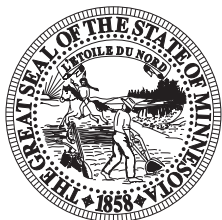




Northwest Minnesota Economic and Business Conditions Report First Quarter 2018

This issue is part of a series for the six planning areas of Minnesota –
The Northwest Minnesota Planning Area consists of 26 counties:
Becker; Beltrami; Cass; Clay; Clearwater; Crow Wing; Douglas; Grant; Hubbard; Kittson;
Lake of the Woods; Mahnommen; Marshall; Morrison; Norman; Otter Tail; Pennington; Polk;
Pope; Red Lake; Roseau; Stevens; Todd; Traverse; Wadena; and Wilkin.



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TABLE OF CONTENTS

Executive Summary.....	1
Northwest Minnesota Leading Economic Indicators Index	2
Northwest Minnesota Business Filings	4
Minnesota Business Snapshot Survey Results.....	9
Maps.....	15
Northwest Minnesota Labor Market Conditions	17
Northwest Minnesota Bankruptcies	22
Economic Indicators	23
Sources	26

EXECUTIVE SUMMARY

Strong economic growth is expected in the Northwest Minnesota planning area over the next several months according to the predictions of the St. Cloud State University Northwest Minnesota Index of Leading Economic Indicators (LEI). Four of five index components increased in the most recent quarter as the LEI rose 7.02 points. An increase in the Rural Mainstreet Index (which signals a more robust macroeconomic environment for rural America) and a larger number of residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks were among the positive components in this quarter's leading index. A rise in the number of new filings for LLC and incorporation in Northwest Minnesota and improved consumer sentiment also helped lift the LEI in the first quarter.

There were 1,315 new business filings with the Office of the Minnesota Secretary of State in Northwest Minnesota in the first quarter of 2018 — representing a ten percent increase from one year ago. With 113 filings, there were 6.6 percent fewer new filings for business incorporation in the first quarter compared to the same period last year. However, new LLC filings in Northwest Minnesota were up 10.8 percent from one year earlier—rising to 721. New assumed names totaled 423 in the first quarter—10.4 percent more filings than the same period in 2017. There were 58 new filings for Northwest Minnesota non-profit in the first quarter—eighteen more filings than one year ago.

Sixty-one percent of new business filers in the Northwest Minnesota planning area completed the voluntary Minnesota Business Snapshot (MBS) survey in this year's first quarter. Results of this voluntary survey indicate that about 3.3 percent of new filers come from communities of color. Approximately 9 percent of new filers in Northwest Minnesota are veterans. About 2.6 percent of new filers come from the disability community and 2.4 percent of new filings in Northwest Minnesota are made by the immigrant community. Thirty-nine percent of new business filings in Northwest Minnesota in this year's first quarter were initiated by women. MBS results also show that most new business filers in Northwest Minnesota have between 0 and \$10,000 in annual gross revenues (although 123 new filers have revenues in excess of \$50,000). The most popular industries for new businesses in Northwest Minnesota are construction, retail trade, real estate/rental/leasing, professional/scientific/technical, agriculture/forestry/fishing/hunting and other services. Employment levels at most new firms are between 0 and 5 workers, and 43 percent of those starting a new business consider this a part-time activity.

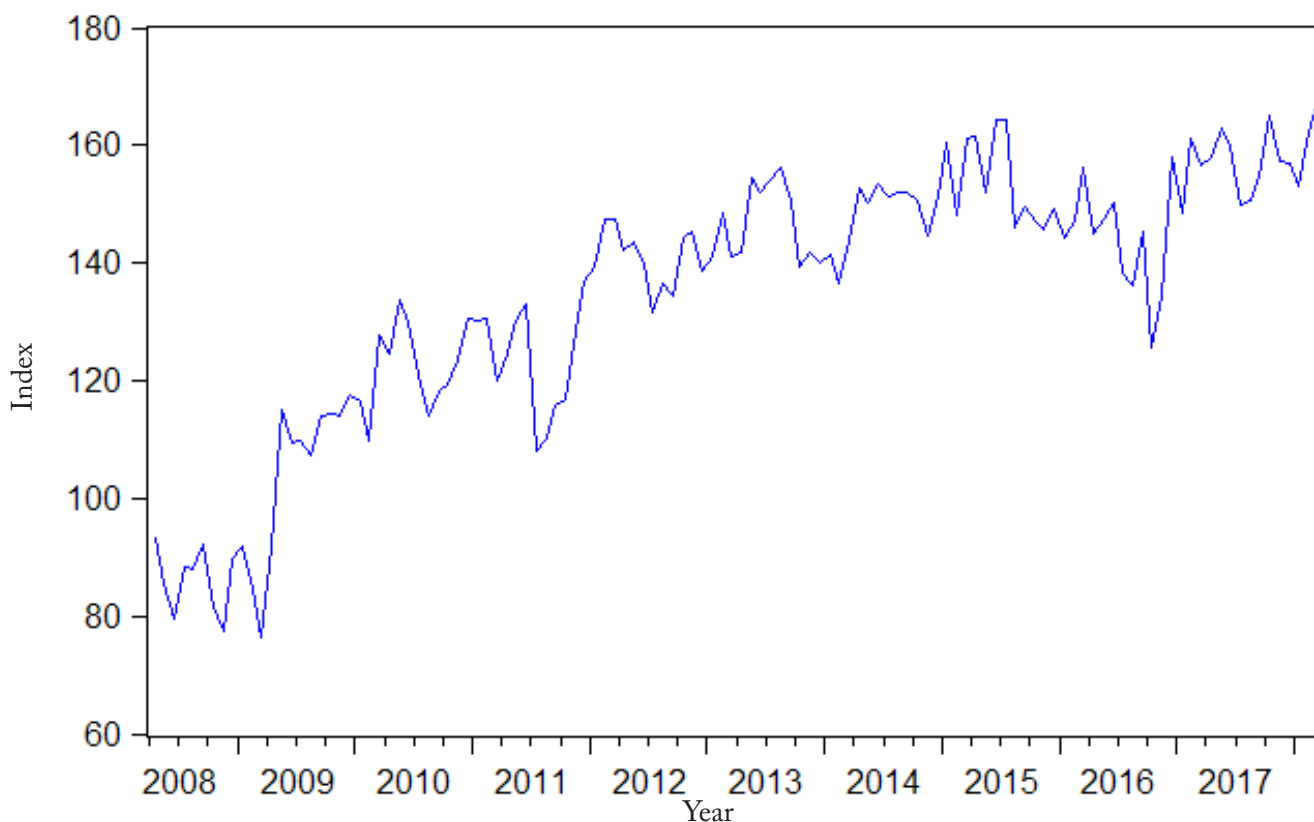
Employment of Northwest Minnesota residents increased by 3.5 percent over the year ending March 2018. The regional unemployment rate was 5.5 percent in March, which was considerably lower than the 6.3 percent rate observed one year ago. Initial claims for unemployment insurance in March 2018 were 8.4 percent lower than one year earlier and the Northwest Minnesota labor force increased by 2.7 percent. Job vacancies remain high in the region. For every 100 unemployed workers, there are 78 job vacancies. Northwest Minnesota's total bankruptcies were unchanged from one year ago.

Economic performance in the Fargo/Moorhead Metropolitan Statistical Area (MSA) was mostly favorable in the past quarter. This MSA tallied gains in overall employment (as well as job gains in the key mining/logging/construction and manufacturing sectors), lower initial jobless claims, a rise in the regional workforce, and increased average hourly earnings. The area did experience reduced valuation of residential building permits, a decrease in average weekly work hours, a higher unemployment rate, and a higher relative cost of living. **Economic activity in the Grand Forks/East Grand Forks MSA was mixed in the first quarter.** Lower overall employment (and unchanged employment in the mining/logging/construction and manufacturing sectors), a falling labor force, and increased initial jobless claims had a negative impact on the region's economic outlook. A slightly lower unemployment rate, an increase in average hours worked and hourly earnings, and a surge in the valuation of residential building permits contributed favorably to the area's economic performance.

NORTHWEST MINNESOTA LEADING ECONOMIC INDICATORS INDEX

The SCSU Northwest Minnesota Leading Economic Indicators (LEI) index is designed to predict performance of the regional economy with a four-to-six month lead time. After rising by 1.33 points in the fourth quarter of 2017, the LEI opened 2018 with a positive reading of 7.02. The index now stands 7.3 percent above its level of the first quarter of 2017. As shown in the accompanying graph, the LEI has once again started to rise after flattening out in 2017.

SCSU Northwest Minnesota Leading Economic Indicators Index
(December 1999=100)



Components of SCSU Northwest Minnesota Leading Economic Indicators Index

Component of Index	Contribution to LEI, 1st quarter 2018	Contribution to LEI, 4th quarter 2017
Rural Mainstreet Index	4.87	-2.57
Northwest Minnesota initial claims for unemployment insurance	-1.21	2.17
Northwest Minnesota new filings of incorporation and LLCs	0.30	2.04
Fargo-Moorhead + Grand Forks-EGF MSA residential building permits	0.69	-0.67
Consumer Sentiment, University of Michigan	2.37	0.36
TOTAL CHANGE	7.02	1.33

The Rural Mainstreet Index from Creighton University uses survey data from rural bankers and business leaders in towns averaging a population of 1,300 in 10 Midwestern states. This series is used as a proxy for economic activity in the rural areas of Northwest Minnesota. As can be seen in the accompanying table, this rural index had a positive impact on this quarter's index. An increase in residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks also helped lift the leading index. In addition, increased new filings for incorporation and LLC in Northwest Minnesota helped contribute to the region's favorable outlook in the first quarter. Because Northwest Minnesota exports many recreational vehicles, consumer sentiment is included as a proxy for demand in that industry. The University of Michigan's Consumer Sentiment Index helped drive this quarter's index higher. A recent rise in initial claims for unemployment insurance in the region was the only negative index component.

**SCSU Northwest Minnesota
Leading Economic Indicators Index**

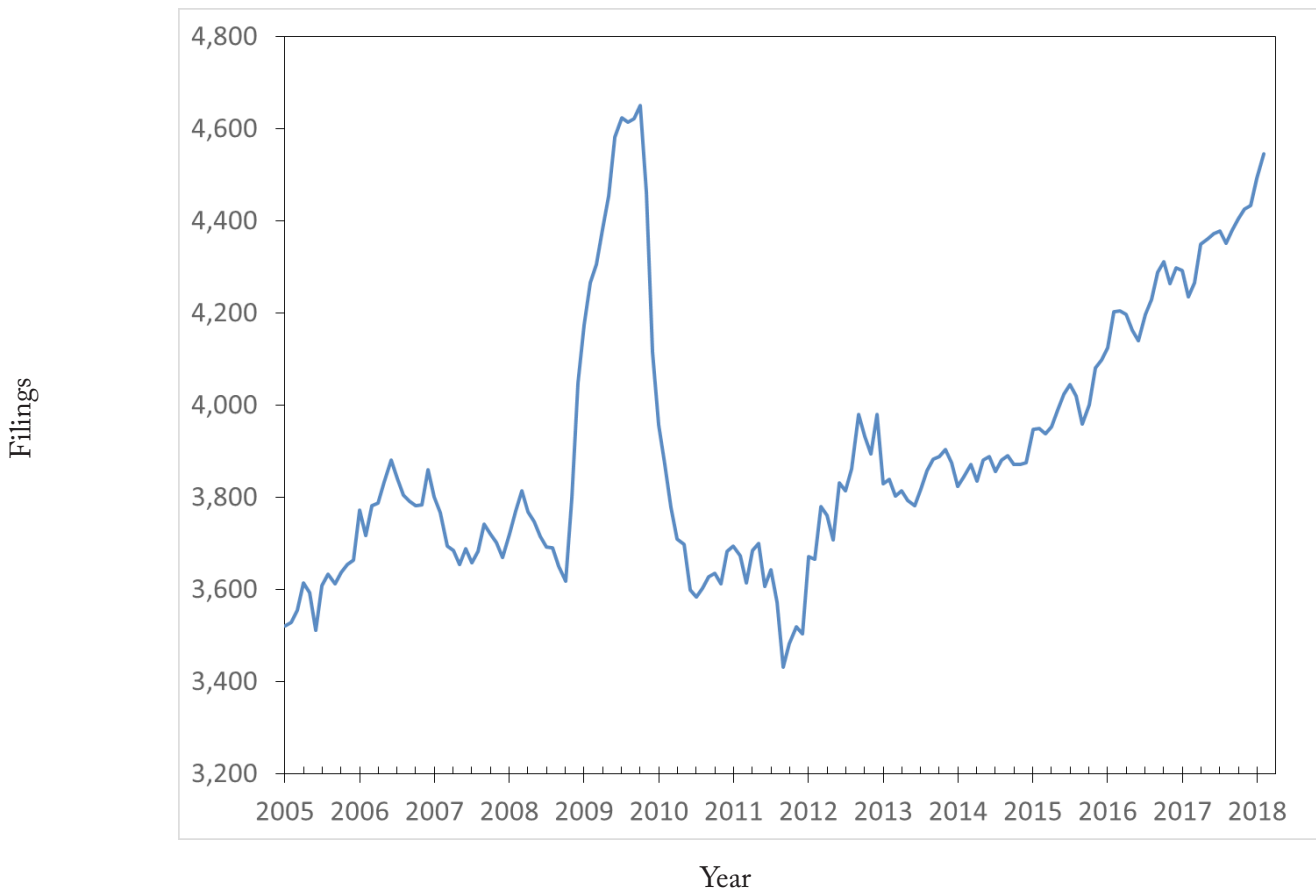
	2018	2017	Percentage change
Rural Mainstreet Index, Creighton University, March	54.9	46.1	19.1%
Northwest Minnesota initial claims for unemployment insurance, March	1,388	1,515	-8.4%
Northwest Minnesota new filings of incorporation and LLCs, First Quarter	317	277	14.4%
Fargo-Moorhead and Grand Forks-EGF MSA single-family building permits, March	56	70	-20.0%
Consumer Sentiment, University of Michigan, March	101.4	96.9	4.6%
Northwest Minnesota Leading Economic Indicators Index March (December 1999 = 100)	168.2	156.8	7.3%

