



United Way  
of Steele County



# United Way of Steele County Community Needs Assessment

---

## Final Draft

---

Ali Shirvani-Mahdavi, Ph.D.

Mikayla Schreiber

7.25.22

Proprietary and Confidential

**All Rights Reserved**

## Contents

<b>Figures</b> .....	<b>3</b>
<b>Tables</b> .....	<b>4</b>
<b>1 Executive Summary</b> .....	<b>5</b>
<b>2 Introduction</b> .....	<b>6</b>
<b>3 Methodology</b> .....	<b>6</b>
<b>4 About Steele County</b> .....	<b>7</b>
4.1.1 About Steele County: Race and Ethnicity .....	7
4.1.2 About Steele County: Wages and Poverty .....	8
4.1.3 About Steele County: Housing and Household Income.....	9
<b>5 Qualitative Analytics</b> .....	<b>10</b>
<b>6 Descriptive Analytics</b> .....	<b>17</b>
6.1 Steele County Housing .....	17
6.1.1 Housing Characteristics and Affordability .....	17
6.1.2 Senior Housing Market .....	18
6.2 Children and Teen Mental and Behavioral Health.....	19
6.2.1 Service Availability and Barriers to Access.....	20
<b>7 Quantitative Analysis</b> .....	<b>21</b>
7.1 Demographic Analysis .....	21
<b>8 Summary Findings and Recommendations</b> .....	<b>23</b>
8.1 Summary Findings.....	23
8.2 Recommendations .....	24
<b>9 Appendix</b> .....	<b>26</b>

## Figures

Figure 1: Steele County, Racial Characteristics, 2019.....	7	
Figure 2: Foreign Born Population, 2019 .....	7	
Figure 3: Median Household Income, Steele County, Neighboring and Parent Geographies, 2019 .....	8	
Figure 4: Wage by Race and Ethnicity for Common Jobs, 2019.....	8	
Figure 5: Poverty by Age and Sex, 2019 .....	9	
Figure 6: Property Value Ranges, Steele County vs. US	Figure 7: Median Value of Homes .....	9
Figure 8: Median Household Income .....	10	
Figure 9: Rent vs. Own, Steele County and Neighbors .....	10	
Figure 10: Prevalence of emotional disturbance (children) and mental illness (adults) .....	19	
Figure 11: Population Pyramid - 2000 vs 2020 .....	22	
Figure 12: Population by Race .....	22	
Figure 13: Educational Attainment, 2020 .....	23	

## **Tables**

Table 1: Variable risk and protective factors for mental, emotional, and behavioral health.....	20
Table 2: Service Gaps for Children's and Teens Mental Health .....	20
Table 3: Cumulative Estimates of the Components of Population Change, 2020-2021 .....	21

## 1 Executive Summary

United Way of Steele County is looking to update their strategic focus areas for investment. The objective of this project is to identify community need areas and prioritize which community need areas are the most critical for immediate investment. Based on our findings, there are three areas of need, which are intertwined.

The most common theme was access and availability of affordable housing. This need came up in every conversation we had with the Steele County community residents and leaders. But it is not quite that simple. Affordable housing impacts different community members differently, and the groups that are most impacted by this are the ones that also presented themselves in our interviews and research. Secure and affordable housing becomes even more profound when combined with the barriers that certain groups experience: Senior citizens, people of color, and people with behavioral or substance use disorders. It is the confluence of these three areas that we believe that United Way can make the most impact.

Which is no easy task. Based on our conversations and research, we know that at the federal, state, county and local level, there are lots of programs that address all of these issues, in multiple ways. But not in a coordinated way, and most often, it leaves the people in need of these services confused and helpless. Despite the availability of resources, albeit inadequate, individuals in need don't get the resources they need.

Based on our observations, here are our findings:

1. Affordable housing is a major issue in Steele County and particularly in Owatonna. This is particularly acute for people of color with large families and senior citizens.
2. There is a supply and demand issue, but the more important issues are affordability, access and bureaucracy.
3. There are certain geographies (census blocks and tracks) that experience this significantly more than others.
4. Given the demographic and changing characteristics of Steele County and Owatonna, there is a hesitancy on the part of established communities to accept new arrivals and families, despite the fact that the new arrivals have established relationships with existing communities.
5. Mental health and substance use disorders among teens is a growing concern, which was exacerbated by COVID-19, and the extent of the damage is yet to be determined. The incidence rate for teen anxiety, depression and substance abuse has been growing steadily for years, but COVID-19 and lack of connection with peers has made the problem more acute.
6. The percentage of disconnected youth, those who are between the ages of 16 and 24, who do not have a job or are in school, has also been increasing. There is a great deal of research that shows the relationship between disconnected youth and health and economic outcomes.

Given the diversity of issues that came out of our interviews, we looked more closely at each of these three areas: (1) affordable housing and access, (2) mental health issues in general with a focus on teens, and (3) racial characteristics and discrepancies. We used 3 types of analytics using both qualitative and quantitative data. We used the following analytical methods to come up with our recommendations:

1. **Data gathering:** qualitative through interviews and quantitative through research.
2. **Descriptive analytics and research:** Identifying historical trends and characteristics for Steele County overall and on the three areas mentioned above.
3. **Root cause analytics and research:** Understanding the causes of the focused areas and how they have evolved over time.
4. **Geo analytics:** Leveraging existing and new GIS maps to understand the connection between and resources at a geographical level in Steele County in general and Owatonna specifically.
5. **Recommendations:** Making recommendations based on our findings from the above methods.

## 2 Introduction

The goal of United Way of Steele County (UW-SC) is to improve lives in Steele County. UW-SC works in two ways, to maximize its impact by funding 25 direct services programs being serviced by 15 area partner agencies as well as partnering on initiatives that are referred to as opportunity programs. The approach is not only to meet immediate needs of those who need the help, but also focus on longer-term solutions. Most importantly, money raised in Steele County stays in Steele County.

UW-SC has three areas of focus:

### **Building Educational Success [learn more](#)**

A child's education is the cornerstone of their future. Future success in life, work, and in school. The path to success starts with early intervention. With a high-quality education, children graduate better prepared for college and eventually their chosen career path

### **Improving Health & Well-Being [learn more](#) [our work health](#)**

UW-SC is dedicated to building a stronger Steele County. Good health is an essential component for long-term individual success and a strong community. It's no secret - better health leads to increased success at any stage in life. Steele County will thrive when everyone has access to mental and physical health resources.

### **Achieving Financial Stability [learn more](#)**

Steele County benefits when more individuals and families are able to support themselves and sustain long-term financial stability.

With these goals in mind, the purpose of this project was to leverage qualitative and quantitative data to identify the most impactful areas of need and opportunity for UW-SC to focus and invest.

## 3 Methodology

We used several different methodological approaches to the project: descriptive analytics, root cause analytics and geo analytics.

- **Descriptive analytics:** Descriptive Analytics is the examination of data or content, usually manually performed, to answer the question “What happened?” (or, What is happening?), characterized by traditional business intelligence (BI) and visualizations such as pie charts, bar charts, line graphs, tables, or generated narratives. The data for descriptive analytics came primarily from census, state, and county data.
- **Root cause analytics:** Root cause analysis (RCA) is a systematic process for identifying “root causes” of problems or events and an approach for responding to them. RCA is based on the basic idea that effective management requires more than merely “putting out fires” for problems that develop but finding a way to prevent them.
- **Geo analytics:** Geo analytics combines traditional analytics with location-based information to provide greater context and perspective about the data being studied. Analytics already covers a variety of factors when generating insight and parsing data, but geo-location and other spatial information can expand intelligence by providing a new axis on which to discover insights.

Underlying all the methods is the data that helps support the findings and recommendations.

## 4 About Steele County

In 2019, Steele County, MN had a population of 36.7k people with a median age of 39 and a median household income of \$64,903. Between 2018 and 2019 the population of Steele County, MN grew from 36,676 to 36,683, a 0.0191% increase and its median household income grew from \$62,731 to \$64,903, a 3.46% increase.

