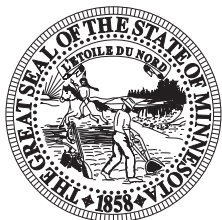




Northwest Minnesota Economic and Business Conditions Report Second Quarter 2019

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.



OFFICE OF THE MINNESOTA
SECRETARY OF STATE



SCHOOL OF PUBLIC AFFAIRS
RESEARCH INSTITUTE
ST. CLOUD STATE UNIVERSITY.

TABLE OF CONTENTS

Executive Summary.....2
Northwest Minnesota Leading Economic Indicators Index3
Northwest Minnesota Business Filings.....5
Minnesota Business Snapshot Survey Results.....10
Maps.....16
Northwest Minnesota Labor Market Conditions18
Northwest Minnesota Bankruptcies.....23
Economic Indicators24
Sources27

EXECUTIVE SUMMARY

A continued slowing of 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). Two of the five index components decreased in the most recent quarter as the LEI fell by 0.47 points. The decline in the leading index was largely caused by an increase in the number of initial jobless claims in the Northwest planning area in the second quarter. A small weakening in a national consumer sentiment index also had an unfavorable impact on the LEI. Higher residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks, a larger number of regional new filings for LLC and incorporation, and a strengthening of the Rural Mainstreet Index (which signals a more robust macroeconomic environment for rural America) also helped boost the LEI.

There were 1,273 new business filings with the Office of the Minnesota Secretary of State in Northwest Minnesota in the second quarter of 2019 — representing a 4.1 percent decrease over one year ago. With 103 filings, there were 13.4 percent fewer new filings for business incorporation in the second quarter compared to the same period last year. New LLC filings in Northwest Minnesota were down 4 percent from one year earlier—falling to 724. New assumed name filings totaled 380 in the second quarter—4.3 percent fewer filings than the same period in 2018. There were 66 new filings for Northwest Minnesota non-profit in the second quarter—nine more filings than one year ago.

Fifty-seven percent of new business filers in the Northwest Minnesota planning area completed the voluntary Minnesota Business Snapshot (MBS) survey in this year's second quarter. Results of this voluntary survey indicate that 3.2 percent of new filers come from communities of color. 8.9 percent of new filers in Northwest Minnesota are veterans and 2.9 percent of new filers come from the disability community. Only 2.1 percent of new filings in Northwest Minnesota were made by the immigrant community. About forty percent of new business filings in Northwest Minnesota in this year's second 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 81 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, arts/entertainment/recreation, agriculture/forestry/fishing/hunting, and other services. Employment levels at most new firms are between 0 and 5 workers, and 44.8 percent of those starting a new business consider this a part-time activity.

Employment of Northwest Minnesota residents increased by 1.1 percent over the year ending June 2019. The regional unemployment rate was 3.7 percent in June, which was considerably higher than the 3.3 percent rate observed one year ago. Initial claims for unemployment insurance in June 2019 were 28.5 percent higher than one year earlier and the Northwest Minnesota labor force increased by 1.5 percent. Average weekly wages rose 1.8 percent over the past year to \$790. The region's total bankruptcies were 2.4 percent higher than one year ago.

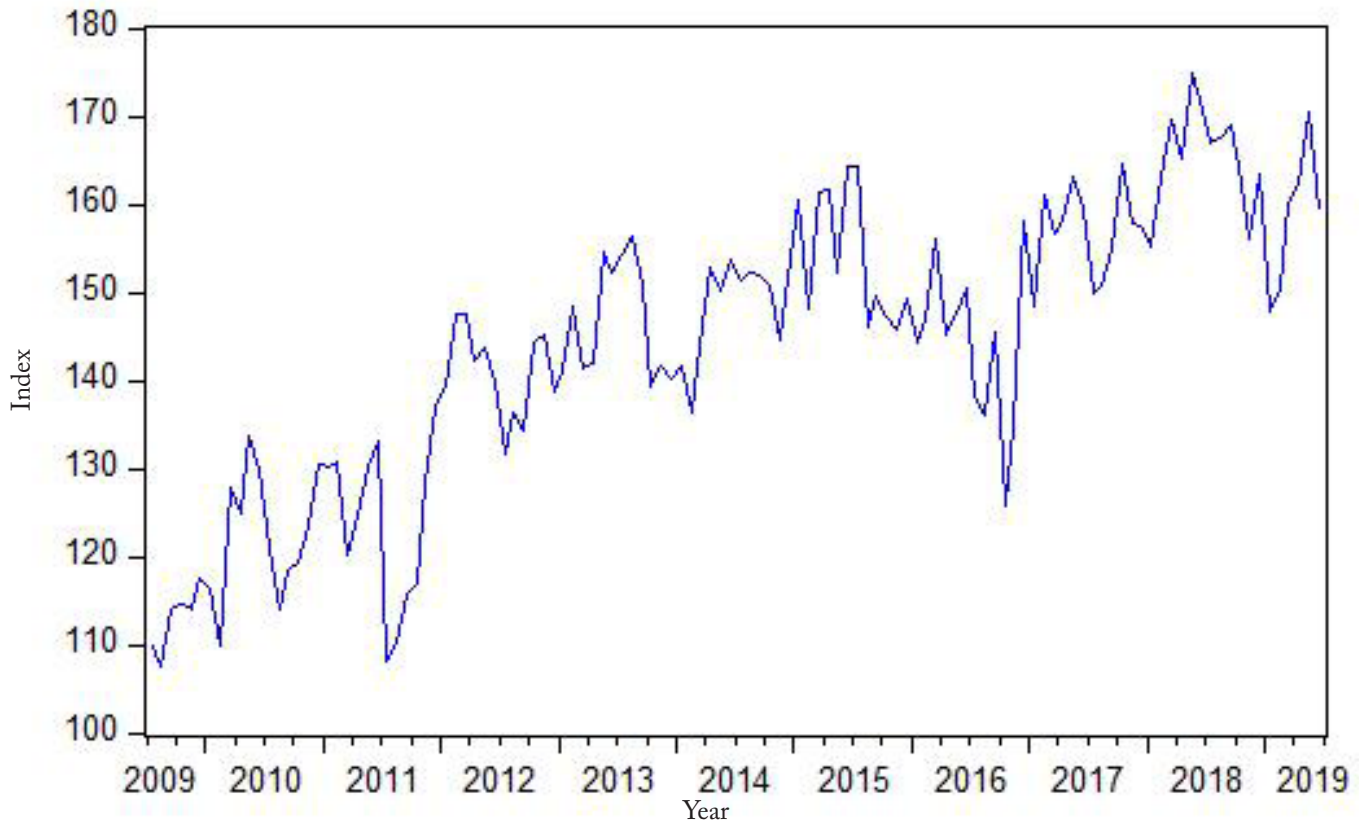
Economic performance in the Fargo/Moorhead Metropolitan Statistical Area (MSA) was mostly favorable in the past quarter. This MSA tallied an increase in overall employment (as well as job growth in the manufacturing sector), increased average weekly work hours, higher average hourly earnings, a lower unemployment rate, an increase in its labor force, and a decline in initial jobless claims. The only indicators to experience weakness in this MSA were mining/logging/construction employment and residential building permit valuations.

Economic activity in the Grand Forks/East Grand Forks MSA was mixed in the second quarter. Declining overall employment (including a reduction in mining/logging/construction employment), an increase in the unemployment rate, and a reduction in the value of the area's residential building permits weighed on the leading index. Higher manufacturing employment, an increase in average hours worked and average hourly earnings, a growing labor force, and lower initial jobless claims helped lift 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 a 2.90 point decline in the first quarter of 2018, the Northwest Minnesota LEI fell by another 0.47 points in this year's second quarter. The index is now 6.3 percent below its level of the second quarter of 2018. Note that each of Minnesota's six planning areas appear to be experiencing slower economic growth, although only the northwest, southwest, central, and Twin Cities regions have negative values on their leading indexes.

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, 2nd quarter 2019	Contribution to LEI, 1st quarter 2019
Rural Mainstreet Index	0.87	-0.39
Northwest Minnesota initial claims for unemployment insurance	-3.61	-0.20
Northwest Minnesota new filings of incorporation and LLCs	0.96	-2.17
Fargo-Moorhead + Grand Forks-EGF MSA residential building permits	1.39	-0.17
Consumer Sentiment, University of Michigan	-0.08	0.04
TOTAL CHANGE	-0.47	-2.90

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 was one of the indicators that had a negative impact on this quarter's LEI. A smaller number of residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks, higher initial jobless claims, and fewer new filings for incorporation and LLC in the region also served as a drag on this quarter's leading index. 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 registered a positive reading this quarter.