NORTHWEST MINNESOTA BUSINESS FILINGS

The 12-month moving total of new business filings in this region increased in the first quarter as total new filings rose by 10% compared to the same period last year. The abrupt increase in new filings in the middle of 2008 is largely a result of increased new LLC filings. This outlier (resembling a shark fin) is related to considerably higher filings in the construction industry and appears to be a one-time only transitory event seen in the data in all regions of Minnesota.

Note: The graphs in this section show the 12-month moving total for the various new business filings in Northwest Minnesota that are registered with the Office of the Minnesota Secretary of State. This adjustment removes seasonal patterns from the data.

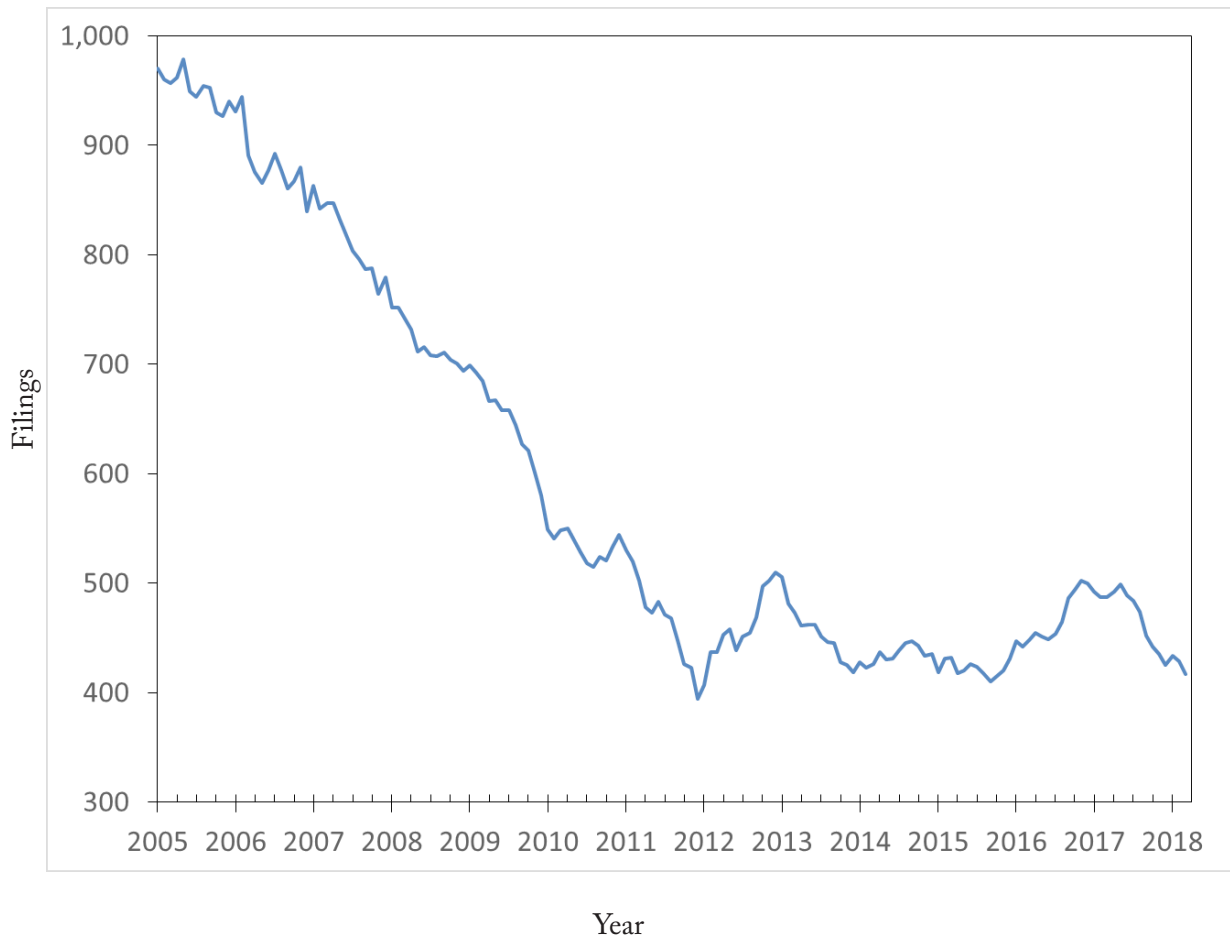
Total New Business Filings—Northwest Minnesota Planning Area
(12-month moving total)



Quarter	I: 2017	II: 2017	III: 2017	IV: 2017	I: 2018	2018 Quarter I: Percent change from prior year
Northwest Minnesota Total New Business Filings	1,195	1,215	983	1,033	1,315	10.0%

New business incorporations trended downward in Northwest Minnesota from 2005 through 2011, but have leveled out since that time. After rising over the entire year of 2016, this series flattened out in the first half of 2017, but has been dragged down by three consecutive quarterly year-over-year declines in new incorporations. As can be seen in the accompanying table, first quarter 2018 new incorporations were 6.6 percent below their level of the same period in 2017.

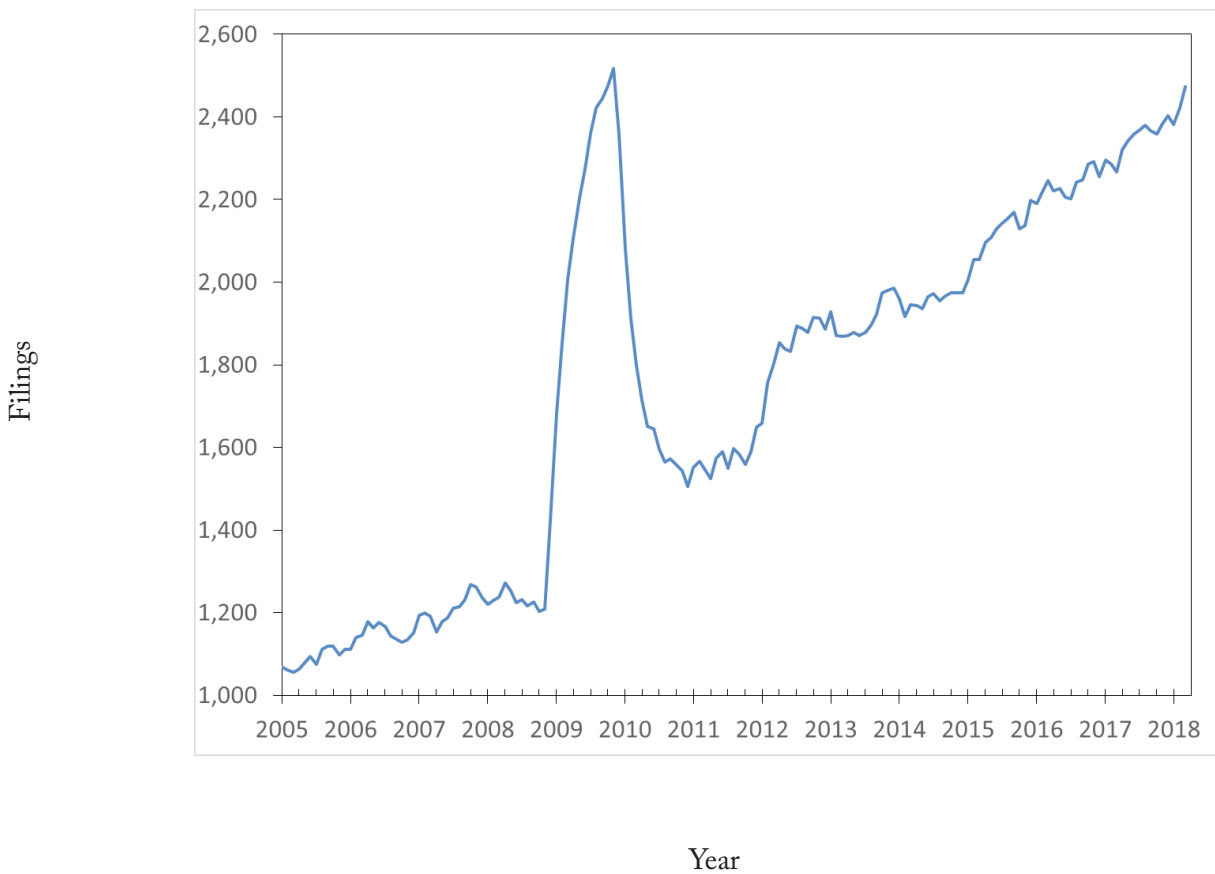
New Incorporations—Northwest Minnesota Planning Area (12-month moving total)



Quarter	I: 2017	II: 2017	III: 2017	IV: 2017	I: 2018	2018 Quarter I: Percent change from prior year
Northwest Minnesota New Business Incorporations	121	121	84	99	113	-6.6%

There has been a move in Northwest Minnesota (and the rest of the state) away from the traditional incorporation form of business organization towards the LLC. While new business incorporations remain an important indicator of new business formation in Northwest Minnesota, LLCs are increasingly useful in evaluating regional economic performance. As seen below, there has been a considerable upward trend in LLCs in Northwest Minnesota. With the exception of the outlier period in 2008–2009, new LLC formation has shown a fairly steady rate of growth over the last eleven years. This strong trend continued in the first quarter of 2018 as LLC filings rose 10.8 percent compared to the same period in 2017.