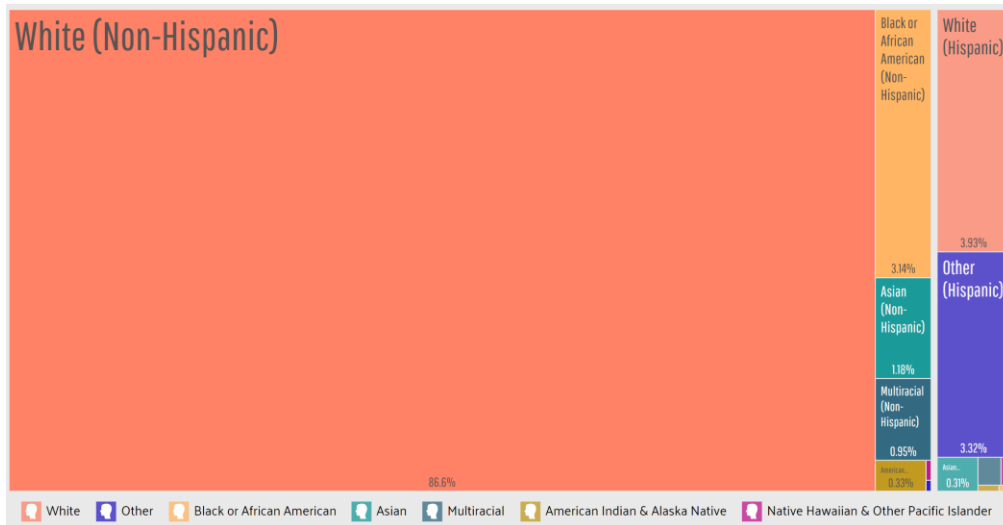
The five largest ethnic groups in Steele County, MN are White (Non-Hispanic) (86.6%), White (Hispanic) (3.93%), Other (Hispanic) (3.32%), Black or African American (Non-Hispanic) (3.14%), and Asian (Non-Hispanic) (1.18%). 97.7% of the residents in Steele County, MN are U.S. citizens.

In 2019, the median property value in Steele County, MN was \$169,300, and the homeownership rate was 75.2%. Most people in Steele County, MN drove alone to work, and the average commute time was 17.2 minutes. The average car ownership in Steele County, MN was two cars per household.

### 4.1.1 About Steele County: Race and Ethnicity

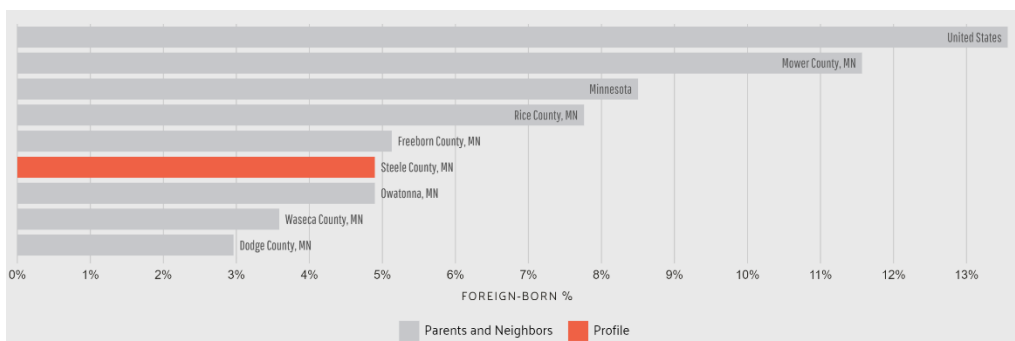
In 2019, there were 22.1 times more White (Non-Hispanic) residents (31.8k people) in Steele County, MN than any other race or ethnicity. There were 1.44k White (Hispanic) and 1.22k Other (Hispanic) residents, the second and third most common ethnic groups. 7.8% of the people in Steele County, MN are Hispanic (2.86k people). The following chart shows the 7 races represented in Steele County, MN as a share of the total population.

Figure 1: Steele County, Racial Characteristics, 2019



As of 2019, 4.9% of Steele County residents (1.8k people) were born outside of the US, which is lower than the national average of 13.7%. The following chart shows the percentage of foreign-born residents in Steele County to that of its neighboring and parent geographies.

Figure 2: Foreign Born Population, 2019



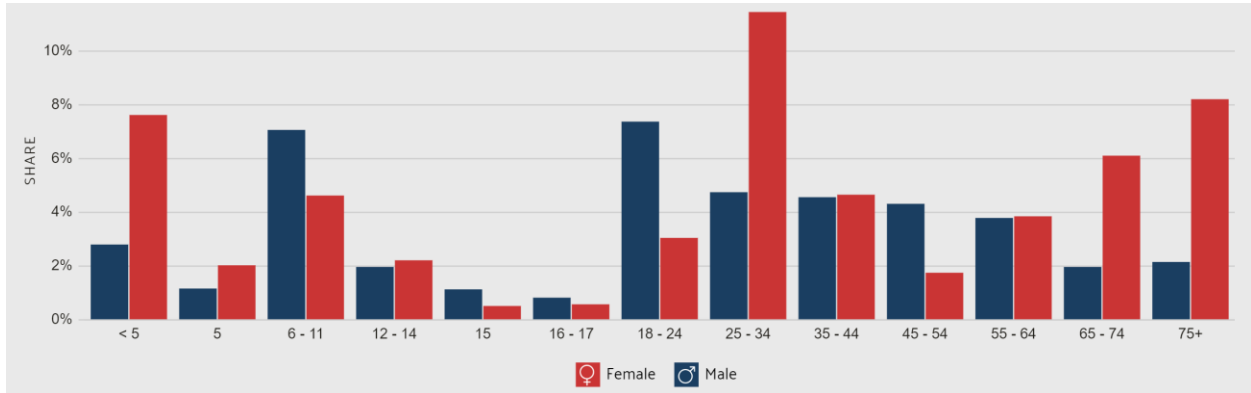




8.94% of the population for whom poverty status is determined in Steele County, MN (3.24k out of 36.2k people) live below the poverty line, a number that is lower than the national average of 12.3%. The largest demographic living in poverty are Females 25 - 34, followed by Females 75+ and then Females < 5.

The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who classifies as impoverished. If a family's total income is less than the family's threshold than that family and every individual in it is considered to be living in poverty.

Figure 5: Poverty by Age and Sex, 2019



### 4.1.3 About Steele County: Housing and Household Income

In 2019, the median property value in Steele County, MN grew to \$169,300 from the previous year's value of \$158,500. The following charts display, first, the property values in Steele County, MN compared to its parent and neighbor geographies and, second, owner-occupied housing units distributed between a series of property value buckets compared to the national averages for each bucket. In Steele County, MN the largest share of households has a property value in the \$200k - \$250k range.

Figure 6: Property Value Ranges, Steele County vs. US

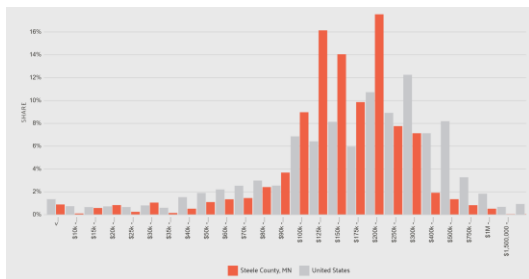
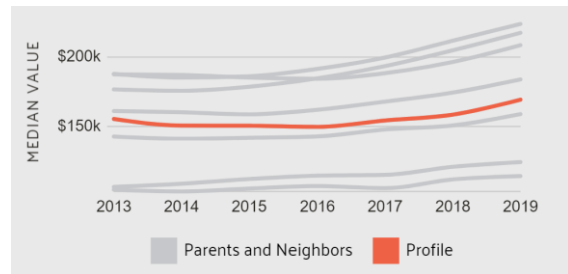
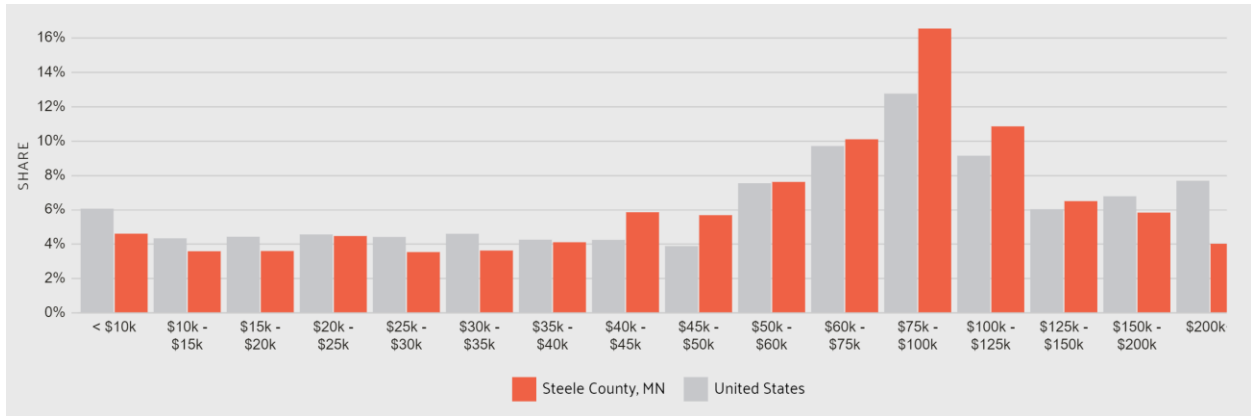