**SCSU Northwest Minnesota
Leading Economic Indicators Index**

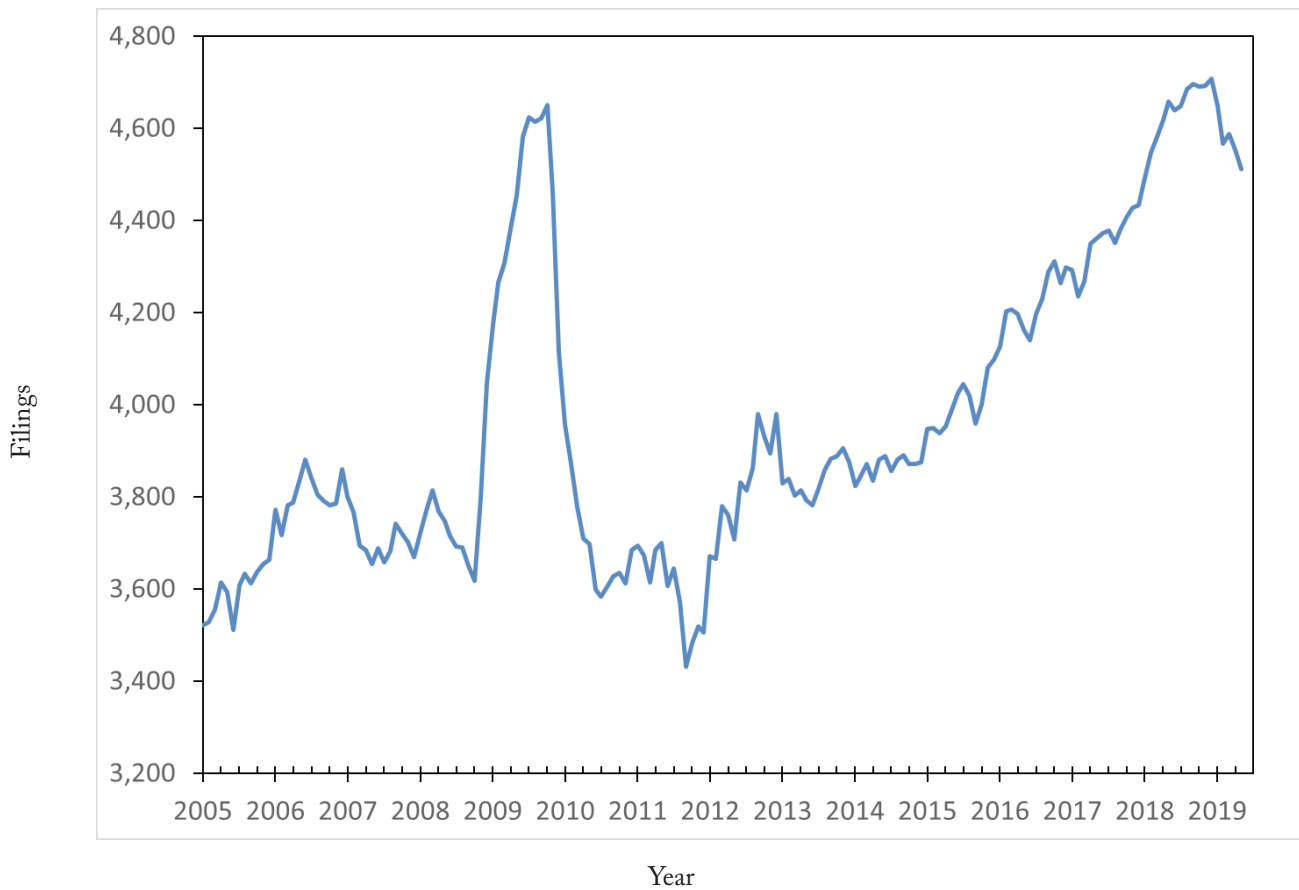
	2019	2018	Percentage change
Rural Mainstreet Index, Creighton University, December	53.8	55.3	-2.7%
Northwest Minnesota initial claims for unemployment insurance, June	1,277	994	28.5%
Northwest Minnesota new filings of incorporation and LLCs, Second Quarter	827	873	-5.3%
Fargo-Moorhead and Grand Forks-EGF MSA single-family building permits, June	133	194	-31.4%
Consumer Sentiment, University of Michigan, June	98.2	98.2	0.0%
Northwest Minnesota Leading Economic Indicators Index June (December 1999 = 100)	158.8	169.4	-6.3%

NORTHWEST MINNESOTA BUSINESS FILINGS

The 12-month moving total of new business filings in this region fell in the second quarter as total new filings declined by 4.1% 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	II: 2018	III: 2018	IV: 2018	I: 2019	II: 2019	2019 Quarter II: Percent change from prior year
Northwest Minnesota Total New Business Filings	1,327	1,010	1,039	1,189	1,273	-4.1%

New business incorporations trended downward in Northwest Minnesota from 2005 through 2011, but the 12-month moving total of this series largely leveled out from 2012-2017. As can be seen in the accompanying table, second quarter 2019 new incorporations fell by 13.4 percent compared to the same period in 2018. This series has now turned down over the past couple of years.

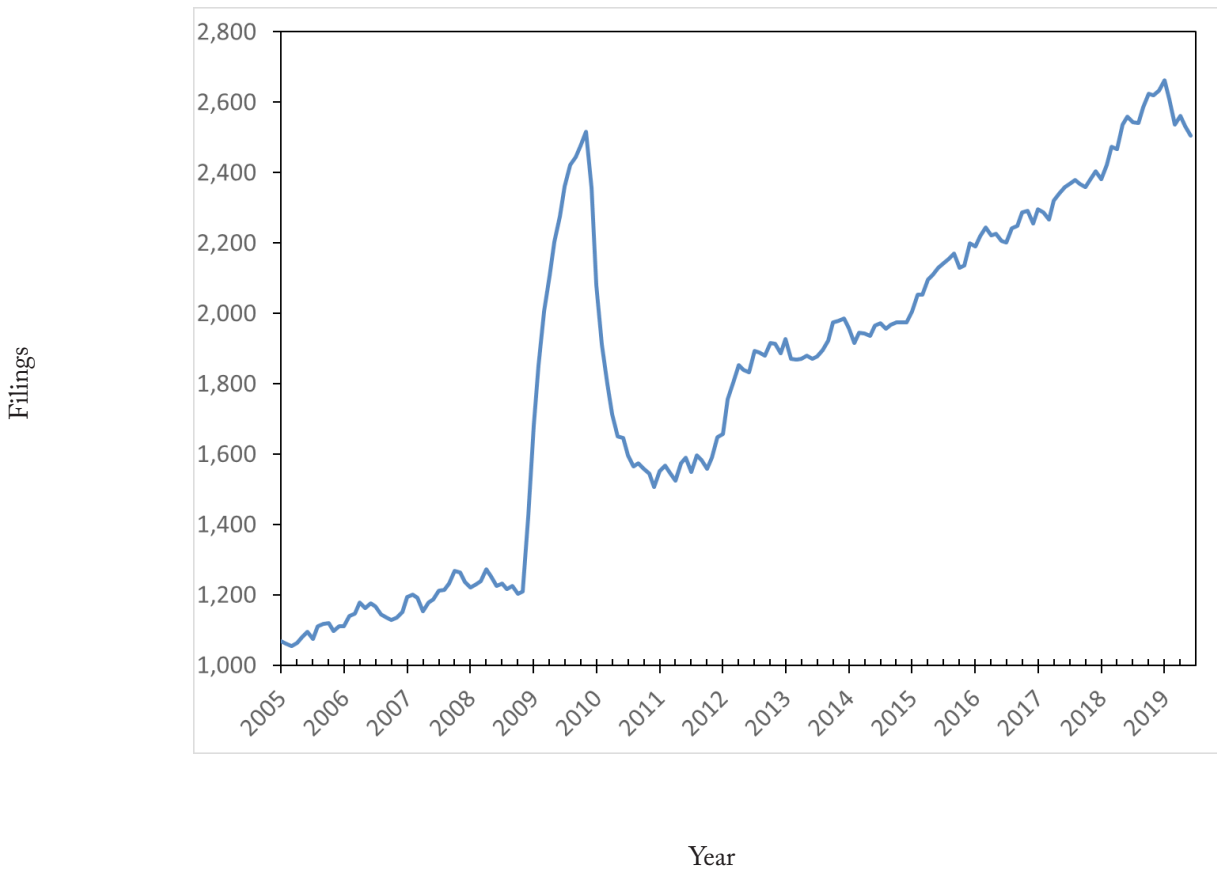
New Incorporations—Northwest Minnesota Planning Area (12-month moving total)



Quarter	II: 2018	III: 2018	IV: 2018	I: 2019	II: 2019	2019 Quarter II: Percent change from prior year
Northwest Minnesota New Business Incorporations	119	100	86	109	103	-13.4%

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 has moderated over the past couple of quarters as LLC filings declined by 4 percent compared to the same period in 2018.

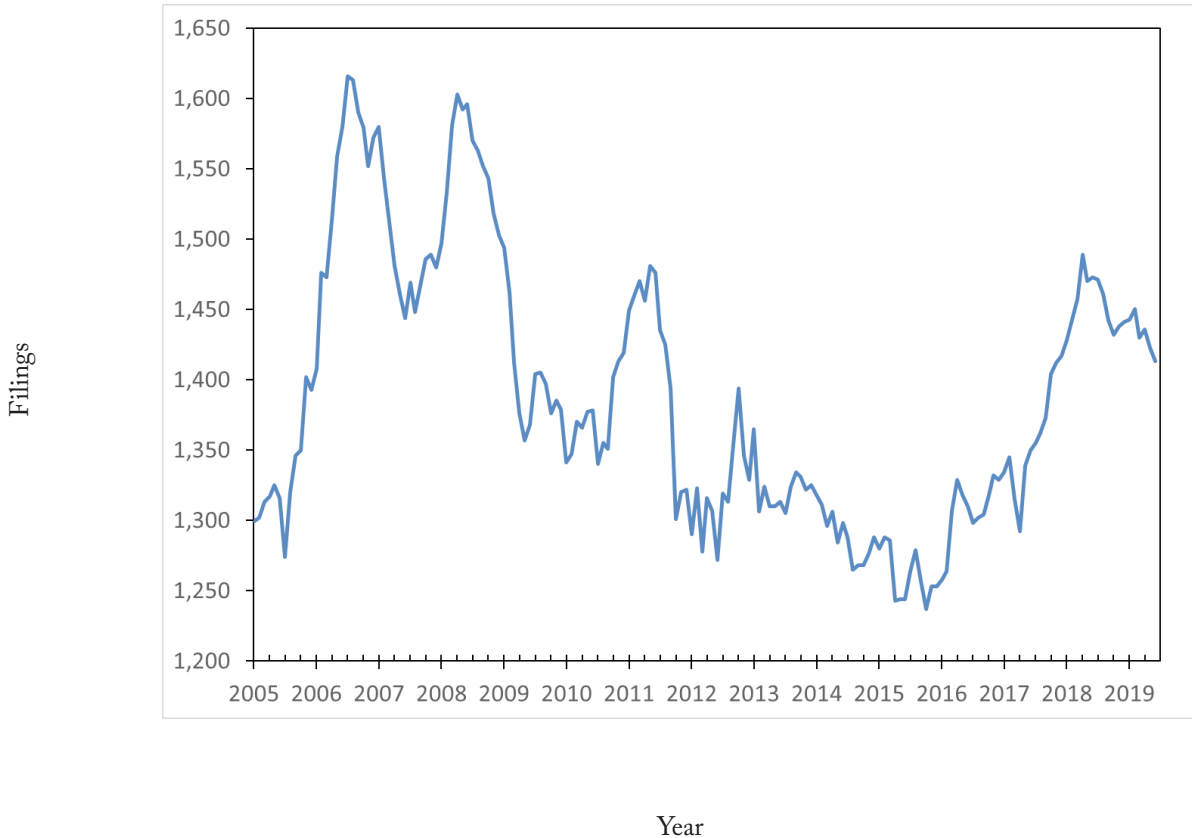
New Limited Liability Companies—Northwest Minnesota Planning Area (12-month moving total)



Quarter	II: 2018	III: 2018	IV: 2018	I: 2019	II: 2019	2019 Quarter II: Percent change from prior year
Northwest Minnesota New Limited Liability Companies	754	565	593	624	724	-4.0%

Assumed names, which include sole proprietors or organizations that do not have limited liability, fell by 4.3 percent compared to the same period last year. The 12-month moving total suggests this series bottomed out at the end of 2015 and increased through 2017. However, there appears to have been fewer assumed names registered in Northwest Minnesota in recent quarters.

