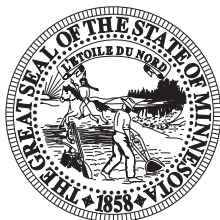




Northwest Minnesota Economic and Business Conditions Report Third Quarter 2018

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



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EXECUTIVE SUMMARY

Continued steady 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 increased in the most recent quarter as the LEI fell by a modest 0.97 points. The decline in the leading index was largely caused by a fall in the Rural Mainstreet Index (which signals a less robust macroeconomic environment for rural America). A small decline in the number of residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks also helped drive the LEI lower. Among the positive components in this quarter's leading index were a rise in the number of new filings for LLC and incorporation in Northwest Minnesota, lower regional initial jobless claims, and an improvement in a national consumer sentiment index in the third quarter.

There were 1,010 new business filings with the Office of the Minnesota Secretary of State in Northwest Minnesota in the third quarter of 2018 — representing a 2.7 percent increase from one year ago. With 100 filings, there were 19 percent more new filings for business incorporation in the third quarter compared to the same period last year. In addition, new LLC filings in Northwest Minnesota were up 5 percent from one year earlier—rising to 565. New assumed name filings totaled 294 in the third quarter—9.5 percent fewer filings than the same period in 2017. There were 51 new filings for Northwest Minnesota non-profit in the third quarter—fifteen more filings than one year ago.

Sixty-five 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 5 percent of new filers come from communities of color. Approximately 8.3 percent of new filers in Northwest Minnesota are veterans. About 2.4 percent of new filers come from the disability community and only 1.1 percent of new filings in Northwest Minnesota are made by the immigrant community. Forty-six 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 68 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 51.4 percent of those starting a new business consider this a part-time activity.

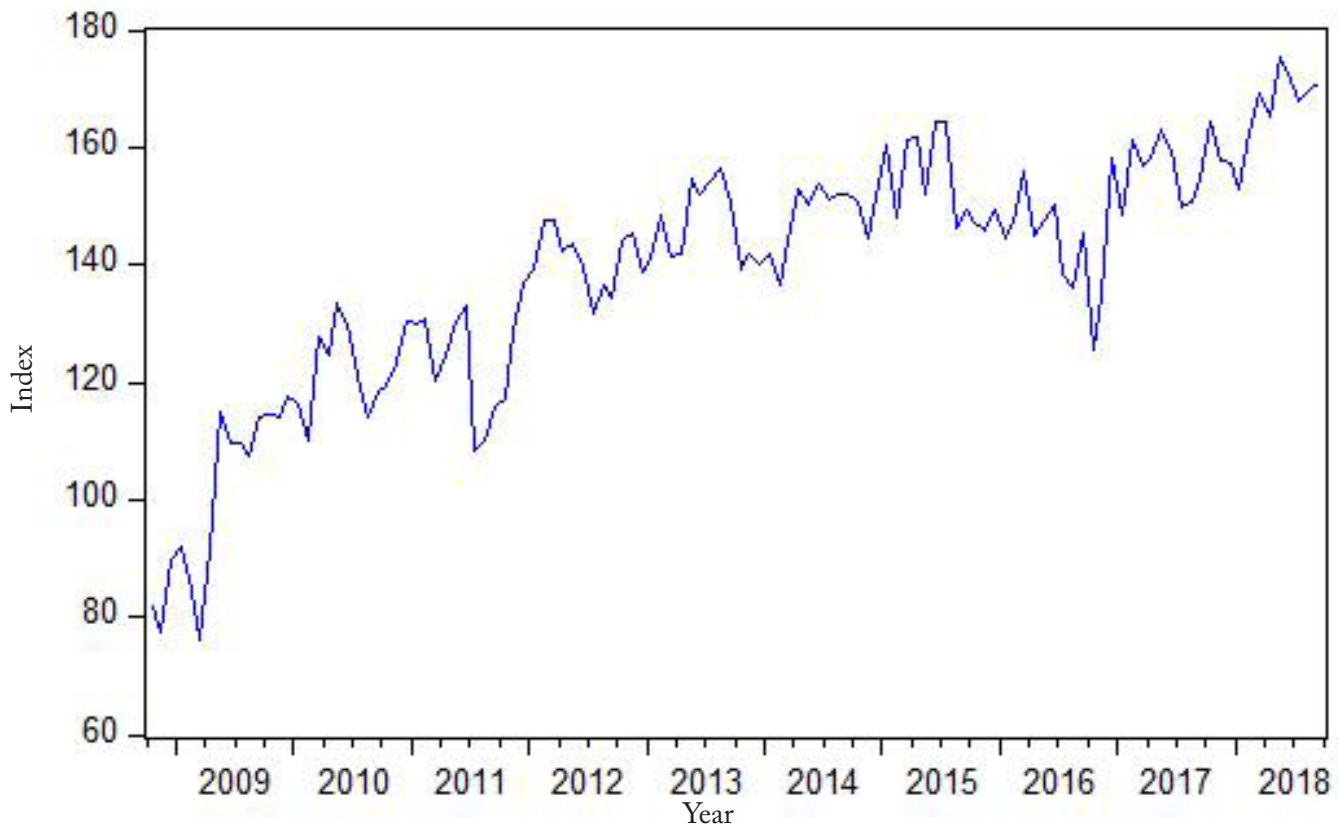
Employment of Northwest Minnesota residents increased by 1.4 percent over the year ending September 2018. The regional unemployment rate was 2.3 percent in September, which was considerably lower than the 3 percent rate observed one year ago. Initial claims for unemployment insurance in September 2018 were 14.2 percent lower than one year earlier and the Northwest Minnesota labor force increased by 0.8 percent. The number of job vacancies per 100 unemployed in the Northwest Minnesota planning area was 128.1 in the most recent quarter, reflecting the extreme labor shortage that is being experienced around the state. Northwest Minnesota's total bankruptcies were little changed from 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 gains in the key mining/logging/construction and manufacturing sectors), increased average hourly earnings, a rise in the value of residential building permits, lower initial jobless claims, and higher average weekly work hours. The only negative indicators in Fargo/Moorhead were a decrease in the MSA labor force and an associated small rise in the area unemployment rate. **Economic activity in the Grand Forks/East Grand Forks MSA was also mostly favorable in the third quarter.** Higher overall employment (and increased employment in the key manufacturing and mining/logging/construction sectors), an increase in average hourly earnings, a rise in average weekly work hours, and lower initial jobless claims also helped improve the regional outlook in this metro area. Grand Forks/East Grand Forks did experienced a reduction in its labor force, an unchanged unemployment rate, and a fall in the value of residential building permits.

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 2.06 point rise in the second quarter of 2018, the LEI fell by 0.97 points in the third quarter. The index still stands 10.5 percent above its level of the third quarter of 2017. As shown in the accompanying graph, after flattening out in 2017, the LEI has primarily trended upward in 2018.

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 2018	Contribution to LEI, 2nd quarter 2018
Rural Mainstreet Index	-2.58	0.19
Northwest Minnesota initial claims for unemployment insurance	0.72	0.32
Northwest Minnesota new filings of incorporation and LLCs	0.34	0.38
Fargo-Moorhead + Grand Forks-EGF MSA residential building permits	-0.26	2.53
Consumer Sentiment, University of Michigan	0.81	-1.36
TOTAL CHANGE	-0.97	2.06

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 small downward adjustment in residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks also served as a slight drag on this quarter's leading index. Increased new filings for incorporation and LLC in Northwest Minnesota and lower initial jobless claims helped contribute favorably to the regional outlook in the third 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 registered a positive reading this quarter.

**SCSU Northwest Minnesota
Leading Economic Indicators Index**

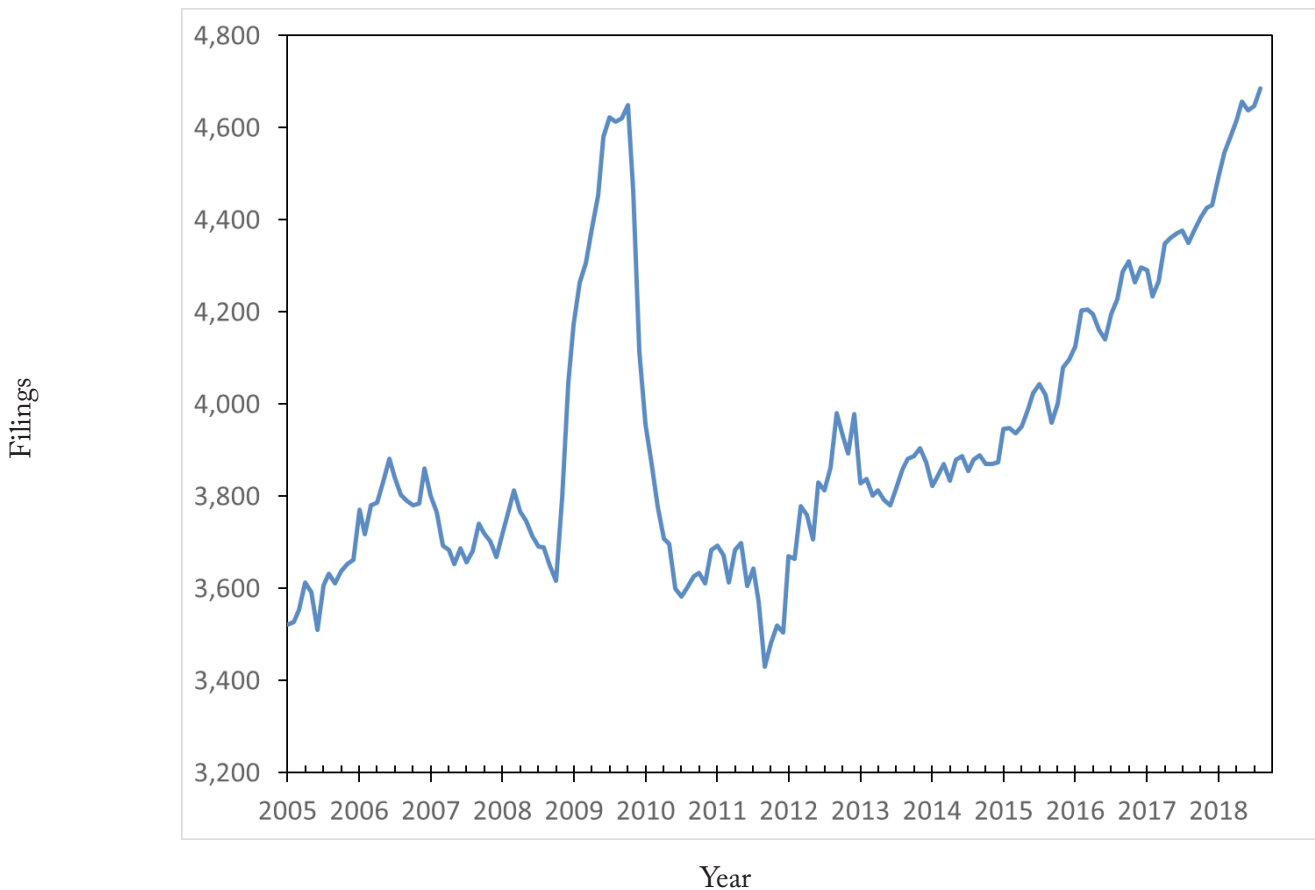
	2018	2017	Percentage change
Rural Mainstreet Index, Creighton University, September	50.0	50.2	-0.4%
Northwest Minnesota initial claims for unemployment insurance, September	791	922	-14.2%
Northwest Minnesota new filings of incorporation and LLCs, Third Quarter	665	622	6.9%
Fargo-Moorhead and Grand Forks-EGF MSA single-family building permits, September	155	98	58.2%
Consumer Sentiment, University of Michigan, September	100.1	95.1	5.3%
Northwest Minnesota Leading Economic Indicators Index September (December 1999 = 100)	171.0	154.7	10.5%

