The EDA CENTER
at the University of Minnesota Crookston

The EDA Chronicle-February 2015 www.edacenter.org Volume 5, Issue 2

Events of Interest:

March 19

- Ben Winchester will be conducting a webinar entitled "Rewriting the Rural Narrative" from Noon-1PM. This is the first in a three part series. There is no charge. For more information and to register, please go to http://z.umn.edu/ruralwebinar.

March 22-25

- 2015 Washington Policy Conference "NADO on the Hill" will be hosted by the National Association of Development organizations in Washington D.C. Register before February 20th to get reduced rates. For more information, please go to http://www.nado.org/events/2015-washington-policy-conference/.

March 31

- EDAM Webinar: Entrepreneurship in Minnesota. The Economic Development Association of Minnesota is hosting a webinar from Noon-1:15PM The webinar is free for EDAM members and $25 for nonmembers. To register, please go to http://edam.site-ym.com/events/event_details.asp?id=606454.

April 8

- Metro Export Roundtable hosted by the Minnesota Trade Office, Midwest Global Trade Association, and the Twin Cities North Chamber of Commerce from 11:30AM-1PM at the Crooner's Lounge in Fridley. The fee is $25. To register, please contact Todd Kruse at todd@twincitiesnorth.org.

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A Note from the Director of the EDA Center

Dear Colleagues,

Recently, I was fortunate to be invited to a meeting hosted by the Blandin Foundation to further the conversation about "The Rural Voice". The Center for Rural Policy's report focused on concerns about the dwindling political voice available from rural areas, and this meeting deepened the conversation to consider how "rural" is depicted in the media. In attendance were communications staff from organizations across the state who care about rural development.

Coincidentally, we were contacted recently with a request from a Twin Cities reporter asking Brigid Tuck, the researcher who prepared the economic composition reports featured in this newsletter, to comment upon "Greater Minnesota's economy in comparison to the Twin Cities." This illustrates the assumptions that many bring to this conversation -- the assumption that there is one Greater Minnesota. We can, and do, go deeper than that to present a full view of the many economies across Greater Minnesota -- with varying strengths and opportunities that are a resource to the entire state.

To learn more and deepen the discussion further, we simply need more questions from all of you. To invite the EDA Center to examine additional questions to support economic development, simply visit our web site at http://www.edacenter.org/technicalAssistance.php and propose a project in your area.

Joyce Hoelting, EDA Center Director

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 every month.

Approximately $10.8 Million Remaining in Angel Tax Credits

For 2015, the Minnesota Tax Credit program had a total of $16 million allocated for a 25 percent credit to investors who invest in startup companies focusing on high technology, new proprietary technology, or a new proprietary product, process or service. The maximum credit is $125,000 per person, per year or $250,000 if filing jointly.

According to DEED, the following amounts are still available:

- $7.5 million is reserved until Sept. 30 for investments in businesses owned by women or minorities or in businesses located in Greater Minnesota. As of 2/11/2015, $5.8 million remains. After Oct. 1, any remaining tax credits not allocated to these targeted businesses will be made available to others.
- Another $8.5 million in credits (including unused credits from 2014) is available for investments in other

businesses. As of 2/11/2015, $5 million remains.

Last year the Angel Tax Credit Program exhausted $12.2 million by the end of February/beginning of March. With approximately $5.2 million used up to this point, the remaining $10.8 million will not last long!

To receive this tax credit, you need to be a certified investor. If you are interested in being a certified investor, please go to http://mn.gov/deed/business/financing-business/tax-credits/angel-tax-credit/for-investors.jsp for information on becoming a certified investor.

For more information about submitting for the tax credit, please go to http://mn.gov/deed/business/financing-business/tax-credits/angel-tax-credit/index.jsp. Applications will be accepted until all funds are exhausted for the year.

Deadline Approaching for EDA 2015 Economic Development Assistance Programs Federal Funding Opportunity

The U.S. Department of Commerce EDA is accepting applicants for funding under the EDA's Public Works and Economic Adjustment Assistance programs. This program is intended to support investments in both rural and urban areas relating to construction, non-construction, technical assistance, and revolving loan fund projects.