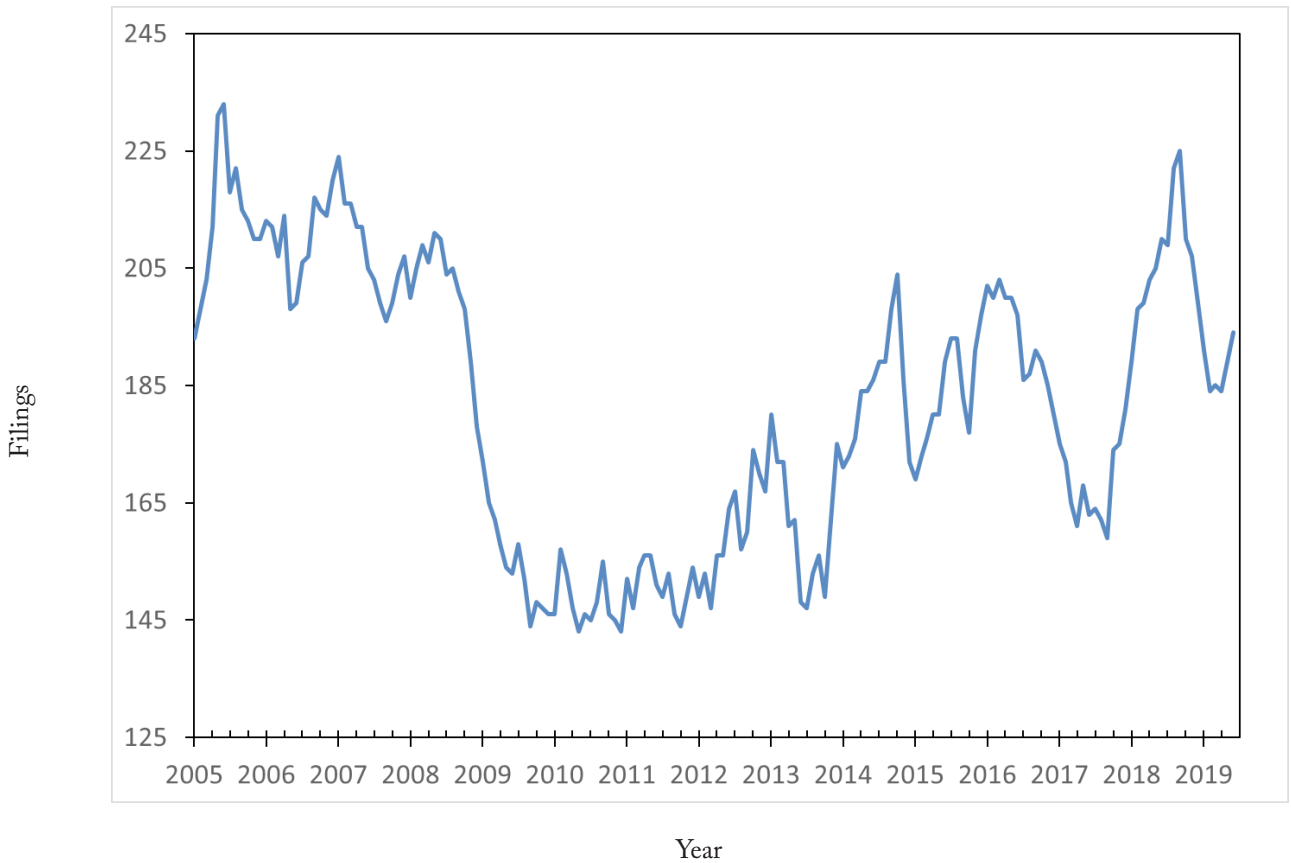
New Assumed Names—Northwest Minnesota Planning Area (12-month moving total)



Quarter	II: 2018	III: 2018	IV: 2018	I: 2019	II: 2019	2019 Quarter II: Percent change from prior year
Northwest Minnesota New Assumed Names	397	294	327	412	380	-4.3%

The number of new non-profits in the Northwest Minnesota planning area totaled 66 in the second quarter. This was 9 more filings (a 15.8 percent increase) than one year earlier.

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



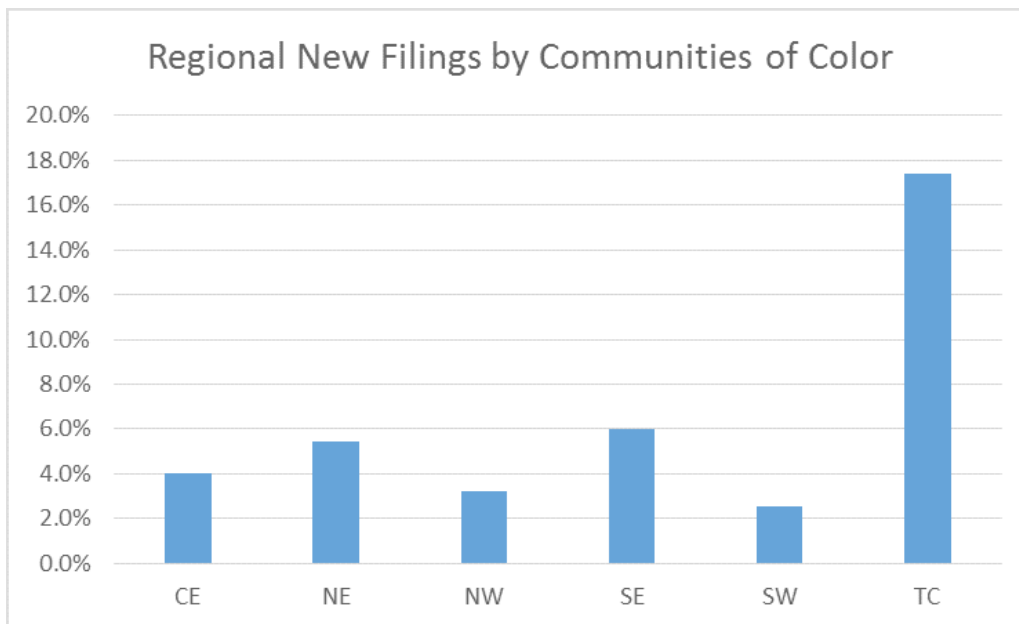
Quarter	II: 2018	III: 2018	IV: 2018	I: 2019	II: 2019	2019 Quarter II: Percent change from prior year
Northwest Minnesota New Non-Profits	57	51	33	44	66	15.8%

MINNESOTA BUSINESS SNAPSHOT SURVEY RESULTS

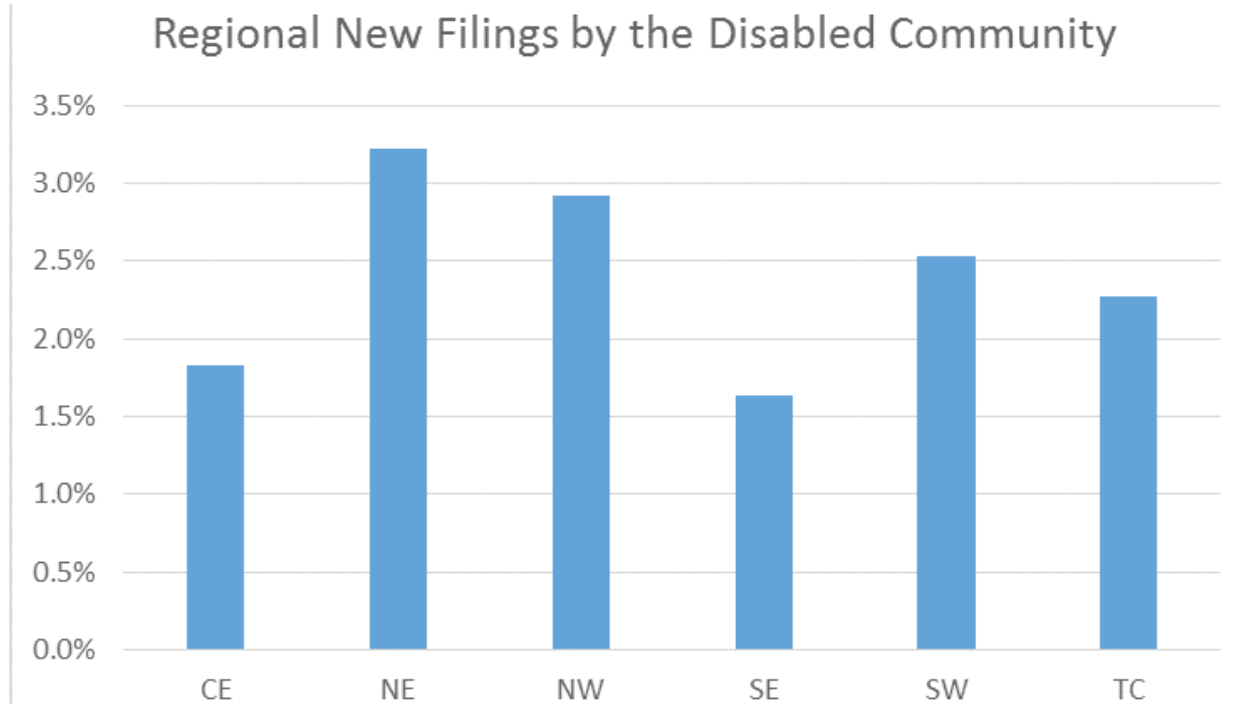
In Fall 2016, the Office of the Minnesota Secretary of State initiated a short voluntary survey (known as Minnesota Business Snapshot) for both new and continuing business filers. Questions found in the survey address basic questions related to the background of business filers, industry classification, 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 beyond the scope of this regional economic and business conditions report (an annual report of the Minnesota Business Snapshot is available from the Office of the Minnesota Secretary of State), 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 second quarter of 2019 are analyzed. For the entire State of Minnesota, the overall response rate for this voluntary survey is approximately 55 percent. This yields thousands of self-reported records in this emerging data set. For Northwest Minnesota, about 57 percent of new business filers completed at least some portion of the MBS survey. The results are reported in this section.