NORTHWEST MINNESOTA BUSINESS FILINGS

The 12-month moving total of new business filings in this region increased in the third quarter as total new filings rose by 2.7% 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.

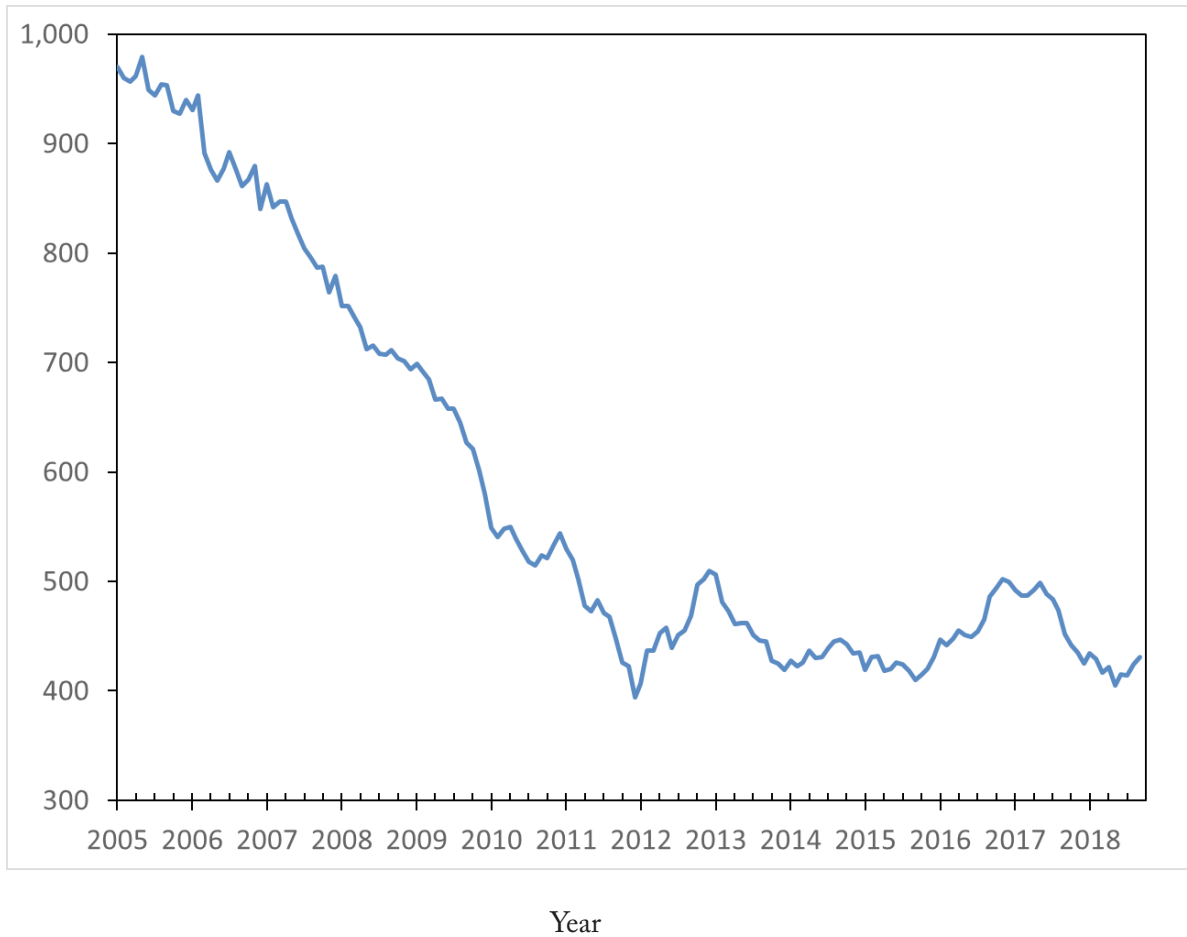
Total New Business Filings—Northwest Minnesota Planning Area
(12-month moving total)



Quarter	III: 2017	IV: 2017	I: 2018	II: 2018	III: 2018	2018 Quarter III: Percent change from prior year
Northwest Minnesota Total New Business Filings	983	1,033	1,315	1,327	1,010	2.7%

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 had been dragged down by four consecutive quarterly year-over-year declines in new incorporations. However, as can be seen in the accompanying table, third quarter 2018 new incorporations shot up by 19 percent compared to the same period in 2017.

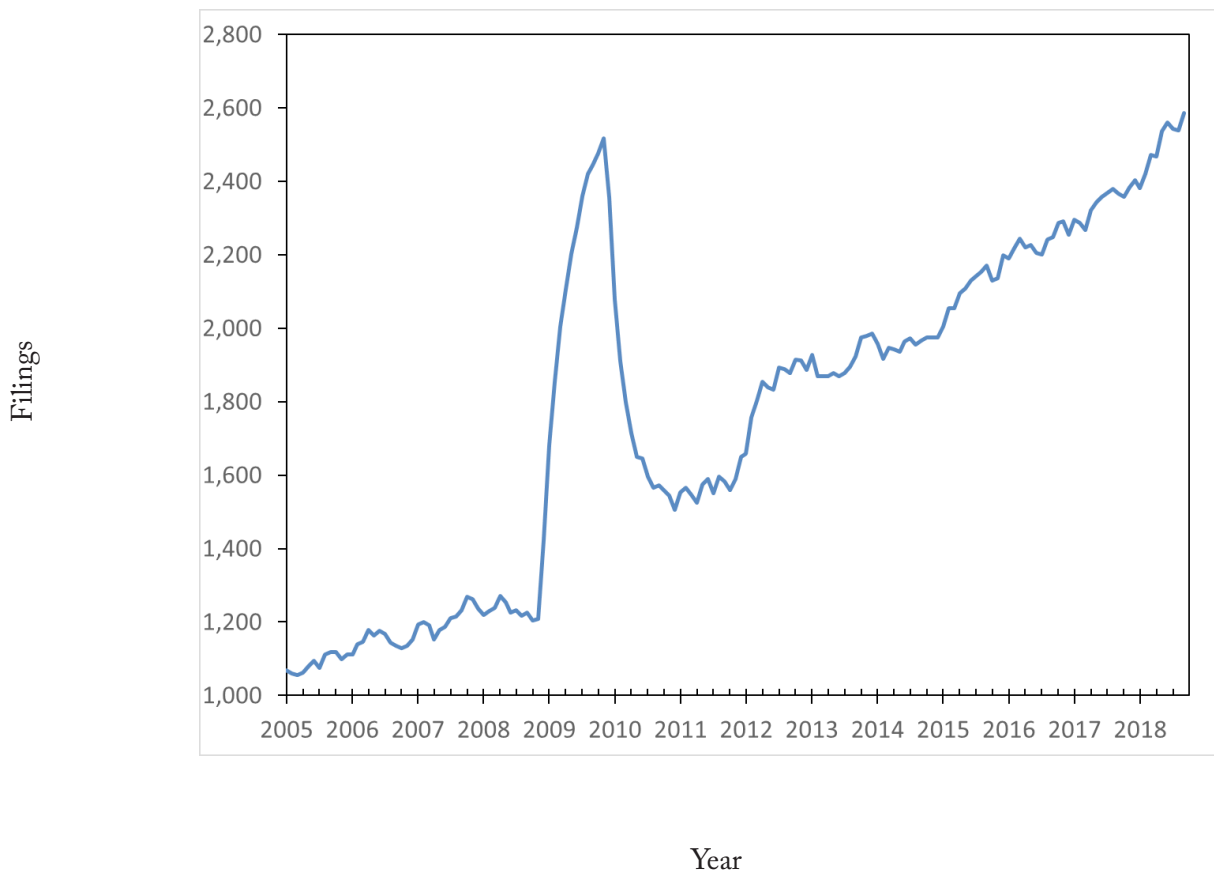
New Incorporations—Northwest Minnesota Planning Area (12-month moving total)



Quarter	III: 2017	IV: 2017	I: 2018	II: 2018	III: 2018	2018 Quarter III: Percent change from prior year
Northwest Minnesota New Business Incorporations	84	99	113	119	100	19.0%

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 2018 as LLC filings rose 5 percent compared to the same period in 2017.

