

# Bachelor Thesis

## Mankato MN, Employees and their Residential Location Choice

More than 5 million people live in Minnesota, more than 3 million in the Minneapolis-St. Paul- Bloomington Metropolitan Statistical Area (Fig. 1). The population growth rates of smaller cities in Minnesota like Shakopee, Moorhead, and Maplewood proof an enhanced life quality. But Mankato has a lower growth rate compared to other Minnesotan cities.

The aim of the study is to support Mankato and find out why the population is not expanding as in other comparable cities in Minnesota. As the literature indicates one major aspect of the residential location choice is the work place and the commute time between the work and residential location. Therefore, it would be interesting to determine individual location data of Mankato's employees. Fortunately, the author has access to a data set from the Greater Mankato Growth INC, with information about the number of employees of the ten major employers in Mankato for every zip code.

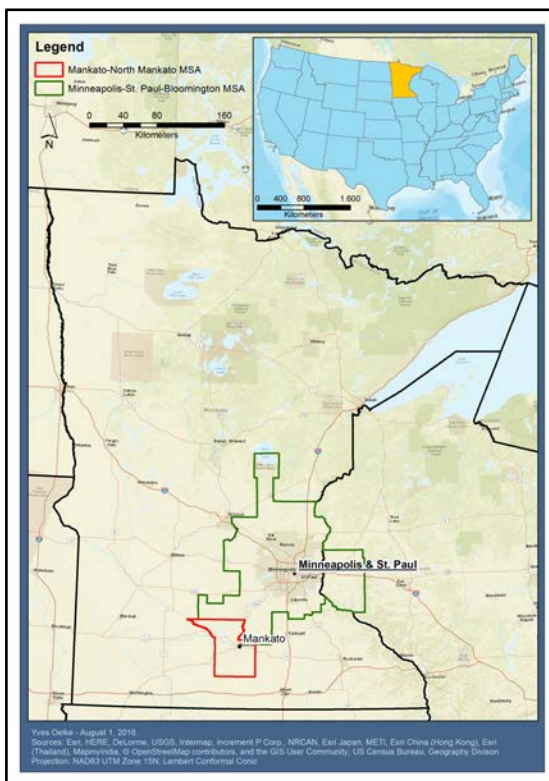


Fig. 1: Location of the area in question

This thesis determines the home locations of the employees of ten major employers in Mankato. A commuting behavior analysis is conducted (Fig. 2) and other external factors such as rent prices, real estate taxes, age, income, and education are compared to the residential locations. The land cover of the region is further investigated in order to analyze information about any patterns between the land usage and the home locations of the employees.

As a last step, city marketing and branding including the question on how to attract talent to Mankato and North Mankato is analyzed.

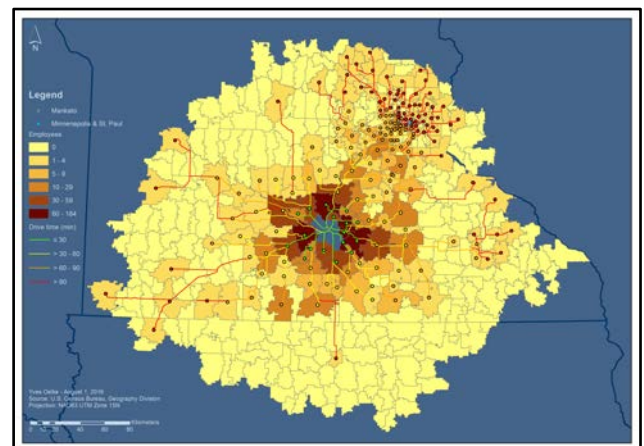


Fig. 2: Drive time analysis of residential location of employees and their work location

The study found that 53 percent of the analyzed Mankato employees live in the zip codes of Mankato and North Mankato. An unanticipated result revealed that approximately 9 percent of the employees have their residential location in the Minneapolis-St. Paul area. Another critical finding shows that about 26 percent of the employees live within a 30 minutes drive-time from Mankato excluding the zip codes from Mankato and North Mankato employees.

The typical Mankato employee that moved out of Mankato or North Mankato is more sensitive about rent prices, but gets less influenced by real estate taxes. Rent prices are a short-term decision. It is more likely that they accept other places for less rent. Buying real estate instead is a long-term decision and higher prices most likely are accepted for a better location.

The study also shows that age, income and education factors influence the residential location choice.