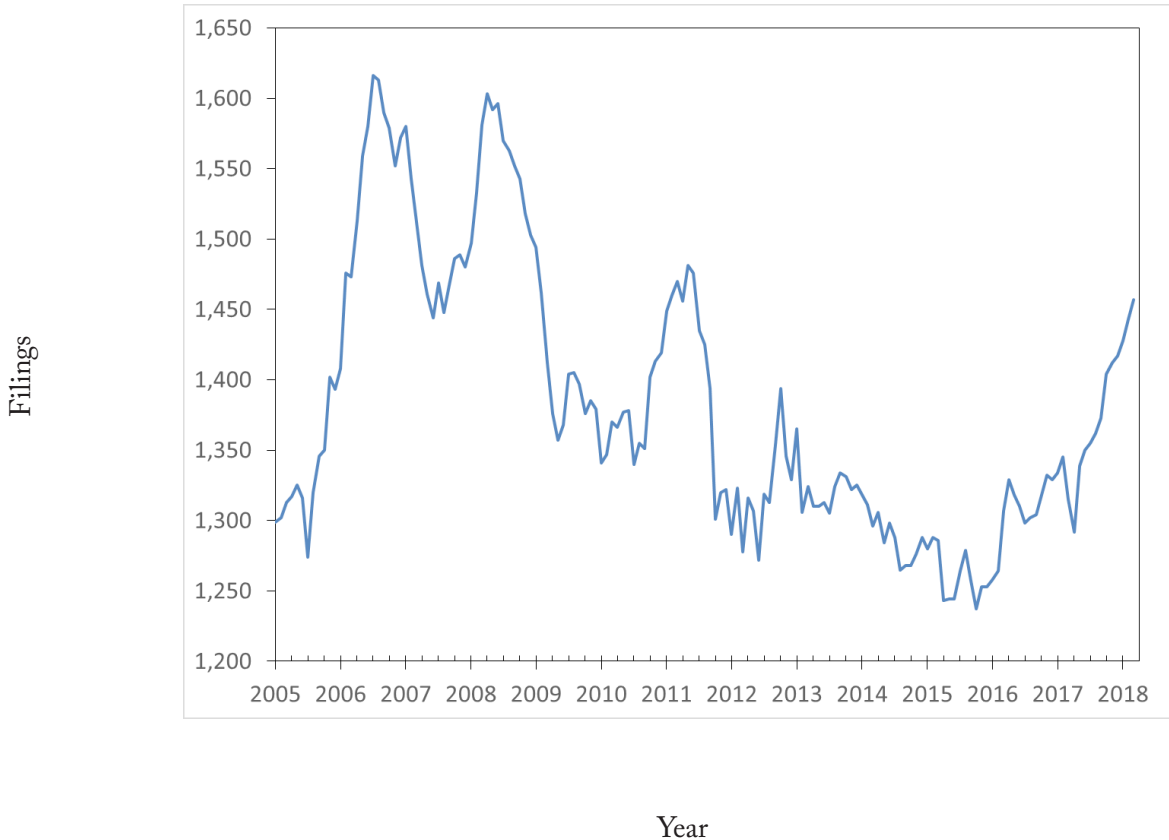
New Limited Liability Companies—Northwest Minnesota Planning Area (12-month moving total)



Quarter	I: 2017	II: 2017	III: 2017	IV: 2017	I: 2018	2018 Quarter I: Percent change from prior year
Northwest Minnesota New Limited Liability Companies	651	667	538	547	721	10.8%

Assumed names, which include sole proprietors or organizations that do not have limited liability, rose by 10.4 percent compared to the same period last year. The 12-month moving total suggests this series bottomed out at the end of 2015 and has generally risen since that time.

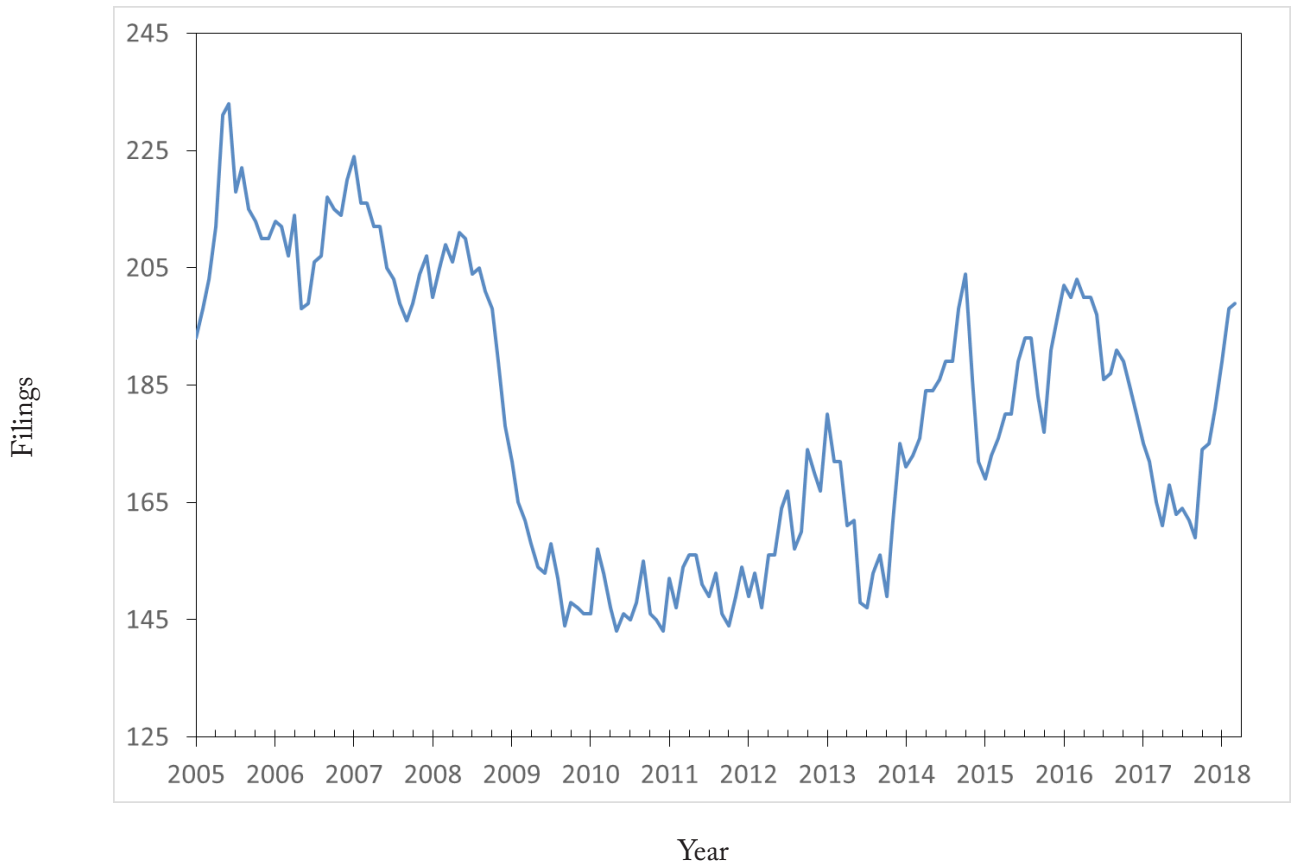
New Assumed Names—Northwest Minnesota Planning Area (12-month moving total)



Quarter	I: 2017	II: 2017	III: 2017	IV: 2017	I: 2018	2018 Quarter I: Percent change from prior year
Northwest Minnesota New Assumed Names	383	381	325	328	423	10.4%

The number of new non-profits in the Northwest Minnesota planning area totaled 58 in the first quarter. This was 18 more filings (a 45 percent increase) than one year earlier.

New Non-Profits—Northwest Minnesota Planning Area (12-month moving total)



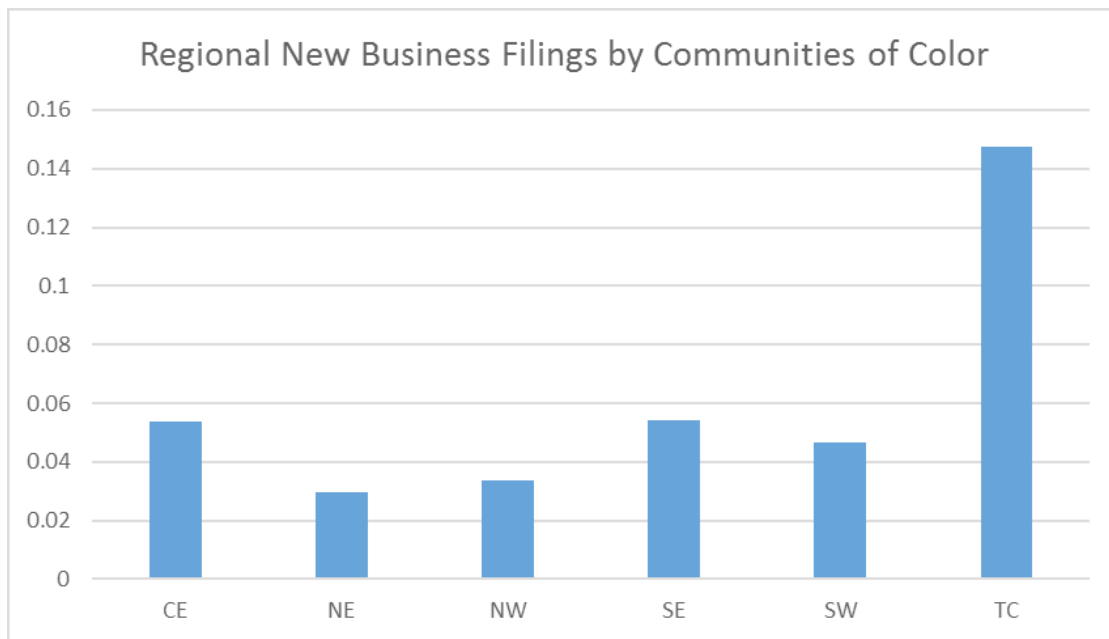
Quarter	I: 2017	II: 2017	III: 2017	IV: 2017	I: 2018	2018 Quarter I: Percent change from prior year
Northwest Minnesota New Non-Profits	40	46	36	59	58	45.0%

MINNESOTA BUSINESS SNAPSHOT SURVEY RESULTS

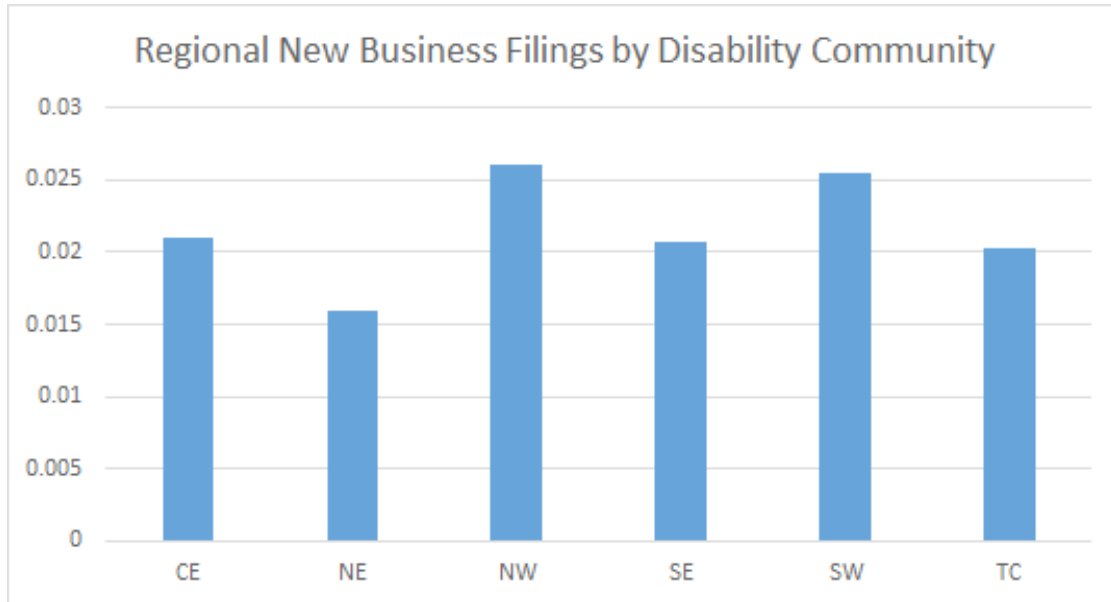
In Fall 2016, the Office of the Minnesota Secretary of State initiated a short voluntary survey (known as Minnesota Business Snapshot) for both new and continuing business filers. Questions found in the survey address basic questions related to the background of business filers, industry classification, employment levels and annual revenue of the filer, and whether the business is a full- or part-time activity for the filing entity. While a comprehensive analysis of this promising new data set is the beyond the scope of this regional economic and business conditions report, the survey results do provide useful additional background information to complement the business filing data.

