



The EDACENTER

at the University of Minnesota Crookston

The EDA Chronicle-January 2015

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Events of Interest:

February 5

- Midwest Global Trade Association's 2015 Annual Meeting will be held at Pinstripes-Edina from 5:30-9:30 PM. Fee is \$20 for member, \$55 for non-members. For more information and to register, please go to http://mgta.site-ym.com/events/event_details.asp?id=503593.

February 11

- Economic Development Day at the Capitol will be hosted by EDAM, MAPCED, and SBDC from 9 to 11:30AM. Registration is free for EDAM, MAPCED, or SBDC members and lunch is provided. People are encouraged to set up visits with lawmakers which will begin after lunch. For more information or to register, please go to http://www.edam.org/events/event_details.asp?id=575502&group=#.

February 18

- Finding & Motivating the Right Foreign Business Partner seminar will be hosted by the Minnesota Trade Office at the DEED Conference Center in St. Paul from 9 AM to 2 PM. Fee if you register before February 16 is \$60 (\$80 after February 16). To register, please go to <https://www.regonline.com/Registration/Checkin.aspx?EventID=1653389>.

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/>.

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A Note from the Director of the EDA Center

What is the *whole picture* of Greater Minnesota's economy in this decade? With changes in agriculture, an explosion of technology, and industrious and entrepreneurial communities, the economic picture is diverse and complex. In this issue of our newsletter, we summarize two of twelve Economic Composition reports developed by Brigid Tuck. (All of these will be completed by the time our February newsletter hits your email box.) These reports were funded by the EDA Center because they provide fundamental information about each regional economy's outputs, employment, wages, and the interdependence of these industries and others in a region. This core information can stimulate conversation, planning, and provide evidence as regions make the case for investments at the local level. At the state level, this information can challenge assumptions and provide a more complete picture of Greater Minnesota's economy. Already, Ms. Tuck presented her key findings with the Minnesota state legislature at the *One Minnesota* event at the Humphrey Institute, and soon she will present to leaders at the Association of Minnesota Counties.

What's next? Extension is developing a report and web page that summarizes key findings and provides access to all of the reports. We're also eager to discuss these reports through interactive webinars and face-to-face meetings across the State. You

How can economic development leaders use economic composition reports?

In this newsletter, and the last, we have featured economic composition reports that use the geographic boundaries of Minnesota's Regional Development Organizations to examine economic strengths, concerns and opportunities of Greater Minnesota.

How can you, as an economic development leader, use this information?

can find these and many other resources at <http://z.umn.edu/svk>.

To better inform the EDA Center now and in the future, I have been spending time in conversation with Advisory Council and others in the field of economic development. One of the key messages I am taking with me is that busy economic development professionals need clear routes to support and information from their University. Of course, this is not a "one man job." The University of Minnesota is a complex intersection of disciplines, campuses, people, and processes. Still, one of my aims over the coming years is to make that complexity a little easier for others to understand.

One easy route to communication is to just pick up the phone. I welcome the chance to hear from any Greater Minnesota leaders and advocates who want to learn more about the University or the University EDA Center. I know that my colleagues at the University of Minnesota Crookston and Extension feel the same way. Just give me a call or drop me a line (612-625-8233 or jhoeltin@umn.edu).

Thanks for your interest.

Joyce Hoelting, EDA Center Director

- Regional leaders can use this information to better understand their advantages in relation to other areas of the state.
- Data in these reports can help local groups decide where to invest time and money in their region's most competitive industries and sectors. This is a big

- help to the development of strategic plans.
- Local leaders can consider ways to connect their community and its people to the regional economy. This report gives a complete picture of how that regional economy works.
- Data can be used as evidence for grant proposals and loan applications.
- The report examines sectors of the economy that could be growing faster than they are. This is a chance to engage businesses to talk about barriers to growth.
- Employers can examine and compare wages in their region to those of other regions.
- And the report identifies the products or services that are most used

by prospering industries and sectors in the region. Addressing their needs could create more business-to-business revenue for those products and services.

If you want to hear more about these reports, contact the author Brigid Tuck at the University of Minnesota Extension. 507-389-6979; tuckb@umn.edu

The University of Minnesota Crookston is Searching for a Director for the Center for Rural Economic Development

The University of Minnesota Crookston is hiring a Director for the Center for Rural Development. This person would work closely with the Center for Rural Economic Development Studies (CRES), EDA Center at the University of Minnesota Crookston, and the Northwest Region's Small Business Development Center (SBDC) as well as partners across the state in matters related to economic development. The job summary is listed below:

DIRECTOR OF CENTER FOR RURAL ECONOMIC DEVELOPMENT (Class #9366M2 - Business Development Manager 2)

POSITION: Full-time, 12-month (A-term), grant funded position starting February 15, 2015, or as soon as possible thereafter. This is an annual renewable (K-type) position dependent on funding and performance.

