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OVERVIEW

National Bank of Commerce, in cooperation with the College of St. Scholastica, University of Minnesota-Duluth and University of Wisconsin-Superior, has initiated a long-term study of our area's economic indicators. The research will be ongoing and focusing on trends for a territory that covers 15 counties in Minnesota and Wisconsin. Participating sponsors of the study are NE MN Small Business Development Center (SBDC) and UW-Superior Small Business Development Center, the Development Association of Superior-Douglas County, APEX, BusinessNorth and the Development Association.

THE GOALS OF THIS PROJECT ARE TO:

- Support business owners in their business decisions by gathering key local economic indicators and trend information
- Develop specific economic indicators for this region that are not readily available to decision makers
- Develop tools to assess our progress in economic growth. Prepare baseline measures that will allow comparison with other regions and measure future progress of the region
- Track the region's participation in the "new economy" and development in the high tech arena
- Bring professionals together with business owners for discussion about the local economy and related critical issues in a collaborative, non-political environment
- Create a business recruitment and retention tool by publishing the information

EXECUTIVE SUMMARY

The REIF Region is a 15-county area that covers Northeast Minnesota and Northwest Wisconsin. The 8 counties of Minnesota include the Arrowhead Region—Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis counties—along with Pine County. The 7 counties of Wisconsin include Ashland, Bayfield, Burnett, Douglas, Iron, Sawyer, and Washburn.

ECONOMIC AND DEMOGRAPHIC TRENDS

Over the past six years, population in the REIF region has remained relatively constant. The Minnesota REIF region has increased slightly over this time period, while the Wisconsin REIF Region have declined. Although population in the region has remained constant, average personal and per-capita income has increased considerably in almost

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every county in the REIF region. Employment in the region fell sharply accompanying the financial crisis of 2008. Since then, employment has risen steadily, but is still below the peak total of 2007.

Looking forward, the population of the REIF region is expected to peak at just over 500,000 around 2030, and then decline to levels similar to today's population. Nearly all of the projected increase in population over the next 20 years will be due to increases in the population over 65. These increases, accompanied by the decrease in persons aged 25-64 projects a large shift in the population distribution for our region. In some of the REIF counties, the proportion of persons aged 65 and over is expected to climb to 40% by 2040.

It is unclear in exactly which way these changes will affect the economic climate in the region. However, with these projected trends, it is likely that the REIF counties will see a decrease in their labor force over the coming years.

CONSUMER CONFIDENCE INDICATORS

Consumer confidence indicators are useful tools in predicting future economic conditions. Starting from fall 2013 (a baseline period), a bi-annual consumer survey of 15 MN and WI counties has been used to estimate three regional indicators of consumers' confidence: Index of Consumer Sentiment (ICS), Index of Current Conditions (ICC), and Index of Consumer Expectations (ICE). Since the baseline was established, all three indices have exhibited a positive trend. This implies that consumers of the 15-county region have been generally feeling optimistic about the current and future state of the economy and expect a continued economic expansion in the short-run.

"The future belongs to those who prepare for it today." Malcolm X.

EQUITY PERFORMANCE

This is the second report of an ongoing research project that tracks the equity performance of twelve companies located within the 15 counties surrounding the Twin Ports. An index of local stocks of interest was created, measures of future performance are examined, and comparisons to industry averages and market indices are analyzed.

The first report covers the performance of the index and individual stocks that make up the index over a five year period from January 2, 2009 through December 31, 2013. The second

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report extends the study through September 30, 2014. The report also examines measures that provide forecasts of future performance.

Although the index showed a small positive return of 3.65% year-to-date, the overall performance of the index is above average when compared to the benchmark return of 2.95%. Contributing to the lackluster performance of the index and the benchmark was the market correction during the last month of the study period. When comparing the growth of a $100 investment in the REI index to the S&P 400 over the holding period, the trend for the REI index mirrors the market and slightly outperforms the S&P 400. The measures of future performance are consistent with market expectations. However, there does appear to be deterioration in some of the measures and investor confidence for the future is mixed.

BUSINESS CONFIDENCE INDICATORS

The Northland business confidence survey was distributed to local businesses in September and early October of 2014. There were a total of 126 responses, 52% of which came from small businesses with 1-19 employees.

The region registered strong business confidence with an index reading of 110. (Any reading above 100 indicates optimism.) This was very similar to last year's reading of 111. Overall business activity for the previous six months was positive, and businesses forecasted a moderate increase over the next six months.

Businesses reported increases in the number of employees and average hours worked, with the latter increasing more substantially. Selling prices also saw large increases, indicating no danger of deflationary pressures.

While businesses are optimistic about the direction of business activity in the region, they reported the following factors as most limiting their ability to generate growth: competition within their own sector, demand, government policy, shortage of skilled labor, and cost of labor.

Businesses with 50-249 employees exhibited the most confidence out of the size categories with the vast majority reporting a moderate to significant increase in business activity. The leisure and hospitality industry was the strongest of those analyzed, reporting significant growth and a strong indication to continue.

When prompted to identify the anticipated impact of the region's aging population on their demand for skilled labor, level of productivity, and level of businesses activity, the majority of businesses responded "no change." Those who anticipated being impacted often selected an increase for each factor.

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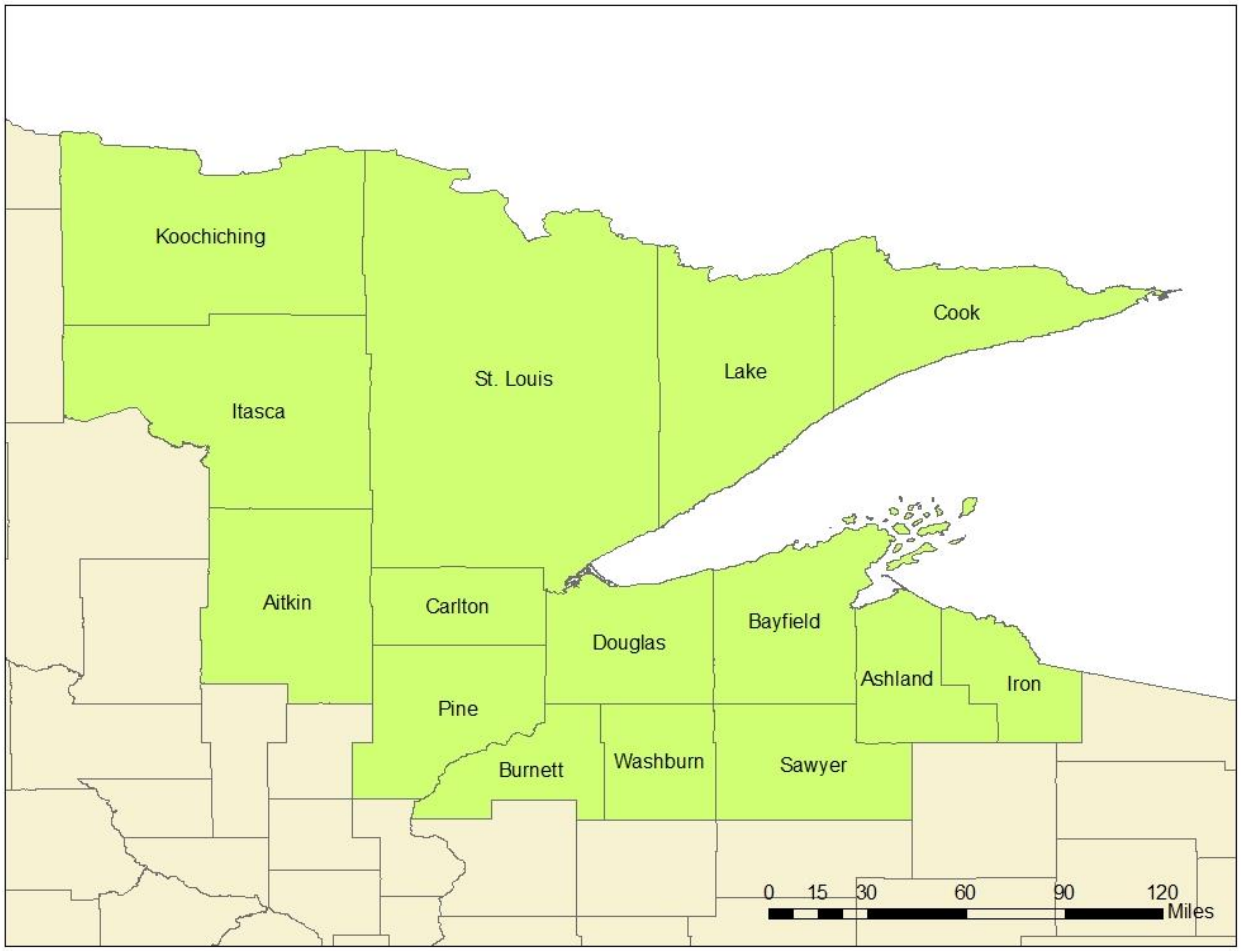
15-COUNTY MAP

The REIF Region is a 15-county area that covers Northeast Minnesota and Northwest Wisconsin. The 8 counties of Minnesota include the Arrowhead Region — Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis counties — along with Pine County. The Wisconsin counties are Ashland, Bayfield, Burnett, Douglas, Iron, Sawyer, and Washburn. This large, combined, two-state region has many common industries.

Figure 1 - REIF 15-County Region



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ECONOMIC AND DEMOGRAPHIC TRENDS

Monica Haynes, Director of the Bureau of Business and Economic Research (BBER) at the University of Minnesota Duluth. Student Researchers: Eric Grytdahl, Matthew Arthur.

This chapter highlights economic and demographic trends for the 15-county REIF region. Included are income, employment, and industry trends, as well as population trends and projections with a special focus on the aging population in Northeastern Minnesota and Northwestern Wisconsin.

SPECIAL SECTION: THE AGING WORKFORCE

POPULATION TRENDS AND PROJECTIONS

The following section contains population trends and projections for each of the 15 counties in the REIF region as well as combined totals for both states. Tables 1-3 show the changes in population from 2008-2013. Overall, the regional population has been flat during this time period. While the population in the eight Minnesota counties increased slightly from 355,178 to 355,693 (a percent change of only 0.1%), the Wisconsin population declined from 129,585 to 128,477 during that time period (a decline of 0.8%). As a result, the population for the combined 15-county area changed very little over the six-year period, decreasing slightly from 484,763 to 484,170. Comparatively, the state populations of Minnesota and Wisconsin increased by 3.3% and 1.8%, respectively. This indicates that the REIF region has not kept up with population growth statewide.

Table 1 - Minnesota Population (persons) by County (2008-2013)

County	2008	2009	2010	2011	2012	2013*
Aitkin	16,422	16,168	16,211	16,102	15,927	15,742
Carlton	34,986	35,269	35,409	35,507	35,348	35,460
Cook	5,255	5,203	5,167	5,216	5,185	5,200
Itasca	44,852	45,066	45,010	45,112	45,221	45,564
Koochiching	13,432	13,276	13,307	13,244	13,208	13,206
Lake	10,872	10,872	10,869	10,813	10,818	10,877
Pine	29,614	29,655	29,727	29,607	29,218	29,104
St. Louis	199,745	200,198	200,169	200,318	200,319	200,540
Total of Counties	355,178	355,707	355,869	355,919	355,244	355,693
Minnesota state total	5,247,018	5,281,203	5,310,737	5,347,299	5,379,139	5,420,380

Source: US Department of Commerce, Bureau of Economic Analysis, *US Census Bureau, 2013 Estimate (as of July 1st, 2013)

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Table 2 - Wisconsin Population (persons) by County (2008-2013)

County	2008	2009	2010	2011	2012	2013*
Ashland	16,145	16,128	16,172	16,126	15,992	16,016
Bayfield	15,160	14,981	15,015	15,136	15,099	15,156
Burnett	15,696	15,609	15,434	15,520	15,382	15,333
Douglas	43,830	43,998	44,188	44,013	43,785	43,887
Iron	6,101	5,966	5,889	5,998	5,934	5,886
Sawyer	16,650	16,559	16,569	16,539	16,581	16,513
Washburn	16,003	15,947	15,922	15,768	15,826	15,686
Total of Counties	129,585	129,188	129,189	129,100	128,599	128,477
Wisconsin state total	5,640,996	5,669,264	5,689,591	5,709,843	5,726,398	5,742,713

Source: US Department of Commerce, Bureau of Economic Analysis

Table 3 - Combined Population (persons) for 15-county Region (2008-2013)

	2008	2009	2010	2011	2012	2013*
REIF Population MN	355,178	355,707	355,869	355,919	355,244	355,693
REIF Population WI	129,585	129,188	129,189	129,100	128,599	128,477
Total	484,763	484,895	485,058	485,019	483,843	484,170

Source: US Department of Commerce, Bureau of Economic Analysis

Tables 4-6 include population projections for the REIF region, collected from the Minnesota State Demographic Center and the Wisconsin Demographic Services Center. These projections are calculated using a combination of life expectancy statistics, fertility rates, and net-migration patterns (Egan-Robertson, 2014) (Robertson, 2013).

There are a few notable points to mention when looking at the projections for the REIF region. First, the total population in Minnesota's REIF counties is expected to peak in 2025 with a population of 369,817. Afterward, the region's population is expected to decrease to 358,886 by 2040. Similarly, the population in Wisconsin's REIF counties is expected to peak in 2030 with a population of 138,425. By 2040, the population is expected to decrease to 134,430.

Both states follow a similar trend over the 25 year period (gradual growth then decline), However, Wisconsin is actually predicted to experience a net increase in population growth (3.5%), whereas Minnesota is predicted to experience a net decline (-1.4%). The projected bright spots in the region include Carlton County in Minnesota (8% projected increase in population) and Douglas and Washburn Counties in Wisconsin (12% projected increase in both counties). The counties that are predicted to lose the largest share of their population include

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Aitkin (12% loss) and Cook (11% loss) counties in Minnesota and Bayfield county in Wisconsin (11% loss).

While the total combined population for the REIF region is predicted to decrease slightly over the next 25 years, Minnesota and Wisconsin are expected to grow by more than 12% over the same time period. This may very well put the region at a competitive disadvantage, and warrants careful attention.

Table 4 - Minnesota Projected Population (persons) by County 2015-2040

County	2015	2020	2025	2030	2035	2040
Aitkin	17,460	17,488	17,086	16,477	15,809	15,327
Carlton	37,494	38,596	39,399	40,084	40,500	40,630
Cook	5,376	5,417	5,368	5,264	5,016	4,811
Itasca	47,344	48,339	48,834	48,865	48,543	48,056
Koochiching	13,589	13,738	13,783	13,758	13,651	13,435
Lake	11,217	11,322	11,335	11,184	11,013	10,751
Pine	31,532	32,257	32,540	32,563	32,328	31,963
St. Louis	200,077	200,794	201,472	200,299	198,058	193,913
MN REIF Counties	364,089	367,951	369,817	368,494	364,918	358,886
Minnesota State Total	5,497,933	5.677,582	5,841,619	5,982,601	6,093,729	6,175,801

Source: US Department of Commerce, Bureau of Economic Analysis, Minnesota State Demographic Center

Table 5 - Wisconsin Projected Population (persons) by County 2015-2040

County	2015	2020	2025	2030	2035	2040
Ashland	16,100	16,040	16,200	16,140	15,965	15,315
Bayfield	15,360	15,105	15,100	14,860	14,330	13,725
Burnett	15,425	16,155	17,125	17,800	17,915	17,425
Douglas	44,665	45,660	46,555	47,185	47,305	47,105
Iron	5,620	5,680	5,850	5,970	5,825	5,420
Sawyer	16,690	17,070	17,645	18,010	17,895	17,430
Washburn	16,010	16,795	17,775	18,460	18,500	18,010
WI REIF Counties	129,870	132,505	136,250	138,425	137,735	134,430
Wisconsin State Total	5,783,015	6,005,080	6,203,850	6,375,910	6,476,270	6,491,635

Source: US Department of Commerce, Bureau of Economic Analysis, Wisconsin Demographic Services Center

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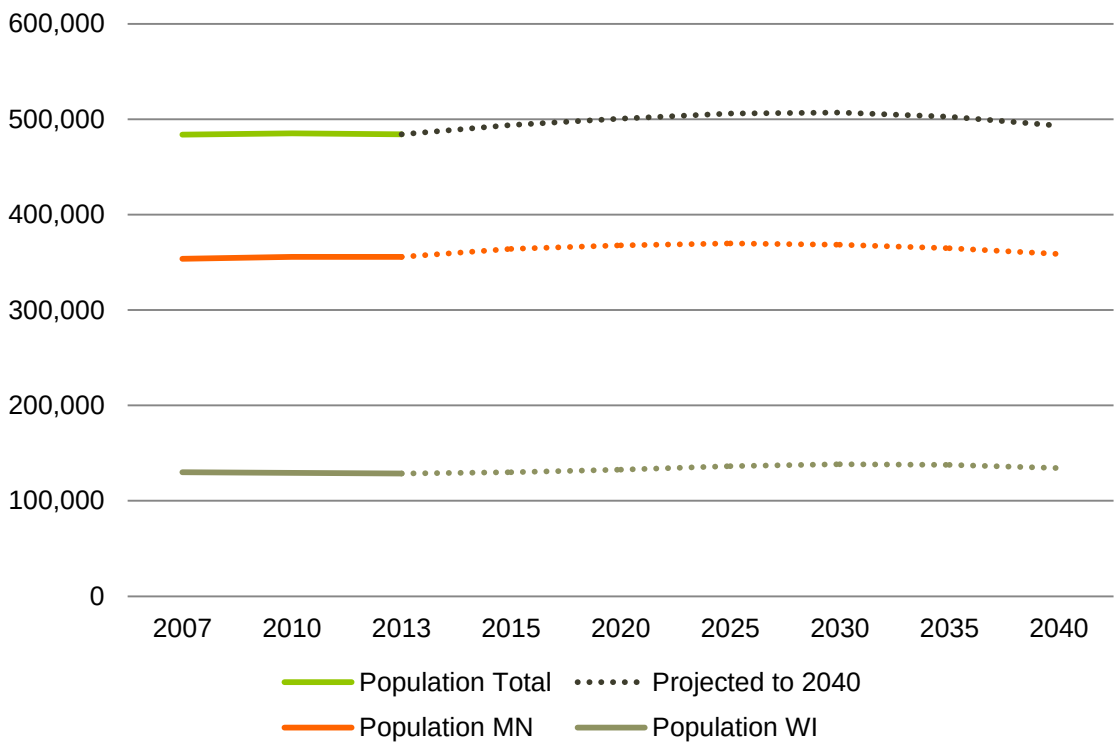
Table 6 - Combined Projected Population for 15-County Region (2015-2040)

	2015	2020	2025	2030	2035	2040
REIF Population MN	364,089	367,951	369,817	368,494	364,918	358,886
REIF Population WI	129,870	132,505	136,250	138,425	137,735	134,430
REIF Total	493,959	500,456	506,067	506,919	502,653	493,316

Source: US Dept. of Commerce, Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Ctr.

Figure 2– Population Persons REIF Area (2007-2040)



Source: US Department of Commerce, Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

AGE DISTRIBUTION: PATTERNS AND PROJECTIONS

The following section presents information about age distribution for each of the 15 counties in the REIF regions. Tables 7 and 8 show changes in the age distribution (25-64 and Over 65) for each county from 2009 to 2013. For most of the region, during this time period, the over-65 population has grown as a percentage of the total population, while the percent of 25-64 year olds has declined. This is especially true in Cook and Aitkin counties, which we will discuss later in this chapter.

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Table 7 - Share of Population by Age Group, Minnesota Counties (2009-2013)

MN Counties	Population %	2009	2010	2011	2012	2013
Aitkin	25-64	49.92%	49.61%	49.76%	48.91%	47.91%
	Over 65	27.29%	27.32%	27.42%	28.53%	29.51%
Carlton	25-64	53.21%	53.96%	54.17%	53.65%	53.40%
	Over 65	15.08%	15.01%	15.02%	15.54%	15.96%
Cook	25-64	61.21%	57.28%	56.46%	54.87%	53.85%
	Over 65	20.20%	20.53%	21.22%	22.72%	23.69%
Itasca	25-64	52.74%	52.34%	52.23%	51.60%	51.10%
	Over 65	19.03%	19.04%	19.26%	20.01%	20.41%
Koochiching	25-64	51.61%	52.86%	52.71%	52.22%	51.86%
	Over 65	19.61%	19.44%	19.70%	20.38%	20.87%
Lake	25-64	53.61%	52.15%	51.97%	51.40%	51.18%
	Over 65	22.33%	22.38%	22.84%	23.50%	23.73%
Pine	25-64	53.54%	54.45%	54.60%	54.28%	54.23%
	Over 65	16.37%	16.35%	16.65%	17.53%	18.03%
St. Louis	25-64	48.82%	51.81%	51.78%	51.35%	51.14%
	Over 65	15.89%	15.92%	15.93%	16.43%	16.87%

Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

Table 8 - Share of Population by Age Group, Wisconsin Counties (2009-2013)

WI Counties	Population %	2009	2010	2011	2012	2013
Ashland	25-64	50.69%	50.97%	51.19%	51.00%	50.77%
	Over 65	15.92%	15.89%	16.12%	16.85%	17.21%
Bayfield	25-64	54.51%	55.16%	54.46%	53.54%	52.64%
	Over 65	20.77%	20.79%	21.43%	22.28%	23.08%
Burnett	25-64	52.22%	51.59%	51.24%	50.62%	49.90%
	Over 65	22.87%	23.23%	23.73%	24.68%	25.57%
Douglas	25-64	54.92%	53.88%	54.07%	53.67%	53.77%
	Over 65	14.46%	14.43%	14.46%	15.14%	15.57%
Iron	25-64	53.50%	53.18%	51.80%	51.06%	50.68%
	Over 65	25.18%	25.27%	26.64%	27.57%	28.03%
Sawyer	25-64	52.74%	51.99%	51.86%	51.18%	50.50%
	Over 65	20.71%	20.82%	21.19%	22.00%	22.69%
Washburn	25-64	51.56%	52.83%	52.50%	51.61%	51.07%
	Over 65	21.20%	21.42%	21.52%	22.48%	23.21%

Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

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Tables 9 and 10 include population projections for the REIF region, for the 25-64 and Over 65 age groups. Here we see that the percent of the population over 65 is expected to continue to increase, and in some cases will be significant. For example, in Carlton County the over-65 population is expected to increase from just over 20% to nearly 30% between 2020 and 2040. Bayfield County, WI is expected to see their 25-64 year-old population drop from nearly 50% to less than 40% during that same time period.

These numbers are startling and suggest that, over the next few decades, this region be challenged with a rapidly-aging population. This situation is not unique to Northeastern Minnesota and Northwestern Wisconsin, but we will likely experience it more acutely than other parts of the United States.

Table 9 - Projected Share of Population by Age Group, Minnesota Counties (2015-2040)

MN Counties	Population %	2015	2020	2025	2030	2035	2040
Aitkin	25-64	44.38%	40.38%	37.83%	35.81%	36.21%	38.51%
	Over 65	32.46%	35.96%	38.36%	39.08%	37.45%	33.65%
Carlton	25-64	51.75%	49.54%	47.03%	45.47%	44.70%	44.30%
	Over 65	17.89%	20.96%	24.62%	27.36%	28.46%	28.41%
Cook	25-64	52.06%	46.69%	43.27%	38.30%	36.34%	37.98%
	Over 65	26.47%	32.01%	37.07%	40.06%	40.57%	38.50%
Itasca	25-64	48.59%	44.64%	41.94%	40.19%	39.83%	40.65%
	Over 65	23.10%	27.05%	30.41%	32.18%	31.98%	30.46%
Koochiching	25-64	49.58%	45.11%	42.67%	40.26%	41.71%	40.04%
	Over 65	23.00%	27.59%	31.17%	33.34%	31.58%	32.60%
Lake	25-64	50.74%	45.66%	42.53%	39.20%	39.34%	40.53%
	Over 65	24.61%	29.46%	33.51%	35.79%	35.49%	33.79%
Pine	25-64	52.60%	50.22%	47.89%	45.94%	45.36%	45.61%
	Over 65	19.29%	22.71%	26.40%	29.12%	30.36%	29.67%
St. Louis	25-64	49.86%	46.16%	43.35%	41.38%	41.47%	41.63%
	Over 65	18.94%	23.23%	27.50%	30.43%	31.20%	30.66%

Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

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Table 10 - Projected Share of Population by Age Group, Wisconsin Counties (2015-2040)

WI Counties	Population %	2015	2020	2025	2030	2035	2040
Ashland	25-64	51.58%	49.10%	45.93%	43.37%	42.78%	43.03%
	Over 65	18.26%	21.63%	25.49%	28.69%	30.13%	30.62%
Bayfield	25-64	52.73%	48.03%	42.85%	39.70%	38.28%	38.80%
	Over 65	25.10%	31.25%	37.38%	41.08%	43.13%	43.42%
Burnett	25-64	50.63%	47.26%	44.06%	42.53%	42.98%	43.56%
	Over 65	25.12%	28.54%	31.62%	32.87%	32.88%	33.00%
Douglas	25-64	54.05%	51.75%	48.82%	46.43%	46.11%	46.26%
	Over 65	16.40%	19.25%	21.92%	23.98%	24.49%	24.55%
Iron	25-64	51.87%	48.77%	44.36%	41.04%	40.09%	40.31%
	Over 65	27.67%	31.07%	35.47%	38.27%	38.97%	38.56%
Sawyer	25-64	51.35%	48.56%	45.23%	43.34%	43.64%	43.98%
	Over 65	23.37%	27.01%	30.63%	32.93%	33.28%	33.65%
Washburn	25-64	51.62%	48.02%	44.75%	42.82%	43.32%	43.56%
	Over 65	23.86%	27.66%	30.97%	33.10%	33.19%	33.65%

Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

Table 11 - Combined Projected Share of Population by Age Group (2015-2040)

	2015	2020	2025	2030	2035	2040
REIF MN 25-64	49.95%	46.05%	43.31%	40.82%	40.62%	41.16%
REIF MN 65+	23.22%	27.37%	31.13%	33.42%	33.39%	32.22%
REIF WI 25-64	51.98%	48.78%	45.14%	42.75%	42.46%	42.79%
REIF WI 65+	22.83%	26.63%	30.50%	32.99%	33.72%	33.92%
TOTAL 25-64	50.96%	47.42%	44.23%	41.78%	41.54%	41.97%
TOTAL 65+	23.02%	27.00%	30.81%	33.20%	33.56%	33.07%

Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

Figures 3-6 visually show the percent of the population over 65. Lighter colors represent smaller percentages, and darker colors represent larger percentages. Between 2010 and 2020, you will notice a drastic increase in the percent of the population over the age of 65 in the region. In 2010, seven of the fifteen counties had over-65 populations of less than 20%, whereas by 2020,

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only one of the fifteen counties is projected to see less than 20% of their population over 65. In fact, four of the fifteen counties are expected to have at least 30% of their populations be 65 and over. From the year 2020 to 2030, we see a significant jump in darker colors (over 35%), going from one county up to five. By the year 2040, the trend is expected to begin to reverse. By this time, it is expected that the large share of the over-65 population will decline slightly, due to mortality rates among the baby-boomer generation.

Figure 3 – Percentage of Population Age 65 and Older, 2010

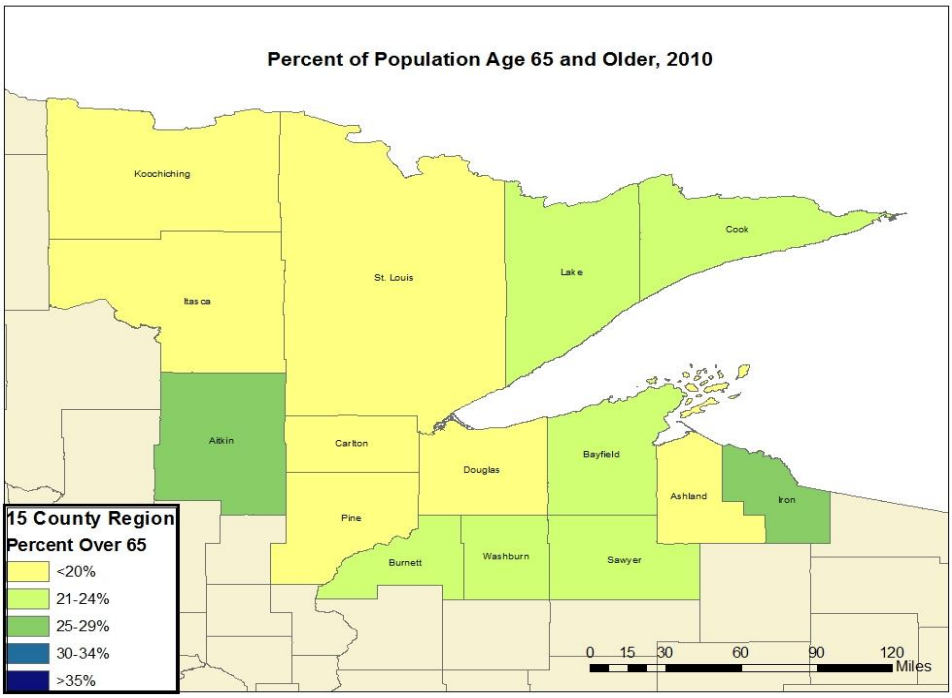

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Figure 4 – Percentage of Population Age 65 and Older, 2020

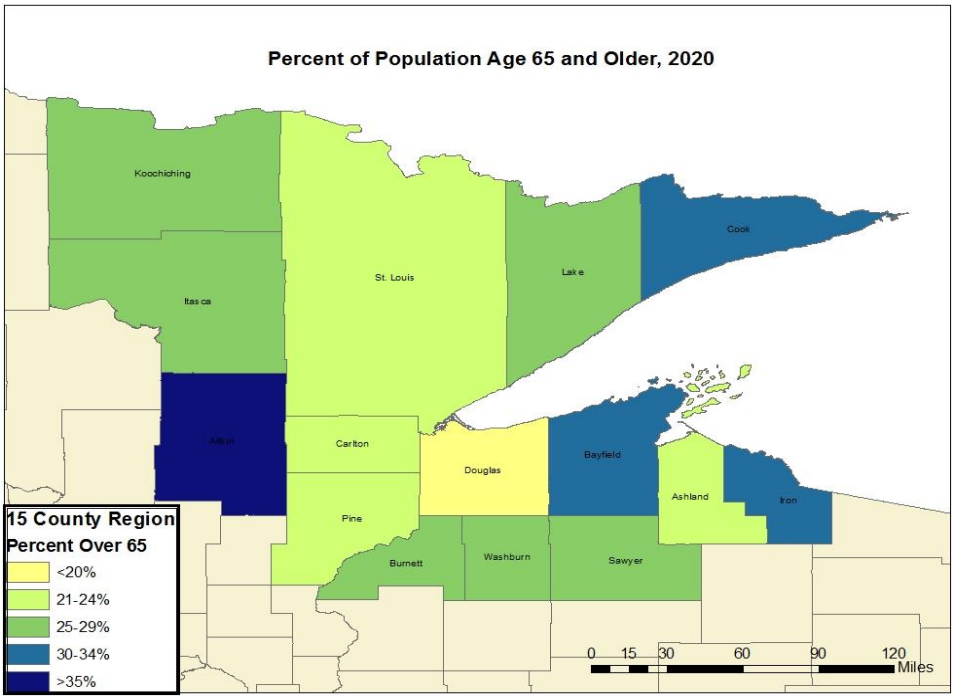

Figure 5 – Percentage of Population Age 65 and Older, 2030

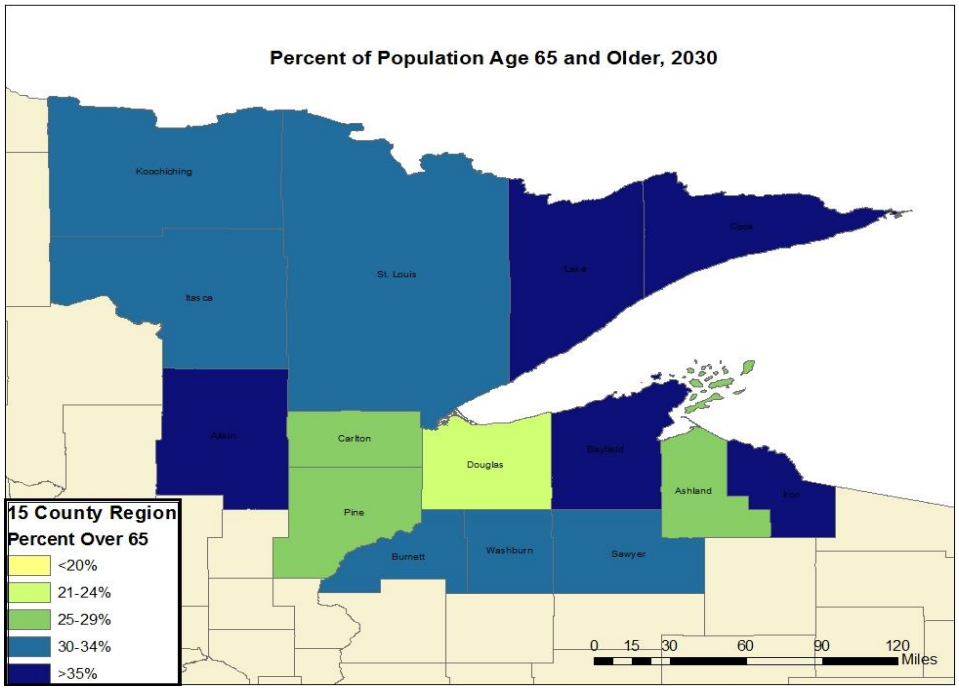

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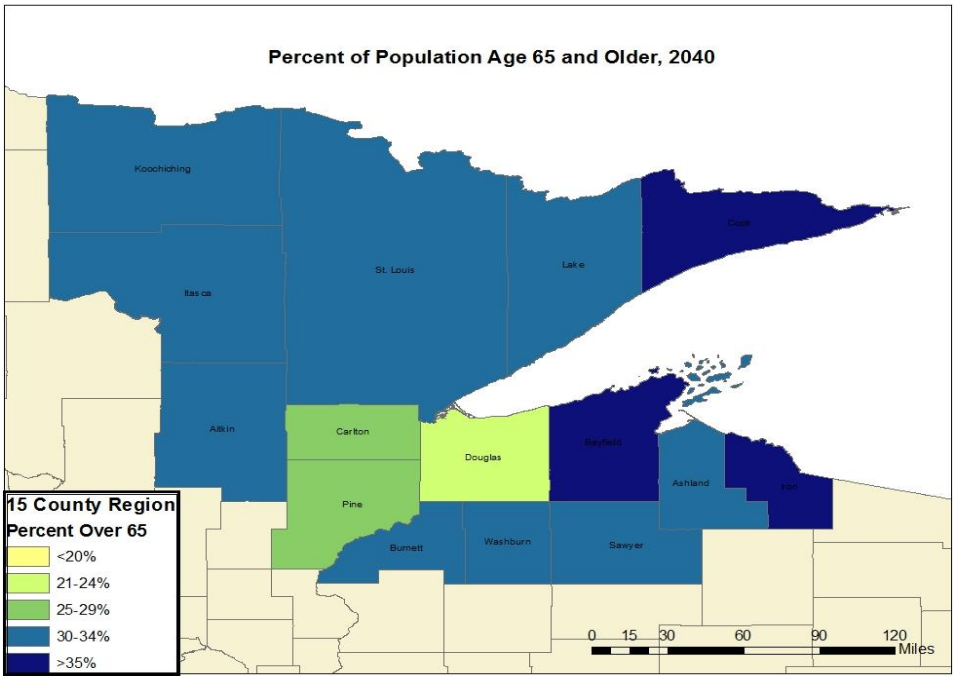
Figure 6 – Percentage of Populations Ages 65 and Older, 2040



NOTABLE PROJECTIONS

This section highlights some counties in the REIF region that are projected to experience notable changes in their over-65 populations.

Cook County, MN

Cook County is expected to see a significant increase in the percent of its population over 65. As of 2013, Cook County had 1,232 individuals of the age 65 or higher. This proportion is expected to increase to 41% by the year 2035, which is among the highest in the region.

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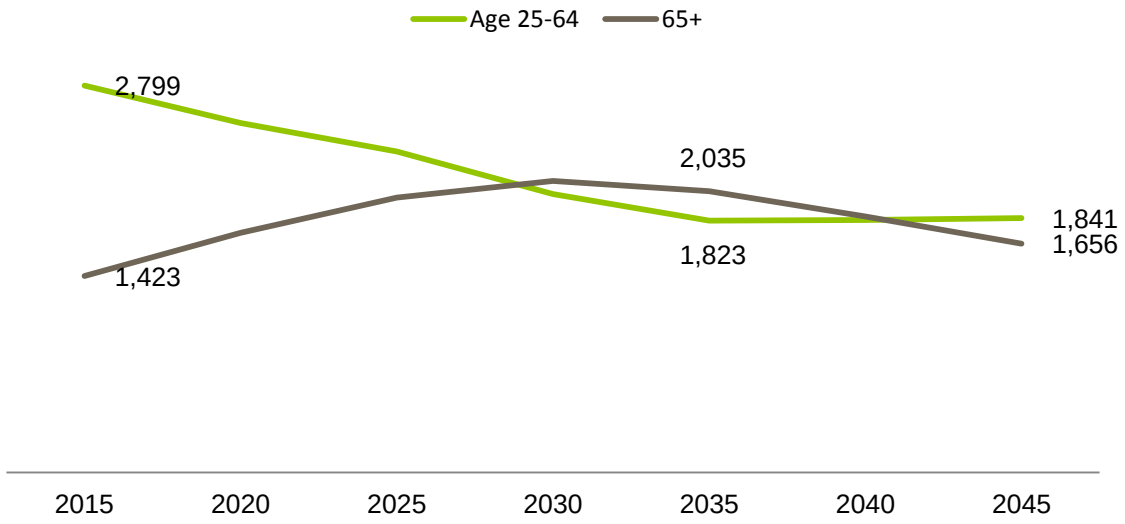
Figure 7 – Projected Population, Cook County, (2015-2040)



Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

After peaking in 2035, the percent population over 65 in Cook County is expected to decline gradually, mirrored by an increase in the 25-64 population. By 2040, the percent population will reside at 38.05%.

Aitkin County, MN

The case of Aitkin County, MN is exceptional because the county already has a relatively high proportion of the population over 65. Over the next 25 years, the percent population over 65 in Aitkin is only expected to increase by a net of 4%.

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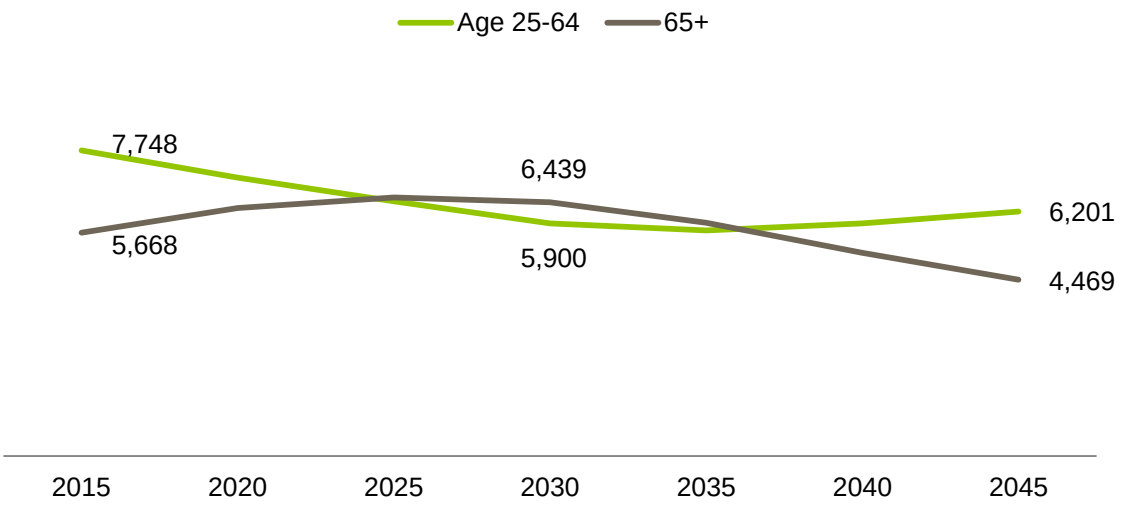
Figure 8 - Projected Population, Aitkin County (2015-2040)



Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

It is interesting to note that the population over 65 in Aitkin declines more rapidly after 2035 in Aitkin than in the other REIF counties. This trend is not reflected as drastically in the others. Currently, the percent population of Aitkin County is 29.51%. It will peak at 39.08% by 2030, and then decline to 33.65% by 2040, which is a 5.43% decline in a five-year span.

Douglas County, WI

In contrast to the case of Cook County, MN, Douglas, WI is expected to see only a small increase in the proportion of the population over 65. In addition to its small growth rate, the percent population over 65 in Douglas County is consistently smaller across the projection period than the other counties. Currently, the percent population over 65 in Douglas is 16 %. Over the next 25 years, this is only expected to increase to 25%, which is the smallest percentage in the region by over 3%.

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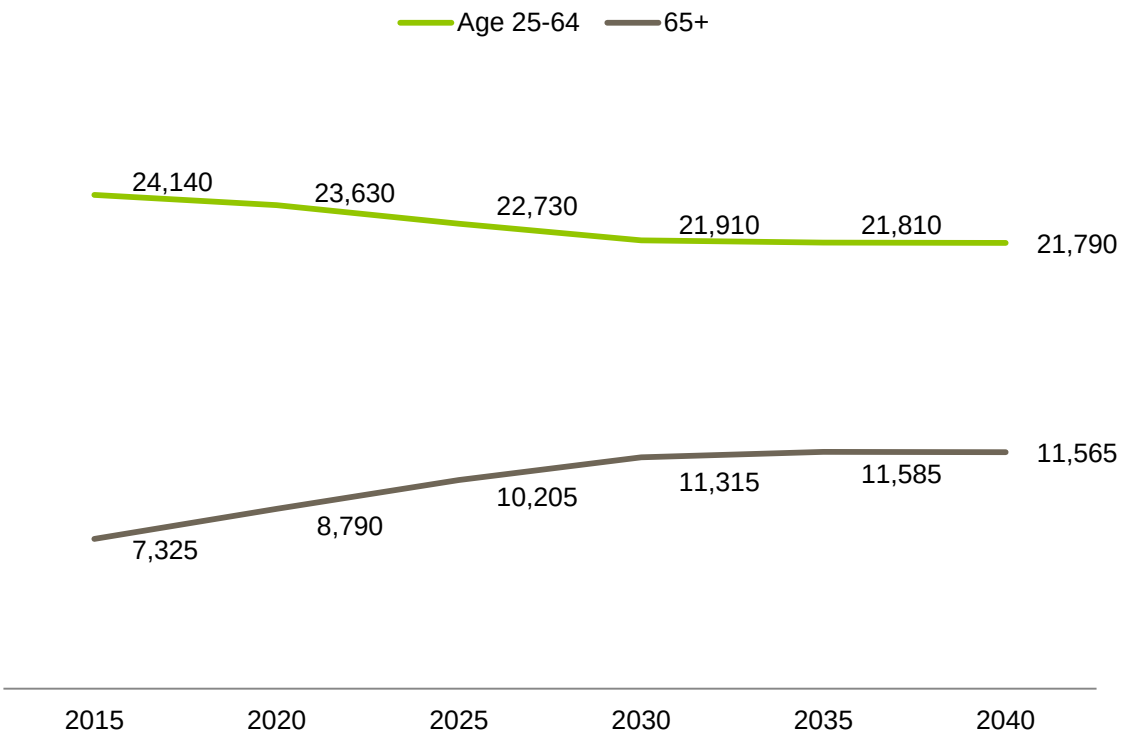
Figure 9 - Projected Population, Douglas County (2015-2040)



Sources: Bureau of Economic Analysis, Minnesota State Demographic Center, Wisconsin Demographic Services Center

SUMMARY

In most cases, the overall population of the REIF Region is rising slightly, peaking around 2025/2030, and then falling. Most of the increase in population during that time period is due to the increase in the over 65 population. The younger population (25-64) is projected to decline during this time period.

INCOME

Personal and per-capita income are both critical measures in determining the economic well-being of a region. This section includes trends for each of the counties in the REIF region, as well as the state and combined totals for the years 2007-2012. Personal income in the region increased by 16.5%, from $15.5 billion in 2007 to $18 billion in 2012. The resulting per capita income also increased by 16.4% from $32,037 to $37,302. Of the counties in the REIF region, Iron and Washburn counties experienced the highest growth in personal income (34% and 27%,

respectively), while Koochiching county experienced the slowest rate of growth (10%) during the six-year period.