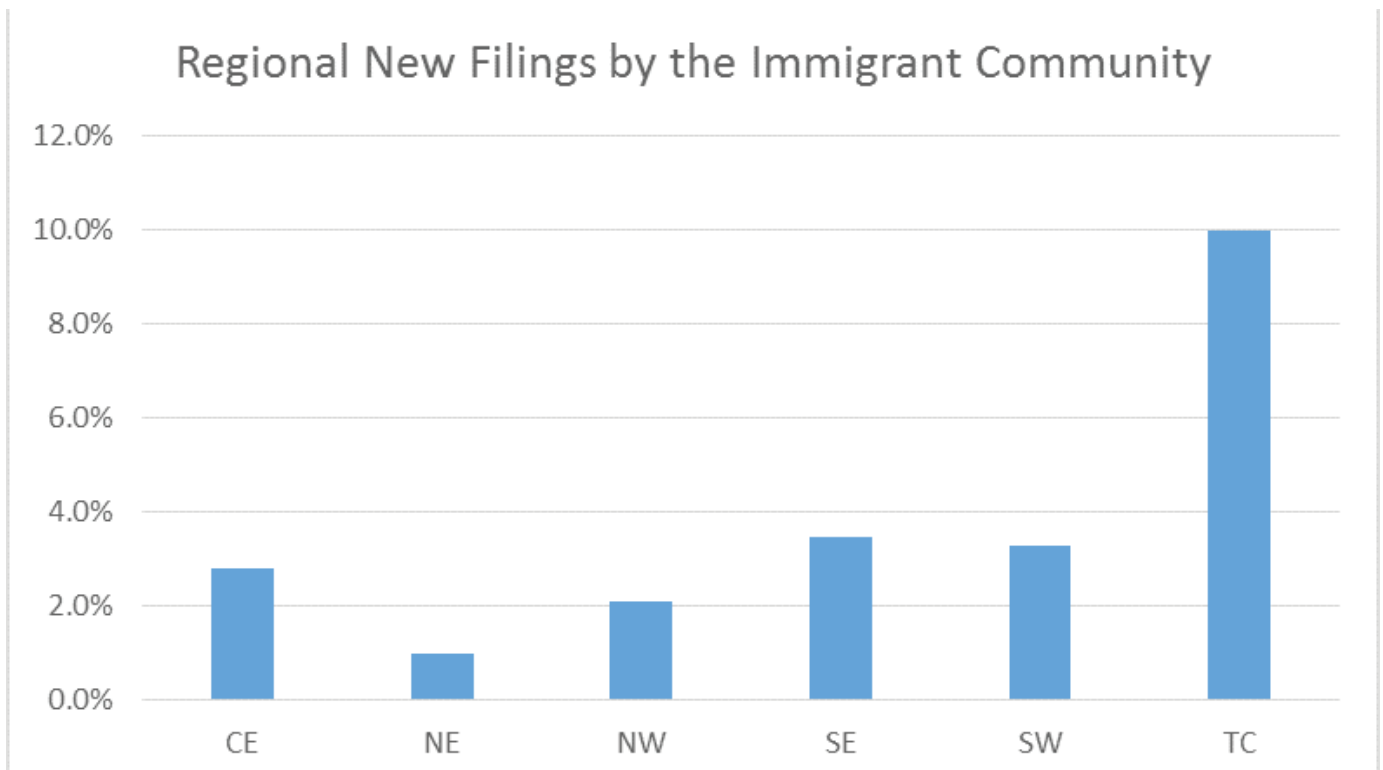
3.2 percent of those new filers completing the MBS from the Northwest Minnesota planning area report being from a community of color. This is the second lowest percentage of Minnesota's six planning areas.



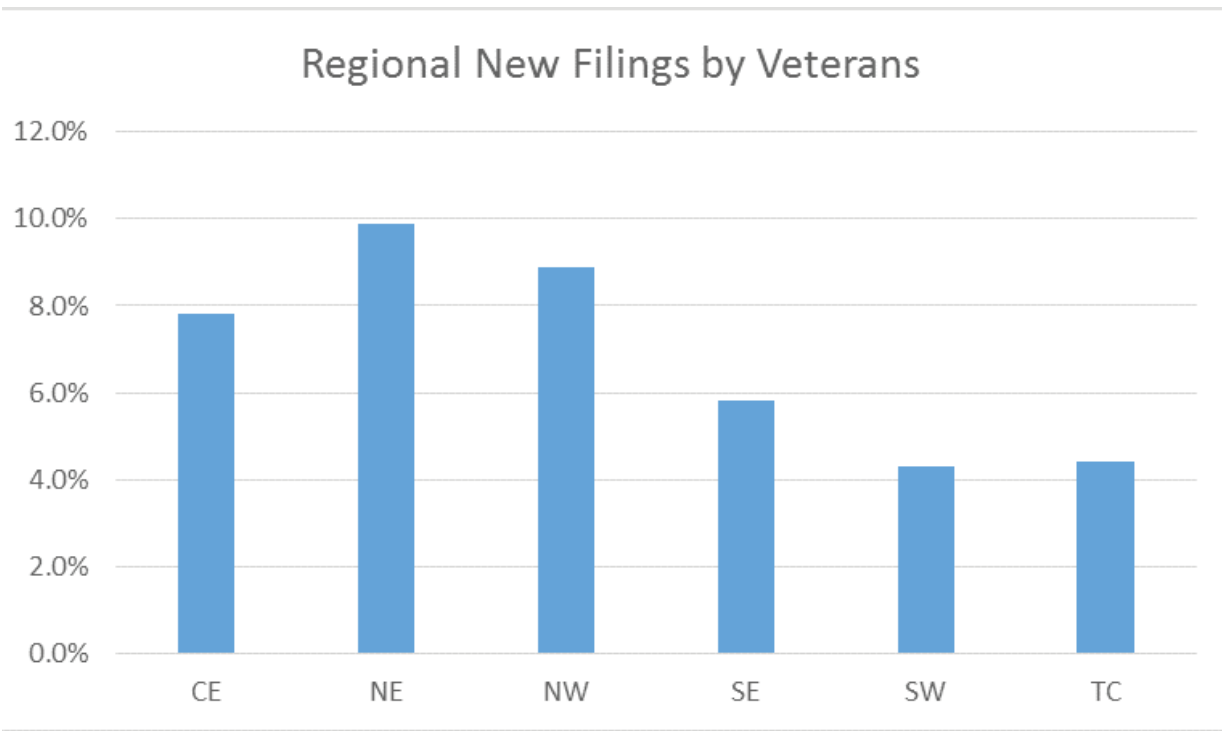
A small percentage of Northwest Minnesota's new filers—2.9 percent—are from the disability community.



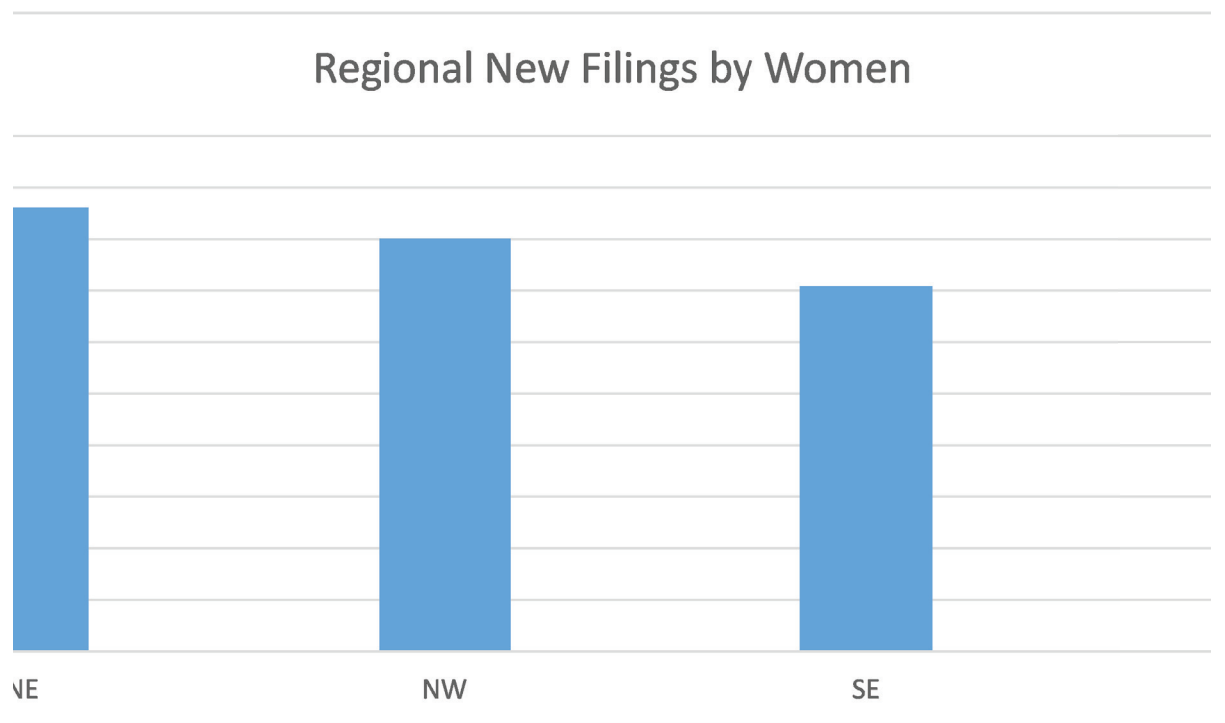
Only 2.1 percent of new business filings in Northwest Minnesota came from the immigrant community in the second quarter. This region had the second lowest share of immigrant new business filers of Minnesota's six planning areas.