JOB SUMMARY: Collaborating closely with administrators, faculty, students, staff and University partners, the Director provides campus leadership, vision, and regional visibility for UMC's rural economic development initiatives and strategies. The Director plans, executes, and continuously improves the overall delivery of programs and services of the UMC's Rural Economic Develop-

ment Center, including the Center for Rural Economic Development Studies (CRES), Economic Development Administration (EDA), and the Northwest Region's Small Business Development Center (SBDC). The director also builds and maintains strong relationship with local, regional, and state partners to provide effective coordination of economic development initiatives.

To view the full position description, please go to <http://www3.crk.umn.edu/humanresources/Admin&staff-positions.htm>.

New International Business Major and Minor at the University of Minnesota Crookston

In the third quarter of 2014, exports within the United States and Minnesota grew, 4.2 percent and 5.8 percent respectively. The state of Minnesota has set record highs in the value of goods exported almost quarterly. As the world market becomes more accessible, there will be a need for people who are well educated in the aspects of international business. With that said, the University of Minnesota Crookston (UMC) has received the approval to begin awarding degrees in International Business as well as offering International Business as a minor to complement other majors.

The intent of the International Business major is to prepare students to work in "a global and diverse environment" where they could work overseas or domestically with local, state, and federal organizations involved with international trade. UMC is now accepting students for this major and new international business classes will be offered in the coming semesters. The program's curriculum will focus on "marketing, financial management, supply chain management, technology services, human resource management, and many other traditional business support and leadership roles in the

international business field", among other things.

A benefit of this new program at UMC is additional resources that will become accessible to The EDA Center. As the program grows, faculty and students could be available to help us fulfill technical assistance requests from regions interested in expanding their international footprint.

For more information about the program and faculty/staff, please go to <http://www1.crk.umn.edu/academics/business/intlbusiness/index.html>.

2013-2014 Local Area Unemployment Statistics and Jobs Report

After seasonal adjustments, unemployment in December dropped to 5.6 percent in the U.S. and dropped to 3.6 percent in Minnesota. Minnesota unemployment claims in December increased 3,360 to 34,206 when compared to November. Over the year unemployment claims decreased 14.3 percent when compared to December 2013.

Minnesota employers eliminated 5,200 jobs in December. Three sectors posted job gains: Trade/Transportation/Utilities (4,100), Other Services (400), and Information

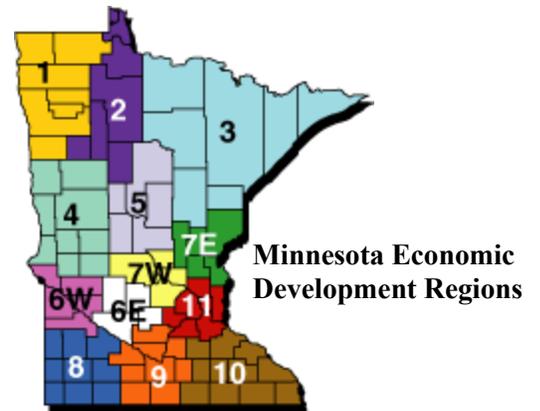
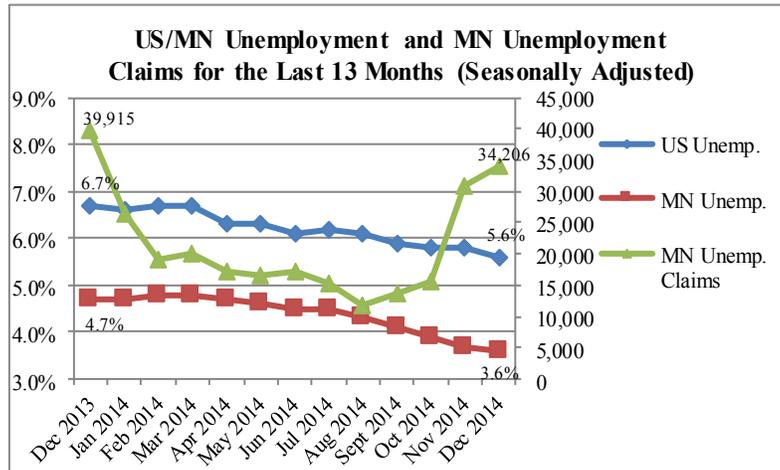
(300). Government (-4,200), Educational/Health Services (-1,500), Manufacturing (-1,400), Financial Activities (-1,100), Leisure/Hospitality (-900), Professional/Business Services (-600), and Construction (-300) posted job losses in December. Mining/Logging remained steady for the month.

Minnesota added 33,260 jobs over the past year, which puts Minnesota's growth at 1.4 percent during that time. This is below the U.S. growth of 2.5 percent over the past year. Minnesota's labor participation rate is

up slightly to 70 percent (seasonally adjusted). Minnesota's labor participation rate exceeds the U.S. labor participation rate of 62.8 percent.

Unemployment for all of the EDRs increased in December. The northwest region experienced the largest increase in unemployment at 1.6 percent. The 7 county Twin Cities region had the lowest increase in unemployment at 0.1 percent

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



2013-2014 Minnesota Unemployment by Economic Development Region (Not Seasonally Adjusted)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Dec 2013	5%	7.4%	6.3%	4.6%	7.5%	5.3%	4.7%	6.9%	5.1%	3.9%	4.5%	4.3%	4.2%
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%

The EDA Center's "Regional Round-up"

Each month The EDA Center will 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.