Table 12 - Minnesota Personal Income (thousands)

County	2007	2008	2009	2010	2011	2012
Aitkin	$455,087	$477,416	$479,885	$498,064	$523,471	$542,848
Carlton	$997,963	$1,051,112	$1,069,823	$1,103,040	$1,154,693	$1,178,121
Cook	$188,739	$197,725	$200,820	$205,454	$226,179	$233,329
Itasca	$1,319,408	$1,393,469	$1,411,793	$1,452,432	$1,546,399	$1,590,761
Koochiching	$432,986	$439,385	$444,701	$469,580	$481,029	$477,889
Lake	$396,419	$413,217	$406,680	$430,290	$460,217	$478,053
Pine	$758,528	$797,776	$810,250	$838,686	$870,523	$893,129
St. Louis	$6,979,520	$7,242,531	$7,072,491	$7,290,798	$7,796,421	$8,007,980
REIF Total	$11,528,650	$12,012,631	$11,896,443	$12,288,344	$13,058,932	$13,402,110
Minnesota Total	$216,557,329	$225,978,400	$217,595,216	$226,319,865	$241,351,998	$252,413,486

Source: US Department of Commerce, Bureau of Economic Analysis

Table 13 - Wisconsin Personal Income (thousands)

County	2007	2008	2009	2010	2011	2012
Ashland	$497,165	$508,627	$538,059	$523,770	$541,129	$566,696
Bayfield	$466,622	$486,172	$500,363	$503,088	$521,360	$547,209
Burnett	$494,601	$512,199	$517,969	$535,764	$563,171	$587,342
Douglas	$1,304,041	$1,346,343	$1,358,270	$1,397,183	$1,446,444	$1,480,785
Iron	$180,772	$197,763	$213,573	$219,324	$228,857	$241,514
Sawyer	$559,233	$547,664	$571,389	$582,043	$599,142	$631,191
Washburn	$466,603	$511,660	$510,319	$532,788	$565,798	$591,525
REIF Total	$3,969,037	$4,110,428	$4,209,942	$4,293,960	$4,465,901	$4,646,262
Wisconsin Total	$211,397,911	$218,505,672	$217,495,212	$220,502,277	$232,094,278	$241,200,961

Source: US Department of Commerce, Bureau of Economic Analysis

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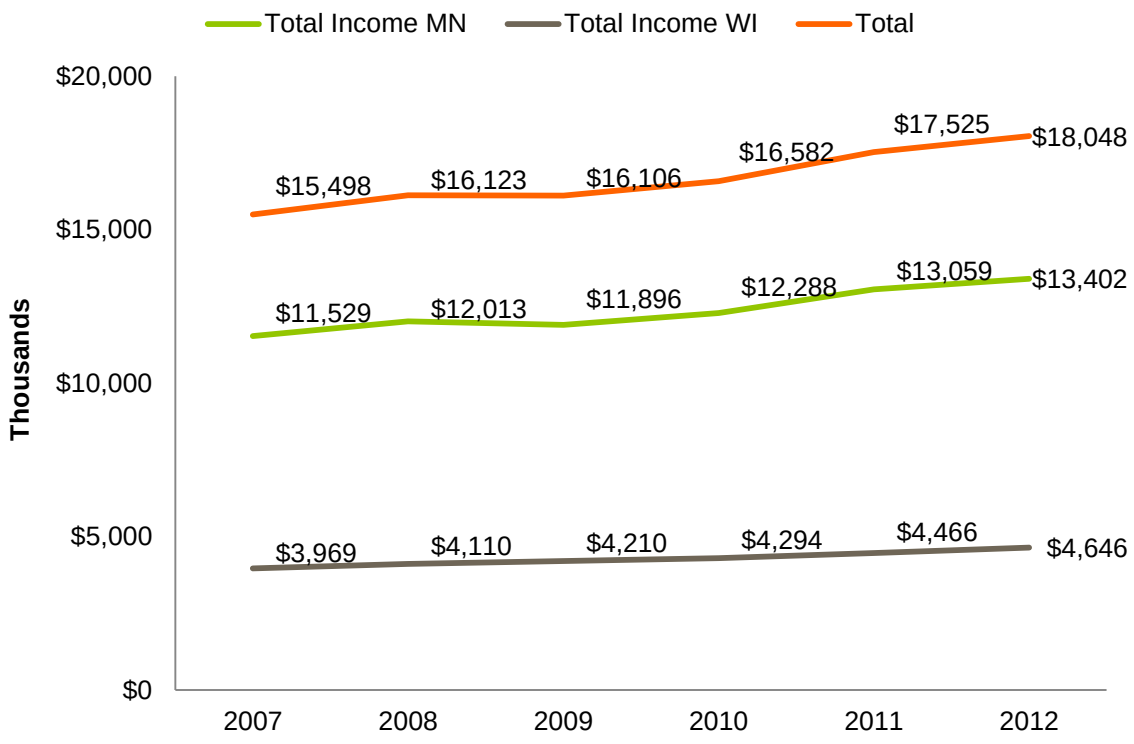
Table 14 - Combined Personal Income (thousands)

	2007	2008	2009	2010	2011	2012
Total Income MN	$11,528,650	$12,012,631	$11,896,443	$12,288,344	$13,058,932	$13,402,110
Total Income WI	$3,969,037	$4,110,428	$4,209,942	$4,293,960	$4,465,901	$4,646,262
Total	$15,497,687	$16,123,059	$16,106,385	$16,582,304	$17,524,833	$18,048,372

Source: US Department of Commerce, Bureau of Economic Analysis

Figure 10 - Total Income by State and Combined (2007-2012)



Source: US Department of Commerce, Bureau of Economic Analysis

The per capita income for the REIF region is below the statewide average for both Minnesota and Wisconsin, as shown below in the following tables and graph. In 2012, the Wisconsin per capita income was $42,121 and the Minnesota per capita income was $46,925. This is approximately a $10,000 difference in per capita income between the state and the REIF region. Again, Iron and Washburn counties experienced the highest growth in per-capita income (39% and 28%, respectively) during the 2007-2012 time period. Alternatively, Douglas County

experienced the slowest growth in per-capita income. The growth in this county was completely flat, at 0% during the six-year period. It is interesting to note that Douglas County also has the lowest percent of residents over 65 of any in the region. It is possible that the two measures are related.

Table 15 - Minnesota Per Capita Personal Income ($)

County	2007	2008	2009	2010	2011	2012
Aitkin	$27,613	$29,072	$29,681	$30,724	$32,510	$34,084
Carlton	$28,846	$30,044	$30,333	$31,151	$32,520	$33,329
Cook	$36,178	$37,626	$38,597	$39,763	$43,363	$45,001
Itasca	$29,445	$31,068	$31,327	$32,269	$34,279	$35,177
Koochiching	$31,891	$32,712	$33,497	$35,288	$36,321	$36,182
Lake	$36,242	$38,007	$37,406	$39,589	$42,561	$44,191
Pine	$25,968	$26,939	$27,323	$28,213	$29,403	$30,568
St. Louis	$35,090	$36,259	$35,327	$36,423	$38,920	$39,976
Total of Counties	$251,273	$261,727	$263,491	$273,420	$289,877	$298,508
Minnesota State Total	$41,588	$43,068	$41,202	$42,616	$45,135	$46,925

Source: US Department of Commerce, Bureau of Economic Analysis

Table 16 - Wisconsin Per Capita Personal Income ($)

County	2007	2008	2009	2010	2011	2012
Ashland	$30,691	$31,504	$33,362	$32,387	$33,556	$35,436
Bayfield	$30,588	$32,069	$33,400	$33,506	$34,445	$36,241
Burnett	$30,980	$32,632	$33,184	$34,713	$36,287	$38,184
Douglas	$43,710	$43,830	$43,998	$44,188	$44,013	$43,785
Iron	$29,299	$32,415	$35,798	$37,243	$38,156	$40,700
Sawyer	$33,539	$32,893	$34,506	$35,128	$36,226	$38,067
Washburn	$29,094	$31,973	$32,001	$33,462	$35,883	$37,377
Total of Counties	$227,901	$237,316	$246,249	$250,627	$258,566	$269,790
Wisconsin State Total	$37,677	$38,735	$38,364	$38,755	$40,648	$42,121

Source: US Department of Commerce, Bureau of Economic Analysis

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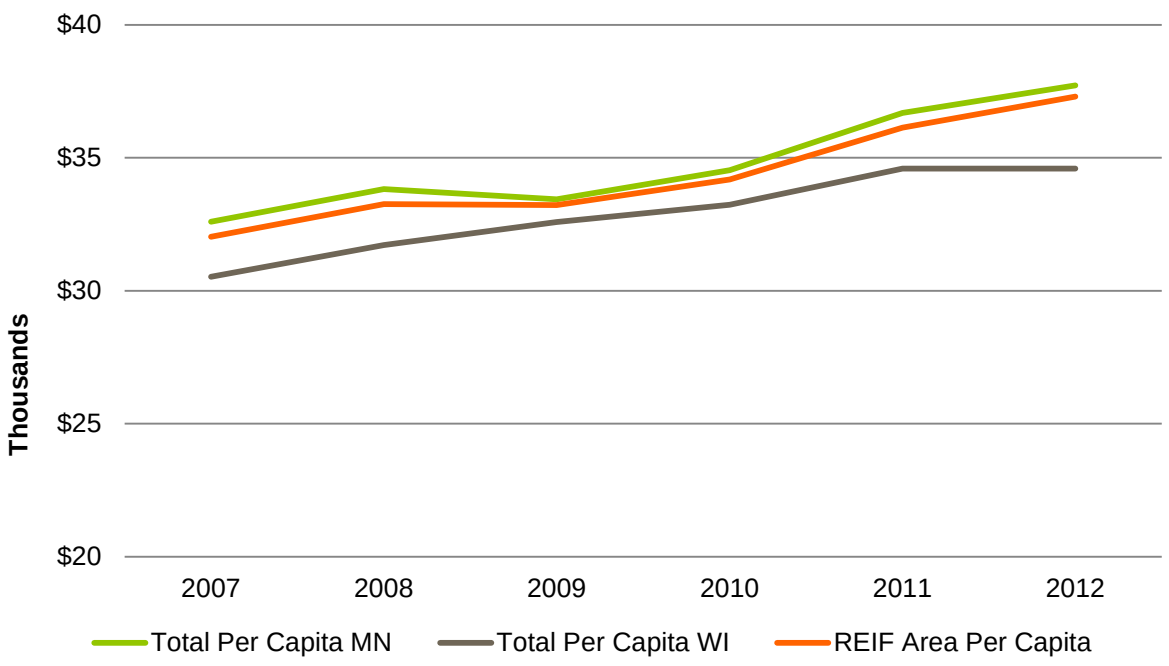
Table 17 - Combined Per Capita Income ($)

	2007	2008	2009	2010	2011	2012
Total Per Capita MN	$32,592	$33,821	$33,445	$34,531	$36,691	$37,726
Total Per Capita WI	$30,528	$31,720	$32,588	$33,238	$34,593	$34,593
REIF Area Per Capita	$32,037	$33,260	$33,216	$34,186	$36,132	$37,302

Source: US Department of Commerce, Bureau of Economic Analysis

Figure 11 - Per Capita Income by State and Combined (2007-2012)



Source: US Department of Commerce, Bureau of Economic Analysis

EMPLOYMENT AND INDUSTRY TRENDS

This section includes trends on employment and industry statistics for the 15-county REIF region. Employment measures include total employment and unemployment, the unemployment rate, and labor force participation. Industry trends show the current industry mix

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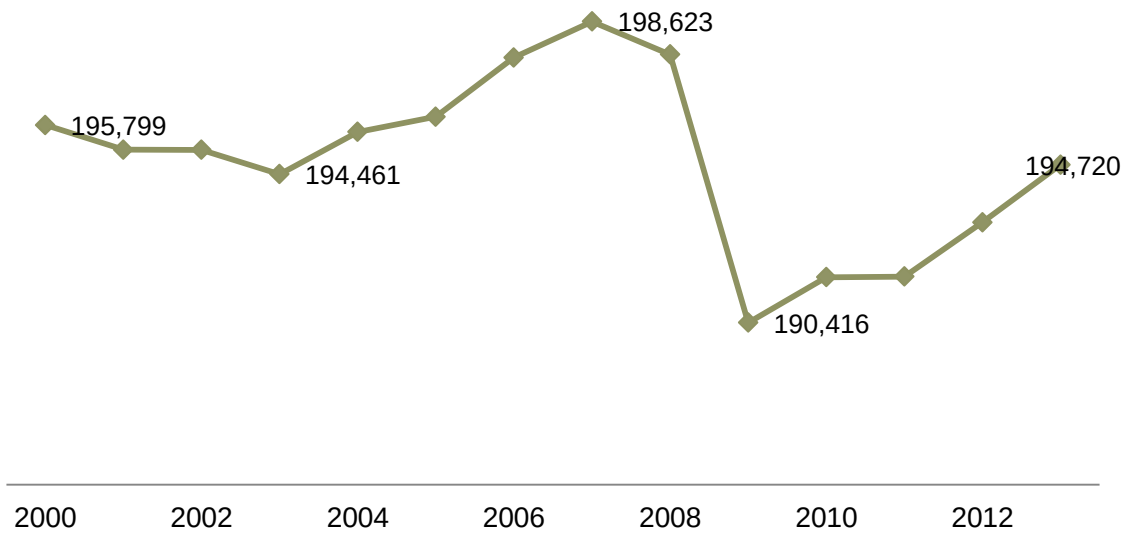
for the region, employment growth by industry for the time period pre- and post-recession, and job projections by industry through 2020.

EMPLOYMENT

The graph below shows total REIF employment from 2000 to 2013. This shows that the region is recovering from the Great Recession where total employment had dropped to 190,416 in 2009. However, the 2013 total employment of 194,720 is still below the peak total employment of 198,623 in 2007.

Figure 12 - Total Employment, 2000-2013



Source: Quarterly Census of Employment and Wages: MN DEED & WI Department of Workforce Development

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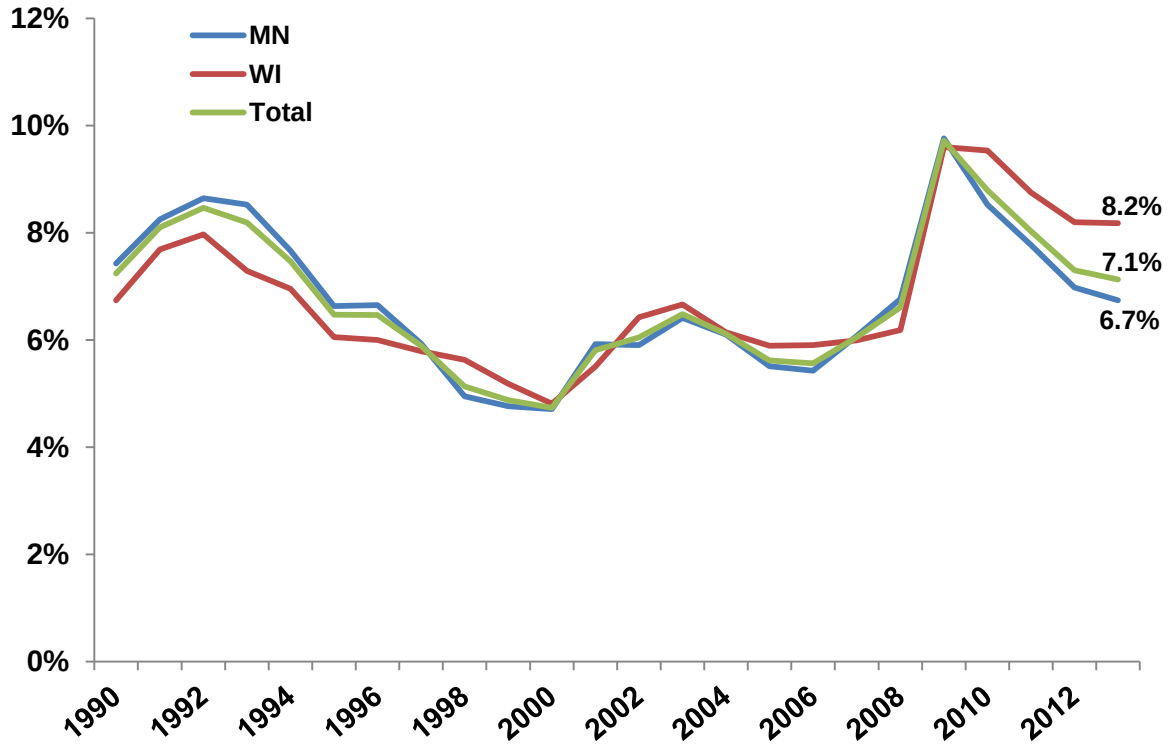
UNEMPLOYMENT RATE: 1990-2013

The figure below showing the unemployment rate from 1990 to 2013 indicates a positive sign for the area. One possible explanation for the decline in the unemployment rate could be attributed to the fact that workers over the age of 65 are retiring, and therefore no longer part of the labor force. An increase in the amount of citizens finding employment is not the sole reason for a declining unemployment rate.

Figure 13 - Unemployment Rate (1990-2013)



Source: LAUS: MN DEED & WI Dept. of Employment

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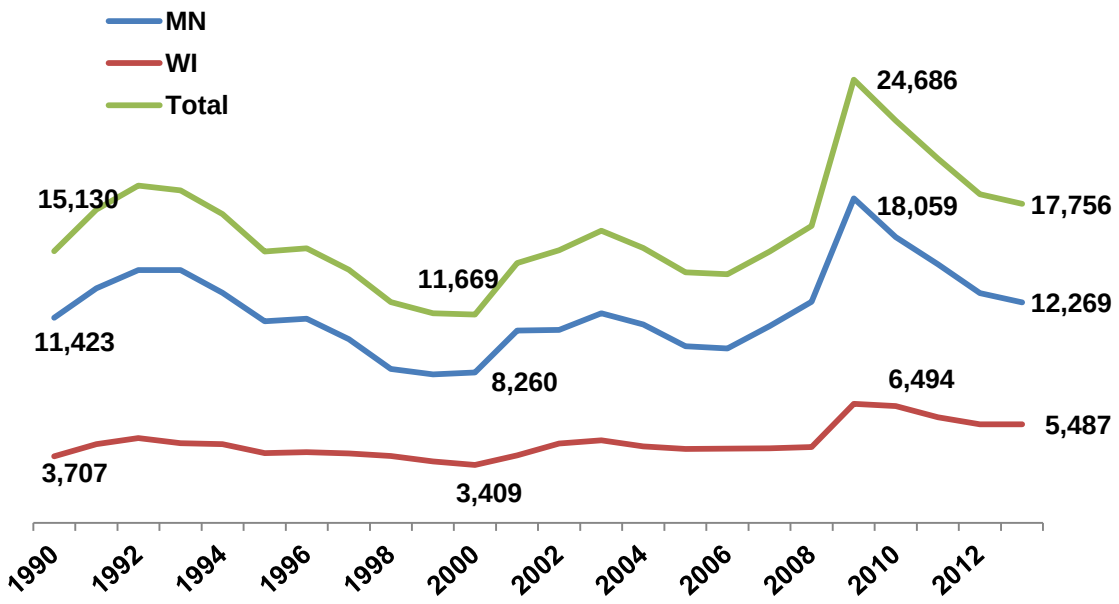
TOTAL UNEMPLOYMENT: 1990-2013

Figure 14 shows the total unemployment of the region from 1990 to 2013. As expected, the total unemployment has dropped as indicated by the unemployment rate. The graph below separates the trend by Minnesota and Wisconsin counties and the total REIF region. By 2013, the number of unemployed people in the Wisconsin region was 5,487, while the Minnesota region had 12,269 unemployed people. The REIF region total was 17,756. These numbers are NOT seasonally adjusted.

Figure 14 - Total Unemployment (1990-2013)



Source: LAUS: MN DEED & WI Dept. of Employment

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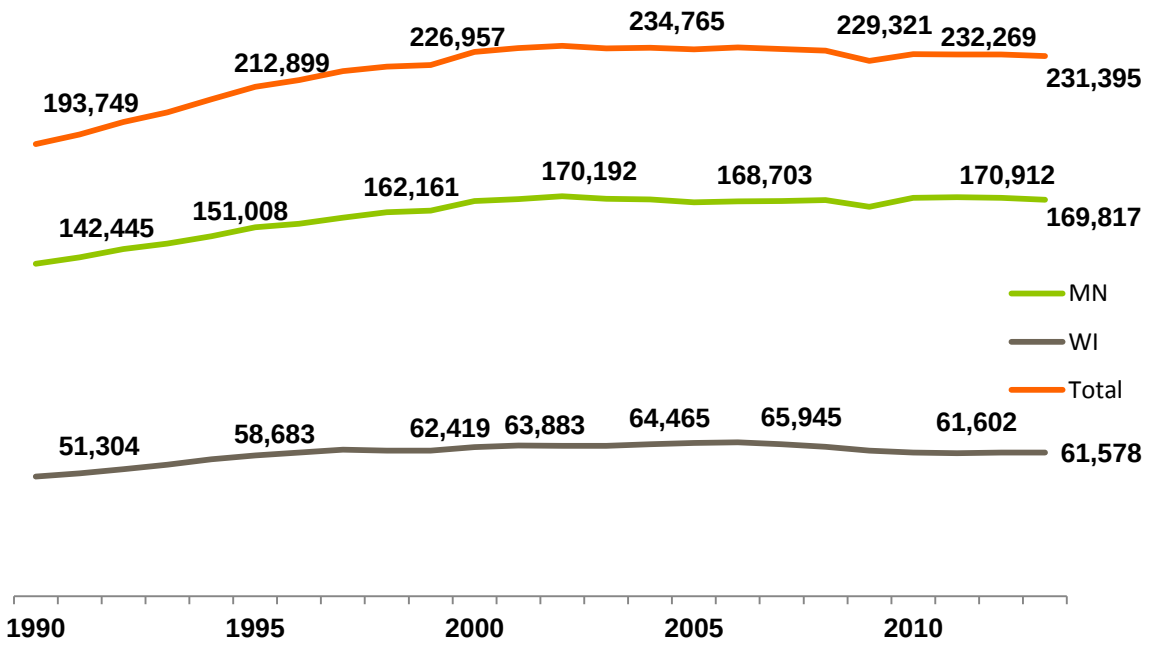
TOTAL EMPLOYMENT: 1990-2013

Based upon the decrease in the number of unemployed people and the decrease in the unemployment rate, there would be an expected increase in the number of employed people. However, as shown in the graph below, the total employment did not rise in 2013. It was flat or declined slightly. We attribute this to the aging demographics of the region and to individuals leaving the labor force.

Figure 15 - Total Employment (1990-2013)



Source: LAUS: MN DEED & WI Dept. of Employment

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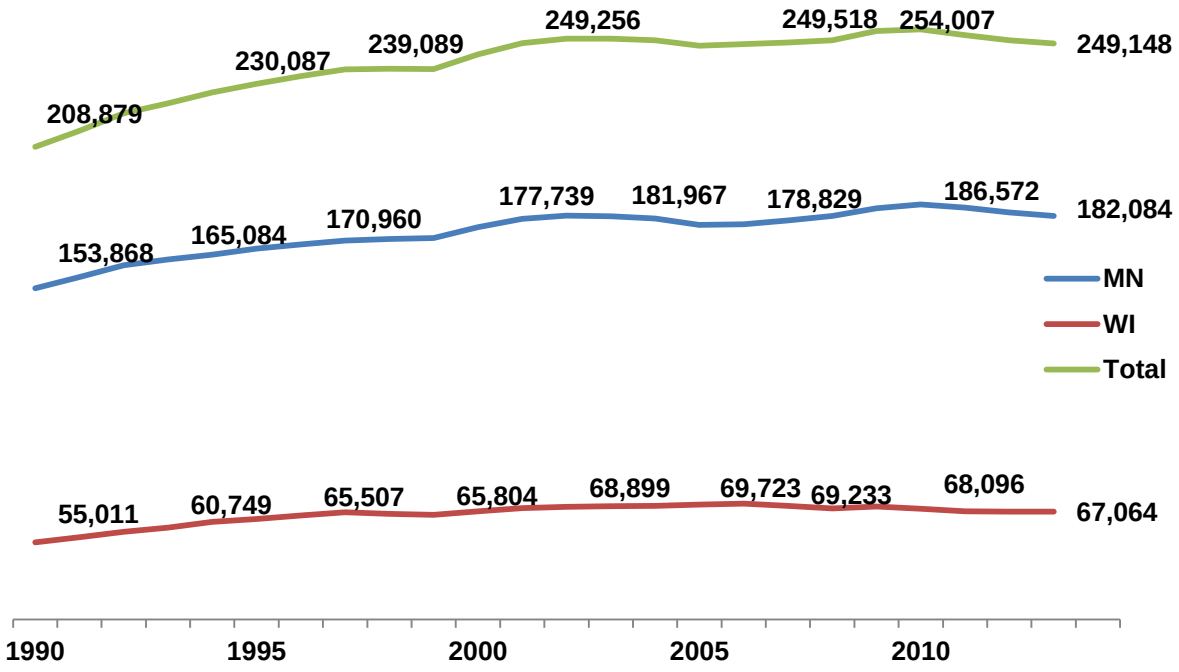
LABOR FORCE PARTICIPATION: 1990-2013

The calculation of the employment rate is the number of unemployed people divided by the labor force. To be included in the labor force statistics, a person must be employed or actively seeking employment if they are unemployed. As shown in the Total Labor Force Participation chart, the labor force declined in 2013. The smaller labor force could be due to an increase in Baby Boomer Generation retirements, young workers leaving the region and/or discouraged workers, who are unemployed and have stopped looking for work, thus dropping out of the labor force.

Figure 16 - Total Labor Force Participation (1990-2013)



Source: LAUS: MN DEED & WI Dept. of Employment

INDUSTRY TRENDS

This section includes industry trends for the 15-county region, including the current industry mix, employment growth by industry pre- and post-recession, and job projections by industry through 2020.

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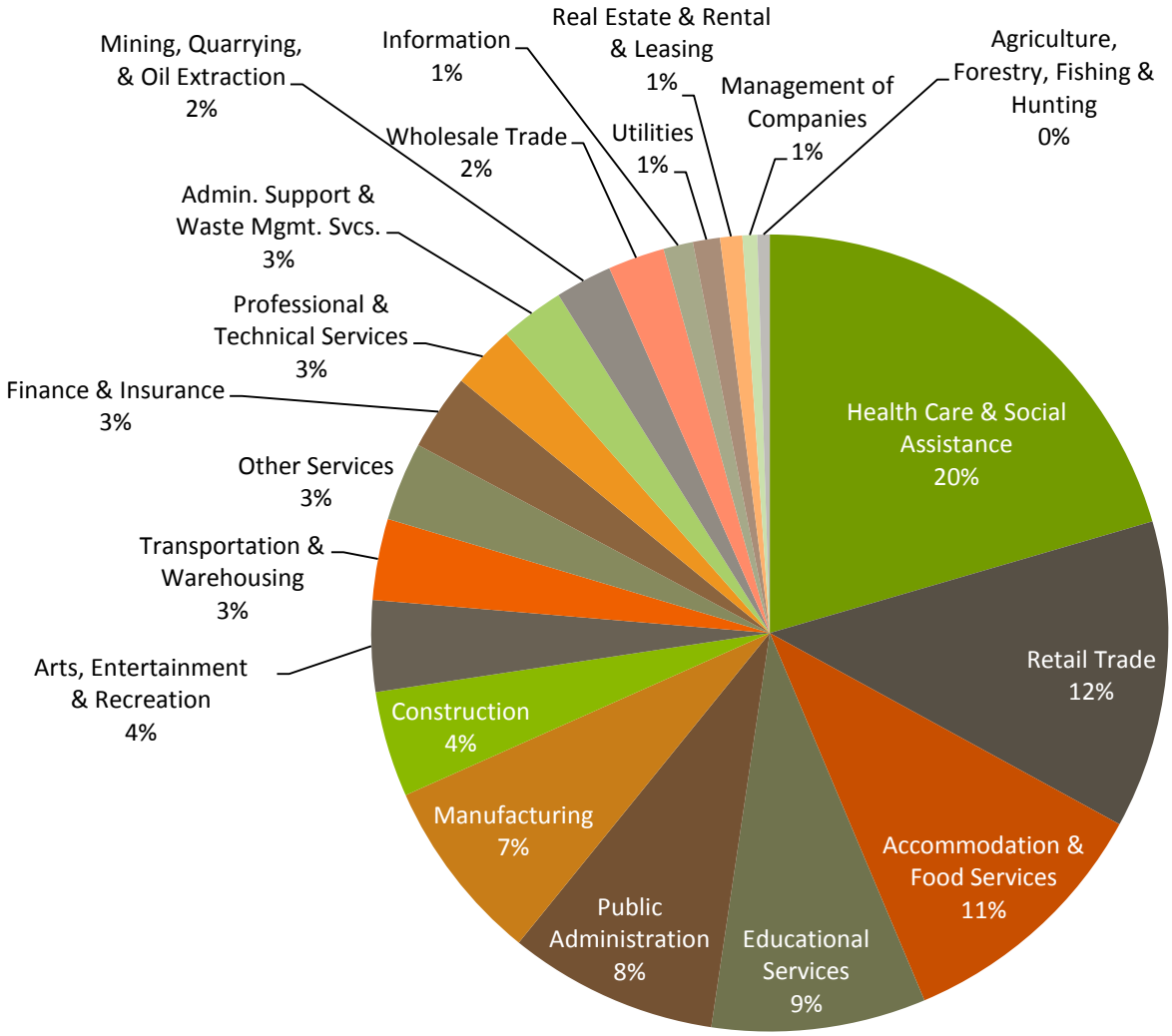
INDUSTRY MIX

Figure 17 shows the industry mix for the most recent year, 2013. The pie chart below breaks the regional economy into multiple sectors. The top three sectors — Health Care and Social Assistance, Retail Trade, and Accommodation & Food Services — account for 44% of the REIF economic employment. The Educational Services, Public Administration, and Manufacturing sectors account for 25% of the employment. Together these sectors total 68% of the total REIF employment in 2013.

Figure 17 - Industry Mix (2013)



Source: Quarterly Census of Employment and Wages: MN DEED & WI Department of Workforce Development

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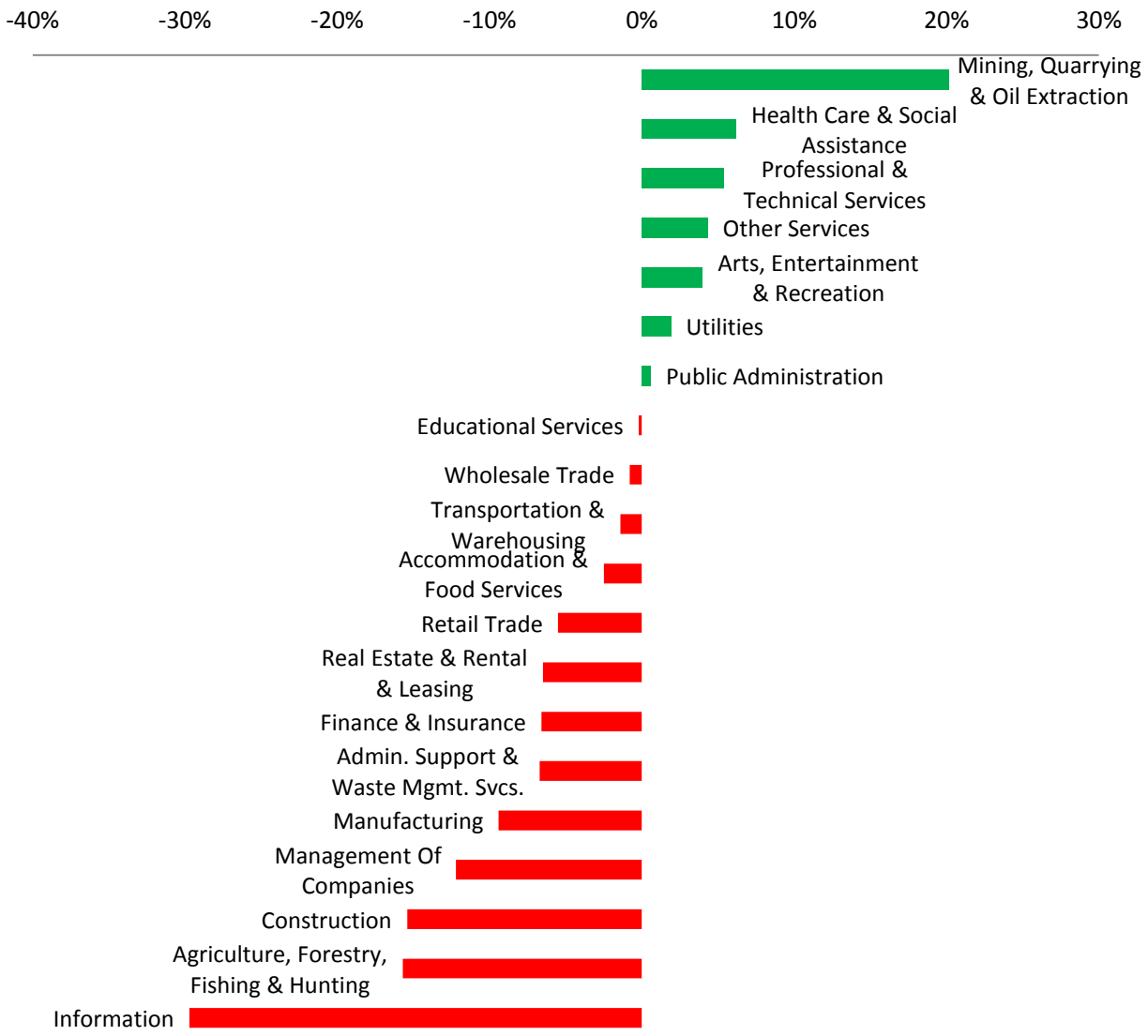
PRE/POST RECESSION EMPLOYMENT CHANGE BY INDUSTRY

The employment recovery by industry sector is show in the chart below. This figure shows the percentage change in each industrial sector from 2007 to 2013. The best growth or recovery has been in the Mining, Health Care & Social Assistance, and Professional & Technical Services sectors. But thirteen sectors have not recovered the lost employment. These include Information, Agriculture, and Construction.

Figure 18 – Pre/Post Recession Employment Change



Source: Quarterly Census of Employment and Wages: MN DEED & WI Department of Workforce Development

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JOB PROJECTIONS BY INDUSTRY

NORTHWEST WISCONSIN

Wisconsin's long-term employment projection for 2010-2020 is estimated for the ten-county region in NW Wisconsin, shown in the table below. The 2010 projections estimated a 10.7 percent overall growth in jobs for the region. The Leisure and Hospitality sector was expected to have strong growth along with the Health Care and Social Services sector. The sector of Professional and Business Services also had good growth potential by 2020.

Table 18 - Employment Projections, Northwest Wisconsin (2010-2020)

NAICS Code	NAICS Title	2010 ANNUAL EMPLOYMENT	2020 PROJECTED EMPLOYMENT	CHANGE (2010-2020)	EMPLOYMENT PERCENT
Total All Industries		69,323	76,710	7,387	10.66
Goods-Producing		**12,966**	**14,346**	**1,380**	**10.64**
	Natural Res. & Mining / Const.	**2,546**	**3,139**	**593**	**26.22**
	Manufacturing	**10,420**	**11,207**	**787**	**7.55**
Services-Providing		**52,220**	**58,104**	**5,884**	**11.27**
	Trade, Transport., & Utilities	**13,290**	**14,286**	**996**	**7.49**
420000	Wholesale Trade	1,910	2,057	147	7.70
440000	Retail Trade	7,950	8,347	397	4.99
480000	Transportation and Warehousing	3,071	3,536	465	15.14
220000	Utilities	359	346	-13	-3.62
	Information	**626**	**655**	**29**	**4.63**
	Financial Activities	**2,010**	**2,270**	**260**	**12.94**
520000	Finance and Insurance	1,548	1,750	202	13.05
530000	Real Estate and Rental & Leasing	462	520	58	12.55
	Prof. & Business Services	**3,578**	**4,394**	**816**	**22.81**
540000	Professional, Scientific, and Tech. Svcs.	1,121	1,406	285	25.42
550000	Mgmt. of Companies & Enterprises	829	939	110	13.27
560000	Admin. & Support & Waste Mgmt. & Remediation Services	1,628	2,049	421	25.86
	Education & Health Svs, plus State & Local Government	**13,616**	**15,526**	**1,910**	**14.03**
610000	Edu. Svs, plus State and Local Gov.	5,842	6,196	354	6.06
620000	Health Care and Social Assistance, including State and Local Government	7,774	9,330	1,556	20.02
	Leisure and Hospitality	**7,557**	**9,105**	**1,548**	**20.48**

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710000	Arts, Entertainment, & Rec.	833	918	85	10.20
720000	Accommodation & Food Svs.	6,724	8,187	1,463	21.76
	Other Svs. (Except Govt.)	**2,832**	**3,147**	**315**	**11.12**
	Government	**8,711**	**8,721**	**10**	**0.11**
Total Self-Employed and Unpaid Family Workers		4,137	4,260	123	2.97

*Due to confidentiality of the data there are industries that suppression and detail may not add to totals. Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn counties

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development October 2013.

NORTHEAST MINNESOTA

The detailed sector listing of the Minnesota 2010-2013 projections reveal that the sectors of Heath Care and Education had the highest expected growth. All of the Health Care sub-sectors including Hospitals, Other Care Facilities and Administration had large projected growth. The Leisure and Hospitality sector also had good job growth potential. This information is detailed in the Appendix B.

The High Pay/High Demand takes the projection ranking one step further showing the highest growth cross tabulated with high median salary. The higher paying Construction and Contractors' trades populate the ranking. In addition, Professional & Technical Services and Wood Products Manufacturing sector were predicted to grow significantly. This information was available for Minnesota only and is shown in the table below.

Table 19 - High Demand High Pay Projections 2010-2020

NAICS	Title	Estimate Year	Estimate Year Employment	Projected Year	Percent Change	Median Salary
5419	Other Professional & Technical Services	2010	481	2020	49.3	39936
4921	Couriers	2010	314	2020	43	45656
2389	Other Specialty Trade Contractors	2010	677	2020	41.8	39364
3364	Aerospace Product & Parts Manufact.	2010	429	2020	39.9	52052
6214	Outpatient Care Centers	2010	857	2020	37.2	37024
2381	Building Foundation/Exterior Contractors	2010	841	2020	36.7	52520
2373	Highway, Street, & Bridge Const.	2010	373	2020	34	56888
5415	Computer Systems Design & Rel Svs.	2010	620	2020	33.9	55172
2382	Building Equipment Contractors	2010	1452	2020	32.2	49868
2362	Nonresidential Building Construction	2010	650	2020	30.8	46280
3212	Veneer & Engineered Wood Products	2010	316	2020	28.2	55068
3219	Other Wood Product Manufacturing	2010	342	2020	25.4	34216
6211	Offices of Physicians	2010	1607	2020	24.5	84916
4841	General Freight Trucking	2010	478	2020	22.4	37128
3331	Ag., Const., & Mining Machinery	2010	583	2020	20.2	47996
5413	Architectural and Engineering Services	2010	900	2020	17.8	57408

Source: LAUS: MN DEED

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CONSUMER CONFIDENCE INDICATORS: PREDICTING THE BUSINESS CYCLE

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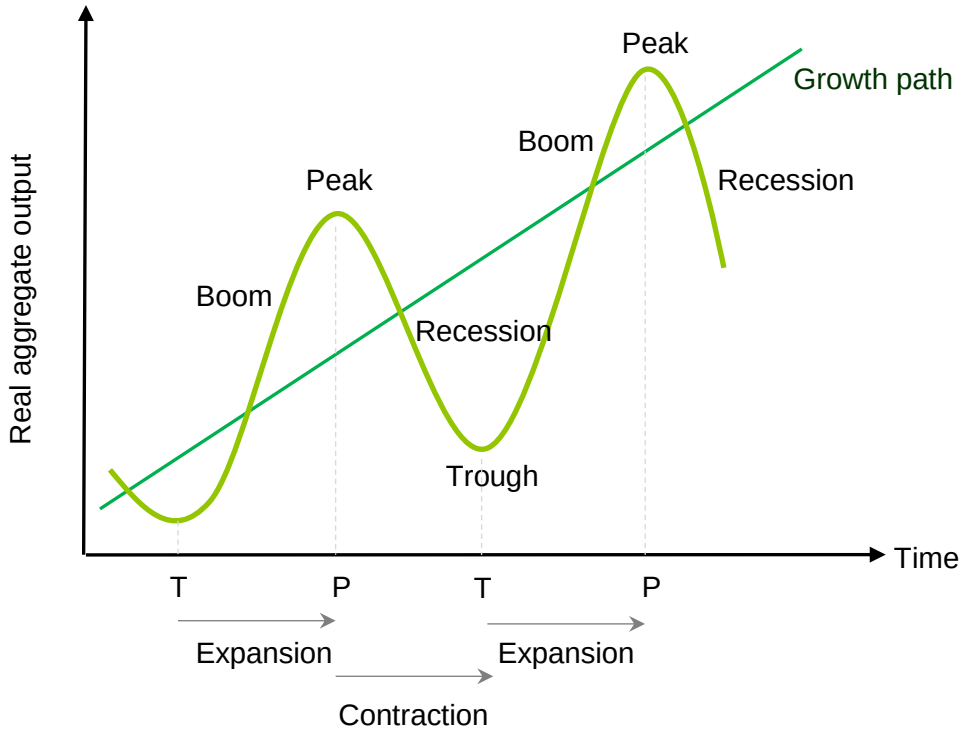
UW-S student researchers: Elvis Artilles, Prashant Burlakoti, Elliot Charette, Abdisa Dawano, Nabait Fukur, Brian Honness, Carl Lindquist, Nneoma Nwobilor, Arne Nyeck, Alexander Slay, Farida Suleiman, Yiru Wei, Calvin Wing.

The economy-wide fluctuations in economic activity are popularly referred to as a *business cycle*. As illustrated in Figure 19, business cycle is a short-run alternation between economic downturns and economic upturns. When the economy is booming, consumers and businesses enjoy economic prosperity. When the economy is in a recession, the fortunes reverse. Thus, if a business cycle could be anticipated, its effects could be lessened or shortened. To forecast the business cycle, economists use coincident, leading and lagging economic indicators.

Figure 19: Business Cycle



Source: Authors illustration

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How the economy is doing today is traditionally described by a single aggregate economic indicator known as *Real Gross Domestic Product* (GDP). Formally, real GDP measures the inflation-adjusted market value of all final goods and services produced in the economy during a given year. By design, real GDP also serves as a measure of national income corrected for inflation. In other words, real GDP measures how many goods and services the economy actually produces and can afford in a given year, if prices stayed constant.

Since real GDP describes the current state of the economy, it is known as a *coincident economic indicator*. Other typical coincident economic indicators include: nonagricultural employment, industrial production, and consumption. As shown in Figure 20, significant continuous increases in coincident economic indicators signal an economic expansion. For businesses this means a growing economy, rising revenues, and economic prosperity.

Unfortunately, coincident economic indicators take time to collect. To equip decision-makers with tools enabling them to anticipate the forthcoming fluctuations in the economy, economists developed so-called *leading economic indicators*. Leading economic indicators, such as the index of consumer expectations, stock prices, and housing permits, tend to move ahead of coincident economic indicators and, therefore, signal where the economy is heading in the future. As shown in Figure 20, leading economic indicators precede the coincident economic indicators. Significant continuous increases in leading economic indicators signal that the economy is about to expand, while significant continuous declines in leading economic indicators signal that an economic contraction is about to happen. Given their ability to predict future economic conditions, leading economic indicators are closely watched by businesses and other decision-makers, as they help them plan for the future. To confirm that changes in leading and coincident economic indicators are not a fluke and represent significant changes in the economy, economists have also developed so-called *lagging economic indicators*. Lagging economic indicators, such as unemployment, inflation, nominal interest rates and outstanding loans tend to move several time-periods after the economy, or after coincident economic indicators. As shown in Figure 20, lagging economic indicators follow the coincident economic indicators.