Figure 7: Median Value of Homes



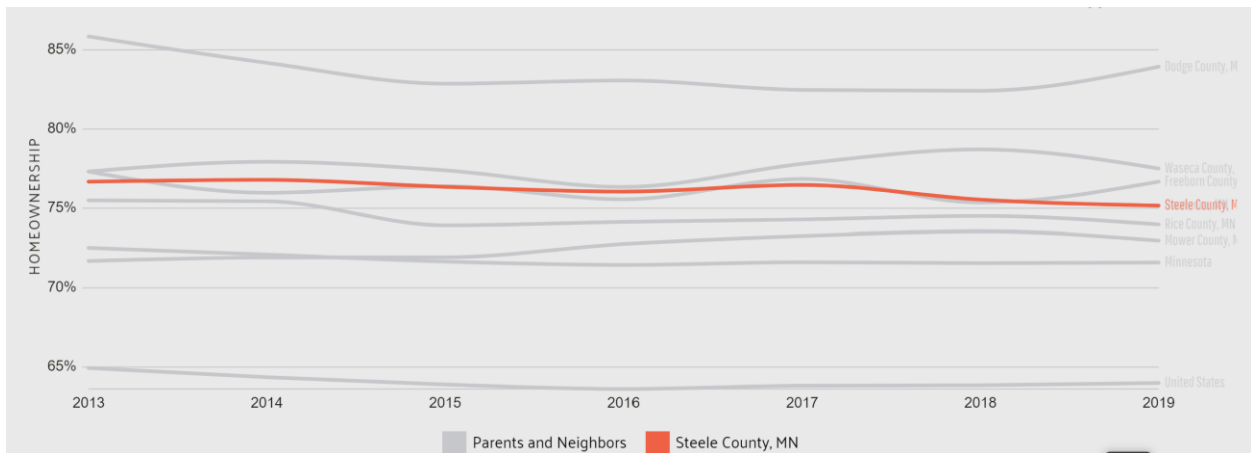
In 2019, the median household income of the 14.7k households in Steele County, MN grew to \$64,903 from the previous year's value of \$62,731. The following chart displays the households in Steele County, MN distributed between a series of income buckets compared to the national averages for each bucket. The largest share of households has an income in the \$75k - \$100k range.

Figure 8: Median Household Income



In 2019, 75.2% of the housing units in Steele County, MN were occupied by their owner. This percentage declined from the previous year's rate of 75.5%. This percentage of owner-occupation is higher than the national average of 64.1%. This chart shows the ownership percentage in Steele County, MN compared it's parent and neighboring geographies.

Figure 9: Rent vs. Own, Steele County and Neighbors



## 5 Qualitative Analytics

As part of this report, we toured and interviewed a diverse group of Steele County residents to gain an understanding of what community members see as the needs of Steele County and areas of opportunity. We interviewed 13 Steele County residents with a range of backgrounds and perspectives. We tried to capture the spirit of ‘what is happening in Steele County’ and where would locals choose to invest and direct resources.

We started each interview with the same first two questions:

1. Based on your experiences and perspective, what do you see as gaps within Steele County?
  - a. What needs do you see within the community?

2. How has this gap/need evolved over the years?

Interviewees:

Role / Background	Key Insights
<p>Steele County resident for 17 years; Federated Employee; parishioner at Lutheran church in Owatonna</p>	<ul style="list-style-type: none"> <li>• The area of biggest concern was affordable housing                             <ul style="list-style-type: none"> <li>○ Noted that there are only two affordable apartment complexes within Owatonna and their location is not conducive for young families with one of the complexes being close to the railroad</li> <li>○ Noted with the growing Somali population that housing options would have to expand their room size to accommodate larger families</li> </ul> </li> <li>• Food Insecurity                             <ul style="list-style-type: none"> <li>○ Observed uptake in the number of families utilizing the local food shelf and church food resources</li> </ul> </li> <li>• Affordable childcare</li> </ul>
<p>Steele County Resident for + 15 years; City of Owatonna employee; focus on city planning</p>	<ul style="list-style-type: none"> <li>• Affordable Housing                             <ul style="list-style-type: none"> <li>• Has observed trends where people who have lived in Owatonna their entire lives with their families, tend to stay in their now oversized homes (children have moved out of their home) instead of relocating and finding a smaller home.</li> <li>• Believes that this is part of the reason for a shortage in housing that can accommodate families</li> <li>• Owatonna recently changed its city zoning policy to attract and retain business in town, which has increased the number of people moving to Owatonna for work opportunities, but the city has not kept up with growing demand in terms of homes available and housing projects on the horizon, which also contributes to the lack in available housing and affordable housing</li> </ul> </li> </ul>
<p>Steele County resident for 20+ years; Young Life Leader; works primarily with middle-school aged youth</p>	<ul style="list-style-type: none"> <li>• Main areas of concern noted were lack of stability for youth with COVID and the constant changes between virtual schooling and in-person schooling</li> <li>• Noted that in discussions with youth between the ages of 12-18 years-old, most stated that they wished there was more to do for them in Owatonna. Youth felt that there is a lack of investment in activities, infrastructure and school programming outside of sports for activities that they can be involved in</li> <li>• Interviewee expressed concern for youth mental health</li> </ul>

	<p>and coping mechanisms of the past two and half years through the COVID pandemic and social uprisings and racist incidents within the Owatonna school system</p>
<p>Steele County resident for 15+ years, local pastor</p>	<ul style="list-style-type: none"> <li>• Largest gap identified within Steele County is the lack of emergent resources available such as shelters, semipermanent housing and urgent medical care</li> <li>• Noted that since the large box office stores, such as Walmart are no longer open 24/7 has seen an increase in community members utilizing the church as a place to stay</li> <li>• With only two shelters in Owatonna, which are typically, the church will try and place people in a hotel for a night or two and connect them with Social Services so they can be entered into the social support system and be connected to a shelter/semi-permanent housing/treatment             <ul style="list-style-type: none"> <li>○ The church recently hired a social worker who can help ‘tirage’ and connect people to appropriate resources and long-term solutions</li> </ul> </li> </ul>
<p>Steele County resident for 20+ years; Federated Employee; Community Pathways Board Member</p>	<ul style="list-style-type: none"> <li>• Largest gaps identified were the “basics”             <ul style="list-style-type: none"> <li>○ Access to healthy, consistent, and affordable food</li> <li>○ Housing</li> <li>○ Clothing</li> </ul> </li> <li>• As a Community Pathways board member and reviewing reports, noted that Blooming Prairie’s population tends to utilize Community Pathways resources the most per capita</li> <li>• Noted that Owatonna in general seems to be a giving community, but that someone must “be in the know” in order to know what resources and options are available to them</li> </ul>
<p>Steele County resident for 25+ years; Local Small Business Owner</p>	<ul style="list-style-type: none"> <li>• Believes that Owatonna is suffering socially and economically post-COVID</li> <li>• Believes that if everyone was employed, the overall status of Steele County residents would improve             <ul style="list-style-type: none"> <li>○ *Note, according to Minnesota State Employment and Economic Development, the overall seasonally adjusted unemployment rate for the state is 2.2% as of April 2022, and for Steele County the unemployment rate is 1.7% as of April 2022.</li> <li>○ Steele County has one of the lowest unemployment rates in the state of Minnesota as</li> </ul> </li> </ul>

