman, and child in a particular group. For Cottage Grove, the per capita income equaled \$40,333 in 2020, which was slightly higher than Minnesota’s per capita income, \$38,881.

Area	Less than \$25,000	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000-\$149,999	\$150,000 or more
Cottage Grove	3.9%	10.9%	14.6%	18.3%	27.1%	25.3%
Minnesota	14.5%	19.0%	17.4%	14.1%	18.3%	16.7%

Source: 2016-2020 American Community Survey, 5-Year Estimates

Area	Median Household Income	Average Household Income	Median Family Income	Average Family Income	Per Capita Income, 2020		
					Cottage Grove	Minnesota	Percent of State
Cottage Grove	\$102,600	\$119,437	\$110,860	\$127,576	\$40,333	\$38,881	103.7%
Minnesota	\$73,382	\$96,814	\$92,692	\$116,714			

Source: 2016-2020 American Community Survey, 5-Year Estimates

Overall, Cottage Grove’s poverty rate was 2.7% in 2020, which was significantly below the statewide rate of 9.3%.

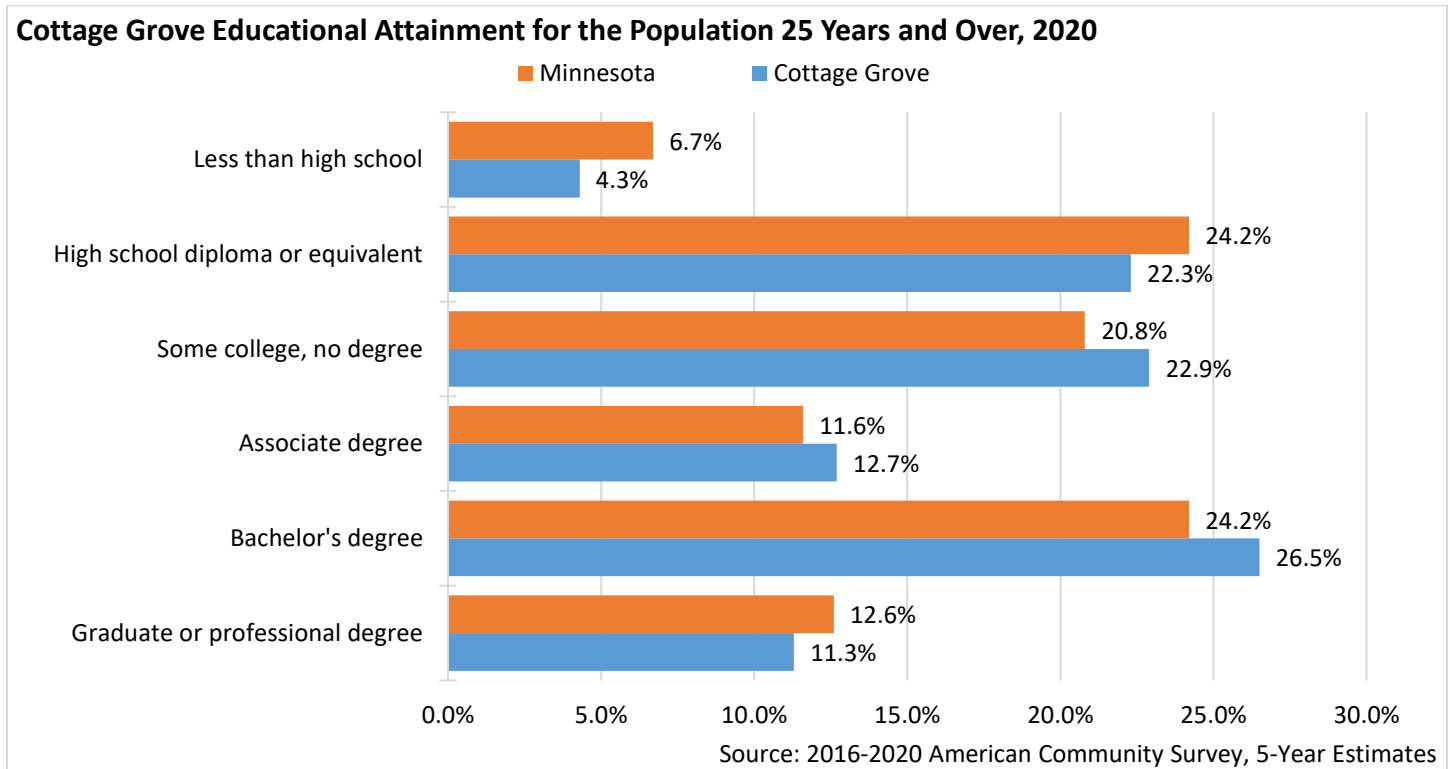
Total population for whom poverty status is determined	Total Population	Income below the poverty level	Poverty Rate (% below poverty level)	Minnesota Poverty Rate
Total Population	36,993	1,001	2.7%	9.3%
White Alone	31,021	871	2.8%	7.1%
Black or African American Alone	1,879	43	2.3%	26.4%
American Indian Alone	81	5	6.2%	32.4%
Asian Alone	1,921	63	3.3%	12.9%
Some Other Race Alone	435	1 Distribution	2.5%	17.1%
Two or More Races	1,587	8	0.5%	14.4%
Hispanic or Latino	1,517	12	0.8%	17.5%