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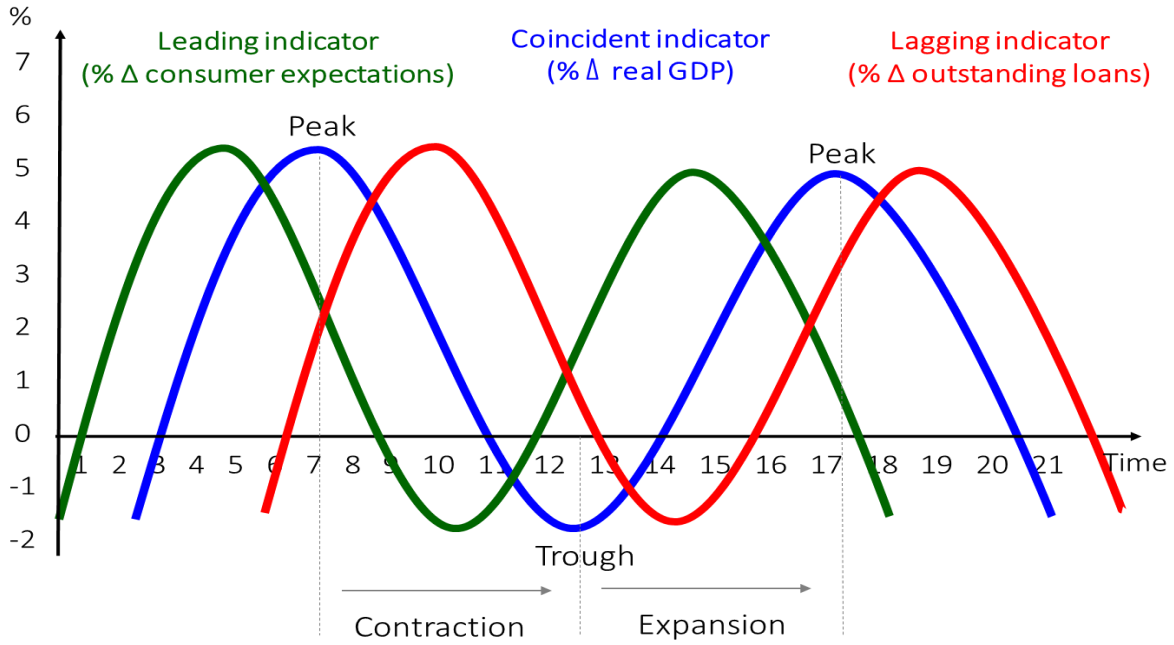
Figure 20: Leading, Coincident and Lagging Economic Indicators



Source: Authors' illustration

Together, these three sets of indicators are used to predict and verify turning points in the economy (i.e., peaks and troughs). When interpreting these indicators, business cycles are typically predicted using a 3-D's approach: (i) duration – changes in economic indicators that last at least several time-periods are more likely to be a result of an economic shift, as opposed to random fluctuations, (ii) depth – the greater the percentage change in an economic indicator, the more likely it represents a significant shift in the economy, and (iii) diffusion – the greater the proportion of economic indicators signaling or pointing to the same economic shift, the more likely the economy is about to change.

In Fall 2013, a research group at the University of Wisconsin-Superior (UW-S) started developing regional economic indicators for fifteen northern Minnesota and northwest Wisconsin counties, including the Index of Consumer Sentiment (ICS), Index of Current Conditions (ICC), and Index of Consumer Expectations (ICE). Generally speaking, ICS is designed to gauge consumers' attitudes towards the business environment, personal finances, and consumption spending. ICC is designed to gauge the current state of the economy, or serve as a coincident economic indicator. ICE, a leading economic indicator, is used for business cycle forecasting, as it reflects the consumers' outlook on future economic and financial conditions. This outlook

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in turn determines consumer spending behavior, and through a multiplier effect, the overall economic activity and prosperity in the area.

The methodology behind these indices is based on the following:

- Target survey area: 8 Minnesota and 7 Wisconsin counties, including: Koochiching, Itasca, St. Louis, Lake, Cook, Aitkin, Carlton, Pine, Douglas, Bayfield, Ashland, Iron, Burnett, Washburn, and Sawyer county. Since most consumer spending decisions are made on a household level, household numbers were used to generate the survey samples.

- Data collection process: Randomly selected households were contacted over a phone and asked to answer six core survey questions: 5 questions related to three consumer confidence indicators and one question related to the current events topic of population aging (see Appendix C for details). Consumer confidence survey questions were modeled after the University of Michigan consumer survey, and the final question was developed by UW-S researchers.

- Data samples: Starting in Fall 2014, two surveys were conducted, one over a phone and another via e-mail. Phone-based surveys were conducted using a random representative sample of households residing in each county. E-mail surveys were conducted using a roster of previous REIF attendants. Responses were then compared across samples and were found to be statistically different from each other, so it was decided to track the two samples separately from each other. This report presents the phone-based results only, as Fall 2013 e-mail results will be used to establish a baseline set of indices. Phone-based survey sample size, response rate and margin of error for each time period is documented in Table 20 below.

Table 20: Phone-Based Consumer Confidence Survey: Sample, Response Rate and Error

Time	Complete Responses	Response Rate	Margin of Error, 95%
Fall 2013	219	6.45%	6.62%
Spr. 2014	216	8.24%	6.66%
Fall 2014	91	21.16%	10.27%

Source: University of Wisconsin-Superior

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- Calculation of indices: using the phone-based consumer survey data, three consumer confidence indices were calculated as follows:
    1. Balance by question and county: Q_{ij} = (% $positive_{ij}$ - % $negative_{ij}$) * $weight_j$ + 100, where i = 1…5 indices question number, j = 1…15 indices county, and % positive and % negative stand for percentages of positive and negative responses produced within each time-period respectively. County weights were used to correct for the county non-response error to ensure that results would be representative of households residing in each county and the target area.
    2. Balance by question: $Q_i = \sum_j Q_{ij} \Big/ 15$, where j = 1…15 counties.
    3. Indices: $ICS_t = \frac{Q1_t + Q2_t + Q3_t + Q4_t + Q5_t}{Q1_b + Q2_b + Q3_b + Q4_b + Q5_b}$; $ICC_t = \frac{Q1_t + Q5_t}{Q1_b + Q5_b}$; $ICE_t = \frac{Q2_t + Q3_t + Q4_t}{Q2_b + Q3_b + Q4_b}$, where Q1…5 represents question number, t indices time periods, and b indicates base-year values.

The results of phone-based 15-county regional consumer confidence indices are presented in Table 21, and national consumer confidence indicators developed by the University of Michigan are presented in Table 22. By comparing the national and regional indicator trends, it is possible to discern that nationwide and in the 15-county area consumers generally feel that the economy has been growing stronger. Both the regional and national indices for consumer sentiments and consumer expectations show upward trend between the spring months and fall months. However, compared to nationwide indices, regional index of consumer sentiment and index of consumer expectations exhibit more optimism about the future. Alternating in sign month-to-month changes in nationwide indices suggest that consumers are less certain that the economy will rapidly grow in the future and are taking a more cautious outlook of a slow pace of expansion. Analysis of the three regional indices seems to indicate that over the last year households of the surveyed region have started feeling more positive about their own economic and financial conditions, as well as those of the businesses and the nation as a whole. Percentage changes in all three regional indices show a large escalation from spring 2014 to fall 2014 as opposed to fall 2013 to spring 2014. According to the index of current conditions, surveyed households have reported a positive sense of their present situation. This might have led them to be also optimistic about the future, which is reflected in the rising index of consumer expectations.

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Table 21: 15-County Regional Consumer Confidence Indicators

Time	ICS	ICS, Percent Change	ICC	ICC, Percent Change	ICE	ICE, Percent Change
Fall 2013	100.00		100.00		100.00	
Spr. 2014	100.91	0.91%	100.26	0.26%	101.36	1.36%
Fall 2014	103.83	2.89%	102.31	2.05%	104.86	3.46%

Source: University of Wisconsin-Superior

Table 22: National Consumer Confidence Indicators

Time	ICS	ICS, Percent Change	ICC	ICC, Percent Change	ICE	ICE, Percent Change
Aug '13	82.1		95.2		73.7	
Sep '13	77.5	-5.60	92.6	-2.73	67.8	-8.01
Oct '13	73.2	-5.55	89.9	-2.92	62.5	-7.82
Nov '13	75.1	2.60	88.0	-2.11	66.8	6.88
Dec '13	82.5	9.85	98.6	12.05	72.1	7.93
Jan '14	81.2	-1.58	96.8	-1.83	71.2	-1.25
Feb '14	81.6	0.49	95.4	-1.45	72.7	2.11
Mar '14	80	-1.96	95.7	0.31	70	-3.71
Apr '14	84.1	5.12	98.7	3.13	74.7	6.71
May '14	81.9	-2.62	94.5	-4.26	73.7	-1.34
June '14	82.5	0.73	96.6	2.22	73.5	-0.27
July '14	81.8	-0.85	97.4	0.83	71.8	-2.31
Aug '14	82.5	0.86	99.8	2.46	71.3	-0.70
Sep '14	84.6	2.55	98.9	-0.90	75.4	5.75

Source: University of Michigan

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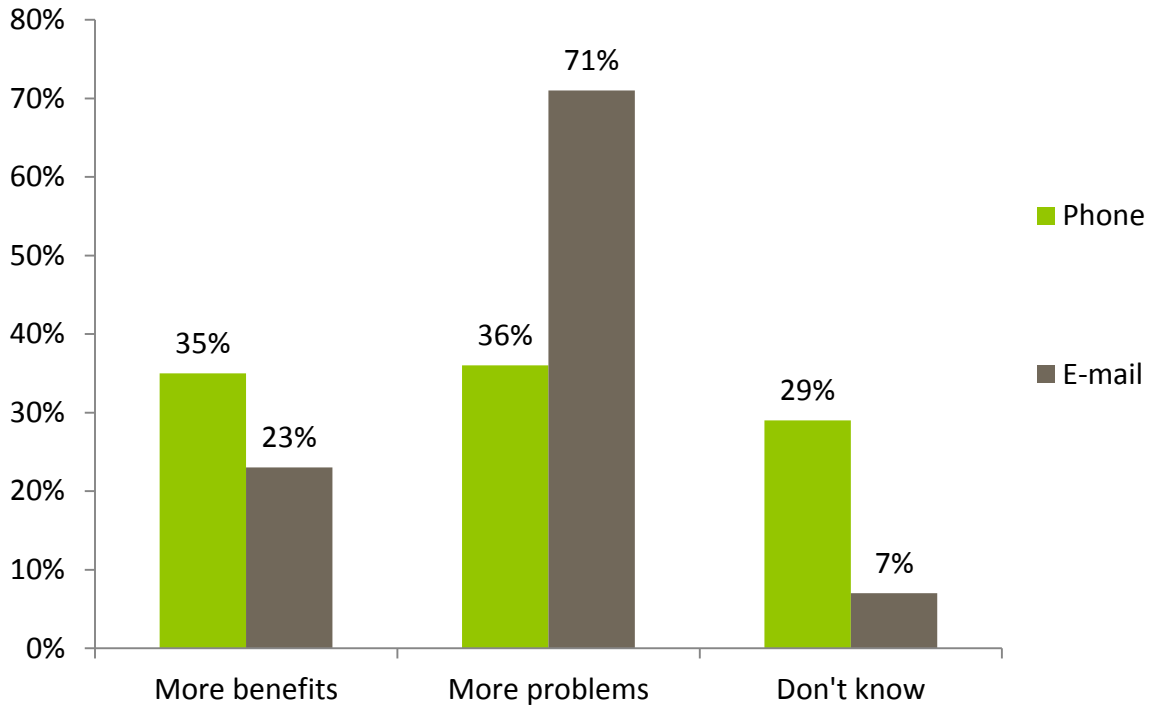
As was noted before, the current events topic for this Regional Economic Indicator Forum was aging population. So, a separate question was included in consumer surveys asking respondents to express their opinion on whether population aging, which is larger in our region compared to the nationwide rate, would present more challengers or benefits to our region. Figure 21 presents the results to this question.

Figure 21: Perceived Effects of Older Population: Phone Survey vs. Email Survey Results



Source: University of Wisconsin-Superior

The question asked in the survey was

"The population of our region is reasonably older than the populations of WI, MN and the country as a whole, and it is predicted to stay that way. In your opinion, do you think our older population presents more benefits or more problems to the region? For example, benefits could be due to having more experienced workers and problems could be due to the diminishing productivity of workers."

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REGIONAL EQUITY INDEX: AN ANALYSIS OF THE EQUITY PERFORMANCE OF STOCKS OF LOCAL INTEREST

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University of Wisconsin-Superior Student Researchers: Kascie Gondik, Beth Haugen, Ethan Kessler, Nick Petcoff

The purpose of this research is to provide information and a financial analysis on the equity performance of companies of local interest in the fifteen counties surrounding the Twin Ports area. This is the second report of an ongoing research project that will track the equity performance of these companies, create an index of local stocks as a way to measure economic activity in the region, examine measures of future performance, and make comparisons to industry averages and market indices.

The first report covered the performance of the index and individual stocks that make up the index over a five year period from January 2, 2009 through December 31, 2013. This report extends the study period through September 30, 2014. This report also provides a look into the future by examining measures that provide forecasts of future performance.

CONSTRUCTION OF THE INDEX AND INDEX COMPONENTS

The Regional Equity Index (REI) was constructed using publicly traded stocks of companies located in the fifteen counties surrounding the Twin Ports. The initial criteria for inclusion in the REI required that the stock be publicly traded with the firm's headquarters located within the fifteen county area of the study. *ReferenceUSA,* a business database, was utilized to identify companies that meet the initial criteria. Only two companies located within the fifteen county region met the criteria requiring that the firm's headquarters be located in the region. In order to construct an index that is relevant, additional stocks needed to be included. To increase the size of the index, the criteria was relaxed to include firms who had a significant presence in the region as indicated by the number of employees locally or the significance of regional activity to the overall contribution to the firm. The firms identified using these criteria include the following:

Allete
Ascena Retail Group
Calumet
Canadian National Railway
Cliffs Natural Resources
Enbridge Energy Partners
Ikonics
Louisiana-Pacific
Polymet
Sappi Limited
UnitedHealth Group
US Steel

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A brief profile of each of the companies and a graph illustrating their equity performance over the study period is provided in Appendix D. Of the twelve firms that make up the index, eight of the stocks trade on the NYSE, three trade on NASDAQ, and one trades OTCPK. UnitedHealth Group and Canadian National Railway are considered large-cap firms, Polymet is a small-cap firm, Ikonics is a micro-cap firm, and the remaining eight stocks in the index are mid-cap firms.

The REI is an equally weighted equity index. An equally weighted index treats each stock equally regardless of its market capitalization or economic size. It is assumed that an equal dollar investment is made in each stock at the beginning of the measurement period. Monthly returns for each stock are calculated over the study period beginning January 2, 2009 and ending September 30, 2014. For each month of the study period, returns are calculated by taking the change in the price from one month to the next, divided by the price at the beginning of the month. The prices used to calculate returns are the historical adjusted prices listed on *Yahoo! Finance.* Adjusted prices are used because these prices reflect any dividends paid or stock splits that may have occurred during the period. Therefore, the adjusted price is a more accurate representation of the true total return to an investor.

Since the REI is composed primarily of mid-cap firms, the index is compared to a benchmark index consisting of the average return of six popular mid-cap equity indices. Using standard benchmarks such as the S&P 500 or DJIA would not provide a reliable comparison since these indices are constructed using large-cap firms. The benchmark index used for comparison purposes for years 2005-2009 is the average of the CRSP, Dow Jones, Morningstar, MSCI, Russell, and S&P mid-cap equity indices. The benchmark index for 2014 year-to-date is the S&P 400 index.

STOCK PERFORMANCE

Table 23 shows the annual returns for each component of the REI over the study period ending September 30, 2014, the average and median returns for the REI, and the annual returns of the benchmark index.

The performance of the REI components relative to the benchmark index shows the overall performance of the index to be comparable to the market. The average return for the REI exceeded the performance of the benchmark in 2009, 2012, and 2014. In 2010, 2011, and 2013 the index underperformed relative to the benchmark index. However, the trend of the REI is consistent with the trend observed for the market. Calculating the arithmetic average, the holding period return for the REI is 23.73% and the benchmark index is 19.93%. Using the geometric average, the holding period return for the index is 20.85% and the benchmark is 19.83%. Both of these averages slightly outperform the benchmark, indicating that the REI performance is comparable to the market over the study period.

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Table 23 - Annual Returns for REI Components and Benchmark Index, ending 9/30/2014

REI	2009	2010	2011	2012	2013	2014
Allete (ALE)	6.59%	18.91%	16.45%	15.50%	22.93%	-3.49%
Ascena Retail Group (ASNA)	115.49%	12.52%	12.24%	23.22%	19.82%	-32.03%
Calumet (CLMT)	136.31%	25.41%	2.97%	64.90%	-11.49%	6.26%
Canadian National Railway (CNI)	46.32%	23.34%	18.86%	17.40%	25.59%	27.53%
Cliffs Natural Resources (CLF)	57.62%	63.28%	-23%	-38.73%	-30.86%	-58.46%
Enbridge Energy Partners (EEP)	113.93%	22.99%	11.99%	-9.36%	11.03%	27.72%
Ikonics (IKNX)	9.78%	14.97%	1.05%	19.44%	77.71%	11.31%
Louisiana-Pacific (LPX)	328.22%	29.95%	-17.23%	134.47%	-6.04%	-25.27%
Polymet (PLM)	286.96%	-26.41%	-55.39%	-16.67%	12.35%	-0.93%
Sappi Limited (SPPJY)	14.70%	6.19%	-44.89%	25.68%	-18.28%	31.00%
UnitedHealth Group (UNH)	10.63%	15.89%	38.28%	6.91%	40.28%	19.83%
US Steel (X)	41.32%	1.30%	-55.84%	-14.66%	15%	40.37%
Median	51.97%	17.40%	2.01%	16.45%	13.68%	8.79%
Average	97.32%	17.36%	-7.88%	18.76%	13.17%	3.65%
Benchmark	39.81%	25.72%	-1.41%	17.09%	35.44%	2.95%

Figure 22 illustrates the growth of $100 invested in the REI on January 2, 2009 and held until September 30, 2014. The growth trend of the $100 investment in the REI is compared to the trend of $100 invested in the S&P 400 over the same period of time. The S&P 400 is chosen because it is a mid-cap index, which provides the most meaningful comparison to the REI, and monthly data was available to calculate the returns for the S&P 400 over the five-year study period. The ending value of the REI is $239.43 and the ending value of the S&P 400 is $209.12. The trend for the REI closely mirrors the market and slightly outperforms the S&P 400.

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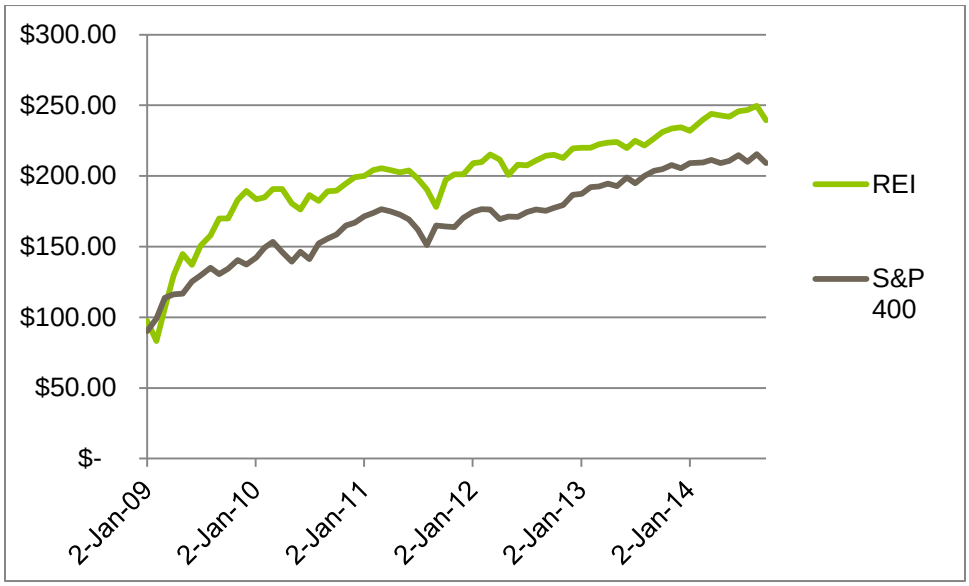
Figure 22 - Growth of $100 Invested in the REI and the S&P Index



MEASURES OF FUTURE EXPECTATIONS

Predicting future stock price performance accurately and consistently is an impossible task. However, research has shown that certain measures are more effective in predicting future performance than others. Two companies, Value Line® and Morningstar®, are well known for providing measures that are useful in predicting the future performance of firms. This study makes use of data from both of these sources.

VALUE LINE® MEASURES

TIMELINESS AND PERFORMANCE RANK

The Timeliness Rank provides a measure of predicted stock price performance relative to the market over the next year. The measure is based on historical price and earnings data, recent price and earnings trends, and recent unexpected earnings events. The highest possible rank is 1 and the lowest is 5. Stocks ranked 1 and 2 are expected to outperform the market, stocks ranked 3 are expected to mirror the market, and stocks ranked 4 and 5 are expected to underperform the market. The Performance Rank is similar to the Timeliness Rank but is typically used for smaller capitalization firms.

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As can be seen in Table 24, the average Timeliness/Performance Rank for the REI is slightly above average at 2.7. This suggests that on average the price performance of the REI should do slightly better than the market over the next year. US Steel has a rank of 1 indicating it is expected to outperform the market. Calumet and Ikonics have a rank of 2, indicating they are expected to do above-average relative to the market. US Steel and Calumet showed improvement in rank from the previous study period. Cliffs Natural resources and Louisiana-Pacific both showed a decline in rank with Louisiana-Pacific expected to have below-average performance based on a rank of 4. Value Line® did not provide any measures for Sappi Limited.

SAFETY RANK

The Safety Rank measures the potential risk of an individual stock. It is based on the stability of the stock price over time and the financial strength of the firm. The highest possible Safety Rank is 1 and the lowest is 5. A conservative investor, who is mainly concerned with safety, would typically invest in stocks with a rank of 1 or 2.

As illustrated in Table 2, the Safety Rank for the REI is 3.0, which makes the REI average in terms of potential risk. UnitedHealth Group has a rank of 1. Allete, Canadian Railway, and Enbridge have a rank of 2, which indicates above average safety. Cliffs Natural Resources, Ikonics, Louisiana-Pacific, Polymet, and US Steel have a rank of 4, which indicates a below average level of safety.

TECHNICAL RANK

The Technical Rank provides an estimation of stock price performance relative to the market over the next three to six months. Unlike the Timeliness and Performance Ranks which provide a longer term estimate, the Technical Rank is focused on short term price estimates. The measure is based on the stock's price performance during the past year relative to the market. Stocks ranked 1 and 2 are expected to outperform the market over the next three to six months. Stocks ranked three are expected to mirror the market over the short term and stocks ranked 4 and 5 are expected to underperform the market over the short term.

The average Technical Rank for the REI is 2.6, indicating that the index is expected to have slightly better performance than the market over the next three to six months. Ascena, Calumet, Cliffs Natural Resources, and Enbridge have a rank of 2, indicating they are expected to outperform the market over the short term. All four of these firms showed improvement in the Technical Rank from the previous study period. Polymet has a rank of 5, indicating it is expected to underperform relative to the market over the short term. Based on the Timeliness Rank and the Technical Rank, Ascena, Cliffs Natural Resources, Enbridge, and Louisiana-Pacific are expected to have better performance over the short term with a slight decline in

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performance the rest of the year. Polymet and US Steel are expected to show an improvement in performance over the long term.

STOCK PRICE STABILITY

Stock Price Stability measures the weekly volatility of the stock price relative to the stock's volatility over the past five years. The ranks range from 100 (highest stability) to 5 (lowest stability).

The average Price Stability for the REI is 45.0, which is slightly below average. Allete, Canadian National Railway, and Enbridge had the highest price stability, with ranks ranging from 90 to 95, indicating a relatively low level of risk. Cliffs Natural Resources, Ikonics, Louisiana-Pacific, Polymet, and US Steel had the lowest price stability, with ranks ranging from 5 to 15, indicating a high level of risk. The Price Stability rank for these firms is consistent with the volatility of the returns shown in Table 24 over the study period.

PRICE GROWTH PERSISTENCE

Price Growth Persistence is a measure of the historical stock growth trend of an individual stock relative to the price growth trend of the market. In other words, it measures the tendency of a stock to show persistent growth. The ratings range from 100 (highest) to 5 (lowest).

The Price Growth Persistence average for the REI is 44.1, indicating it is slightly below average in terms of consistent price growth. Ascena and Canadian National Railway showed above average persistence in price growth, while Louisiana-Pacific, Polymet, and US Steel are well below average. Seven of the firms in the REI Index showed a decline in the Price Growth Persistence measure.

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Table 24 - Value Line Measures

REI	Timeliness/ Performance	Safety	Technical	Price Stability	Price Growth Persistence
Allete (ALE)	3	2	3	95	40
Ascena Retail Group (ASNA)	3	3	2	50	75
Calumet (CLMT)	2	3	2	45	30
Canadian National Railway (CNI)	3	2	3	90	95
Cliffs Natural Resources (CLF)	3	4	2	5	40
Enbridge Energy Partners (EEP)	3	2	2	90	45
Ikonics (IKNX)	2	4	2	10	60
Louisiana-Pacific (LPX)	4	4	2	15	25
Polymet (PLM)	3	4	5	5	5
Sappi Limited (SPPJY)	*	*	*	*	*
United Health Group (UNH)	3	1	3	75	55
US Steel (X)	1	4	3	15	15
Average	2.7	3.0	2.6	45.0	44.1

MORNINGSTAR® MEASURES

Financial statements can be useful in predicting future earnings, dividends, cash flows, and a variety of other factors. They can be used as a way to anticipate future conditions, identify strengths and weaknesses, provide information about past performance, and forecast future performance. Financial ratios are a convenient way to summarize large quantities of financial data into a single number that can be used to measure performance. The use of ratio analysis allows you to put financial statement figures into perspective. However, the ratios by themselves are meaningless unless compared to some standard. Ratios are typically compared to an industry average or to the trend of the firm. A cross-sectional analysis compares the ratios of the firm to some standard at a specific point in time. The objective is to look for deviations from the norm. A time-series analysis compares the ratios of a single firm to itself over time.

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The objective is to look for trends to determine whether performance is improving or deteriorating.

Price ratios are often used to measure investors' expectations of future stock price performance. They are typically compared to the industry average. A higher price ratio is generally considered better. A higher ratio typically means that investors' expect future performance will be better.

PRICE-TO-EARNINGS

The Price-to-Earnings ratio is calculated by dividing of the firm's current stock price by its earnings per share. A high P/E ratio usually indicates investors are expecting high earnings growth in the future. As an investor this is generally good news. However, a high P/E ratio can be the result of a high price or the result of low earnings per share. The average market P/E ratio is 20 to 25 times earnings. It is most useful to compare the ratio to the industry average or to the firm's historical P/E ratios. Although it is mathematically possible to have a negative P/E ratio, the ratio is generally not reported if earnings are negative.

The P/E ratios reported by Morningstar® show that Allete, Canadian National Railway, and UnitedHealth Group compare favorably to their industry averages. All of them, except Canadian National Railway, are slightly below their respective industry average. Ascena and Cliffs Natural Resources have ratios that are significantly below their industry average. Ikonics and Louisian-Pacific have P/E ratios that are significantly higher than the industry average. Although high P/E ratios are generally considered better, the Ikonics and Louisiana-Pacific ratios may be an indication that the stock is currently overpriced.

The P/E ratio for the REI is 62.03. This is quite high when compared to the average market P/E ratio of 20 to 25 times earnings. However, the extremely high P/E ratio of Louisiana-Pacific skewed the results. If Louisiana-Pacific is excluded from the calculation, the average P/E ratio is 21.6, which is comparable to the average market P/E ratio.

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Table 3. Price Ratio Measures

REI	Price-to-Earnings		Forward Price/Earnings	PEG Ratio	PEG Payback	Short Ratio	Shares Short % Change
	Firm	Industry					
Allete (ALE)	17.7	19.3	14.5	2.4	9.7	15.61	-35.84
Ascena Retail Group (ASNA)	15.3	22	10.43	0.7	6.1	5.32	5.31
Calumet (CLMT)	*	13.5	18.13	1.3	9.3	2.88	-11.49
Canadian National Railway (CNI)	23.3	21.4	15.9	1.5	9.2	7.09	25.09
Cliffs Natural Resources (CLF)	28.7	119	6.4	0	*	8.53	12.85
Enbridge Energy Partners (EEP)	*	40	*	4.4	15.4	12.57	13.59
Ikonics (IKNX)	39.5	17.2	*	*	*	1.00	-50.46
Louisiana-Pacific (LPX)	294.1	42.9	13.4	9	23.2	7.63	4.64
Polymet (PLM)	*	119	*	*	*	25.65	-1.73
Sappi Limited (SPPJY)	*	217.4	26.5	*	*	1.03	-9.21
United Health Group (UNH)	15.6	17	11.7	1.6	8.4	6.06	-18.36
US Steel (X)	*	59.2	32.3	0.3	4.6	5.59	3.07
Average	62.03	36.97	16.58	2.36	10.74	8.25	-5.21

FORWARD PRICE-TO-EARNINGS

The Forward Price-to-Earnings ratio is calculated by dividing the firm's current market price per share by the expected earnings per share. It is a way to compare current earnings to estimated future earnings. If earnings are expected to grow, the Forward P/E ratio will be lower than the current P/E ratio. Therefore, a low Forward P/E ratio relative to the current P/E ratio is considered better.

Of the six companies that had data on Morningstar® for the current P/E and the Forward P/E ratios, all of them showed a lower Forward P/E ratio than their current P/E ratio. This indicates future earnings are expected to grow for these companies.

PRICE-TO-EARNINGS-TO-GROWTH (PEG)

The PEG ratio is calculated by dividing the P/E ratio by the growth rate of the firm's annual earnings per share. It is considered a better measure of expected price performance than the

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P/E ratio because it considers the firms growth in earnings. A high P/E ratio may look attractive to an investor, but when the firm's growth rate is considered, it may not look as appealing. A lower PEG ratio generally indicates the stock may be undervalued. However, the relationship between the PEG ratio and valuation varies from industry to industry.

A general rule of thumb is that a PEG ratio less than one is considered desirable. A PEG ratio equal to one indicates that the stock is fairly priced, a PEG ratio greater than one indicates the stock is overvalued, and a PEG ratio less than one indicates the stock is undervalued. Louisiana-Pacific has a PEG ratio of 9, indicating it is significantly overvalued. Allete, with a PEG ratio of 2.4, and Enbridge, with a PEG ratio of 4.4, also seem to be overvalued. Calumet, Canadian National Railway, and United Health Group are slightly overvalued, with PEG ratios ranging from 1.3 to 1.6. Ascena Retail Group, Cliffs Natural Resources, and US Steel are slightly undervalued, with PEG ratios ranging from 0.0 to 0.7.

PEG PAYBACK PERIOD

The PEG payback period is the amount of time it would take an investor to double their money in a stock investment. A longer PEG payback period indicates the investment is riskier. All of the PEG payback ratios calculated for the REI components appear to be in a reasonable range except for Enbridge with a PEG Payback of 15.4 and Louisiana-Pacific with a PEG Payback of 23.2. All of the PEG Payback periods increased from the last study period, indicating an increased level of risk to investors.

SHORT INTEREST RATIO

Short selling allows an investor to profit from declining stock values. A short sale is the opposite of taking a long position in stocks. When an investor buys a stock with the hope that the price will rise, they are taking a long position. If an investor feels that the price of a stock is going to fall, they can take a short position. In a short sale the investor borrows the stock from a broker and sells the stock at the current market price. If the price declines, the investor can cover their position by buying the stock in the open market at the lower price, repaying the broker, and realizing a gain.

Short interest is the total number of shares of stock that have been sold short by investors but have not yet been covered. Short interest is an indicator of investor sentiment in the market for a specific stock. A large change in a stock's short interest from month to month can be a very telling indicator of investor sentiment. If short interest increases, it means there are more investors who believe the stock price will decline.

The short interest ratio is the number of shares sold short (short interest) divided by the average daily volume. The ratio reflects the number of days it would take short sellers to cover their

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positions. The higher the ratio, the longer it will take to buy back the borrowed shares. A short interest ratio of five or greater is considered a bearish signal and a ratio below five would be considered a bullish signal.

Nine of the firms in the REI Index have short interest ratios ranging from 5.32 to 25.65, indicating investors are not very confident the stock price will increase over the short term. Only three of the firms in the REI have ratios below 5.0, indicating investors are bullish on these stocks. The average short interest ratio for the REI Index is 8.25, indicating a bearish sentiment by investors.

The percentage change in short interest shows a significant change in investor sentiment for Allete, Canadian National Railway, Ikonics, and UnitedHealth Group in a positive direction, indicating many investors believe the stock price will rise in the short term. Each of these firms had a decline in the percentage change in short interest. Canadian National Railway showed an increase of 25.09% in short interest indicating many investors believe the stock is overvalued and expect values to decline. The percentage change in short interest for the remainder of the stocks in the REI was relatively small, with four of the firms showing a slight improvement in investor sentiment and five firms showing a lack of investor confidence.

CONCLUSION

Although the REI showed a small positive return of 3.65% year-to-date, the overall performance of the index is slightly above average when compared to the benchmark return of 2.95%. Ascena (-32.03%), Cliffs Natural Resources (-58.46%), and Louisiana-Pacific (-25.27%) had large negative returns which had a strong influence on the overall performance of the index. Offsetting the large negative returns were strong performances by Canadian National Railway (27.53%), Enbridge (27.72%), Sappi (31.0%), and US Steel (40.37%). Stock valuations were significantly impacted by the large market decline the last month of the study period.

The Value Line® Measures indicate that the stocks in the REI are consistent with market expectations of future performance. Although there are slight deviations from the indicator average for a few of the individual stocks, the index is very consistent and comparable to the market for most stocks and most measures. There does appear to be some deterioration in the Safety rank for some stocks, indicating a slightly higher level of risk.

The Price-to-Earnings ratio for the REI is consistent with the market and the Forward Price-to-Earnings ratio for each stock in the index showed positive expectations for future earnings. The Short Interest ratio shows investors are mixed about short term expectations of performance for most of the stocks in the index. Nine of the stocks in the index have a short interest ratio greater than five, an indicator investors believe stock prices will fall. Overall, it appears that investors' expectations of future performance of the stocks in the REI are mixed.

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NORTHLAND BUSINESS CONFIDENCE SURVEY

Robert Hoffman, Ph.D., Assistant Professor of Economics at the School of Business and Technology, the College of St. Scholastica. Student Researchers: Kailee Ogden, Sam Hoffman, Eric Fryc, Ana Maria Camelo Vega.

The Northland business confidence survey was created by the College of St. Scholastica's Economic Research Team and distributed by the region's chambers to local businesses in September and early October of 2014. The College received a total of 126 responses, 52% of which came from small businesses boasting 1-19 employees.

The region registered strong business confidence with a Northland Business Confidence Index reading of 110, where any reading above 100 indicates optimism. This was very similar to last year's reading of 111. Overall business activity for the previous six months was positive, and businesses forecasted business activity to moderately increase in the Northland region over the next six months.

During the previous six months, selling prices saw large increases and maintained their relative position in projections for the following six months, indicating no danger of deflationary pressures. Businesses reported increases in the number of employees and average hours worked, with the latter increasing more substantially.

While businesses have indicated they are optimistic about the direction of business activity in the Northland region, they reported the following factors as most limiting their ability to generate growth. The five factors that businesses identified as most hindering business activity were competition within their own sector, demand, government policy, shortage of skilled labor, and cost of labor.

Businesses with 50-249 employees exhibited the most confidence out of the size categories with the vast majority reporting a moderate to significant increase in business activity. The leisure and hospitality industry was the strongest of those analyzed, reporting significant growth and a strong indication to continue. Education and health services were the least confident of the industries analyzed. However, the level of confidence reported was mixed rather than poor.

Respondents were also asked to identify the anticipated impacts on their demand for skilled labor, productivity, and level of business activity as they pertained to the region's aging demographic. The majority of businesses surveyed did not foresee the aging population having any impact on their demand for skilled labor, level of productivity, or level of businesses activity. Businesses who reported those factors to be impacted often reported an increase in each factor.

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NORTHLAND BUSINESS CONFIDENCE SURVEY: FINDINGS AND ANALYSIS

The region expressed fairly strong business confidence, registering a reading of 110 on the Northland Business Confidence Index, where any reading above 100 indicates confidence and optimism. This is down slightly from last year's reading of 111 but still indicates the region's businesses are doing well and will continue to do so in the months ahead.

Over the past six months, 46 percent of businesses reported an improvement in their company outlook with 51 percent improving their assessment of general business activity. Over the next six months, the numbers for the same factors are projected to stand at 50 percent and 52 percent, respectively. This, coupled with the decreases in the percentage of respondents projecting any sort of decline in either, indicates that the region's businesses are largely confident on a general level.

Table 25 - Outlook/General Business Activity, Previous Six Months

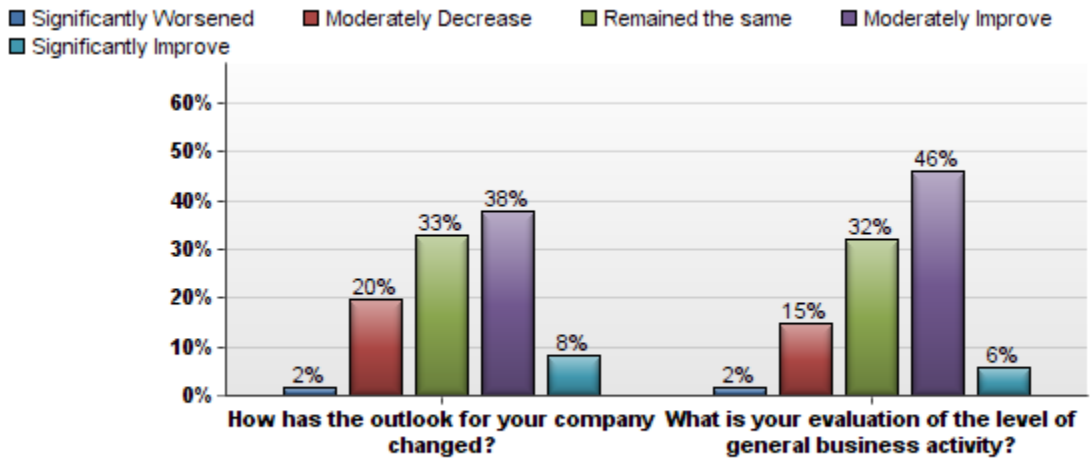

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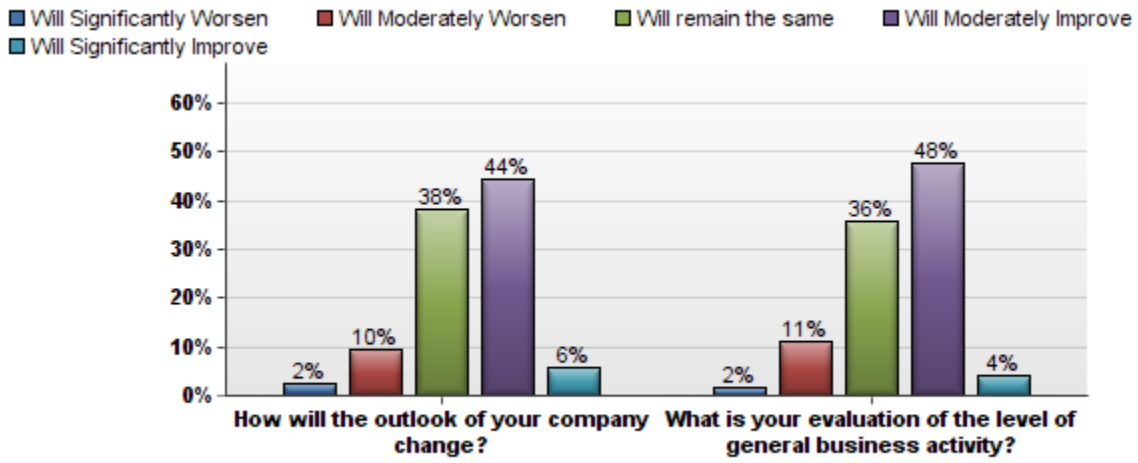
Table 26 Outlook/General Business Activity, Next Six Months



On a more specific level, the results for the past six months matched up well with the general metrics discussed previously. Sales revenue improved for over half of the region's businesses, translating to profits for over 40 percent of them. However, 22 percent of businesses had reductions in their revenue and even more, 28 percent, had declines in their revenue. This suggests that there is relatively significant variance in the performance of the region's businesses.

Selling prices rose for more than 30 percent of businesses, which could indicate some confidence in the health of the regional market and its consumers. Similarly, capital expenditures were up moderately for 38 percent and significantly for another 9 percent, indicating expansion and satisfaction with the levels of risk and return in the regional economic environment.

The level of employment in the region increased in 35 percent of businesses and average hours worked increased moderately in 34 percent and significantly in another 9 percent. While the 13 percent of businesses who cut back on their number of employees was higher than some of the other metrics, it's not enough to detract from the strong employment tendencies of regional companies in the past six months.

The projections for the next six months suggest that businesses feel that many of these factors will stabilize. For instance, for every metric, at least 48 percent of all businesses expect no changes to occur. The businesses who do project changes mostly expect them to be increases.

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Revenues are expected to climb for more than 40 percent of businesses and profits are set to climb for 37 percent. The proportion of those expecting declines in either metric is set to drop dramatically compared to the last six months. This suggests that businesses believe their performance over the next six months will be more uniform and largely positive.

Capital expenditures are expected to continue their climb for 37 percent of businesses, suggesting that the environment continues to be kind to companies looking for investments or expansions. While nearly 70 percent of businesses do not expect selling prices to change in the next six months, 28 percent expect to increase them and only 4 percent think they'll be cut. The downward pressure on prices that has been affecting some parts of the nation and worrying federal policymakers does not appear to be occurring in this region.

While employment is largely expected to stabilize or increase slightly in most of the businesses over the next six months, average hours worked is expected to continue its climb, albeit at a more relaxed pace. All of this indicates that the labor market in the region continues to look strong.

Table 27 Business Indicators, Previous Six Months

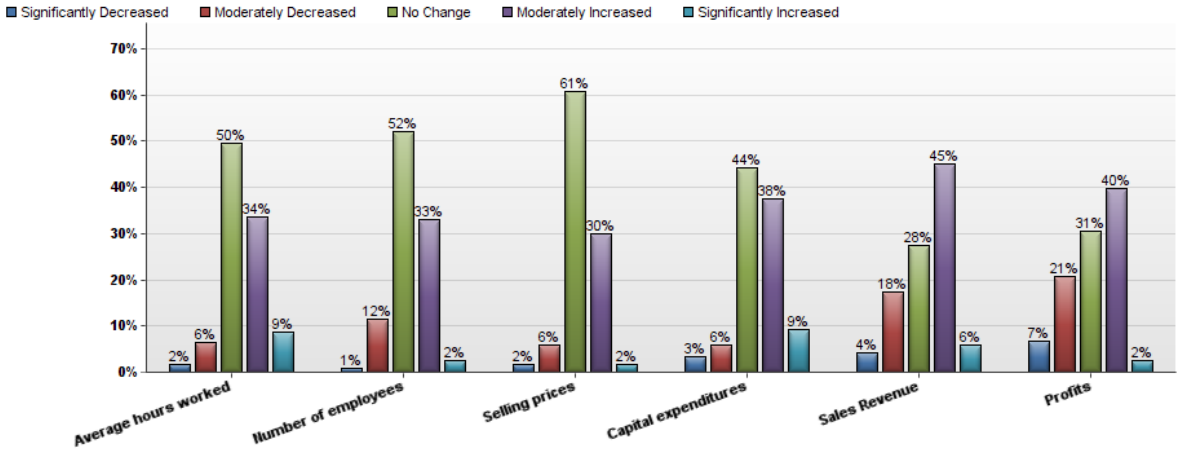

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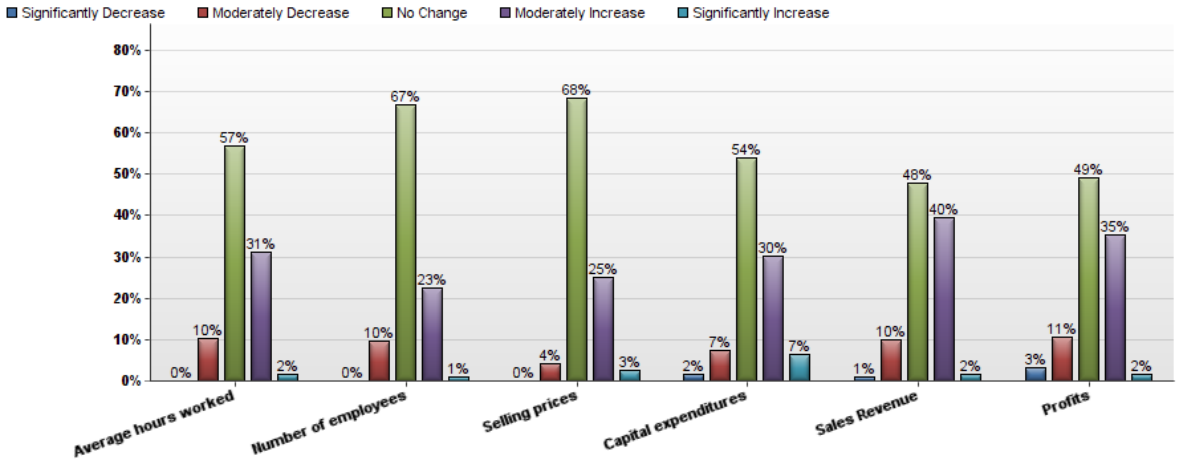
Table 28 Business Indicators, Next Six Months



When asked to choose three factors most limiting business activity in the region, competition within the sector (33 percent), demand (33 percent), government policy (25 percent), shortage of skilled labor (25 percent), and cost of labor (21 percent) emerged as the major problem areas.