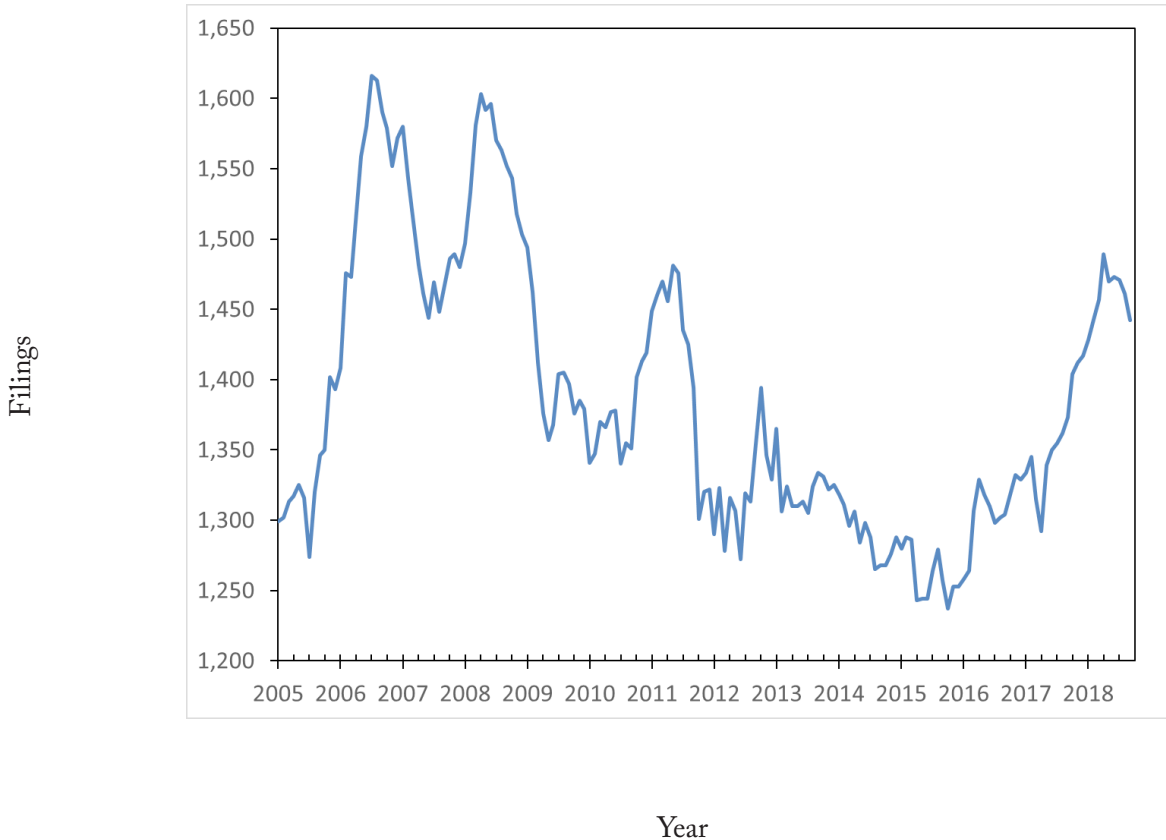
New Limited Liability Companies—Northwest Minnesota Planning Area (12-month moving total)



Quarter	III: 2017	IV: 2017	I: 2018	II: 2018	III: 2018	2018 Quarter III: Percent change from prior year
Northwest Minnesota New Limited Liability Companies	538	547	721	754	565	5.0%

Assumed names, which include sole proprietors or organizations that do not have limited liability, fell by 9.5 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.

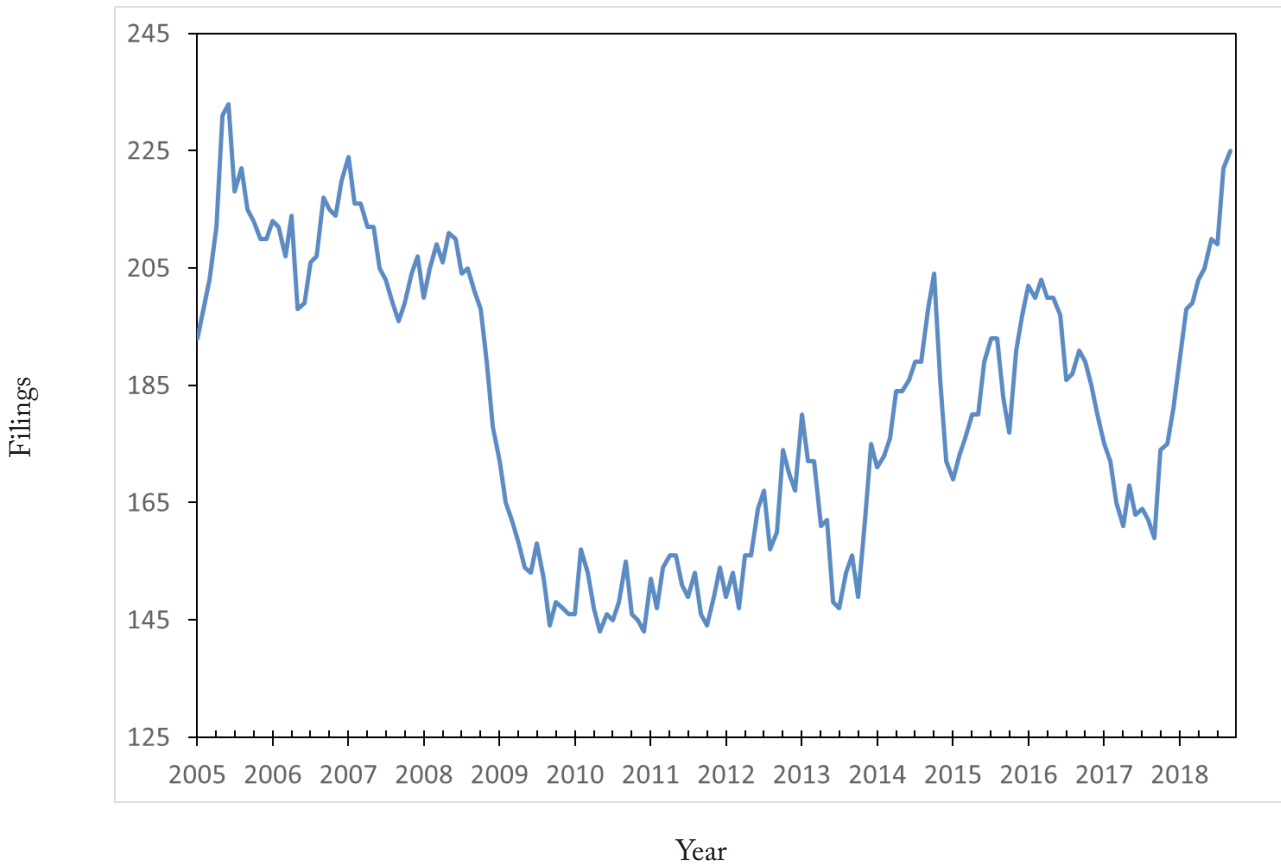
New Assumed Names—Northwest Minnesota Planning Area (12-month moving total)



Quarter	III: 2017	IV: 2017	I: 2018	II: 2018	III: 2018	2018 Quarter III: Percent change from prior year
Northwest Minnesota New Assumed Names	325	328	423	397	294	-9.5%

The number of new non-profits in the Northwest Minnesota planning area totaled 51 in the third quarter. This was 15 more filings (a 41.7 percent increase) than one year earlier.

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



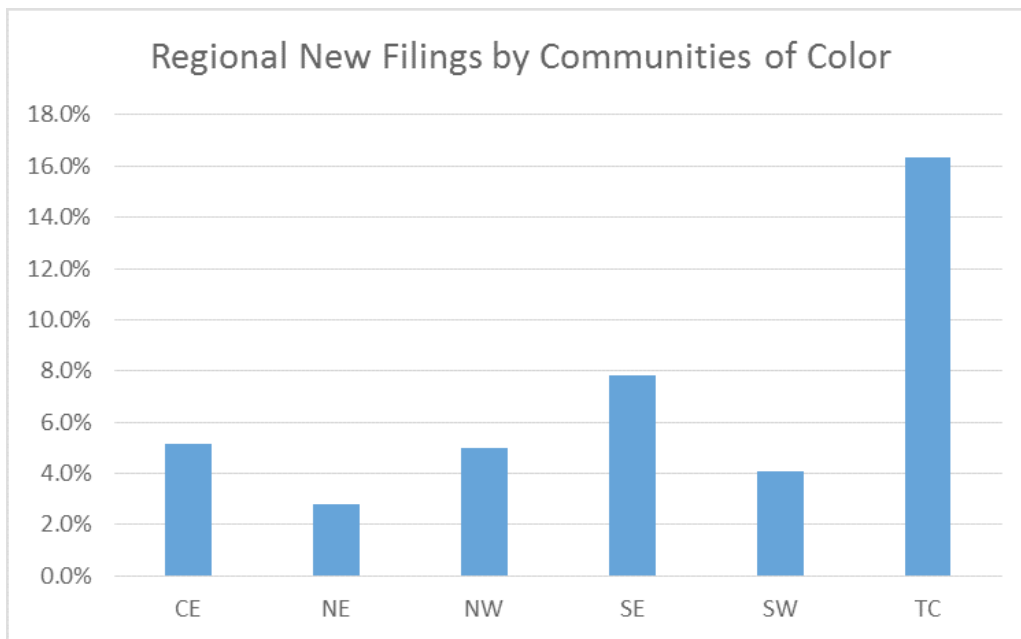
Quarter	III: 2017	IV: 2017	I: 2018	II: 2018	III: 2018	2018 Quarter III: Percent change from prior year
Northwest Minnesota New Non-Profits	36	59	58	57	51	41.7%