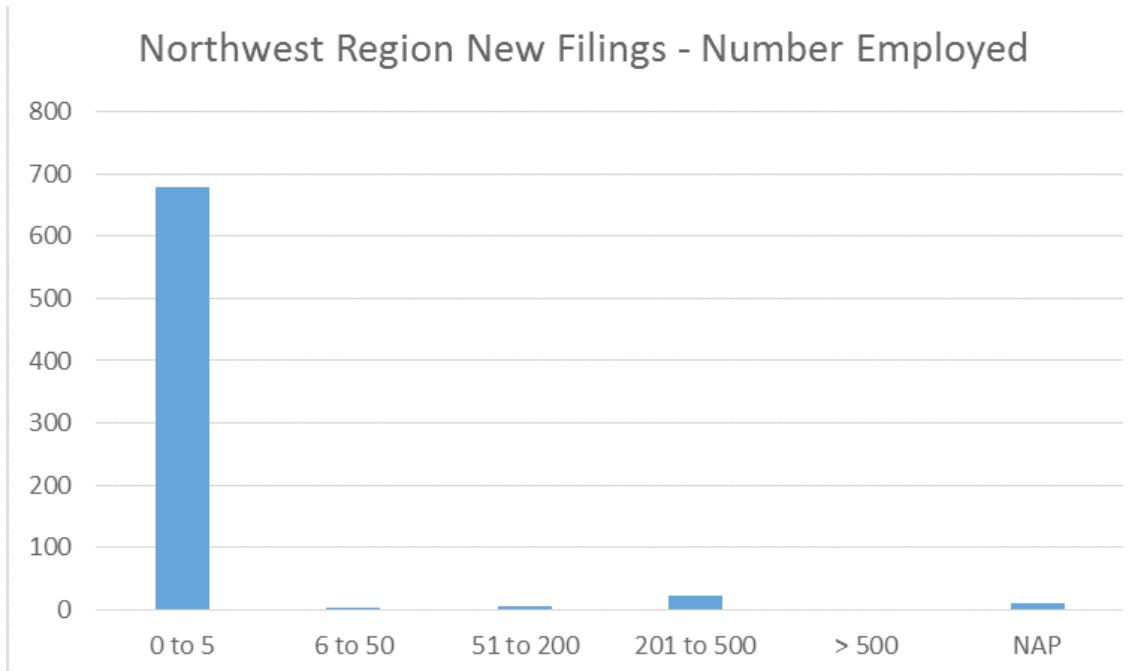
8.9 percent of new filings in Northwest Minnesota came from military veterans.



Woman owners represented 40.1 percent of the new business filings in Northwest Minnesota in the second quarter of 2019.

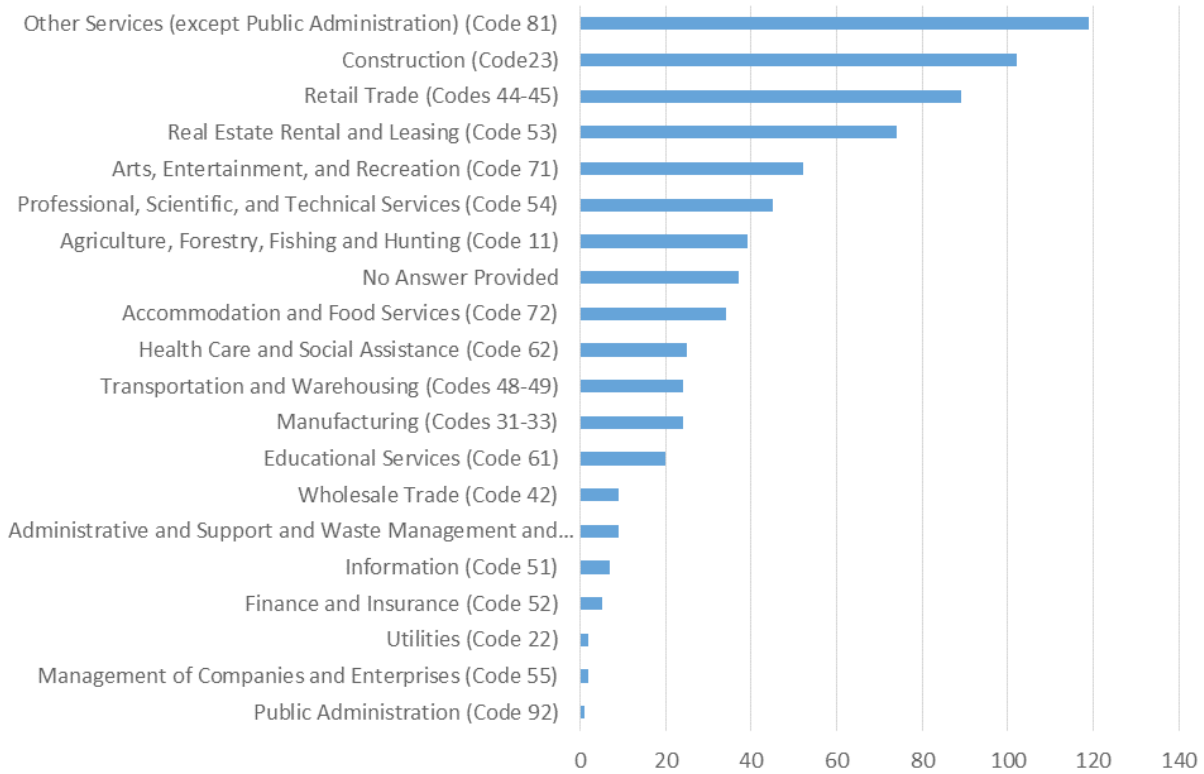


While not all of those participating in the survey completed all portions of the Minnesota Business Snapshot (those not responding to a particular question are represented in this section by “NAP”—no answer provided), 708 responses were tallied to a question asking the new business filer to indicate 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.

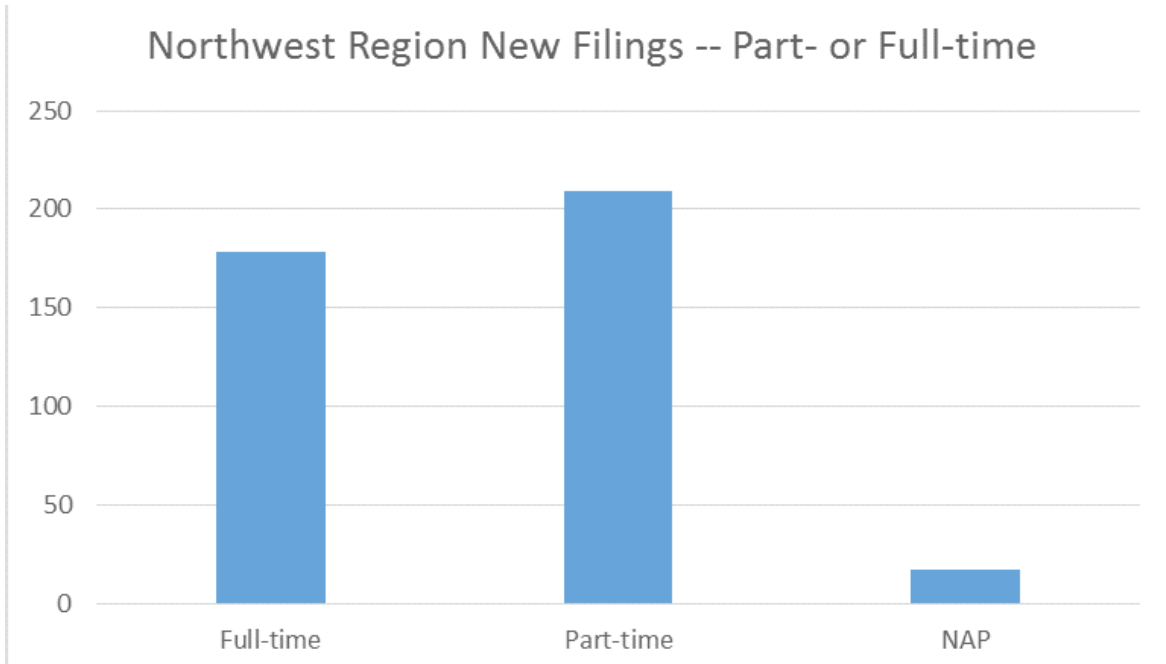


Using the North American Industry Classification System (NAICS), businesses submitting new filings were asked to identify the industry in which their company was operating. While a range of industries were reported, retail trade, construction, real estate/rental/leasing, arts/entertainment/recreation,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

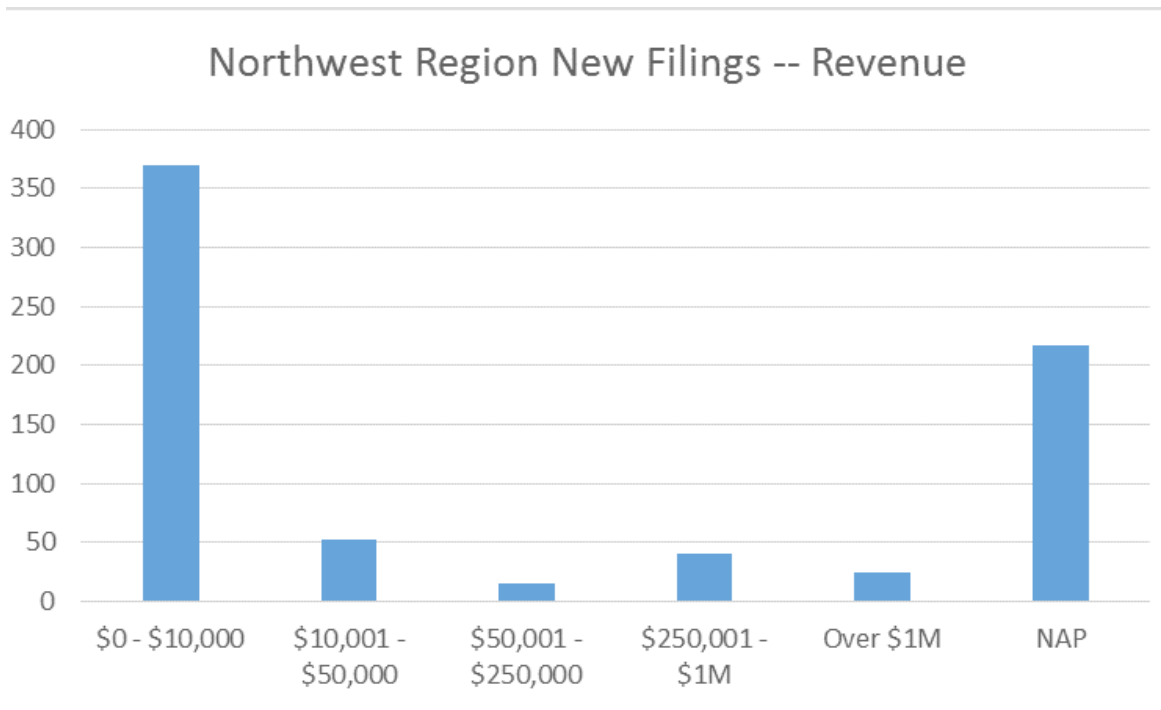
Northwest Region New Filings -- Industries



44.8 percent of those new business filers who answered the MBS question about full- or part-time status consider their business a part-time venture..