According to the Federal Funding Opportunity documentation:

Eligibility:

Eligible applicants for EDA financial assistance under the Public Works and Economic Adjustment Assistance programs include a(n): (i) District Organization of a designated Economic Development District; (ii) Indian Tribe or a consortium of Indian Tribes; (iii) State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; (iv) institution of higher education or a consortium of institutions of higher education; or (v) public or private non-profit organization or association acting in cooperation with officials of a political subdivision of a State.

Deadlines:

- **March 12, 2015** for funding cycle 2 of FY 2015
- **June 12, 2015** for funding cycle 3 of FY 2015

Completed applications need to be submitted on www.grants.gov no later than 11:59 PM Eastern Time on the date due. Paper applications must be in the appropriate office by 5:00 PM local time in the appropriate regional office.

For more information, please go to http://www.grants.gov/web/grants/view-opportunity.html?oppId=273468 or search for EDAP2015 at www.grants.gov.

Funding Available from the USDA Rural Utilities Service for FY 2015

The USDA Household Water Well System grant is a program intended for non-profit organizations and tribes to set up a revolving loan fund program. The revolving loan funds can then be distributed to homeowners in eligible rural areas for the purpose of "constructing, refurbishing, or servicing individually-owned household water well systems". Terms of the loans include a 1% fixed interest rate, 20 year maximum term, and $11,000 per household.

According to the USDA, an eligible area includes the following:

- Rural areas and towns with 50,000 or fewer people - check eligible addresses.
- Tribal Lands in rural areas
- Colonias

The non-profit receiving these funds must match 10% either directly or through a third party. Matching funds may NOT be in-kind contributions. The deadline for applications is April 13, 2015. Electronic applications may be completed online at www.grants.gov. Paper applications may also be completed and mailed to:

Rural Utilities Service
Stop: 1570
Room 2234-S
1400 Independence Avenue SW.
Washington, DC 20250-1570

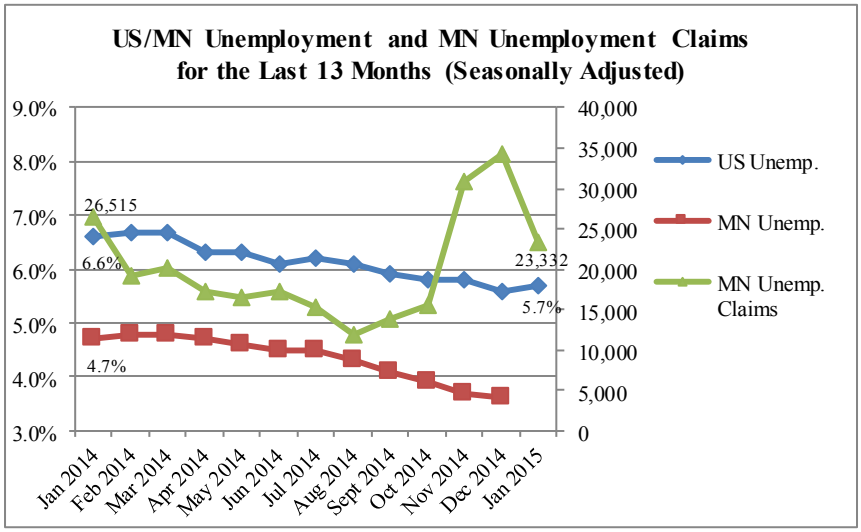
For more information, please go to http://www.rd.usda.gov/programs-services/household-water-well-system-grants. You may also contact Joyce Taylor in the Water & Environmental Programs office- (202) 720-9589.

