



The EDACENTER

at the University of Minnesota Crookston

The EDA Chronicle-Sept.-Oct. 2015

www.edacenter.org

Volume 5, Issue 9/10

Events of Interest:

November 11

- EDAM is hosting a Webinar: Leveraging Private Investment to Attract and Grow Business from Noon to 1:15PM. Cost is free for EDAM members and \$25 for non-members. To register and for more information, please go to <http://z.umn.edu/10r9>.

November 12

- Minnesota Brownfields Rescape Awards will be held at the St. Paul Union Depot from 5:00 to 7:30 PM. There is a seated dinner and ranges from \$50 to \$75 for individuals. There are also pricing options for small groups. For more information and to register, please go to <http://z.umn.edu/10ra>.

November 12-13

- Coalition of Greater Minnesota Cities is hosting a fall conference at the Arrowhead Resort & Conference Center in Alexandria. Registration is \$165 per person. **You must register by November 2nd.** To register, please go to <http://z.umn.edu/10rc>.

December 2

- Seminar: Export Tools & Strategies for Success-Winona will be held at Winona State University from 1 to 4PM. For more information and to register, please go to <http://z.umn.edu/10rf> and click the sign-up button on the calendar page.

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Projects underway for the 2015-16 University EDA Center Grant (October, 2015-September, 2016)

In September, the University EDA Center Advisory Committee reviewed projects proposed by Extension educators in collaboration with local and regional economic development leaders. The process of choosing these projects started this summer, as

Extension educators consulted with local and regional colleagues. In the coming year, you will read about these projects and their study findings here in this newsletter and at the EDA Center web site, edacenter.org:

Project	Local Partner
An inventory of vacant and underused buildings in southwest Minnesota	Upper Minnesota Valley Regional Development Center
Tourism Assessment Program in Richmond, Minnesota	City of Richmond Economic Development Authority
A study of immigrant business owners' motivations and needs	Various Region 9 (dissemination of results)
Economic impact and visitor profile for Warroad Youth Hock Tournaments	Chamber of Commerce and Warroad Convention and Visitors' Bureau
Visitor intercept in White Earth and the City of Mahnomon	City of Mahnomon White Earth Economic Development Office; White Earth Tribal and Community College
Business Transition in rural areas (What works; what doesn't; how can communities help)	Small Business Development Center Network (DEED)
Economic Impact Analysis for Communities	(Various; on demand as job losses are reported)
SPROUT Analysis of Financial Metrics	SPROUT MN, LLC
Business Retention and Expansion – Red Lake	The Red Lake Nation Entrepreneur Program

Extension partners with the University EDA Center to Analyze Avian Flu Impacts

By Brigid Tuck, Extension Economic Analyst

In late winter 2015, avian influenza was discovered in a flock of commercial turkeys in Minnesota. After the first flock was infected, the virus spread rapidly. As of July 21, 2015, the disease was confirmed at 108 turkey and chicken farms in 23 Minnesota counties, re-

sulting in the direct loss of over 9.0 million birds in the state.(1) Approximately 12 percent of all turkeys and 35 percent of all laying chickens in Minnesota were affected by the outbreak.(2)

Based on historical production levels, the loss of affected birds means turkey and egg production decreased by an estimated

\$240 million in Minnesota. This includes estimates of the value of the lost production and revenue during the time barns were idled for cleaning and disinfecting, as well as an estimate for the time it takes for laying chickens to reach full maturity. In addition to lost turkey and egg production, turkey processing has been affected in the state.

Layoffs at a turkey processing facility in southern Minnesota resulted in the direct loss of \$64 million of processing output.

Clearly, these losses have affected turkey, chicken, and egg producers and turkey processors. However, producers and processors are not the only businesses affected. With fewer birds going to market and delays in restocking the farms, producers will spend less on local purchases to support production, such as feed and veterinary supplies. Producers and their employees will have less household income to spend at local businesses. These are economic ripple effects of the avian influenza. To quantify these ripple effects, University of Minnesota Extension conducted an Emergency Economic Impact Analysis (EIA). Emergency EIAs use economic models to inform local decisions when there is an economic disruption.

