



The EDACENTER

at the University of Minnesota Crookston

The EDA Chronicle-August 2015

www.edacenter.org

Volume 5, Issue 8

Events of Interest:

September 8-11

- National Business Incubator Association will be hosting its 25th Training Institute in Orlando Florida. For information and registration fees, please go to <http://z.umn.edu/xe8>.

September 11

- 2015 Minnesota Water Technology Summit will be held at the University of Minnesota Humphrey School of Public Affairs from 7:30AM to 4:30PM. Cost is \$75-general, \$25-student. For more information, please go to <http://z.umn.edu/yzl>.

September 30

- Export Process: An Introduction to Exporting seminar will be Hosted by the Minnesota Trade Office and will be held at the DEED Conference Center in St. Paul from 8:30AM to 2PM. Cost is \$60 if you register by Sept. 28 and \$80 if you register after Sept. 28. For more information and to register, please go to <http://z.umn.edu/yzm>.

October 27

- The Northeast Small Business Development Center will be hosting the Regional Economic Indicators Forum from 7AM to 9AM at the Duluth Entertainment Convention Center. Cost will depend upon registration option selected. For more information, please go to <http://z.umn.edu/yzo>.

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A Note from the Director of the EDA Center

Dear Friends,

"Economic Development creates the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services."

(<http://www.eda.gov/>)

I was reminded of the EDA's definition of economic development at a recent meeting of the EDA in Chicago, and moved it to the center of my bulletin board, because it provides a good litmus test for our work as community and economic development leaders. Are we nurturing capacity? Are we helping others work smarter? Are we growing the pie?"

In Northwest Minnesota, the U of M Crookston joins a host of regional partners this fall to conduct the IDEA competition. In its fifth year, the IDEA competition is doing more than giving

prizes, it is working to support an economic development climate in Northwest Minnesota that rewards innovation and tolerates risk. Community support like this assures the future of our regions and our state.

You can read more about this competition below and at the web site www.ideacompetition.org.

In our upcoming September issue, we will announce some new projects that will be delivered to Minnesota through EDA Center funds for the 2015-16 grant cycle. We take seriously our role in bringing University of Minnesota resources to the task of nurturing capacity and "growing the pie." Thank you for your partnership.

Sincerely,

Joyce Hoelting, EDA Center Director

ATTENTION NORTHWEST MINNESOTA ENTREPRENEURS:

Applications for the 2016 IDEA Competition will be accepted starting September 1st, 2015. This competition gives ANY-ONE with a product or service idea the opportunity to turn the idea into a reality. The IDEA Competition gives participants access to business development tools, a chance to get your product mentioned in the media, pitch to potential investors, professional services, and finally a chance to win \$10,000 in funding to get your idea moving. For more information please go to www.ideacompetition.org

EDA Federal Funding Opportunity-Regional Innovation Strategies Program

Primary description from www.eda.gov

EDA's Office of Innovation and Entrepreneurship (OIE) leads the Regional Innovation Strategies Program competition to spur innovation capacity-building activities in regions across the nation. The program is authorized through the America COMPETES reauthorization Act of 2010, and received a dedicated appropriation for the first time in FY 2014.

EDA's office of Innovation and Entrepreneurship is excited to announce the 2015 RIS Program Competition, which includes \$10 MM to support two grant opportunities this year:

- **The i6 Challenge:** Launched in 2010 as part of the Startup America Initiative, the i6 Challenge is a national competition based on the most impactful national models for startup creation, innovation, and commer-

cialization. To promote and support inclusion, EDA expects to award up to \$2.5 million of the total \$8 million to projects that provide services to rural areas. Additionally, the evaluation criteria for applications consider the strength of specific outreach plans to populations and communities that are underrepresented in innovation and entrepreneurship and specific, quantitative metrics to measure the effectiveness of that outreach.

- **Seed Fund Support:** These cluster grants provide funding for technical assistance to support feasibility studies, planning, formation, or launch of cluster-based seed capital funds that are offered to innovation-based, growth-oriented start-up companies in exchange for equity. Funds must include job creation in their consideration for issuing capital. The evaluation criteria for applications consider the

strength of specific outreach plans to populations and communities that are underrepresented in innovation and entrepreneurship and specific, quantitative metrics to measure the effectiveness of that outreach.

