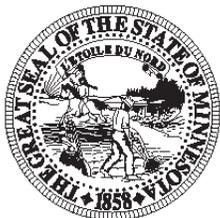




# Northwest Minnesota Economic and Business Conditions Report Third Quarter 2017

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; Mahnomon; Marshall; Morrison; Norman; Otter Tail; Pennington; Polk;  
Pope; Red Lake; Roseau; Stevens; Todd; Traverse; Wadena; and Wilkin.



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## EXECUTIVE SUMMARY

Somewhat slower 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). Three of five index components decreased in the most recent quarter as the LEI fell 1.31 points. A decrease in the Rural Mainstreet Index (which signals a more challenging macroeconomic environment for rural America), a lower number of residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks, and declining new filings for LLC and incorporation in Northwest Minnesota all helped drag down the third quarter outlook. Lower initial jobless claims throughout the region had a favorable impact on the LEI.

**There were 983 new business filings with the Office of the Minnesota Secretary of State in Northwest Minnesota in the third quarter of 2017 — representing a 1 percent decrease from one year ago.** Nearly 31 percent fewer new regional business incorporations were recorded compared to last year's third quarter. New LLC filings in Northwest Minnesota were up 1.5 percent from one year earlier—rising to 538. New assumed names totaled 325 in the third quarter—7.6 percent more filings than the same period in 2016. There were 36 new filings for Northwest Minnesota non-profit in the third quarter—four fewer filings than one year ago.

**Sixty-two percent of new business filers in the Northwest Minnesota planning area completed the voluntary Minnesota Business Snapshot (MBS) survey in this year's third quarter.** Results of this voluntary survey indicate that about 3.9 percent of new filers come from communities of color. Approximately 7 percent of new filers in Northwest Minnesota are veterans. About 1.3 percent of new filers come from the disability community and less than 1 percent of new filings in Northwest Minnesota are made by the immigrant community. Thirty-eight percent of new business filings in Northwest Minnesota in this year's third 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 74 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 and other services. Employment levels at most new firms are between 0 and 5 workers, and 47 percent of those starting a new business consider this a part-time activity.

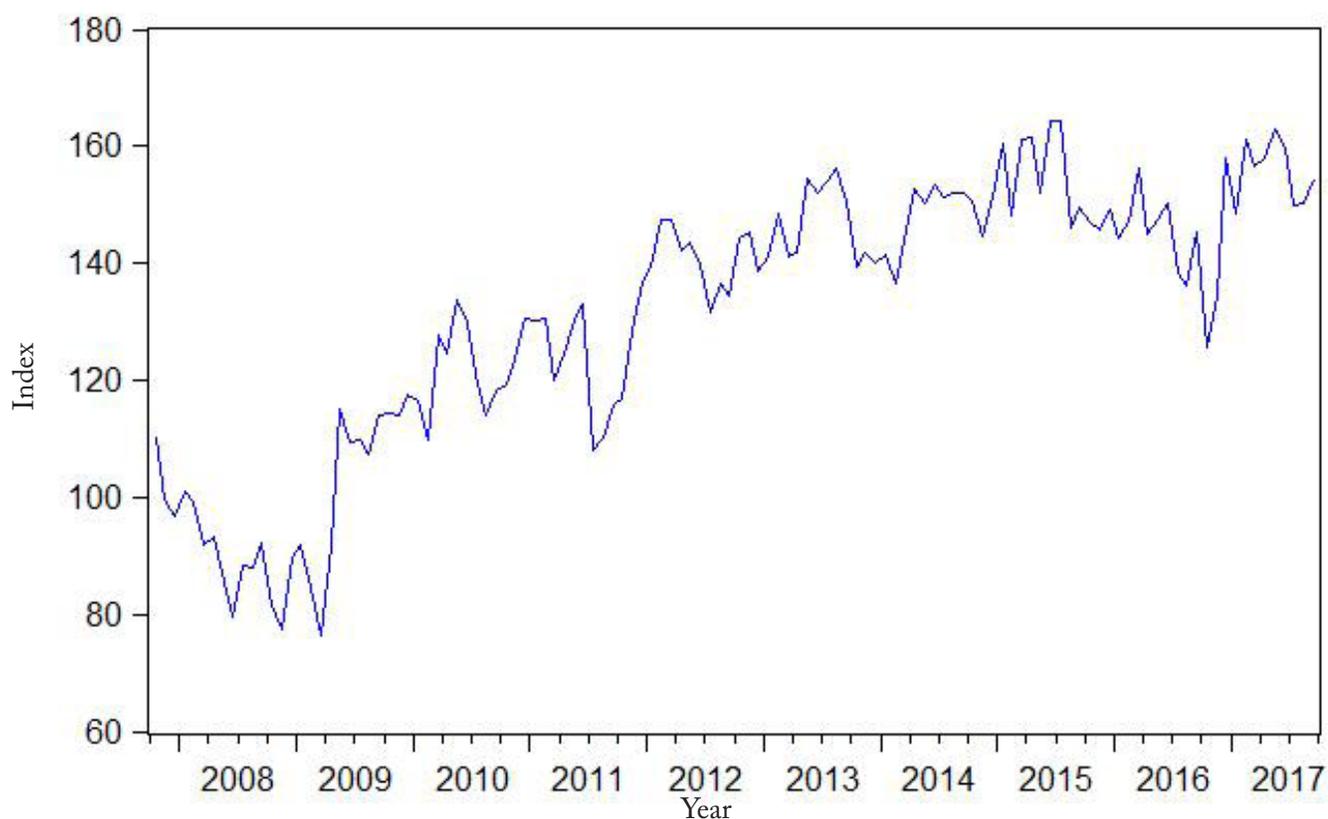
**Employment of Northwest Minnesota residents increased by 3.5 percent over the year ending September 2017.** The regional unemployment rate was 3.0 percent in September, which was considerably lower than the 3.8 percent rate observed one year ago. Initial claims for unemployment insurance in September 2017 were 12.3 percent lower than one year earlier. Despite a 2.6 percent year-over-year increase in the Northwest Minnesota labor force, the regions job vacancy ratio increased in the first half of 2017. Northwest Minnesota's total bankruptcies were higher than 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, increased average hourly earnings, a lower unemployment rate, and a declining relative cost of living. The area did experience reduced valuation of residential building permits and a decrease in average weekly work hours. **Economic activity in the Grand Forks/East Grand Forks MSA was mixed in the third quarter.** Lower overall employment (including a decrease in mining/logging/construction employment), a falling labor force, higher initial jobless claims, and lower average hourly earnings had a negative impact on the region's economic outlook. A lower unemployment rate, higher average weekly work hours, an increase in the value of residential building permits, and rising manufacturing employment 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 1.82 points in the second quarter of the year, this quarter's LEI fell by 1.31 points. The index now stands 6.1 percent above its level of the third quarter of 2016. As shown in the accompanying graph, the LEI has flattened 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, 3rd quarter 2017	Contribution to LEI, 2nd quarter 2017
Rural Mainstreet Index	-0.75	2.94
Northwest Minnesota initial claims for unemployment insurance	1.03	0.75
Northwest Minnesota new filings of incorporation and LLCs	-0.69	0.03
Fargo-Moorhead + Grand Forks-EGF MSA residential building permits	-0.90	-1.10
Consumer Sentiment, University of Michigan	0	-0.8
<b>TOTAL CHANGE</b>	<b>-1.31</b>	<b>1.82</b>

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 negative impact on this quarter's index. A decrease in residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks also weighed on the leading index as did lower new filings for incorporation and LLC in Northwest Minnesota. 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 had a neutral impact on the regional outlook in the third quarter. Reduced initial claims for unemployment insurance had a positive impact on the LEI this quarter.

**SCSU Northwest Minnesota  
Leading Economic Indicators Index**

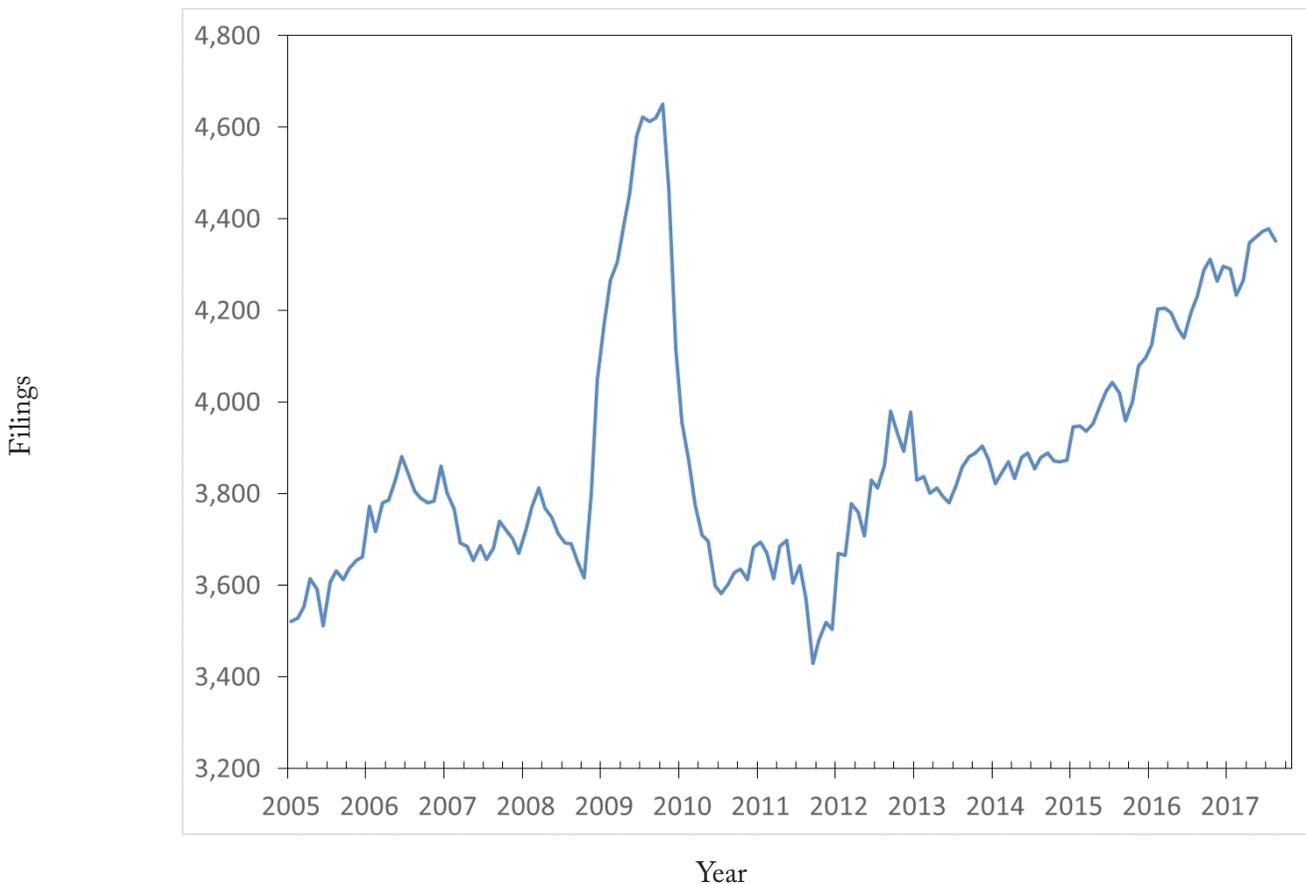
	2017	2016	Percentage change
Rural Mainstreet Index, Creighton University, September	50.2	39	28.7%
Northwest Minnesota initial claims for unemployment insurance, September	922	1,051	-12.3%
Northwest Minnesota new filings of incorporation and LLCs, Third Quarter	622	651	-4.5%
Fargo-Moorhead and Grand Forks-EGF MSA single-family building permits, September	98	156	-37.2%
Consumer Sentiment, University of Michigan, September	95.1	91.2	4.3%
Northwest Minnesota Leading Economic Indicators Index September (December 1999 = 100)	154.3	145.4	6.1%