MINNESOTA BUSINESS SNAPSHOT SURVEY RESULTS

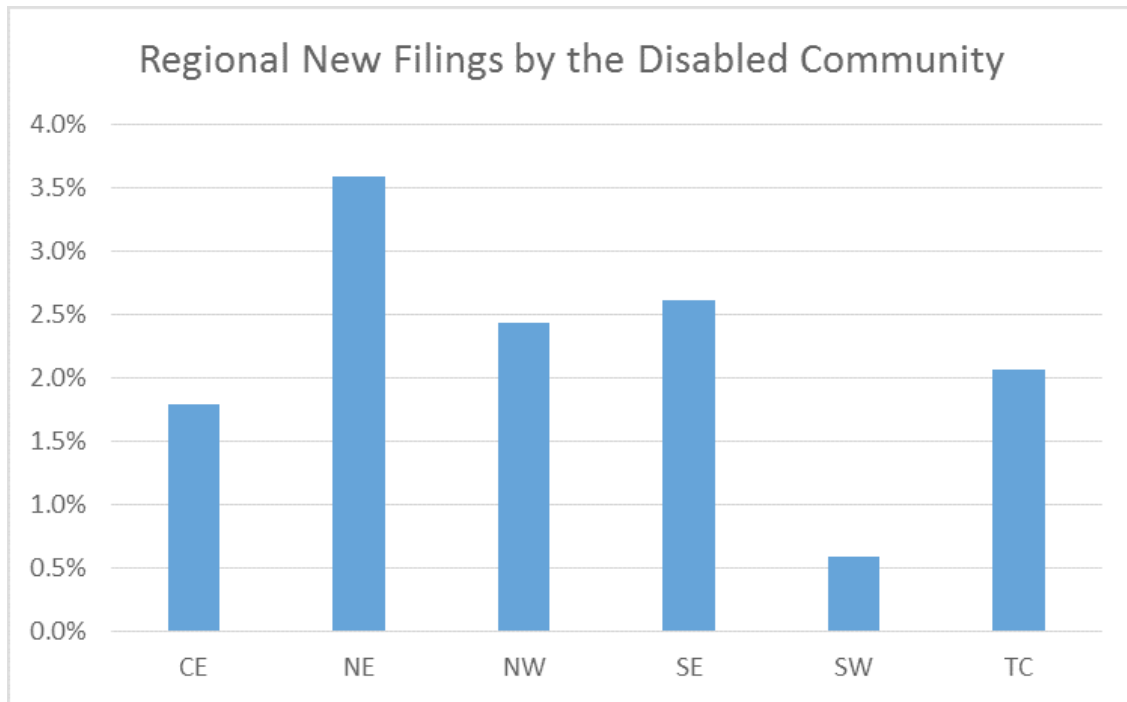
In Fall 2016, the Office of the Minnesota Secretary of State initiated a short voluntary survey (known as Minnesota Business Snapshot) for both new and continuing business filers. Questions found in the survey address basic questions related to the background of business filers, industry classification, 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, 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 2018 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 65 percent of new business filers completed at least some portion of the MBS survey. The results are reported in this section.

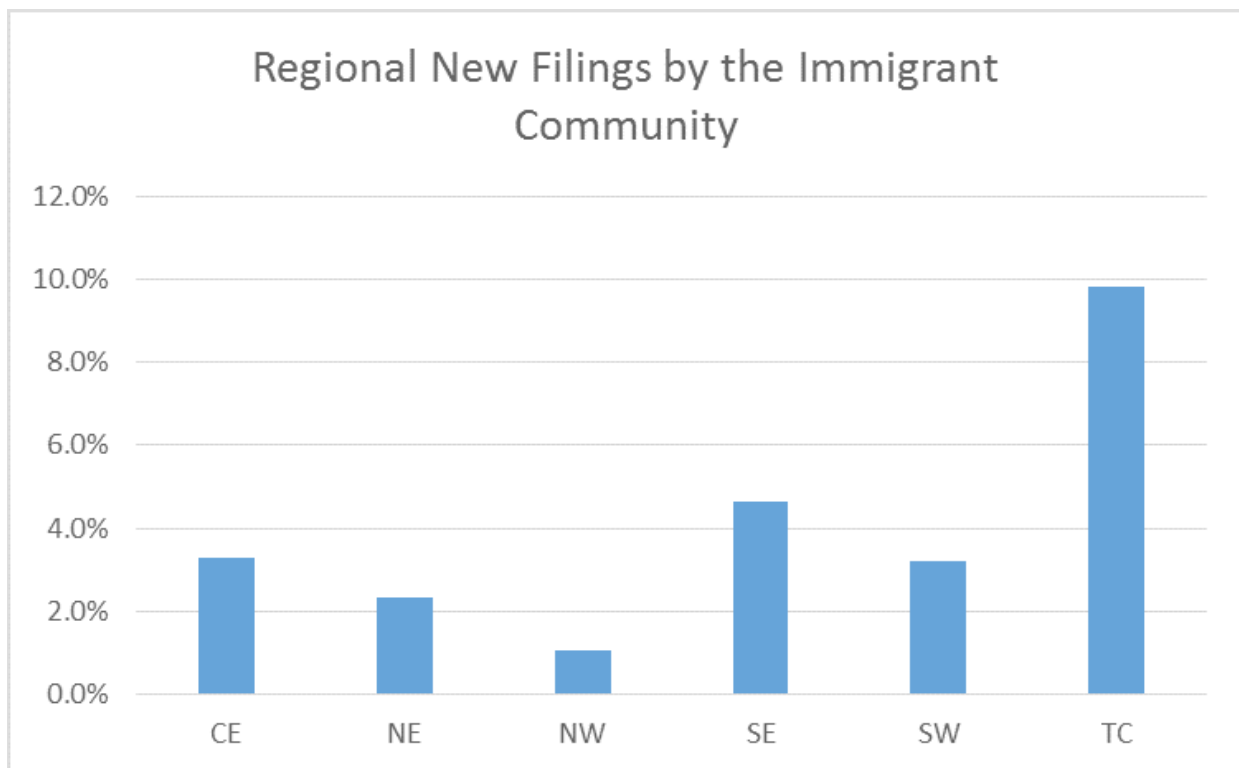
About 5 percent of those new filers completing the MBS from the Northwest Minnesota planning area report being from a community of color. This is a considerably higher percentage than last quarter when less than 4 percent of Northwest new filings came from a community of color, which, at the time was the lowest percentage of Minnesota's six planning areas.



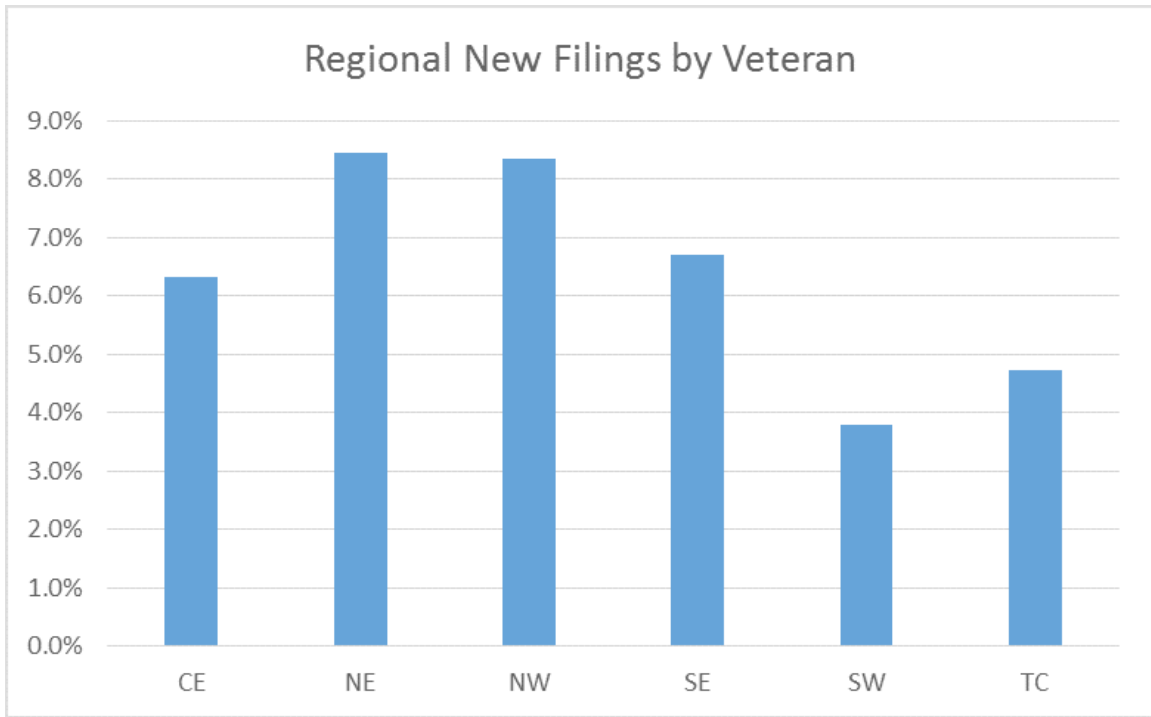
A small percentage of Northwest Minnesota’s new filers—approximately 2.4 percent—are from the disability community.



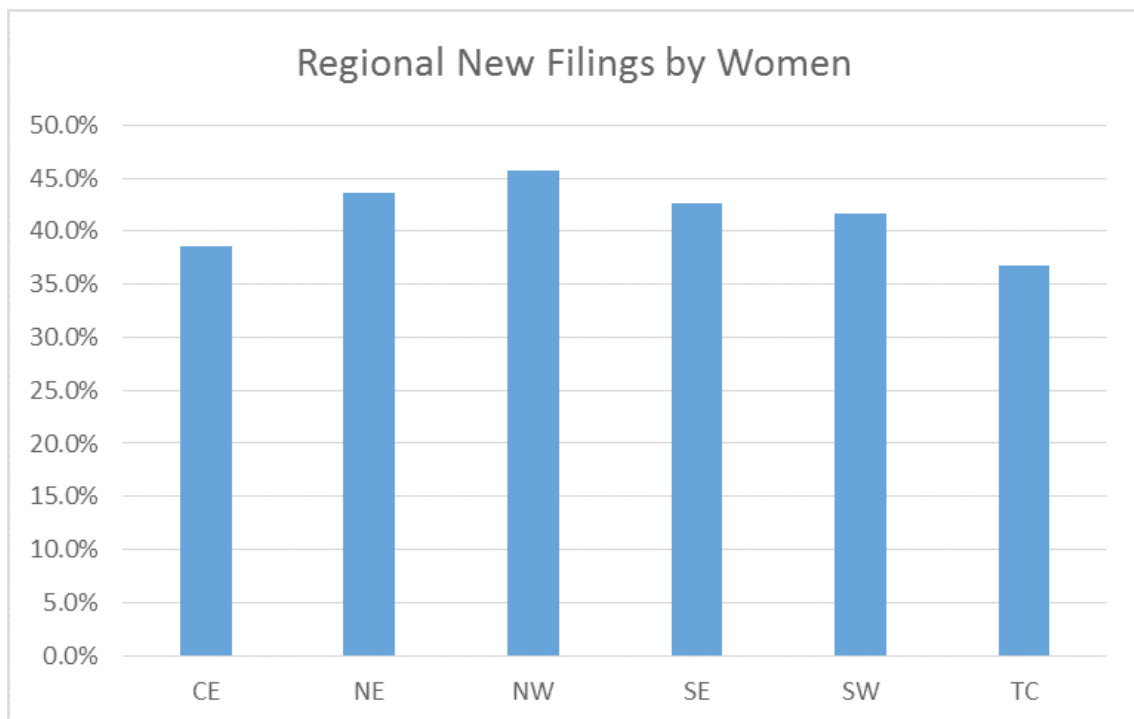
Only 1.1 percent of new business filings in Northwest Minnesota came from the immigrant community in the third quarter. Once again, this is the lowest percentage of Minnesota’s six planning areas. By comparison, the percentage of immigrant new business filers in the Twin Cities is nearly nine times larger than that found in the Northwest region of the state.