The Regional Point of Contact for the state of Minnesota is Bill Warren from the Chicago Regional Office. He may be reached at (312) 789-9758 or via email at wwarren@eda.gov.

Recorded webinars are available on the website at <http://eda.gov/oie/ris/> along with more useful information. The application may be found on the Federal Funding Opportunity website at this link:

<http://z.umn.edu/yxm>. The closing date for this funding opportunity is **October 5, 2015**.

Minnesota Exports Down to \$5.2 Billion for the Second Quarter of 2015

While Minnesota exports are still at an impressive \$5.2 billion for the second quarter of 2015, exports are down almost 4% when compared to the second quarter of 2014. Growth in some of the top ten markets offset the declines in exports to Canada and Singapore. Top ten export markets for the second quarter include (percent indicates the change in exports from the second quarter of 2014):

1. Canada \$1.126 billion (-21%)
2. China \$594 million (2%)
3. Mexico \$575 million (5%)
4. Japan \$306 million (2%)

5. Germany \$222 million (24%)
6. Belgium \$220 million (-5%)
7. Korea \$204 million (18%)
8. Singapore \$133 million (-14%)
9. United Kingdom \$130 million (-1%)
10. Taiwan \$119 million (18%).

Pharmaceutical product exports demonstrated the largest percentage gain from 2014 to 2015 with exports totaling \$85 million (53%). The rest of the top ten include:

1. Optical/medical \$964 million (5%)
2. Machinery \$919 million (1%)

3. Electrical Machinery \$642 million (-2%)
4. Vehicles \$403 million (-14%)
5. Plastic \$296 million (1%)
6. Food By-products \$187 million (9%)
7. Aircraft/Spacecraft \$149 million (no change)
8. Iron/Steel \$94 million (2%)
9. Meat \$94 million (-11%)
10. Pharmaceuticals \$85 million (53%)

For the full report, please go to <http://z.umn.edu/yvx>.

2014-2015 Local Area Unemployment Statistics and Jobs Report

After seasonal adjustments, unemployment in July stayed steady at 5.3 percent in the U.S. and rose to 4 percent in Minnesota. Minnesota unemployment claims in July decreased 2,971 to 13,897 when compared to June. Over the year unemployment claims decreased 2.2 percent when compared to June 2014.

Minnesota employers lost 3,900 jobs in July. Five sectors posted job gains: Government (2,700), Professional/Business Services (1,400), Financial Activities (500), Mining/Logging (300), and Information

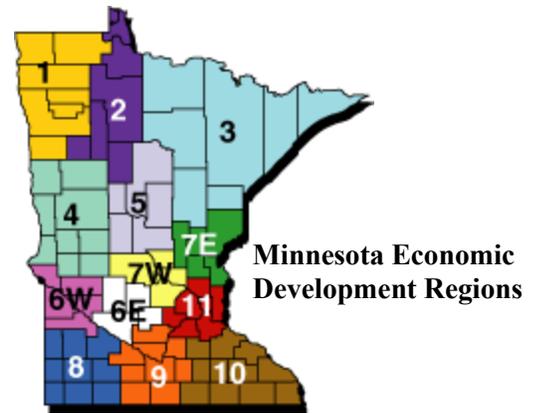
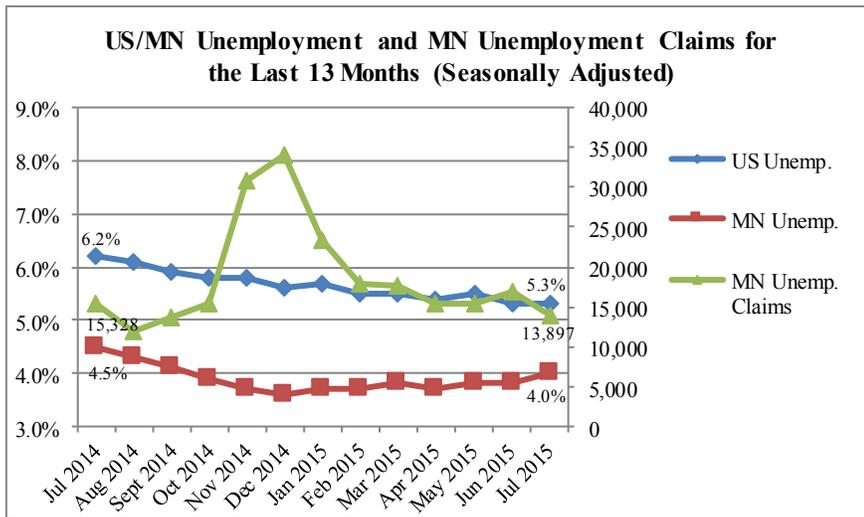
(200). Leisure/Hospitality (-3,700), Construction (-2,000), Trade/Transportation/Utilities (-1,700), Education/Health Services (-1,200), Manufacturing (-300), and Other Services (-100) posted job losses in July.