## NORTHWEST MINNESOTA BUSINESS FILINGS

The 12-month moving total of new business filings in this region declined slightly in the third quarter as total new filings fell by 1% 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.

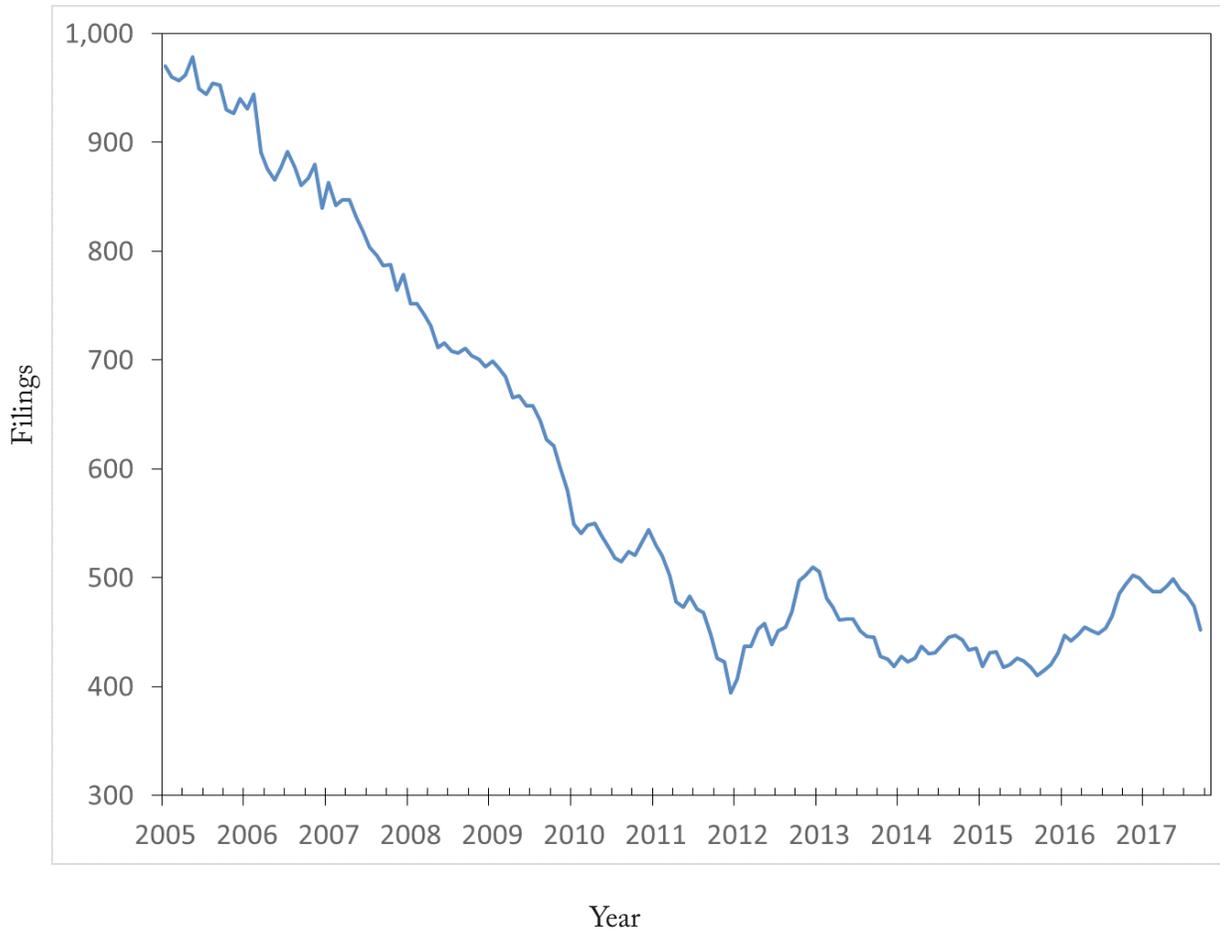
Total New Business Filings—Northwest Minnesota Planning Area  
(12-month moving total)



Quarter	III: 2016	IV: 2016	I: 2017	II: 2017	III: 2017	2017 Quarter III: Percent change from prior year
Northwest Minnesota Total New Business Filings	993	958	1,195	1,215	983	-1.0%

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 this year, and was dragged down by a 30.6 percent year-over-year decline in new incorporations in the third quarter.

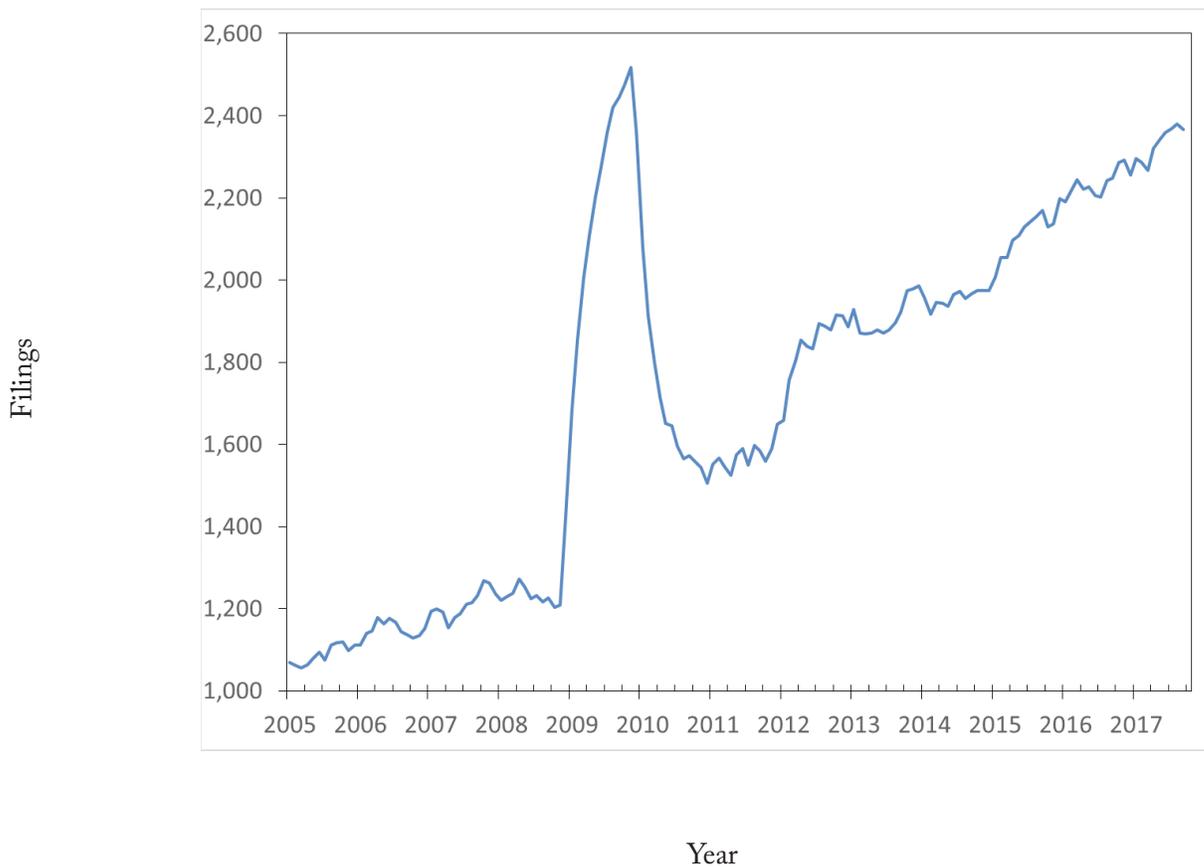
### New Incorporations—Northwest Minnesota Planning Area (12-month moving total)



Quarter	III: 2016	IV: 2016	I: 2017	II: 2017	III: 2017	2017 Quarter III: Percent change from prior year
Northwest Minnesota New Business Incorporations	121	126	121	121	84	-30.6%

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 third quarter of 2017 as LLC filings rose 1.5 percent compared to the same period in 2016.

