The EDA Center
at the University of Minnesota, Crookston

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Events of Interest:

September 19

- Writing the "Ultimate Business Plan" workshop conducted by UMD Center for Economic Development 2PM-4PM. Registration is $60. Go to https://casper.d.umn.edu/biz/umdced/workshops/index.php?main_page=product_info&cPath=9&products_id=983 to register.

September 25

- Women Leading in Technology hosted by MHTA at the Metropolitan in Golden Valley from 5PM-7:30PM. Registration fee is $15. Go to http://www.mhta.org/event/wlit-quarterly-event-at-the-metropolitan/ for more information.

September 27

- Fall 2012 Import/Export Seminars. Hosted by Phoenix International Freight Services, Ltd. at the Hilton Mpls-St. Paul Airport –Mall of America 9AM-3:30PM. For more information go to http://www.positivelyminnesota.com/Calendar_of_Events/Events_for_Business/index.aspx.

October 18

- "Developing a Culture of 'Business Partnering' for Shared Functional Teams" hosted by the UMD Center for Economic Developoment. Registration is $30. Go to http://www.umdced.com/DaleCarnegieTraining2012.pdf for more information.

Inside This Issue

Minnesota Exports Reach a Record $5.4 Billion for Q2 2012

DEED reports Minnesota agricultural, mining, and manufactured product exports grew to a record $5.4 billion in the 2nd quarter of 2012. This is up $64 million (1.2%) from the 2nd quarter of 2011. This breaks the previous record of $5.3 billion exported in the 2nd quarter of 2011. Minnesota is ranked 20th in exports for the 2nd quarter. DEED reports Minnesota's export growth for the 2nd quarter was driven by increases in sales to the Americas. Increases in sales to Canada (2.8%), Mexico (6.9%), Chile (93%), Costa Rica (80%), and Venezuela (90%) accounted for most of the growth. Conversely, sales to Asia fell 1.2% to 1.8 billion. However, sales to China did increase 32.1% to $747 million. Sales to the European Union were down 5% to $1 billion. The top 10 countries are listed in the table below.

For the entire 2nd quarter report, go to http://www.positivelyminnesota.com/Data_Publications/Data/Export_Statistics/2012_Stats/Second_Quarter_Exports_2012.pdf.

Country	Exports (Millions)	Q2 2011 to Q2 2012		Year-to-date MN % Change
		MN	US	
Canada	$ 1,609	2.8%	4.7%	2.1%
China	$ 747	32.1%	12.9%	15.4%
Mexico	$ 325	6.9%	7.9%	14.8%
Japan	$ 282	-26.5%	7.6%	-11.4%
Germany	$ 193	-1.1%	1.2%	-6.5%
South Korea	$ 192	-0.4%	-4.2%	11.8%
Belgium	$ 180	-13.1%	1.4%	-2.3%
Australia	$ 130	3.4%	21.3%	3%
Singapore	$ 125	-11.5%	1.1%	-7.3%
Taiwan	$ 120	-10%	-5.9%	-16.9%
Other	$ 1,515	-1.6%	4.9%	-0.4%
Total	**$ 5,420**	**1.2%**	**5.6%**	**1.7%**

The Northwest Minnesota Foundation Announces the 5th Annual IDEA Competition is Now Accepting Applications

Anyone who has ever had an idea for a product or service has probably wondered if their idea was feasible and what it might take to get the idea “off the ground”. Unless they knew someone who was entrepreneurially savvy to get feedback from (or independently wealthy and willing to take the risk), many of those ideas may never see the light of day. For the past four years, the Northwest Minnesota Foundation has provided another way to see if an innovative idea has what it takes with the IDEA Competition. The Northwest Minnesota Foundation has now started accepting applications for the 5th Annual IDEA Competition.

Applications for the IDEA Competition will be accepted until November 30th. Entry fee is $150; however, applicants can get a reduction on the entry fee if they get paperwork in by November 15th. The “early bird” entry fee is $125. Benefits for taking part in this competition include access to tools/resources, the opportunity to focus and sharpen the participant’s business pitch, media attention, feedback from potential investors/community business leaders, and cash awards of $10,000 for up to five winners.

For more information on the IDEA Competition and to register, please go to www.ideacompetition.org.

Minnesota Cup Announces Winners

The 8th Annual Minnesota Cup competition concluded Thursday, Sept, 6th 2012 with the announcement of the winners for this year. The purpose of the Minnesota Cup is to “seek out, support, and promote Minnesota’s newest and most innovative new ideas through an annual, statewide contest”. This year, there were 6 divisions with the winners of each division giving a presentation earlier in the day for the grand prize. There was also an “audience choice” prize awarded as well.