Minnesota added 43,719 jobs over the past year, which puts Minnesota's growth at 1.5 percent during that time. This is below the U.S. growth of 2.1 percent over the past year. Minnesota's labor participation rate is down to 70.3 percent (seasonally adjusted). Minnesota's

labor participation rate continues to exceed the U.S. labor participation rate which was 62.6 percent in July.

Unemployment for all of the EDRs decreased or remained the same in July (unemployment numbers for EDRs are not seasonally adjusted). The Southwest and Northwest regions experienced the largest unemployment decrease at 0.4 percent.

Go to the DEED website; www.positivelyminnesota.com to view more employment and wage statistics.



2014-2015 Minnesota Unemployment by Economic Development Region (Not Seasonally Adjusted)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Jul 2014	4.3%	6%	5.5%	3.5%	5.0%	4.2%	4.1%	5.2%	4.2%	3.8%	4.2%	4.1%	4.3%
Aug 2014	3.7%	5.2%	4.8%	3%	4.5%	3.7%	3.6%	4.6%	3.7%	3%	3.6%	3.5%	3.8%
Sept 2014	3.2%	4.9%	4.5%	2.9%	4.3%	3.4%	3.1%	4.4%	3.5%	2.9%	3.4%	3.3%	3.7%
Oct 2014	2.7%	4.4%	4%	2.5%	3.9%	2.9%	2.7%	3.8%	3.1%	3.4%	3%	2.9%	3.2%
Nov 2014	3.1%	5.3%	4.5%	2.9%	5.2%	3.3%	3.1%	4.8%	3.5%	2.5%	2.9%	2.9%	3%
Dec 2014	4.7%	5.8%	4.7%	3.8%	6.1%	4.1%	4.2%	5.3%	3.8%	3.5%	3.6%	3.2%	3.1%
Jan 2015	6.2%	7.2%	5.9%	5.1%	7.7%	5.4%	6.5%	6.8%	5%	4.6%	4.7%	4.3%	3.9%
Feb 2015	5.9%	7%	5.9%	4.9%	7.6%	5.3%	5.5%	6.7%	4.9%	4.6%	4.6%	4.2%	3.8%
Mar 2015	6.1%	7.2%	6.1%	4.9%	7.5%	5.4%	5.9%	6.8%	4.9%	4.5%	4.7%	4.3%	3.8%
Apr 2015	5.3%	6.2%	5.6%	3.7%	5.8%	4.1%	4.2%	5.2%	3.8%	3.4%	3.8%	3.4%	3.4%
May 2015	4.4%	5.2%	5%	3.4%	4.8%	3.7%	4.6%	4.5%	3.6%	3.2%	3.6%	3.3%	3.4%
Jun 2015	4.8%	5.4%	5.6%	3.6%	4.8%	4%	4.9%	4.7%	3.9%	3.6%	3.9%	3.6%	3.7%
Jul 2015	4.4%	5.2%	5.4%	3.5%	4.7%	3.8%	4.7%	4.5%	3.7%	3.2%	3.7%	3.6%	3.6%

News for You...