	<p>of April 2022</p>
<p>3 community members; Ranging between the ages of 22 years-old to mid-forties</p>	<ul style="list-style-type: none"> <li>• Largest area of concern is for the youth and lack of investment and programming</li> <li>• Young adults in Owatonna face a difficult time finding affordable housing and housing in general</li> <li>• With new luxury apartment buildings being constructed downtown Owatonna, community members felt that their needs were not being met and ignored for the sake of profits</li> <li>• Overall, the group felt Steele County lacks a community gathering space; where people can gather, socialize, and host organized events in a public space</li> </ul>
<p>Steele County resident for nine years; South Central Technical College Admissions Manager; Big Brothers and Big Sisters Board Member</p>	<ul style="list-style-type: none"> <li>• Greatest barrier(s) identified:             <ul style="list-style-type: none"> <li>○ Lack of representation</li> <li>○ Achievement gap</li> <li>○ Underpinning both barriers is structural and systemic racism that is rampant within Steele County</li> </ul> </li> <li>• Lack of representation             <ul style="list-style-type: none"> <li>○ In Steele County local government, school districts and within the private sector for top executives, majority are white males.</li> <li>○ There are no people of color in leadership positions within Steele County’s school district</li> <li>○ This lack of representation leaves BIPOC community members out of critical conversations and decision points that impact the broader Steele County community. This has lastly impacted on community members feeling engaged and plugged in to their community and leads to further division between class and race</li> </ul> </li> <li>• Achievement Gap             <ul style="list-style-type: none"> <li>○ Within Steele County, there is a strong sense of in-group and out-group</li> <li>○ The in-group seems to be those who are white, likely affluent and have been a part of the Steele County community for 10+ years</li> <li>○ Those who are in the in-group seem to know about job postings and community leadership positions first and with advantage when it comes to applying and interviewing, since most interested ‘candidates’ didn’t know the position</li> </ul> </li> </ul>

	<p>existed until after the new person was named</p> <ul style="list-style-type: none"> <li>○ The exclusive nature of employment and leadership opportunities was a trend that as interviewers we heard from a majority of Steele County community members</li> <li>○ Many expressed frustration and anger with the lack of awareness and marketing of employment opportunities, whether they be within the school system, local government or private sector the exclusivity of must “being in the know” was felt and has been a barrier for advancement and representation for BIPOC communities</li> </ul>
<p>Steele County resident for 12 years; Community Pathways employee</p>	<ul style="list-style-type: none"> <li>● Within work for Community Pathways (CP) has seen an uptick in CP usage across the community in spring 2022. Likely due to rising prices, inflation, the end of the rent moratorium and a change in SNAP food program assistance</li> <li>● CP serves over 850 households and of those households only 5-8 families utilize CP resources on a weekly basis             <ul style="list-style-type: none"> <li>○ 65% of CP members have some form of employment but still qualify for assistance</li> </ul> </li> <li>● CP helps to fill in gaps for community members, mainly for food assistance with its “nearly full choice model” where people can shop for what food they need with very few restrictions             <ul style="list-style-type: none"> <li>○ Within the next year CP has a goal set to source more culturally appropriate foods (Somalian and Latino food choices)</li> </ul> </li> <li>● 68% of CP members who utilize the food shelf services also utilize the clothing options as well             <ul style="list-style-type: none"> <li>○ There has been limited formal feedback gathered on the clothing side of CP and where the organization can do better and where historically it is meeting the needs of the community</li> <li>○ Informal feedback is that there is a need for more men’s clothing</li> </ul> </li> <li>● Majority of CP members are seniors 65+ who typically come in sporadically when there is a need they cannot quite fill and typically on the off weeks of social security checks</li> <li>● Language barrier within CP:             <ul style="list-style-type: none"> <li>○ CP does not have any Spanish speaking staff, so when Spanish speaking community members come in it is difficult to serve them and retrieve information due to this language barrier</li> <li>○ Interviewee did express desire to hire an</li> </ul> </li> </ul>

	<p>employee who is bilingual to bridge this gap</p> <ul style="list-style-type: none"> <li>• One of the greatest needs observed for the member population is that majority need mental health services             <ul style="list-style-type: none"> <li>○ With Owatonna’s health system already taxed to meet the growing demand of mental health services, CP is currently going through the process to open mental health services internally for members who utilize CP services</li> </ul> </li> <li>• Greatest barriers for community members:             <ul style="list-style-type: none"> <li>○ CP is an emergent resource</li> <li>○ People utilize it when they have gaps that they cannot fill</li> <li>○ When unexpected expenses happen, CP sees community members who are stressed, feel isolated and for some shame that they need to utilize CP resources</li> <li>○ Overall, most community members who utilize CP only come in 5-8 times out of the year when their situation is strapped enough to warrant a visit</li> </ul> </li> </ul>
<p>Steele County resident for 15+ years; Senior Caregiver</p>	<ul style="list-style-type: none"> <li>• Mainly works with the 60+ population and supporting community members in any way that they need             <ul style="list-style-type: none"> <li>○ Crisis management, food assistance, transportation assistance, health insurance applications, moving, finding stable affordable housing, socializing etc.</li> </ul> </li> <li>• Noted that there are people who utilize services who are under 60 years-old and likely already on Medicare benefits             <ul style="list-style-type: none"> <li>○ Noted that likely there is a large population of people who are under 60, who could benefit from services but do not meet requirements, so they “fall through the cracks” and likely end up using emergent resources further down the road</li> </ul> </li> <li>• Most common need of seniors is assistance to apply for Medicare and for socialization</li> <li>• COVID-19 was especially hard for senior populations, and it seems that many are still recovering from social isolation and the utter lack of community connection</li> <li>• The greatest need identified for seniors in Steele County is affordable housing</li> </ul>
<p>Steele County resident for eight years; Professor and academic; Executive Director of Youth Education Group</p>	<ul style="list-style-type: none"> <li>• Focused on advancing the quality of life and opportunities for Somali students and community members within Steele County</li> <li>• With over 400 Somali families in Owatonna, there is not a single teacher in Owatonna who is Somali or speaks</li> </ul>

	<p>Somali. The lack of representation contributes to a feeling of ‘other’ and a struggle to feel like you belong in schools. Interviewee expressed that it is difficult to open up and feel comfortable when no one in the room in a position of power looks like you or can understand your background.</p> <ul style="list-style-type: none"> <li>• Not only is there lack of Somali representation in the local school system but also in local government <ul style="list-style-type: none"> <li>○ The Somali community of Steele County feels abandon by City Council and local government</li> <li>○ Many have petitioned to the city council to advertise and promote job opportunities equally and fairly with no changes being implemented</li> </ul> </li> <li>• Observes and intensely feels the racial divide between white Steele County residents and BIPOC community members. Interviewee noted the “Push Pull Factor” – that if Somali community members do not feel engaged or welcomed into the overall community then they disengage and ‘shut down.’</li> <li>• Most pertinent immediate needs/barriers identified: <ul style="list-style-type: none"> <li>○ Adequate housing to house larger Somali families</li> <li>○ Lack of Somali representation <ul style="list-style-type: none"> <li>▪ In healthcare, local government and the Steele County school system</li> </ul> </li> </ul> </li> </ul>
--	--

### Overall Findings:

To summarize the qualitative portion of this report and the interviews conducted, we have identified three key barriers that residents of Steele County face:

- **Lack of Adequate and Affordable Housing**
  - Perceived lack of housing
  - Lack of multi-bedroom housing
  - Lack of emergent housing (i.e., shelters)
- **Mental Health Services**
  - Timely and appropriate mental health services are lacking within Steele County due to an already taxed healthcare system
  - Lack of access and timely connection to mental health professional services
- **Belonging**
  - Underpinning issues of belonging is social isolation, lack of investment in community gathering spaces, specifically lack of investment for communities of color
  - The racial divide within Steele County is very apparent and strongly acknowledged by BIPOC community members as one of the most difficult aspects of living in Steele County. Even for BIPOC community members who have lived in Steele County, specifically Owatonna for 10+ years, still experience feelings of being an outsider and not belonging to the overall community.