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PROFESSIONAL SERVICES

The professional services industry expressed general confidence in the region's current economic climate. The majority of businesses reported improvements in both their company outlook and their assessment of general business activity in the previous six months and expected even more improvement in the following six. This indicates that the region's professional services industry is strong and should build on that strength in the future.

Table 29 Professional Services Outlook/General Business Activity, Previous Six Months

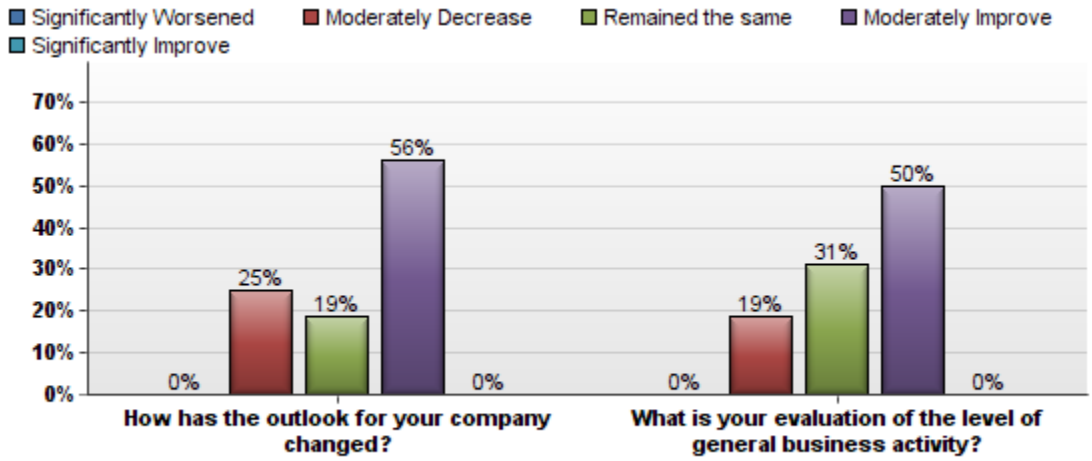

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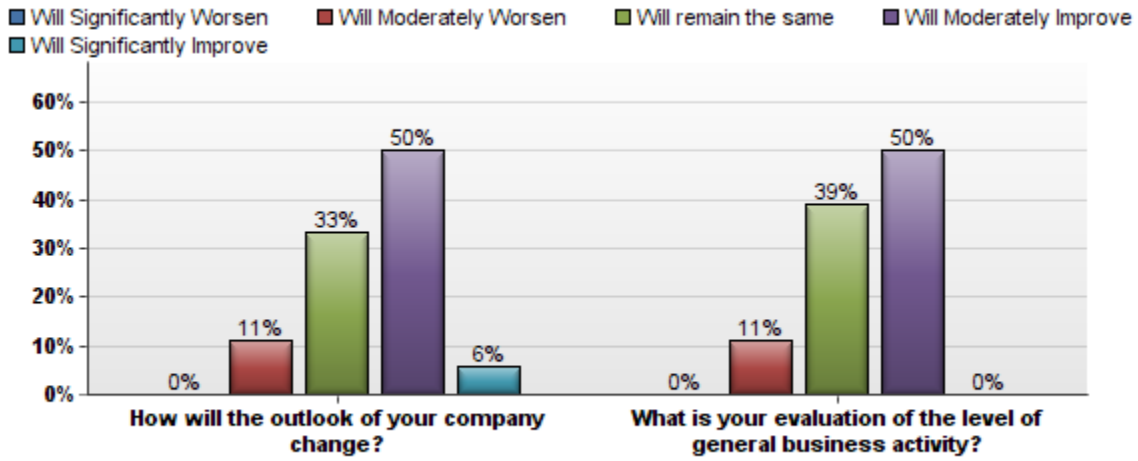
Table 30 Professional Services Outlook/General Business Activity, Next Six Months



The robust confidence that firms had on a general level may stem from nearly 40 percent of businesses reporting increasing profits and sales revenue over the last six months. Significant increases in capital expenditures were also reported by 11 percent of businesses, with another 22 percent reporting moderate increases. These gains translated into positive, but conservative, projections for the next six months. Perhaps a result of the encouraging climbs in revenue and profit, selling prices were projected to rise for 39 percent of firms - significantly so for 6 percent. Zero firms expected a reduction in the number of employees with 28 percent of businesses expecting moderate increases in their level of employment. Although significant declines were projected in capital expenditures and profits by 6 percent of businesses, improvements were expected for the industry as a whole.

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Table 31 Professional Services Business Indicators, Previous Six Months

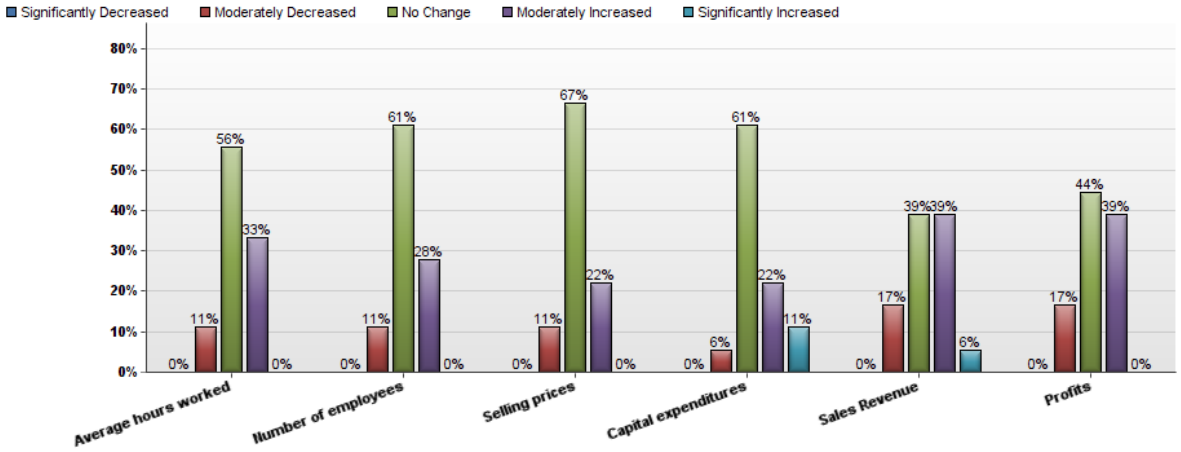
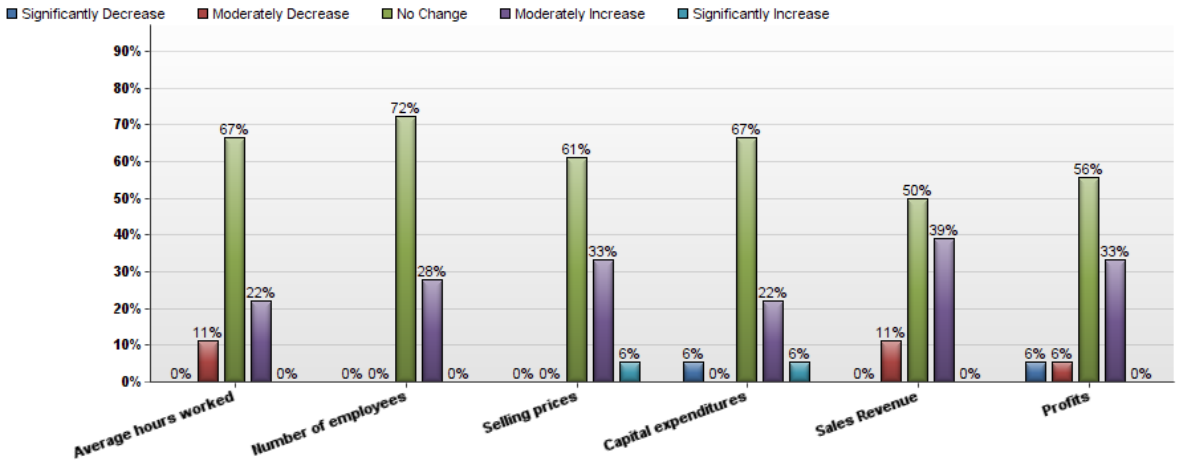


Table 32 Professional Services Business Indicators, Next Six Months



The top three factors that are limiting business growth in professional services throughout the region are demand, a shortage of skilled labor, and competition from within the industry. The broader concerns of the professional services industry tracks closely with those of the region.

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HEALTH SERVICES

Confidence in the health services industry was the most mixed of the industries analyzed. While the industry expressed confidence on a more general level, their varied behavior on an individual level provided some cause for concern. However, much of the variance took place over the past six months and is expected to mostly stabilize in the next six months.

Table 33 Health Services Outlook/General Business Activity, Previous Six Months

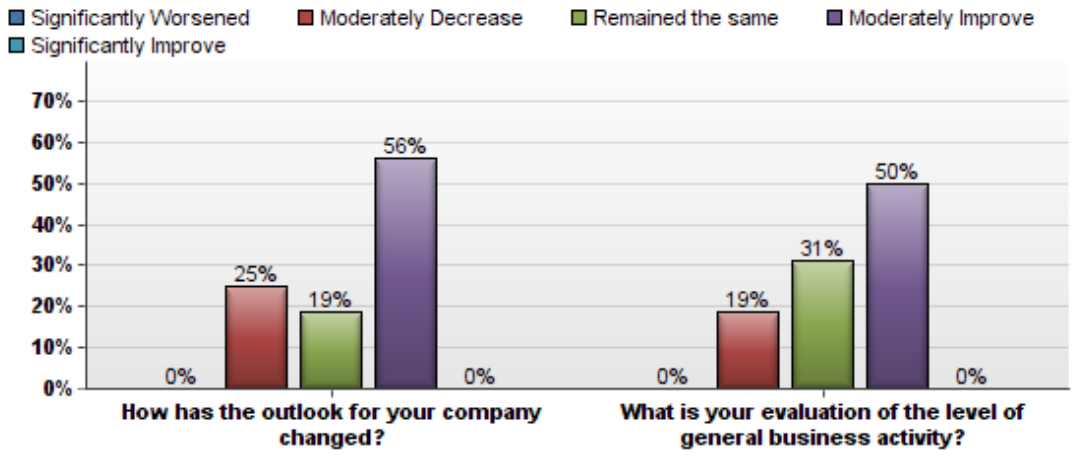
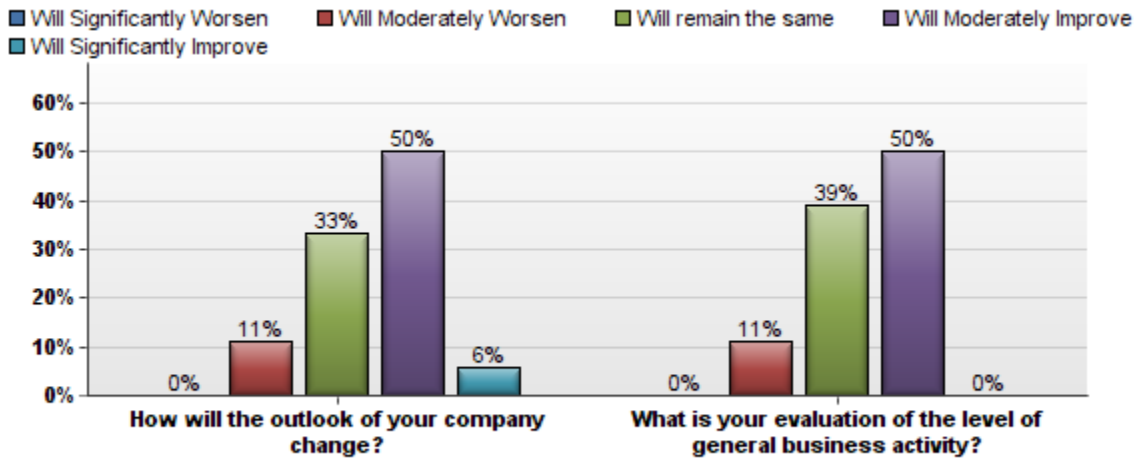


Table 34 Health Services Outlook/General Business Activity, Next Six Months



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For instance, 36 percent of businesses reported decreases in revenue over the previous six months, while 50 percent reported increases. More worryingly, 14 percent of businesses had a sharp reduction in profits during that period and another 29 percent posted moderate declines. Although 43 percent still posted increases in profits, the average health services company posted declines. In the coming six months, 23 percent of businesses expect an increase in revenue while the same percentage expects a decrease. Profits will still be a major problem area with only 15 percent of businesses expecting an increase and 31 percent projecting a fall.

Capital expenditures was the only indicator that the health services industry performed better in than the region as a whole. Roughly 57 percent of businesses increased their capital expenditures in the last six months - and 14 percent did so significantly - while less than 10 percent decreased them. Nearly 40 percent expected further increases in their level of capital expenditures in the next six months, suggesting that the economic environment and the longer term outlook for the company is ideal for investment.

Employment, which was increased moderately by 27 percent of businesses and significantly by 13 percent in the previous six months, was one of the brightest spots in forecasting the next six. More than a third of firms are expecting further increases in the next six months, though it's worth noting that over a fifth are expecting to reduce their number of employees. Similarly, average hours worked is expected to decline in over 20 percent of businesses and rise in only 14 percent. Whether this is the result of the previously mentioned uptick in hiring being more part-time based or out of necessity to cut costs is not clear.

Table 35 Health Services Business Indicators, Previous Six Months

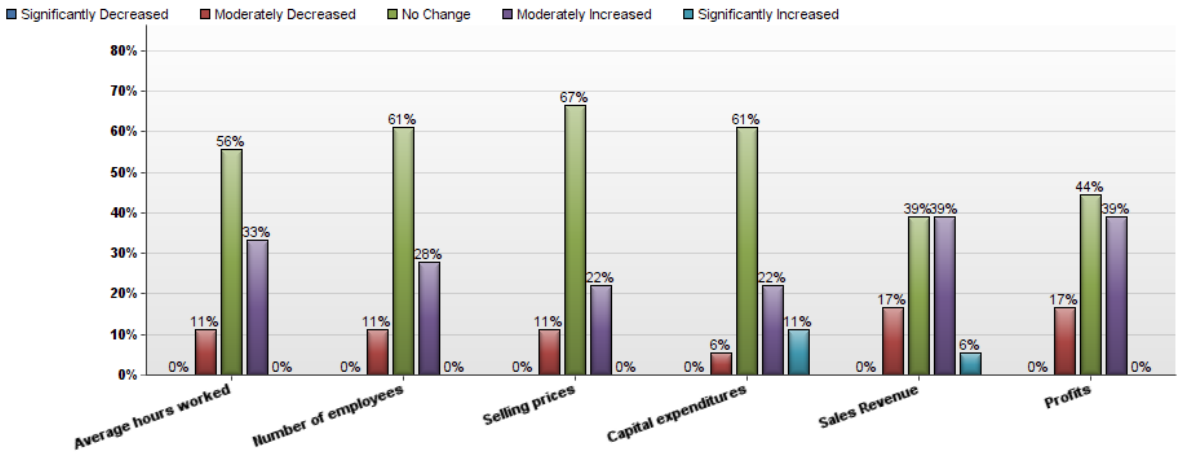

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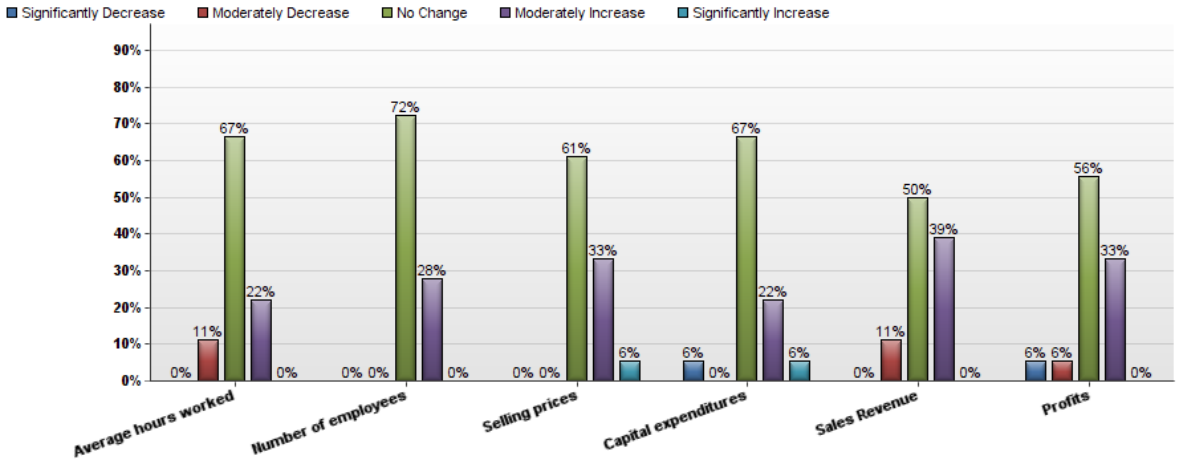
Table 36 Health Services Business Indicators, Next Six Months



None of the problems in the health services industry seem to be related to demand. Instead, when asked which factors were limiting business activity, legislation related to healthcare (67%), government policy (47%), competition within the sector (27%), and the cost of labor (27%) were the dominant choices.

FINANCIAL SERVICES

The financial services industry expressed slightly more business confidence than the region as a whole and, with a few caveats, seemed optimistic about that trend continuing into the future. Company outlook, which increased moderately for 29 percent of businesses and significantly for another 21 percent, is projected to climb for a full 50 percent of businesses in the next six months. Similarly, approximately three-fourths of businesses expected general business activity to improve in the next six months - the same proportion who had reported an improvement in the previous six.

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Table 37 Financial Services Outlook/General Business Activity, Previous Six Months

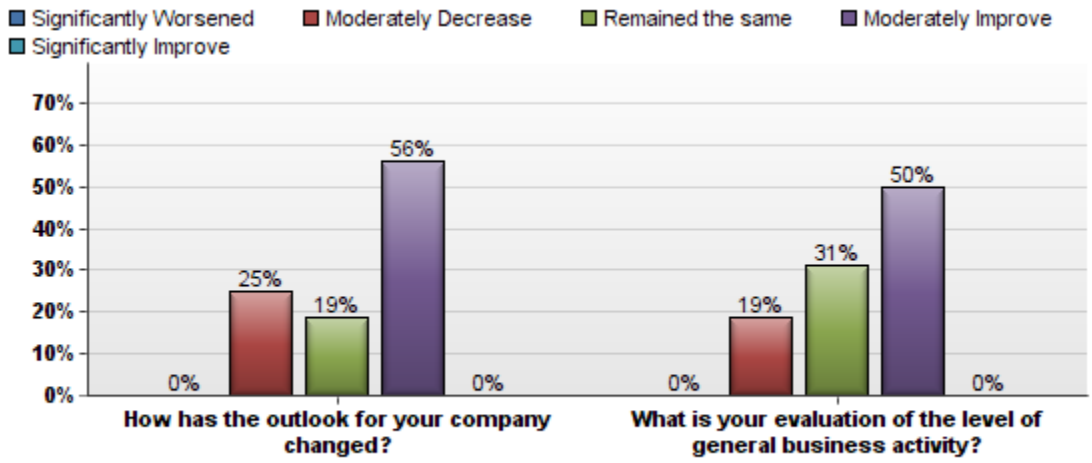
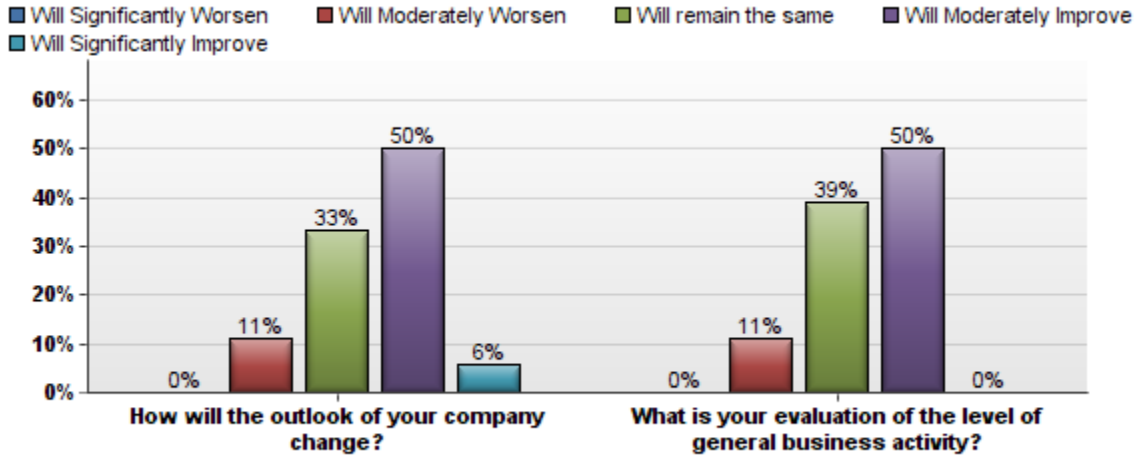


Table 38 Financial Services Outlook/General Business Activity, Next Six Months



This confidence is likely related to the success that businesses in the industry have had over the previous six months. Revenues increased for 57 percent of businesses and profits rose for 64 percent. It is important to note that these gains weren't seen across the entire industry, as revenue and profits declined for 14 and 21 percent of businesses respectively. On average, however, the industry was performing well. It looks likely to continue to perform strongly in the months ahead, as revenue and profits are both expected to climb for at least 44 percent of firms.

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Employment picked up for a modest amount of businesses, while a larger proportion of respondents reported more significant gains in average hours worked over the previous six months. While employment is projected to largely level off in the next six months, average hours worked is still expected to continue its gains.

Capital expenditures were the most mixed of the five indicators respondents were asked about, with more businesses expecting declines than increases in the metric over the coming six months. This follows a period in which capital expenditures had risen for 46 percent of firms, but fallen for 23 percent - a third of which had significant declines. Given the nature of the financial services industry and the relative lack of physical assets, this trend is not as concerning or indicative of economic woe as it would be for most other industries.

Table 39 Financial Services Business Indicators, Previous Six Months

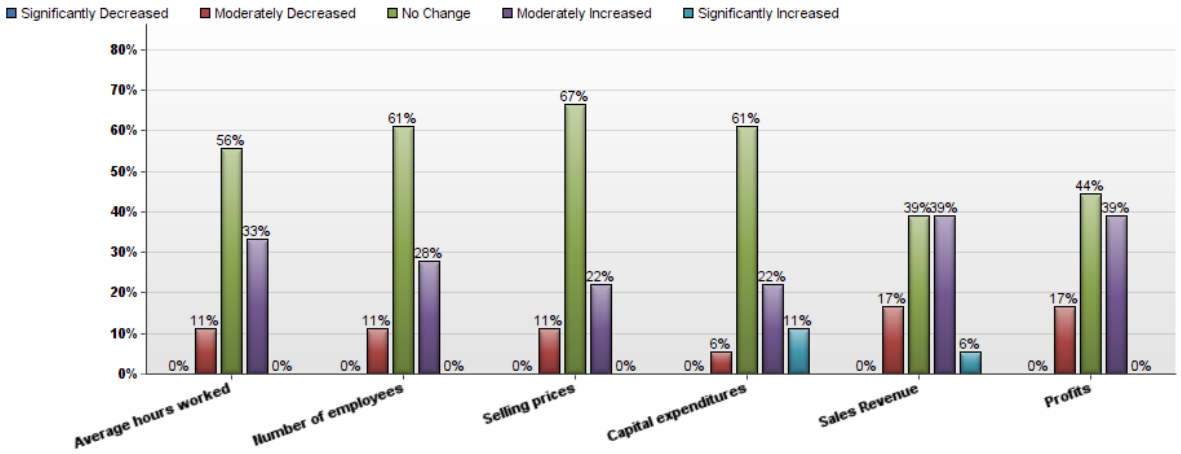

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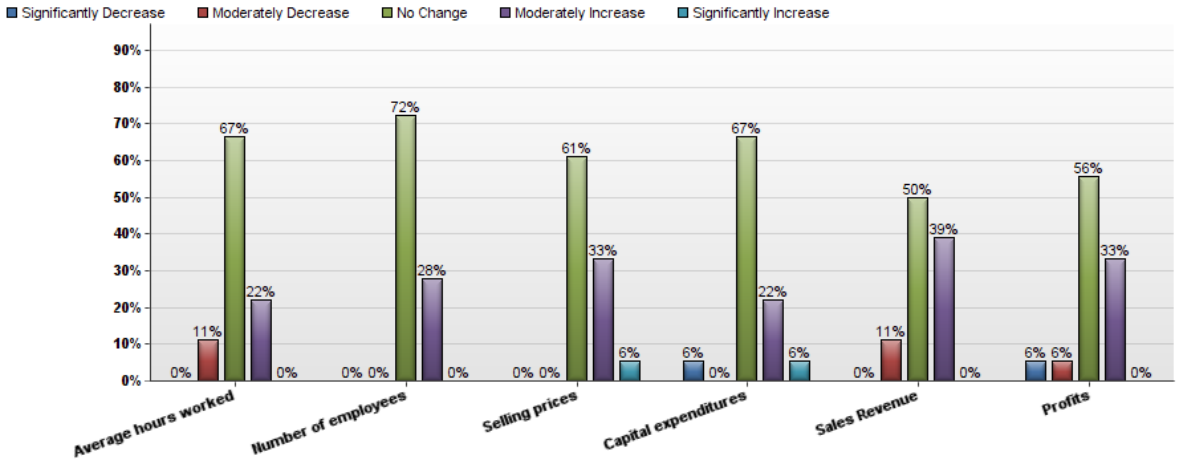
Table 40 Financial Services Business Indicators, Next Six Months



Government policy, competition within the sector, and demand easily stood out as the three factors that posed the greatest challenge to expanding business activity in the region's financial services industry. All three were chosen by at least 43 percent of businesses, while the next closest factor, cost of labor, was 14 percent.

NON-PROFITS

The region's non-profit industry expressed mostly mixed and neutral business confidence. On a more general level non-profits were optimistic about the outlook for their company and for general business activity. However, that optimism mostly retreated into neutrality when they were asked to evaluate indicators on a more specified, individual level.

For instance, over half of businesses in the industry projected improvements in both their company outlook and evaluation of general business activity in the coming six months. This comes on the heels of a period in which less optimism and more pessimism was expressed in response to each of these questions.

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Table 41 Non-Profits Outlook/General Business Activity, Previous Six Months

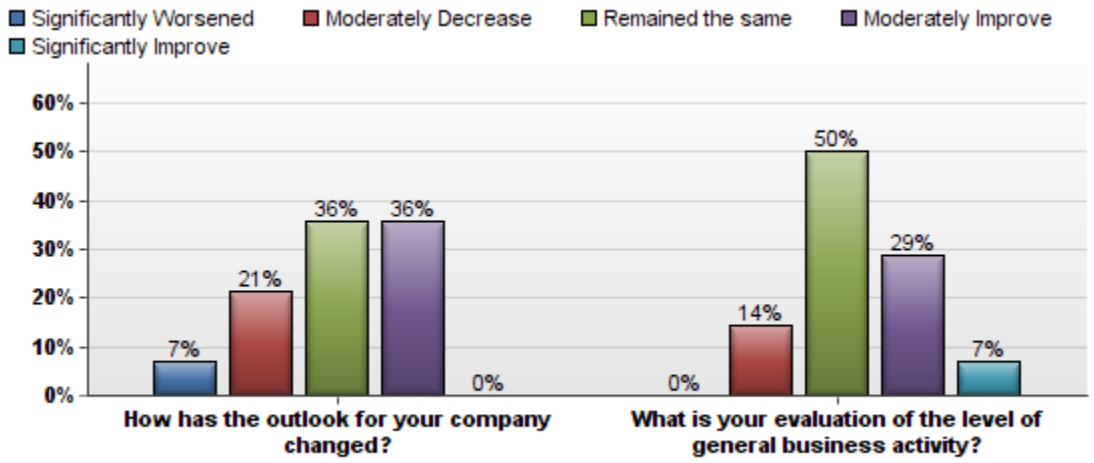
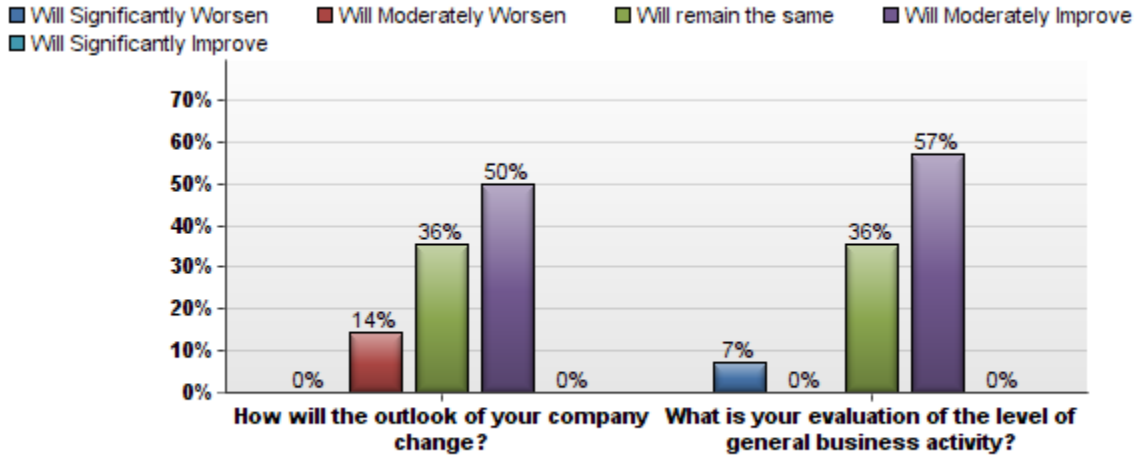


Table 42 Non-Profits Outlook/General Business Activity, Next Six Months



Of the metrics that respondents were asked to evaluate, average hours worked was the only one where the industry as a whole displayed noteworthy optimism in the past six months, with 43 percent of businesses reporting increases. Over 30 percent reported gains for sales revenue, but the same proportion reported declines. Profits were down moderately for 15 percent and significantly for another 15 percent, while only 23 percent reported an increase. While most businesses expressed neutrality when projecting the next six months, capital expenditures,

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revenues, and profits were all expected to improve for 31 percent of businesses, with 29 percent projecting increases in average hours worked.

Table 43 Non-Profits Business Indicators, Previous Six Months

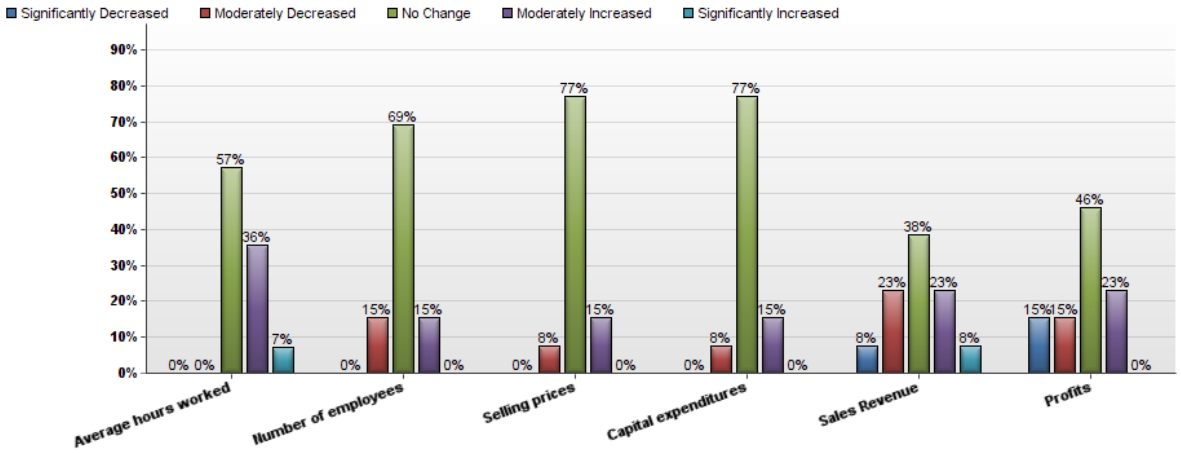
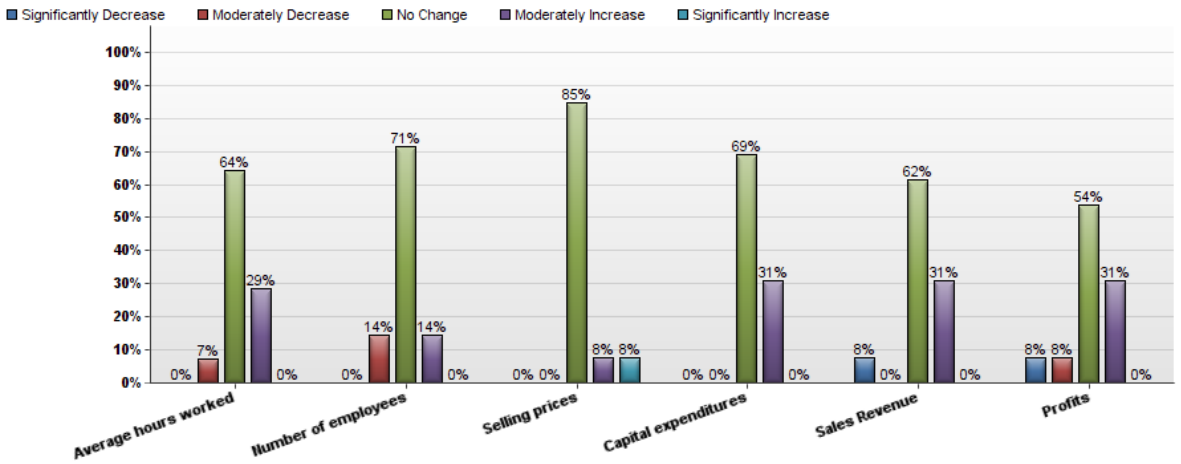


Table 44 Non-Profits Business Indicators, Next Six Months



When asked to pick the three factors that are limiting their ability to increase business activity, cost of labor (29 percent), shortage of skilled labor (29 percent), and weather conditions (21 percent) topped the list. Also, being selected by 29 percent of respondents was the option of "none." For an industry lacking the economic enthusiasm and confidence seen throughout the rest of the region, it is troubling that respondents were largely unable to pinpoint specific factors holding back their level of business activity.

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EDUCATION

The education industry is among the least confident of any industry in the report. The previous six months were bad ones for the average business on both a general and specific level. However, there are some encouraging signs and expressions of optimism in projections for the next six months. The results suggest that the region's educational industry may be ready to put the worst behind them.

Company outlook and assessment of general business activity both declined for approximately 60 percent of businesses in the past six months. However, in projecting the next six months, half of all businesses forecasted improvements in both categories. This came with a dramatic reduction in the proportion of firms expecting further declines.

Table 45 Education Outlook/General Business Activity, Previous Six Months

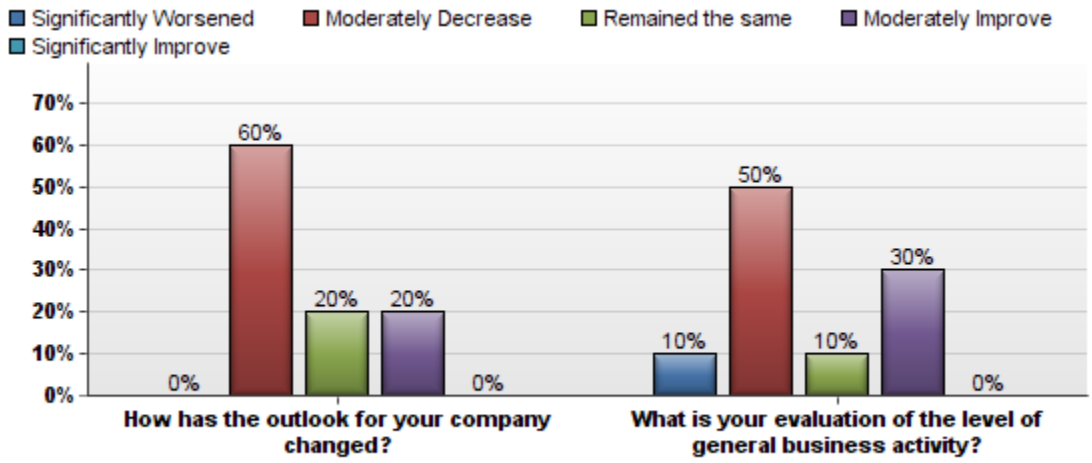

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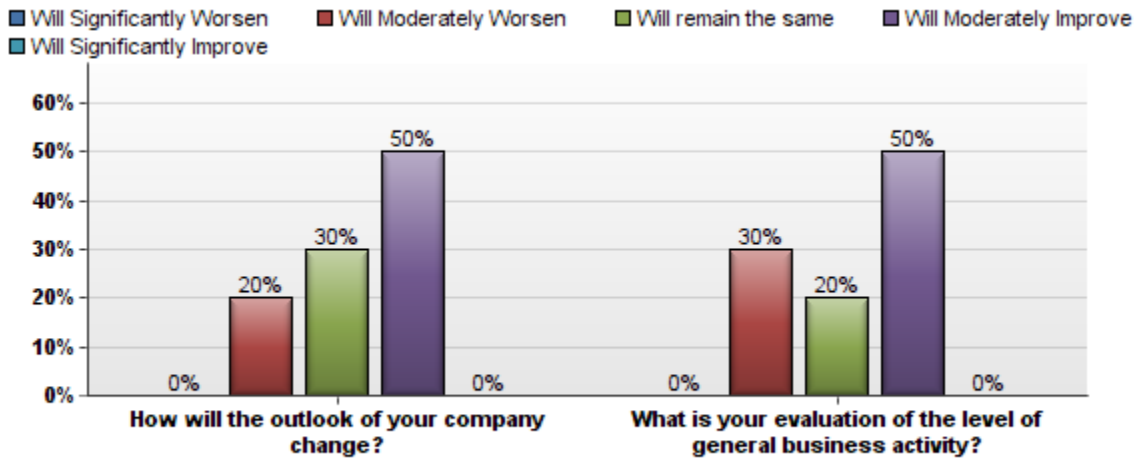
Table 46 Education Outlook/General Business Activity, Next Six Months



Although sales revenue climbed for 33 percent of businesses in the past six months, it also declined for 22 percent of them. Further, it failed to translate into profits, as only 10 percent of firms increased their profits. Even more troublesome, 50 percent of firms saw a reduction in their profits and 44 percent reduced their number of employees. The lone display of encouragement in the past six months came in capital expenditures, as 40 percent of institutions increased this metric - 10 percent doing so significantly.

There is more stability in the projections for the coming six months, as each indicator isn't expected to change for at least half of all businesses. No firms expect a reduction in revenue and while there are still more businesses expecting profits to fall than there are expecting them to rise, it's not as dramatic as it had been. Additionally, more hours will be worked at 40 percent of institutions and there are more respondents expecting increases in their number of employees than decreases, a major shift from the previous six months.

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Table 47 Education Business Indicators, Previous Six Months

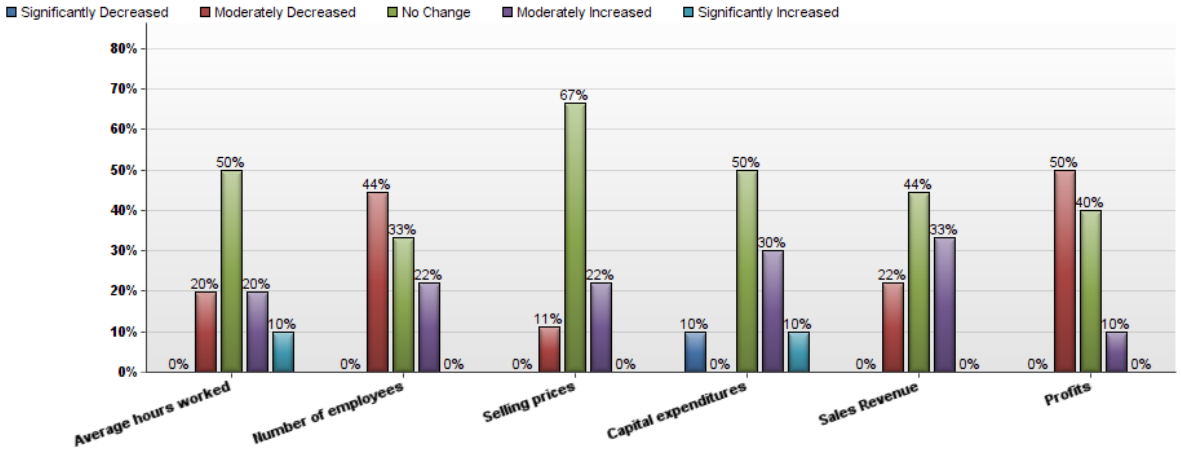
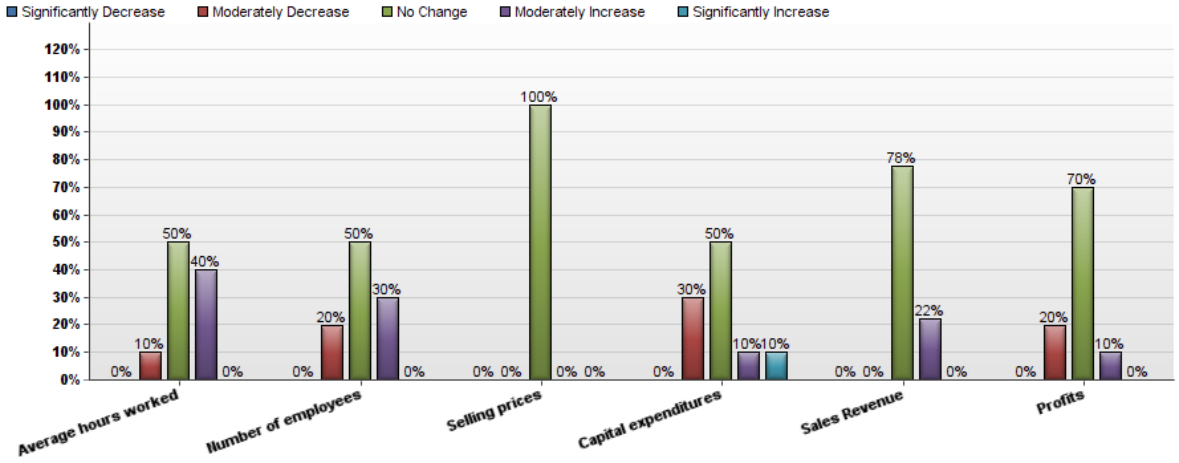


Table 48 Education Business Indicators, Next Six Months



Demand and competition within the sector were tied for the most frequently listed factor preventing pickups in business activity in the sector, both being chosen by 50 percent of respondents. Shortage of skilled labor, cost of labor, and government policy rounded out the top five and were choices of at least 20 percent of respondents.

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LEISURE AND HOSPITALITY

Of all industries analyzed in this report, leisure and hospitality was by far the best performing and the most confident. Approximately 60 percent of respondents reported improved company outlooks and evaluations of general business activity over the previous six months. Such optimism became even more enthusiastic in the next six months, as the proportion of companies expecting significant improvements in both areas climbed substantially and the proportion expecting declines fell.