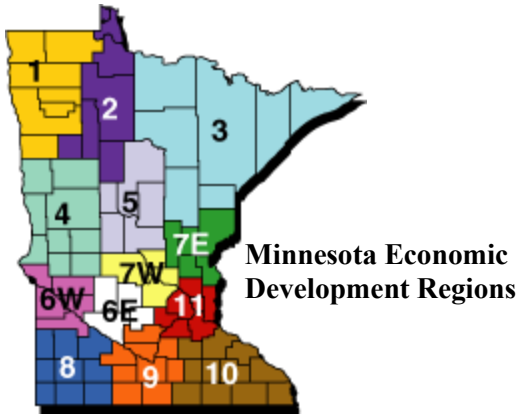
2014-2015 Local Area Unemployment Statistics and Jobs Report

As of the publication of this newsletter, Minnesota state and county unemployment and jobs information was not released. Scheduled release date is in early March. We will update Minnesota jobs information on our website once it is updated. Minnesota unemployment claims for January were down 10,874 claims to 23,332 when compared to December. This is a 13.4 percent drop when compared to January 2014.

The U.S. seasonally adjusted unemployment rate moved up to 5.7 percent for January, even though 257,000 jobs were added. This is primarily a result of more people looking for work than in the past few months. Job gains were experienced by the following sectors in January: Education/Health Services (46,000), Retail Trade (45,900), Professional/Business Services (39,000), Construction (39,000), Leisure /Hospitality (37,000), Financial Activities (26,000), Manufacturing (22,000), Wholesale Trade (12,700), Information (6,000), and Other Services (4,000). Government (-10,000), Transportation/ Warehousing (-8,600), and Mining/ Logging (-3,000) experienced job losses in January. The revised numbers show 147,000 more jobs were created in November (+70,000) and December (+77,000) than originally reported.

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
Jan 2014	7%	9.1%	7.4%	5.8%	9%	6.6%	6.8%	8.7%	6.4%	5.2%	5.8%	5.4%	4.9%
Feb 2014	6.5%	8.8%	7.4%	5.6%	8.7%	6.5%	6.3%	8.7%	6.3%	5.1%	5.8%	5.4%	4.8%
Mar 2014	6.6%	8.7%	7.2%	5.4%	8.7%	6.3%	5.9%	8.6%	6.3%	4.8%	5.6%	5.2%	4.7%
Apr 2014	5.3%	7.5%	6.3%	4.3%	6.9%	5.1%	4.7%	7.1%	4.9%	3.8%	4.5%	4.3%	4%
May 2014	4%	6.2%	5.9%	3.4%	5.3%	4.3%	3.9%	5.6%	4.1%	3.3%	4%	4%	4%
Jun 2014	4.4%	6.4%	6%	3.6%	5.4%	4.6%	4.3%	5.6%	4.5%	4.1%	4.5%	4.4%	4.5%
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%	6.2%	4.8%	3.9%	6.2%	4.1%	4.1%	5.8%	4.2%	3.3%	3.6%	3.4%	3.1%
Jan 2015													

News for You...

EDA CENTER REPORT:

Economic Composition of the South Central Region of Minnesota: Industries and Performance**

By: Brigid Tuck, with Assistance from Adeel Ahmed, Neil Linscheid, Bruce Schwartau, and Elizabeth Templin

To analyze the economic composition of the South Central region of Minnesota, University of Minnesota Extension conducted an analysis of industry outputs, employment and wages, and interdependencies. Following is a report of key findings. This report is presented in partnership with the EDA Center at the University of Minnesota Crookston.

Manufacturing and professional and business services are the top two drivers of the South Central regional economy, both in terms of output and employment. Manufacturers create 35 percent of all output and 13 percent of all jobs in the region. Professional and business services create almost 20 percent of output and 16 percent of employment. Health and social services and trade are other industries with a significant share of jobs in the region. A closer analysis revealed the following strengths and concerns.