To match up the Minnesota Business Snapshot (MBS) information with the data analyzed in this report, only surveys accompanying new filings in the first quarter of 2018 are analyzed. For the entire State of Minnesota, the overall response rate for this voluntary survey is approximately 62 percent. This yields thousands of self-reported records in this emerging data set. For Northwest Minnesota, about 61 percent of new business filers completed at least some portion of the MBS survey. The results are reported in this section.

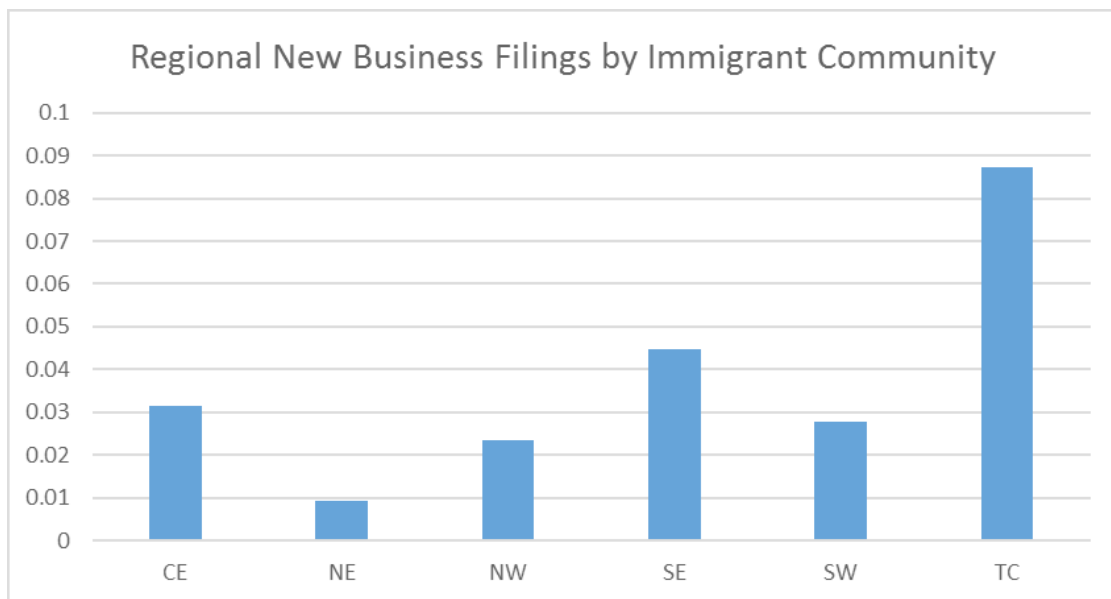
About 3.3 percent of those new filers completing the MBS from the Northwest Minnesota planning area report being from a community of color. This is the second lowest percentage of Minnesota's six planning areas.



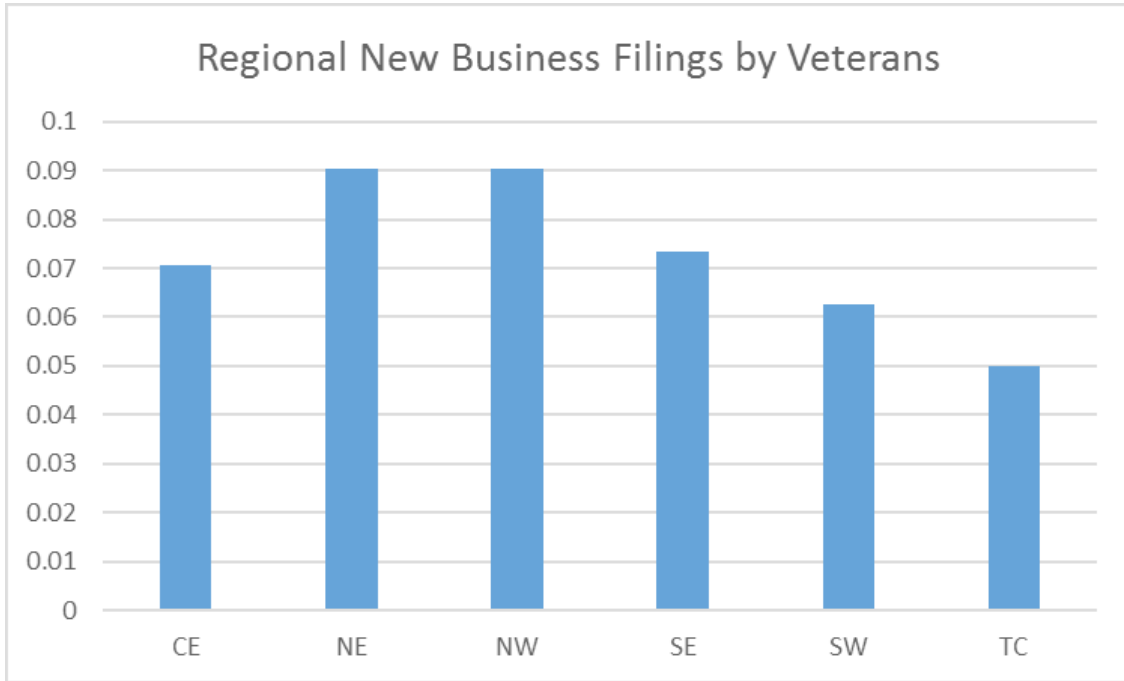
A small percentage of Northwest Minnesota's new filers—approximately 2.6 percent—are from the disability community.



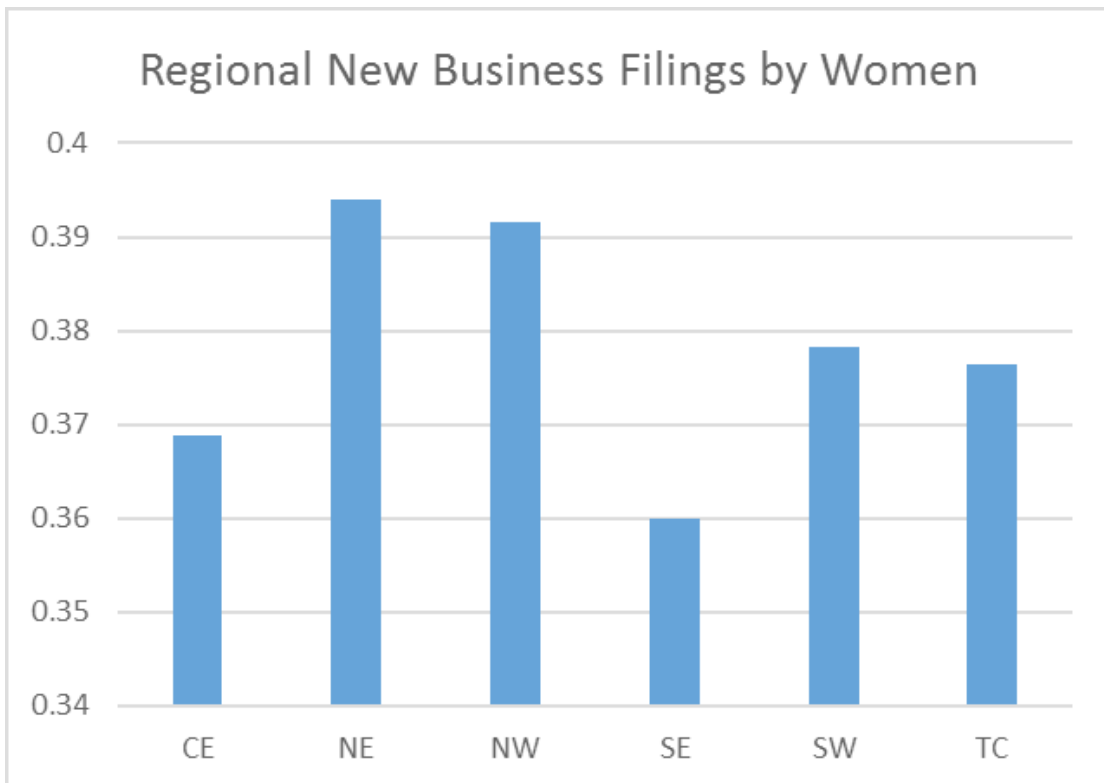
About 2.4 percent of new business filings in Northwest Minnesota come from the immigrant community.



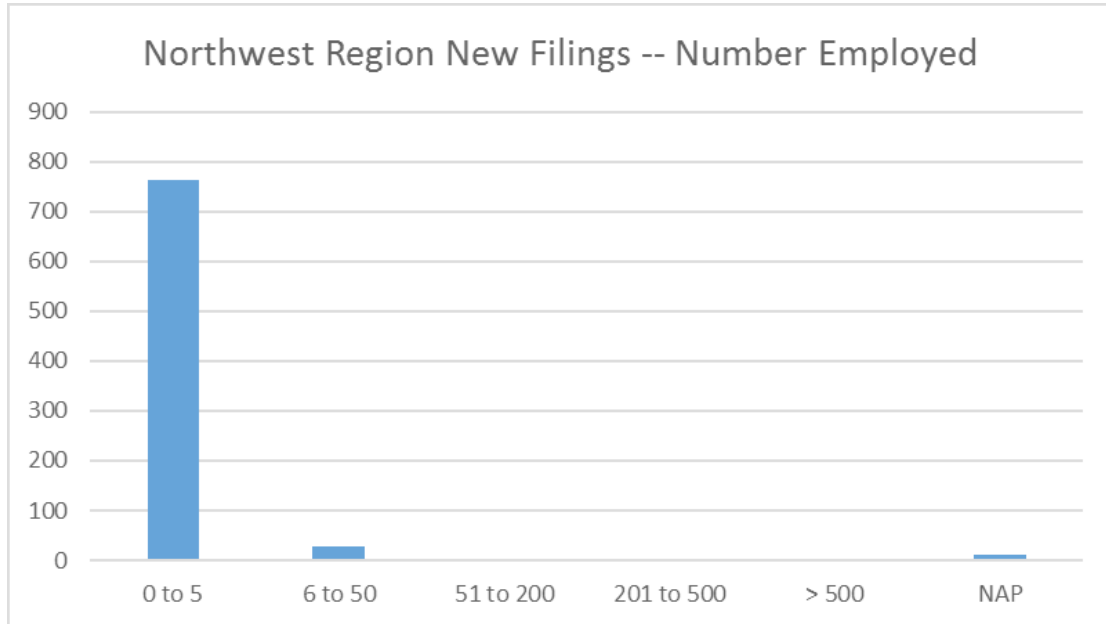
More than 9 percent of new filings in Northwest Minnesota come from military veterans. Along with the Northeast Minnesota planning area, veterans account for a larger share of new filings in Northwest Minnesota than any other region.