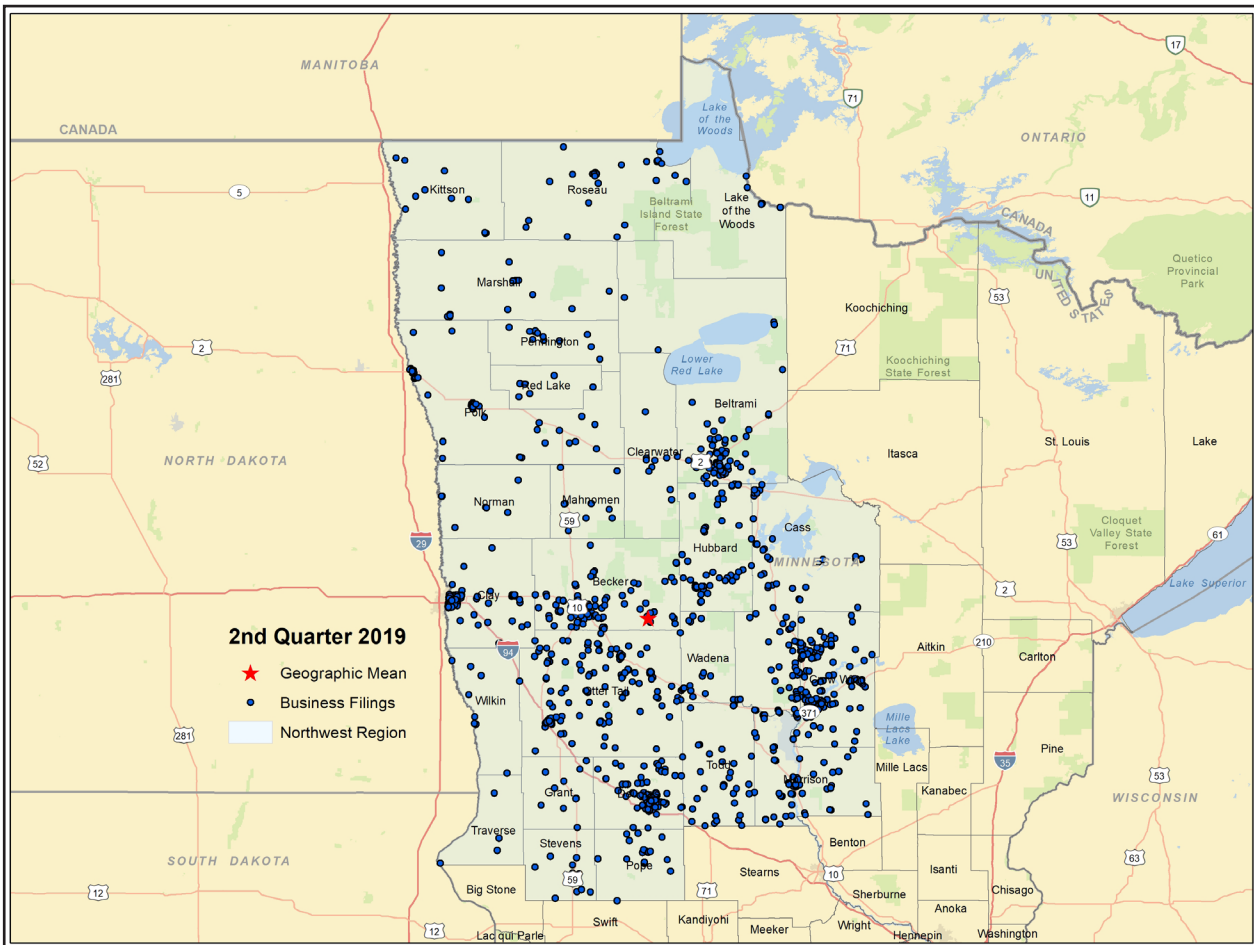
217 new business filers in Northwest Minnesota did not provide an answer to the MBS item that asked them to report the company's revenue. Of those businesses that answered the question, the largest share report revenues of less than \$10,000. 81 new firms report revenues in excess of \$50,000.



MAPS

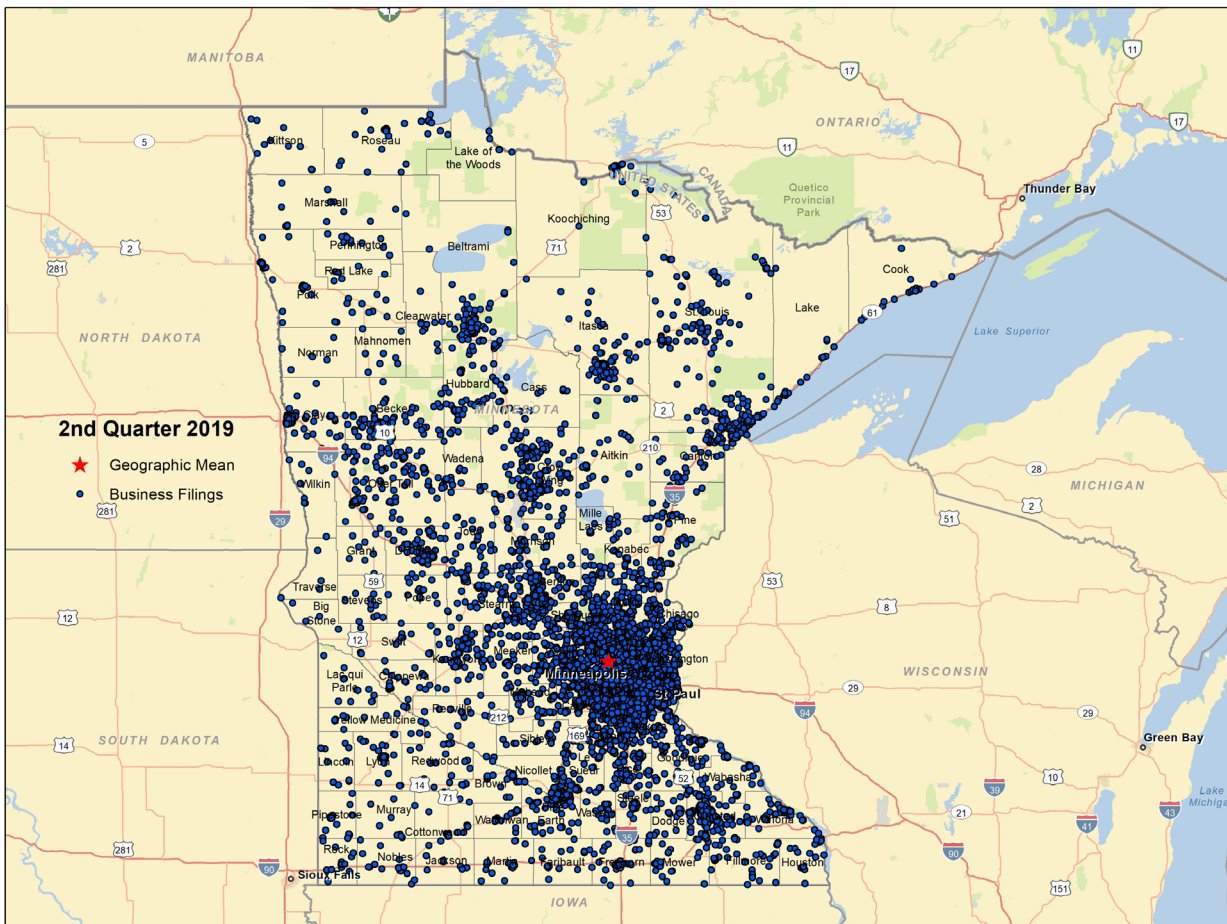
The first map shown below is a visual representation of new business formation around the Northwest Minnesota planning area in the second quarter of 2019. As has typically been the case, the densest areas of new business formation are in the Alexandria, Brainerd, Bemidji, and Detroit Lakes areas. Fergus Falls and Moorhead also showed considerable new business filing activity in the second 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 2: 2019