EDA CENTER REPORT:

Economic Composition of Southwest Minnesota: Industries and Performance**

By: Brigid Tuck, Owusua Yamoah,, and Neil Linscheid,

To analyze the economic composition of Southwest 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.

Three main industries – manufacturing; agriculture and forestry; and professional and business services – drive Southwest Minnesota's economy. Two of the driving industries (agriculture and manufacturing) have been growing in the past 10 years and have outperformed national and industry expectations. This provides a strong platform for continued growth. Southwest Minnesota's agricultural and manufacturing industries are integrated, with the largest manufacturing sector (food) purchasing from local farm operations. A caution: as of the time of this publication, there are predictions for relatively low grain prices for the 2014 harvest. This could significantly impact the strength of the agricultural industry.

REGIONAL STRENGTHS:

- **Agriculture.** Agriculture is the industry with the highest share of

employment in the region (15 percent) and contributes the second highest share of output (25 percent). In addition to being a strong base in the region, agriculture has been a growth sector that has performed above national and industry averages, making Southwest a competitive region in agriculture. The Southwest region has a higher concentration of both crop farmers and livestock producers than other regions of the state. Hog farming and cattle production are two primary livestock sectors in the region. Crop production is driven primarily by corn and soybeans.

- **Manufacturing.** Manufacturing is the industry with the highest share of output in the region (30 percent) and contributes the third highest share of employment (12 percent). Food manufacturing, machinery manufacturing, and wood product manufacturing are leading the region. Southwest Minnesota is competitive in these sectors, posting positive job gains while the industry at the national level suffered job losses. Manufacturing wages are relatively high and stable in the region. The leading manufacturing sectors in the Southwest area are animal slaughtering, rendering, and processing; farm machinery and equipment manufacturing; and wet corn milling.

REGIONAL CONCERNS:

The analysis also revealed areas of potential concerns for the region, from an economic standpoint. Areas of regional concern may warrant additional attention and understanding.

- **Management of companies and enterprises.** Management of companies and enterprises (essentially corporate headquarters) is one of the major sectors in the professional and business services industry in the region. While the other sectors in

the industry grew during the time period, the sector called management of companies and enterprises declined, and at a rate higher than predicted given industry and national trends. This is a high wage sector, so job losses can lead to greater effects on the economy.

- **Retail trade.** Retail trade shed jobs between 2003 and 2013. Most of those jobs losses were in non-store retailers and gasoline stations.
- **Health care.** Health care and social assistance added the most jobs in the region in the period. However, the industry grew at a slower pace than anticipated given gains in the health care industry at the national level.

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

EDA CENTER REPORT:

Economic Composition of the Headwaters Region of Minnesota: Industries and Performance**

By: Brigid Tuck, with assistance from

Rani Bhattacharyya and Merritt Bussiere

To analyze the economic composition of the Headwaters 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.

The Headwaters regional economy is fairly diverse. Top generators of output in the region clearly are professional and business services and manufacturing. Government, construction, health and social services, and trade, however, all contribute a significant share. Top

industries in terms of employment include government, trade, and health and social services. It is important to note in this analysis that the government industry includes federal, state, local, and tribal government. A closer analysis revealed the following strengths and concerns.

REGIONAL STRENGTHS:

- **Job growth.** While the region experienced job losses due to the Great Recession of 2008-2009, the number of jobs in 2013 exceeded the number of jobs of 2008.
- **Health and social services.** The health care and social services industry added the most jobs in the region and grew at rates faster than expected given national and industry trends. Wages in the industry average \$100 more per week than wages across all industries in the region. Job growth between 2003 and 2013 was noted at hospitals, in nursing and residential facilities, and in

social assistance. There were minor job losses in ambulatory health care services where a significant decline in the number of doctors in practice offset gains in other segments of the sector.

- **Finance.** The financial and insurance sector is the largest professional and business services sector. Wages grew by 13 percent between 2000 and 2013. Banks are one of the largest sources of output in the region.

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.

- **Manufacturing.** The manufacturing industry lost over 1,000 jobs between 2003 and 2013. Approximately half those jobs losses were beyond what would be expected given the

decline in manufacturing at the national level. Losses were in a variety of sectors, but hard hit were sectors related to logging, including paper mills and wood preservation.

- **Retail trade.** Despite the presence of a regional hub in Beltrami County, the region lost 268 retail trade jobs between 2003 and 2013. These are jobs that, given national and industry trends, should not have been lost. While supercenters and general merchandise stores added jobs, discount department stores, gasoline stations and hardware stores shed jobs. Between 2000 and 2013, wages in the retail trade sector decreased by 2 percent, after adjusting for inflation.

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

*****More regional reports similar to this will be coming out soon.***



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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.

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Eddie Walker-Research Analyst/Editor



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