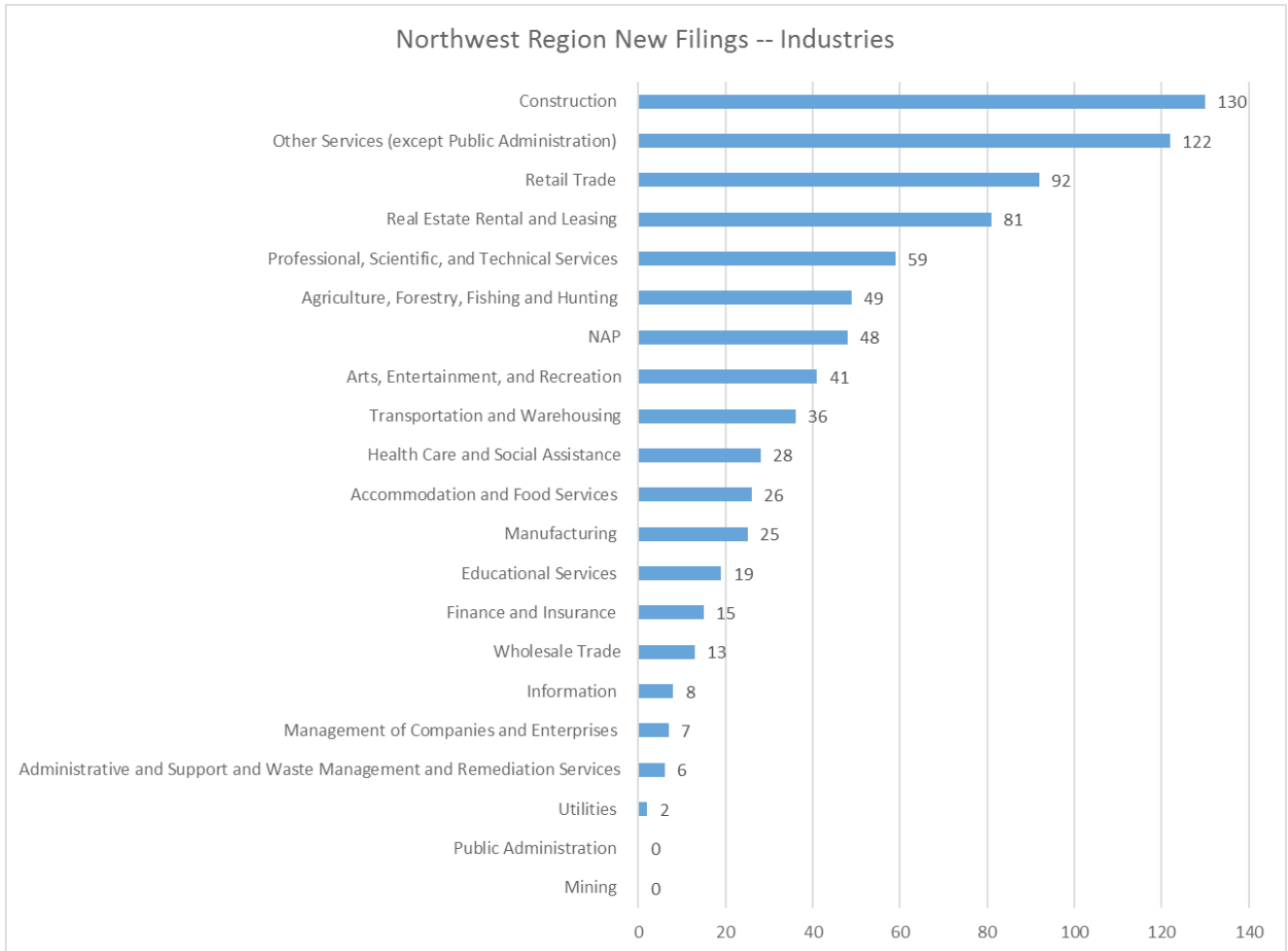
Woman owners represented approximately 39 percent of the new business filings in Northwest Minnesota in the first quarter of 2018. This is the second highest percentage of filers among Minnesota's six planning areas.



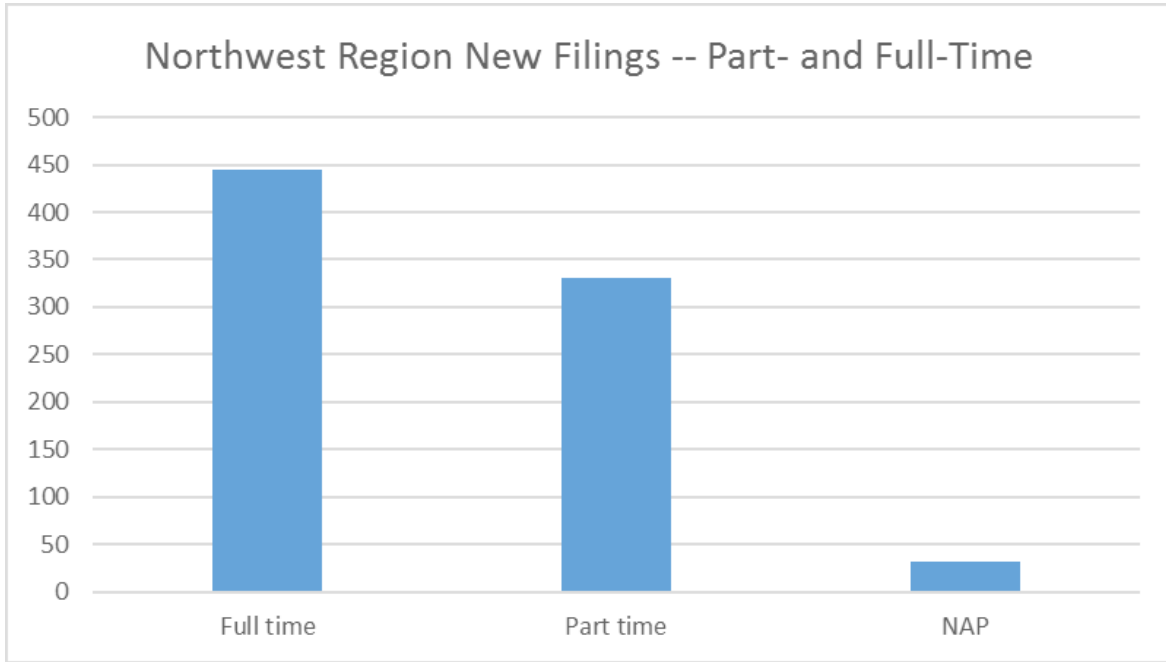
While not all of those participating in the survey completed all portions of the Minnesota Business Snapshot (those not responding to a particular question are represented in this section by “NAP”—no answer provided), 795 responses were tallied to a question asking the new business filer to indicate the range of employment at the business. As expected, most new businesses start small—employment at most companies submitting a new filing ranges from 0-5 employees.



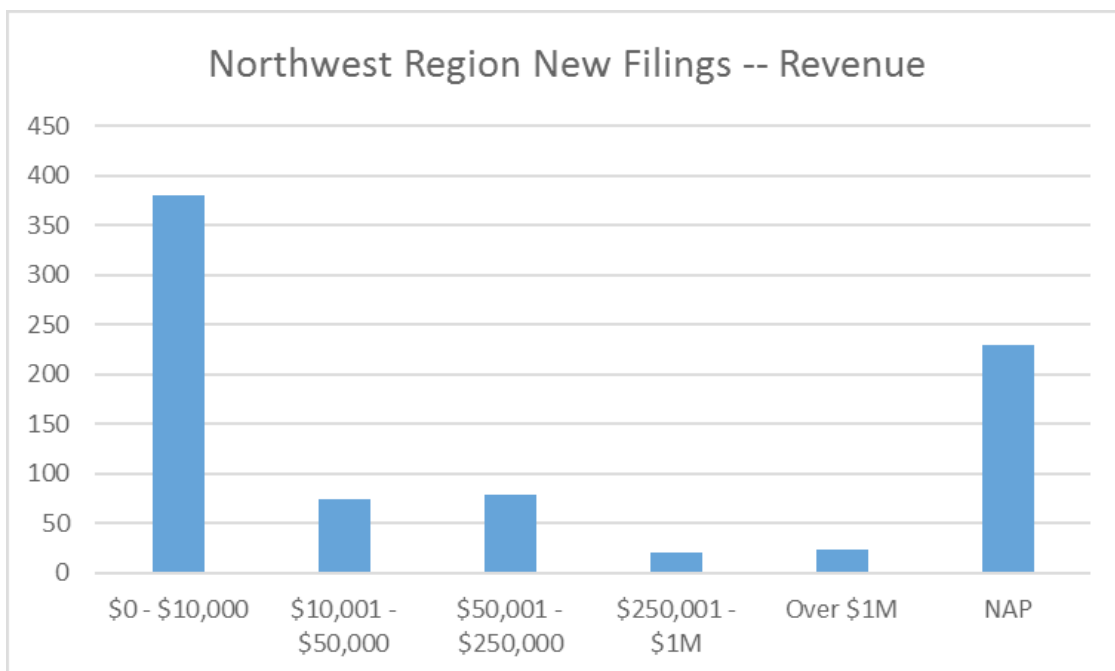
Using the North American Industry Classification System (NAICS), businesses submitting new filings were asked to identify the industry in which their company was operating. While a range of industries were reported, retail trade, construction, real estate/rental/leasing, professional/scientific/technical, agriculture/forestry/fishing/hunting and “other services” lead the way. Since businesses are often unsure of their industrial classification, the “other services” category is likely to represent a “catch-all” category for service-related businesses who were unable to specify their industry. Forty-eight new firms did not provide an answer to this survey item (see “NAP”)



Forty-three percent of those submitting a new business filing in Northwest Minnesota consider their business a part-time venture.



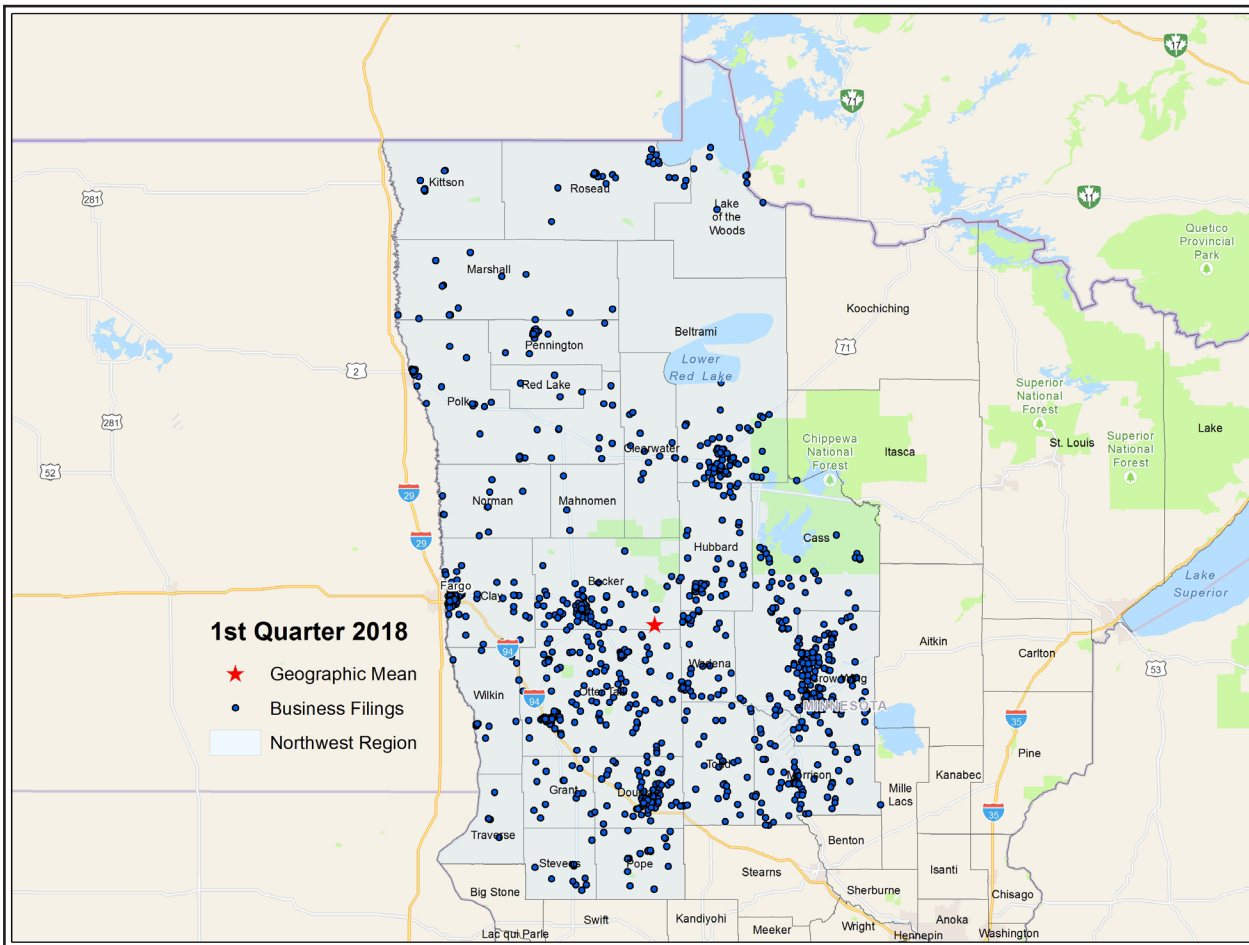
229 new business filers in Northwest Minnesota did not provide an answer to the MBS item that asked them to report the company's revenue. Of those businesses that answered the question, the largest share report revenues of less than \$10,000. 123 new firms report revenues in excess of \$50,000.