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 2: 2019

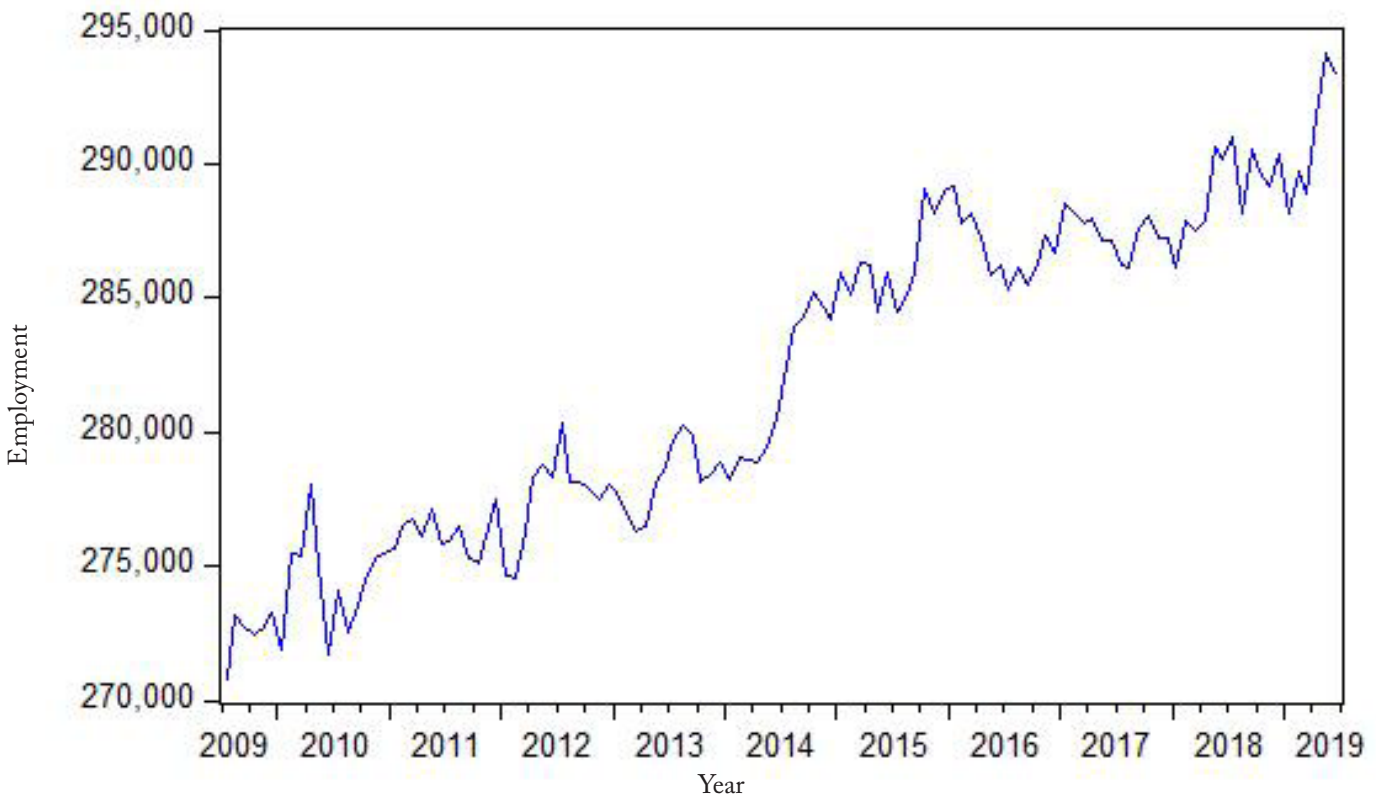


NORTHWEST MINNESOTA LABOR MARKET CONDITIONS

Employment in the Northwest Minnesota planning area rose by 1.1 percent over the year ending June 2019. As can be seen in the accompanying graph, the 12-month moving average of total employment in the Northwest Minnesota planning area had flattened out in previous quarters., but the series moved higher in the second 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	June 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
Employment (Not seasonally adjusted)	296,626	280,762	282,790	283,413	289,358	297,788	299,882

After bottoming out in the third quarter of 2014, the seasonally adjusted unemployment rate in the region had leveled out until 2016 at which time it once again started to decline. However, the region’s seasonally adjusted unemployment rate started to rise in the final months of 2018. The non-seasonally adjusted unemployment rate is now 3.7% (which is considerably higher than the 3.3 percent rate tallied in June 2018).

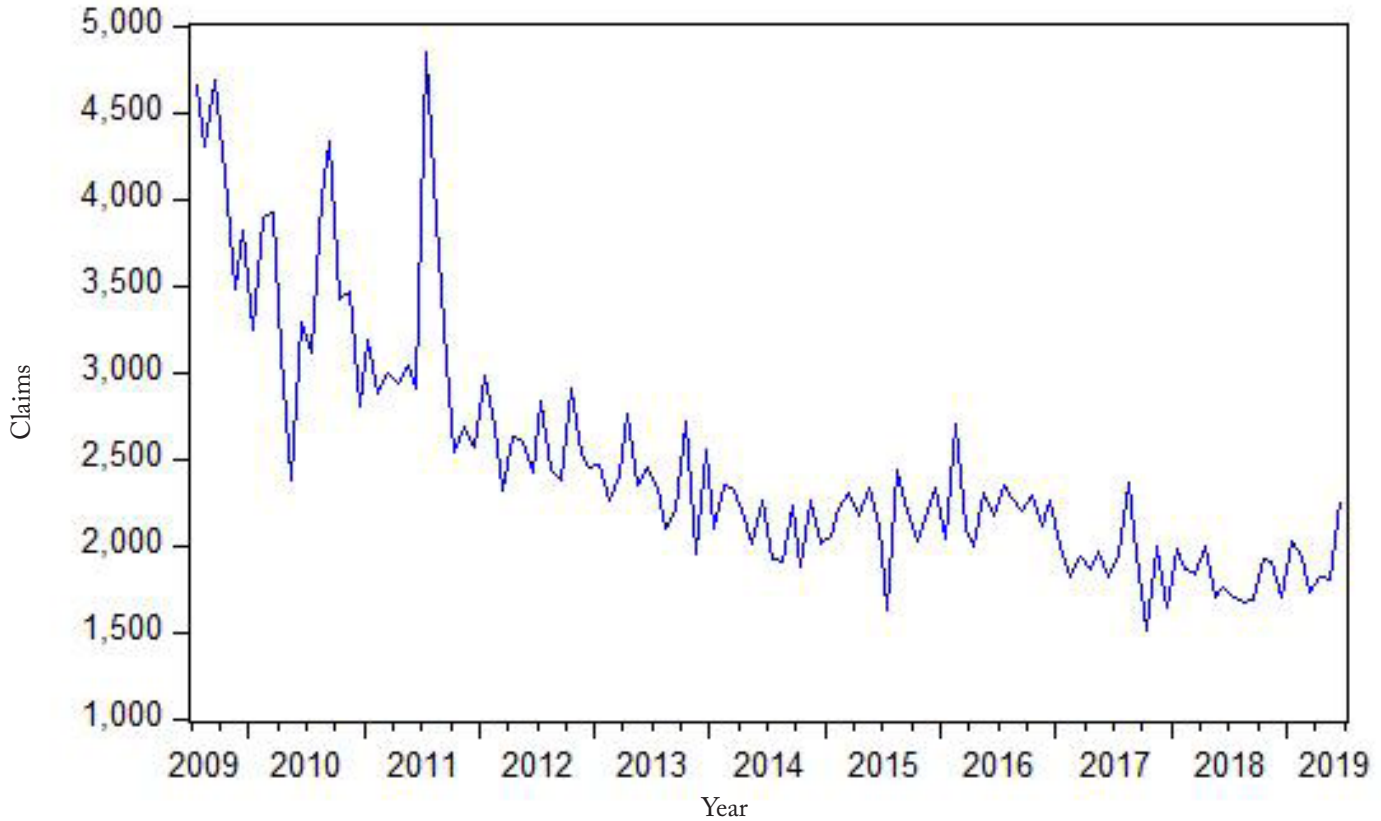
Unemployment Rate, seasonally adjusted—Northwest Minnesota Planning Area



Month	June 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
Unemployment Rate (Not seasonally adjusted)	3.3%	6.7%	6.0%	6.0%	4.6%	3.2%	3.7%

New claims for June 2019 unemployment insurance were 28.5 percent higher than one year earlier. Seasonally adjusted jobless claims had leveled out over the previous several quarters in Northwest Minnesota, but they increased in the second quarter.

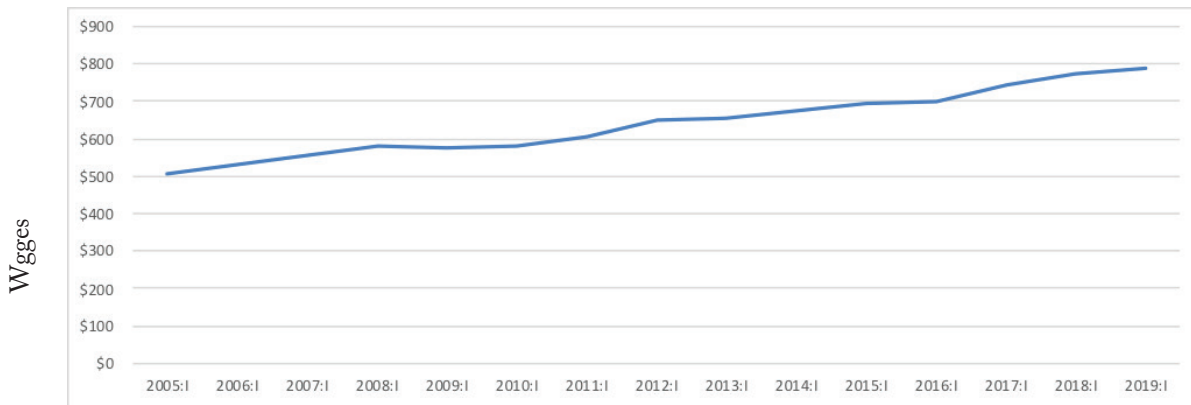
Total Initial Claims for Unemployment Insurance, Seasonally Adjusted— Northwest Minnesota Planning Area



Period	June 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
Initial claims (Not seasonally adjusted)	994	2,638	1,396	1,288	1,166	1,208	1,277

Average weekly wages increased to \$790 in the first quarter of 2019 (this is the most recently available data). This represented a 1.8 percent increase in employee compensation compared to last year's figures.