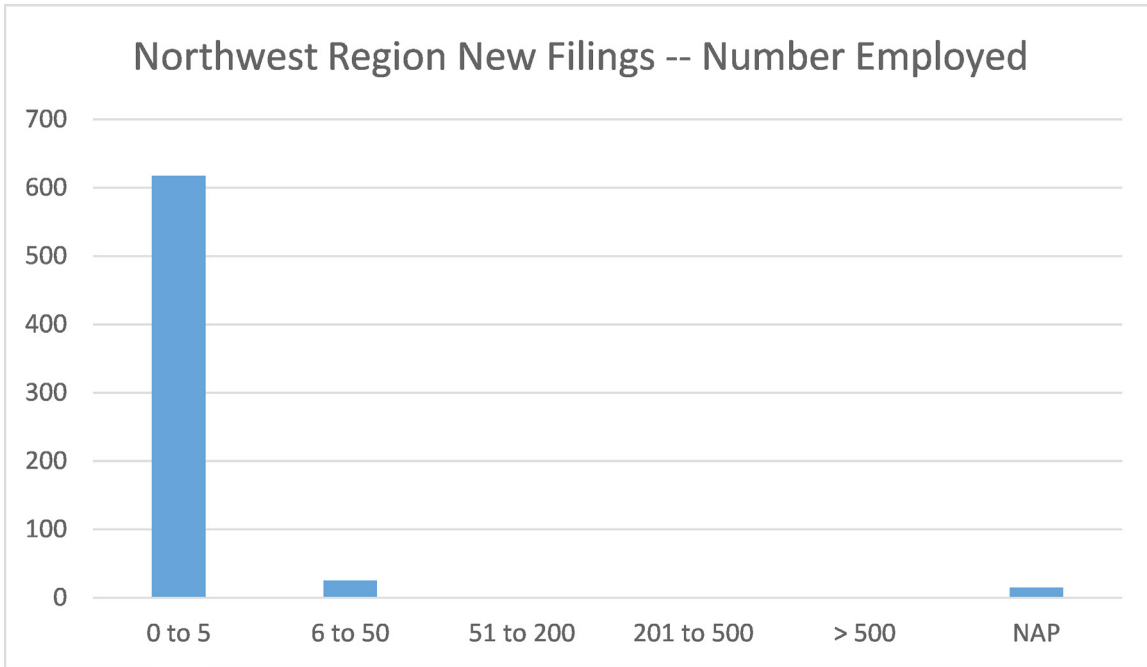
8.3 percent of new filings in Northwest Minnesota came from military veterans. Only the Northeast planning area has a (slightly) higher percentage of veteran new filers.



Woman owners represented nearly 46 percent of the new business filings in Northwest Minnesota in the third quarter of 2018. This is the highest percentage of new filers among Minnesota's six planning areas.



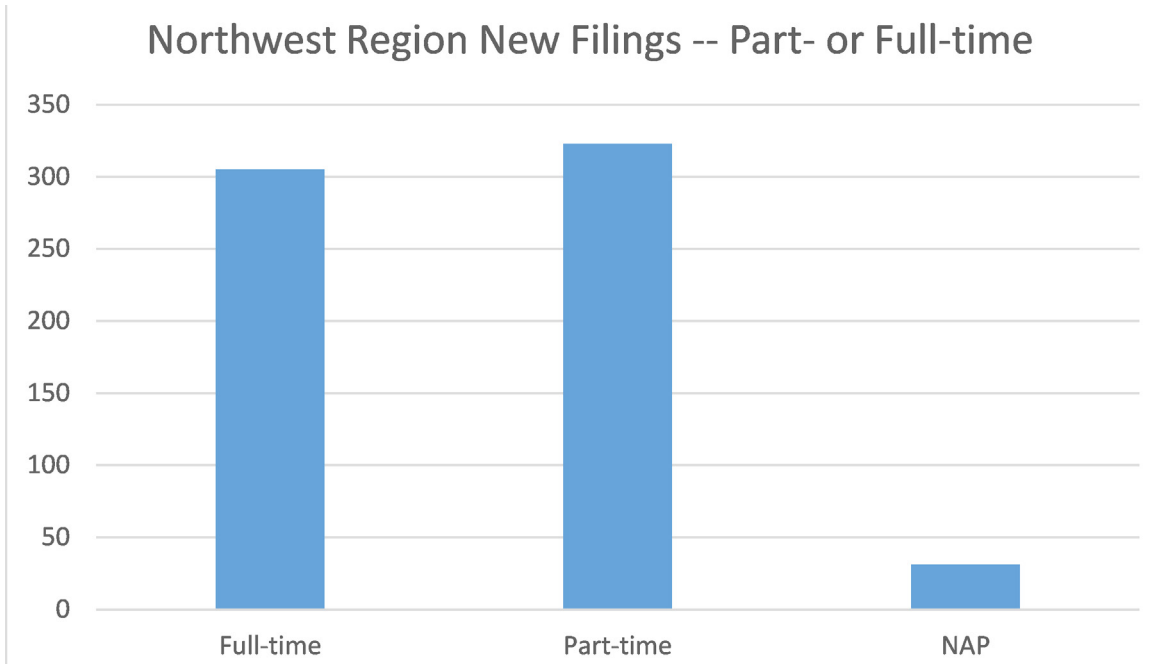
While not all of those participating in the survey completed all portions of the Minnesota Business Snapshot (those not responding to a particular question are represented in this section by “NAP”—no answer provided), 644 responses were tallied to a question asking the new business filer to indicate 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.



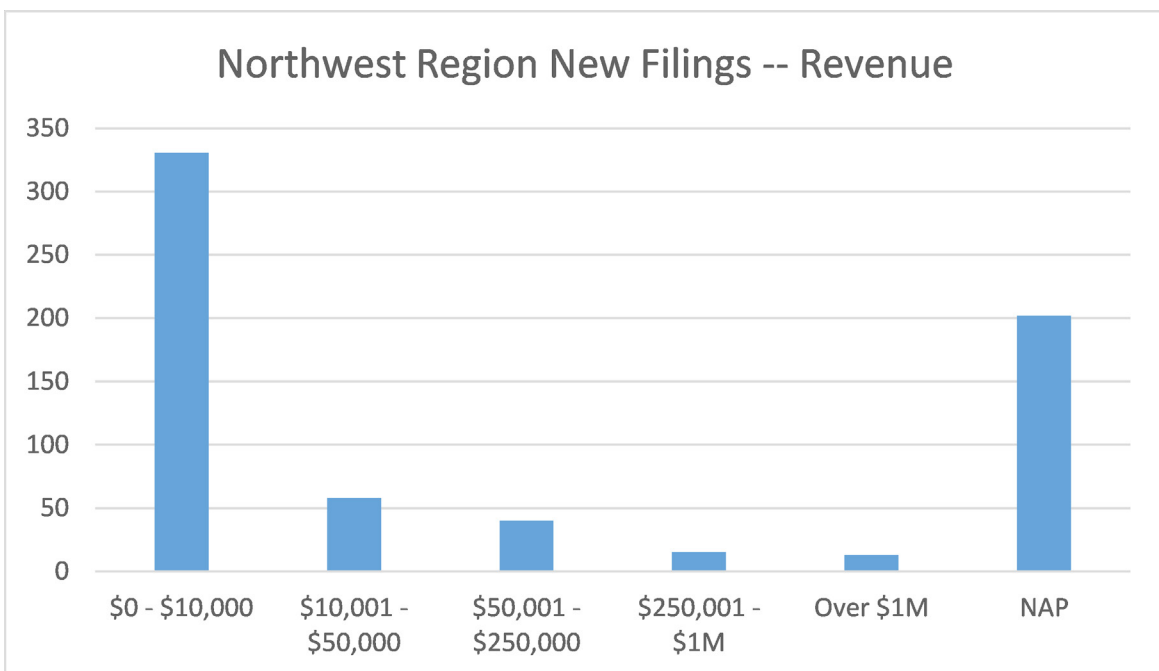
Using the North American Industry Classification System (NAICS), businesses submitting new filings were asked to identify the industry in which their company was operating. While a range of industries were reported, retail trade, construction, real estate/rental/leasing, and “other services” lead the 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”).