MAPS

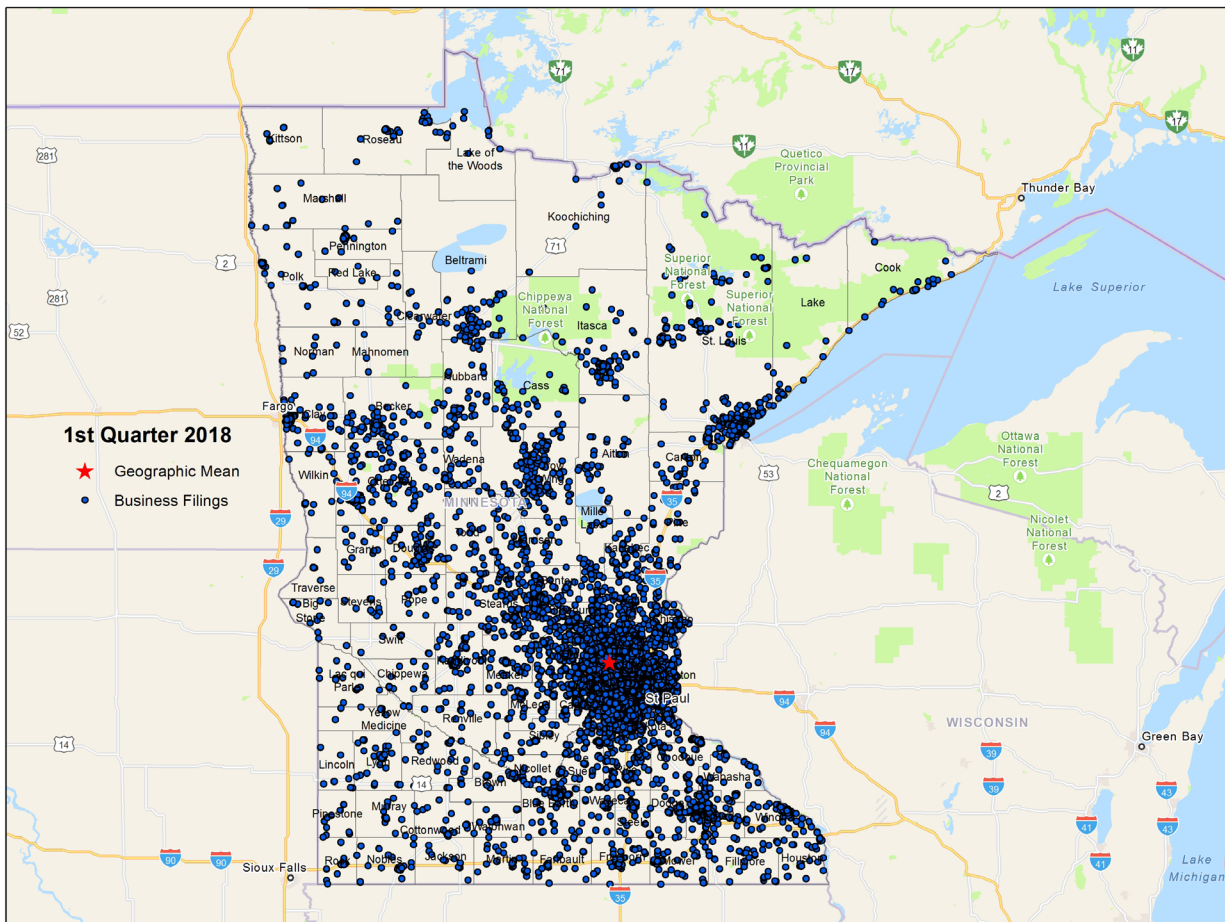
The first map shown below is a visual representation of new business formation around the Northwest Minnesota planning area in the first quarter of 2018. As has typically been the case, the densest areas of new business formation are in the Alexandria, Brainerd, Bemidji, and Detroit Lakes areas. Fergus Falls and Moorhead also showed considerable new business filing activity in the first quarter. The map demonstrates that most of the new business formation in this region occurs in the southern half of the planning area. Well-traveled roadways are also a predictor of new business formation in Northwest Minnesota.

Northwest Minnesota Planning Area--New Business Formation--Quarter 1: 2018



The second map shows new business filings for the state as a whole. This visual aid demonstrates the considerable extent to which the Twin Cities metro area dominates new business formation in the state. The map shows how the Twin Cities metro stretches along roadways into the Southeast, Southwest and Central planning areas. The map demonstrates the importance of cities and roadways in encouraging economic development. St. Cloud now appears to be integrated into the Twin Cities metro as the I-94/US-10 corridor continues to be a magnet for new business formation. There is also considerable new business formation in the southern part of the state, particularly in Rochester and between the Twin Cities and Mankato. The importance of Interstates 90, 94, and 35 as well as US-10 and MN 61 (along the North Shore) in new business filings is also easily seen in this map.

Minnesota--New Business Formation--Quarter 1: 2018

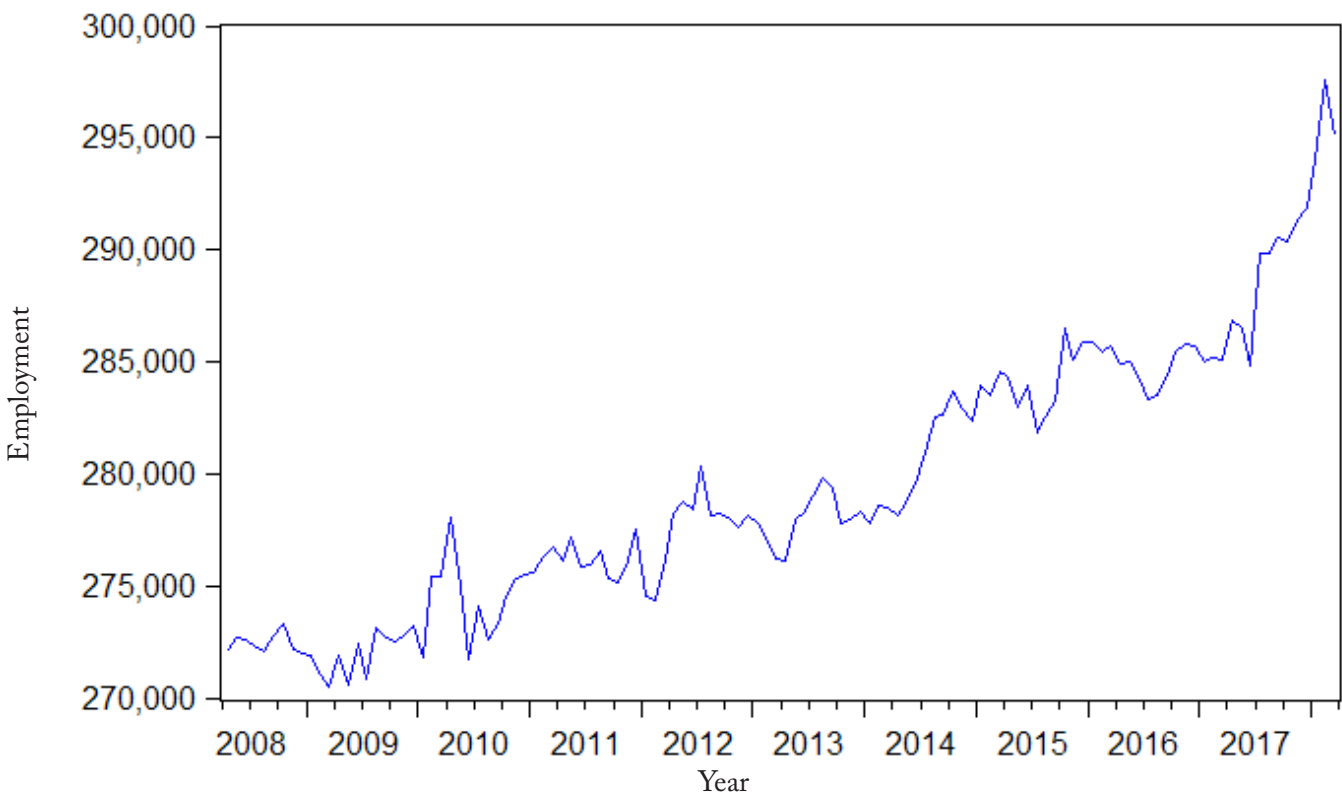


NORTHWEST MINNESOTA LABOR MARKET CONDITIONS

Employment in the Northwest Minnesota planning area rose by 3.5 percent over the year ending March 2018. As can be seen in the accompanying graph, the 12-month moving average of total employment in the Northwest Minnesota planning area has risen sharply in recent quarters.

Note: seasonally adjusted labor market data are typically not available to evaluate regional economic performance so some series have been created to illustrate seasonal patterns of the regional labor market. Graphs of these indicators are found in this section of the report. Tabular data are not seasonally adjusted.

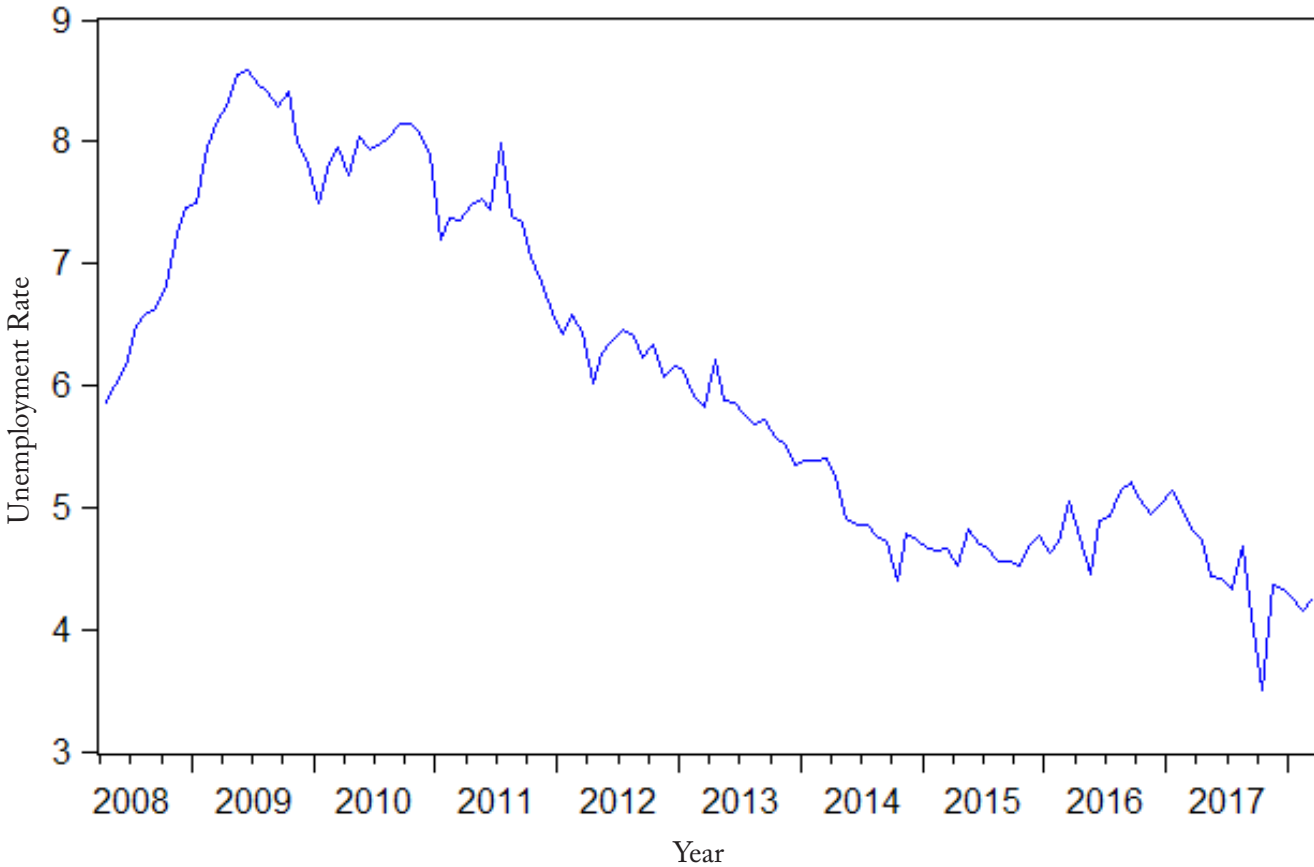
Employment—Northwest Minnesota Planning Area (12-month moving average)



Month	March 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018
Employment (Not seasonally adjusted)	280,203	293,555	291,994	289,391	288,199	289,911	290,115

After bottoming out in the third quarter of 2014, the seasonally adjusted unemployment rate in the region had leveled out until rising in 2016. However, the region’s seasonally adjusted unemployment rate declined throughout the first three quarters of 2017, until rising at the end of the year. This series levelled out in this year’s first quarter. The non-seasonally adjusted unemployment rate is now 5.5% (which is considerably lower than the 6.3 percent rate tallied in March 2017). Still, Northwest Minnesota has the highest overall unemployment rate of any of the state’s six planning areas.