The results of this study were first shared in May of 2015, and are being updated regularly. As a result of lost turkey and egg production, an estimated total of \$647 million in output across all industries has been lost in the Minnesota. Losses include an estimated \$171.7 million of labor income. An estimated 2,570 jobs have been affected by the losses.

Since July, turkey and egg producers have been able to slowly restock their barns. As this occurs, the economic effects of the avian influenza should begin to dissipate across Minnesota. Concerns remain, however, about the potential longer-term effects on turkey and egg producers. Farm investments, such as new barns or new equipment, may have been deferred in

favor of investments in restocking barns and enhanced biosecurity measures.

The analysis has been widely disseminated and used in Minnesota. In early May, when the initial analysis was completed, the report generated significant media coverage. The Star Tribune, MPR, WCCO TV, KARE 11 TV, KMSP TV, MinnPost, and the Minnesota Business Journal all ran stories on the analysis. The story also aired on agricultural radio and was published in many regional and local papers.

On a community level, additional analysis was conducted for the City of Faribault which was affected when a poultry processor announced layoffs resulting from the slow down associated with the avian flu.

Extension presented to both the Faribault Economic Development Authority and the Faribault City Council.

The analysis also informed community and industry groups. In September, Brigid Tuck, Senior Economic Impact Analyst, led a discussion with the Mid-Minnesota Regional Development Commission Board on the avian flu and its community impacts. Brigid also participated on a panel dedicated to the avian influenza at the Animal Science Conference held recently in Willmar.

In Central Minnesota, the analysis is being used by a group convened to formulate an economic development response to the crisis. Extension Educator Neil Linscheid presented the analysis to this group. Extension followed up with a targeted analysis for the Central

Minnesota region.

The information is also being used by government agencies for planning. Neil Linscheid presented to a group convened by the Animal and Plant Health Inspection Services (APHIS) to prepare for future outbreaks of the avian influenza. The group includes government officials from six states.

Finally, the analysis is part of the federal record and will be used by federal lawmakers in decisions regarding the avian influenza.

This avian flu report is an example of the usefulness of an Emergency Economic Impact Analysis. University EDA Center funds allow for such Emergency economic impact analysis any time there are staff layoffs, plant closings, or a natural disaster that affects local commerce. For more information, contact Joyce Hoelting at 612-624-8233 or jhoelting@umn.edu.

1 Source: Minnesota Board of Animal Health, <https://www.bah.state.mn.us/>.

2 Source: Minnesota Agricultural Statistics Service

It's not too late! Work with the University EDA Center in 2015-16!

Funding is still available for projects with communities in 2015-16. The best first step in talking about a project is to contact Joyce Hoelting @ 612-625-8233. She can help you shape a formal technical assistance request and determine resources within the University that can help them happen.

There are three ways that your communities can work with us. These services are provided for free as part of the EDA/ Department of Commerce grant. There are limitations, of course, in the scope of work. For more information about parameters of University EDA Center work, [visit our web site](#).

1. Is your community involved in strategic planning for economic development? [Economic Impact Analysis Futures](#) programs are available. These studies present information about five local industries, comparing and contrasting their economic impact. A report and

facilitated discussion are both delivered by an Extension educator.

2. Is your community facing an economic “shock”, like a plant closing, lay-offs, a physical disaster, or new business growth? An [Emergency Economic Impact Analysis](#) can be delivered to help your community understand the impact of this change and the types of businesses most impacted by the change. Communities that are facing an economic “shock” – such as a plant closing, dramatic lay-offs, a physical disaster (e.g., flood or fire), or new business attraction – can use these studies to inform their local response or shape their proposals for financial assistance. Brigid Tuck, Senior Economic Impact Analyst with the University of Minnesota discussed this program recently in an interview with KEYC News 12 in Mankato. The interview can be viewed at <http://z.umn.edu/10h2>.

3. Would you like to work with the University EDA Center to bring University resources to your community? Staff at the University of Minnesota Crookston, Extension, and students can work on projects with your community. The network of faculty and students available from the University EDA Center can conduct applied research, provides direct technical assistance or deliver educational programs to economic development agencies or entrepreneurs in Economically-distressed rural communities throughout Minnesota. With recent hires at the University of Minnesota Crookston, faculty with experience in GIS-based analytics, demography, and land-use studies would be available as resources for economic development needs across the state.