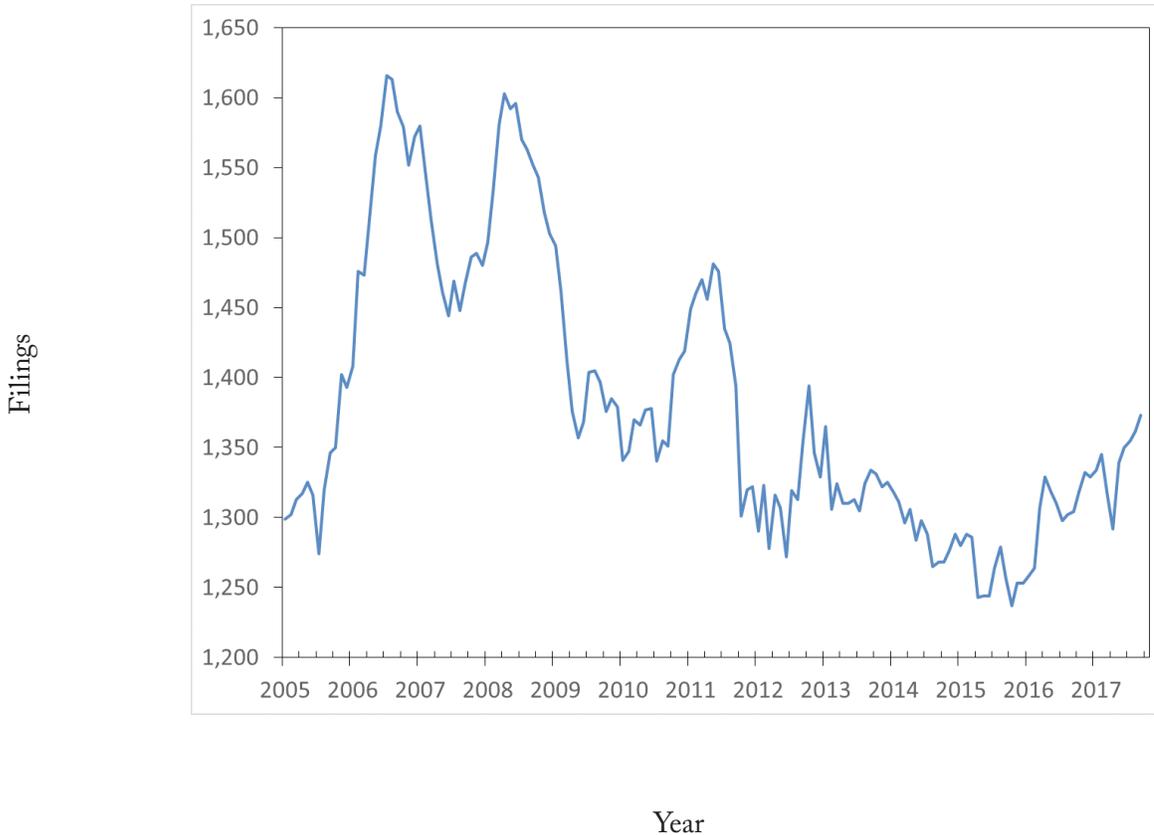
### New Limited Liability Companies—Northwest Minnesota Planning Area (12-month moving total)



Quarter	III: 2016	IV: 2016	I: 2017	II: 2017	III: 2017	2017 Quarter III: Percent change from prior year
Northwest Minnesota New Limited Liability Compa- nies	530	511	651	667	538	1.5%

Assumed names, which include sole proprietors or organizations that do not have limited liability, rose by 7.6 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.

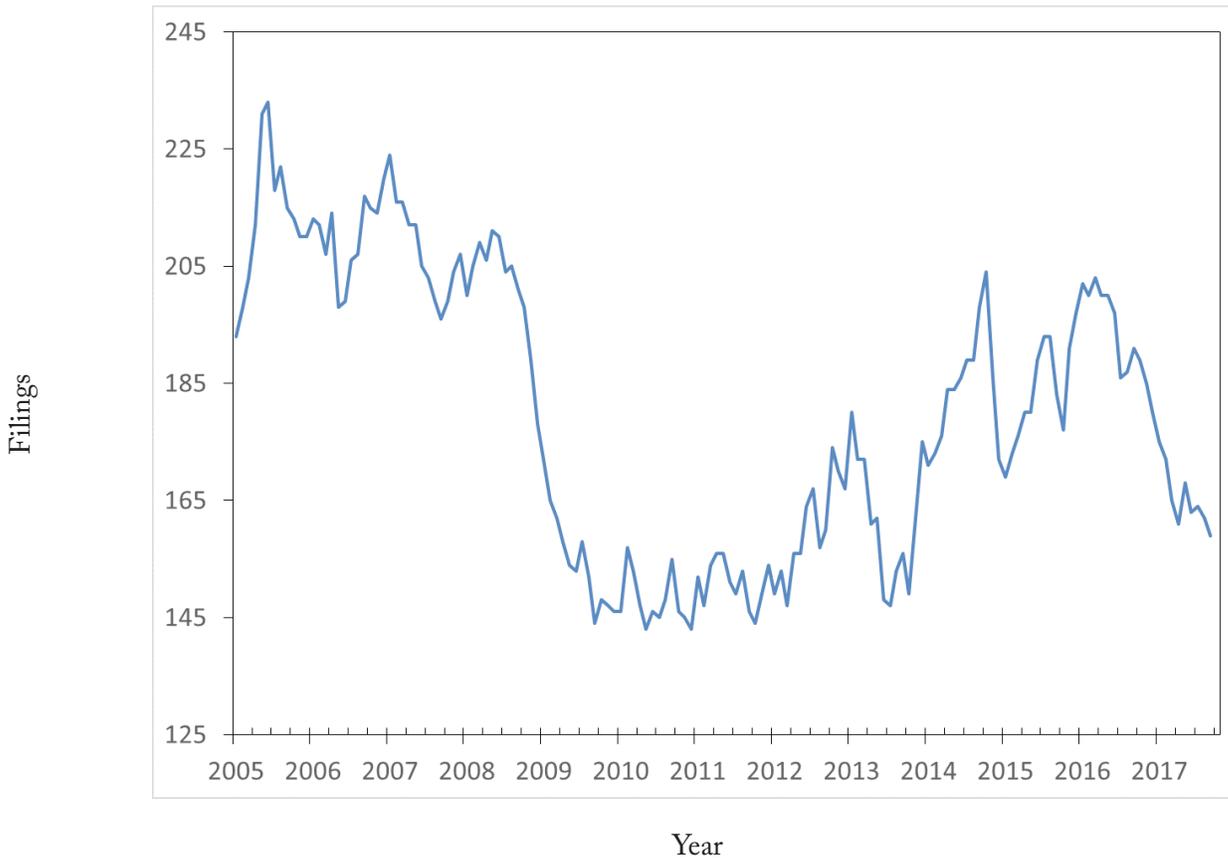
### New Assumed Names—Northwest Minnesota Planning Area (12-month moving total)



Quarter	III: 2016	IV: 2016	I: 2017	II: 2017	III: 2017	2017 Quarter III: Percent change from prior year
Northwest Minnesota New Assumed Names	302	284	383	381	325	7.6%

The number of new non-profits in the Northwest Minnesota planning area was 36 in the third quarter. This was four fewer filings (a 10 percent decline) than one year earlier.

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



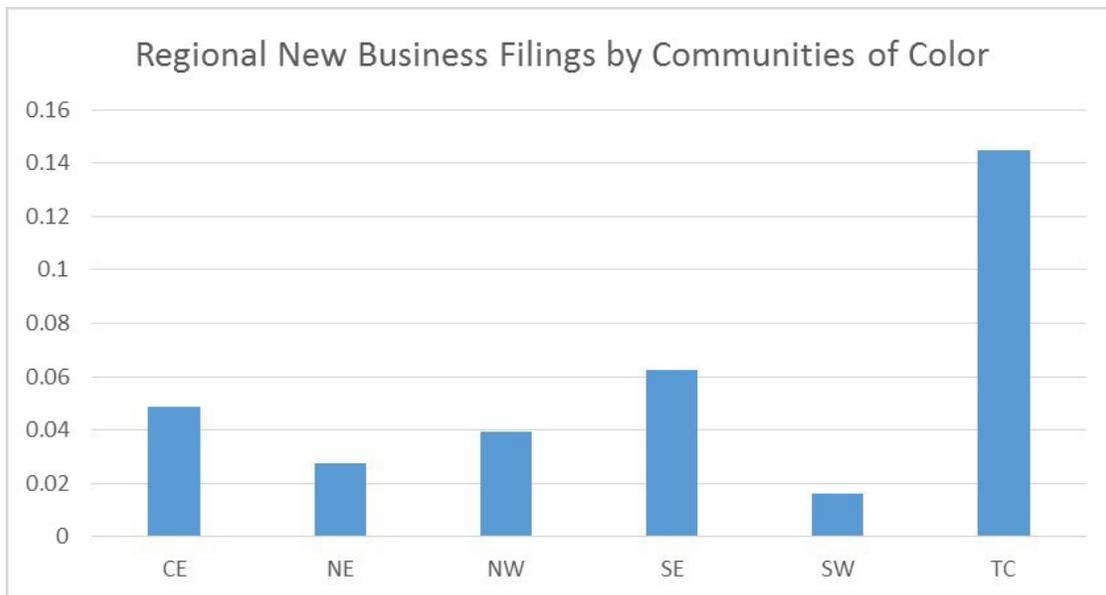
Quarter	III: 2016	IV: 2016	I: 2017	II: 2017	III: 2017	2017 Quarter III: Percent change from prior year
Northwest Minnesota New Non-Profits	40	37	40	46	36	-10.0%

## MINNESOTA BUSINESS SNAPSHOT SURVEY RESULTS

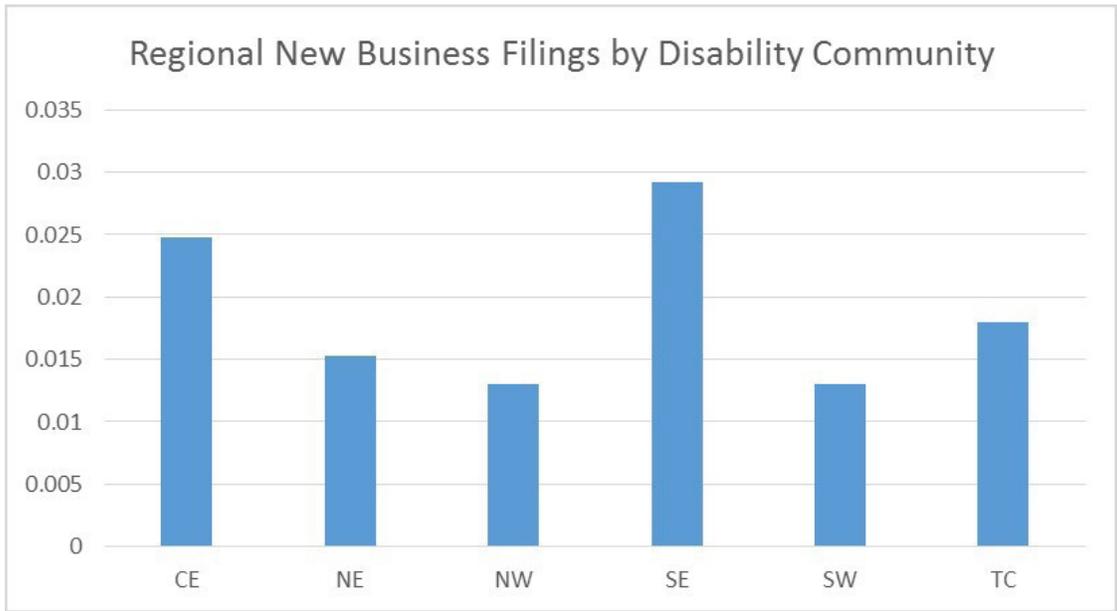
In Fall 2016, the Office of the Minnesota Secretary of State initiated a short voluntary survey (known as Minnesota Business Snapshot) for both new and continuing business filers. Questions found in the survey address basic questions related to the background of business filers, industry classification, 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 third quarter of 2017 are analyzed. For the entire State of Minnesota, the overall response rate for this voluntary survey is approximately 61 percent. This yields thousands of self-reported records in this emerging data set. For Northwest Minnesota, about 62 percent of new business filers completed at least some portion of the MBS survey. The results are reported in this section.