Upcoming Conference: Border to Border Broadband: Better Together

The Blandin Foundation and the Minnesota Office of Broadband Development are hosting the 2015 broadband conference - Border to Border Broadband: Better Together beginning Wednesday, November 18, 2015 to Friday November 20, 2015. Registration on Nov. 18 begins at noon and the conference adjourns at noon on Nov. 20 at the Minneapolis Marriott West. The keynote will be given by Susan Crawford, who is a Professor at Harvard Law School and Co-director of the Berkman Center. More information is currently available at <http://z.umn.edu/yxo> with more information coming soon.

DEED Allocates \$12 Million in Angel Tax Credits

By Madeline Koch, DEED Communications

The Angel Tax Credit Program has allocated \$12 million in tax credits for investments in more than 80 Minnesota startup companies so far this year, according to the Minnesota Department of Employment and Economic Development (DEED).

The agency said an additional \$4 million in tax credits is still available for angel investments specifically targeted at startup businesses based in Greater Minnesota or owned by women or members of minority groups. Any funding for those targeted groups still unused after Oct. 1 will be

made available for investments in other Minnesota startups.

Of the \$12 million in tax credits that have been allocated this year, \$3.5 million was for investments in businesses based in Greater Minnesota or owned by women or minority members. The \$12 million in tax credits will generate \$48 million in angel funding for emerging Minnesota businesses.

“The Angel Tax Credit Program is one of Minnesota’s most effective tools for attracting early stage investments into emerging small businesses,” said DEED Commissioner Katie Clark Sieben. “Every year we see great demand for this program, and we encourage rural, women and minority entrepreneurs to take advantage of this fantastic resource designated to fuel their business growth.”

Under the Angel Tax Credit Program, qualified investors can receive a tax credit of 25 percent on investments of at least \$10,000 in emerging Minnesota startups that specialize in high technology, new proprietary technology, or proprietary products, processes or services in the fields of agriculture, tourism, forestry, mining, manufacturing or transportation.

Through the end of last year, 284 businesses in Minnesota had attracted nearly \$250 million in angel funding since the program was launched in 2010.

To encourage more diversity in the program, the Legislature last year

reserved \$7.5 million of the 2015 tax credits for businesses based in Greater Minnesota or owned by women or minority members. In the past, those targeted groups have been underrepresented when it came to attracting investments through the program.

To see a list of businesses that have received funding this year (as of July 6), go here and click on the 2015 “List of Credits Issued.”

Blandin Foundation Awards Broadband Grants

The Blandin Foundation recently announced the awarding of 30 grants totaling \$314,513 as they continue their support in improving broadband infrastructure in rural Minnesota. This support continues past work in the area of broadband, which includes the Minnesota Intelligent Rural Communities (MIRC) project (where The EDA Center at the University of Minnesota served as an evaluator). The MIRC project and the subsequent Blandin Broadband Communities project “were designed to provide planning, technical and financial support to communities that demonstrate the determination to bring home the benefits of a broadband-enabled economy”. The newly funded projects are in the following areas: education, health/wellness, economic development, and community development.

Projects in education include: STEAM in our Schools (Red Wing), Baudette Youth Broadband Expansion (Lake of the Woods), and One to the World (Stevens

County). The single project in health and wellness is Using Tablets to Help Senior Citizens Access Healthcare Information (Lake County).

Projects in economic development include: Training Facility for Redwood County Citizens and Employees (Redwood County) and Expanding Technology and Educational Opportunities in the Central Woodlands (Central Woodlands). Projects included in community development include: Sherburne History Center Broadband Service (Sherburne

County), Leveraging Broadband to Web Stream Two Harbors Community Radio (Lake County), and Connecting with Wi-Fi (Kandiyohi County).

For specific details about the projects funded, please go to <http://z.umn.edu/yyy>.

Tell us About News in Your Area

The EDA Center would like to collect information from the different regions in Greater Minnesota in an effort to highlight notable projects and events across the state. If you have any projects or events you

would like highlighted in future newsletters, please submit them to walke810@umn.edu prior to the 15th of September.



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The EDA Center at the University of Minnesota Crookston is one of more than 40 university centers nationwide, supported by the Economic Development Administration, U.S. Department of Commerce.

We conduct applied research, provide direct technical assistance and deliver educational programs development agencies that support the economy of economically-distressed rural communities throughout Minnesota.

EDA Center Staff:

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