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



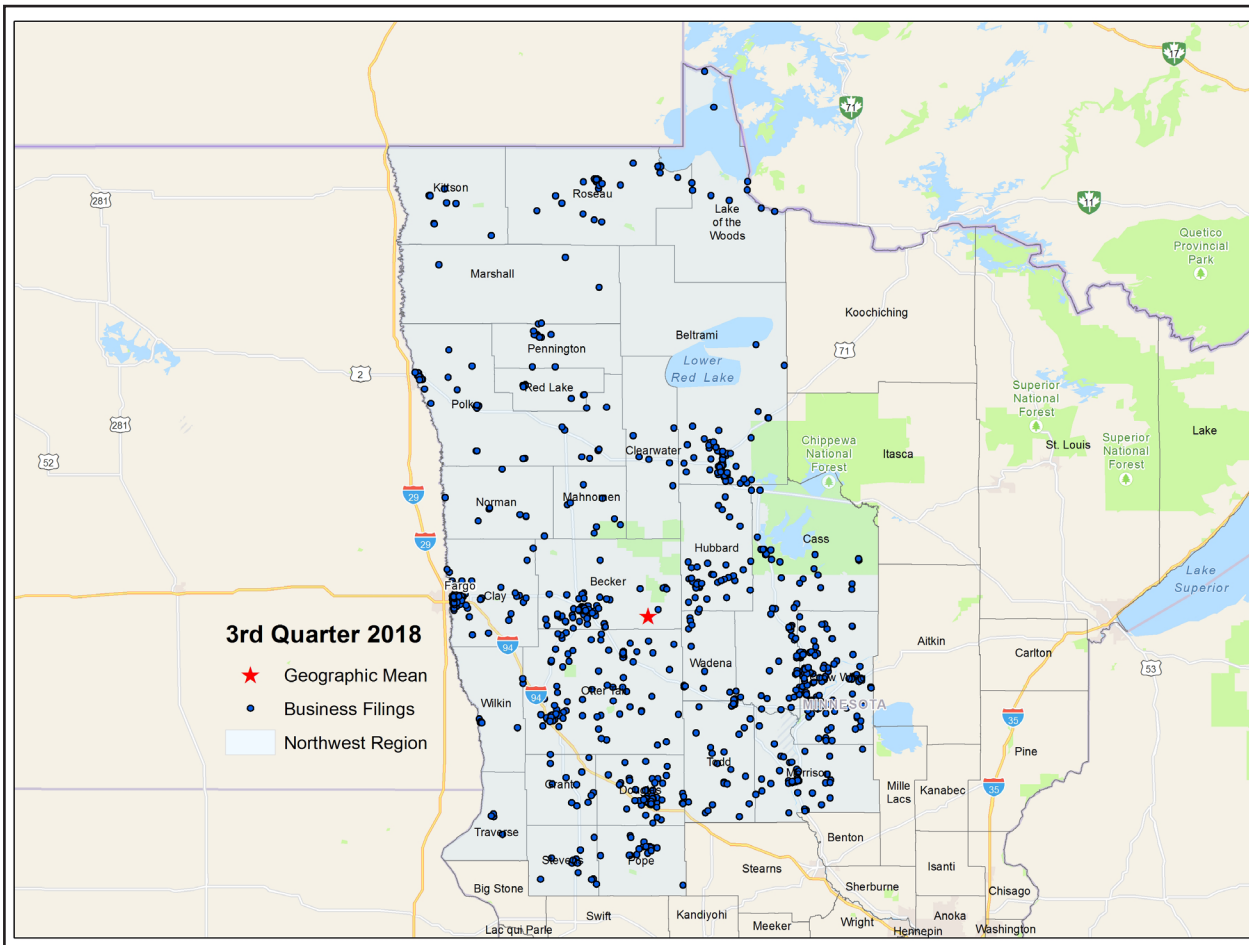
202 new business filers in Northwest Minnesota did not provide an answer to the MBS item that asked them to report the company's revenue. Of those businesses that answered the question, the largest share report revenues of less than \$10,000. 68 new firms report revenues in excess of \$50,000.



MAPS

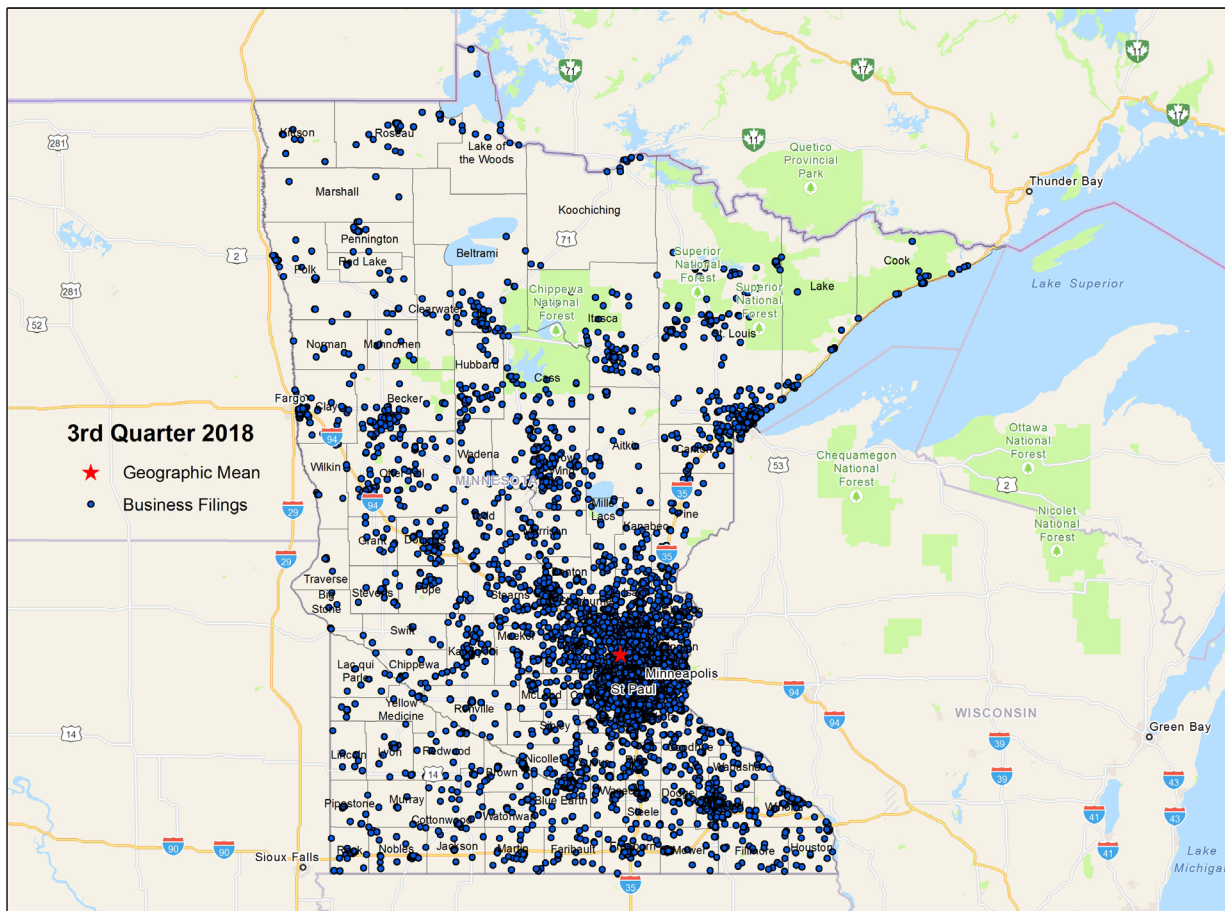
The first map shown below is a visual representation of new business formation around the Northwest Minnesota planning area in the third quarter of 2018. As has typically been the case, the densest areas of new business formation are in the Alexandria, Brainerd, Bemidji, and Detroit Lakes areas. Fergus Falls and Moorhead also showed considerable new business filing activity in the third 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 3: 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 3: 2018

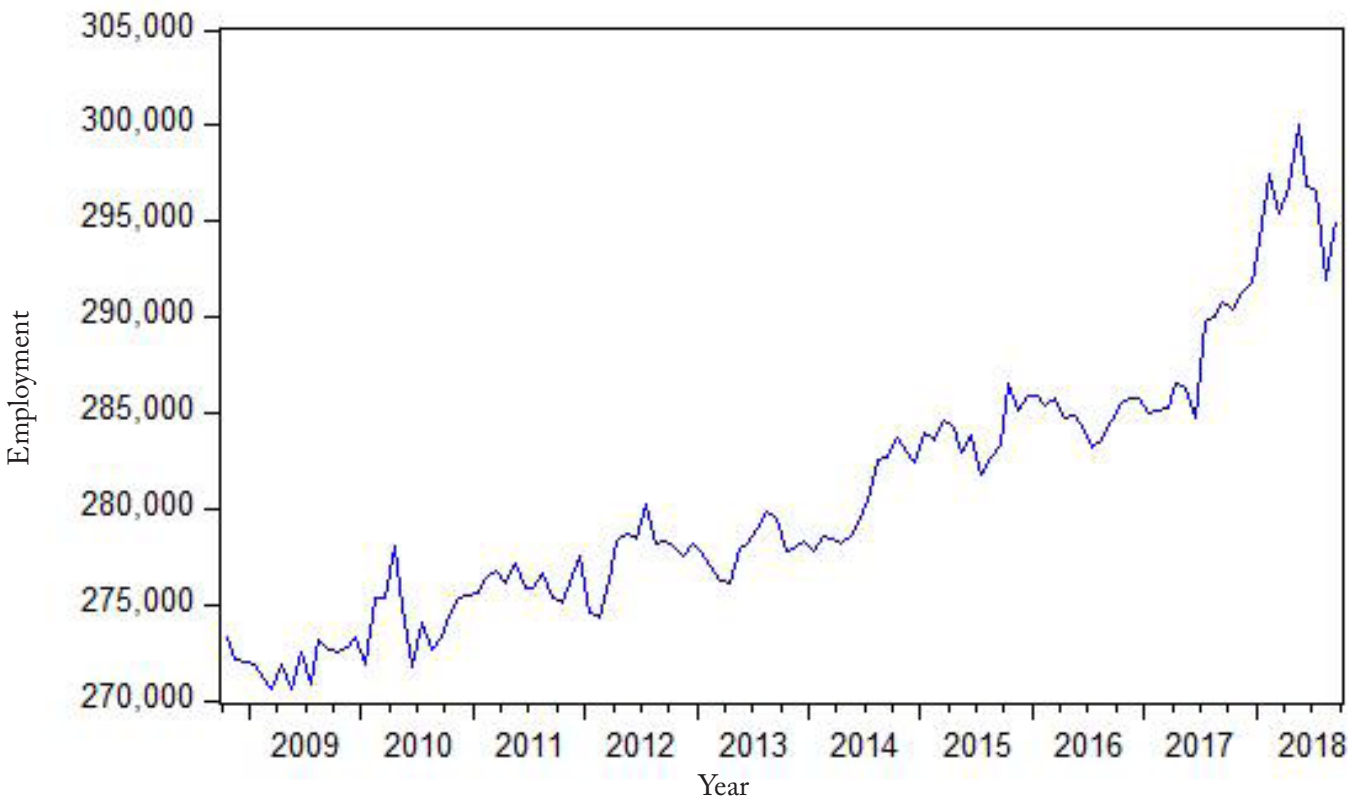


NORTHWEST MINNESOTA LABOR MARKET CONDITIONS

Employment in the Northwest Minnesota planning area rose by 1.4 percent over the year ending September 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 since the middle months of 2017.

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 2017	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018
Employment (Not seasonally adjusted)	291,701	295,116	302,470	303,344	302,449	295,100	295,909

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. As can be seen in the graph below, this series has once again declined in 2018. The non-seasonally adjusted unemployment rate is now 2.3% (which is considerably lower than the 3 percent rate tallied in September 2017).