## 6 Descriptive Analytics

### 6.1 Steele County Housing

For purposes of the housing analysis, the Primary Market Area (PMA) encompasses all of Steele County, which includes the Cities of Owatonna, Blooming Prairie, Medford, Ellendale, as well as rural outlying areas.

Owatonna, the population center of Steele County, is forecast to add 1,175 people and 650 households between 2020 and 2030. In contrast, the Remainder of the PMA is expected to gain 825 people and 350 households.

#### 6.1.1 Housing Characteristics and Affordability

- Household size is declining in all geographies, resulting in higher growth in households from 2020 to 2030 (5.8%) than population (4.5%) in Owatonna.
- The population of Owatonna is younger than the population of the Primary Market Area and includes the vast majority of the rental stock in the County.
- The median income for Owatonna is projected to rise by 12.0% from \$60,927 in 2020 to \$68,268 in 2025. In contrast, median income in the PMA is projected to rise by 13.5% from \$63,531 in 2020 to \$72,115 in 2025.
- Incomes among those age 25 to 34 are projected to experience the greatest increase, 15.7%, in Owatonna from 2020 to 2025
- Across all geographies, married couples without children represented the largest household type in 2020. These households accounted for 31.0% of all households in Owatonna, 33.6% of all households in the PMA, 39.5% of all households in the PMA Remainder, 33.0% in the Southeast Minnesota Planning Area, and 30.4% of all households in the State of Minnesota.
- Over 70% (72.6%) of Owatonna households are owner households. Further, there are high rates of ownership among the youngest age cohorts, where there are typically more renters, compared to the State of Minnesota.
- Over half (51.3%) of renter households in Owatonna are one-person households, while owner households are most likely to be two-person households (39.5%).
- Owatonna accounted for nearly 70% of the permitted units in the PMA from 2004 to 2019.
- Housing within the City of Owatonna was newer than housing in the Remainder of the PMA. The median age of housing stock in the City of Owatonna was 1974 compared to 1960 in the Remainder of the PMA.
- Single-family houses are the dominant housing type in the PMA. Nearly 91% of owner-occupied housing are single-family homes. Single family homes also accounted for the largest portion (30.3%) of the renter-occupied homes in the PMA.
- Owner-occupied homes in the PMA had a median value of \$158,500 in 2018. Median contract rent in the PMA was \$643 in 2018.
- Median income was significantly higher among owner-occupied households (\$76,978) compared to renter occupied households (\$32,891).

- Affordable/subsidized projects make-up 564 units. As of 2020, there were seven affordable unit vacancies with a vacancy rate of 1.5% and eight subsidized vacancies with a vacancy rate of 1.0%.
- About 49% (48.9%) of renter households and 17% of owner householders are estimated to be paying more than 30% of their income for housing costs in Owatonna. Compared to the Minnesota average, the percentage of cost burdened renter households is higher than the state average (47%), but lower than the state average for owner households (19.6%).
- The median sales prices bottomed-out in 2011 after the Great Recession at \$105,000 in Owatonna. However, this past year recorded Owatonna's highest median sales price for residential sales (\$182,000 in 2019).
- The number of cost burdened households in Owatonna increases proportionally based on lower incomes. About 79% (79.3) of renters with incomes below \$35,000 are cost burdened and 46% of owners with incomes below \$50,000 are cost burdened.
- The average list price in Owatonna for a single-family home is \$241,557. Based on an average list price of \$237,890, the income required to afford a home at this price would be about \$67,969 to \$79,297, based on the standard of 3.0 to 3.5 times the median income. About 44% (44.4%) of Owatonna households have annual incomes at or above \$68,000.
- Newer construction listings in the City of Owatonna subdivisions range in asking price from \$229,000 for a split-level in Eden Valley Development #2 to \$315,900 for a one story in Majestic Oaks No. 2. Addition.
- There were 323 lots available in Owatonna subdivisions. Average assessed lot value was \$34,694 and the average assessed home value within these subdivisions was \$253,331.

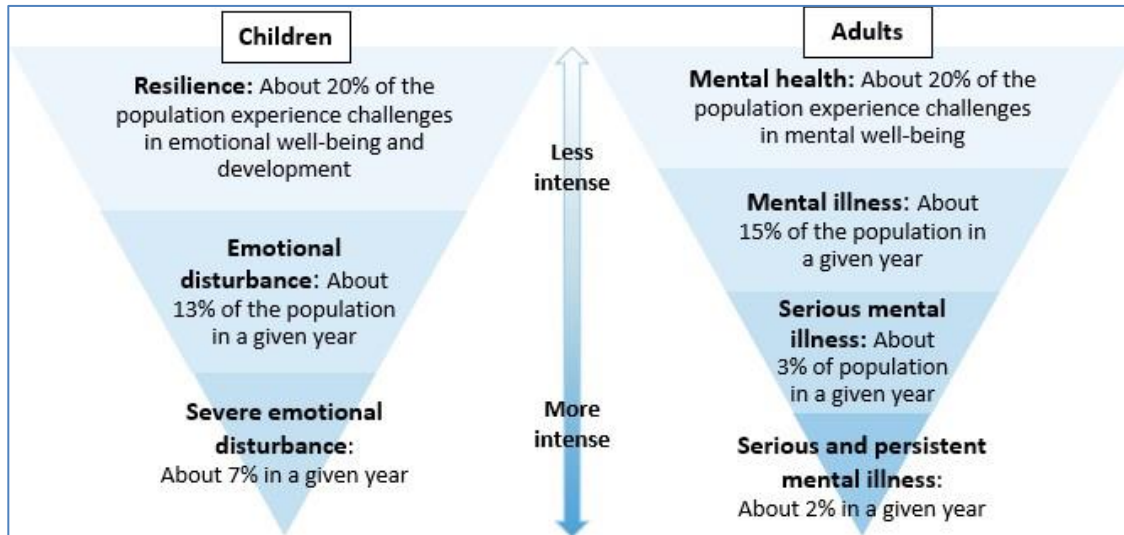
### 6.1.2 Senior Housing Market

- There are 21 senior housing facilities located in Owatonna and various other cities in Steele County with a total of 835 units. Seven facilities offer subsidized senior housing (794 units) and 14 offer market rate senior housing.
- There are three active-adult few services projects in Owatonna for a total of 123 units. Two of these developments are for-sale senior cooperatives.
- There are two congregate senior projects in Owatonna for a total of 99 units. *Countryside and Ecumen Brooks* are both located in Owatonna.
- There are seven assisted living projects located in Owatonna for a total of 249 units. All market areas in Owatonna have at least one assisted living development within its area.
- There are seven memory care living projects located in Owatonna for a total of 123 units. All market areas in Owatonna have at least one assisted living development within its area.
- There are seven senior subsidized housing development in Owatonna that offer active-adult few services with a total of 249 units.

## 6.2 Children and Teen Mental and Behavioral Health

Mental illness in children is sometimes termed “emotional disturbance”, which refers to a range of medical disorders and defining symptoms. Seven percent of Minnesotans from birth to age 21 (109,000 total) experience severe emotional disturbance in a given year. This rate is higher for school-age children (9%) and lower for preschool children (5%).

Figure 10: Prevalence of emotional disturbance (children) and mental illness (adults)



Interpretation of the graph is 20 percent of children experience challenges, which includes 13 percent of the population who experience emotional disturbance, which includes 7 percent of the population who experience severe emotional disturbance.

There are important differences between children, adolescents, and adults that affect their experience of mental illness. Besides anatomical and physiological differences, there are important social, emotional, and cognitive distinctions among age groups. For example, children and adolescents are still developing social behaviors, emotional awareness, and cognitive abilities (until their mid-twenties). The broader context of development and the child’s stage in development has a significant impact on their experience and recovery.