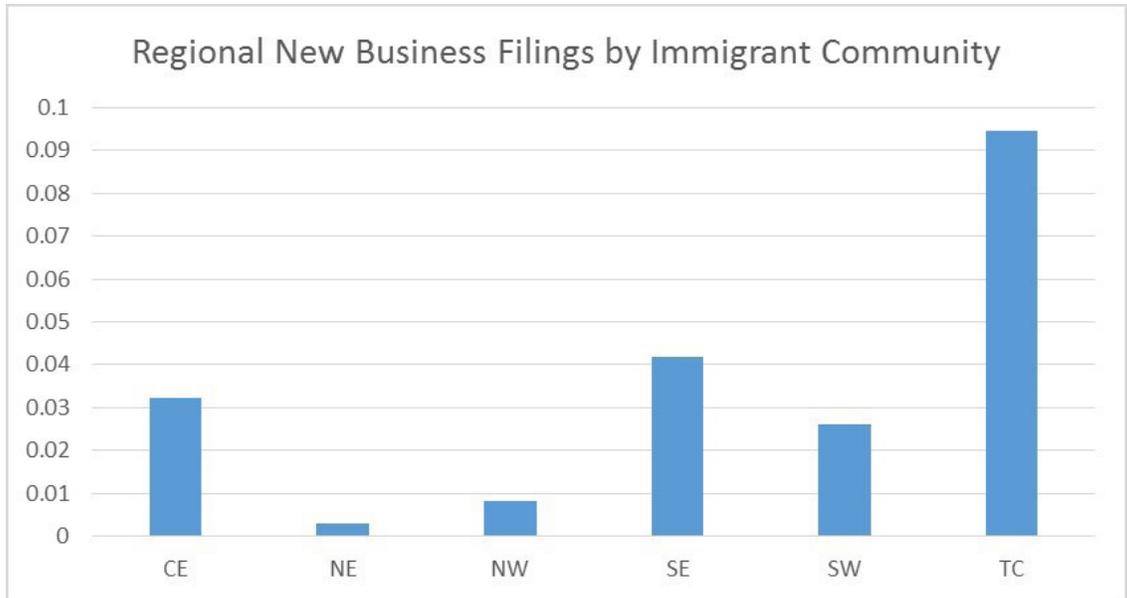
About 4 percent of those new filers completing the MBS from the Northwest Minnesota planning area report being from a community of color.



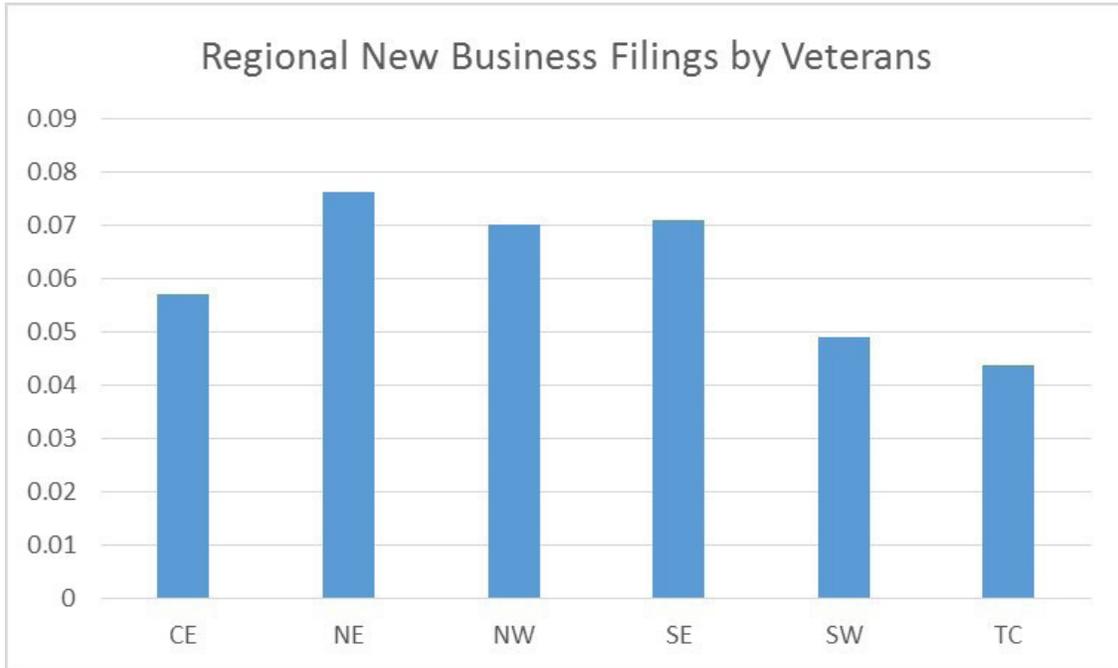
A small percentage of Northwest Minnesota’s new filers—approximately 1.3 percent—are from the disability community.



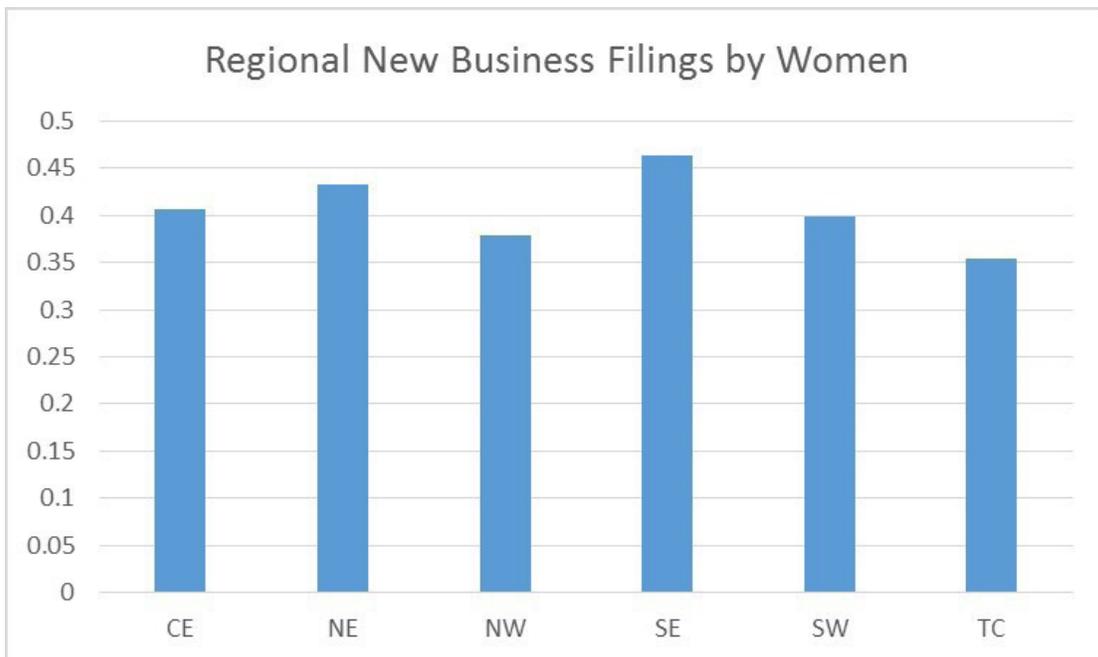
Less than 1 percent of new business filings in Northwest Minnesota come from the immigrant community. This is the second lowest percentage of Minnesota’s six planning areas.



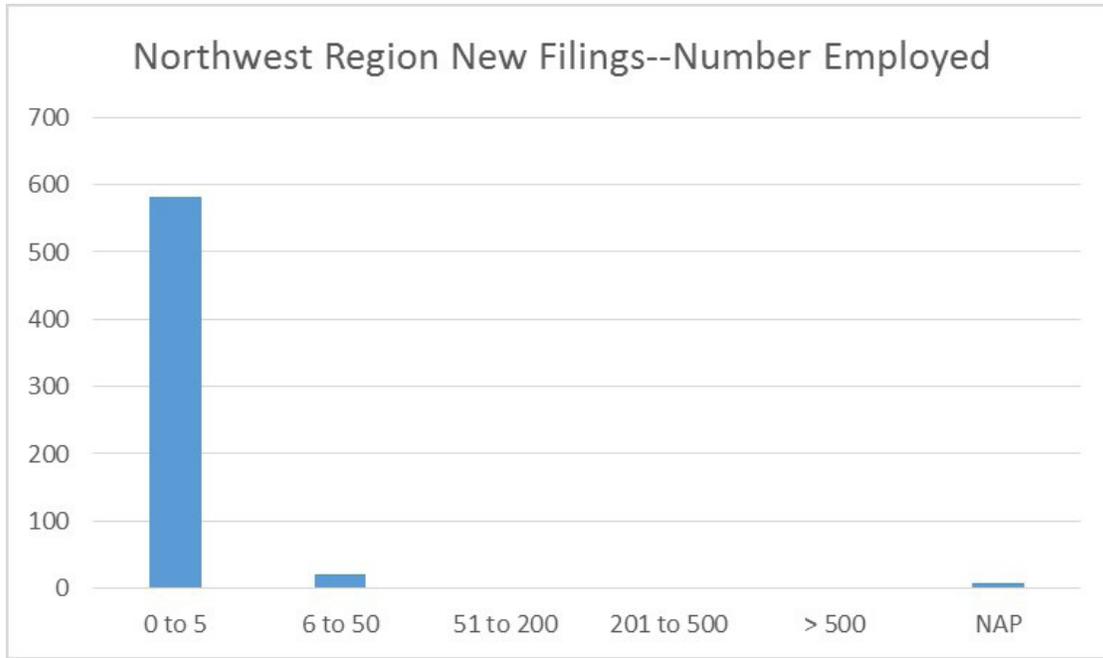
More than 7 percent of new filings in Northwest Minnesota come from military veterans.