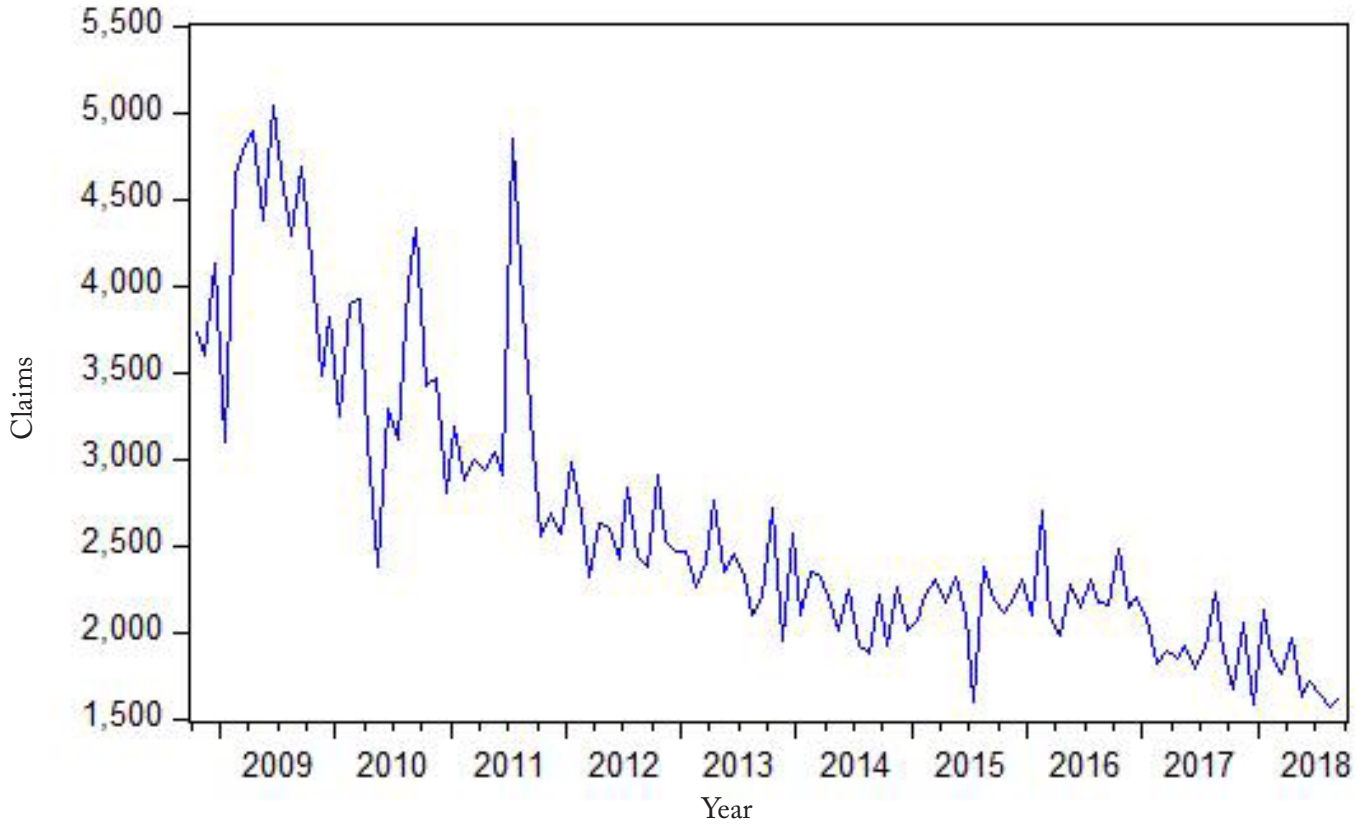
Unemployment Rate, seasonally adjusted—Northwest Minnesota Planning Area



Month	September 2017	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018
Unemployment Rate (Not seasonally adjusted)	3.0%	4.4%	3.0%	3.3%	3.1%	2.8%	2.3%

New claims for September 2018 unemployment insurance were 14.2 percent lower than one year earlier. Seasonally adjusted jobless claims have slowly declined for several years in Northwest Minnesota.

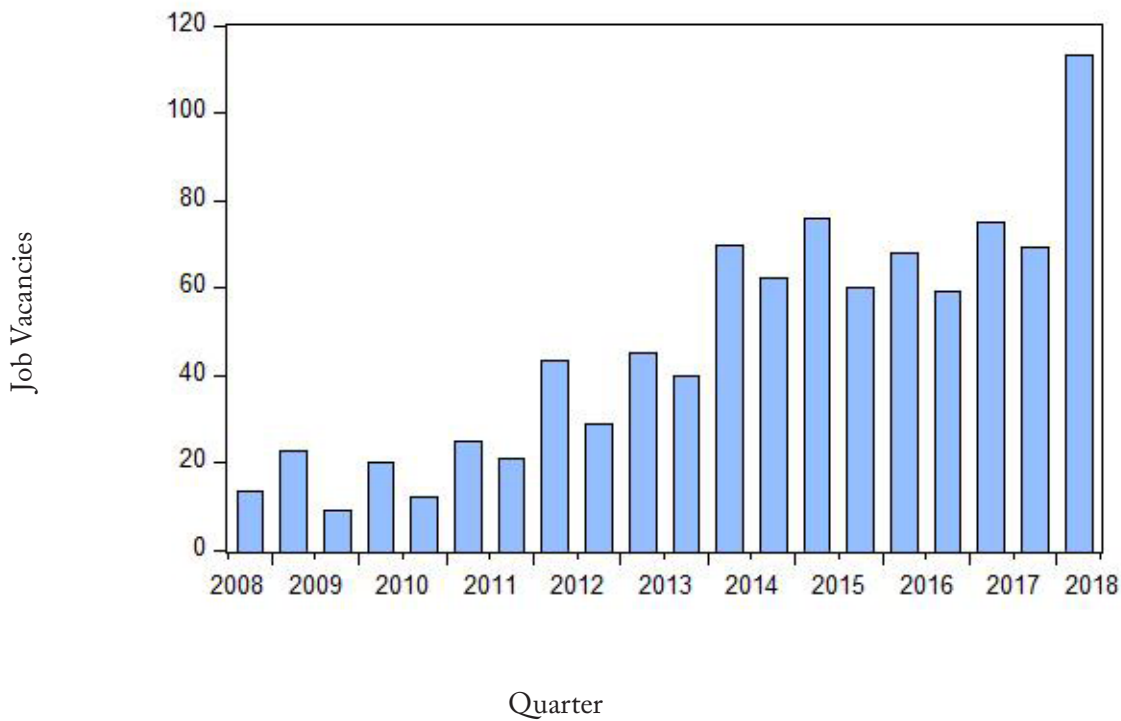
**Total Initial Claims for Unemployment Insurance, Seasonally Adjusted—
Northwest Minnesota Planning Area**



Period	September 2017	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018
Initial claims (Not seasonally adjusted)	922	1,288	1,146	994	1,214	768	791

With continuing labor shortages being reported across the state, it is no surprise that the rate of job vacancies per 100 unemployed has surged in Northwest Minnesota. There are now more job vacancies than unemployed workers in the region. Even if every person experiencing unemployment in Northwest Minnesota were qualified to fill available job openings, there still would be insufficient workers to meet firms' demands for workers. Elevated job vacancy rates are being experienced all around the state.

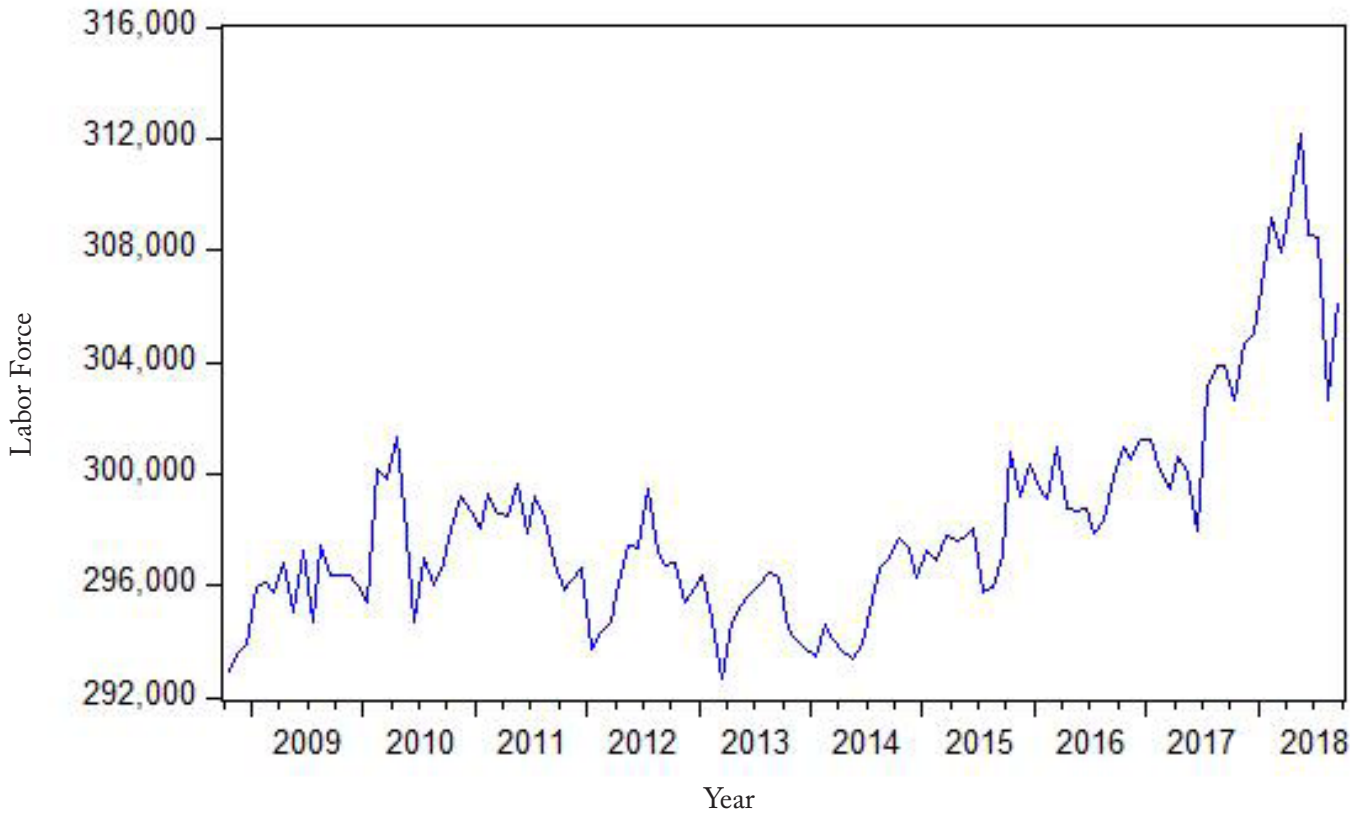
Job Vacancies per 100 Unemployed ---Northwest Minnesota Planning Area



Quarter	2015:IV	2016:II	2016:IV	2017:II	2017:IV	2018:II
Job Vacancies per 100 Unemployed	65.01	74.03	65.5	85.25	77.97	128.1

The Northwest Minnesota labor force rose by a modest 0.8 percent over the year ending September 2018. The seasonally adjusted labor force (shown in the figure below) actually declined in recent months.