The winners of each division were as follows: **Clean Technology & Renewable Energy**-Envirolastech, **Bio-Science & Health IT**-OrthoCor Medical, **High Tech**-PreciouStatus, **General**-LifeFloor, **Student**-Cognific, and **Mosaic Social Entrepreneur**-Tuloko. The winner of the $40,000 grand prize was PreciouStatus, which is a service that provides people a way of receiving status updates of friends and family in the hospital, was found by former Best Buy executive Julie Gilbert-Newrai. The winner of the inaugural audience choice award and $1000 cash was the founder of Cognific, Solome Tiebu.

For more information on the winners and runner-ups go to http://www.breakthroughideas.org/2012-minnesota-cup-division-winners.

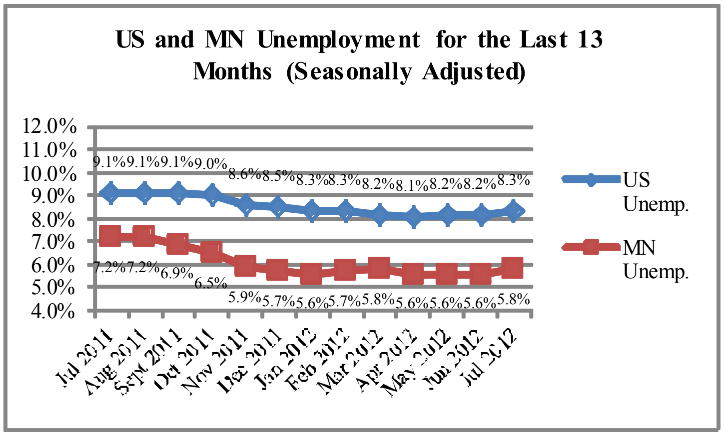
Minnesota Makes Dice Report “Fast Five to Watch”

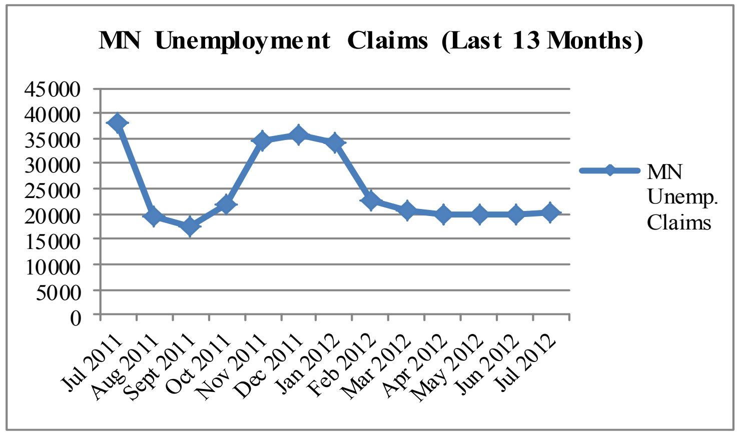
The website www.dice.com, a website devoted to technology careers, released a report highlighting the “Fast Five to Watch” with respect to technology career growth. Maryland, Massachusetts, Minnesota, Oregon, and Utah made this list. One reason Minnesota has made the “fast five” list is because of the Minnesota High-Tech Association. According to the report, “Minnesota’s technology association (mhta) has the goal to make its state one of the country’s top-five technology states by 2020. But, IT hiring goes well beyond its technology companies to include retailers, healthcare companies, consulting firms, insurance companies and manufacturers”.

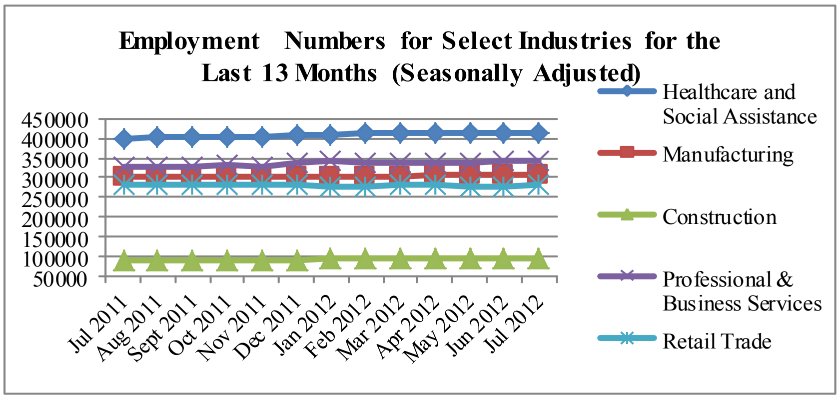
Not only that, but Minnesota even made the top 5 fastest growing states for computers systems design and related services. The top 5 in terms of growth were: Maryland (5.9%), Massachusetts (5.5%), Texas (4.4%), New York (4.3%), and Minnesota (4.2%).