Red Lake Nation Business Retention and Expansion Strategies Program

By Michael Darger, Director of Business Expansion and Retention, Joyce Hoelting, EDA Center Director, and Eddie Walker, EDA Center Research Analyst

The University of Minnesota Extension Center for Community Vitality is pleased to submit findings of a Business Retention and Expansion (BR&E) Strategies initiative conducted in August and September of 2015. The purpose of this initiative was to hear from existing

businesses in the Red Lake Nation on topics that affect their ability to maintain or grow their business. Focus groups were conducted on August 12, 2015, and the transcripts from these focus groups were analyzed using qualitative analysis tools.

Analysis of the focus group discussions suggests six strategies Red Lake Nation might prioritize in order to support business and nurture economic development in the com-

munity. These six are listed below in the order of stated importance to businesses, as determined by the frequency of comments in focus groups.

1. Economic development efforts can support businesses by helping them collaborate to develop a stronger Red Lake “brand” (or image) outside the community and find opportunities to sell product outside the reservation.

2. Economic development could grow by supporting and nurturing cooperation and collaboration among local artists. Artists in the community can support each other, find unifying messages as an artists' community, and work together to increase sales and profits by marketing outside the Red Lake nation community.

The report describes the following: 1) A full description of the methods used to gather and analyze information from Red Lake Nation businesses; 2) A summary of key findings; 3) A further description of the strategy choices described above, along with a list of potential projects that the Red Lake Nation community might decide to pursue.
3. Red Lake Nation businesses and communities can benefit from more investment in training, coaching, and support—both for business success and employment opportunities for tribal members.

The potential project ideas presented are intended to stir the creative juices of economic and business leaders in Red Lake Nation. They are not recommendations, and will be considered in light of local context and current activities already in place within the community.. These strategies suggest priorities for Red Lake Nation to support business retention and expansion. The strategies are not all-inclusive and were not preconceived before the data were gathered. Rather, they emerged based on careful analysis of the comments made from 40 business people at the focus groups.
4. The community can work together to develop business space at RLN that encourages local consumers to buy local and that meets other business needs.

Regardless of the limits of this BR&E research study, Red Lake Nation has built a strong foundation for economic development through its Entrepreneur Program and related activities. By listening to its existing businesses through focus groups and other methods, it enhances its opportunity to develop Red Lake Nation for current and future generations.
5. Red Lake Nation businesses could benefit from greater access to financing for business development.

University of Minnesota Extension provides the BR&E research reports to the communities it works with. These reports are not shared beyond the community because of the sensitive nature of the data that sometimes emerges. This is the first time that Extension has had the opportunity to help a tribal community with BR&E. For that opportunity, it is thankful to the EDA Center at the University of Minnesota Crookston and to Red Lake Nation.
6. Because energy costs affect bottom lines, the community could work together to create renewable energy and energy efficiency.

There were two key questions asked near the end of each focus group. The first question was, "What should be the economic development priorities for Red Lake Nation?" The second question was, "What is most important to your business?" We categorized the answers and tallied how many focus groups mentioned them. Note: a particular answer to the question is only counted once for each group, despite whether or not it came up multiple times in that group.

Economic Futures Workshop: Murray County Minnesota

By Brigid Tuck, Economic Impact Analyst and Neil Linscheid, Extension Educator

To learn more about Murray County's current economic situation and to explore opportunities for economic development, community

leaders from Murray County participated in the University of Minnesota's Economic Futures Workshop on Monday, September 14, 2015, in Slayton, Minnesota. This report, summarizing the workshop, is presented in partnership with EDA Center at the University of

Minnesota-Crookston (<http://www.edacenter.org/>).

What is an Economic Futures Workshop?

The Economic Futures Workshop is designed to help community leaders look objectively at the state

of their local economy. The workshop examines interactions within an economy – among businesses and between businesses and consumers. Using information about how these linkages function, leaders can understand the full implications of change on the local economy. The Futures Workshop can also help communities understand how efforts by different organizations can affect the economy.

The three-hour Futures Workshop recently provided a profile of the Murray County economy, and an analysis of how nine selected industries interact, in addition to facilitating an exploration and discussion said industries.

