The Regional Economy

Some Regional Statistics, Tracking Specific Sectors

BUREAU OF BUSINESS AND ECONOMIC RESEARCH

Regional Statistics: Population Growth Above Age 65

Projected Minnesota and Arrowhead Growth Rates for 1995-2025

Year	*1995*	*2000*	*2005*	*2010*	*2015*	*2020*	*2025*	*Total*
MN Growth, 65+								
People	579,229	601,880	625,610	674,200	762,530	891,040	1,041,060	461,831
Percent		3.9%	3.9%	7.8%	13.1%	16.9%	16.8%	79.7%
Arrowhead Growth, 65+								
People	53,652	56,220	57,230	59,170	63,360	70,970	80,680	27,028
Percent		4.8%	1.8%	3.4%	7.1%	12.0%	13.7%	50.4%

All Information is from the Minnesota State Demographer's Homepage: http://www.mnplan.state.mn.us/demography/ctyprj98.html.

Regional Statistics: N.E. Minnesota Growth in Employment 1993-1999

What have been the growth trends for broad-based industry groupings? In terms of employment, our biggest gainer was in the Trade area (+3,000). However, most of that gain can be attributed to the fact that Trade is growing throughout the State. In fact, the rest of the State outperformed us in the Trade sectors.

Manufacturing also grew over this period. The overall Manufacturing sector grew by 790, although in comparative terms the State grew slightly faster in this sector. Most of this was in the manufacture of durable goods. Non-durable goods declined by close to 250 individuals during this period.

Finance, Insurance, and Real Estate grew slightly in the region, but it grew faster in the State. Mining declined slightly, but nothing to be overly concerned about (-124). Services declined by quite a bit. [There is some evidence that is a definition problem for our analysis.] Construction also declined significantly, but this is a cyclical industry for the region.

Tracking Specific Sectors

The region has performed well in the Business Services sector. (+1.5 thousand employees) This is one of the fastest growing sectors in the nation. We participated in that growth and, in fact, in relative terms, outperformed the State in this regard. We also show strong absolute and relative performance in Eating & Drinking Places.

We show strong absolute, but not relative performance in the following sectors: Automotive Dealers & Service Stations; Amusement & Recreation Services; Food Stores; Industrial Machinery, Electrical Equipment, Transportation Equipment; and Hotels and Other Lodging Places.

A few other industry sectors that grew during this time period (1993-1999): Health Services; Primary Metal Industries; Nondurable Goods Manufacturing; Lumber & Wood Products; Engineering & Management Services; General Merchandise Stores; and a large increase in government employment.

We also had some sectors that didn't perform as well; this applies to all Construction sectors, but especially heavy construction. Then there was a large loss noted in Private Educational and Social Services. (The MDES is checking on this. It appears that the employment in the Community College system was at one time classified as private (for some reason). After the adjustment to the MNSCU system, they were listed as being "government.")

Of course, iron mining is our most basic industry. Even when compared to the United States as a whole, it is almost 500% more important to us than to the rest of the country. In the first quarter 1999 we had 6,313 individuals listed as working in this important industry.

The State of Minnesota outperformed Northeast Minnesota in all construction sectors. This is probably due to a very high level of construction activity in the Twin Cities. As noted, by and large, durable goods manufacturing held its own in the region. In fact, we grew at a faster rate than the State. As also noted, non-durable goods manufacturing did not fair so well. We lost out relative to the State in Food & Kindred Products and in Printing & Publishing. We also lost relative to the State in transportation.

We did very well, both in absolute and in relative terms, in both Wholesale and Retail Trade. Interesting to note, employment in Eating and Drinking Stores led the way in retail. There was also a significant absolute and relative change in Automotive Dealers and Service Stations. And finally, as almost always, we are big gainers relative to the State in Government employment.

Labor Force Labor Force Growth/Decline

	1998	**1999**	
Region 3	158,448	158,638	-0.12%
Aitkin	5,866	5,965	-1.66%
Carlton	15,522	15,503	0.12%
Cook	2,928	2,930	-0.07%
Itasca	19,709	19,696	0.07%
Koochiching	6,310	6,541	-3.53%
Lake	5,226	5,518	-5.29%

Data provided by the Minnesota Department of Economic Security