Table 49 Leisure and Hospitality Outlook/General Business Activity, Previous Six Months

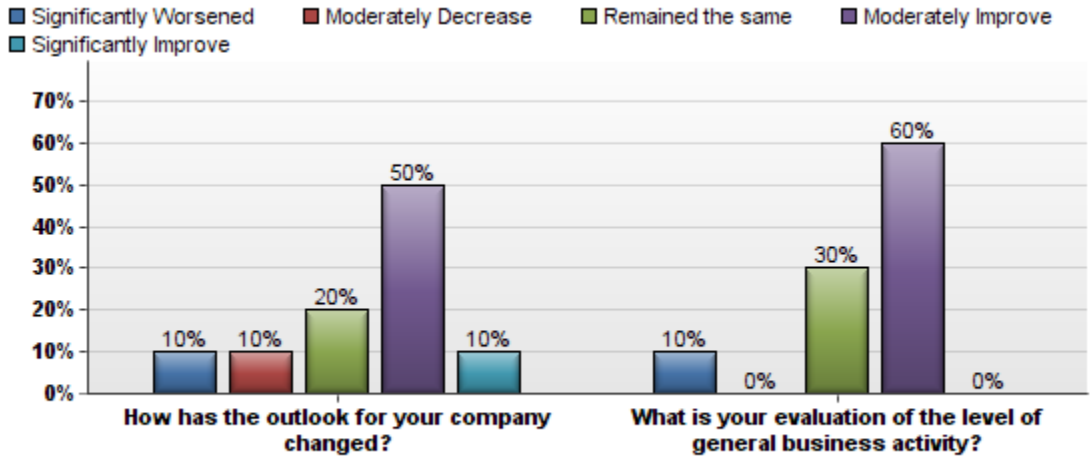

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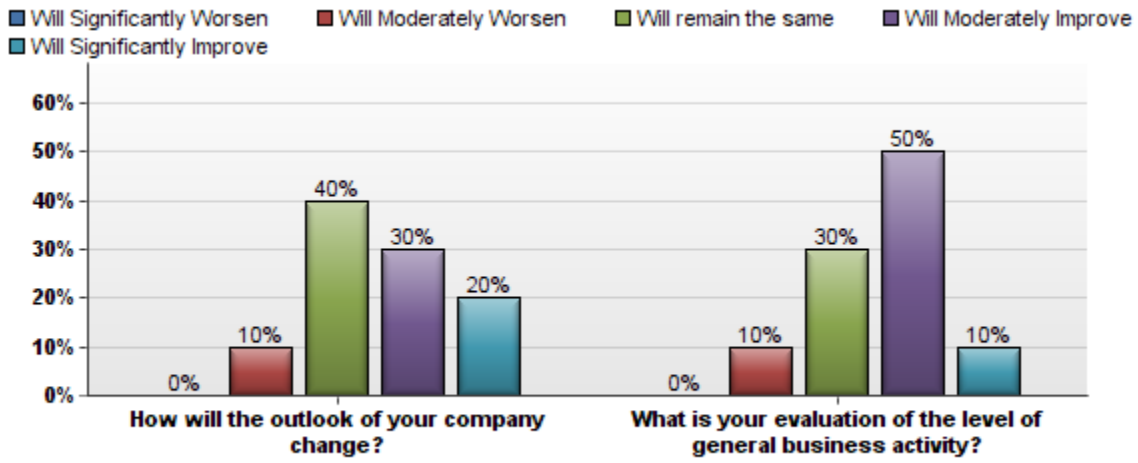
Table 50 Leisure and Hospitality Outlook/General Business Activity, Next Six Months



A similar story emerged when analyzing behavior on the company level, as all five metrics being measured improved in at least 56 percent of businesses. Revenues increased in 78 percent of firms, translating to profit increases in 67 percent. Selling prices and capital expenditures significantly increased for 22 percent of businesses, in addition to moderate hikes in another 44 percent.

The projections for the next six months indicate confidence that even more growth is set to occur in nearly all areas. Revenues and profits are expected to grow in 80 percent and 70 percent of firms respectively. Capital expenditures are likely to increase in 90 percent of firms in the industry, as are selling prices. Employment is the only area that fails to match or exceed the growth of the previous six months, though 40 percent of firms still expect more hours worked and 20 percent expect more hiring to occur.

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Table 51 Leisure and Hospitality Business Indicators, Previous Six Months

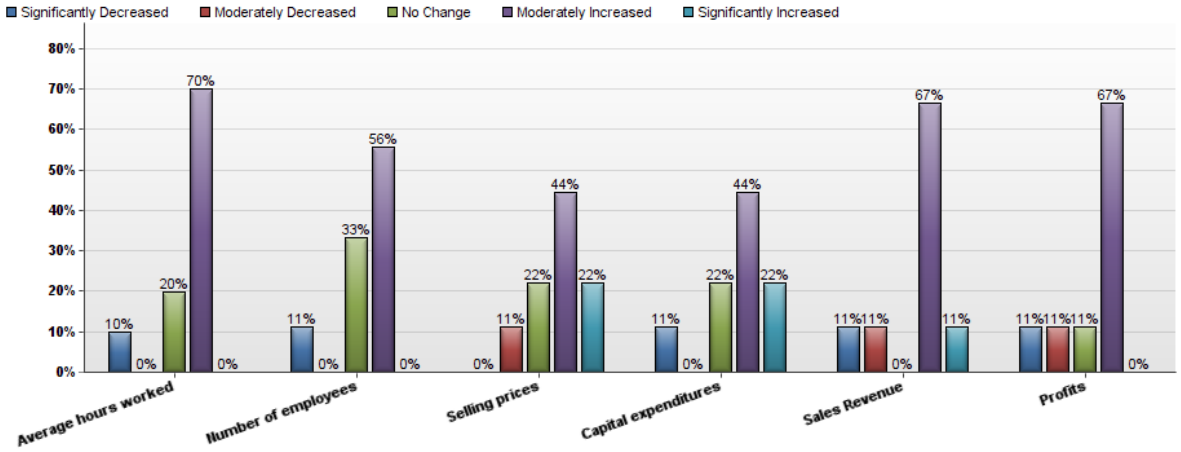
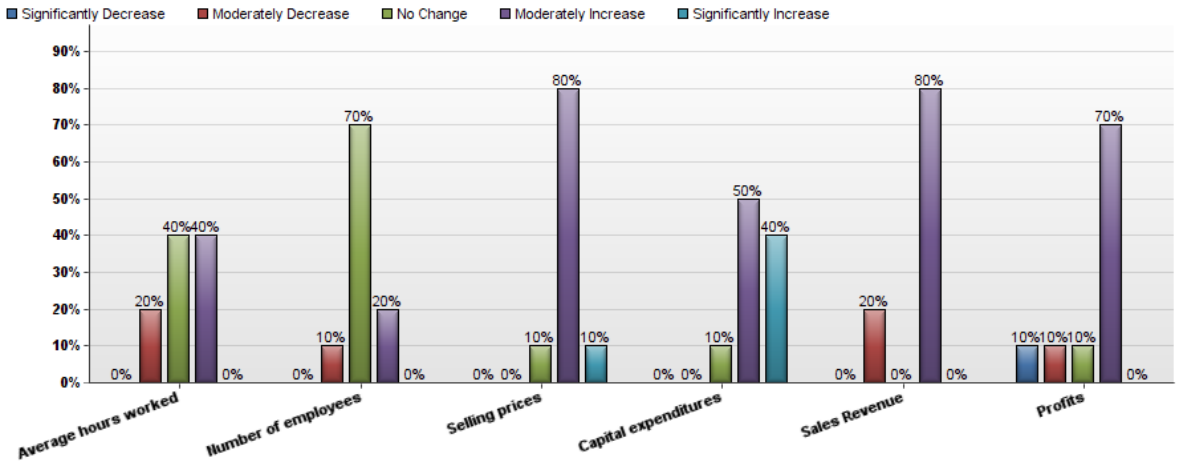


Table 52 Leisure and Hospitality Business Indicators, Next Six Months



The questions all ask for seasonally adjusted readings and projections for all indicators, which suggests that the firms in the leisure and hospitality are simply in the midst of a strong and successful period. Still, there is room for improvement. Respondents, who could pick up to three factors, picked cost of labor (50 percent), demand (50 percent), competition within the sector (40 percent), and shortage of skilled labor (40 percent) as the factors most limiting business activity.

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SURVEY ANALYSIS BY SIZE

1-49 EMPLOYEES (67% OF TOTAL RESPONDENTS)

Small businesses in the region have similarly strong confidence to that of the region as a whole. The majority of the survey was filled out by respondents from businesses with less than 50 employees and, unsurprisingly, the results for such businesses tracked closely with the overall results.

In the previous six months, company outlook had improved for nearly 40 percent of businesses and the assessment of general business activity had improved for over half. This trend was expected to continue and even accelerate in the next six months due to a lower percentage expecting decreases for either question; and approximately 50 percent of all businesses expecting an improvement in both outlook and general business activity.

Table 53 1-49 Employees Outlook/General Business Activity, Previous Six Months

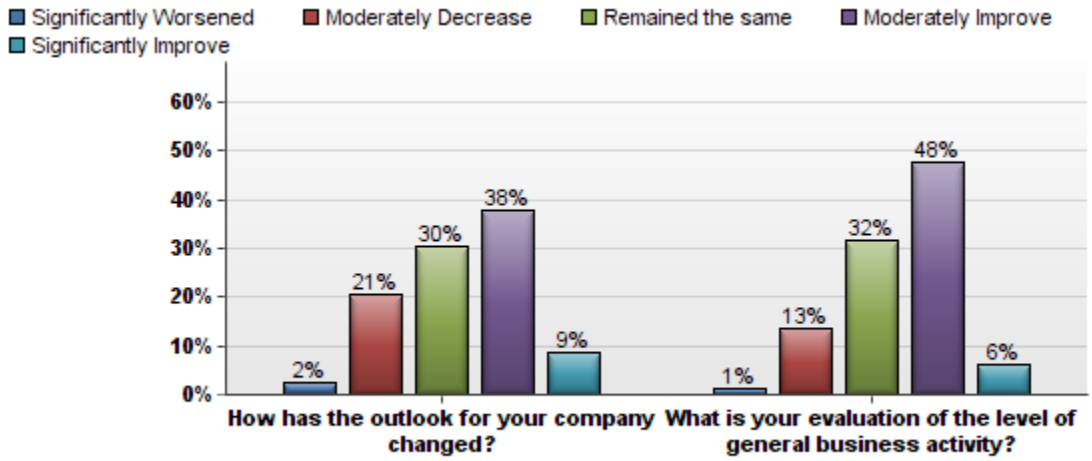

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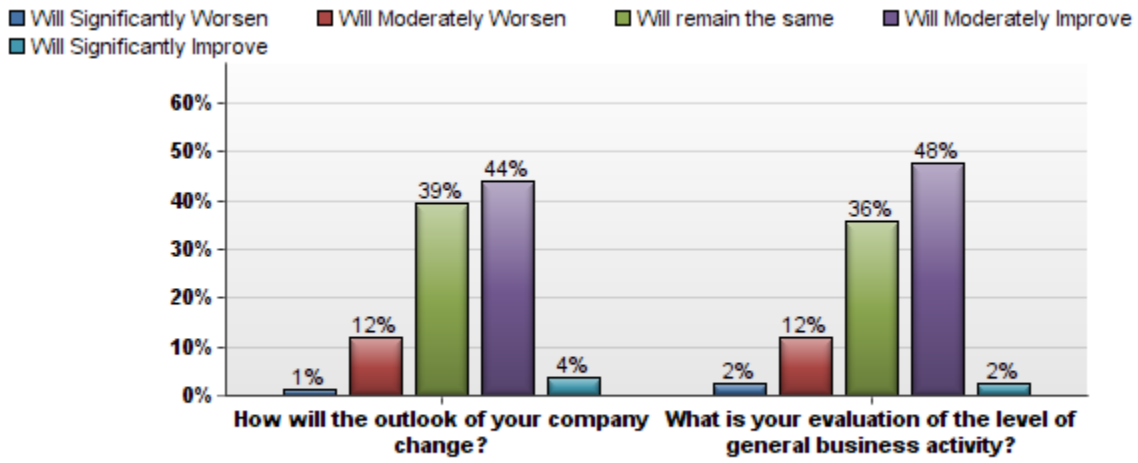
Table 54 1-49 Employees Outlook/General Business Activity, Next Six Months



Over the past six months, roughly 30 percent of businesses reported moderate increases in average hours worked, number of employees, and selling prices while the proportion reporting decreases in each metric was relatively low. Sales revenue and profits increased for many businesses, but also fell for over 20 percent of businesses, suggesting that the performance of small businesses in the region is not uniform.

The projections for the next six months were much more stable than the previous six, with no change being reported by over half of all businesses in each metric except for sales revenue which still came in at 46 percent. However, the positive trend is still expected to continue across all indicators, with capital expenditures continuing its acceleration and the gains in the number of employees slowing.

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Table 55 1-49 Employees Business Indicators, Previous Six Months

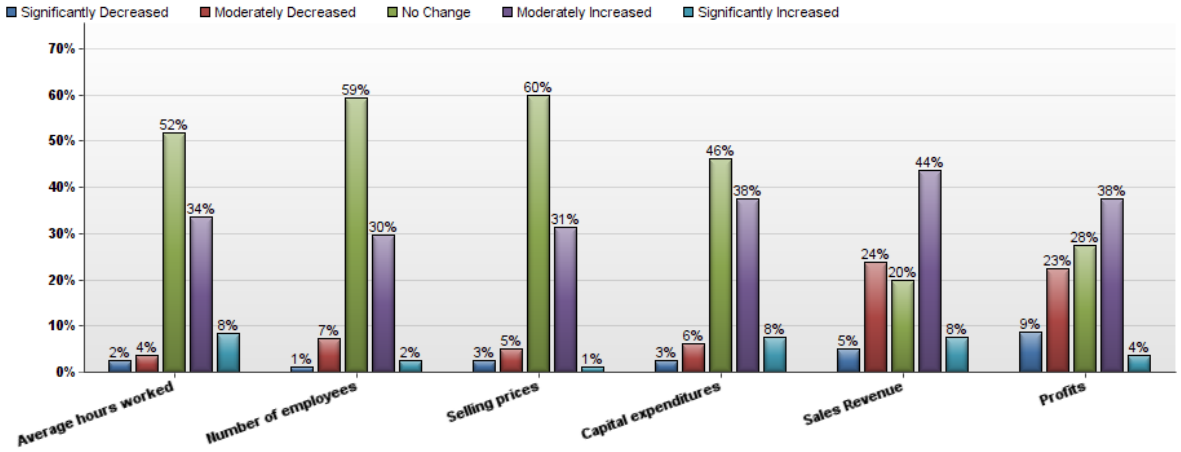
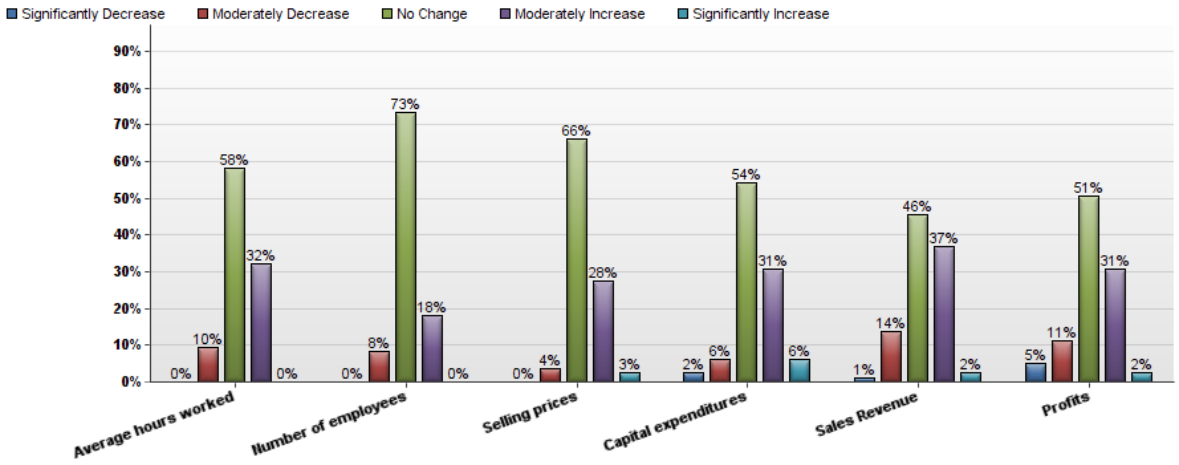


Table 56 1-49 Employees Business Indicators, Next Six Months



The five factors most limiting business activity were demand, competition within the sector, government policy, cost of labor, and shortage of skilled labor. These tracked closely with the region as a whole.

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50-249 EMPLOYEES (17% OF TOTAL RESPONDENTS)

The medium sized businesses in the region display relatively strong confidence and optimism and look set to improve in the months ahead. The last six months saw 42 percent and 47 percent of businesses reporting improvements in their company outlook and evaluation of general business activity. Improvements on those two factors in the next six months were expected in 62 percent and 53 percent of businesses. Although this is obviously a positive trend, it is worth noting that 10 percent of companies believe their company outlook will significantly worsen in the next six months, a number that had been zero percent in the previous six.

Table 57 50-249 Employees Outlook/General Business Activity, Previous Six Months

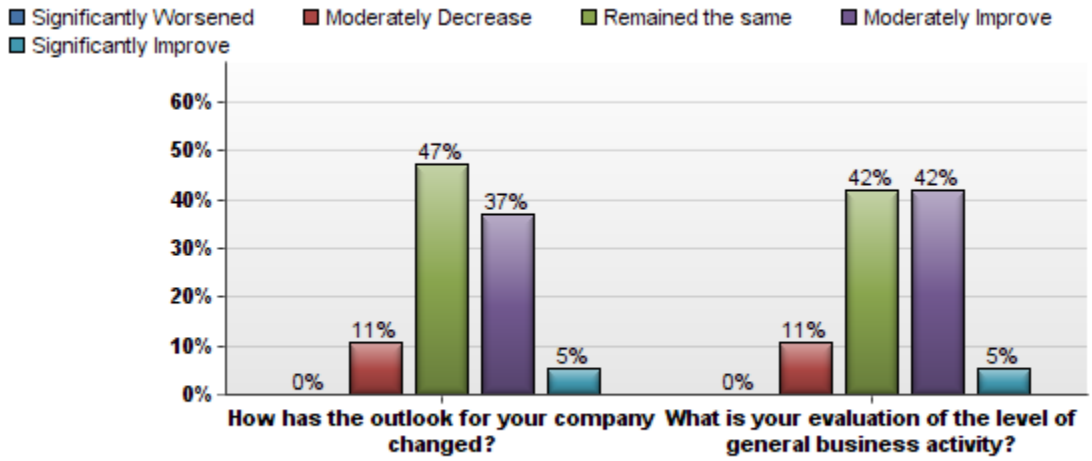

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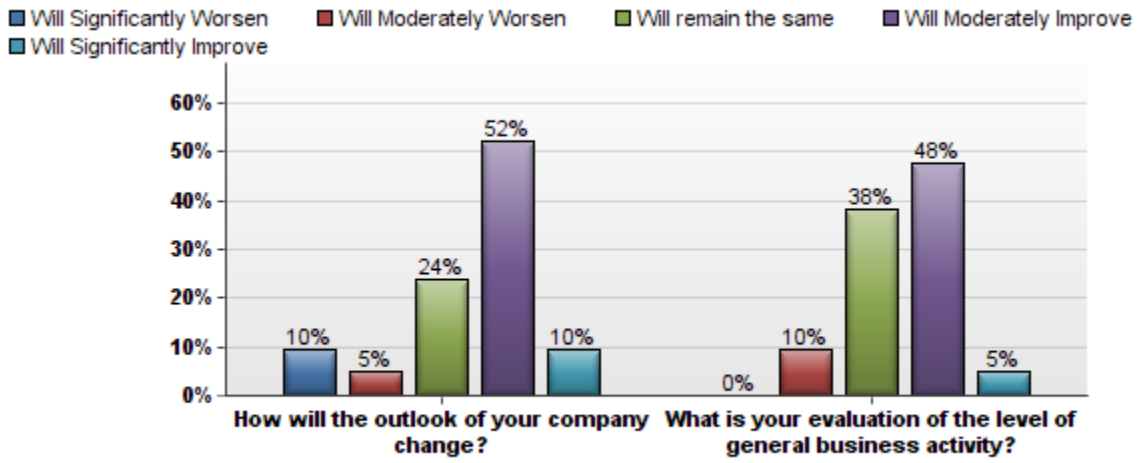
Table 58 50-249 Employees Outlook/General Business Activity, Next Six Months



Following a similar pattern, the six month projections for the more specific company indicators extended the optimism that was present in the previous six. While sales revenue and profits both increased for over 40 percent of medium sized businesses in the last six months, revenues were expected to rise for 53 percent of firms and profits were expected to climb for 60 percent. Medium sized businesses were the only type of business evaluated in this report to have a higher percentage of businesses projecting profit increases than revenue increases, suggesting that the businesses within this category are more efficient in their profit maximization.

Table 59 50-249 Employees Business Indicators, Previous Six Months

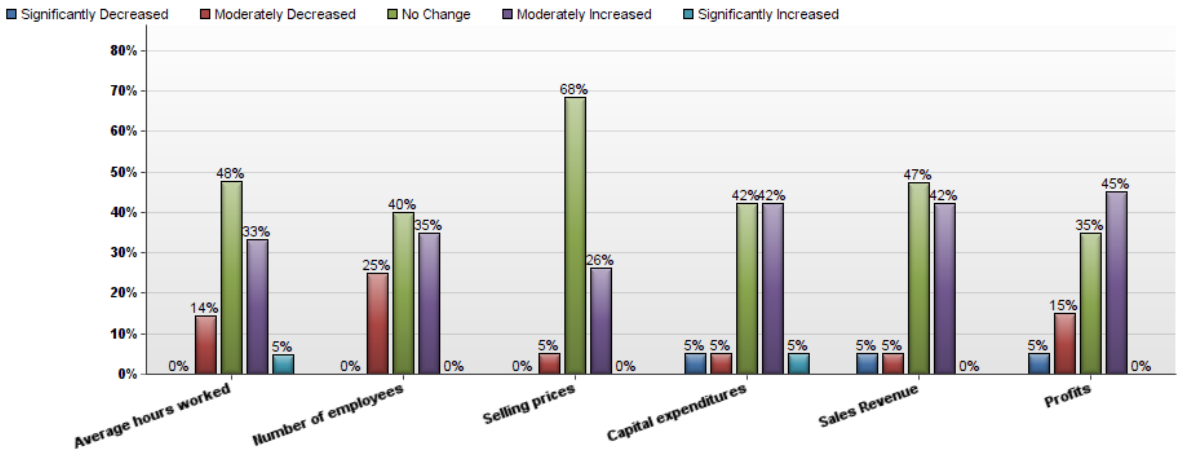


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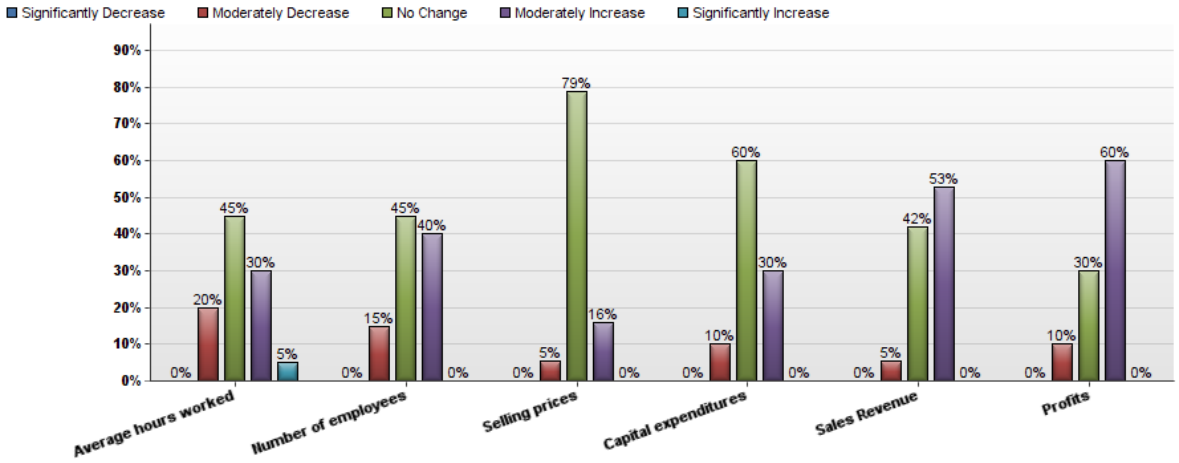
Table 60 50-249 Employees Business Indicators, Next Six Months



Despite this expected level of performance, there are still many challenges that medium sized businesses face, as evidenced by their choices for factors limiting business activity. Competition within the sector and shortage of skilled labor each were selected by 48 percent of respondents, with government policy, demand, and cost of labor rounding out the top five. The proportion of businesses selecting shortage of skilled labor (48 percent) and government policy (43 percent) is more than double what it is for the other two size categories.

250+ EMPLOYEES (17% OF TOTAL RESPONDENTS)

Large businesses in the region had moderate confidence and optimism and appear to be set for a period of stability and steady improvement following a more varied six month stretch. On a more general level, the proportion of businesses who reported an improved company outlook (48 percent) and improved assessment of general business activity (48 percent) in the past six months was not radically different from the proportion in the projections for the next six. However, the major difference was the substantial percentage decrease in the number of firms projecting any sort of decline for either question.

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Table 61 250+ Employees Outlook/General Business Activity, Previous Six Months

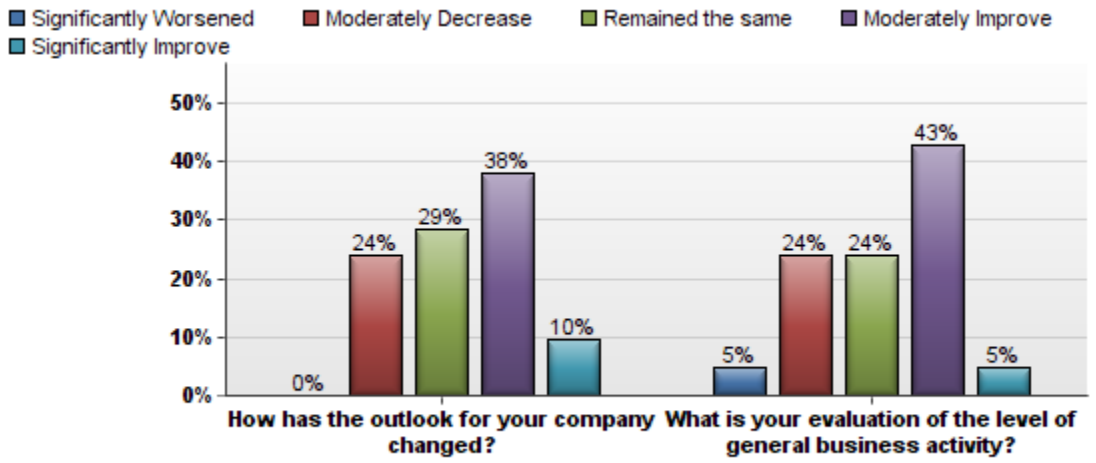
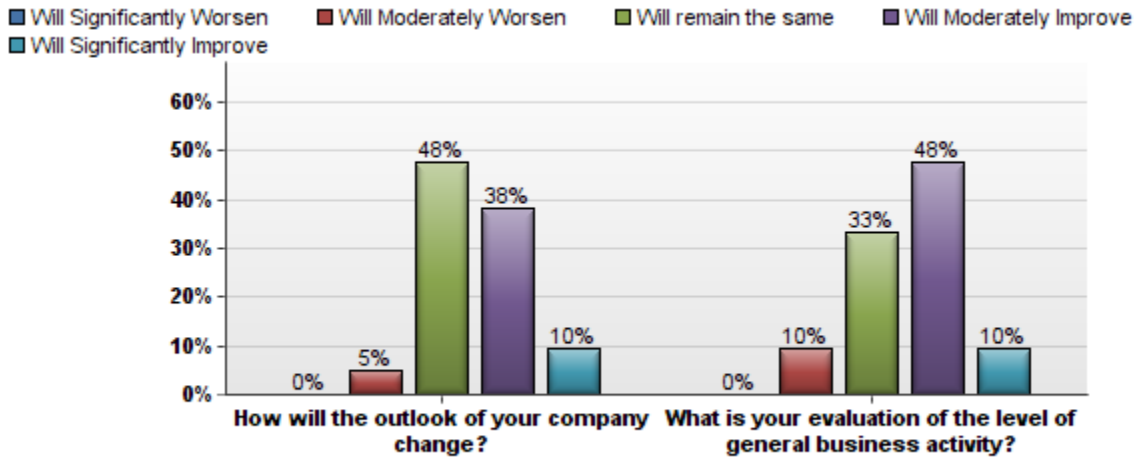


Table 62 250+ Employees Outlook/General Business Activity, Next Six Months



A similar trend occurred on the more specific company indicator level, though reductions in the proportion of those expecting increases also occurred.

Revenues climbed for 57 percent of large business in the past six months and profits did for 43 percent. However, almost 20 percent of businesses reported a decrease in profits where only 5 percent did with revenues. This suggests that some large companies in the region are struggling to turn revenues into profits. Similarly, while no firms projected decreases in revenue with 38

percent expecting gains in the next six months, 10 percent expected such declines in profits and only 29 percent expected increases.

Hiring, an especially important metric with big businesses for the region's labor market, increased in 50 percent of large companies, though it decreased in another 15 percent in the last six months. Average hours worked increased moderately in 33 percent of business but significantly in another 14 percent, an indication of increased demand for labor. Projections for the next six months saw each employment metric stabilize, but also contained expected increases in both for roughly 30 percent of businesses.

Capital expenditures was increased by over half of businesses in the last six months, with 19 percent increasing them dramatically. In the upcoming six months, capital expenditures are likely to continue their upward trend with 14 percent of businesses increasing them significantly and another 26 percent increasing them to some degree. Capital expenditures from big businesses tend to have wide-ranging impacts on the rest of the regional economy, so such development could have positive long term consequences.

Table 63 250+ Employees Business Indicators, Previous Six Months

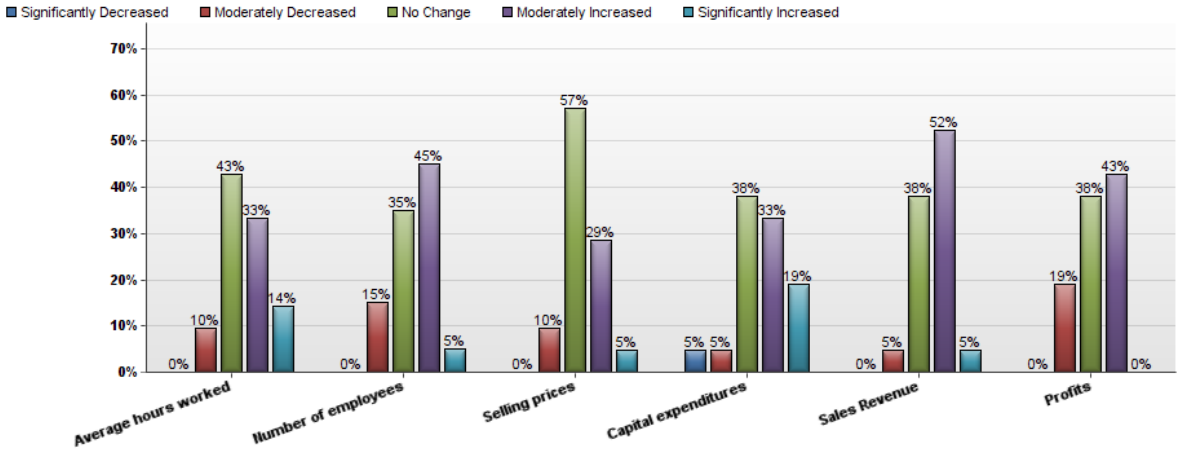


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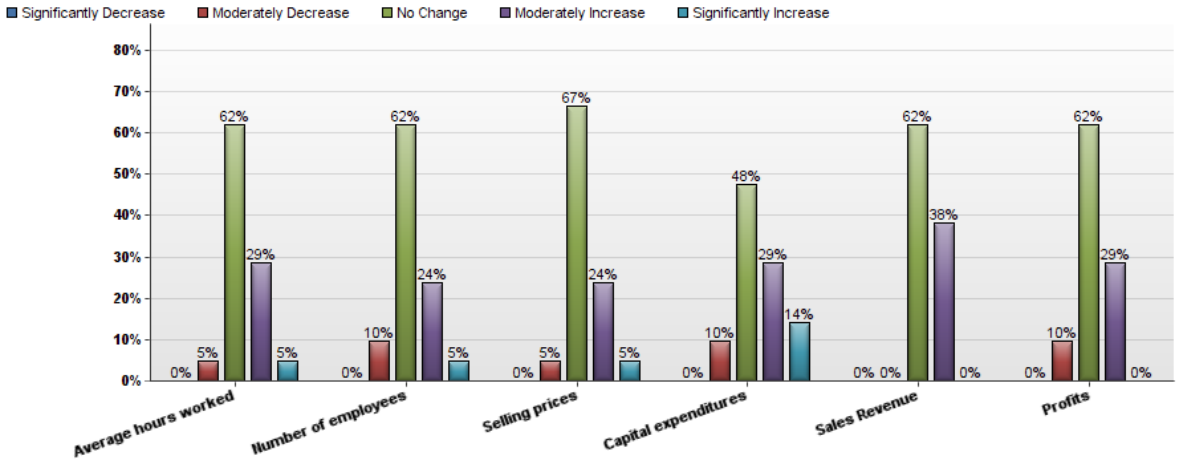
Table 64 250+ Employees Business Indicators, Next Six Months



When asked to identify the factors limiting the ability to increase business activity, demand (33 percent), competition within the sector (24 percent), cost of labor (24 percent) government policy (19 percent), and shortage of skilled labor (19 percent) were the most frequently cited options. These tracked with the result of the rest of the region, suggesting that large businesses are affected by the same general factors as all other businesses in the area.

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SPECIAL SECTION: THE AGING WORKFORCE

Respondents were also asked two questions related to this forum's theme of the regional population and demographics. The first of the questions asked them about what impact, if any, the increasing percentage of those 65 and older would have on their demand for skilled labor and level of productivity. The second question asked how the same thing might impact their level of business activity. The following paragraphs will include a brief overview of the results on a general level, a discussion of a possible reason for the direction of the results, and a more specific breakdown of each of the three questions that brings in the feelings of various industries and size groups.

The results indicate that the majority of businesses do not expect the aging population to influence the demand for skilled labor, level of productivity, or level of businesses activity. Businesses who do expect either of these factors to be affected often believe that the result will increase each factor. For instance, 53 percent of respondents didn't expect demand for skilled labor to be affected, while 39 percent expected it to increase as a result of the changing demographics. Approximately 60 percent of respondents thought productivity wouldn't be affected, but 25 percent thought it would increase. Finally, 60 percent thought business activity would remain unchanged, while 28 percent thought that it would rise.

Table 65 - Anticipated Impact of Aging Workforce on Labor and Productivity

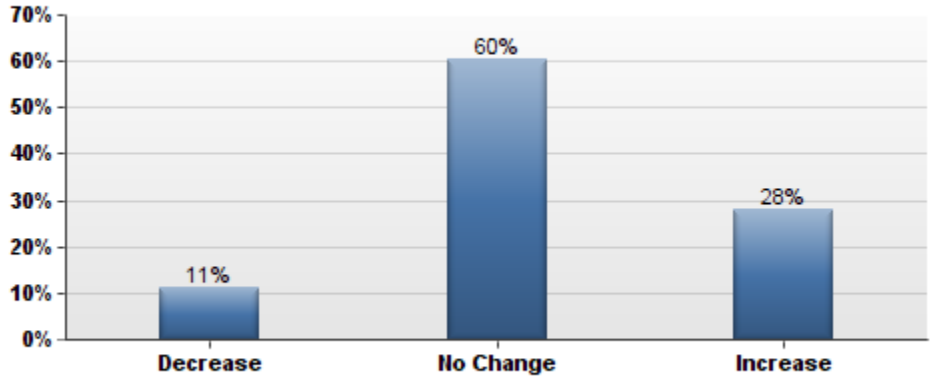

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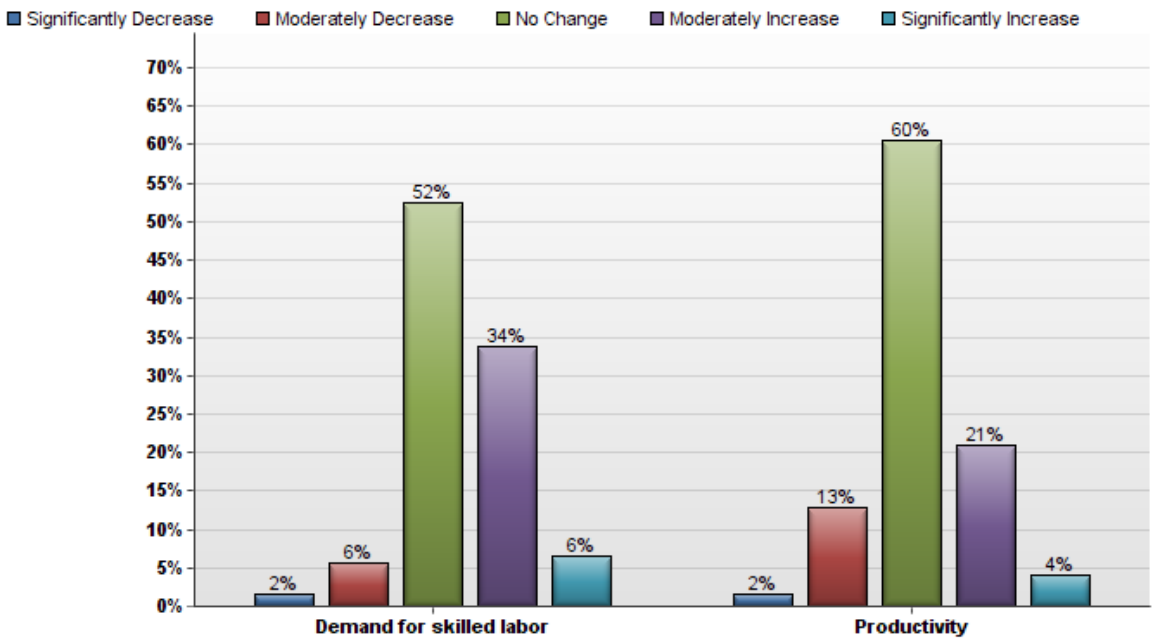
Table 66 - Anticipated Impact of Aging Workforce on Business Activity



One theory that might explain why businesses are expecting productivity to increase despite the potential drop in employment caused by an aging population is that retirees will be replaced by younger, more skilled employees. However, this relies on the assumption that regional businesses will be able to attract and retain more skilled labor. A shortage of skilled labor has already been listed as one of the major limitations on increasing businesses activity. Such a shortage could become even more pronounced and problematic as the demand for it increases. It might be beneficial for local companies to focus on luring and retaining talent from the universities in the region.

SIZE BREAKDOWN

Demand for Skilled Labor

1-49: 1% (significantly decrease), 6% (moderately decrease), 57% (no change), 30% (moderately increase), 5% (significantly increase)

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50-249: 5% (significantly decrease), 10% (moderately decrease), 29% (no change), 38% (moderately increase), 19% (significantly increase)

250+: 0% (significantly decrease), 0% (moderately decrease), 57% (no change), 43% (moderately increase), 0% (significantly increase)

*There appears to be a strong correlation between the size of a business and their demand for skilled labor.

Productivity

1-49: 1% (significantly decrease), 12% (moderately decrease), 63% (no change), 19% (moderately increase), 5% (significantly increase)

50-249: 5% (significantly decrease), 10% (moderately decrease), 50% (no change), 30% (moderately increase), 5% (significantly increase)

250+: 0% (significantly decrease), 19% (moderately decrease), 62% (no change), 19% (moderately increase), 0% (significantly increase)

*Medium-sized businesses expect to see a greater increase in productivity than the other two size categories.

Business Activity

1-49: 13% (decrease), 59% (no change), 28% (increase)

50-249: 14% (decrease), 62% (no change), 24% (increase)

250+ 0% (decrease), 65% (no change), 35% (increase)

*In general, the aging populating is expected to have no impact on the level of business activity. A small amount of businesses in the 1-49 and 50-249 categories are anticipating a decrease, while 0% of businesses in the 250+ category are expecting to see a decrease. In fact, 35% of big businesses are expecting an increase.

<u>Industry Breakdown</u>

Demand for Skilled Labor

Professional Services: 0% (significantly decrease), 6% (moderately decrease), 33% (no change), 61% (moderately increase), 0% (significantly increase)

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Health Services: 0% (significantly decrease), 13% (moderately decrease), 47% (no change), 33% (moderately increase), 7% (significantly increase)

Financial Services: 7% (significantly decrease), 7% (moderately decrease), 71% (no change), 14% (moderately increase), 0% (significantly increase)

Non-Profits: 0% (significantly decrease), 0% (moderately decrease), 46% (no change), 46% (moderately increase), 8% (significantly increase)

Education: 0% (significantly decrease), 20% (moderately decrease), 40% (no change), 40% (moderately increase), 0% (significantly increase)

Leisure and Hospitality: 0% (significantly decrease), 0% (moderately decrease), 70% (no change), 30% (moderately increase), 0% (significantly increase)

*Professional services and non-profits are expected to be impacted the most negatively by the aging demographic. Health services and education will also be negatively impacted.

Productivity

Professional Services: 0% (significantly decrease), 22% (moderately decrease), 67% (no change), 6% (moderately increase), 6% (significantly increase)

Health Services: 0% (significantly decrease), 36% (moderately decrease), 36% (no change), 29% (moderately increase), 0% (significantly increase)

Financial Services: 7% (significantly decrease), 0% (moderately decrease), 71% (no change), 21% (moderately increase), 0% (significantly increase)

Non-Profits: 0% (significantly decrease), 7% (moderately decrease), 50% (no change), 43% (moderately increase), 0% (significantly increase)

Education: 0% (significantly decrease), 20% (moderately decrease), 60% (no change), 20% (moderately increase), 0% (significantly increase)

Leisure and Hospitality: 0% (significantly decrease), 10% (moderately decrease), 70% (no change), 20% (moderately increase), 0% (significantly increase)

*The health services industry reported mixed responses, while non-profits are expecting their productivity to moderately increase.

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Business Activity

Professional Services: 11% (decrease), 78% (no change), 11% (increase)

Health Services: 7% (decrease), 27% (no change), 67% (increase)

Financial Services: 31% (decrease), 46% (no change), 23% (increase)

Non-Profits: 0% (decrease), 57% (no change), 43% (increase)

Education: 10% (decrease), 60% (no change), 30% (increase)

Leisure and Hospitality: 11% (decrease), 44% (no change), 44% (increase)

*Not surprisingly, the health services industry expects their business activity to increase. So do non-profits and the leisure and hospitality sector.

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APPENDIX A: COMMUTING PATTERNS AND MIGRATION

Commuting to work is an important issue for the REIF region and workforce development. The following detailed commuting pattern analysis shows each county commuting pattern for the five-year period of 2007-2011. For each county, the table and accompanying flow diagram look at

- Employed in selected county but live outside of that area
- Live in selected county and employed outside of that area
- Employed and live in the selected county

The flow diagram compares the commuting patterns for 2007 and 2011. The results vary by county, but there are a number of key trends.

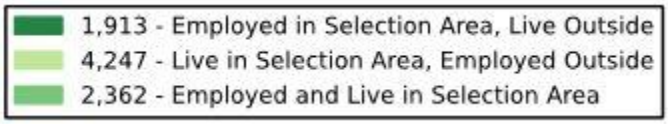
Examining the count of workers that are employed in the county but commute in from elsewhere, shows that 13 of the 15 counties have more workers commuting into the area in 2011 as compared to 2007. Only Burnett and Iron counties in Wisconsin had few workers commuting in.

The vast majority of the REIF counties had fewer workers who both live and work in their respective county in 2011 than in 2007. The counties of Carlton, Cook, Itasca, and Pine had an increase in this worker count.

Finally, virtually all of the counties showed an increase in the number of workers who live in in one county but commute to another for employment. Only Douglas and Washburn counties in Wisconsin had slight decreases in worker count.

