

The Regional Economy

Education's Importance in the Region



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Background:

For the analysis below, Minnesota data are supplied and all the analyses are accomplished by the IMPLAN system. The data utilized are unadjusted, 1997 IMPLAN data. The IMPLAN database contains county, state, and federal economic statistics. Douglas County, Wisconsin, data is from the Bureau of Workforce Information. It is also 1997 data.

Measures:

Value Added is a measure similar to Gross Domestic Product (GDP) on a regional level. It consists of four components.

Employee Compensation includes the wages and salaries of employees who are paid by employers, as well as benefits.

Proprietary Income is payments received by self-employed individuals as income.

Other Proprietary Income consists of payments from interest, rents, royalties, dividends, and profits.

Indirect Business Taxes excise and sales taxes paid by individuals to businesses.

Value Added is measured in millions of dollars in the accompanying table.

Employment is listed as a single number of jobs for each industry, in the given area, and includes both full-time and part-time employees.

Education Total was determined by summing four IMPLAN education sectors: 1) State and Local Government-Education. 2) Elementary and Secondary Schools (Private). 3) Colleges, Universities, Schools (Private). 4) Other Educational Services

Many people may underestimate the importance of education as an economic component of our region. The tables below show the top five industries in employment and value added for their respective county or area. Education (which refers to education total for the rest of the article) is the top employer for Duluth, St. Louis County, the seven county Arrowhead (Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis), and Douglas County, Wisconsin. The top five in value added also contained education in these regions (Douglas County value added is not reported in this article). State and Local Government (Non-Education) is the only other sector to make the top five in all the tables.

A pie chart can give a visual perspective of the significance of education. Chart 1 shows the percentage of the top five employers that each sector represents in the seven county Arrowhead region. In other words, a percentage of the total employment in just the top five sectors. This shows education as having the highest percentage.

Chart 2 also displays information for the seven county region. It shows the percent distribution of the total seven county employment. Again education has the single largest sector percentage of the area's employment. The top five from the table are displayed along with an "other" category. Although "all other industries" represents 71% of employment, it is divided by over 250 industries.

**COUNTY AND REGION RANKINGS
EMPLOYMENT AND VALUE ADDED**

Rank	Top 5 Employers	Rank	Top 5 Value Added
Seven-County Northeast MN (Arrowhead Region)			
1	Education Total	13,766	1 State & Local Government - Non-Education 571.4
2	State & Local Government - Non-Education	13,150	2 Education Total 406.5
3	Eating & Drinking	9,985	3 Iron Ores 388.8
4	Miscellaneous Retail	7,179	4 Electric Services 369.7
5	Doctors and Dentists	6,633	5 Doctors and Dentists 353.3
St. Louis County			
1	Education Total	9,396	1 State & Local Government - Non-Education 423.8
2	State & Local Government - Non-Education	9,271	2 Iron Ores 308.9
3	Eating & Drinking	6,533	3 Doctors and Dentists 275.7
4	Hospitals	5,127	4 Education Total 266.5
5	Iron Ores	5,067	5 Wholesale Trade 244.2
Duluth			
1	Education Total	5,537	1 State & Local Government - Non-Education 235.3
2	State & Local Government - Non-Education	5,146	2 Electric Services 203.2
3	Eating & Drinking	4,320	3 Doctors and Dentists 197.9
4	Hospitals	3,589	4 Wholesale Trade 172.9
5	Doctors and Dentists	3,496	5 Education Total 154.2

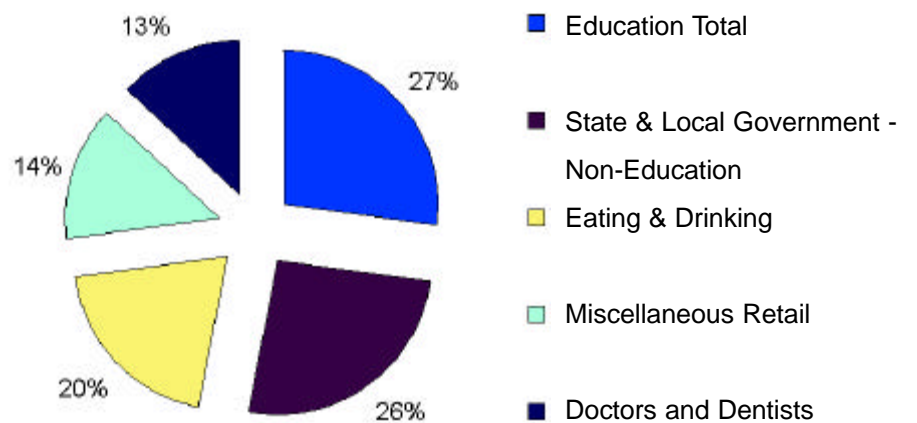
Source: IMPLAN Base Year: 1997 Copyright MIG 2000

Douglas County

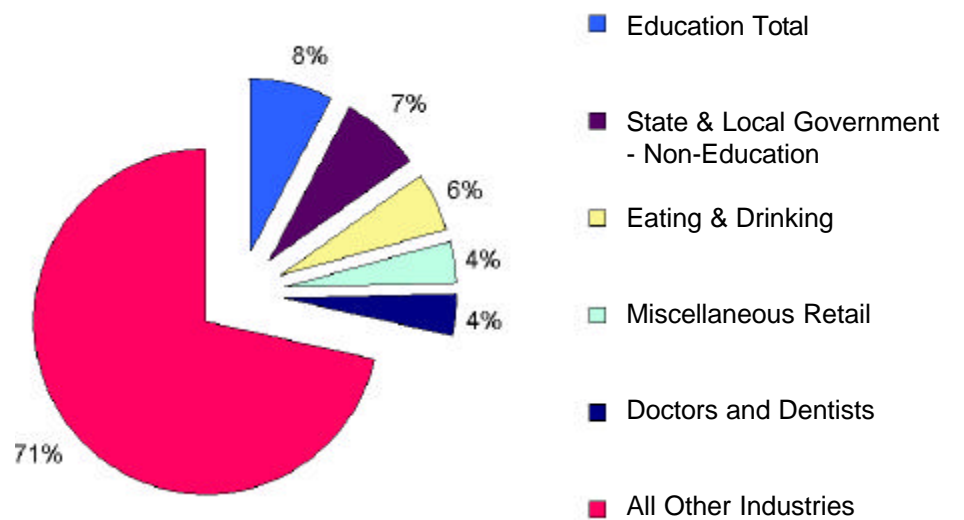
1	Education Services (public and private)	1,728
2	Eating and drinking places	1,449
3	Health care services	1,270
4	Executive, legislative, and general government	766
5	Motor freight transportation and warehousing	700

Source: WI DWD, Bureau of Workforce Information. 1997 Data

**CHART 1
SEVEN COUNTY EMPLOYMENT: PERCENT OF TOP FIVE**



**CHART 2
SEVEN COUNTY EMPLOYMENT BY PERCENT**



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