Profile of the Current Economy

In 2014, there were 2,959 jobs in Murray County. Between 2001 and 2008, the number of jobs in Murray County remained fairly stable, varying between 2,700 and 2,800 jobs. The number of jobs climbed steadily between 2008 and 2012, despite the Great Recession. While the number of jobs declined by 4 percent in Minnesota between 2008 and 2009, the number of jobs in Murray County increased by 2 percent. Growth in the number of jobs in Murray County slightly outpaced national and industry trends between 2001 and 2014. Industries adding the most jobs between 2001

and 2014 include manufacturing (80 new jobs), utilities (74 jobs), and retail trade (68 jobs). Industries shedding the most jobs in the same period include construction (-52 jobs), accommodation and food services (-26 jobs), and crop and animal production (-14 jobs).

Murray County has a higher percentage of its employment in the agriculture, forestry, fishing, hunting, and mining industries; construction industry; and the manufacturing industry. Murray County trails the average Greater Minnesota county in percentage of employment in industries such as the education and health services industry and the leisure and hospitality industry.

Wages in Murray County are lower than the Greater Minnesota average. Murray County's average annual wage across all industries was \$32,300 in 2014. Greater Minnesota's average annual wage across all industries was \$41,700.

Only farm operations covered under the unemployment insurance program are included in the crop and animal production industry.

Key Conclusions

Overall surprises and conclusions:

- Wages are lower than most people expected. Many indus-

tries had very similar wages.

- Variation of impact of 100 jobs – some industries are minimal, others are bigger. All jobs are not created equal.
- We need everything to keep moving forward.
- We are interdependent – to take one industry out affects other industries
- Succession planning may be necessary
- Education does not always have to be a 4 year degree
- Promoting the region – getting people to stay or come back is important
- Positive attitude is a draw – we are here, we are trying, and we are working together.

Full Report with Presentation from Workshop will be available on www.edacenter.org soon.

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 November.

2014-2015 State and National Unemployment Statistics and Jobs Indicators

After seasonal adjustments, unemployment in September stayed steady at 5.1 percent in the U.S. and dropped to 3.8 percent across Minnesota. Minnesota unemployment claims in September increased 161 to 13,327 when compared to August. Over the year unemployment claims decreased 3.1 percent when compared to September 2014 (see summary in graph on next page).

Minnesota employers eliminated 5,700 jobs in September. Only two sectors posted job gains: Leisure/Hospitality (2,400) and Professional/Business Services (1,800). Other

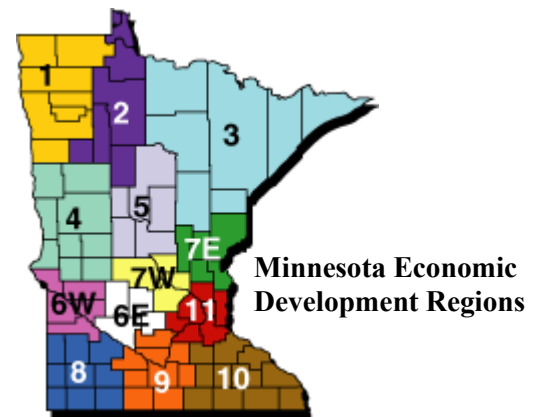
Services (-2,500), Education/Health Services (-2,200), Trade/Transportation/Utilities (-1,900), Construction (-1,700), Financial Activities (-600), Information (-500) Government (-300), Manufacturing (-100), and Mining/Logging (-100) posted job losses in September.

Minnesota added 35,242 jobs over the past year, which puts Minnesota's growth at 1.6 percent during that time. This is below the U.S. growth of 1.9 percent over the past year. Minnesota's labor participation rate is down to 69.7 percent

(seasonally adjusted). Minnesota's labor participation rate continues to exceed the U.S. labor participation rate which was 62.4 percent in September.