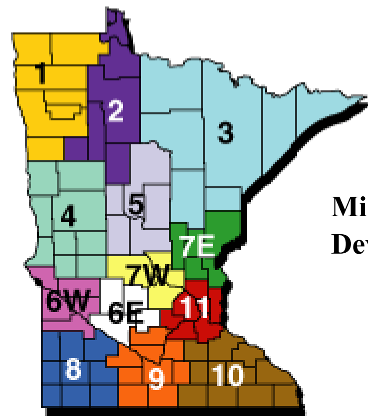
For the report go to http://news.dice.com/2012/08/09/10-states-fastest-it-job-growth/?CMPID=EM_SV_UP_JS_AD_LC_AD_&utm_source=Cheetahmail&utm_medium=Email&utm_content=&utm_campaign=Advisory_Lifecycle&om_rid=AAE2mq&om_mid=_BQLQo$B8tfjrpg&dadv.

2011-2012 Local Area Unemployment Statistics and Current Employment Situations in Select Industries









Minnesota Economic Development Regions

2011-2012 Minnesota Unemployment by Economic Development Region (Not Seasonally Adj.)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Jul 2011	6.4%	9.6%	8.6%	6.1%	8.4%	7.4%	6.5%	9.3%	7%	5.8%	6.8%	6.6%	7.5%
Aug 2011	6.5%	8.5%	7.5%	5.6%	7.6%	6.9%	6.1%	8.2%	6.7%	5.4%	6.2%	6.2%	6.7%
Sept 2011	5.3%	7.3%	6.5%	5%	6.7%	6%	5.2%	7.2%	5.9%	4.7%	5.3%	5.4%	6%
Oct 2011	4.6%	6.7%	6%	4.4%	6.2%	5.3%	4.5%	6.6%	5.3%	4.3%	4.8%	4.9%	5.4%
Nov 2011	5%	7.5%	6.3%	4.6%	7.1%	5.5%	4.4%	6.9%	5.4%	4%	4.7%	4.7%	5.1%
Dec 2011	5.9%	8.4%	6.9%	5.5%	8.3%	6.4%	5.4%	8.5%	6.4%	4.4%	5.3%	5.3%	5.3%
Jan 2012	7.8%	9.4%	7.8%	6.4%	9.6%	7.6%	6.5%	10%	7.4%	5.4%	6.3%	6%	5.7%
Feb 2012	7.9%	9.7%	8%	6.7%	9.8%	7.9%	6.7%	10.3%	7.6%	5.8%	6.6%	6.4%	5.9%
Mar 2012	7.5%	9.7%	8.1%	6.4%	9.4%	7.8%	6.6%	10%	7.3%	5.5%	6.4%	6.2%	5.9%
Apr 2012	5.8%	7.6%	6.7%	4.5%	6.8%	5.8%	4.8%	7.6%	5.5%	3.9%	5%	4.8%	5%
May 2012	4.8%	7%	6.4%	4.2%	6.1%	5.5%	4.6%	6.8%	5.3%	4%	5%	4.9%	5.1%
Jun 2012	5.2%	7.6%	6.9%	4.7%	6.6%	6.1%	5.2%	7%	5.7%	4.7%	5.5%	5.5%	5.8%
Jul 2012	5.2%	7.8%	7.1%	4.7%	6.6%	6.1%	5.2%	7%	5.8%	5.2%	5.6%	5.5%	5.9%

After seasonal adjustments, US unemployment in July rose to 8.3% Unemployment in Minnesota also rose 5.8%. Unemployment claims in July rose slightly to 20,236 when compared to June. However, unemployment claims are down 46.9% when compared to July 2011. Minnesota gained 6,800 jobs in July. There are 57,085 more jobs this past July than July 2011. All of the EDRs either experience an increase in unemployment or stayed steady. Unemployment numbers for the EDRs are NOT seasonally adjusted. Go to the DEED website; www.positivelyminnesota.com to view more employment and wage statistics.

FCC's 8th Broadband Progress Report Shows Progress, but Still Many Not Served

The FCC released its 8th Broadband Progress Report in late August. Within this report, they analyze broadband data from the State Broadband Initiative (SBI) in June 2010 and June 2011. They examined nationwide access to 3 separate broadband speeds in June 2010 and compared them to June 2011. What they found is there were 16 million without access to 768kbps/200kbps in 2010, but there are now only 9.6 million without access. For 3Mbps/768kbps, 26.4 million did not have access in 2010 but only 19 million did not have access in 2011. Finally, for 6Mbps/1.5Mbps, 62.6 million did not have access in 2010. In 2011 48.3 million did not have access.