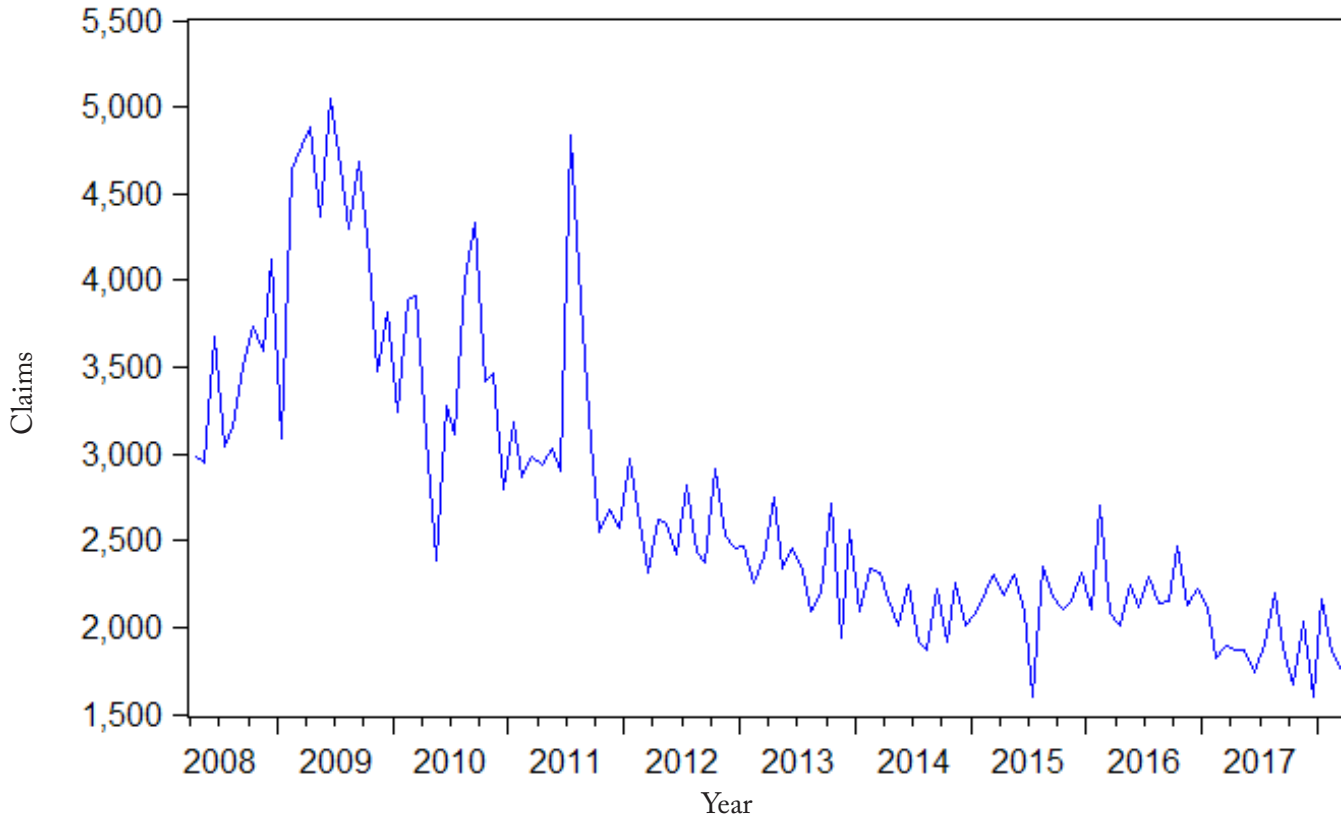
Unemployment Rate, seasonally adjusted—Northwest Minnesota Planning Area



Month	March 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018
Unemployment Rate (Not seasonally adjusted)	6.3%	2.5%	3.7%	5.0%	6.2%	5.7%	5.5%

New claims for March 2018 unemployment insurance were 8.4 percent lower than one year earlier. Seasonally adjusted jobless claims appear to have levelled out in recent quarters.

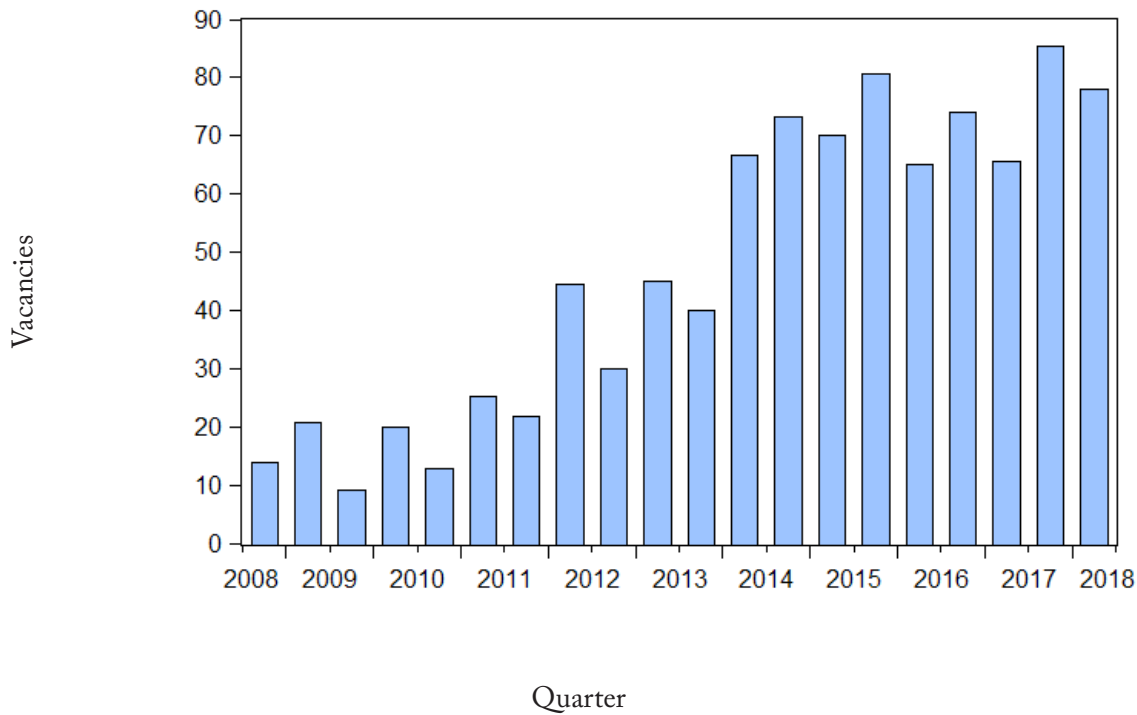
**Total Initial Claims for Unemployment Insurance, Seasonally Adjusted—
Northwest Minnesota Planning Area**



Period	March 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018
Initial claims (Not seasonally adjusted)	1,515	1,332	4,977	3,781	2,547	1,357	1,388

Employers report surging job vacancies throughout the country. This is evident throughout Minnesota, where all planning areas are experiencing shortages of qualified workers to fill vacant positions. For every 100 unemployed workers in Northwest Minnesota, there are 77.97 job vacancies. While this job vacancy rate remains elevated, it must be noted that it is the lowest rate in the state. Although the Northeast job vacancy rate is comparable, the other four planning areas have job vacancy rates in excess of 100. As can be seen in the figure below, the ratio of job vacancies to unemployed workers has risen significantly since the beginning of the decade.

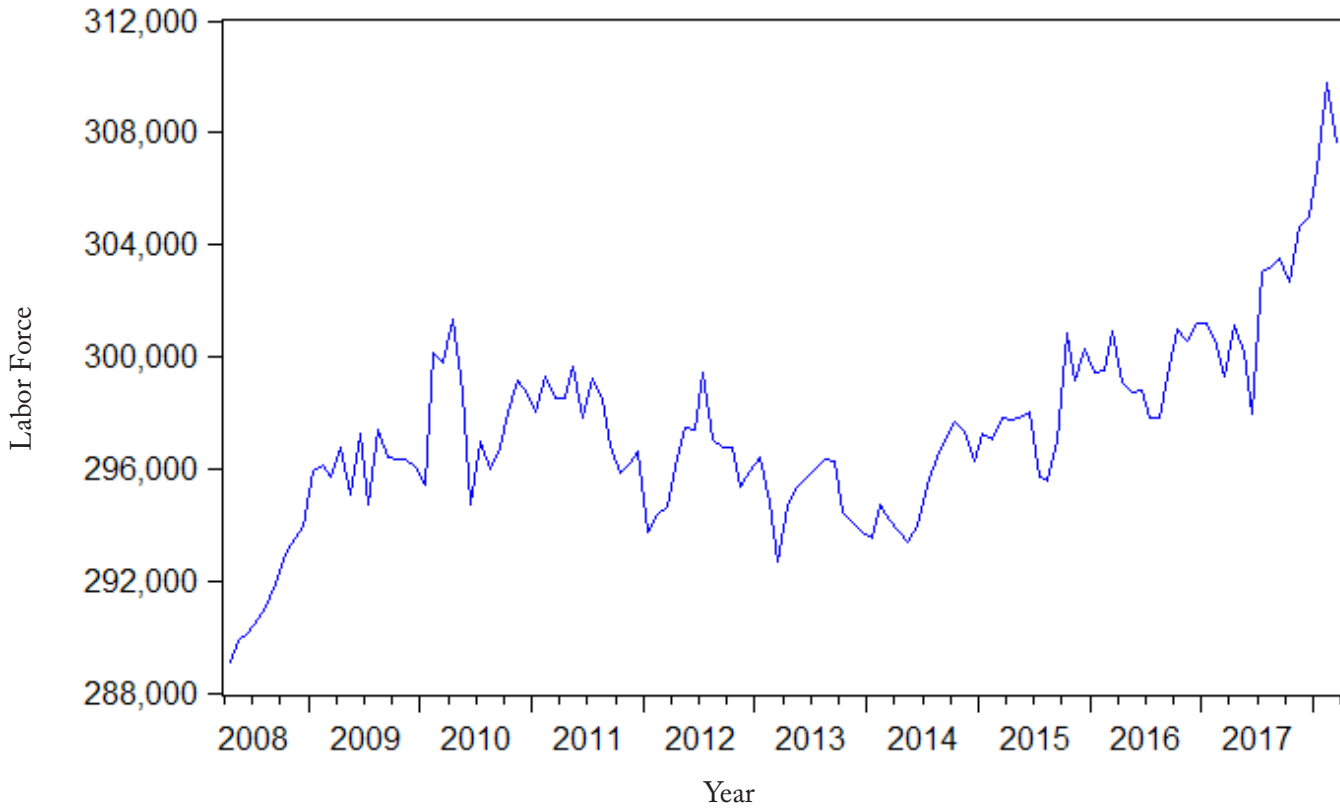
Job Vacancies per 100 Unemployed---Northwest Minnesota Planning Area



Quarter	2015:II	2015:IV	2016:II	2016:IV	2017:II	2017:IV
Job Vacancies per 100 Unemployed	80.52	65.01	74.03	65.5	85.25	77.97

The Northwest Minnesota labor force rose by 2.7 percent over the year ending March 2018. At 307,162, the regional labor force is now more than 8,000 larger than one year earlier. The seasonally adjusted labor force (shown in the figure below) has risen sharply over the past three quarters.