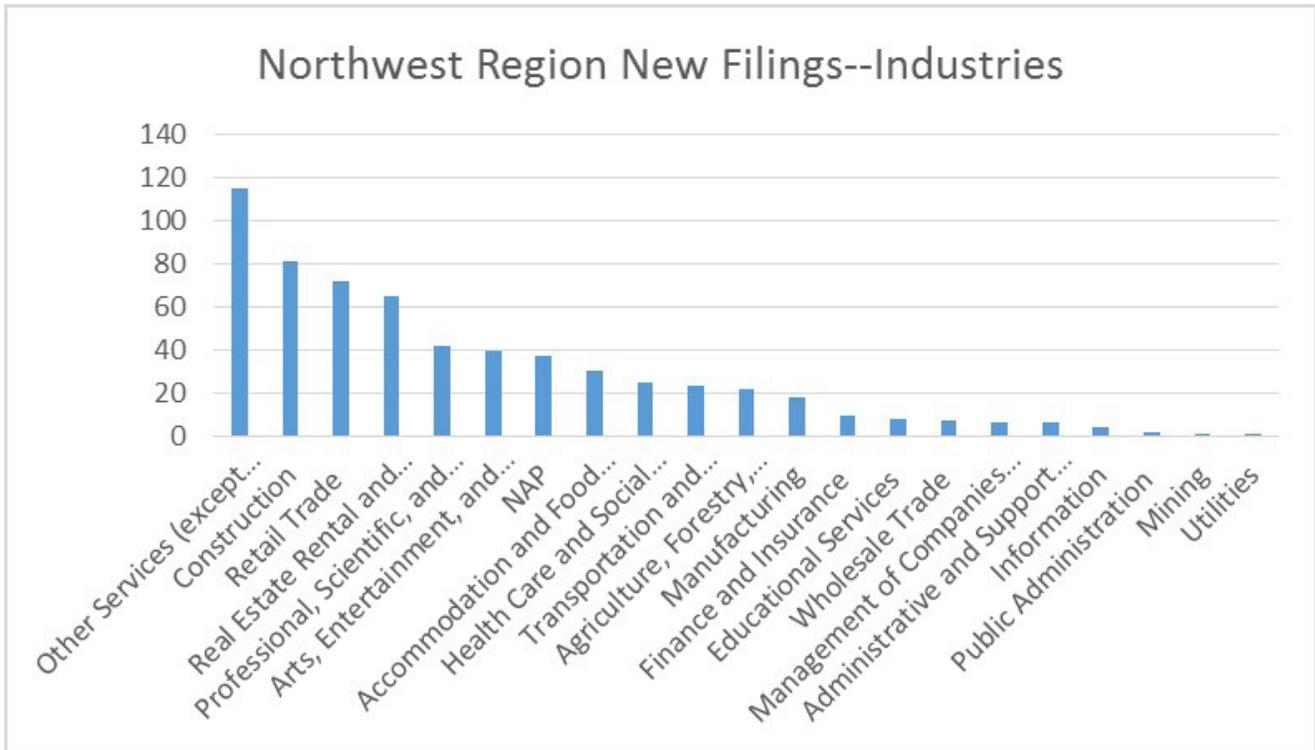
Woman owners represented approximately 38 percent of the new business filings in Northwest Minnesota in the third quarter of 2017.



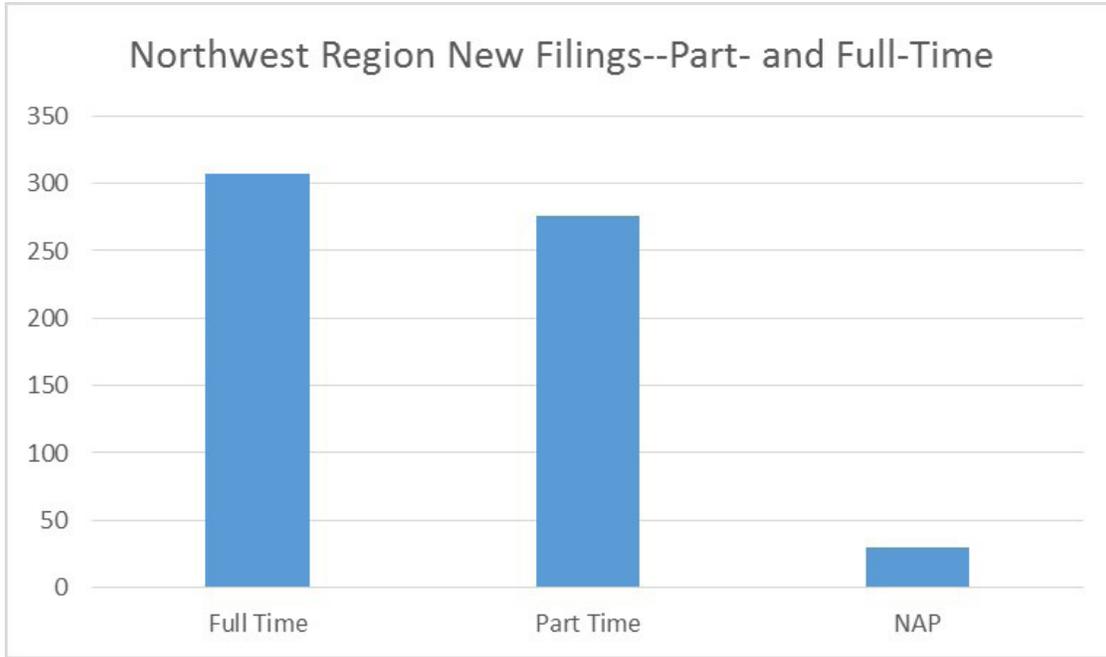
While not all of those participating in the survey completed all portions of the Minnesota Business Snapshot (those not responding to a particular question are represented in this section by “NAP”—no answer provided), 606 responses were tallied to a question asking the new business filer to indicate 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.



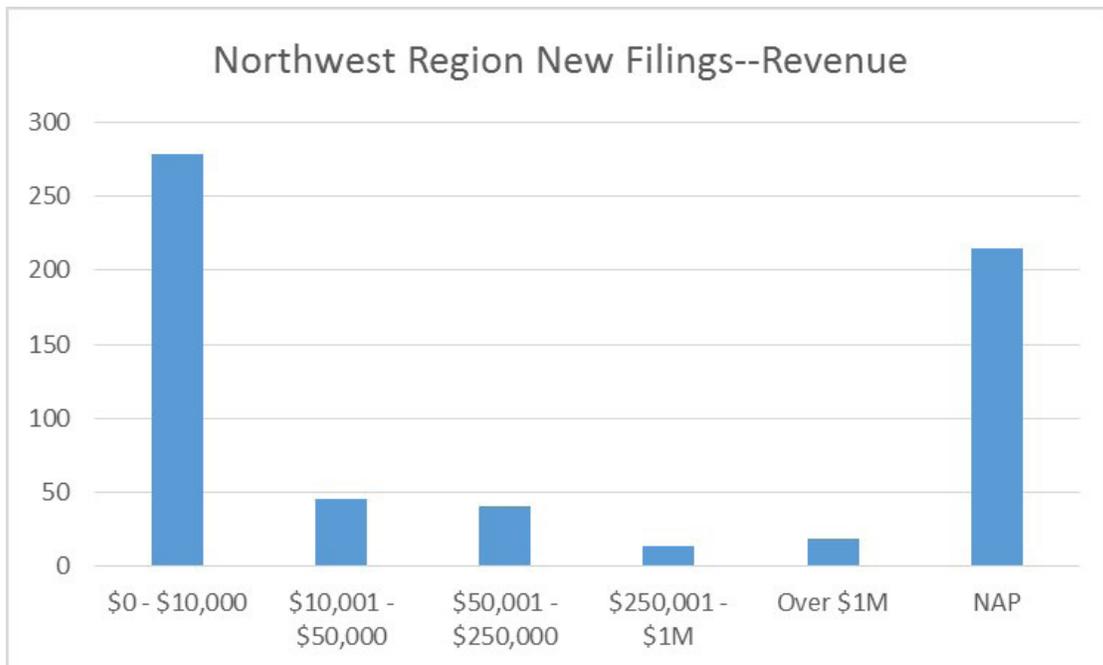
Using the North American Industry Classification System (NAICS), businesses submitting new filings were asked to identify the industry in which their company was operating. While a range of industries were reported, construction, retail trade, real estate/rental/leasing, and “other services” lead the 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. Professional/scientific/technical services and arts/entertainment/recreation are also well represented in the sample. Thirty-seven new firms did not provide an answer to this survey item (see “NAP”).