REGIONAL STRENGTHS:

- **Manufacturing.** Despite a loss of 2,006 jobs between 2003 and 2013, manufacturing is a strength in the region. Analysis shows that given industry and national trends, manufacturing should have shed even more jobs, making the region competitive in manufacturing. Wages were relatively strong in the industry, posting a 9.5 percent increase between 2000 and 2013 after adjusting for inflation. Further, the manufacturing base in the region is fairly diverse and is dispersed across counties in the region.
- **Management of companies and enterprises.** The South Central region added 402 new jobs in the management of companies and enterprises sector, exceeding gains expected given trends in the industry. Wages were extremely strong increasing by 43% percent between 2000 and 2013, after adjusting for inflation. Wages in the industry are nearly twice that of the average wage across all industries in the region. Corporate headquarter jobs are classified in this sector.
- **Health care and social services.** The health care and social services industry was the fastest growing industry in the region between 2003 to 2013. However, it could have added more jobs than it did. Wages in the industry grew by an inflation -adjusted 15 percent between 2000 and 2013.

REGIONAL CONCERNS:

The analysis also revealed areas of potential concern for the region from an economic standpoint. These industries are not as competitive in the region and may warrant additional attention and exploration.

- **Information.** The information sector shed 1,310 jobs between 2003 and 2013. While the industry itself was hit by the Great Recession of 2008-2009, these job losses exceeded what would have been expected. The majority of the job losses were in the publishing industry.
- **Construction.** The construction industry also suffered setbacks in the South Central region. Between 2003 and 2013, 720 construction jobs were lost, a 19 percent decrease. In comparison, the number of construction jobs in Minnesota fell by 15 percent in the same period. The jobs losses were across several different types of construction sectors..

For the complete report, please go to http://www.edacenter.org/downloads/South_Central_MN.pdf.

EDA CENTER REPORT:

Economic Composition of Southeast Minnesota: Industries and Performance**

By: Brigid Tuck, with assistance from Bruce Schwartau and Elizabeth Templin

To analyze the economic composition of Southeast Minnesota, University of Minnesota Extension conducted an analysis of industry outputs, employment and wages, and interdependencies. Following is a report of key findings. This report is presented in partnership with the EDA Center at the University of Minnesota, Crookston.

Southeastern Minnesota's economy, as defined in this study, is a significant generator of output, accounting for nearly one-quarter of Greater Minnesota's total output. Health care and manufacturing are two major drivers of the economy. A more in-depth analysis reveals regional strengths and concerns.

REGIONAL STRENGTHS:

- **Health care and social assistance:** The health care and social assistance industry accounts for 20 percent of employment in the region. Southeastern Minnesota is competitive in key areas including offices of doctors and dentists and hospitals. The industry has relatively high wages and experienced strong wage growth between 2003 and 2013. Further, data indicates

that specialization in the health care industry has allowed medical and diagnostic labs to generate business from outside the region.

- **Manufacturing:** The manufacturing industry is responsible for the creation of 35 percent of the region's output. While health care is concentrated around the regional center in Rochester, manufacturing is fairly distributed across the region. Key strengths for the manufacturing industry include the diversity of manufacturing sectors (i.e. food products to computers) and its competitiveness despites losses in the manufacturing industry in the United States.
- **Employment Services:** The employment services sector added over 2,500 jobs. In particular, the region added a significant number of temporary help services jobs between 2003 and 2013. The temporary help services sector includes workers who are employed directly by the employment services business, but are placed in positions with other companies.

REGIONAL CONCERNS:

The analysis also revealed areas of potential concern for the region from an economic standpoint. These industries are not as competitive in the region and may warrant additional attention and exploration.

- Construction: The region lost over 2,500 construction jobs between 2003 and 2013. The job losses spanned across most construction activities – residential, commercial, and highway.
- Retail Trade: The Southeast region lost retail trade jobs between 2003 and 2013. While the retail trade industry lost jobs at a national level, losses in the Southeast region exceeded what is expected. Job losses were highest at supermarkets, sporting goods stores, and new car dealerships.

For the complete report, please go to http://www.edacenter.org/downloads/Southeast_MN.pdf.

*****More regional reports similar to this will be highlighted in the next couple of newsletters but are already available on our website. Please go to http://www.edacenter.org/publications_researchPublications.php to find all of the regional composition reports.***

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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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