Labor Force—Northwest Minnesota Planning Area (12-month moving average)

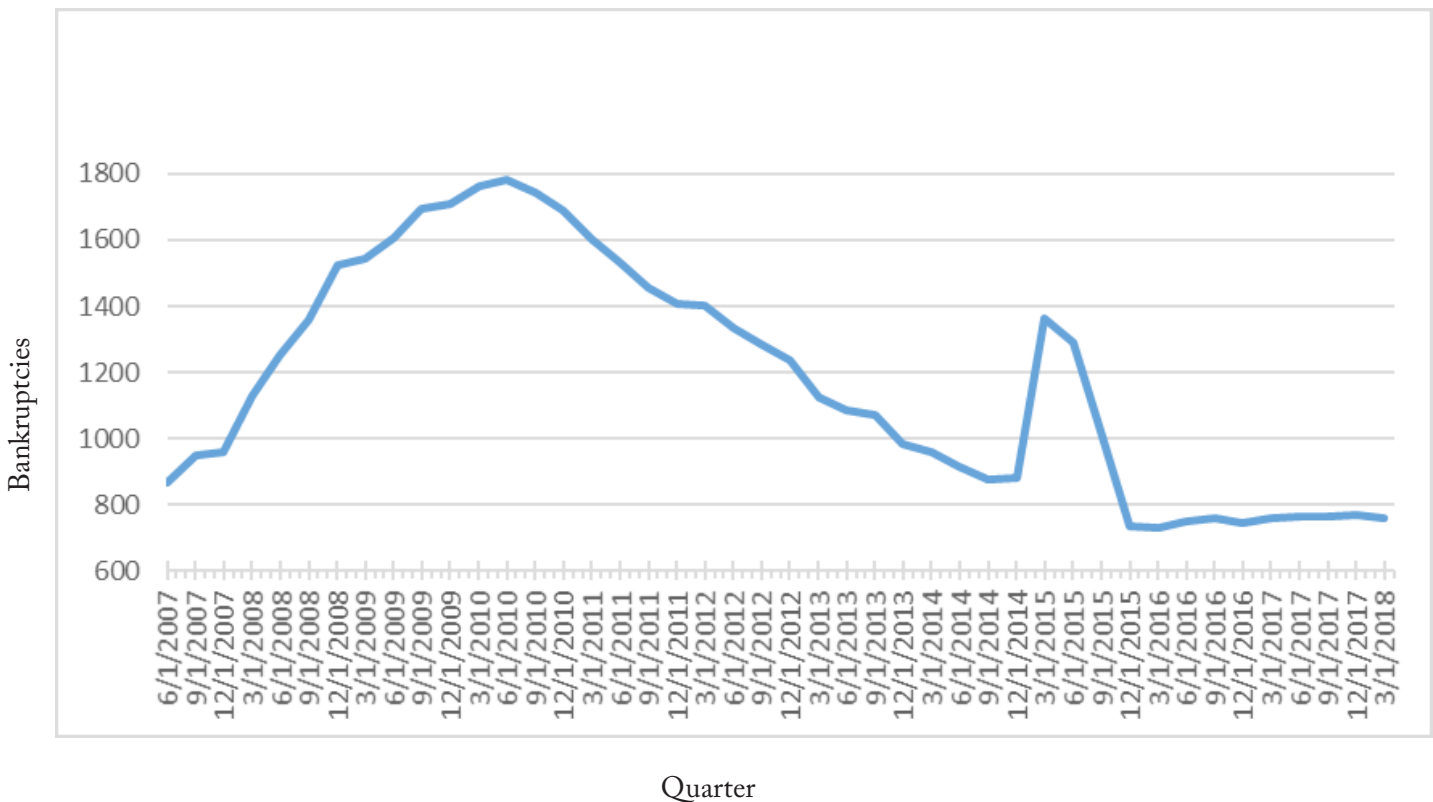


Year (March)	2013	2014	2015	2016	2017	2018
Labor Force (not seasonally adjusted)	292,230	293,744	297,524	300,610	298,991	307,162

NORTHWEST MINNESOTA BANKRUPTCIES

The figure below shows the 12-month moving total for Northwest Minnesota bankruptcies since the second quarter of 2007 (shortly before the beginning of the Great Recession). As can be seen in the figure, this moving total increased through the second quarter of 2010, and then declined steadily until the end of 2015. However, the series began to rise in the first quarter of 2015. A closer inspection of the Northwest Minnesota bankruptcy data suggests a disproportionately large number of bankruptcies came from Polk, Becker, and Clay counties at the beginning of 2015. This is the only one of Minnesota’s six planning areas to see a rise in this series at that time, so we took a closer look at the bankruptcy data set received from the US Bankruptcy Courts. The jump in bankruptcies in these three counties is in non-business bankruptcy filings (for example, personal bankruptcies). Since these three counties are close to the North Dakota border, one might imagine that an abrupt increase in non-business bankruptcies in the first quarter of 2015 would be seen in North Dakota’s Clay and Grand Forks counties, but bankruptcy filings in these counties did not jump like they did in the three Minnesota counties. These data points may simply have been an aberration. This interpretation seems to be confirmed by recent data readings. This series was unchanged over the last twelve months.

Northwest Minnesota Bankruptcies (12-month moving total)



Year (First Quarter)	2013	2014	2015	2016	2017	2018
Annual Bankruptcies (not seasonally adjusted)	1,127	959	1,363	731	758	758

ECONOMIC INDICATORS

Fargo-Moorhead MSA Indicators	Period Covered	Current Period	Prior Year	Annual Percent Change	Long-Term Average (since 1999, unless noted)
Employment	March 2018 (m)	140,300	139,500	0.6% ↑	1.9%
Manufacturing Employment	March 2018 (m)	9,800	9,500	3.2% ↑	1.3%
Mining, Logging, Construction Employment	March 2018 (m)	7,700	7,600	1.3% ↑	2.7%
Average Weekly Work Hours-- Private Sector	March 2018 (m)	33.3	33.5	-0.6% ↓	32.5 (since 2007)
Average Earnings Per Hour--Private Sector	March 2018 (m)	\$25.32	\$23.96	5.7% ↑	3.0% (since 2007)
Unemployment Rate	March 2018 (m)	3.1%	3.0%	NA ↑	3.6%
Labor Force	March 2018 (m)	139,629	137,720	1.4% ↑	1.6%
Initial Jobless Claims	March 2018 (m)	334	401	-16.7% ↓	NA
Fargo-Moorhead Residential Building Permit Valuation	March 2018 (m)	11,733	17,275	-32.1% ↓	NA
Fargo-Moorhead Cost of Living Index	Annual Average 2017	99.8	98.9	0.9% ↑	NA

**Grand Forks-
East Grand Forks
MSA Indicators**

	Period Covered	Current Period	Prior Year	Annual Percent Change	Long-Term Average (since 1999, unless noted)
Employment	March 2018 (m)	55,900	56,700	-1.4% ↓	0.8%
Manufacturing Employment	March 2018 (m)	4,300	4,300	0.0% ↔	1.1%
Mining, Logging, Construction Employment	March 2018 (m)	2,500	2,500	0.0% ↔	0.7%
Average Weekly Work Hours--Private Sector	March 2018 (m)	32.8	32.2	1.9% ↑	31.9 (since 2007)
Average Earnings Per Hour--Private Sector	March 2018 (m)	\$22.28	\$22.07	1.0% ↑	0.8% (since 2007)
Unemployment Rate	March 2018 (m)	3.3%	3.4%	NA ↓	4.4%
Labor Force	March 2018 (m)	56,494	56,850	-0.6% ↓	0.3%
Initial Jobless Claims	March 2018 (m)	164	145	13.1% ↑	NA
Grand Forks-East Grand Forks Residential Building Permit Valuation	March 2018 (m)	2,910	625	365.6% ↑	NA
Grand Forks-East Grand Forks Cost of Living Index	Annual Average 2017	98.0	NA	NA	NA

(m) represents a monthly series

The Bureau of Labor Statistics identifies two MSAs in Northwest Minnesota—each of which crosses the North Dakota/Minnesota border. While North Dakota business filing data are not incorporated into this report, a variety of economic measures can be analyzed. The data in the table show employment gains in the Fargo/Moorhead area (including job gains in the mining/logging/construction and manufacturing sectors), lower initial jobless claims, a rising labor force, and higher average hourly earnings. Falling year-over-year valuations of MSA building permits, lower average weekly work hours, a higher unemployment rate, and a rising relative cost of living were the only negative indicators in Fargo/Moorhead in the first quarter.

Grand Forks/East Grand Forks MSA economic activity was mixed in the first quarter. MSA overall employment fell (and employment in the mining/logging/construction and manufacturing sectors was unchanged), the labor force contracted, and initial jobless claims were higher. Offsetting this were increases in average weekly work hours, higher average hourly earnings, a small decrease in the unemployment rate, and a large jump in the valuation of residential building permits in the Grand Forks/East Grand Forks area.

STATE AND NATIONAL INDICATORS

MINNESOTA Indicators	Mar 2018	Dec 2017	Mar 2017	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA	2,951,300	2,943,700	2,930,000	0.3%	0.7%
Average weekly hours worked, private sector	33.7	33.9	33.8	-0.6%	-0.3%
Unemployment rate, seasonally adjusted	3.2%	3.3%	3.6%	NA	NA
Earnings per hour, private sector	\$28.87	\$28.67	\$28.28	0.7%	2.1%
Philadelphia Fed Coincident Indicator, MN	135.38	134.22	130.78	0.9%	3.5%
Philadelphia Fed Leading Indicator, MN	1.64	1.13	2.61	45.1 %	-37.2%
Minnesota Business Conditions Index	61.0	56.8	61.8	7.4%	-1.3%
Price of milk received by farmers (cwt)	\$16.10	\$17.20	\$17.50	-6.4%	-8.0%
Enplanements, MSP airport, thousands	1,716.4	1,471.6	1,731.6	16.6%	-0.9%
NATIONAL Indicators	Mar 2018	Dec 2017	Mar 2017	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA, thousands	148,260	147,625	145,969	0.4%	1.6%
Industrial production, index, SA	107.2	105.8	102.7	1.3%	4.4%
Real retail sales, SA (\$)	198,249	198,828	194,208	-0.3%	2.1%
Real personal income less transfers, billions	12,221.2	12,187.1	12,017.7	0.3%	1.7%
Real personal consumption expenditures, bill.	12,093.9	12,080.5	11,816.1	0.1%	2.4%
Unemployment rate, SA	4.1%	4.1%	4.5%	NA	NA
New building permits, SA, thousands	24,168	18,355	22,864	31.7%	5.7%
Standard & Poor's 500 stock price index	2,702.8	2,664.3	2,366.8	1.4%	14.2%
Oil, price per barrel in Cushing, OK	\$62.72	\$57.88	\$49.33	8.4%	27.1%

For the state as a whole, most categories of economic performance found in the State and National Indicators table are favorable. There was growth in payrolls, higher earnings per hour, and a lower seasonally adjusted unemployment rate compared to last quarter as well as one year ago. Coincident and leading Indicators from the Federal Reserve Bank of Philadelphia are each higher than last quarter and the Minnesota Business Conditions index is improved over the last three months. However, enplanements at the Minneapolis-St. Paul airport fell over the past year and average weekly work hours were lower. Milk prices continue to fall.

The national economic indicators found in the table are highly favorable. Stock prices have now rebounded and employment has increased. Real income and consumer expenditures have expanded and the national unemployment rate continues to fall. Industrial production rose and national building permits were strong. Oil prices are now 27.1 percent higher than they were one year ago. The adverse impact of rising oil prices on household budgets is at least partially offset by the benefits of higher crude prices enjoyed in the domestic energy sector.

The Northwest Minnesota Quarterly Economic and Business Conditions Report is a collaboration between the Office of the Minnesota Secretary of State and the School of Public Affairs Research Institute (SOPARI) of St. Cloud State University. All calculations and text are the result of work by SOPARI, which is solely responsible for errors and omissions herein.

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