Risk factors are characteristics that increase the likelihood of negative outcomes; protective factors reduce a risk factor’s impact and decrease the likelihood of negative outcomes. Variable risk factors change over time and can vary across contexts.

Risk factors tend to be positively correlated to each other, but negatively correlated to protective factors. Risk factors also tend to have a cumulative effect on the development of behavioral issues, while protective factors cumulate to reduce development of behavioral health issues. The interactions between the two highlight the importance of prevention and early intervention.

**Table 1: Variable risk and protective factors for mental, emotional, and behavioral health**

Level	Risk factors	Protective factors
<b>Individual characteristics</b>	Difficult temperament; inflexibility; poor concentration; low self-esteem; poor social skills; shyness; rebelliousness; insecure attachment; or withdrawal.	Academic achievement; intellectual development; emotional self-regulation; coping skills; problem-solving skills; engagement/connections in school with peers, in athletics, employment, religion, or culture.
<b>Family characteristics</b>	Depression; marital/family conflict; poor parenting; substance use; child abuse; maltreatment; or unemployment.	Family provides structure, limits, rules, monitoring, and predictability. The child has supportive relationships with family members and clear expectations of behavior and values.
<b>School/Community characteristics</b>	Peer rejection; community/school violence; poverty; poor academic achievement; community-level stressful or traumatic events; drug use in community or at school.	Presence of mentors and support for development of skills and interests; opportunities for engagement within school and community; positive norms; clear expectations of behavior and safety.

### 6.2.1 Service Availability and Barriers to Access

While the state, county and community resources offer a range of mental health services, demand and distance often means there are gaps in the continuum of care. Across all population groups (including adults), the most common gaps were workforce shortages, transportation, crisis services, and housing. The top two gaps for children's mental health were workforce shortages and crisis services.

**Table 2: Service Gaps for Children's and Teens Mental Health**

Service	Rank
Workforce Shortage	1
Crisis Services	2
Other out-of-home placements*	3 (tie)
Psychiatrists/prescribers/medication management	3 (tie)
Residential treatment	3 (tie)
Transportation	3 (tie)
In-home services, home health, home health care	4

**Workforce shortages:** Workforce shortages were the most common service gap priority reported in the Gap Analysis study for children with mental health conditions. The mental health workforce is a broad range of providers, for instance psychiatrists, psychologists, social workers, mental health practitioners, case managers, and peer specialists.

Psychiatrist shortages can increase wait times and reduce access to services. The American Association of Child and Adolescent Psychiatry reports the national average wait time to see a Child and Adolescent Psychiatrist is 7.5 weeks. In Minnesota, the wait time can be even longer; some child psychiatrists

reported wait times up to 14 weeks. Waits are especially long for children with culturally specific needs and for high-intensity services.

**A culturally diverse workforce:** Individuals experiencing emotional or behavioral disorders need treatment and support from professionals who understand and are sensitive to their ethnic and cultural values, customs, and practices. To that end, the Institute of Medicine reported that:

- Racial and ethnic minority healthcare professionals are significantly more likely than their white peers to serve diverse communities and medically underserved communities.
- Diverse patients who have a choice are more likely to select healthcare professionals with a similar racial or ethnic background.
- Those patients are generally more satisfied with the care that they receive from diverse professionals.

The demand for a diverse mental health workforce grows as the Minnesota and county's population becomes more culturally diverse. The Cultural and Ethnic Minority Infrastructure Grant program increases access to mental health services for children from cultural minority populations. Since 2008 390 individuals received clinical supervision, mentoring, or training through the grant and 140 of those received a clinical license, in Minnesota. The grant also covers direct services for children from cultural minority families who are uninsured or underinsured. In 2017, 243 children directly received services.

## 7 Quantitative Analysis

### 7.1 Demographic Analysis

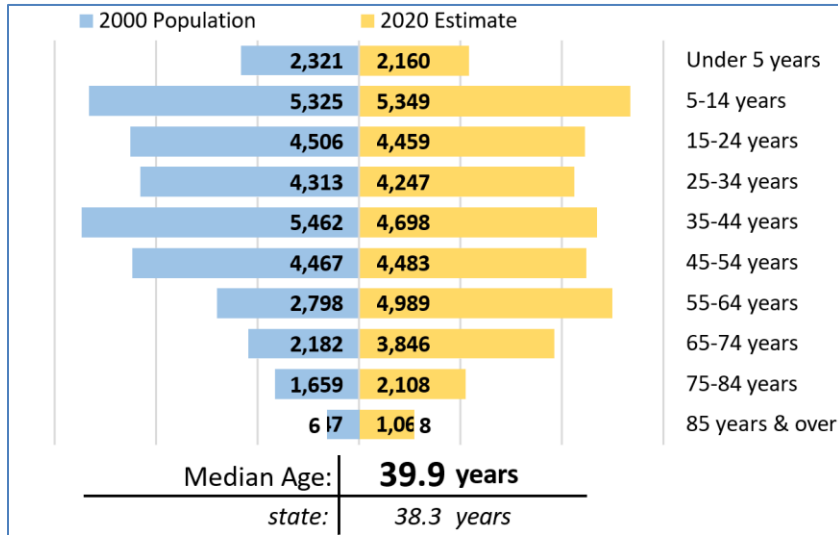
Steele County enjoyed a natural increase - more births than deaths from 2020 to 2021, but also experienced net out-migration - meaning more people moved out than moved in. Despite suffering domestic out-migration, Steele County welcomed net international in-migration - gaining new Minnesotans from foreign countries (Table 3).

Steele County's population increased over the past decade, ranking as the 35th fastest growing of the 87 counties in the state from 2010 to 2020. It is now the 28th largest in the state. Steele County's population has an older median age than the state and a larger percentage of people aged 65 years and older. The population is aging, especially as the Baby Boom generation moves through the population pyramid (Figure 11).

**Table 3: Cumulative Estimates of the Components of Population Change, 2020-2021**

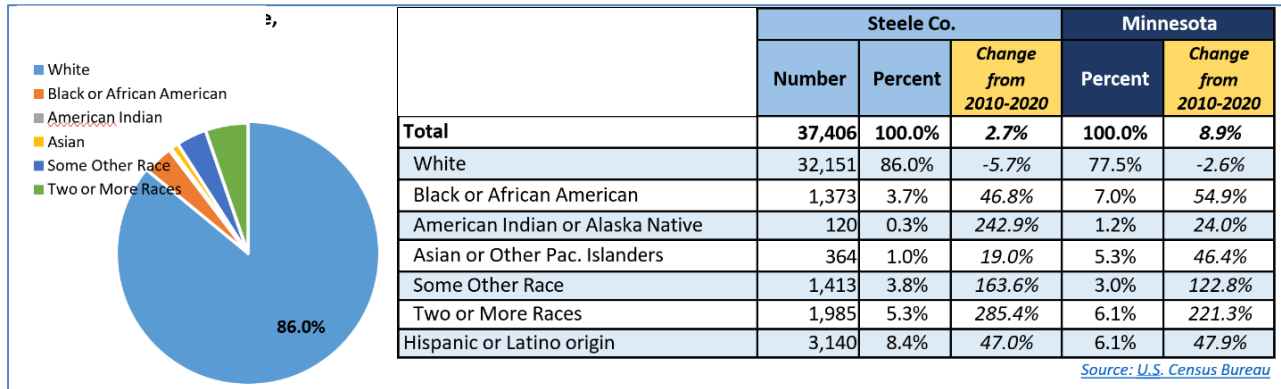
	Total Population Change	April 1, 2020 to July 1, 2021					
		Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	International	Domestic
Steele Co.	-57	10	475	465	-71	7	-78
State of Minnesota	896	12,512	79,493	66,981	-11,734	4,213	-15,947

Figure 11: Population Pyramid - 2000 vs 2020



Compared to the state, Steele Co. has a smaller percentage of foreign-born residents. From 2010 to 2020, Steele Co. saw an increase in the number of foreign-born residents, which was faster than the statewide increase. Steele Co.'s population is becoming more racially diverse over time. Since 2010, the county's white population declined, but the number of people of other races increased (Figure 12).