Average Weekly Wages---Northwest Minnesota Planning Area

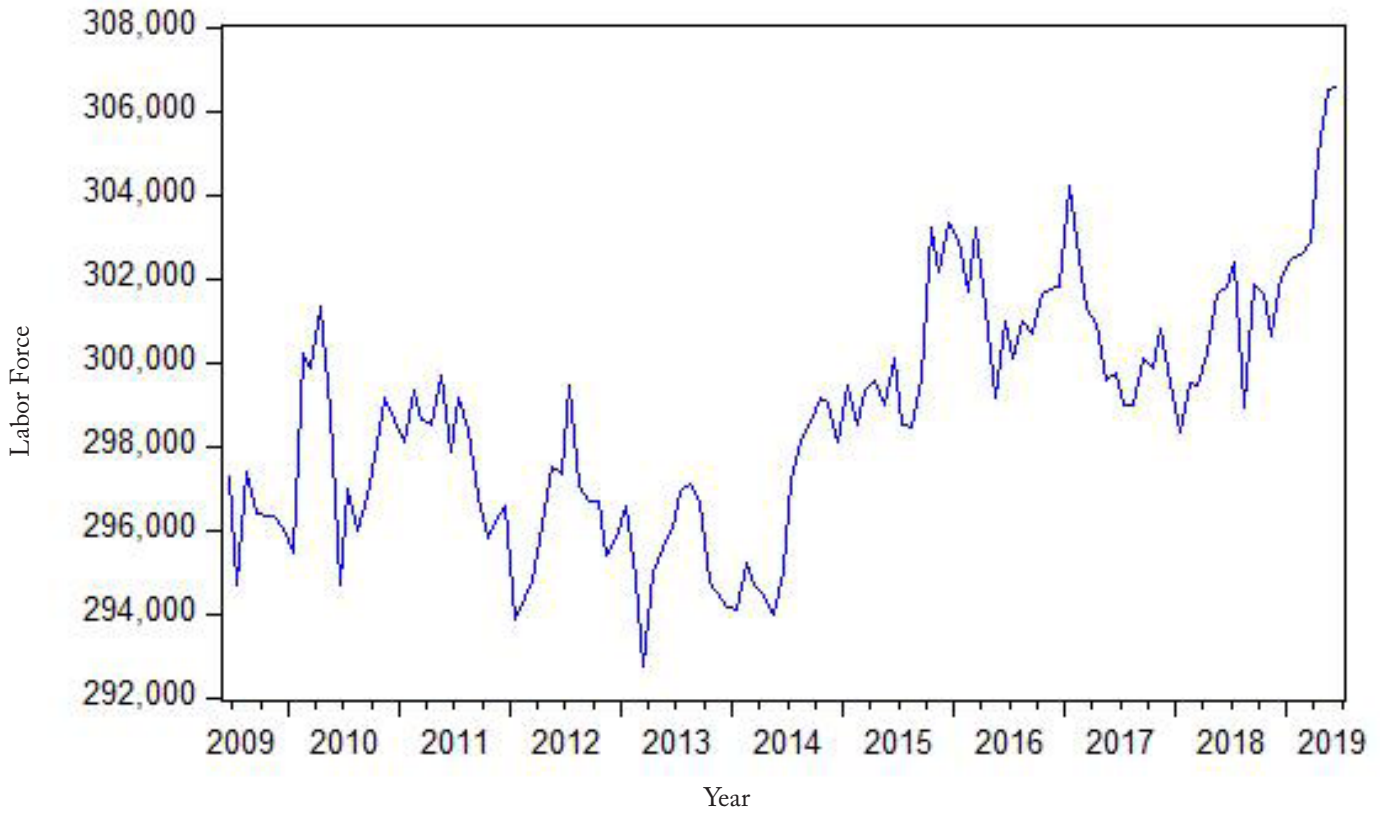


Quarter

Quarter	2014:I	2015:I	2016:I	2017:I	2018:I	2019:I
Average Weekly Wages	\$653	\$694	\$700	\$745	\$776	\$790

The Northwest Minnesota labor force rose by 1.5 percent over the year ending June 2019. The seasonally adjusted labor force (shown in the figure below) had shown a lot of variability over the past several quarters, but jumped abruptly last quarter.

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



Year (June)	2014	2015	2016	2017	2018	2019
Labor Force (not seasonally adjusted)	300,497	305,455	306,107	304,684	306,677	311,429

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. Bankruptcies in Northwest Minnesota rose by 2.4 percent over the last twelve months.

Northwest Minnesota Bankruptcies (12-month moving total)



Year (Second Quarter)	2014	2015	2016	2017	2018	2019
Annual Bankruptcies (not seasonally adjusted)	916	1,292	748	765	765	783

ECONOMIC INDICATORS

Fargo-Moorhead MSA Indicators	Period Covered	Current Period	Prior Year	Annual Percent Change	Long-Term Average (since 1999, unless noted)
Employment	June 2019 (m)	142,900	142,100	0.6% ↑	1.8%
Manufacturing Employment	June 2019 (m)	10,300	10,200	1.0% ↑	1.3%
Mining, Logging, Construction Employment	June 2019 (m)	9,400	9,500	-1.1% ↓	1.6%
Average Weekly Work Hours--Private Sector	June 2019 (m)	35.8	35.1	2.0% ↑	34.1 (since 2007)
Average Earnings Per Hour--Private Sector	June 2019 (m)	\$25.55	\$25.06	2.0% ↑	3.0% (since 2007)
Unemployment Rate	June 2019 (m)	2.5%	2.7%	NA ↓	3.1%
Labor Force	June 2019 (m)	138,184	137,432	0.5% ↑	1.4%
Initial Jobless Claims	June 2019 (m)	267	310	-13.9% ↓	NA
Fargo-Moorhead Residential Building Permit Valuation	June 2019 (m)	27,853	44,572	-37.5% ↓	NA
Fargo-Moorhead Cost of Living Index	First Quarter 2019 (q)	98.2	99.5	-1.3% ↓	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	June 2019 (m)	55,300	55,900	-1.1% ↓	0.7%
Manufacturing Employment	June 2019 (m)	4,400	4,200	4.8% ↑	1.0%
Mining, Logging, Construction Employment	June 2019 (m)	3,300	3,500	-5.7% ↓	0.0%
Average Weekly Work Hours--Private Sector	June 2019 (m)	35.6	33.5	6.3% ↑	33.9 (since 2007)
Average Earnings Per Hour--Private Sector	June 2019 (m)	\$24.09	\$22.62	6.5% ↑	1.7% (since 2007)
Unemployment Rate	June 2019 (m)	3.2%	3.1%	NA ↑	4.0%
Labor Force	June 2019 (m)	54,924	53,465	2.7% ↑	0.2%
Initial Jobless Claims	June 2019 (m)	130	131	-0.8% ↓	NA
Grand Forks-East Grand Forks Residential Building Permit Valuation	June 2019 (m)	3,710	4,399	-15.7% ↓	NA
Grand Forks-East Grand Forks Cost of Living Index	Second Quarter 2019 (q)	94.2	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 an increase in overall employment in the Fargo/Moorhead area (including higher job totals in the manufacturing sector), higher average weekly work hours, an increase in average hourly earnings, a reduction in the unemployment rate, lower initial jobless claims, and a larger labor force. The only variables that showed weakness in Fargo/Moorhead were mining/logging/construction employment and area residential building permits.

Grand Forks/East Grand Forks MSA economic activity was mixed in the second quarter. The MSA experienced lower overall employment (and lower employment in its mining/logging/construction sector), a higher unemployment rate, and a decline in area residential building permit valuations. On the plus side, Grand Forks/East Grand Forks had higher manufacturing employment, increased weekly work hours, a larger work force, lower initial jobless claims, and higher average hourly earnings.

STATE AND NATIONAL INDICATORS

MINNESOTA Indicators	Jun 2019	Mar 2019	Jun 2018	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA	2,963,700	2,958,200	2,954,300	0.2%	0.3%
Average weekly hours worked, private sector	34.5	33.4	34.1	3.3%	1.2%
Unemployment rate, seasonally adjusted	3.3%	3.2%	2.8%	NA	NA
Earnings per hour, private sector	\$29.92	\$29.85	\$28.77	0.2%	4.0%
Philadelphia Fed Coincident Indicator, MN	138.54	138.12	137.15	0.3%	1.0%
Philadelphia Fed Leading Indicator, MN	1.00	-0.11	2.59	NA	-61.4%
Minnesota Business Conditions Index	53.4	53.0	58.8	0.8%	-9.2%
Price of milk received by farmers (cwt)	\$18.20	\$17.80	\$16.30	2.2%	11.7%
Enplanements, MSP airport, thousands	1,827.5	1,778.3	1,753.0	2.8%	4.2%
NATIONAL Indicators	Jun 2019	Mar 2019	Jun 2018	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA, thousands	151,267	150,796	149,007	0.3%	1.5%
Industrial production, index, SA	109.6	109.7	108.2	-0.1%	1.3%
Real retail sales, SA, millions (\$)	203,633	202,090	200,167	0.8%	1.7%
Real personal income less transfers, billions	14,144.0	14,042.7	13,704.4	0.7%	3.2%
Real personal consumption expenditures, bill.	13,270.2	13,162.2	12,946.2	0.8%	2.5%
Unemployment rate, SA	3.7%	3.8%	4.0%	NA	NA
New building permits, thousands of units	111.0	105.7	123.3	5.0%	-10.0%
Standard and Poor's 500 stock price index	2,890.2	2,804.0	2,754.4	3.1%	4.9%
Oil, price per barrel in Cushing, OK	\$54.66	\$58.15	\$67.87	-6.0%	-19.5%

Economic performance found in the State and National Indicators table is mostly favorable. For the state as a whole, there was growth in employment and improved earnings over the past year. Hours worked rose, while enplanements at the Minneapolis-St. Paul airport were higher. Milk prices rose. The Federal Reserve Bank of Philadelphia's Coincident Indicators series was higher, but its leading economic indicators fell. The state's seasonally adjusted unemployment rate rose and the Minnesota Business Conditions index was lower than one year ago.

The national economic indicators found in the table are largely favorable. Employment, income, industrial production, retail sales and consumer spending are all improved over the past twelve months (although one of these measures experienced a quarterly decline), and the unemployment rate is lower. Stock prices have rebounded from their low point at the end of 2018. However, new building permits are lower than they were in last year's second quarter. Oil prices fell in the second quarter, and are considerably lower than 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.

Text authored by Professors King Banaian and Rich MacDonald of the Economics Department of St. Cloud State University. Research assistance provided by Nicholas Gross Kotschevar. Professor David Wall of the SCSU Geography Department provided GIS assistance.

Sources

Council for Community and Economic Research: Cost of Living Index.

Creighton University Heider College of Business: Minnesota Business Conditions Index, Rural MainStreet Index.

Federal Reserve Bank of Philadelphia: Minnesota Coincident Indicator Index, Minnesota Leading Indicators Index.

Federal Reserve Board of Governors: Industrial Production.

Institute for Supply Management: Manufacturing Business Survey, purchasing managers index.

Metropolitan Airports Commission: MSP Enplanements.

Minnesota Department of Employment and Economic Development (and U.S. Department of Labor Bureau of Labor Statistics): Average Hourly Earnings, Average Weekly Work Hours, Employment, Initial Claims for Unemployment Insurance, Job Vacancies, Labor Force, Manufacturing Employment, Unemployment Rate.

Office of the Minnesota Secretary of State: Assumed Names, Business Incorporations, Limited Liability Companies, Non-Profits.

Standard & Poor's: Standard & Poor's 500 Stock Price Index.

Thomson Reuters and University of Michigan, Index of Consumer Sentiment

U.S. Bankruptcy Courts

U.S. Bureau of Census: Durable Goods Orders, Housing Permits, Residential Building Permits, Retail Sales.

U.S. Department of Agriculture: Milk Prices.

U.S. Department of Commerce Bureau of Economic Analysis: Real Personal Consumption, Real Personal Income, Real Wages and Salaries.

U.S. Energy Information Administration: Oil Prices.