MINNESOTA COMMUTING PATTERNS

Legend:



Source: US Department of Commerce, US Census Bureau, On The Map

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Aitkin County

2011	Count	Share
Employed in Selection Area	4,275	100.0%
Employed in Selection Area but Living Outside	1,913	44.7%
Employed and Living in Selection Area	2,362	55.3%
Living in Selection Area	6,609	100.0%
Living in Selection Area but Employed Outside	4,247	64.3%
Living and Employed in Selection Area	2,362	35.7%
2010	**Count**	**Share**
Employed in Selection Area	4,274	100.0%
Employed in Selection Area but Living Outside	1,638	38.3%
Employed and Living in Selection Area	2,636	61.7%
Living in Selection Area	5,874	100.0%
Living in Selection Area but Employed Outside	3,238	55.1%
Living and Employed in Selection Area	2,636	44.9%
2009	**Count**	**Share**
Employed in Selection Area	4,333	100.0%
Employed in Selection Area but Living Outside	1,698	39.2%
Employed and Living in Selection Area	2,635	60.8%
Living in Selection Area	5,640	100.0%
Living in Selection Area but Employed Outside	3,005	53.3%
Living and Employed in Selection Area	2,635	46.7%
2008	**Count**	**Share**
Employed in Selection Area	4,527	100.0%
Employed in Selection Area but Living Outside	1,724	38.1%
Employed and Living in Selection Area	2,803	61.9%
Living in Selection Area	5,925	100.0%
Living in Selection Area but Employed Outside	3,122	52.7%
Living and Employed in Selection Area	2,803	47.3%
2007	**Count**	**Share**
Employed in Selection Area	4,391	100.0%
Employed in Selection Area but Living Outside	1,506	34.3%
Employed and Living in Selection Area	2,885	65.7%
Living in Selection Area	6,194	100.0%
Living in Selection Area but Employed Outside	3,309	53.4%
Living and Employed in Selection Area	2,885	46.6%

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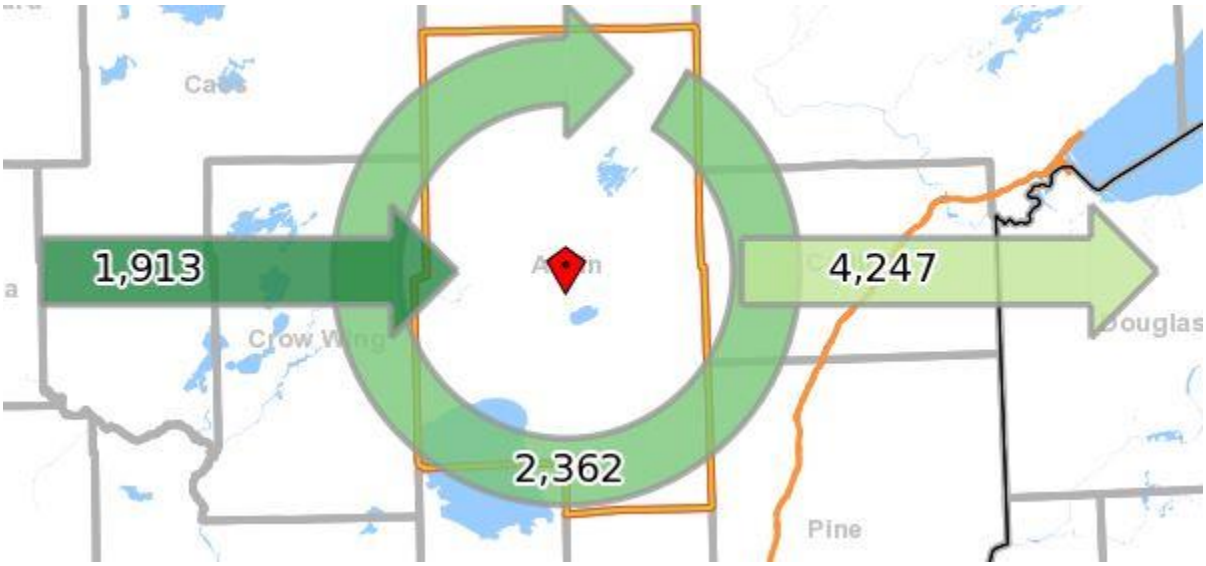
Aitkin 2007

Aitkin 2011



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Carlton County

2011	Count	Share
Employed in Selection Area	13,505	100.0%
Employed in Selection Area but Living Outside	5,855	43.4%
Employed and Living in Selection Area	7,650	56.6%
Living in Selection Area	16,651	100.0%
Living in Selection Area but Employed Outside	9,001	54.1%
Living and Employed in Selection Area	7,650	45.9%
2010	**Count**	**Share**
Employed in Selection Area	13,013	100.0%
Employed in Selection Area but Living Outside	5,104	39.2%
Employed and Living in Selection Area	7,909	60.8%
Living in Selection Area	15,743	100.0%
Living in Selection Area but Employed Outside	7,834	49.8%
Living and Employed in Selection Area	7,909	50.2%
2009	**Count**	**Share**
Employed in Selection Area	12,855	100.0%
Employed in Selection Area but Living Outside	4,863	37.8%
Employed and Living in Selection Area	7,992	62.2%
Living in Selection Area	15,355	100.0%
Living in Selection Area but Employed Outside	7,363	48.0%
Living and Employed in Selection Area	7,992	52.0%
2008	**Count**	**Share**
Employed in Selection Area	10,935	100.0%
Employed in Selection Area but Living Outside	4,246	38.8%
Employed and Living in Selection Area	6,689	61.2%
Living in Selection Area	14,343	100.0%
Living in Selection Area but Employed Outside	7,654	53.4%
Living and Employed in Selection Area	6,689	46.6%
2007	**Count**	**Share**
Employed in Selection Area	12,381	100.0%
Employed in Selection Area but Living Outside	5,302	42.8%
Employed and Living in Selection Area	7,079	57.2%
Living in Selection Area	12,992	100.0%
Living in Selection Area but Employed Outside	5,913	45.5%
Living and Employed in Selection Area	7,079	54.5%

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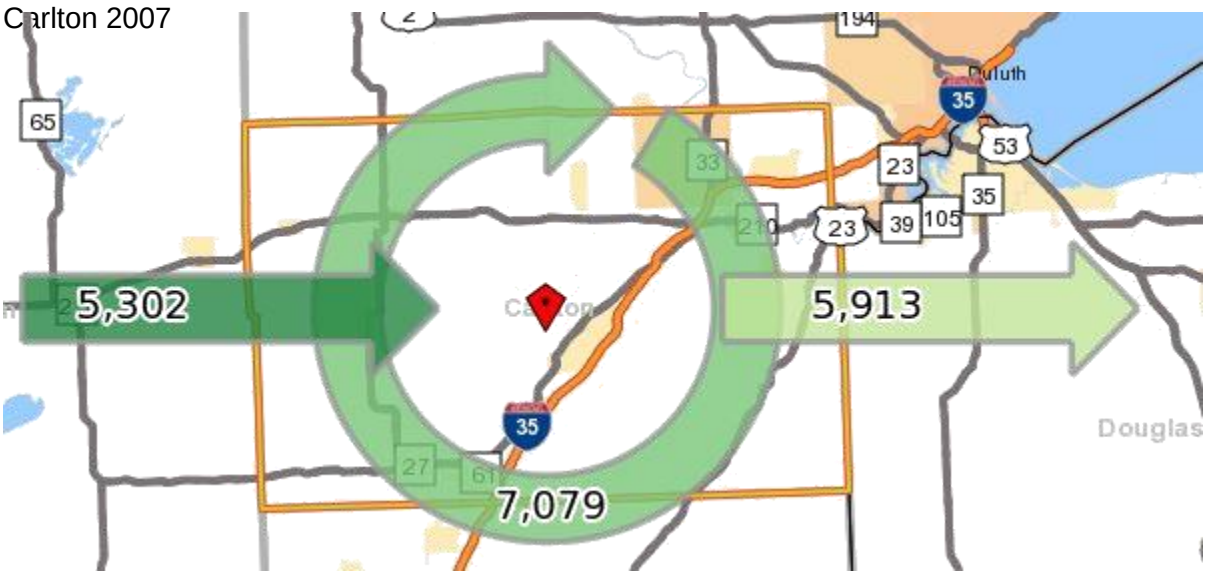
Carlton 2007



Carlton 2011

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Cook County

2011	Count	Share
Employed in Selection Area	2,471	100.0%
Employed in Selection Area but Living Outside	569	23.0%
Employed and Living in Selection Area	1,902	77.0%
Living in Selection Area	2,402	100.0%
Living in Selection Area but Employed Outside	500	20.8%
Living and Employed in Selection Area	1,902	79.2%
2010	**Count**	**Share**
Employed in Selection Area	2,414	100.0%
Employed in Selection Area but Living Outside	343	14.2%
Employed and Living in Selection Area	2,071	85.8%
Living in Selection Area	2,530	100.0%
Living in Selection Area but Employed Outside	459	18.1%
Living and Employed in Selection Area	2,071	81.9%
2009	**Count**	**Share**
Employed in Selection Area	2,070	100.0%
Employed in Selection Area but Living Outside	263	12.7%
Employed and Living in Selection Area	1,807	87.3%
Living in Selection Area	2,212	100.0%
Living in Selection Area but Employed Outside	405	18.3%
Living and Employed in Selection Area	1,807	81.7%
2008	**Count**	**Share**
Employed in Selection Area	2,253	100.0%
Employed in Selection Area but Living Outside	513	22.8%
Employed and Living in Selection Area	1,740	77.2%
Living in Selection Area	2,091	100.0%
Living in Selection Area but Employed Outside	351	16.8%
Living and Employed in Selection Area	1,740	83.2%
2007	**Count**	**Share**
Employed in Selection Area	2,264	100.0%
Employed in Selection Area but Living Outside	511	22.6%
Employed and Living in Selection Area	1,753	77.4%
Living in Selection Area	2,041	100.0%
Living in Selection Area but Employed Outside	288	14.1%
Living and Employed in Selection Area	1,753	85.9%

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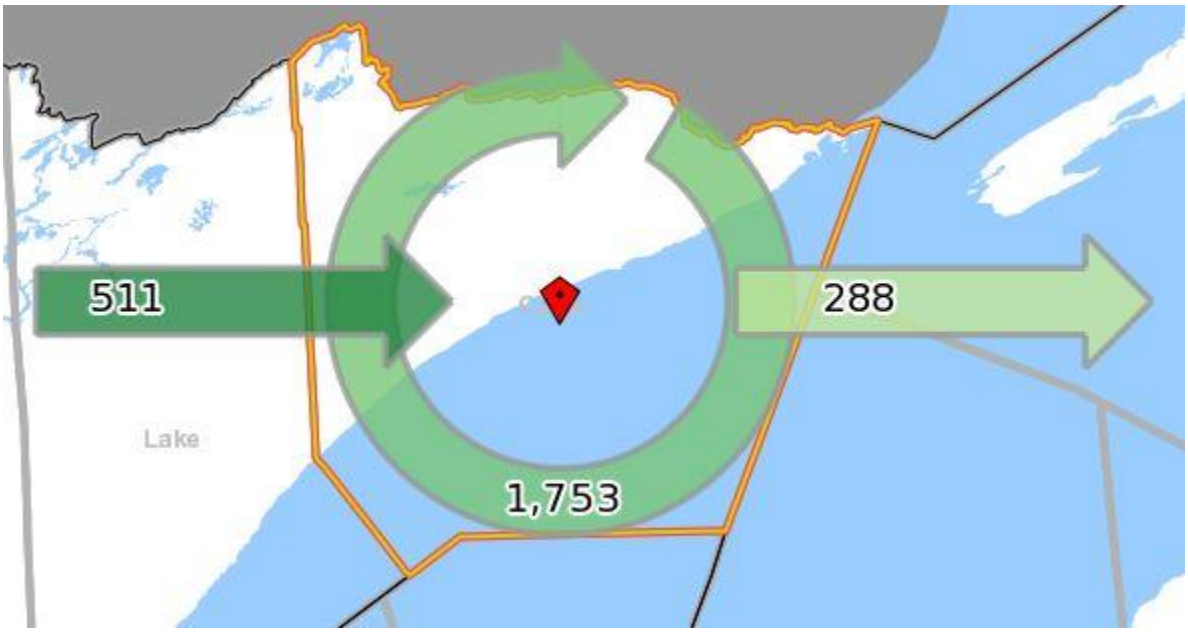
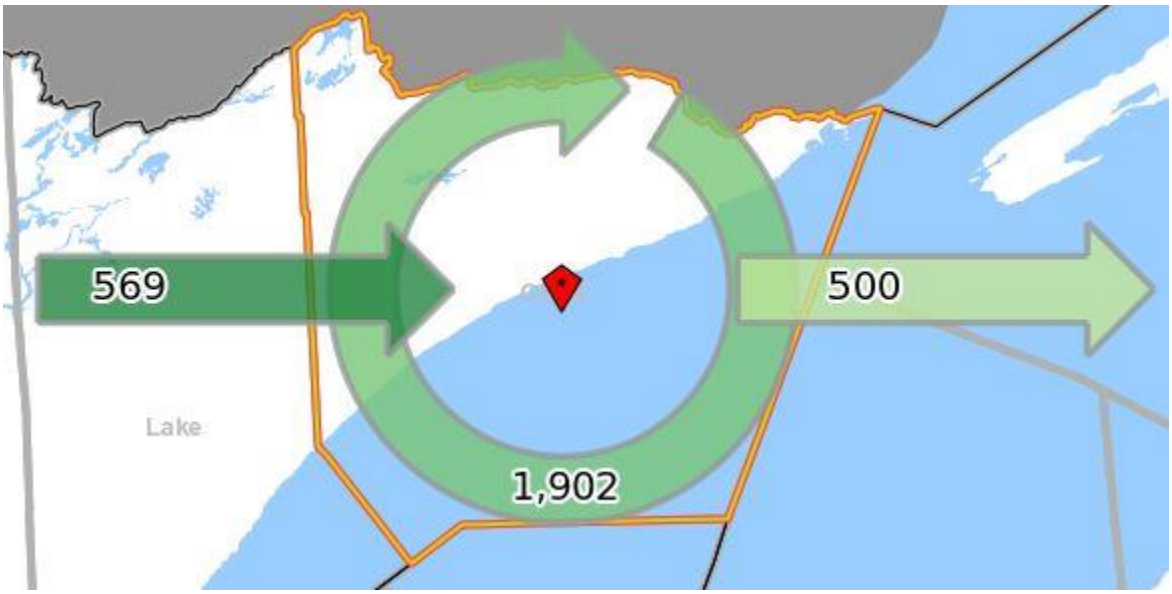
Cook 2007



Cook 2011



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Itasca County

2011	Count	Share
Employed in Selection Area	16,407	100.0%
Employed in Selection Area but Living Outside	4,273	26.0%
Employed and Living in Selection Area	12,134	74.0%
Living in Selection Area	20,107	100.0%
Living in Selection Area but Employed Outside	7,973	39.7%
Living and Employed in Selection Area	12,134	60.3%
2010	**Count**	**Share**
Employed in Selection Area	15,364	100.0%
Employed in Selection Area but Living Outside	3,127	20.4%
Employed and Living in Selection Area	12,237	79.6%
Living in Selection Area	18,237	100.0%
Living in Selection Area but Employed Outside	6,000	32.9%
Living and Employed in Selection Area	12,237	67.1%
2009	**Count**	**Share**
Employed in Selection Area	15,085	100.0%
Employed in Selection Area but Living Outside	3,210	21.3%
Employed and Living in Selection Area	11,875	78.7%
Living in Selection Area	17,610	100.0%
Living in Selection Area but Employed Outside	5,735	32.6%
Living and Employed in Selection Area	11,875	67.4%
2008	**Count**	**Share**
Employed in Selection Area	15,267	100.0%
Employed in Selection Area but Living Outside	3,326	21.8%
Employed and Living in Selection Area	11,941	78.2%
Living in Selection Area	17,588	100.0%
Living in Selection Area but Employed Outside	5,647	32.1%
Living and Employed in Selection Area	11,941	67.9%
2007	**Count**	**Share**
Employed in Selection Area	15,030	100.0%
Employed in Selection Area but Living Outside	4,023	26.8%
Employed and Living in Selection Area	11,007	73.2%
Living in Selection Area	15,065	100.0%
Living in Selection Area but Employed Outside	4,058	26.9%
Living and Employed in Selection Area	11,007	73.1%

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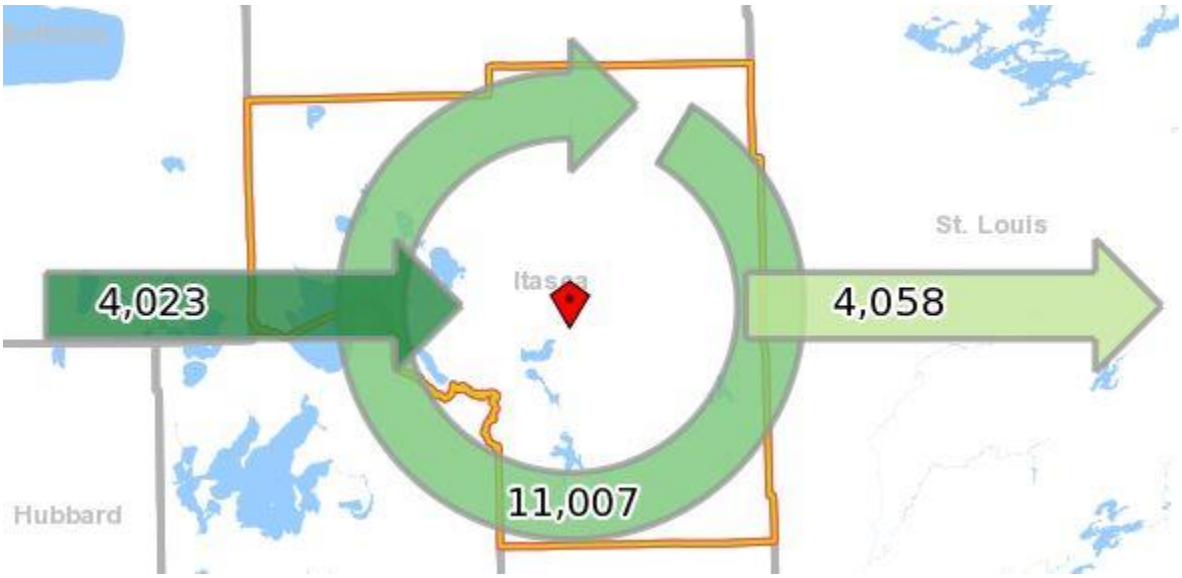
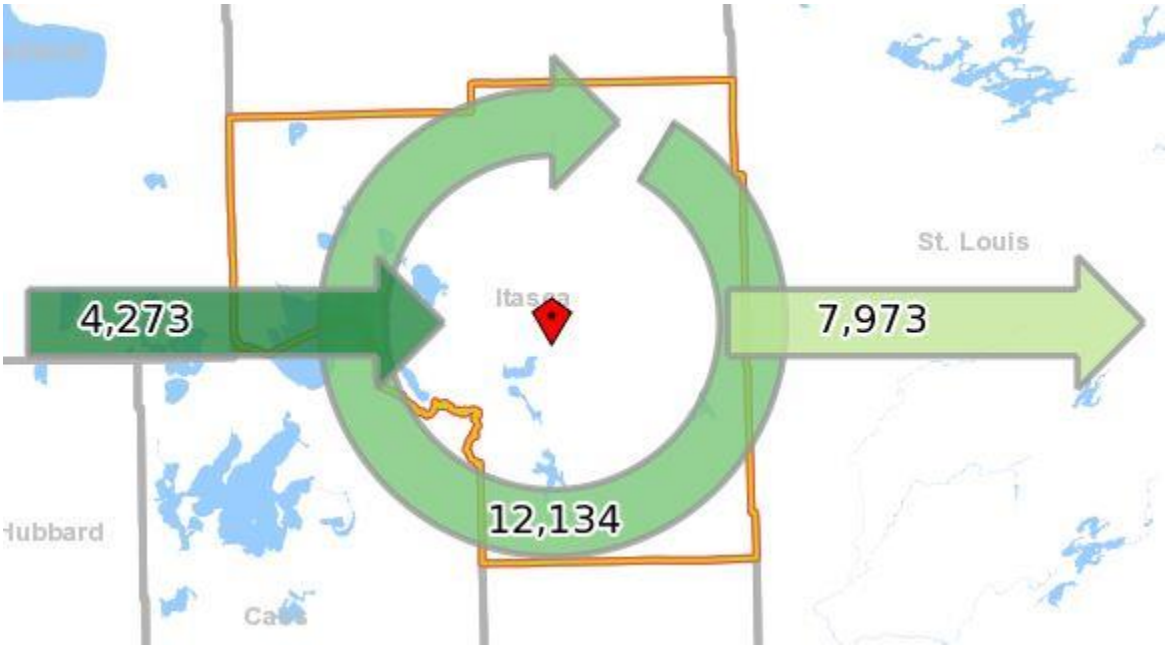
Itasca 2007



Itasca 2011



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Koochiching County

2011	Count	Share
Employed in Selection Area	5,540	100.0%
Employed in Selection Area but Living Outside	1,244	22.5%
Employed and Living in Selection Area	4,296	77.5%
Living in Selection Area	6,466	100.0%
Living in Selection Area but Employed Outside	2,170	33.6%
Living and Employed in Selection Area	4,296	66.4%
2010	**Count**	**Share**
Employed in Selection Area	5,203	100.0%
Employed in Selection Area but Living Outside	714	13.7%
Employed and Living in Selection Area	4,489	86.3%
Living in Selection Area	5,971	100.0%
Living in Selection Area but Employed Outside	1,482	24.8%
Living and Employed in Selection Area	4,489	75.2%
2009	**Count**	**Share**
Employed in Selection Area	4,564	100.0%
Employed in Selection Area but Living Outside	475	10.4%
Employed and Living in Selection Area	4,089	89.6%
Living in Selection Area	5,446	100.0%
Living in Selection Area but Employed Outside	1,357	24.9%
Living and Employed in Selection Area	4,089	75.1%
2008	**Count**	**Share**
Employed in Selection Area	4,660	100.0%
Employed in Selection Area but Living Outside	503	10.8%
Employed and Living in Selection Area	4,175	89.2%
Living in Selection Area	5,563	100.0%
Employed in Selection Area but Employed Outside	1,406	25.3%
Living and Employed in Selection Area	4,175	74.7%
2007	**Count**	**Share**
Employed in Selection Area	4,828	100.0%
Employed in Selection Area but Living Outside	477	990.0%
Employed and Living in Selection Area	4,351	90.1%
Living in Selection Area	5,451	100.0%
Employed in Selection Area but Employed Outside	1,100	20.2%
Living and Employed in Selection Area	4,351	79.8%

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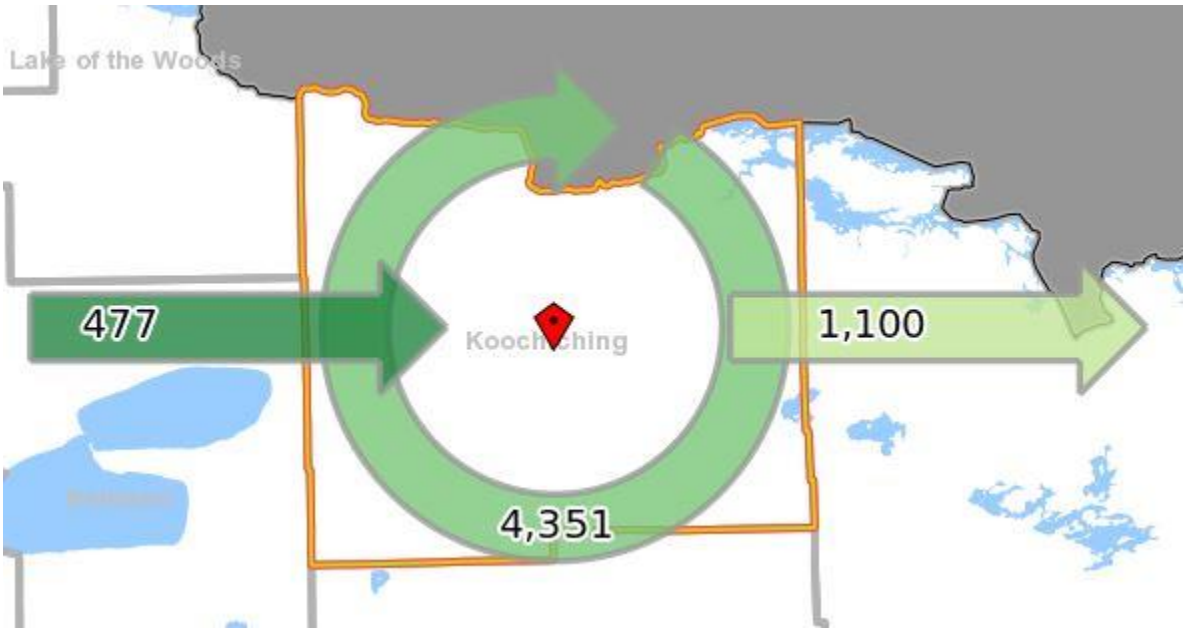
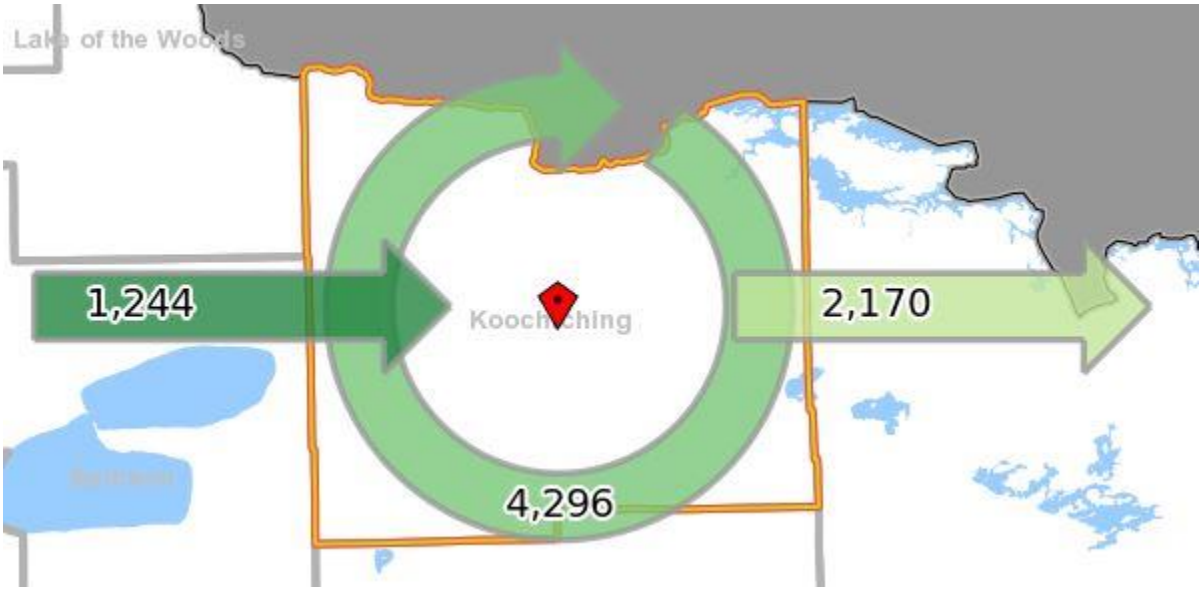
Koochiching 2007



Koochiching 2011



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Lake County

2011	Count	Share
Employed in Selection Area	4,446	100.0%
Employed in Selection Area but Living Outside	1,602	36.0%
Employed and Living in Selection Area	2,844	64.0%
Living in Selection Area	5,096	100.0%
Living in Selection Area but Employed Outside	2,252	44.2%
Living and Employed in Selection Area	2,844	55.8%
2010	**Count**	**Share**
Employed in Selection Area	4,247	100.0%
Employed in Selection Area but Living Outside	1,308	30.8%
Employed and Living in Selection Area	2,939	69.2%
Living in Selection Area	5,095	100.0%
Living in Selection Area but Employed Outside	2,156	42.3%
Living and Employed in Selection Area	2,939	57.7%
2009	**Count**	**Share**
Employed in Selection Area	4,161	100.0%
Employed in Selection Area but Living Outside	1,381	33.2%
Employed and Living in Selection Area	2,780	66.8%
Living in Selection Area	4,752	100.0%
Living in Selection Area but Employed Outside	1,972	41.5%
Living and Employed in Selection Area	2,780	58.5%
2008	**Count**	**Share**
Employed in Selection Area	4,233	100.0%
Employed in Selection Area but Living Outside	1,433	33.9%
Employed and Living in Selection Area	2,800	66.1%
Living in Selection Area	4,819	100.0%
Living in Selection Area but Employed Outside	2,019	41.9%
Living and Employed in Selection Area	2,800	58.1%
2007	**Count**	**Share**
Employed in Selection Area	4,342	100.0%
Employed in Selection Area but Living Outside	1,398	32.2%
Employed and Living in Selection Area	2,944	67.8%
Living in Selection Area	4,789	100.0%
Living in Selection Area but Employed Outside	1,845	38.5%
Living and Employed in Selection Area	2,944	61.5%

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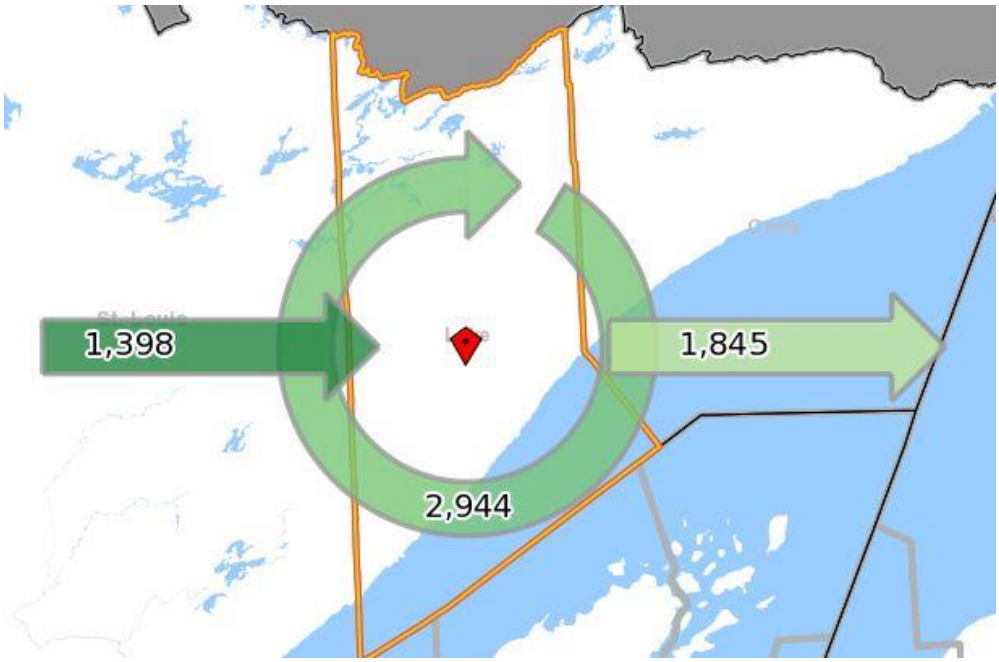
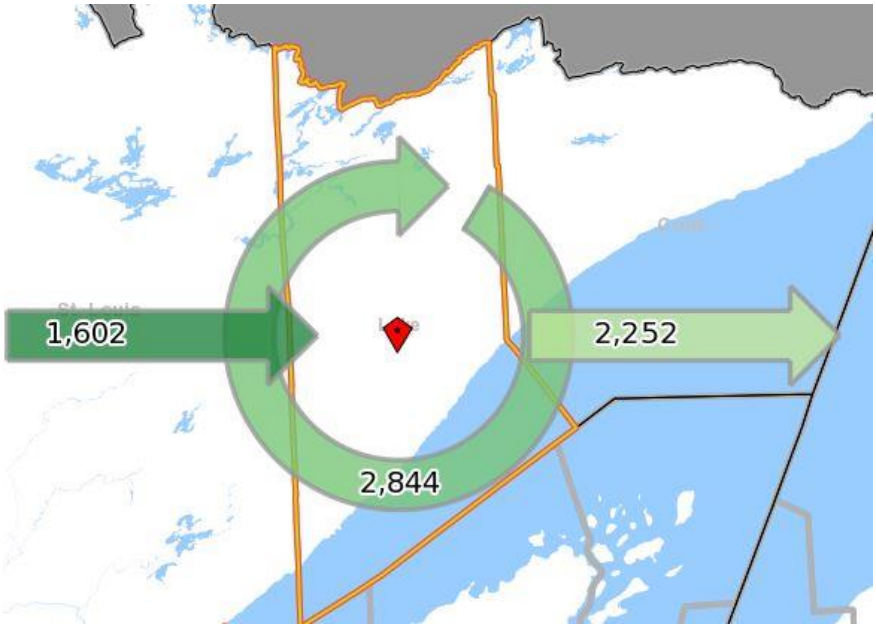
Lake 2007



Lake 2011



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Pine County

2011	Count	Share
Employed in Selection Area	7,942	100.0%
Employed in Selection Area but Living Outside	2,875	36.2%
Employed and Living in Selection Area	5,067	63.8%
Living in Selection Area	11,954	100.0%
Living in Selection Area but Employed Outside	6,887	57.6%
Living and Employed in Selection Area	5,067	42.4%
2010	**Count**	**Share**
Employed in Selection Area	7,822	100.0%
Employed in Selection Area but Living Outside	2,680	34.3%
Employed and Living in Selection Area	5,142	65.7%
Living in Selection Area	10,977	100.0%
Living in Selection Area but Employed Outside	5,835	53.2%
Living and Employed in Selection Area	5,142	46.8%
2009	**Count**	**Share**
Employed in Selection Area	7,460	100.0%
Employed in Selection Area but Living Outside	2,277	30.5%
Employed and Living in Selection Area	5,183	69.5%
Living in Selection Area	10,583	100.0%
Living in Selection Area but Employed Outside	5,400	51.0%
Living and Employed in Selection Area	5,183	49.0%
2008	**Count**	**Share**
Employed in Selection Area	6,978	100.0%
Employed in Selection Area but Living Outside	2,116	30.3%
Employed and Living in Selection Area	4,862	69.7%
Living in Selection Area	10,476	100.0%
Living in Selection Area but Employed Outside	5,614	53.6%
Living and Employed in Selection Area	5,862	46.4%
2007	**Count**	**Share**
Employed in Selection Area	6,491	100.0%
Employed in Selection Area but Living Outside	2,338	36.0%
Employed and Living in Selection Area	4,153	64.0%
Living in Selection Area	9,117	100.0%
Living in Selection Area but Employed Outside	4,964	54.4%
Living and Employed in Selection Area	4,153	45.6%

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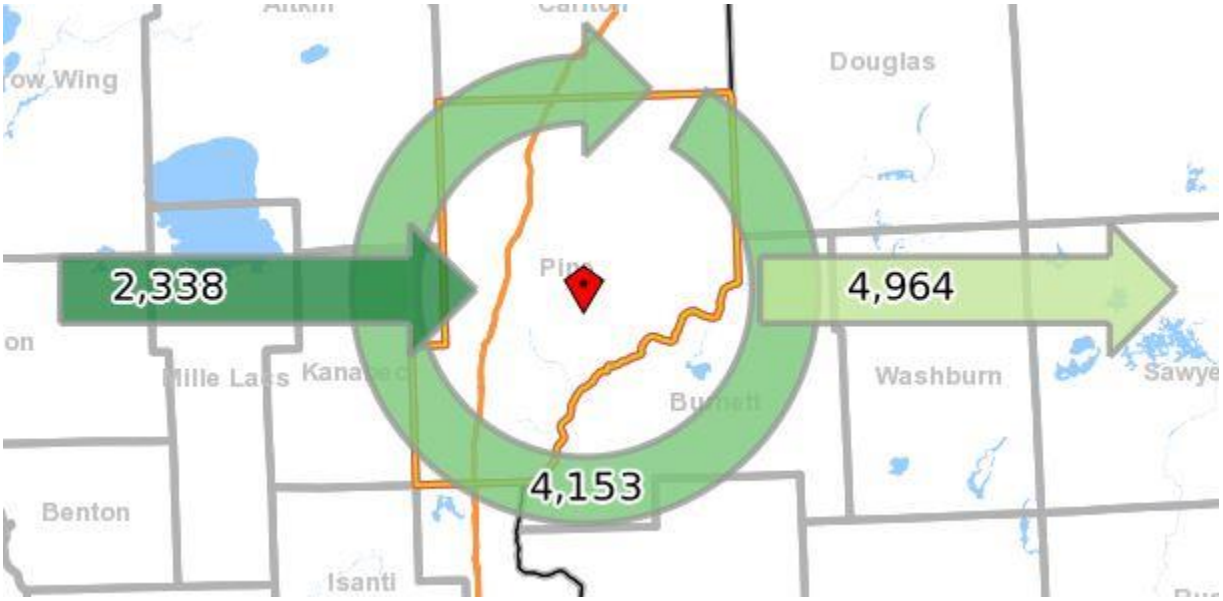
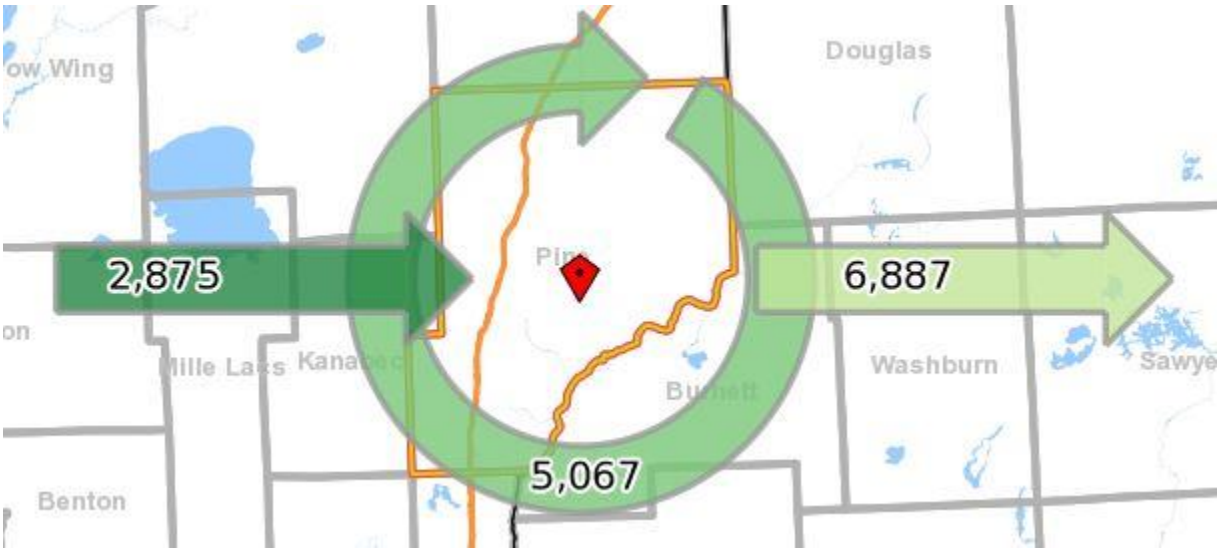
Pine 2007



Pine 2011



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St. Louis County

2011	Count	Share
Employed in Selection Area	98,776	100.0%
Employed in Selection Area but Living Outside	31,794	32.2%
Employed and Living in Selection Area	66,982	67.8%
Living in Selection Area	86,534	100.0%
Living in Selection Area but Employed Outside	19,552	22.6%
Living and Employed in Selection Area	66,982	77.4%
2010	**Count**	**Share**
Employed in Selection Area	95,652	100.0%
Employed in Selection Area but Living Outside	29,477	30.8%
Employed and Living in Selection Area	66,175	69.2%
Living in Selection Area	85,504	100.0%
Living in Selection Area but Employed Outside	19,329	22.6%
Living and Employed in Selection Area	66,175	77.4%
2009	**Count**	**Share**
Employed in Selection Area	94,240	100.0%
Employed in Selection Area but Living Outside	28,713	30.5%
Employed and Living in Selection Area	65,527	69.5%
Living in Selection Area	84,322	100.0%
Living in Selection Area but Employed Outside	18,795	22.3%
Living and Employed in Selection Area	65,527	77.7%
2008	**Count**	**Share**
Employed in Selection Area	95,961	100.0%
Employed in Selection Area but Living Outside	27,424	28.6%
Employed and Living in Selection Area	68,537	71.4%
Living in Selection Area	87,422	100.0%
Living in Selection Area but Employed Outside	18,885	21.6%
Living and Employed in Selection Area	68,537	78.4%
2007	**Count**	**Share**
Employed in Selection Area	94,494	100.0%
Employed in Selection Area but Living Outside	24,312	25.7%
Employed and Living in Selection Area	70,182	74.3%
Living in Selection Area	89,428	100.0%
Living in Selection Area but Employed Outside	19,246	21.5%
Living and Employed in Selection Area	70,182	75.8%

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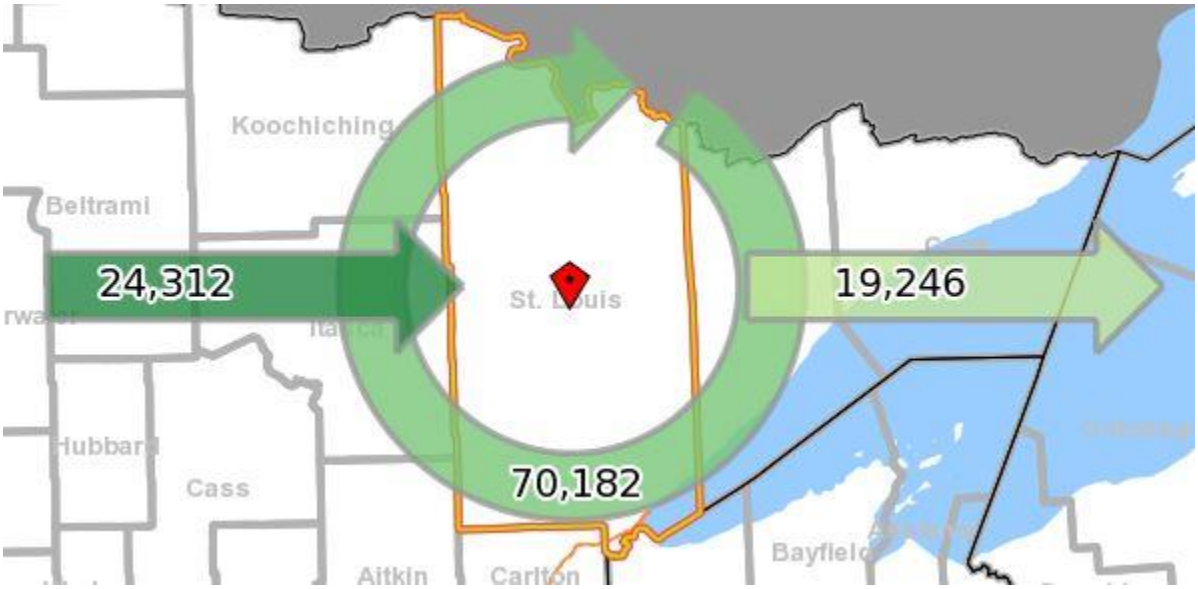
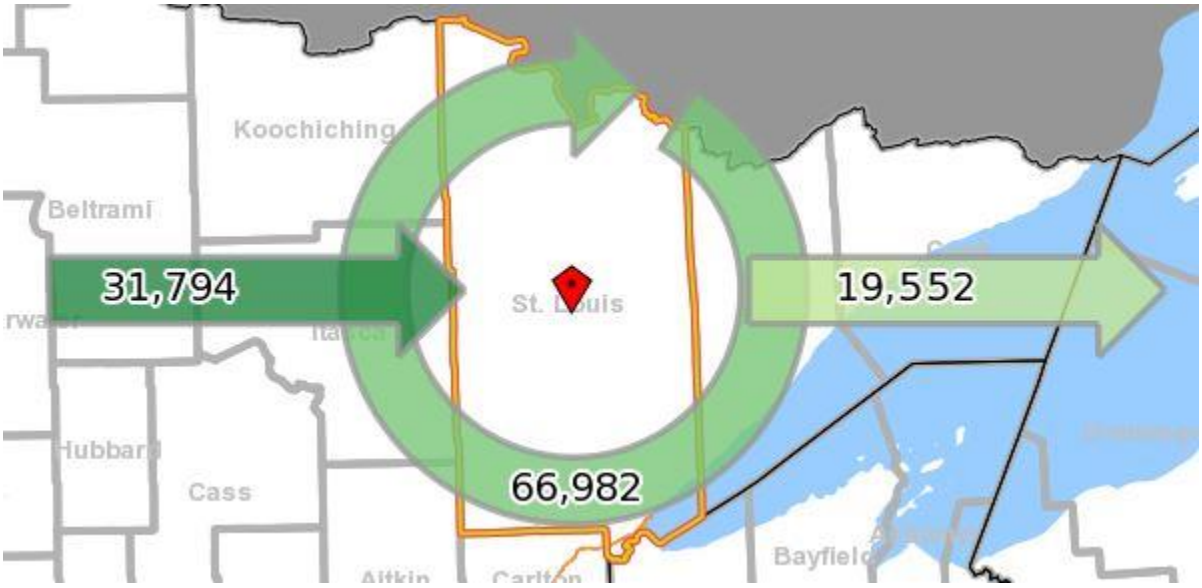
St. Louis 2007