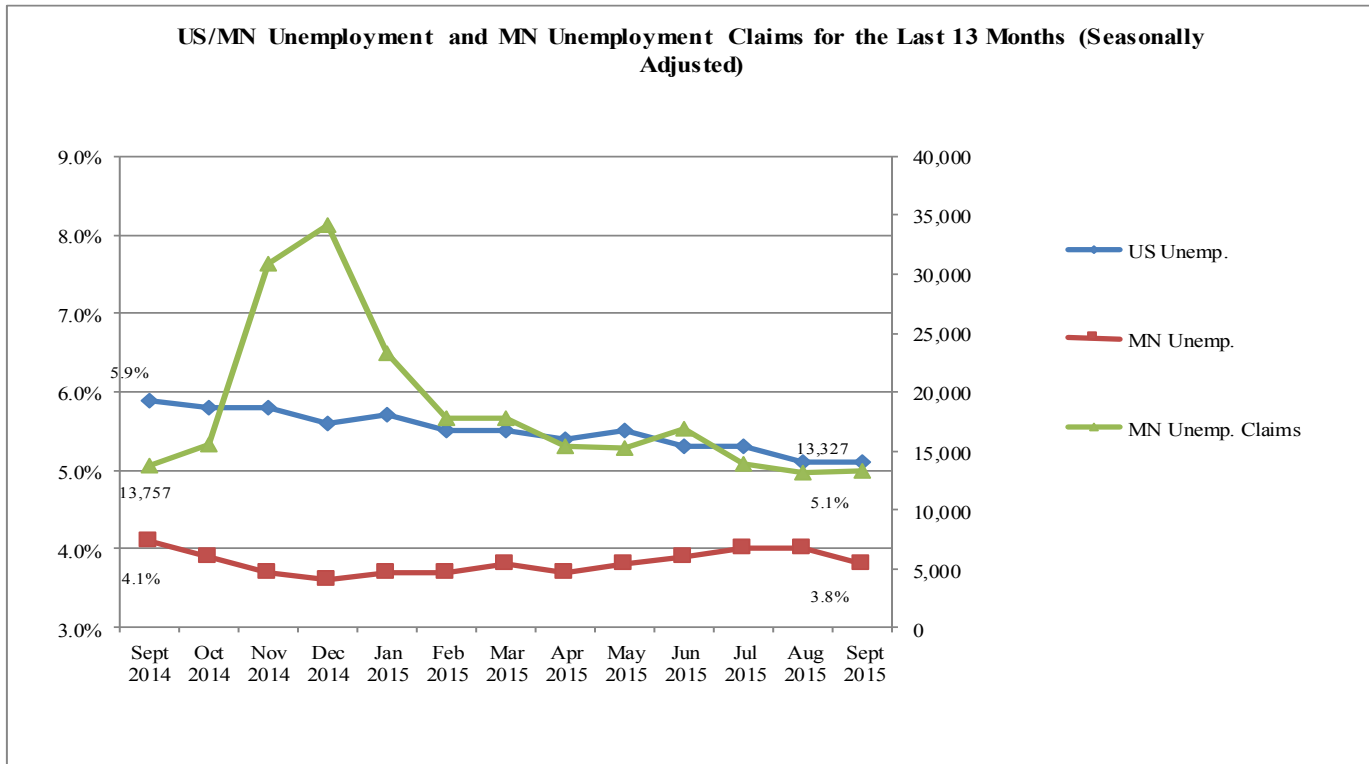
Unemployment for all of the EDRs decreased or remained the same in September (unemployment numbers for EDRs are not seasonally adjusted). The Northwest region experienced the largest unemployment decrease at 0.8 percent.

Jobs data comes from U.S. Bureau of Labor Statistics (www.bls.gov) and DEED (<http://mn.gov/deed/>).



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
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%	3.4%	4.7%	3.8%	4.8%	4.5%	3.7%	3.3%	3.8%	3.6%	3.6%
Aug 2015	4%	4.7%	4.8%	3%	4.3%	3.3%	3.9%	4.1%	3.4%	2.9%	3.3%	3.2%	3.3%
Sept 2015	3.2%	4.3%	4.6%	2.8%	3.9%	3%	3.2%	3.8%	3.1%	2.9%	3%	2.8%	3.1%



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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This document was prepared by the University of Minnesota Crookston under award number 06-66-05709 from the Economic Development Administration, U.S. Department of Commerce. The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect the views of the Economic Development Administration or the U.S. Department of Commerce.

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