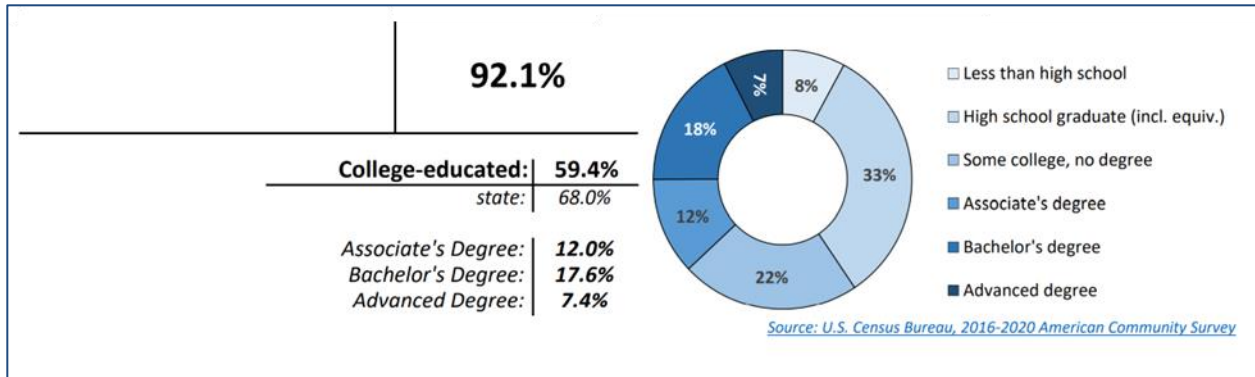
Figure 12: Population by Race



Steele County has a lower percentage of adults (18 years & over) with at least a high school diploma than the state (92.8%), and a lower percentage of people with at least some college experience. Steele Co. also has a higher percentage of people with an Associate’s degree and a lower percentage of people with a Bachelor’s degree or higher (Figure 13).

At 3.5%, Steele Co. had a higher unemployment rate than the state in 2021. After the pandemic recession Steele Co.'s unemployment rate decreased compared to 4.8% in 2020 and increased compared to the 3.4% rate posted in 2019, pre-pandemic. The number of unemployed workers actively seeking work in Steele Co. declined over the past year and is down compared to 2019 (Figure 14).

Figure 13: Educational Attainment, 2020



## 8 Summary Findings and Recommendations

### 8.1 Summary Findings

Based on our quantitative and qualitative research, three primary areas of need and concern stood out. But there were also a number of other peripheral issues that also stood out. The goal of these recommendations is to focus on the most common themes, the underlying causes, and how to address them.

As we have shown earlier, Steele County and specifically Owatonna’s growth rate has slowed down, but it is still above average compared to the state and in line with neighboring counties and areas of comparison. Owatonna and Steele County has a diverse industrial and commercial base that attracts people from the surrounding areas. However there seems to be a disconnect between quantitative data and perception in the community.

For all practical purposes, Owatonna and Steele County are still very much largely white, middle-class community with higher-than-average educational attainment and income. However, the reality is that the county has changed in perceptible ways that stand out to the community that has lived in the area for generations. Among them:

1. The population is getting older, which is not the perception of the interviews we had. The population that has lived there for generations has an opposite view of what is actually happening.
2. The population is getting more diverse, which is true, but in very small numbers. Owatonna and Steele County are still over 90% white/non-Hispanic, which is in line with the neighboring counties. But there has been an increase of new immigrant population that stand out from the previous generations.
3. The younger generation is having more mental health and anxiety issues than before, which is also true, but not for the perceived reasons. The teen mental health issues transcend what is happening on the ground in Steele County and Owatonna; the additional layer of anxiety is more global in nature, such as issues like global warming and direction of the country as a whole. The need for

belonging and connection has not changed. With a caveat. The growing number of teenagers of different backgrounds has created tension and more anxiety.

4. Housing is a universal issue that we saw both in our quantitative and qualitative analysis. The costs are rising and supply is limited. But the fact is that the supply is there, but not for affordable housing which impacts two groups particularly: seniors and low-income families, particularly people of color with larger families, who require larger dwellings. The government programs, such as Section 8, have not kept up with either the cost increases or the changing dynamics of the need.
5. Finally, there is almost certainly a perception difference between different groups based on all of the above. The population that have lived there for generations feel that the problems are outsider problems – more diversity, larger families, and lower level jobs. Despite the fact that numbers don't prove that to be the case in meaningfully statistical way. The newer residents view the issue more of a resource availability and inclusion, despite that fact that progress is being made on both fronts but in imperceptible ways.

## 8.2 Recommendations

Three common themes stood out in our analysis, which we discussed above: (1) affordable housing, (2) teen mental health and (3) new population assimilation and the changing demographics. Based on our research and conversations, the following are our recommendations:

1. **Affordable housing:** We believe that this is an area where UW-SC can play an even greater role, but in much more specific ways. The following are our recommendations:
  - Work with developers for developing quality housing at an affordable rate within the qualifying range. This is both about education and incentives, especially in regards to issues that the housing needs to be safe and inspection passable.
  - Incentivize landlords to participate in Section 8/Main Stream voucher program. Currently not enough landlords participate in the program and Main Stream gets preferential supply. In general, the lack of supply is due to lack in incentives which keeps supply low.
  - Related to above, one of the biggest issues is the stigma with affordable housing; this creates a perception of changing neighborhoods and culture despite the fact that the changes are subtle and inconsequential in terms of property value. This is an interconnection of housing and changing demographics that we will address in the next section.
  - Currently, HUD pays \$720 for 1 bedroom, \$947 for 2-bedroom, and \$1,345 for 3-bedroom apartments, with tenants paying 40% of the rent plus the utilities. There are two issues with this. One, is the stock of housing that does not necessarily reflect the changing nature of need for the new residents that may require larger number of bedrooms. This also feeds into discrimination for newer, larger families. The second issue, is that even with subsidies, the housing costs may be out of range for some families, for both seniors and new residents.
  - There are also state and local programs that are more flexible and can bridge the gap between income and coverage by HUD. This can be for both rental and/or ownership options. However, that still does not solve the supply or incentive issue on the part of property owners. UW-SC can



play a “supply” bridge role in incentivizing landlords to participate in more affordable housing, especially in areas of need and for specific population segments.

- Finally, in terms of housing, there is the issue of education and perception. In our conversations, perception of new residents and their needs surpasses the actual facts on the ground. Educating residents and landlords, in two areas would be important. On the supply side, educating that subsidized housing as a whole does not impact property value; on the existing property owner side, educating that the actual characteristic of the neighborhood does not change. There is a perception within Steele County that affordable housing is typically for low-income families of color, and the data has shown that is not the case, rather affordable housing is a community need of Steele County, not a segment of the population.

2. **Teen Mental Health and Racial Perceptions:** This is not unique to Owatonna; anxiety among teens is increasing because of things they can’t control, which has always been the case. And elements they can’t control, which may be causing them anxiety, is social media, climate change, media coverage, changing nature of their worlds, and obviously the changing nature of their society. In the case of Steele County, UW-SC can play a role in educating teens in their perception of society which is almost certainly colored by where they are and where their parents are. Humanizing others through education and socialization will play a huge role and UW-SC can be at the center of that activity and a convener. Following grassroots practices for community gathering and, in a sense, “deep canvassing” to foster connections across community groups and change public perception of “other”. This will not solve the teen mental health issues, as described above, but it will solve the community anxiety, both real and perceived.

**Path forward:** invest in community centers that brings teens of different backgrounds (income, ethnicity, language) together. The goal here is to find common denominators and break down differences, and to foster connections. This solution not only connects teens of different backgrounds together, which can have a significant impact on reducing their perceived and real notions of isolation, but it also helps connect different communities together in a broader sense. In another word, teens through interaction, not only reduce their level of isolation and anxiety, but also introduce and expand the idea of inclusion among their parents and peers.