St. Louis 2011



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WISCONSIN COMMUTING PATTERNS

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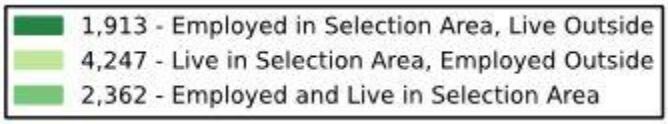

Source: US Department of Commerce, US Census Bureau, On The Map

Ashland County

2011	Count	Share
Employed in Selection Area	8,069	100.0%
Employed in Selection Area but Living Outside	3,915	48.5%
Employed and Living in Selection Area	4,154	51.5%
Living in Selection Area	8,321	100.0%
Living in Selection Area but Employed Outside	4,167	50.1%
Living and Employed in Selection Area	4,154	49.9%
2010	**Count**	**Share**
Employed in Selection Area	8,087	100.0%
Employed in Selection Area but Living Outside	3,647	45.1%
Employed and Living in Selection Area	4,440	54.9%
Living in Selection Area	7,315	100.0%
Living in Selection Area but Employed Outside	2,875	39.3%
Living and Employed in Selection Area	4,440	60.7%
2009	**Count**	**Share**
Employed in Selection Area	7,591	100.0%
Employed in Selection Area but Living Outside	3,523	46.4%
Employed and Living in Selection Area	4,068	53.6%
Living in Selection Area	6,590	100.0%
Living in Selection Area but Employed Outside	2,522	38.3%
Living and Employed in Selection Area	4,068	61.7%
2008	**Count**	**Share**
Employed in Selection Area	8,243	100.0%
Employed in Selection Area but Living Outside	3,337	40.5%
Employed and Living in Selection Area	4,906	59.5%
Living in Selection Area	7,266	100.0%
Living in Selection Area but Employed Outside	2,360	32.5%

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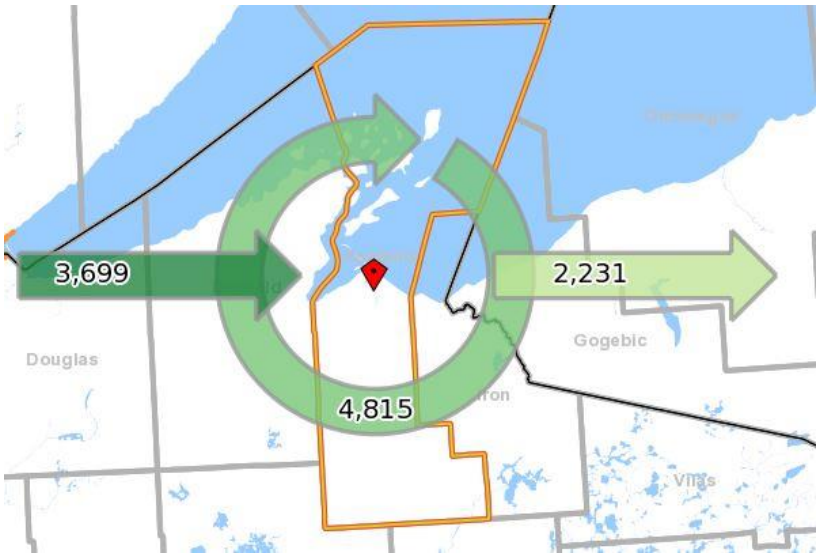
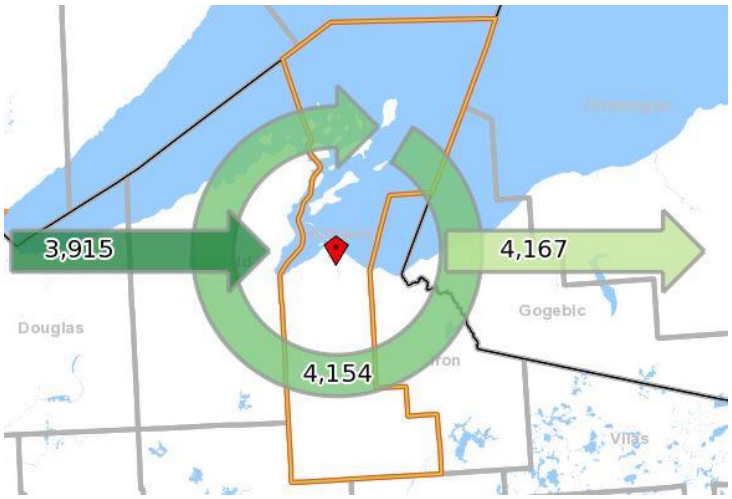
Living and Employed in Selection Area	4,906	67.5%

2007	Count	Share
Employed in Selection Area	8,514	100.0%
Employed in Selection Area but Living Outside	3,699	43.4%
Employed and Living in Selection Area	4,815	56.6%
Living in Selection Area	7,046	100.0%
Living in Selection Area but Employed Outside	2,231	31.7%
Living and Employed in Selection Area	4,815	68.3%

Ashland 2007



Ashland 2011



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Bayfield County

2011	Count	Share
Employed in Selection Area	3,392	100.0%
Employed in Selection Area but Living Outside	1,094	32.3%
Employed and Living in Selection Area	2,298	67.7%
Living in Selection Area	8,438	100.0%
Living in Selection Area but Employed Outside	6,140	72.8%
Living and Employed in Selection Area	2,298	27.2%
2010	**Count**	**Share**
Employed in Selection Area	3,403	100.0%
Employed in Selection Area but Living Outside	935	27.5%
Employed and Living in Selection Area	2,468	72.5%
Living in Selection Area	6,308	100.0%
Living in Selection Area but Employed Outside	3,840	60.9%
Living and Employed in Selection Area	2,468	39.1%
2009	**Count**	**Share**
Employed in Selection Area	3,198	100.0%
Employed in Selection Area but Living Outside	823	25.7%
Employed and Living in Selection Area	2,375	74.3%
Living in Selection Area	5,939	100.0%
Living in Selection Area but Employed Outside	3,564	60.0%
Living and Employed in Selection Area	2,375	40.0%
2008	**Count**	**Share**
Employed in Selection Area	3,262	100.0%
Employed in Selection Area but Living Outside	877	26.9%
Employed and Living in Selection Area	2,385	73.1%
Living in Selection Area	5,925	100.0%
Living in Selection Area but Employed Outside	3,540	59.7%
Living and Employed in Selection Area	2,385	40.3%
2007	**Count**	**Share**
Employed in Selection Area	3,319	100.0%
Employed in Selection Area but Living Outside	901	27.1%
Employed and Living in Selection Area	2,418	72.9%
Living in Selection Area	6,103	100.0%
Living in Selection Area but Employed Outside	3,685	60.4%
Living and Employed in Selection Area	2,418	39.6%

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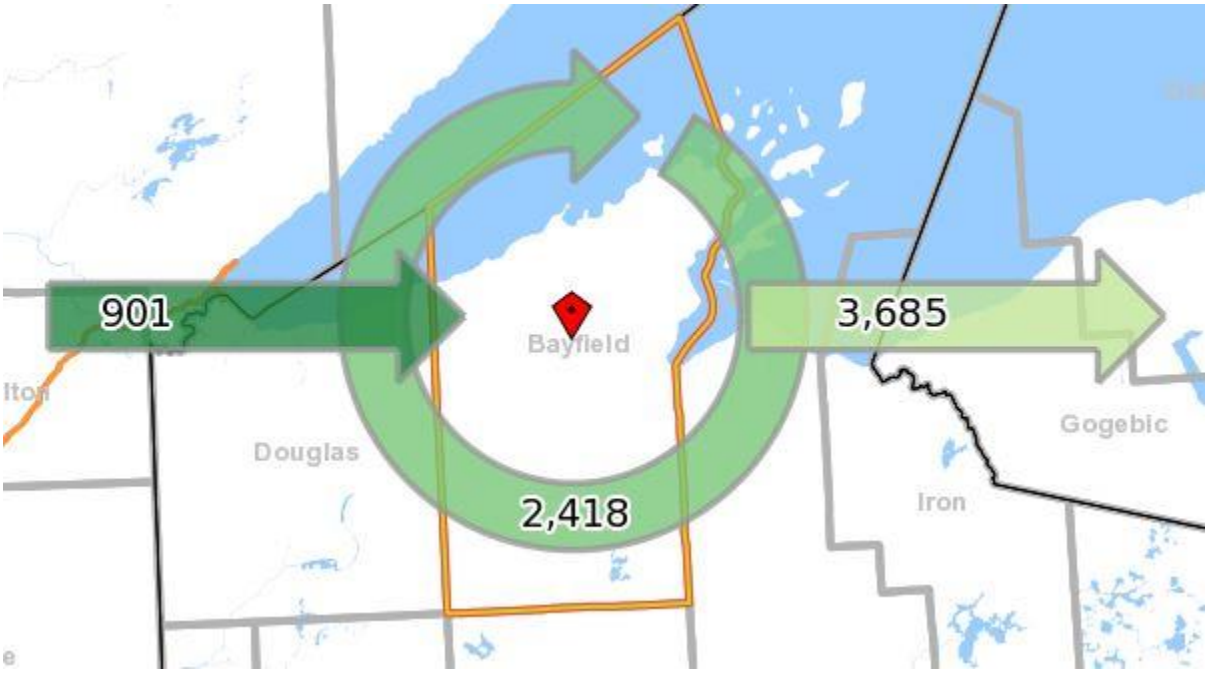
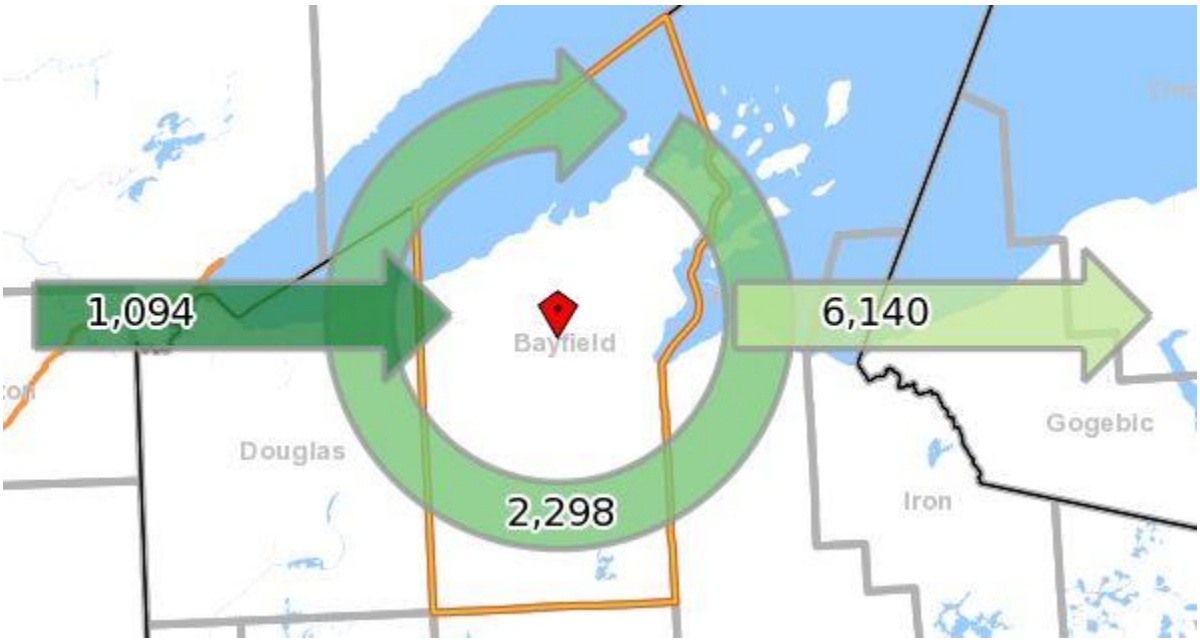
Bayfield 2007



Bayfield 2011



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Burnett County

2011	Count	Share
Employed in Selection Area	4,810	100.0%
Employed in Selection Area but Living Outside	2,109	43.8%
Employed and Living in Selection Area	2,701	56.2%
Living in Selection Area	6,838	100.0%
Living in Selection Area but Employed Outside	4,137	60.5%
Living and Employed in Selection Area	2,701	39.5%
2010	**Count**	**Share**
Employed in Selection Area	4,632	100.0%
Employed in Selection Area but Living Outside	1,726	37.3%
Employed and Living in Selection Area	2,906	62.7%
Living in Selection Area	6,053	100.0%
Living in Selection Area but Employed Outside	3,147	52.0%
Living and Employed in Selection Area	2,906	48.0%
2009	**Count**	**Share**
Employed in Selection Area	4,910	100.0%
Employed in Selection Area but Living Outside	2,020	41.1%
Employed and Living in Selection Area	2,890	58.9%
Living in Selection Area	6,069	100.0%
Living in Selection Area but Employed Outside	3,179	52.4%
Living and Employed in Selection Area	2,890	47.6%
2008	**Count**	**Share**
Employed in Selection Area	5,228	100.0%
Employed in Selection Area but Living Outside	2,075	39.7%
Employed and Living in Selection Area	3,153	60.3%
Living in Selection Area	6,243	100.0%
Living in Selection Area but Employed Outside	3,090	49.5%
Living and Employed in Selection Area	3,153	50.5%
2007	**Count**	**Share**
Employed in Selection Area	5,333	100.0%
Employed in Selection Area but Living Outside	2,137	40.1%
Employed and Living in Selection Area	3,196	59.9%
Living in Selection Area	6,441	100.0%
Living in Selection Area but Employed Outside	3,245	50.4%
Living and Employed in Selection Area	3,196	49.6%

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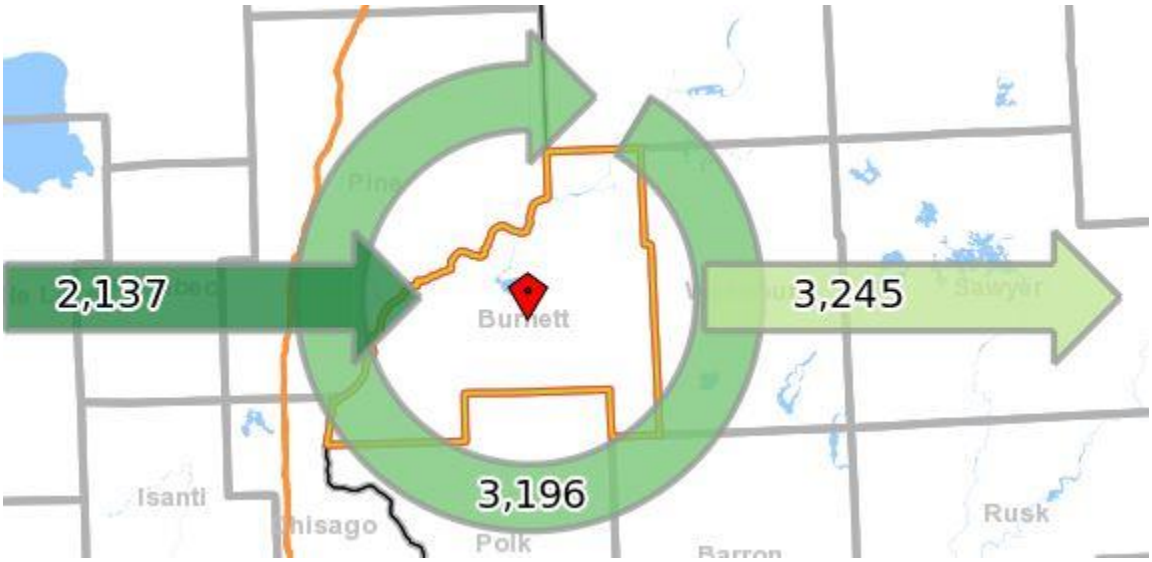
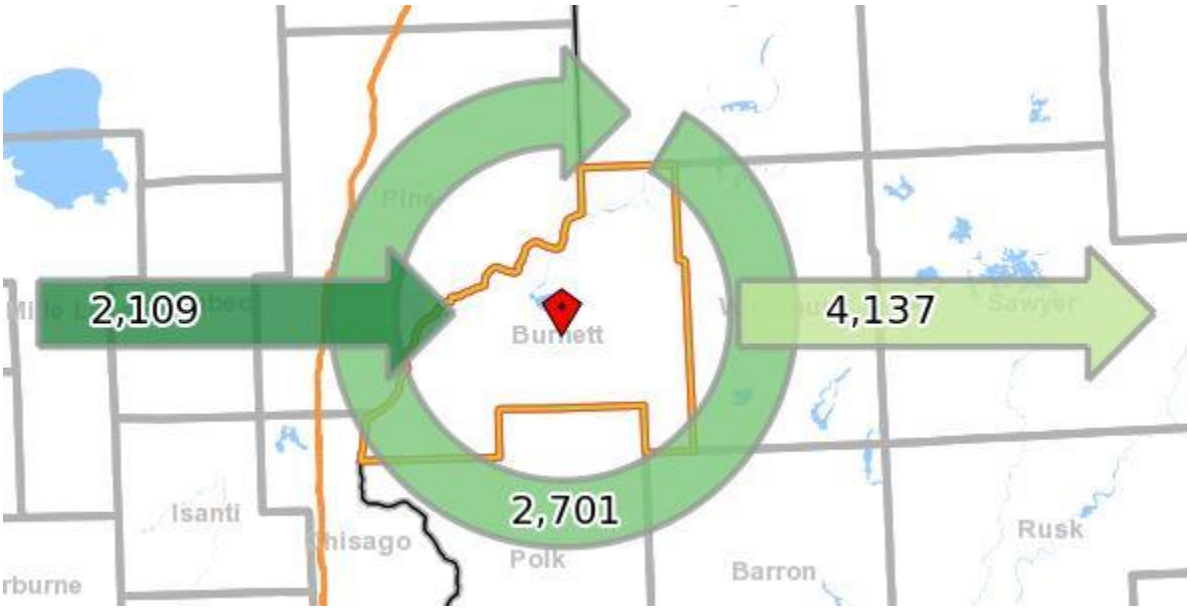
Burnett 2007



Burnett 2011



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Douglas County

2011	Count	Share
Employed in Selection Area	15,375	100.0%
Employed in Selection Area but Living Outside	6,257	40.7%
Employed and Living in Selection Area	9,118	59.3%
Living in Selection Area	19,768	100.0%
Living in Selection Area but Employed Outside	10,650	53.9%
Living and Employed in Selection Area	9,118	46.1%
2010	**Count**	**Share**
Employed in Selection Area	15,221	100.0%
Employed in Selection Area but Living Outside	5,972	39.2%
Employed and Living in Selection Area	9,249	60.8%
Living in Selection Area	20,057	100.0%
Living in Selection Area but Employed Outside	10,808	53.9%
Living and Employed in Selection Area	9,249	46.1%
2009	**Count**	**Share**
Employed in Selection Area	14,769	100.0%
Employed in Selection Area but Living Outside	5,440	36.8%
Employed and Living in Selection Area	9,329	63.2%
Living in Selection Area	19,831	100.0%
Living in Selection Area but Employed Outside	10,502	53.0%
Living and Employed in Selection Area	9,329	47.0%
2008	**Count**	**Share**
Employed in Selection Area	15,497	100.0%
Employed in Selection Area but Living Outside	5,521	35.6%
Employed and Living in Selection Area	9,976	64.4%
Living in Selection Area	20,372	100.0%
Living in Selection Area but Employed Outside	10,396	51.0%
Living and Employed in Selection Area	9,976	49.0%
2007	**Count**	**Share**
Employed in Selection Area	15,535	100.0%
Employed in Selection Area but Living Outside	5,013	32.3%
Employed and Living in Selection Area	10,522	67.7%
Living in Selection Area	21,191	100.0%
Living in Selection Area but Employed Outside	10,669	50.3%
Living and Employed in Selection Area	10,522	49.7%

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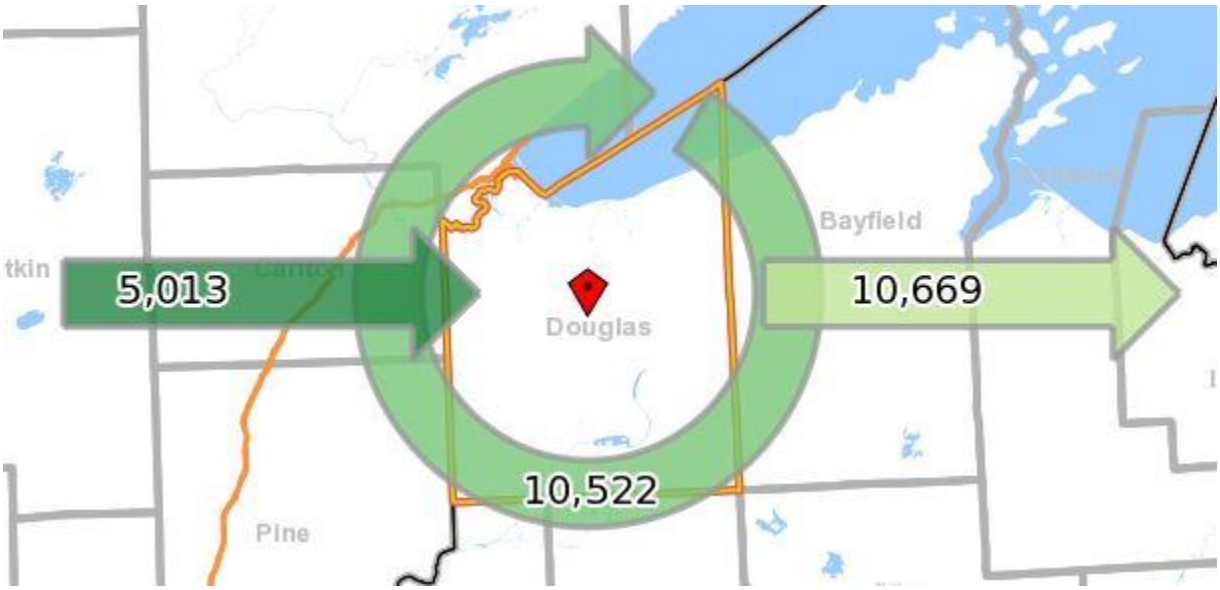
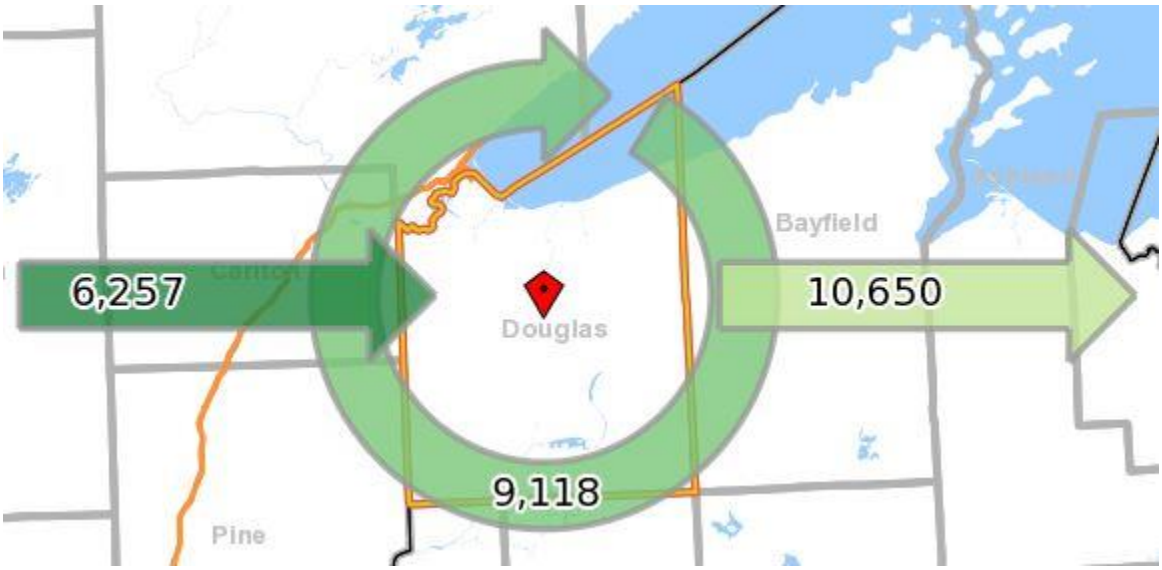
Douglas 2007



Douglas 2011



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Iron County

2011	Count	Share
Employed in Selection Area	1,682	100.0%
Employed in Selection Area but Living Outside	857	51.0%
Employed and Living in Selection Area	825	49.0%
Living in Selection Area	2,351	100.0%
Living in Selection Area but Employed Outside	1,526	64.9%
Living and Employed in Selection Area	825	35.1%
2010	**Count**	**Share**
Employed in Selection Area	1,669	100.0%
Employed in Selection Area but Living Outside	756	45.3%
Employed and Living in Selection Area	913	54.7%
Living in Selection Area	2,515	100.0%
Living in Selection Area but Employed Outside	1,602	63.7%
Living and Employed in Selection Area	913	36.3%
2009	**Count**	**Share**
Employed in Selection Area	1,661	100.0%
Employed in Selection Area but Living Outside	805	48.5%
Employed and Living in Selection Area	856	51.5%
Living in Selection Area	2,396	100.0%
Living in Selection Area but Employed Outside	1,540	64.3%
Living and Employed in Selection Area	856	35.7%
2008	**Count**	**Share**
Employed in Selection Area	1,960	100.0%
Employed in Selection Area but Living Outside	999	51.0%
Employed and Living in Selection Area	961	49.0%
Living in Selection Area	2,515	100.0%
Living in Selection Area but Employed Outside	1,554	61.8%
Living and Employed in Selection Area	961	38.2%
2007	**Count**	**Share**
Employed in Selection Area	1,997	100.0%
Employed in Selection Area but Living Outside	1,118	56.0%
Employed and Living in Selection Area	879	44.0%
Living in Selection Area	2,310	100.0%
Living in Selection Area but Employed Outside	1,431	61.9%
Living and Employed in Selection Area	879	38.1%

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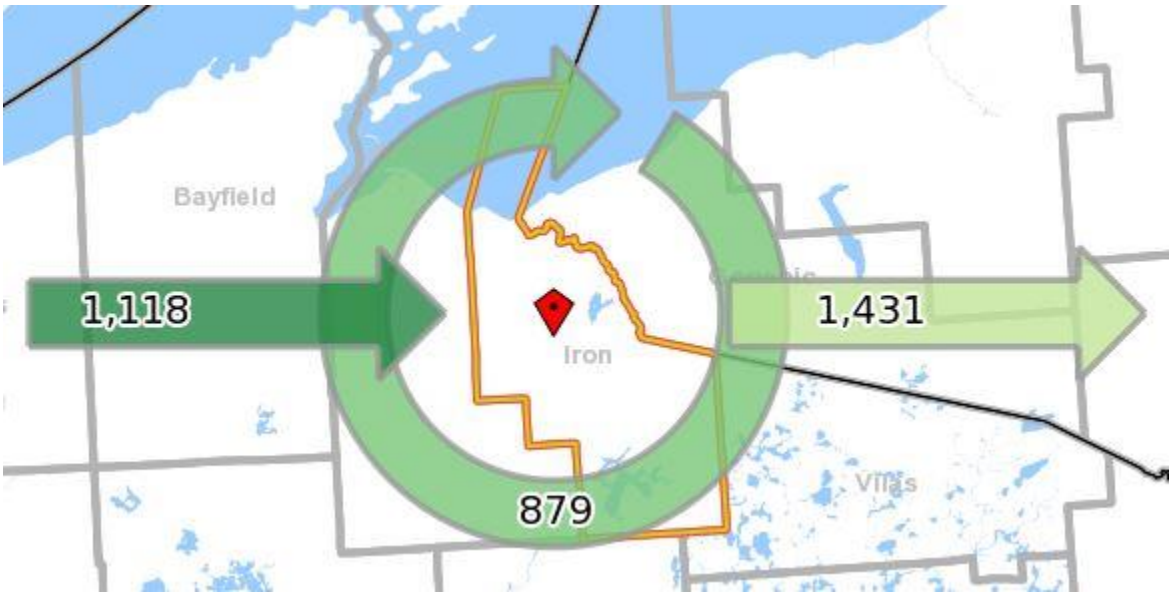
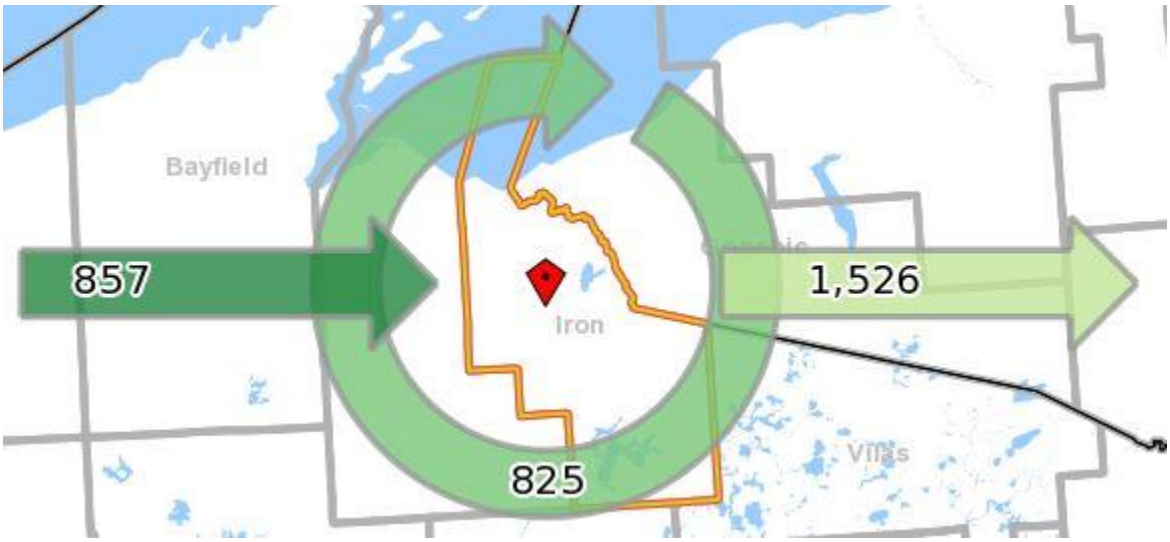
Iron 2007



Iron 2011



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Sawyer County

2011	Count	Share
Employed in Selection Area	6,410	100.0%
Employed in Selection Area but Living Outside	2,458	38.3%
Employed and Living in Selection Area	3,952	61.7%
Living in Selection Area	6,447	100.0%
Living in Selection Area but Employed Outside	2,495	38.7%
Living and Employed in Selection Area	3,952	61.3%
2010	**Count**	**Share**
Employed in Selection Area	6,427	100.0%
Employed in Selection Area but Living Outside	2,126	33.1%
Employed and Living in Selection Area	4,301	66.9%
Living in Selection Area	6,930	100.0%
Living in Selection Area but Employed Outside	2,629	37.9%
Living and Employed in Selection Area	4,301	62.1%
2009	**Count**	**Share**
Employed in Selection Area	6,278	100.0%
Employed in Selection Area but Living Outside	1,913	30.5%
Employed and Living in Selection Area	4,365	69.5%
Living in Selection Area	6,853	100.0%
Living in Selection Area but Employed Outside	2,488	36.3%
Living and Employed in Selection Area	4,365	63.7%
2008	**Count**	**Share**
Employed in Selection Area	6,679	100.0%
Employed in Selection Area but Living Outside	2,226	33.3%
Employed and Living in Selection Area	4,453	66.7%
Living in Selection Area	6,685	100.0%
Living in Selection Area but Employed Outside	2,232	33.4%
Living and Employed in Selection Area	4,453	66.6%
2007	**Count**	**Share**
Employed in Selection Area	6,750	100.0%
Employed in Selection Area but Living Outside	2,166	32.1%
Employed and Living in Selection Area	4,584	67.9%
Living in Selection Area	6,986	100.0%
Living in Selection Area but Employed Outside	2,402	34.4%
Living and Employed in Selection Area	4,584	65.6%

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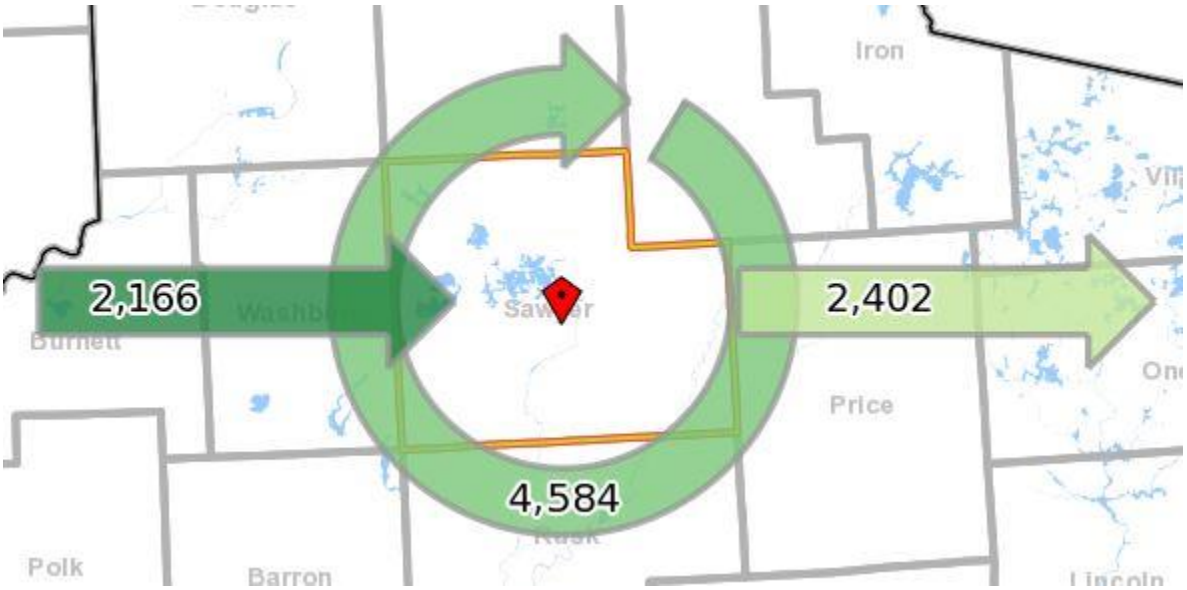
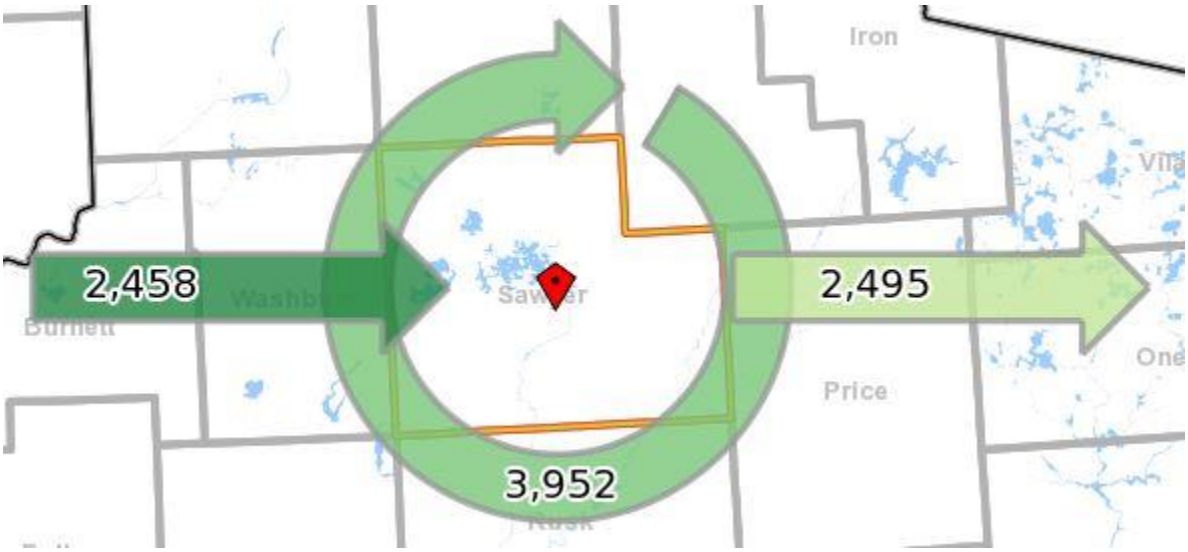
Sawyer 2007



Sawyer 2011



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Washburn County

2011	Count	Share
Employed in Selection Area	5,559	100.0%
Employed in Selection Area but Living Outside	2,724	49.0%
Employed and Living in Selection Area	2,835	51.0%
Living in Selection Area	6,241	100.0%
Living in Selection Area but Employed Outside	3,406	54.6%
Living and Employed in Selection Area	2,835	44.4%
2010	**Count**	**Share**
Employed in Selection Area	5,225	100.0%
Employed in Selection Area but Living Outside	2,172	41.6%
Employed and Living in Selection Area	3,053	58.6%
Living in Selection Area	6,709	100.0%
Living in Selection Area but Employed Outside	3,656	54.5%
Living and Employed in Selection Area	3,053	45.5%
2009	**Count**	**Share**
Employed in Selection Area	4,668	100.0%
Employed in Selection Area but Living Outside	1,897	40.5%
Employed and Living in Selection Area	2,777	59.5%
Living in Selection Area	6,779	100.0%
Living in Selection Area but Employed Outside	4,002	59.0%
Living and Employed in Selection Area	2,777	41.0%
2008	**Count**	**Share**
Employed in Selection Area	4,671	100.0%
Employed in Selection Area but Living Outside	1,869	40.0%
Employed and Living in Selection Area	2,802	60.0%
Living in Selection Area	6,841	100.0%
Living in Selection Area but Employed Outside	4,039	59.0%
Living and Employed in Selection Area	2,802	41.0%
2007	**Count**	**Share**
Employed in Selection Area	4,782	100.0%
Employed in Selection Area but Living Outside	1,864	39.0%
Employed and Living in Selection Area	2,918	61.0%
Living in Selection Area	7,121	100.0%
Living in Selection Area but Employed Outside	4,203	59.0%
Living and Employed in Selection Area	2,918	41.0%

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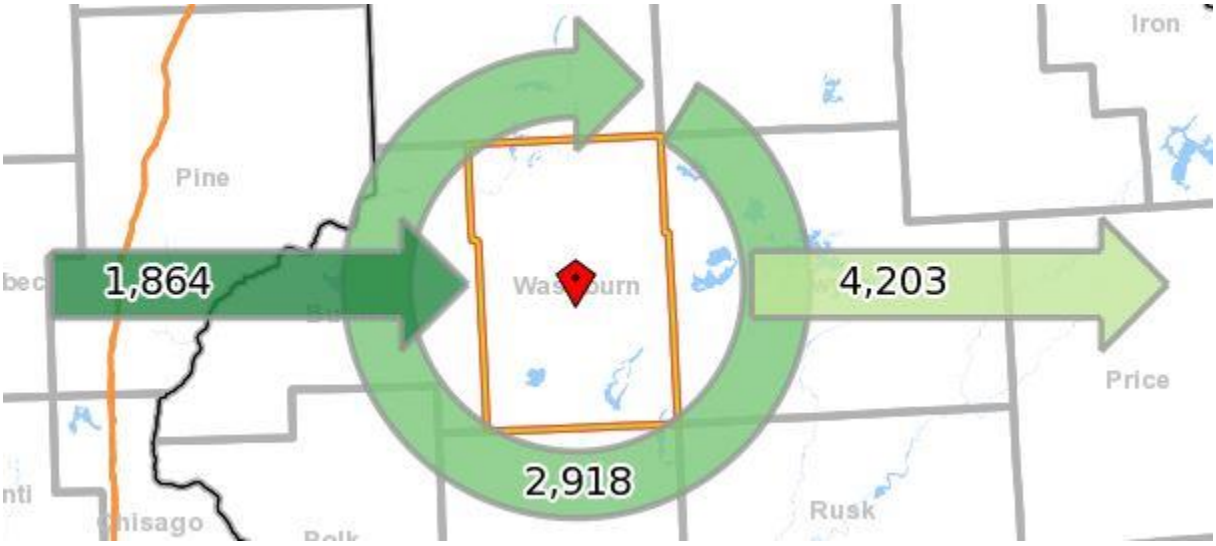
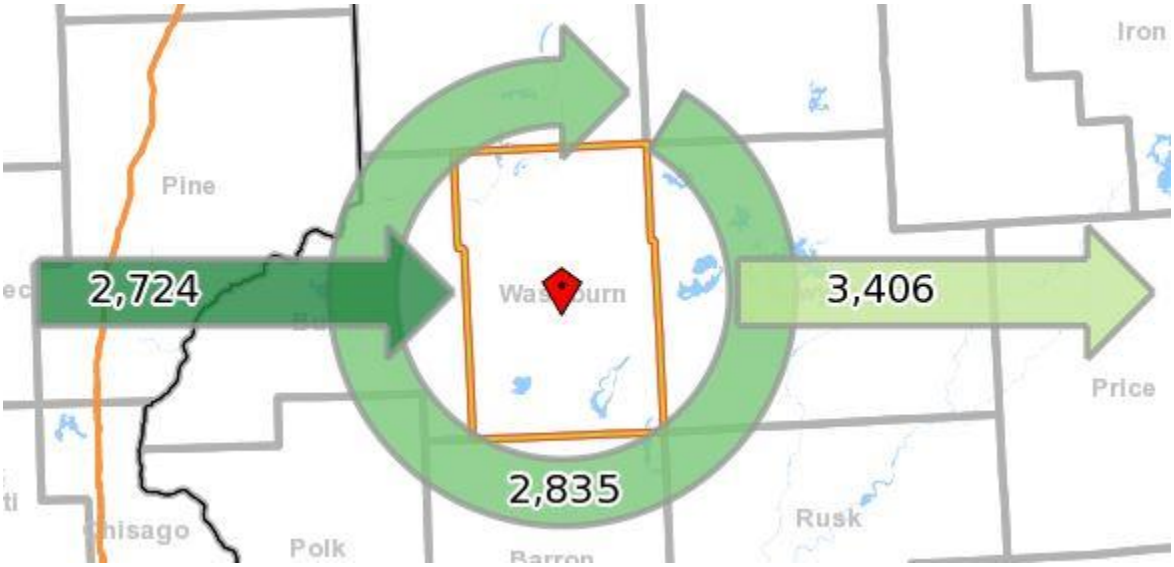
Washburn 2007



Washburn 2011



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MIGRATION INFLOW AND OUTFLOW

The following four tables show the migration of Minnesota and Wisconsin as separate population inflow into the county and outflow from the counties.

The population estimates change for the inflow and outflow in Column 2. The flow analysis estimates nonmovers and movers. The nonmover category is broken into four subgroups/ columns. Over the 15-county region, a few trends can be noted. Out of the total population, only between 10.2% to about 16.2% are estimated to have moved. Over half of the movers stayed in the same county. The majority of the counties show that one quarter to one third of the movers stay in their respective state.