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



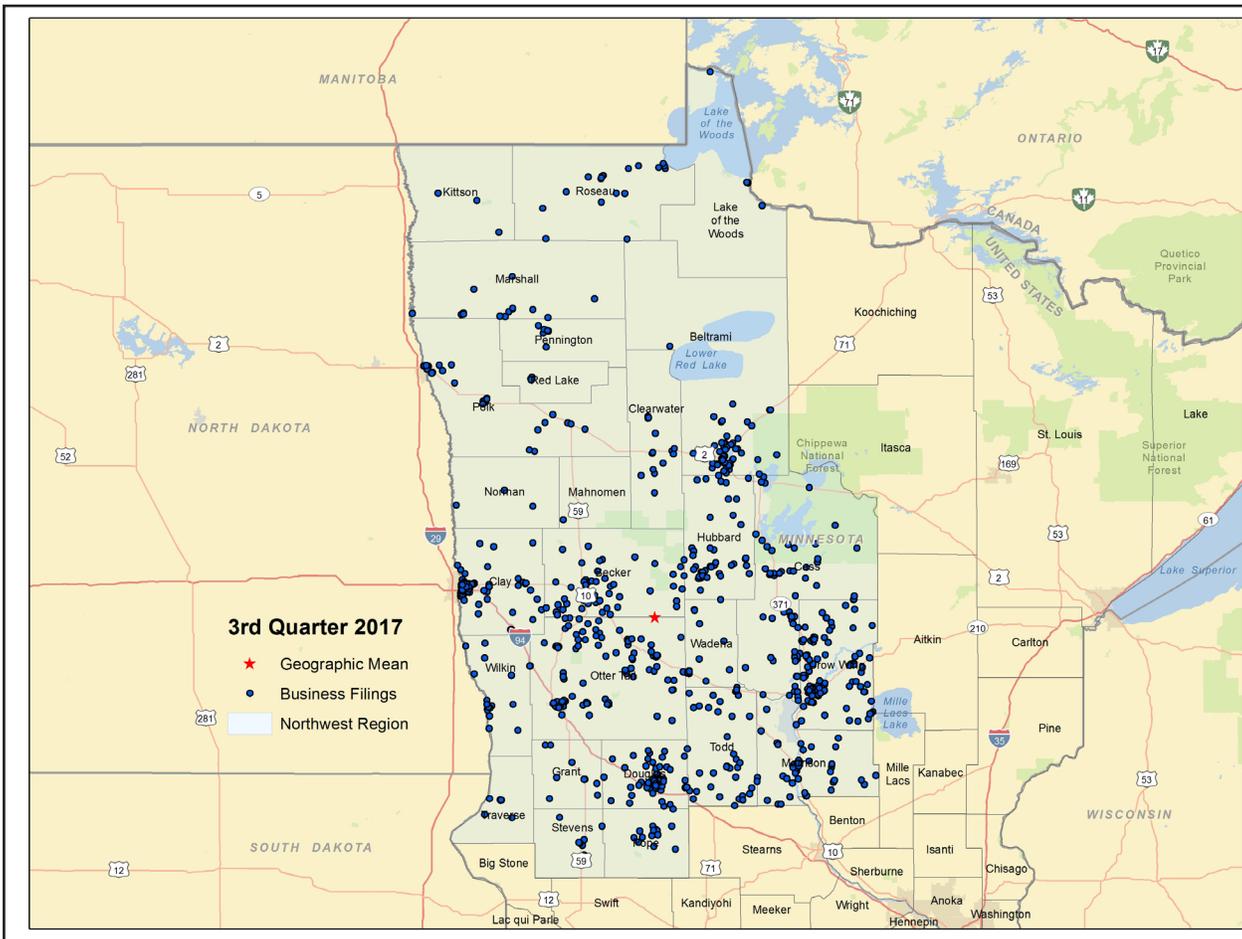
More than 200 new business filers in Northwest Minnesota did not provide an answer to the MBS item that asked them to report the company's revenue. Of those businesses that answered the question, the largest share report revenues of less than \$10,000. Seventy-four new firms report revenues in excess of \$50,000.



# MAPS

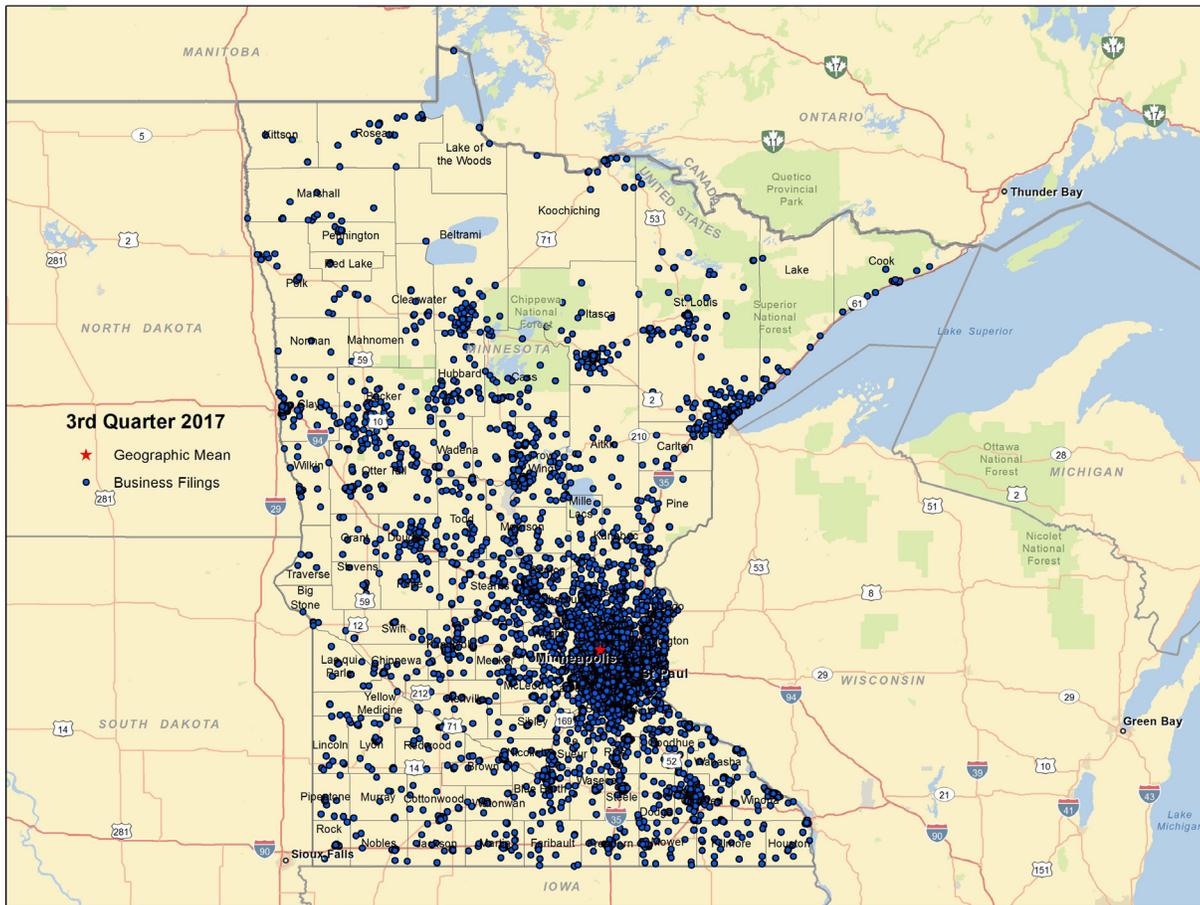
The first map shown below is a visual representation of new business formation around the Northwest Minnesota planning area in the third quarter of 2017. As has typically been the case, the densest areas of new business formation are in the Alexandria, Brainerd, Bemidji, Fergus Falls, and Moorhead areas. 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 3: 2017



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. The importance of Interstates 90 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 3: 2017

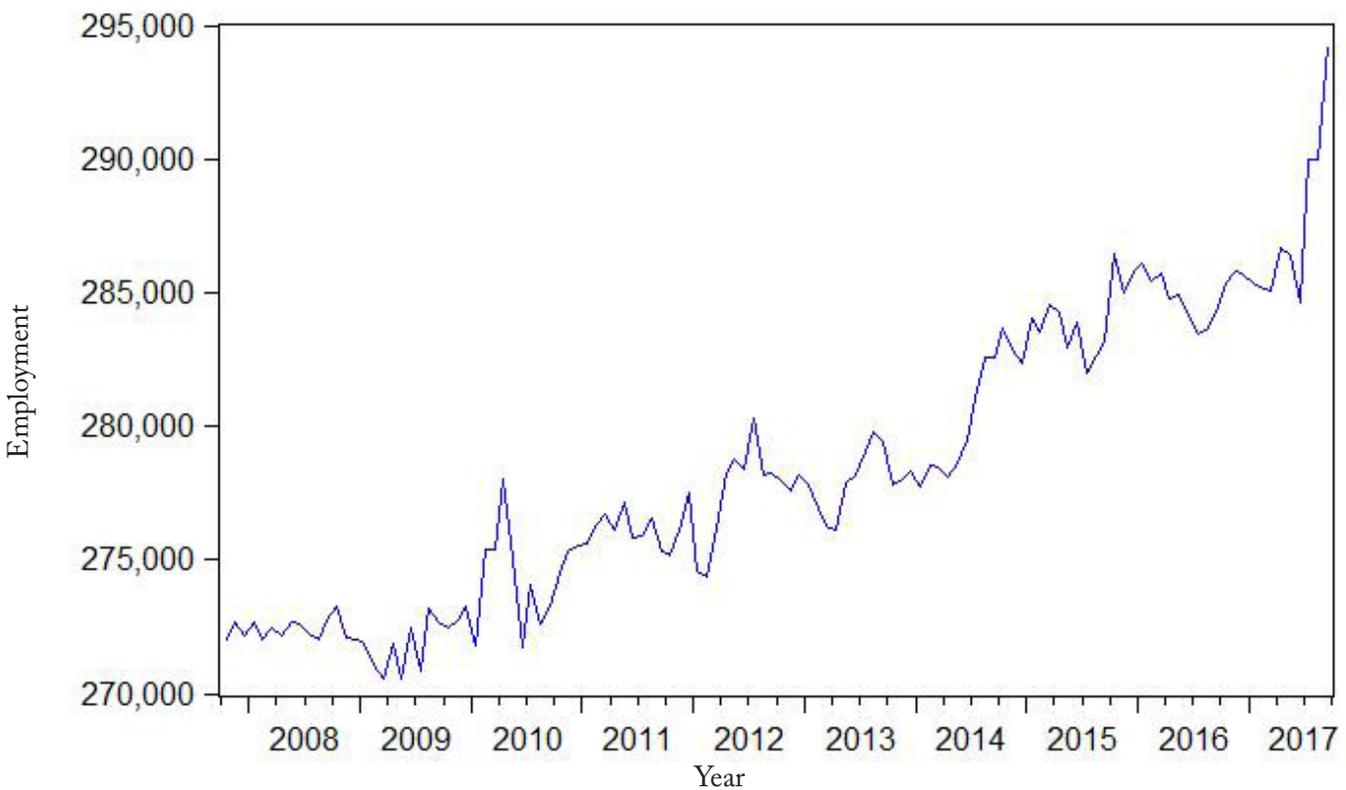


## NORTHWEST MINNESOTA LABOR MARKET CONDITIONS

Employment in the Northwest Minnesota planning area rose by 3.5 percent over the year ending September 2017. As can be seen in the accompanying graph, the 12-month moving average of total employment in the Northwest Minnesota planning area rose sharply in this year's third quarter.

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	September 2016	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017
Employment (Not seasonally adjusted)	285,644	284,867	288,640	290,937	295,531	293,310	295,570

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 has been declining in 2017, and the non-seasonally adjusted unemployment rate is now 3 percent—considerably lower than the 3.8 percent rate tallied in September 2016.