Source: 2016-2020 American Community Survey, 5-Year Estimates

Educational Attainment

The City of Cottage Grove has more residents with higher educational attainment than the state overall. For example, 73.4% of those living in Cottage Grove (that are 25 years of age and older) have attended a post-secondary institution or

have obtained a degree. That includes 37.8% of the region’s population with a bachelor’s degree or more. Comparatively, 69.2% of the state’s total population 25 years of age and older have attended a post-secondary institution, with 36.8% having a bachelor’s degree or more.



Labor Force Statistics

- Cottage Grove’s **annual labor force** size was 20,371 in 2021. This was down by 2.1% (446 people) from 2019.
- The city’s annual **unemployment rate** equaled 3.2% (658 persons) in 2021. This was down from 5.4% in 2020 (1,116 persons). The unemployment rate equaled 2.8% in 2019 (585 persons).
- **Employment** in Cottage Grove dropped from 20,232 in 2019 to 19,472 in 2020 (-3.8%, -760 persons). Employment increased slightly between 2020 and 2021 (+1.2%; +241 persons).

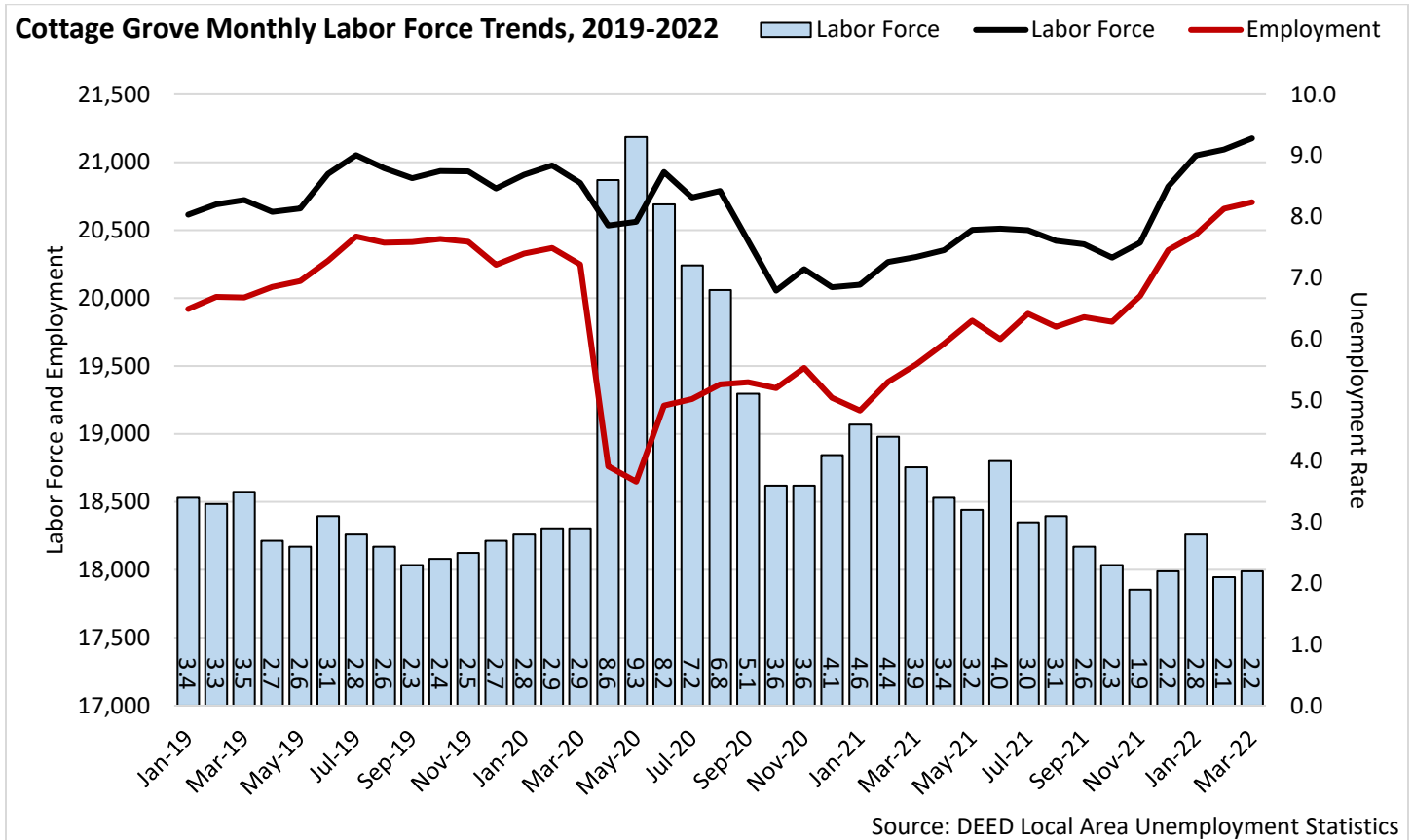
Annual labor force statistics can mask many of the fluctuations that occurred during the COVID-19 recession and subsequent recovery:

- The **unemployment rate** in Cottage Grove peaked at 9.3% in May 2020, equivalent to approximately 1,912 unemployed persons. This rate would fall to 3.6% through November 2020, before rising again in the winter months to 4.6% in January 2021. The unemployment rate has since decreased to 2.2% through March 2022, equivalent to approximately 470 unemployed persons.
- **Employment** in the city peaked at 20,455 persons in the summer months of 2019, before declining slightly to 20,370 in February 2020. As unemployment spiked in May 2020, the number of employed persons hit a low of 18,649. After large fluctuations throughout 2020, the city’s employment generally increased between January 2021 and March 2022 (+8.0%, +1,534 employed persons).
- Cottage Grove’s increasing employment throughout 2021 has led to growth in the city’s total **labor force size**. At 21,176 in March 2022, the city’s labor force is up by 199 persons (+0.9%) from pre-pandemic levels.

Cottage Grove’s labor force trends largely mirror what has occurred in Washington County. Washington County’s unemployment rate hit 9.0% in May 2020 (12,721 unemployed persons) from 2.9% just a few months before in February 2020 (4,262 unemployed persons). The county’s unemployment rate has since fallen to 2.2% in March 2022 (3,246 unemployed persons).

Also, like Cottage Grove, Washington County’s employment size peaked in the summer months of 2019, before dropping by 8.5% between February 2020 and May 2020. Employment in the county, after fluctuations throughout 2020, has steadily increased since January 2021.

Washington County’s total labor force size equaled 145,804 persons in March 2022. After declining to 138,342 persons in January 2021, the county’s labor force size is now slightly higher than pre-pandemic levels.



Industry Statistics

As of annual 2021, the City of Cottage Grove Lake had 548 establishments supplying 9,559 covered jobs. The average annual wage across all industries was \$52,936, with total payroll equaling \$506.2 million.

Broken down by ownership, 81.6% (7,796 jobs) of Cottage Grove’s total employment is within the private sector and 18.4% is government employment (1,763 jobs). Of the city’s government employment, 97.2% (1,714 jobs) are local government jobs.

Broken down by industry, Manufacturing is Cottage Grove’s largest-employing industry sector. With 2,317 covered jobs, this industry accounts for nearly one-quarter (24.2%) of the city’s total employment. For reference, Manufacturing accounts for 11.7% of Washington County’s total employment and 11.3% of Minnesota’s total employment. Where Cottage Grove accounts for 10.8% of Washington County’s total employment, the city accounts for 22.5% of the county’s total Manufacturing employment.

Retail Trade, with 1,690 covered jobs, and Educational Services, with 1,292 covered jobs, make up Cottage Grove’s 2nd- and 3rd largest-employing industry sectors. Altogether, Manufacturing, Retail Trade, and Educational Services account for over half (55.4%) of Cottage Grove’s total employment.

The most significant impact COVID had upon Cottage Grove’s industry employment was between the second quarters of 2019 and 2020. During that time, total city employment dropped by 10.1% (929 jobs). For reference, Washington

County's total employment dropped by 13.0% (11,565 jobs). Minnesota's total employment dropped by 12.3% (358,449 jobs). Between the second quarters of 2020 and 2021, Cottage Grove's total employment increased by 17.3% (1,438 jobs). Washington County's total employment increased by 15.3% (11,838 jobs), and Minnesota's increased by 8.7% (221,764 jobs).

Cottage Grove Industry Statistics, 2021				
Industry	Number of Jobs	Share of Total Jobs	Number of Establishments	Avg. Annual Wage
Total, All Industries	9,559	100.0%	548	\$52,936
Manufacturing	2,317	24.2%	10	\$78,104
Retail Trade	1,690	17.7%	51	\$29,068
Educational Services	1,292	13.5%	19	\$57,044
Health Care and Social Assistance	803	8.4%	98	\$44,564
Accommodation and Food Services	767	8.0%	35	\$19,968
Wholesale Trade	549	5.7%	18	\$78,884
Transportation and Warehousing	444	4.6%	28	\$48,464
Other Services	314	3.3%	73	\$29,328
Public Administration	296	3.1%	3	\$52,884
Administrative and Support Services	223	2.3%	29	\$34,788
Professional, Scientific, and Technical Services	113	1.2%	47	\$70,824
Real Estate and Rental and Leasing	110	1.2%	30	\$41,236
Finance and Insurance	92	1.0%	25	\$98,280
Arts, Entertainment, and Recreation	61	0.6%	6	\$11,128
Management of Companies	42	0.4%	5	\$108,888

Source: DEED Quarterly Census of Employment and Wages

Note, the data above represents 95.3% of Cottage Grove's total employment. Suppressed industries include Agriculture, Mining, Construction, Utilities, and Information.