They report that even though improvements have been made in broadband availability, there are still 19 million Americans (6%) without access to broadband speeds meeting the "speed benchmark" (at least 4Mbps download and 1 Mbps upload) with 14.5 million (23.7%) of those located in rural areas. They measure access to broadband in terms of "deployment rate". This is the percentage of the Nation, state, or county that has access to certain speeds of broadband as of June 2011. Within the U.S., 97% of the population have access to at least 768kbps/200kbps, 94% have access to 3Mbps/768kbps, and 84.7% 6Mbps/1.5Mbps. Minnesota matches the U.S. figure for 768kbps/200kbps (97.3%), but falls short with respect to 3Mbps/768kbps (92%) and 6Mbps/1.5Mbps (82.1%).

Access to broadband does not necessarily mean people will automatically use it. To determine if people are actually utilizing broadband they analyze the adoption rate for the U.S. and each state. The adoption rate in the U.S. as of June 2011 for 768kbps/200kbps is 64%, 3Mbps/768kbps is 40.4%, and 6Mbps/1.5Mbps is 27.6%. Minnesota's numbers compare very favorably with the national average. Minnesota either is essentially at or exceeds the national averages for each of the three speeds. Minnesota's adoption rate for 768kbps/200kbps is 64.7%, for 3Mbps/768kbps is 43.5%, and for 6Mbps/1.5Mbps is 29.3%.

For the 8th Broadband Progress Report go to http://www.fcc.gov/reports/eighth-broadband-progress-report.

Brookings Institute Report: "Education, Job Openings, and Unemployment in Metropolitan America

One of the major priorities in Minnesota is addressing the "skills gap" the state will face in the coming years. The Governor's Workforce Development Council reports that in 2018, 70% of all jobs in Minnesota will require some education beyond high school, but only 40% of working age adults currently fit this description. This skills gap has the potential to negatively impact unemployment because there might not be enough workers available with the education required to fill all of the positions available.

In August, Jonathan Rothwell with the Brookings Institute released a report outlining his findings relating to the educational gap and unemployment. For the report, Rothwell conducted an analysis of the 100 largest metropolitan areas using information regarding adult educational attainment, occupations, and job openings from January 2006 to February 2012. There are 5 key findings highlighted in Rothwell's report.

The first finding is listed job openings require more education than existing jobs as well as more education than the average adult has attained. He found that 43% of the job openings in these metropolitan areas require at least a bachelor's degree. However, when you examine the educational attainment of the adult workforce (25 or older) only 32% of them have earned a bachelor's. Within the report, Rothwell calculates an educational gap index for each city using the years of education required for job openings and dividing it by the years of education attained by the adult workforce. Subtracting 1 from this total and multiplying it by 100 calculates the percentage gap between supply and demand. A positive number indicates the education level of the workforce does not necessarily meet the demand of the education needed for available jobs. A negative number indicates the education level of the average worker is sufficient to qualify for the average open job.

There are 4 other findings from Rothwell's report. The second finding is metropolitan areas vary in the level of education required by job openings. For example, approximately 50% of the jobs available in San Jose, CA require a bachelor's degree or higher while fewer than 1/3 of the job openings in Youngstown, OH require a bachelor's degree or higher. The third finding is unemployment rates are 2% higher in areas with a shortage of educated workers in relation to the requirements of open jobs and have been consistently higher since prior to the recession. Next, declines in industry demand and housing prices explains most of the increase in cyclical metropolitan unemployment rates (but education gaps explain most of the structural level of metropolitan unemployment). Finally, areas with higher education gaps have had lower rates of job creation and job openings.

Minneapolis/St. Paul/Bloomington metro area was included in the 100 areas assessed for this report. Some of the findings indicate Minneapolis is faring well when compared to other metropolitan areas. In the Minneapolis area, 44% of new job openings required a bachelor's degree or higher with 38% of the adult workforce with at least a bachelor's degree. The education gap index is 1.03 which indicates the demand for certain levels of education exceeds the supply of adult workers who meet those levels by 2.6%. Minneapolis ranks 10th out of 100 when it comes to the education gap index. Other positive statistics included relate to Minnesota's unemployment rate. Minnesota's 5.2% unemployment rate (as of May 2012) ranked Minneapolis 5th out of 100. The 1.4% improvement in unemployment since before the recession ranks Minneapolis 7th out of 100. Other rankings of interest noted in the report are: 64th out of 100 in demand for industry products and 76th out of 100 in housing price growth. Finally, when it comes to unemployed workers looking for jobs, in 2011 there were 3 openings for every unemployed worker regardless of education level. However, there were 5.6 openings for every unemployed worker with at least a bachelor's degree.

For the Minneapolis/St. Paul profile and the entire report (including the data file), go to http://www.brookings.edu/research/papers/2012/08/29-education-gap-rothwell#M33460.

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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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