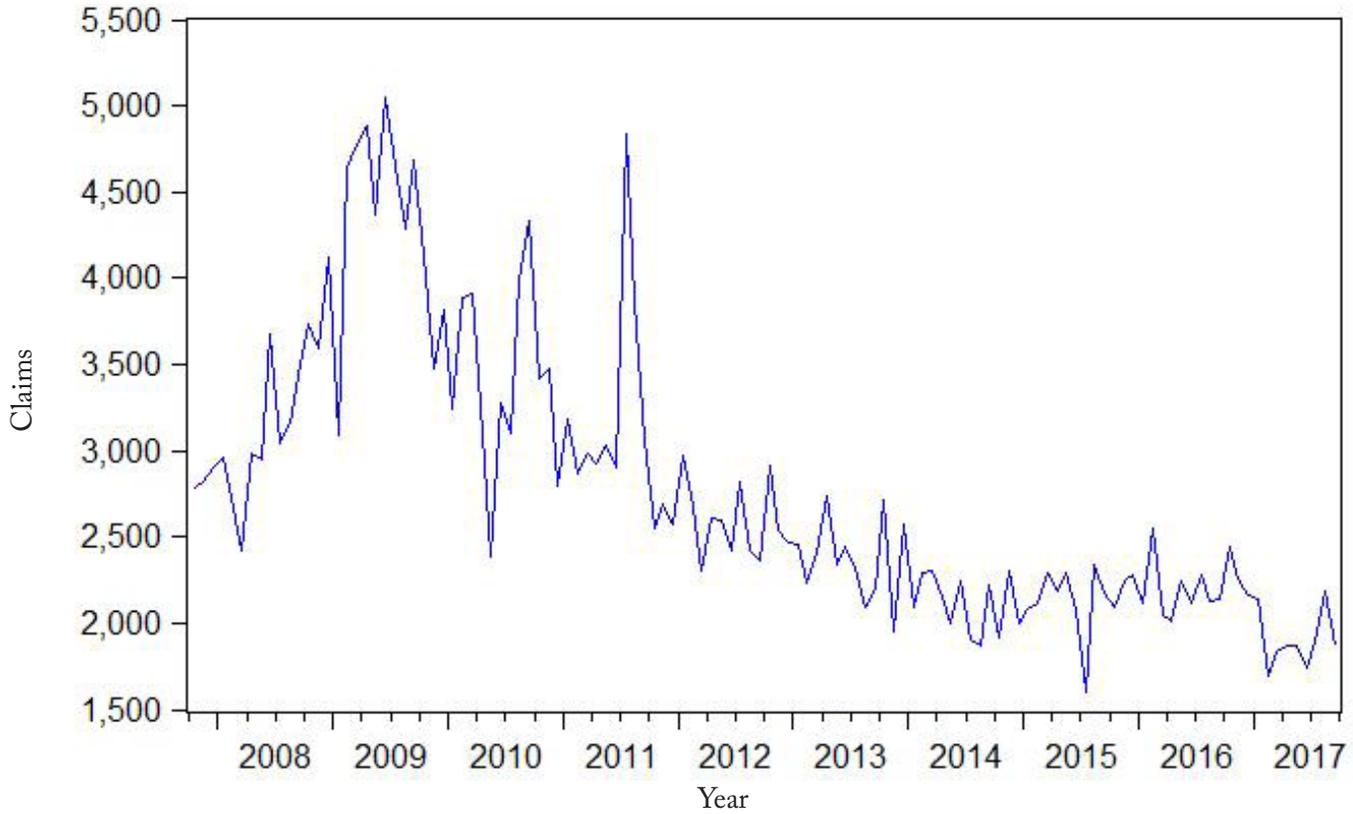
### Unemployment Rate, seasonally adjusted—Northwest Minnesota Planning Area



Month	September 2016	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017
Unemployment Rate (Not seasonally adjusted)	3.8%	4.9%	3.7%	4.0%	3.7%	3.8%	3.0%

New claims for September 2017 unemployment insurance were 12.3 percent lower than one year earlier. Seasonally adjusted jobless claims appear to have leveled out since the beginning of 2017.

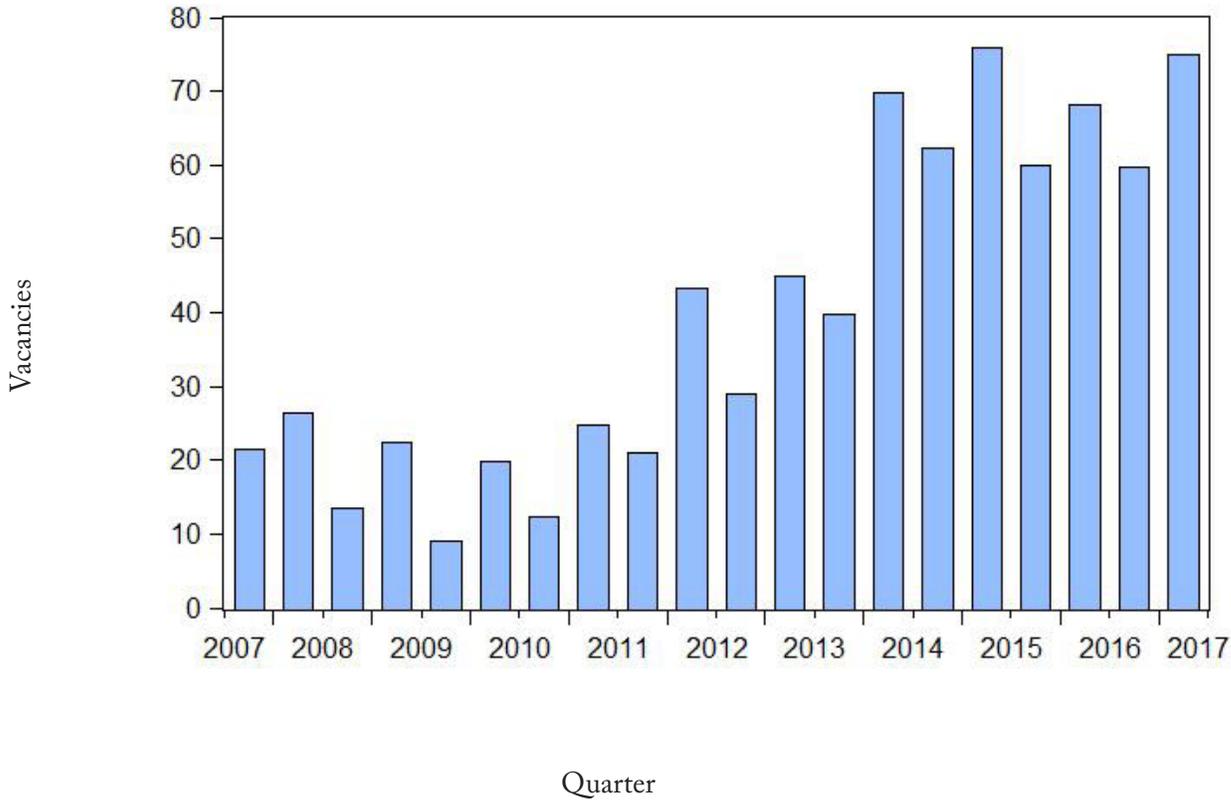
### Total Initial Claims for Unemployment Insurance, Seasonally Adjusted— Northwest Minnesota Planning Area



Period	September 2016	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017
Initial claims (Not seasonally adjusted)	1,051	1,218	1,352	1,046	1,392	1,083	922

The ratio of job vacancies per 100 unemployed jumped in Northwest Minnesota in the second quarter of this year. While a rising labor force in the region may be helping to relieve some of the strain on area employers who are looking for qualified workers, this ratio is now 85.25 job vacancies per 100 unemployed. It is worth noting that all of Minnesota’s regions are experiencing high job vacancy ratios. In fact, the Twin Cities, Northeast, and Southwest Minnesota planning areas have job vacancy ratios in excess of 100, suggesting that even if those on unemployment rolls were a match with available jobs, employers would still be unable to fill all of their job vacancies in these regions.

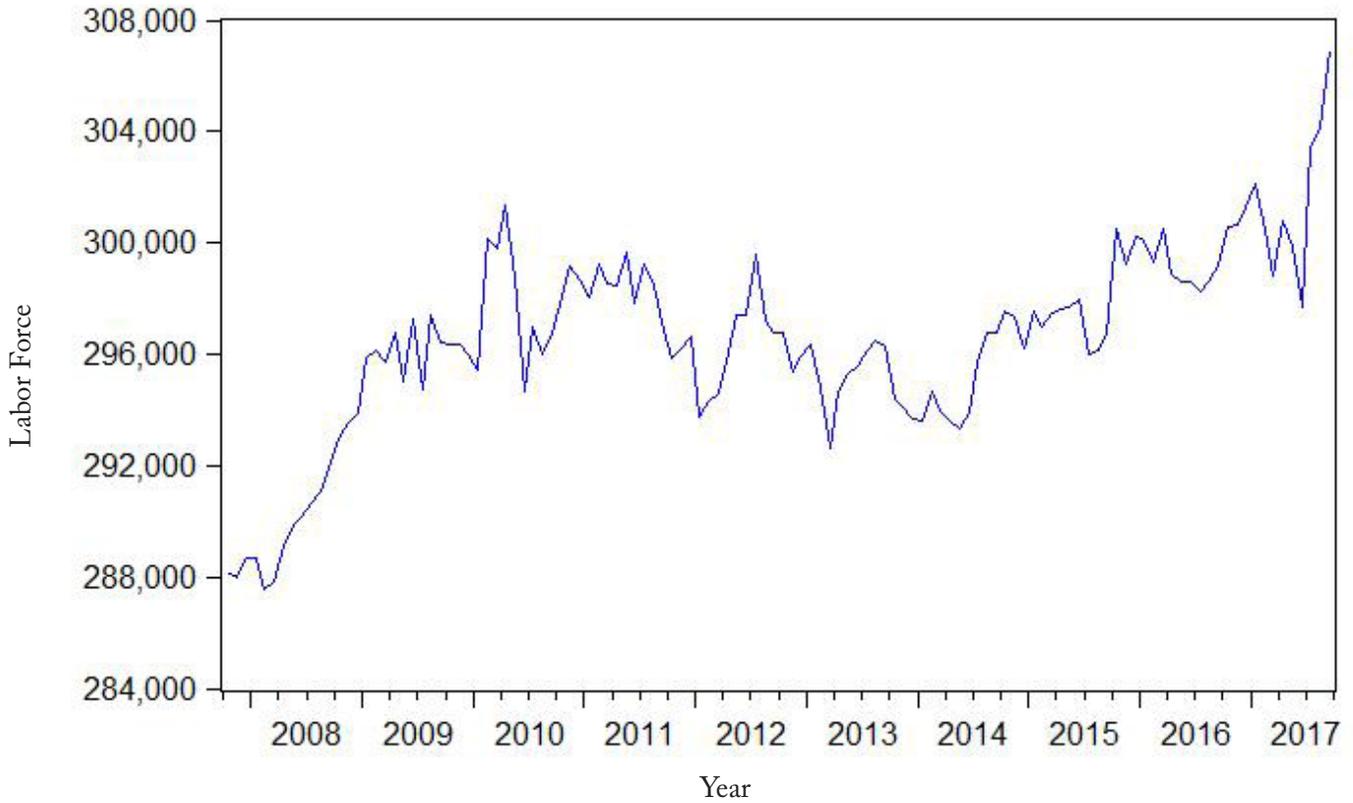
### Job Vacancies per 100 Unemployed----Northwest Minnesota Planning Area



Quarter	2014:IV	2015:II	2015:IV	2016:II	2016:IV	2017:II
Job Vacancies per 100 Unemployed	70.05	80.52	65.01	74.03	65.50	85.25

The Northwest Minnesota labor force rose by 2.6 percent over the year ending September 2017. At 304,635, the regional labor force is now 7,584 larger than one year earlier.