This is not an easy task. There are systematic issues, societal, familial and personal, that prevents individuals to seek this interaction. However, the earlier that change can take place, the more likely it will be successful. The goal here is to create a community among teens outside of traditional settings of high school and playgrounds which can be highly segregated and to provide support, social education and mental health resources so that individuals can feel connected. That connection can then be translated not only less anxiety, depression and substance use disorder, but also lower levels of racism. In other words, by humanizing and connecting through a shared setting, teens can see that they are not alone in their world and in their head.

3. **Racial Division:** Like #2, this is really a question of community building, and in fact is very much related to the issues we raised for teen mental health. The fact of the matter is that the older generation in Owatonna and Steele County have perceptions of change that may not resonate with them even though the actual data tells a different story. The younger generation, particularly students that interact with people of color, may, with enough interaction see the connections and change their parents’ views. In our experiences in Steele County, we saw very little presence of

different groups in social settings, which again is not unique. Minnesota is a highly segregated state, and Steele County just mirrors that, albeit maybe in a more exaggerated way. We believe that by providing the resources that brings people together, UW-SC can play a key role in connecting the population and fostering relationships across racial and socioeconomic groups.

**Path Forward:** The lack of a community gathering space is a felt absence by the Steele County community across age groups, socioeconomic status and racial backgrounds. Investing in a community gathering space, creates 'neutral' ground for community members to gather for their own reasons, but also opens the opportunity for the United Way to host cross-cultural events and opportunities to dialogue across groups. A community gathering space is not a deal breaker to engage in community change work, however it could be a catalyst bridging the racial divide and bringing community groups together.

Combating division and racism in communities starts with relationship building and creating open spaces to dialogue on a consistent basis. It is important when doing community change work that a diverse group of people are brought together; that is diverse ages, socioeconomic status, race and education levels. Bringing people of different races together will likely be the most challenging part, so it is crucial to have champions. When engaging in community change work, it is important to establish connections across people in an effort to humanize and connect so that conversations can start from a place of “I understand you a little better because we may experience/feel the same thing towards X” creating that open mind to engage in conversation.

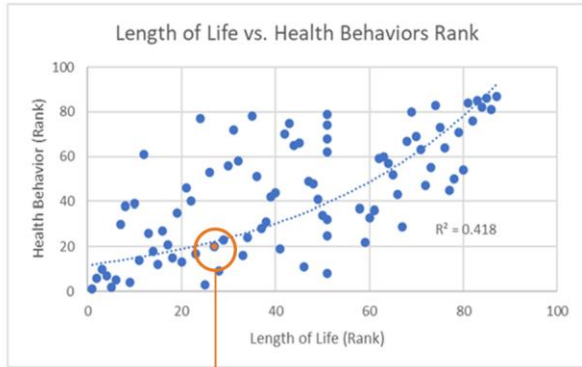
Dialoguing and consistent intentional positive interaction with different groups of people helps to combat interpersonal racism, but this is just one form of racism that contributes to the racial divide in Steele County. There is also personal racism (thoughts and feelings of oneself) and institutional racism (the systemic discrimination of minorities within public and private organizations). Given the nature and dynamic of Steele County which, starting with interpersonal work on combating racism will likely have a cascading effect to influence organizations and institutions to question if their practices (e.g., hiring structure) enforce racist and discriminatory policies. A question community change organizations often encourage people to ask is “Who is not sitting at the table, who is not? Why is that?”

Community change work is not easy; it takes grit and great intentionality to engage across diverse groups and bring people together. It is important to have a system in place to track “progress” to understand the impact of your efforts but also to keep your champions engage in this work for the long haul.

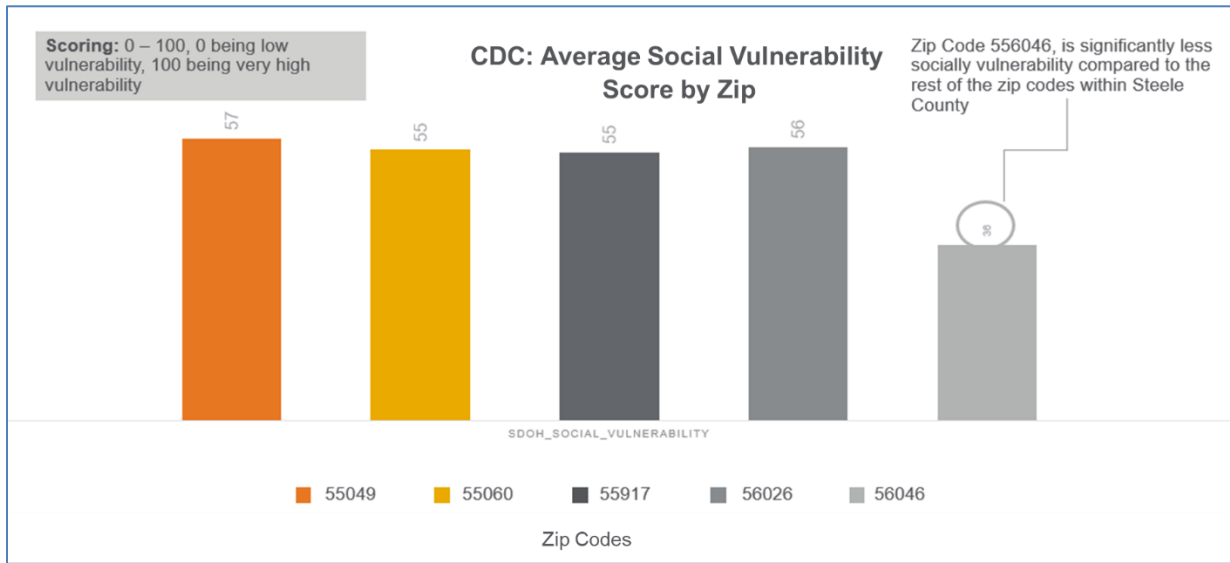
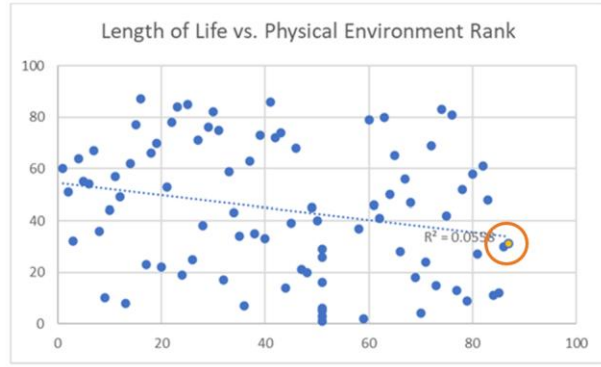
Overall, UW-SC can play a critical role in bridging the racial divide in Steele County by investing in and advocating for a more inclusive and representative education system and workforce so that all members of the Steele County community have the ability to realize their full potential and thrive.

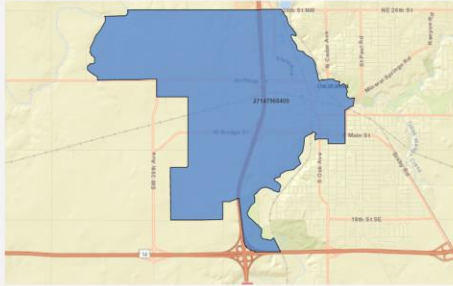
## 9 Appendix

The following are the original material we presented in regards to Steele County’s comparison with the other counties in Minnesota.



Steele County





This is the location and general characteristics of the 400 FIPS.

Type	14,000
Name	Census Tract 9604
City	Owatonna
County	Steele County
State	Minnesota
Zipcode	55060
Population	4,439
Square Miles	6.8
People per square mile	654.2
Below Poverty Line	9.4%

Children Poverty	3
Seniors Poverty	20

Number Of Households	1,836
Per Capita Income	\$23,583
Median Household Income	\$46,074
Opportunity Zone Designation Type	Low-Income Community
Median Age	33.7

Sex Male	52
Sex Female	47
Race White	61
Race Black	9
Race Native	0
Race Asian	6
Race Islander	0
Race Other	0
Race Two Plus	1
Race Hispanic	20