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

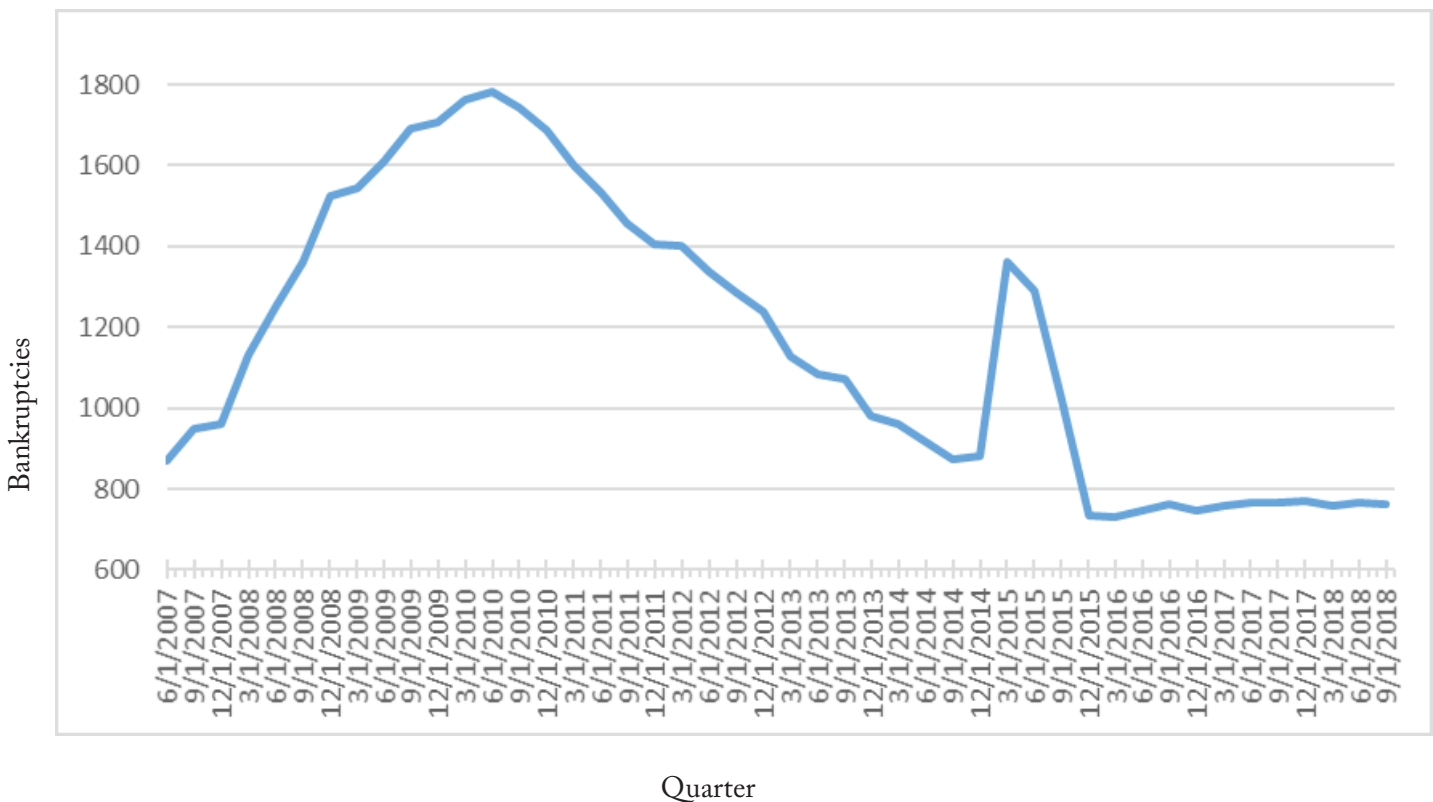


Year (September)	2013	2014	2015	2016	2017	2018
Labor Force (not seasonally adjusted)	294,151	294,694	294,610	297,051	300,757	303,028

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 basically unchanged over the last twelve months.

Northwest Minnesota Bankruptcies (12-month moving total)



Year (Third Quarter)	2013	2014	2015	2016	2017	2018
Annual Bankruptcies (not seasonally adjusted)	1,071	875	1,022	762	766	764

ECONOMIC INDICATORS

Fargo-Moorhead MSA Indicators	Period Covered	Current Period	Prior Year	Annual Percent Change	Long-Term Average (since 1999, unless noted)
Employment	September 2018 (m)	144,100	143,200	0.6% ↑	1.8%
Manufacturing Employment	September 2018 (m)	10,200	9,900	3.0% ↑	1.5%
Mining, Logging, Construction Employment	September 2018 (m)	10,000	9,600	4.2% ↑	2.1%
Average Weekly Work Hours-- Private Sector	September 2018 (m)	35.5	34.3	3.5% ↑	33.6 (since 2007)
Average Earnings Per Hour--Private Sector	September 2018 (m)	\$25.69	\$24.74	3.8% ↑	3.0% (since 2007)
Unemployment Rate	September 2018 (m)	2.1%	1.9%	NA ↑	2.5%
Labor Force	September 2018 (m)	135,299	137,947	-1.9% ↓	1.4%
Initial Jobless Claims	September 2018 (m)	213	271	-21.4% ↓	NA
Fargo-Moorhead Residential Building Permit Valuation	September 2018 (m)	55,452	27,188	104.0% ↑	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 2018 (m)	57,500	57,300	1.1% ↑	0.8%
Manufacturing Employment	September 2018 (m)	4,600	4,400	4.5% ↑	1.1%
Mining, Logging, Construction Employment	September 2018 (m)	3,400	3,300	3.0% ↑	0.2%
Average Weekly Work Hours--Private Sector	September 2018 (m)	34.3	33.3	3.0% ↑	33.2 (since 2007)
Average Earnings Per Hour--Private Sector	September 2018 (m)	\$22.88	\$22.35	2.4% ↑	1.4% (since 2007)
Unemployment Rate	September 2018 (m)	2.2%	2.2%	NA ↔	2.9%
Labor Force	September 2018 (m)	54,728	55,984	-2.2% ↓	0.1%
Initial Jobless Claims	September 2018 (m)	65	105	-38.1% ↓	NA
Grand Forks-East Grand Forks Residential Building Permit Valuation	September 2018 (m)	9,864	14,841	-33.5% ↓	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 large job gains in the mining/logging/construction and manufacturing sectors), higher average hourly earnings, a large increase in year-over-year residential building permit valuation in the MSA, a decline in initial jobless claims, and a rise in average weekly work hours. Fargo/Moorhead did experience a decline in its work force, which probably contributed to the observed increase in the regional unemployment rate in September 2018 relative to one year earlier.

Grand Forks/East Grand Forks MSA economic activity was mostly favorable in the third quarter. The MSA experienced higher overall employment (and increased employment in its manufacturing and mining/logging/construction sectors), longer average weekly work hours, higher average hourly earnings, and lower initial jobless claims. However, the labor force fell and the unemployment rate was flat. The value of residential building permits also declined in the Grand Forks/East Grand Forks area.

STATE AND NATIONAL INDICATORS

MINNESOTA Indicators	Sep 2018	Jun 2018	Sep 2017	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA	2,974,700	2,965,600	2,934,600	0.3%	1.4%
Average weekly hours worked, private sector	34.4	34.1	34.1	0.9%	0.9%
Unemployment rate, seasonally adjusted	2.8%	3.1%	3.3%	NA	NA
Earnings per hour, private sector	\$29.38	\$28.77	\$28.58	2.1%	2.8%
Philadelphia Fed Coincident Indicator, MN	137.84	135.96	132.59	1.4%	4.0%
Philadelphia Fed Leading Indicator, MN	1.98	2.32	2.02	-14.7%	-2.0%
Minnesota Business Conditions Index	60.0	58.8	59.4	2.0%	1.0%
Price of milk received by farmers (cwt)	\$17.50	\$16.20	\$18.00	8.0%	-2.8%
Enplanements, MSP airport, thousands	1,533.7	1,753.0	1,522.7	-12.5%	0.7%
NATIONAL Indicators	Sep 2018	Jun 2018	Sep 2017	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA, thousands	149,500	148,931	146,963	0.4%	1.7%
Industrial production, index, SA	109.0	107.5	103.2	1.4%	5.6%
Real retail sales, SA (\$)	201,436	201,377	197,691	0%	1.9%
Real personal income less transfers, billions	13,548.8	13,487.6	13,229.5	0.5%	2.4%
Real personal consumption expenditures, bill.	13,006.0	12,884.1	12,628.4	0.9%	3.0%
Unemployment rate, SA	3.7%	4.0%	4.2%	NA	NA
New building permits, SA, thousands	99.4	121.6	103.3	-18.3%	-3.8%
Standard & Poor's 500 stock price index	2,901.5	2,793.6	2,492.8	3.9%	16.4%
Oil, price per barrel in Cushing, OK	\$70.23	\$70.98	\$49.82	-1.1%	41.0%

Most categories of economic performance found in the State and National Indicators table are favorable. For the state as a whole, there was growth in employment, a lower seasonally adjusted unemployment rate, and increased enplanements at the Minneapolis-St. Paul airport compared to September 2017. Two of the three indicators series reported in the table are higher. Year-over-year, average hourly earnings and weekly work hours rose. Milk prices are lower than one year ago, but were higher than three months earlier.

The national economic indicators found in the table are also highly favorable. Stock prices rebounded through the end of September (although the fourth quarter has not been charitable to stockholders). and employment has increased. Real income and consumer expenditures have expanded and the national unemployment rate continues to fall. Industrial production rose but the number of new building permits declined. Oil prices were higher in September than one year earlier, but have recently declined in the fourth quarter.

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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