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



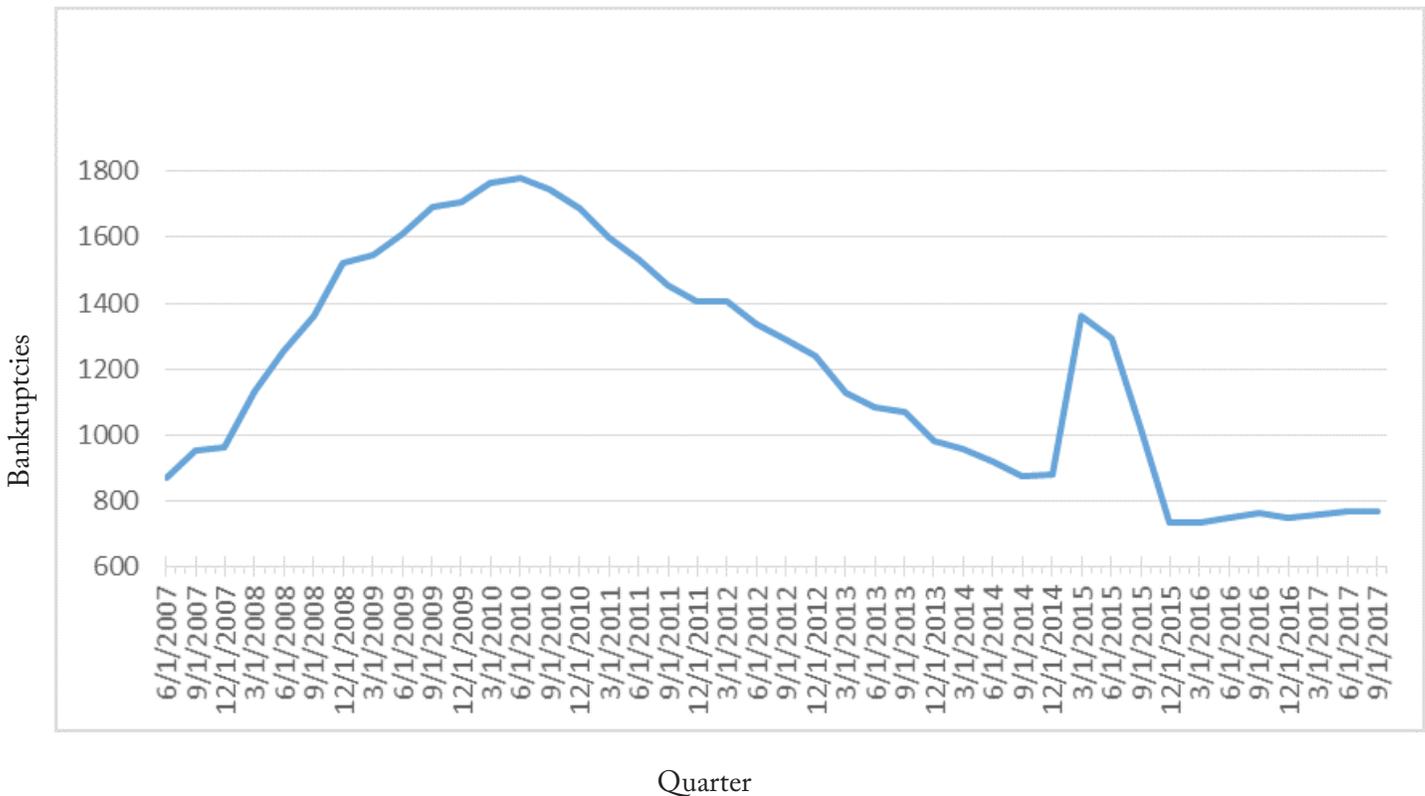
Year (September)	2012	2013	2014	2015	2016	2017
Labor Force (not seasonally adjusted)	294,702	294,151	294,694	294,610	297,051	304,635

## 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 has now been slowly rising in recent quarters.

Northwest Minnesota Bankruptcies (12-month moving total)



Year (Third Quarter)	2012	2013	2014	2015	2016	2017
Annual Bankruptcies (not seasonally adjusted)	1,287	1,071	875	1,022	762	766

## ECONOMIC INDICATORS

Fargo-Moorhead MSA Indicators	Period Covered	Current Period	Prior Year	Annual Percent Change	Long-Term Average (since 1999, unless noted)
Employment	September 2017 (m)	145,200	142,800	1.7% ↑	2.0%
Manufacturing Employment	September 2017 (m)	10,100	9,600	5.2% ↑	1.5%
Mining, Logging, Construction Employment	September 2017 (m)	10,700	10,200	4.9% ↑	2.6%
Average Weekly Work Hours, Private Sector	September 2017 (m)	34.2	34.6	-1.2% ↓	33.4 (since 2007)
Average Earnings Per Hour, Private Sector	September 2017 (m)	\$24.81	\$24.23	2.4% ↑	2.9% (since 2007)
Unemployment Rate	September 2017 (m)	1.8%	2.2%	NA ↓	2.5%
Labor Force	September 2017 (m)	139,420	136,606	2.1% ↑	1.6%
Initial Jobless Claims	September 2017 (m)	271	290	-6.6% ↓	NA
Fargo-Moorhead Residential Building Permit Valuation, in thousands	September 2017 (m)	27,188	58,620	-53.6% ↓	NA
Fargo-Moorhead Cost of Living Index	Second Quarter 2017 (q)	97.8	100.0	-2.2% ↓	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	September 2017 (m)	58,000	58,900	-1.5% ↓	0.9%
Manufacturing Employment	September 2017 (m)	4,500	4,100	9.8% ↑	1.1%
Mining, Logging, Construction Employment	September 2017 (m)	3,700	4,800	-22.9% ↓	0.6%
Average Weekly Work Hours--Private Sector	September 2017 (m)	33.3	32.5	2.5% ↑	33.1 (since 2007)
Average Earnings Per Hour--Private Sector	September 2017 (m)	\$22.49	\$23.60	-4.7% ↓	1.4% (since 2007)
Unemployment Rate	September 2017 (m)	2.1%	2.4%	NA ↓	3.0%
Labor Force	September 2017 (m)	56,344	57,330	-1.7% ↓	0.3%
Initial Jobless Claims	September 2017 (m)	105	104	1.0% ↑	NA
Grand Forks-East Grand Forks Residential Building Permit Valuation	September 2017 (m)	14,841	2,776	434.6% ↑	NA
Grand Forks-East Grand Forks Cost of Living Index	Second Quarter 2017 (q)	98.2	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, higher average hourly earnings, a lower unemployment rate, and a declining relative cost of living. Falling year-over-year valuations of MSA building permits and lower average weekly work hours were the only negative indicators in Fargo/Moorhead in the third quarter.

Grand Forks/East Grand Forks MSA economic activity was mixed in the third quarter. MSA overall employment fell (as did employment in the mining/logging/construction sector), the labor force declined, average hourly earnings were down, and initial jobless claims rose. Offsetting this were a lower unemployment rate, an increase in the value of residential building permits, higher average weekly work hours, and greater manufacturing employment in the Grand Forks/East Grand Forks area.

## STATE AND NATIONAL INDICATORS

MINNESOTA Indicators	Sep 2017	Jun 2017	Sep 2016	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA	2,955,300	2,952,100	2,903,100	0.1%	1.8%
Average weekly hours worked, private sector	34.1	34.2	34.1	-0.3%	0.0%
Unemployment rate, seasonally adjusted	3.7%	3.7%	4.0%	NA	NA
Earnings per hour, private sector	\$28.59	\$27.94	\$27.32	2.3%	4.6%
Philadelphia Fed Coincident Indicator, MN	199.61	198.65	192.95	0.5%	3.5%
Philadelphia Fed Leading Indicator, MN	1.76	1.66	0.86	6.0%	104.7%
Minnesota Business Conditions Index	59.4	68.0	48.4	-12.6%	22.7%
Price of milk received by farmers (cwt)	\$17.90	\$17.50	\$17.90	2.3%	0%
Enplanements, MSP airport, thousands	1,522.7	1,738.8	1,536.1	-12.4%	-0.9%
NATIONAL Indicators	Sep 2017	Jun 2017	Sep 2016	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA, thousands	146,749	146,385	144,882	0.2%	1.3%
Industrial production, index, SA	104.6	105.2	103.0	-0.6%	1.6%
Real retail sales, SA (\$)	196,407	194,630	192,238	0.9%	2.2%
Real personal income less transfers, billions	12,096.5	12,062.7	11,922.9	0.3%	1.5%
Real personal consumption expenditures, bill.	11,969.8	11,871.6	11,656.3	0.8%	2.7%
Unemployment rate, SA	4.2%	4.4%	4.9%	NA	NA
New building permits, SA, thousands	20,470	25,160	20,857	-18.6%	-1.9%
Standard & Poor's 500 stock price index	2,492.8	2,434.0	2,157.7	2.4%	15.5%
Oil, price per barrel in Cushing, OK	\$49.82	\$45.18	\$45.18	10.3%	10.3%

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 last year, but the Minnesota Business Conditions index slipped in the last quarter (but is still well above its level from one year ago). Milk prices were flat over the past year, although they did increase 2.3 percent in the past quarter. Enplanements at the Minneapolis-St. Paul airport were lower over the past year. Average weekly work hours were lower than three months ago and were unchanged from September 2016.

The national economic indicators found in the table are also generally favorable. Over the past quarter as well as the past year, stock prices rose, employment increased, real income and consumer expenditures expanded, and retail sales picked up. The national unemployment rate also fell. Industrial production rose over the past year, but declined from one quarter ago. National building permits were lower than in September 2016. Consumers also saw higher oil prices last quarter. Oil prices are now 10.3 percent higher than they were one year ago.

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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