Minnesota Inflows

County	Population 1 Year and Over Estimate	Nonmovers Estimate	Movers within United States Estimate	Movers within Same County Estimate	Movers from Different County, Same State Estimate	Movers from Different State Estimate
Aitkin County	16,230	14,739	1,475	864	573	38
Carlton County	34,573	30,450	4,006	2,114	1,605	287
Cook County	5,159	4,551	608	349	151	108
Itasca County	44,417	39,346	4,991	2,860	1,676	455
Koochiching County	13,333	11,891	1,273	800	330	143
Lake County	10,691	9,660	1,025	636	312	77
Pine County	29,161	25,456	3,608	2,072	1,032	504
St. Louis County	197,395	163,872	32,781	21,420	7,532	3,829

Source: US Department of Commerce, Census Bureau

Minnesota Outflows

County	Population 1 Year and Over Estimate	Nonmovers Estimate	Movers within United States Estimate	Movers within Same County Estimate	Movers from Different County, Same State Estimate	Movers from Different State Estimate
Aitkin County	16,493	14,739	1,754	864	779	111
Carlton County	34,861	30,450	4,411	2,114	1,518	779
Cook County	5,157	4,551	606	349	192	65
Itasca County	44,028	39,346	4,682	2,860	1,180	642
Koochiching County	13,277	11,891	1,386	800	367	219
Lake County	11,057	9,660	1,397	636	513	248
Pine County	29,304	25,456	3,848	2,072	1,290	486
St. Louis County	195,446	163,872	31,574	21,420	5,421	4,733

Source: US Department of Commerce, Census Bureau

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Wisconsin Inflows

County	Population 1 Year and Over Estimate	Nonmovers Estimate	Movers within United States Estimate	Movers within Same County Estimate	Movers from Different County, Same State Estimate	Movers from Different State Estimate
Ashland County	16,004	13,990	2,006	1,153	377	476
Bayfield County	15,010	13,602	1,402	606	627	169
Burnett County	15,617	14,091	1,506	890	265	351
Douglas County	43,435	36,856	6,547	3,526	1,218	1,803
Iron County	6,056	5,450	589	209	118	262
Sawyer County	16,440	14,420	1,993	1,343	419	231
Washburn County	15,832	14,172	1,655	888	579	188

Source: US Department of Commerce, Census Bureau

Wisconsin Outflows

County	Population 1 Year and Over Estimate	Nonmovers Estimate	Movers within United States Estimate	Movers within Same County Estimate	Movers from Different County, Same State Estimate	Movers from Different State Estimate
Ashland County	15,911	13,990	1,921	1,153	435	333
Bayfield County	15,177	13,602	1,575	606	489	480
Burnett County	15,859	14,091	1,768	890	556	322
Douglas County	42,467	36,856	5,611	3,526	771	1,314
Iron County	6,251	5,450	801	209	289	303
Sawyer County	16,792	14,420	2,372	1,343	839	190
Washburn County	16,419	14,172	2,247	888	946	413

Source: US Department of Commerce, Census Bureau

APPENDIX B: MINNESOTA LONG-TERM PROJECTIONS

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
0	Total, All Industries	2010	155501	2020	175851	13.1	20350
67	Self-Employed and Unpaid Family Workers	2010	11286	2020	13519	19.8	2233
101	Goods-Producing Domain	2010	19195	2020	22201	15.7	3006
1011	Natural Resources and Mining	2010	5583	2020	6110	9.4	527

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
1012	Construction	2010	5309	2020	7081	33.4	1772
1013	Manufacturing	2010	8303	2020	9010	8.5	707
102	Service-Providing Domain	2010	125020	2020	140131	12.1	15111
1021	Trade, Transportation and Utilities	2010	25354	2020	26957	6.3	1603
1022	Information	2010	1949	2020	2044	4.9	95
1023	Financial Activities	2010	6033	2020	6370	5.6	337
1024	Professional and Business Services	2010	8534	2020	10496	23	1962
1025	Education and Health Services	2010	31656	2020	41625	31.5	9969
1026	Leisure and Hospitality	2010	17599	2020	18830	7	1231
1027	Other Services	2010	6262	2020	6634	5.9	372
1028	Public Administration	2010	27633	2020	27175	-1.7	-458
11	Agriculture, Forestry, Fishing & Hunting	2010	1744	2020	1794	2.9	50
111	Crop Production	2010	125	2020	180	44	55
112	Animal Production and Aquaculture	2010	32	2020	27	-15.6	-5
113	Forestry and Logging	2010	1346	2020	1337	-0.7	-9
1133	Logging	2010	1001	2020	1010	0.9	9
114	Fishing, Hunting and Trapping	2010	218	2020	230	5.5	12
115	Agriculture & Forestry Support Activity	2010	23	2020	20	-13	-3
21	Mining	2010	3839	2020	4316	12.4	477
2122	Metal Ore Mining	2010	3724	2020	4200	12.8	476
22	Utilities	2010	1511	2020	1456	-3.6	-55
2211	Power Generation and Supply	2010	1458	2020	1400	-4	-58
23	Construction	2010	5309	2020	7081	33.4	1772
236	Construction of Buildings	2010	1290	2020	1650	27.9	360
2361	Residential Building Construction	2010	640	2020	800	25	160
2362	Nonresidential Building Construction	2010	650	2020	850	30.8	200
237	Heavy and Civil Engineering Construction	2010	740	2020	971	31.2	231
2371	Utility System Construction	2010	270	2020	380	40.7	110
2373	Highway, Street, and Bridge Construction	2010	373	2020	500	34	127

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
238	Specialty Trade Contractors	2010	3279	2020	4460	36	1181
2381	Building Foundation/Exterior Contractors	2010	841	2020	1150	36.7	309
2382	Building Equipment Contractors	2010	1452	2020	1920	32.2	468
2383	Building Finishing Contractors	2010	309	2020	430	39.2	121
2389	Other Specialty Trade Contractors	2010	677	2020	960	41.8	283
31	Manufacturing	2010	8303	2020	9010	8.5	707
311	Food Manufacturing	2010	308	2020	273	-11.4	-35
3118	Bakeries and Tortilla Manufacturing	2010	110	2020	95	-13.6	-15
314	Textile Product Mills	2010	181	2020	135	-25.4	-46
315	Apparel Manufacturing	2010	170	2020	114	-32.9	-56
3152	Cut and Sew Apparel Manufacturing	2010	146	2020	95	-34.9	-51
321	Wood Product Manufacturing	2010	840	2020	1051	25.1	211
3211	Sawmills and Wood Preservation	2010	182	2020	217	19.2	35
3212	Veneer and Engineered Wood Products	2010	316	2020	405	28.2	89
3219	Other Wood Product Manufacturing	2010	342	2020	429	25.4	87
322	Paper Manufacturing	2010	2420	2020	2335	-3.5	-85
3221	Pulp, Paper, and Paperboard Mills	2010	2315	2020	2223	-4	-92
3222	Converted Paper Product Manufacturing	2010	105	2020	112	6.7	7
323	Printing and Related Support Activities	2010	229	2020	231	0.9	2
325	Chemical Manufacturing	2010	228	2020	206	-9.6	-22
3255	Paint, Coating, & Adhesive Manufacturing	2010	15	2020	16	6.7	1
3259	Other Chemical Preparation Manufacturing	2010	145	2020	127	-12.4	-18
326	Plastics & Rubber Products Manufacturing	2010	272	2020	270	-0.7	-2
3261	Plastics Product Manufacturing	2010	132	2020	140	6.1	8

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
3262	Rubber Product Manufacturing	2010	140	2020	130	-7.1	-10
327	Nonmetallic Mineral Product Mfg	2010	540	2020	678	25.6	138
331	Primary Metal Manufacturing	2010	297	2020	342	15.2	45
3315	Foundries	2010	209	2020	239	14.4	30
332	Fabricated Metal Product Manufacturing	2010	746	2020	954	27.9	208
3323	Architectural and Structural Metals	2010	298	2020	420	40.9	122
3327	Machine Shops and Threaded Products	2010	240	2020	268	11.7	28
3329	Other Fabricated Metal Product Mfg	2010	167	2020	217	29.9	50
333	Machinery Manufacturing	2010	963	2020	1127	17	164
3331	Ag., Construction, and Mining Machinery	2010	583	2020	701	20.2	118
3334	HVAC and Commercial Refrigeration Equip	2010	28	2020	31	10.7	3
334	Computer and Electronic Product Mfg	2010	276	2020	254	-8	-22
336	Transportation Equipment Manufacturing	2010	495	2020	674	36.2	179
3363	Motor Vehicle Parts Manufacturing	2010	30	2020	32	6.7	2
3364	Aerospace Product & Parts Manufacturing	2010	429	2020	600	39.9	171
337	Furniture and Related Product Mfg	2010	84	2020	116	38.1	32
3371	Household and Institutional Furniture	2010	64	2020	81	26.6	17
339	Miscellaneous Manufacturing	2010	146	2020	151	3.4	5
3391	Medical Equipment and Supplies Mfg	2010	41	2020	46	12.2	5
3399	Other Miscellaneous Manufacturing	2010	105	2020	105	0	0
42	Wholesale Trade	2010	3209	2020	3195	-0.4	-14
423	Merchant Wholesalers, Durable Goods	2010	1677	2020	1578	-5.9	-99
4231	Motor Vehicle/Part Merchant Wholesalers	2010	187	2020	170	-9.1	-17
4233	Lumber and Supply Merchant Wholesalers	2010	205	2020	106	-48.3	-99

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
4234	Commercial Goods Merchant Wholesalers	2010	102	2020	60	-41.2	-42
4235	Metal and Mineral Merchant Wholesalers	2010	35	2020	46	31.4	11
4236	Electric Goods Merchant Wholesalers	2010	113	2020	103	-8.8	-10
4237	Hardware & Plumbing Merchant Wholesalers	2010	101	2020	152	50.5	51
4238	Machinery & Supply Merchant Wholesalers	2010	779	2020	714	-8.3	-65
4239	Misc Durable Goods Merchant Wholesalers	2010	155	2020	227	46.5	72
424	Merchant Wholesalers, Nondurable Goods	2010	1206	2020	1269	5.2	63
4241	Paper/Paper Product Merchant Wholesalers	2010	108	2020	120	11.1	12
4243	Apparel/Piece Goods Merchant Wholesalers	2010	21	2020	15	-28.6	-6
4244	Grocery Product Merchant Wholesalers	2010	611	2020	650	6.4	39
4247	Petroleum Merchant Wholesalers	2010	192	2020	168	-12.5	-24
4248	Alcoholic Beverage Merchant Wholesalers	2010	116	2020	137	18.1	21
4249	Misc Nondurable Goods Merchant Whsle	2010	90	2020	100	11.1	10
425	Electronic Markets and Agents/Brokers	2010	326	2020	348	6.7	22
44	Retail Trade	2010	17337	2020	18782	8.3	1445
441	Motor Vehicle and Parts Dealers	2010	1807	2020	1983	9.7	176
4412	Other Motor Vehicle Dealers	2010	245	2020	281	14.7	36
4413	Auto Parts, Accessories, and Tire Stores	2010	550	2020	607	10.4	57
442	Furniture and Home Furnishings Stores	2010	346	2020	425	22.8	79
4422	Home Furnishings Stores	2010	159	2020	185	16.4	26
443	Electronics and Appliance Stores	2010	508	2020	516	1.6	8
444	Building Material & Garden Supply Stores	2010	1538	2020	1798	16.9	260
4441	Building Material and Supplies Dealers	2010	1455	2020	1700	16.8	245
445	Food and Beverage Stores	2010	3168	2020	3181	0.4	13

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
4451	Grocery Stores	2010	2615	2020	2580	-1.3	-35
4452	Specialty Food Stores	2010	159	2020	140	-11.9	-19
4453	Beer, Wine, and Liquor Stores	2010	394	2020	461	17	67
446	Health and Personal Care Stores	2010	952	2020	1107	16.3	155
447	Gasoline Stations	2010	2063	2020	1992	-3.4	-71
448	Clothing and Clothing Accessories Stores	2010	1236	2020	1399	13.2	163
4481	Clothing Stores	2010	935	2020	1060	13.4	125
4482	Shoe Stores	2010	161	2020	182	13	21
4483	Jewelry, Luggage & Leather Goods Stores	2010	140	2020	157	12.1	17
451	Sporting Goods/Hobby/Book/Music Stores	2010	663	2020	694	4.7	31
4511	Sporting Goods/Musical Instrument Stores	2010	541	2020	650	20.1	109
4512	Book, Periodical, and Music Stores	2010	122	2020	44	-63.9	-78
452	General Merchandise Stores	2010	3689	2020	4350	17.9	661
4521	Department Stores	2010	2257	2020	2000	-11.4	-257
4529	Other General Merchandise Stores	2010	1432	2020	2350	64.1	918
453	Miscellaneous Store Retailers	2010	853	2020	786	-7.9	-67
4531	Florists	2010	157	2020	109	-30.6	-48
4532	Office Supply, Stationery & Gift Stores	2010	416	2020	381	-8.4	-35
4533	Used Merchandise Stores	2010	57	2020	60	5.3	3
4539	Other Miscellaneous Store Retailers	2010	223	2020	236	5.8	13
454	Nonstore Retailers	2010	514	2020	551	7.2	37
4541	Electronic Shopping & Mail-Order Houses	2010	43	2020	42	-2.3	-1
4542	Vending Machine Operators	2010	34	2020	37	8.8	3
4543	Direct Selling Establishments	2010	437	2020	472	8	35
48	Transportation and Warehousing	2010	3297	2020	3524	6.9	227
483	Water Transportation	2010	194	2020	179	-7.7	-15

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
484	Truck Transportation	2010	648	2020	785	21.1	137
4841	General Freight Trucking	2010	478	2020	585	22.4	107
4842	Specialized Freight Trucking	2010	170	2020	200	17.6	30
485	Transit and Ground Passenger Transport	2010	593	2020	629	6.1	36
4853	Taxi and Limousine Service	2010	30	2020	26	-13.3	-4
4859	Other Ground Passenger Transportation	2010	71	2020	72	1.4	1
488	Support Activities for Transportation	2010	153	2020	157	2.6	4
4881	Support Activities for Air Transport	2010	53	2020	54	1.9	1
4884	Support Activities, Road Transportation	2010	27	2020	39	44.4	12
4885	Freight Transportation Arrangement	2010	32	2020	25	-21.9	-7
4911	Postal Service	2010	703	2020	560	-20.3	-143
492	Couriers and Messengers	2010	326	2020	475	45.7	149
4921	Couriers	2010	314	2020	449	43	135
493	Warehousing and Storage	2010	52	2020	68	30.8	16
51	Information	2010	1949	2020	2044	4.9	95
511	Publishing Industries	2010	668	2020	598	-10.5	-70
512	Motion Picture & Sound Recording Ind	2010	133	2020	111	-16.5	-22
515	Broadcasting (except Internet)	2010	477	2020	507	6.3	30
5151	Radio and Television Broadcasting	2010	420	2020	440	4.8	20
5152	Cable and Other Subscription Programming	2010	57	2020	67	17.5	10
517	Telecommunications	2010	539	2020	677	25.6	138
5171	Wired Telecommunications Carriers	2010	302	2020	307	1.7	5
5172	Wireless Telecommunications Carriers	2010	213	2020	350	64.3	137
5179	Other Telecommunications	2010	24	2020	20	-16.7	-4
52	Finance and Insurance	2010	4823	2020	5017	4	194

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
522	Credit Intermediation & Related Activity	2010	2162	2020	2097	-3	-65
5221	Depository Credit Intermediation	2010	2109	2020	2053	-2.7	-56
523	Financial Investment & Related Activity	2010	230	2020	259	12.6	29
5231	Security & Commodity Investment Activity	2010	175	2020	198	13.1	23
5239	Other Financial Investment Activities	2010	55	2020	61	10.9	6
524	Insurance Carriers & Related Activities	2010	2413	2020	2637	9.3	224
5241	Insurance Carriers	2010	1833	2020	2007	9.5	174
5242	Insurance Agencies, Brokerages & Support	2010	580	2020	630	8.6	50
525	Funds, Trusts & Other Financial Vehicles	2010	14	2020	18	28.6	4
53	Real Estate and Rental and Leasing	2010	1210	2020	1353	11.8	143
531	Real Estate	2010	809	2020	906	12	97
5311	Lessors of Real Estate	2010	398	2020	400	0.5	2
5312	Offices of Real Estate Agents & Brokers	2010	142	2020	156	9.9	14
5313	Activities Related to Real Estate	2010	269	2020	350	30.1	81
532	Rental and Leasing Services	2010	401	2020	447	11.5	46
5321	Automotive Equipment Rental and Leasing	2010	64	2020	66	3.1	2
5322	Consumer Goods Rental	2010	213	2020	230	8	17
5323	General Rental Centers	2010	59	2020	80	35.6	21
5324	Machinery & Equipment Rental & Leasing	2010	65	2020	71	9.2	6
54	Professional and Technical Services	2010	3794	2020	4521	19.2	727
5411	Legal Services	2010	626	2020	635	1.4	9
5412	Accounting and Bookkeeping Services	2010	488	2020	525	7.6	37
5413	Architectural and Engineering Services	2010	900	2020	1060	17.8	160
5415	Computer Systems Design and Rel Services	2010	620	2020	830	33.9	210
5416	Management & Technical Consulting Svc	2010	260	2020	270	3.8	10

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
5418	Advertising and Related Services	2010	298	2020	351	17.8	53
5419	Other Professional & Technical Services	2010	481	2020	718	49.3	237
55	Management of Companies and Enterprises	2010	1011	2020	1200	18.7	189
56	Administrative and Waste Services	2010	3729	2020	4775	28.1	1046
561	Administrative and Support Services	2010	3308	2020	4253	28.6	945
5611	Office Administrative Services	2010	81	2020	105	29.6	24
5613	Employment Services	2010	850	2020	1050	23.5	200
5614	Business Support Services	2010	570	2020	700	22.8	130
5616	Investigation and Security Services	2010	409	2020	661	61.6	252
5617	Services to Buildings and Dwellings	2010	1028	2020	1330	29.4	302
5619	Other Support Services	2010	300	2020	325	8.3	25
562	Waste Management and Remediation Service	2010	421	2020	522	24	101
5621	Waste Collection	2010	231	2020	330	42.9	99
5622	Waste Treatment and Disposal	2010	50	2020	47	-6	-3
5629	Remediation and Other Waste Services	2010	140	2020	145	3.6	5
6010	Nonagricultural Self-employed	2010	9972	2020	12250	22.8	2278
61	Educational Services	2010	1969	2020	2063	4.8	94
611103	Local elementary & secondary schools	2010	7127	2020	6725	-5.6	-402
611105	Private elementary and secondary schools	2010	812	2020	840	3.4	28
611202	State junior colleges	2010	1069	2020	1124	5.1	55
611302	State Colleges, Univ and Prof Schools	2010	1872	2020	2006	7.2	134
611305	Private Colleges, Univ, and Prof Schools	2010	756	2020	753	-0.4	-3
6115	Technical and Trade Schools	2010	36	2020	45	25	9
6116	Other Schools and Instruction	2010	272	2020	326	19.9	54
6117	Educational Support	2010	23	2020	34	47.8	11

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
	Services						
62	Health Care and Social Assistance	2010	29687	2020	39562	33.3	9875
621	Ambulatory Health Care Services	2010	5123	2020	7279	42.1	2156
6211	Offices of Physicians	2010	1607	2020	2000	24.5	393
6212	Offices of Dentists	2010	886	2020	975	10	89
6213	Offices of Other Health Practitioners	2010	514	2020	600	16.7	86
6214	Outpatient Care Centers	2010	857	2020	1176	37.2	319
6215	Medical and Diagnostic Laboratories	2010	14	2020	17	21.4	3
6216	Home Health Care Services	2010	908	2020	2059	126.8	1151
6219	Other Ambulatory Health Care Services	2010	337	2020	452	34.1	115
622002	State Hospital Employment	2010	478	2020	500	4.6	22
622003	Local Hospital Employment	2010	1422	2020	1450	2	28
622005	Private Hospital Employment	2010	10628	2020	12695	19.4	2067
623	Nursing and Residential Care Facilities	2010	10071	2020	14192	40.9	4121
6232	Residential Mental Health Facilities	2010	3472	2020	5000	44	1528
6233	Community Care Facility for the Elderly	2010	2467	2020	4400	78.4	1933
6239	Other Residential Care Facilities	2010	1380	2020	1892	37.1	512
624	Social Assistance	2010	3865	2020	5396	39.6	1531
6241	Individual and Family Services	2010	2454	2020	3550	44.7	1096
6242	Emergency and Other Relief Services	2010	146	2020	180	23.3	34
6244	Child Day Care Services	2010	431	2020	516	19.7	85
7010	Agricultural Self-employed	2010	1314	2020	1269	-3.4	-45
71	Arts, Entertainment, and Recreation	2010	3748	2020	4028	7.5	280
711	Performing Arts and Spectator Sports	2010	331	2020	381	15.1	50
7111	Performing Arts Companies	2010	206	2020	243	18	37

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
7113	Performing Arts and Sports Promoters	2010	49	2020	49	0	0
7115	Independent Artists/Writers/Performers	2010	38	2020	47	23.7	9
712	Museums, Parks and Historical Sites	2010	232	2020	242	4.3	10
713	Amusement, Gambling & Recreation Ind	2010	3185	2020	3405	6.9	220
7132	Gambling Industries	2010	1974	2020	2050	3.9	76
7139	Other Amusement & Recreation Industries	2010	1182	2020	1320	11.7	138
72	Accommodation and Food Services	2010	13851	2020	14802	6.9	951
721	Accommodation	2010	3430	2020	3860	12.5	430
7211	Traveler Accommodation	2010	3201	2020	3600	12.5	399
7212	RV Parks and Recreational Camps	2010	180	2020	214	18.9	34
7213	Rooming and Boarding Houses	2010	49	2020	46	-6.1	-3
722	Food Services and Drinking Places	2010	10421	2020	10942	5	521
7223	Special Food Services	2010	280	2020	300	7.1	20
7224	Drinking Places (Alcoholic Beverages)	2010	1071	2020	954	-10.9	-117
722511	Full-Service Restaurants	2010	5165	2020	5498	6.4	333
722513	Limited-Service Restaurants	2010	3905	2020	4190	7.3	285
81	Other Services, Ex. Public Admin	2010	6262	2020	6634	5.9	372
811	Repair and Maintenance	2010	989	2020	1111	12.3	122
8111	Automotive Repair and Maintenance	2010	782	2020	900	15.1	118
8112	Electronic Equipment Repair/Maintenance	2010	14	2020	12	-14.3	-2
8113	Commercial Machinery Repair/Maintenance	2010	153	2020	160	4.6	7
8114	Household Goods Repair and Maintenance	2010	40	2020	39	-2.5	-1
812	Personal and Laundry Services	2010	1017	2020	1025	0.8	8
8121	Personal Care Services	2010	619	2020	620	0.2	1
8122	Death Care Services	2010	149	2020	158	6	9
8123	Drycleaning and Laundry Services	2010	136	2020	120	-11.8	-16

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NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
8129	Other Personal Services	2010	113	2020	127	12.4	14
813	Membership Organizations & Associations	2010	3787	2020	4074	7.6	287
8131	Religious Organizations	2010	1644	2020	1848	12.4	204
8132	Grantmaking and Giving Services	2010	123	2020	138	12.2	15
8133	Social Advocacy Organizations	2010	378	2020	408	7.9	30
8134	Civic and Social Organizations	2010	1124	2020	1174	4.4	50
8139	Professional and Similar Organizations	2010	518	2020	506	-2.3	-12
814	Private Households	2010	469	2020	424	-9.6	-45
9291	Total Federal Government	2010	2447	2020	2110	-13.8	-337
929199	Federal government excluding Post Office	2010	1744	2020	1550	-11.1	-194
9292	Total State Government	2010	5681	2020	5950	4.7	269
92923	State government excluding Ed.and Hosp.	2010	2262	2020	2320	2.6	58
9293	Total Local Government	2010	19505	2020	19115	-2	-390
92933	Local government excluding Ed.and Hosp.	2010	10956	2020	10940	-0.1	-16

Source: LAUS: MN DEED

APPENDIX C: CONSUMER SURVEY QUESTIONS

Q1: "First, we would like to know how you are doing financially these days. Would you say that you (and your family living there) are currently better off or worse off financially than you were a year ago?"

Better now About the same Worse now Do not know

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Q2: "Now looking ahead, do you think that one year from now you (and your family living there) will be better off financially, worse off, or just about the same as now?"

Will be better off | About the same | Will be worse off | Do not know

Q3: "Now turning to business conditions in the country as a whole, do you think that during the next twelve months we'll have good times financially, bad times, or what?"

Good | Bad | Good and bad | Do not know

Q4: "Looking ahead, which would you say is more likely during the next five years or so - that in the country as a whole we'll have continuous good times, or bad times with periods of widespread unemployment?"

Good | Bad | Do not know

Q5: "Generally speaking, do you think now is a good or bad time for people to buy major household items, such as furniture, refrigerator, TV and things like that?"

Good | Bad | Good and bad | Do not know

Q6: "The population of our region is reasonably older than the populations of WI, MN and the country as a whole, and it is predicted to stay that way. In your opinion, do you think our older population presents more benefits or more problems to the region? For example, benefits could be due to having more experienced workers and problems could be due to diminishing productivity of workers."

More benefits | More problems | Don't know

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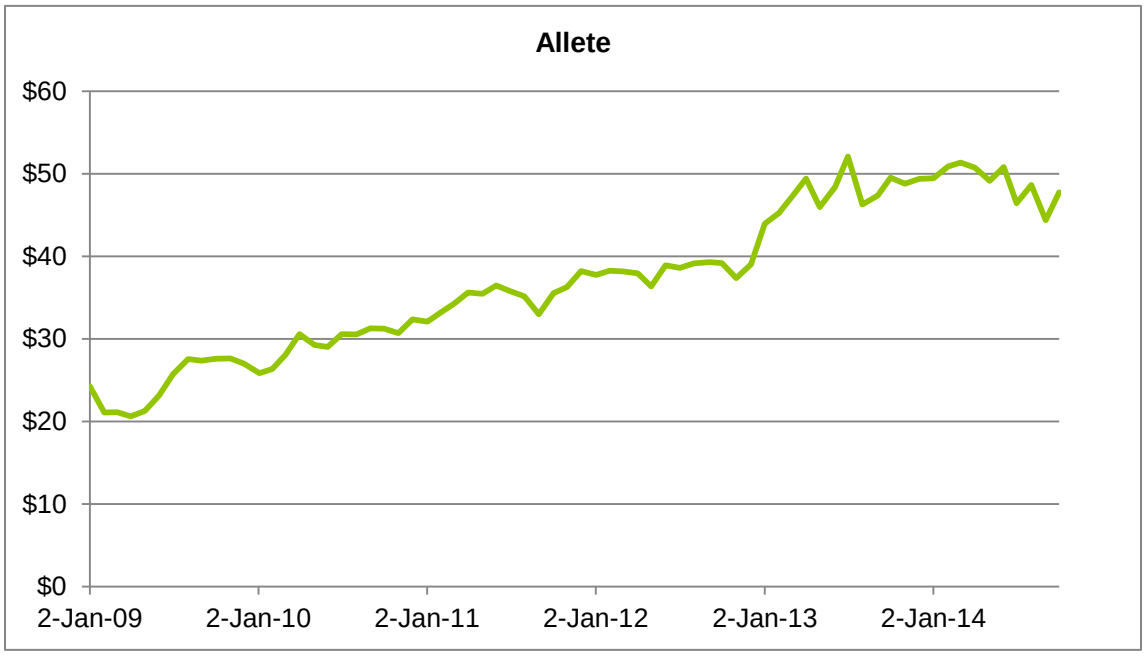
APPENDIX D: STOCK INFORMATION AND HISTORICAL RETURN INFORMATION



Company: **Allete Inc.**

Ticker: ALE

Exchange: NYSE

Market Cap: $2.05 Billion

Industry: Utilities- Regulated Electric

Description: Generates, and distributes electric power in the United States. The Company's business segments are comprised of Regulated Operations and Investments and Other.

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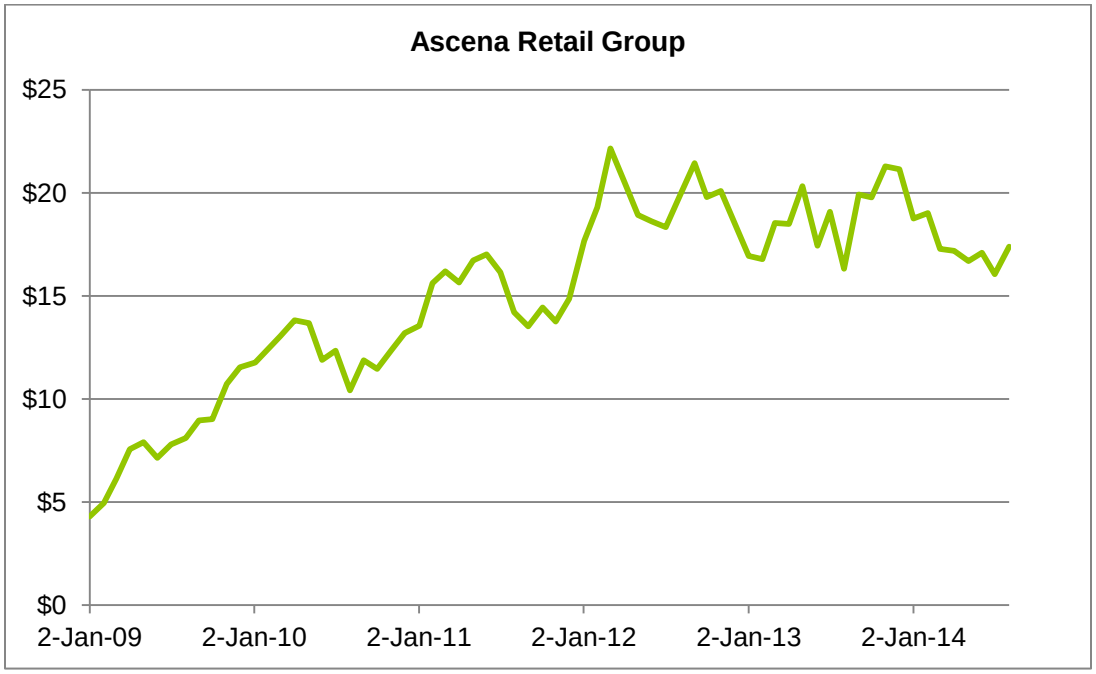

Company: **Ascena Retail Group Inc.**

Ticker: ASNA

Exchange: NASDAQ

Market Cap: $3.07B

Industry: Apparel Stores

Description: Ascena Retail Group, Inc., through its subsidiaries operates as a specialty retailer of apparel for women and tween girls. The company offers apparel, accessories, footwear, and lifestyle products, such as bedroom furnishings and electronics.

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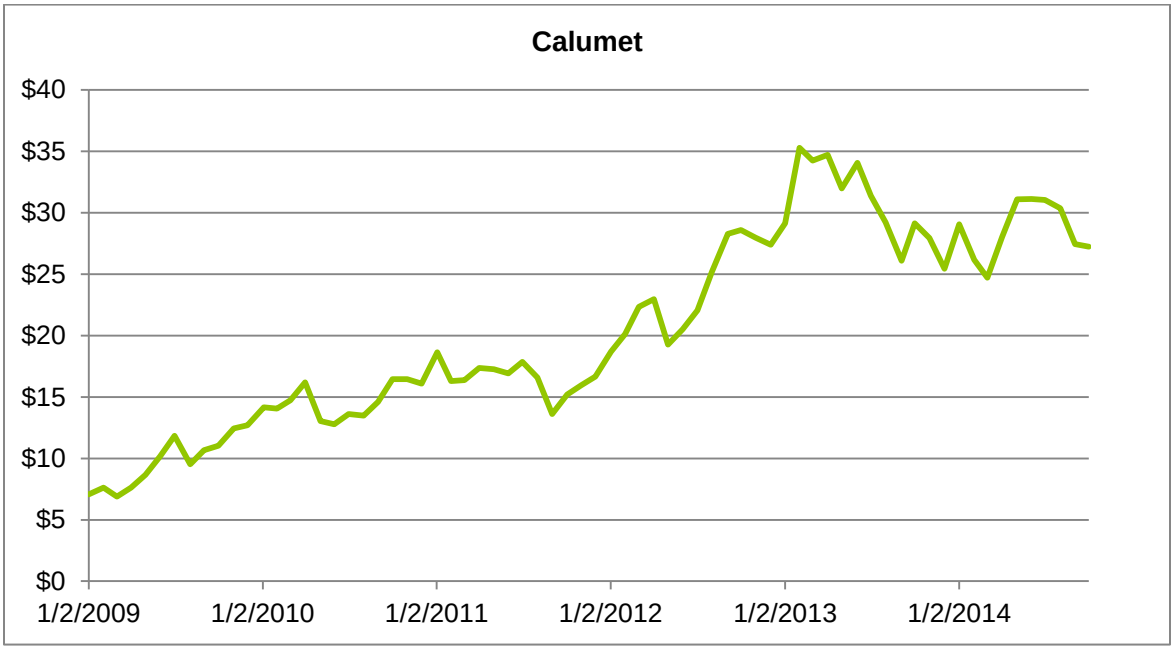

Company: **Calumet Specialty Products Partners LP**

Ticker: CL

Exchange: NASDAQ

Market Cap: $1.78B

Industry: Energy- Oil & Gas Refining &

Description: Calumet Specialty Products Partners LP is a producer of hydrocarbon products in North America. It operates in two segments: specialty products and fuel products; and owns plants located in Louisiana, Wisconsin, Montana, Texas, Pennsylvania and New Jersey.

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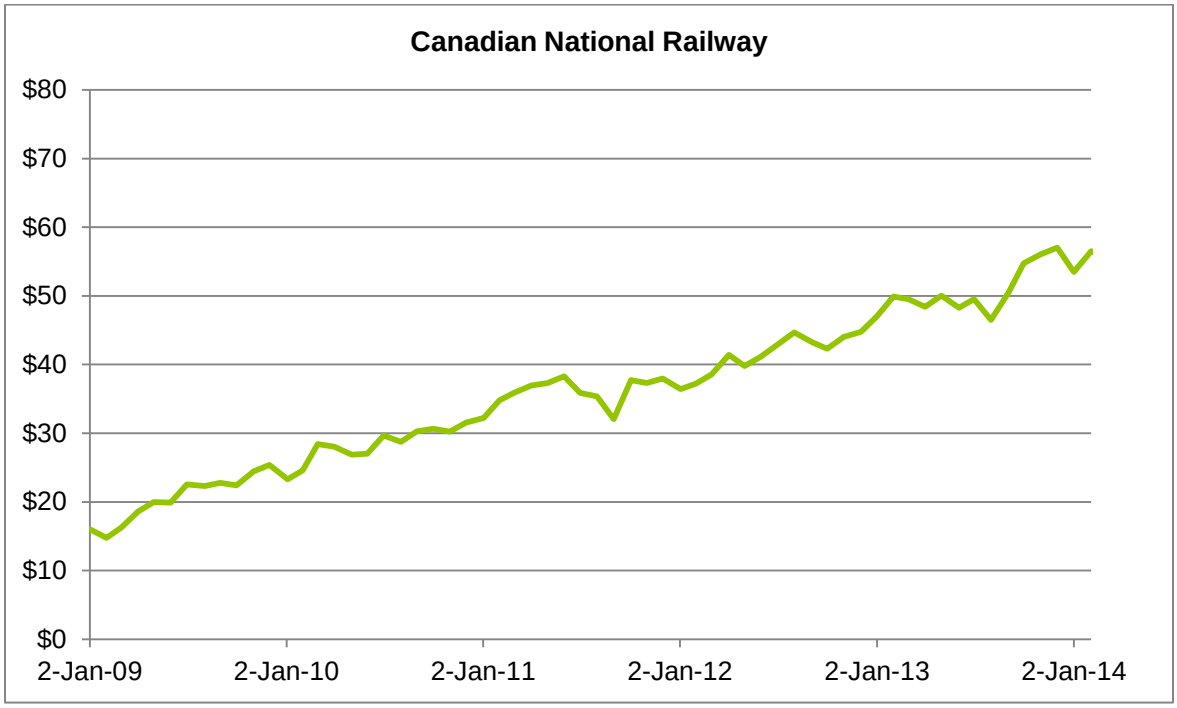

Company: **Canadian National Railway Company**

Ticker: CNI

Exchange: NYSE

Market Cap: $46.99B

Industry: Railroads

Description: Canadian National Railway Co is engaged in the rail and related transportation business. It transports goods for business sectors, ranging from resource products to manufactured products to consumer goods.

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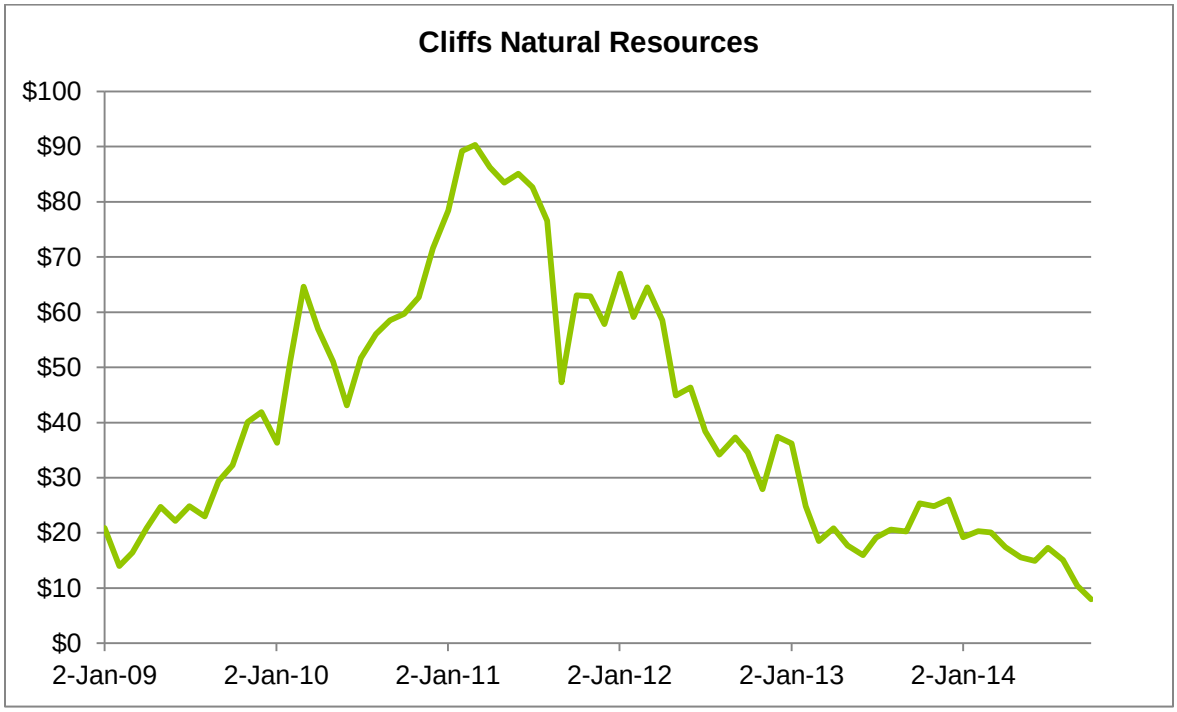

Company: **Cliffs Natural Resources**

Ticker: CLF

Exchange: NYSE

Market Cap: $3.07 B

Industry: Industrial Metals & Minerals

Description: Cliffs Natural Resources Inc. is a mining & natural resources company. It produces iron ore pellets, fines and lump ore, and metallurgical coal.

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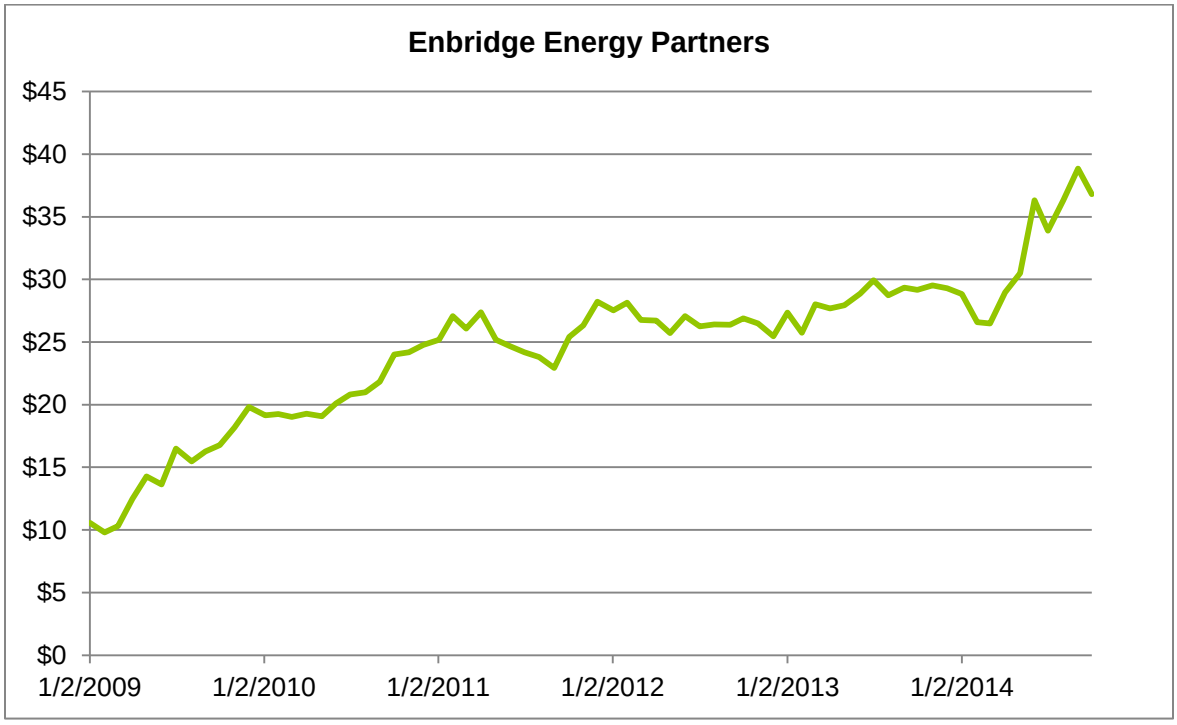

Company: **Enbridge**

Ticker: EEP

Exchange: NYSE

Market Cap: $8.85B

Industry: Energy- Oil & Gas Midstream

Description: Enbridge Energy Partners LP is engaged in the ownership and operation of crude oil and liquid petroleum transportation and storage assets, natural gas gathering, treating, processing, and transmission assets and marketing assets in USA.

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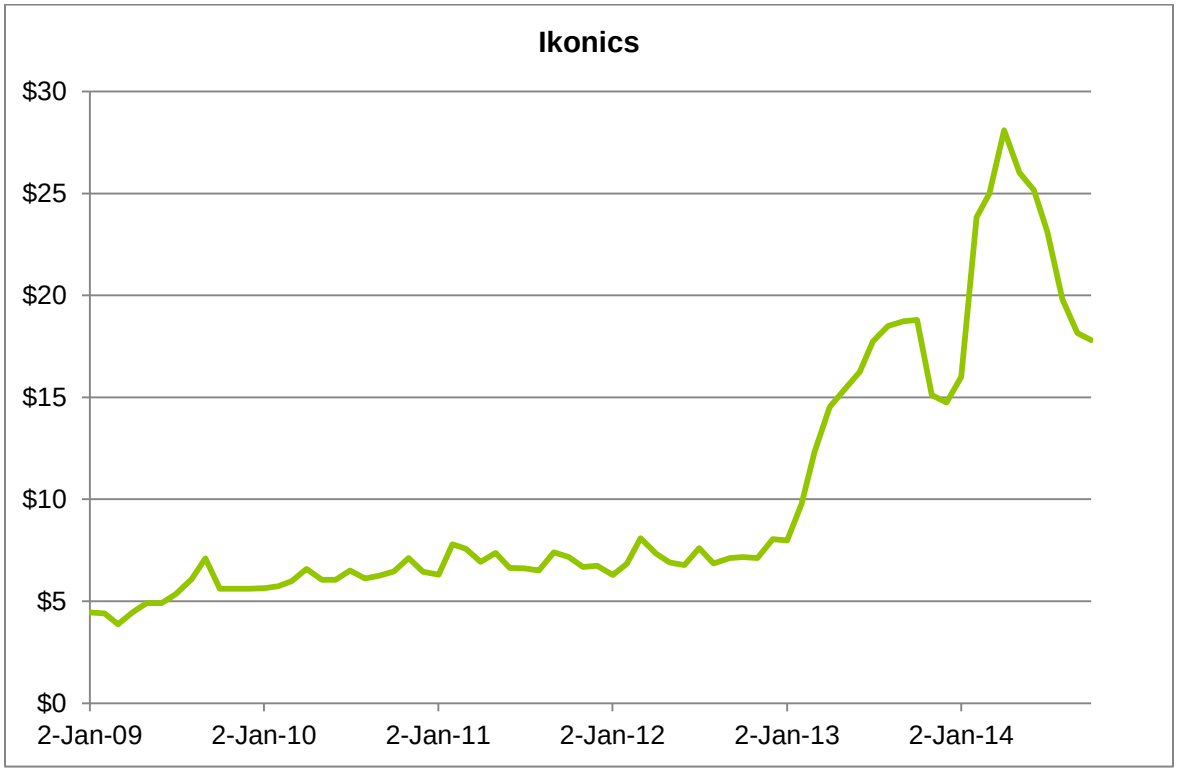

Company: **Ikonics**

Ticker: IKNX

Exchange: NASDAQ

Market Cap: $49.85M

Industry: Specialty Chemicals

Description: IKONICS Corporation is engaged in development, manufacturing and selling of photosensitive liquids ("emulsions") and films for the screen printing and awards and recognition industries.

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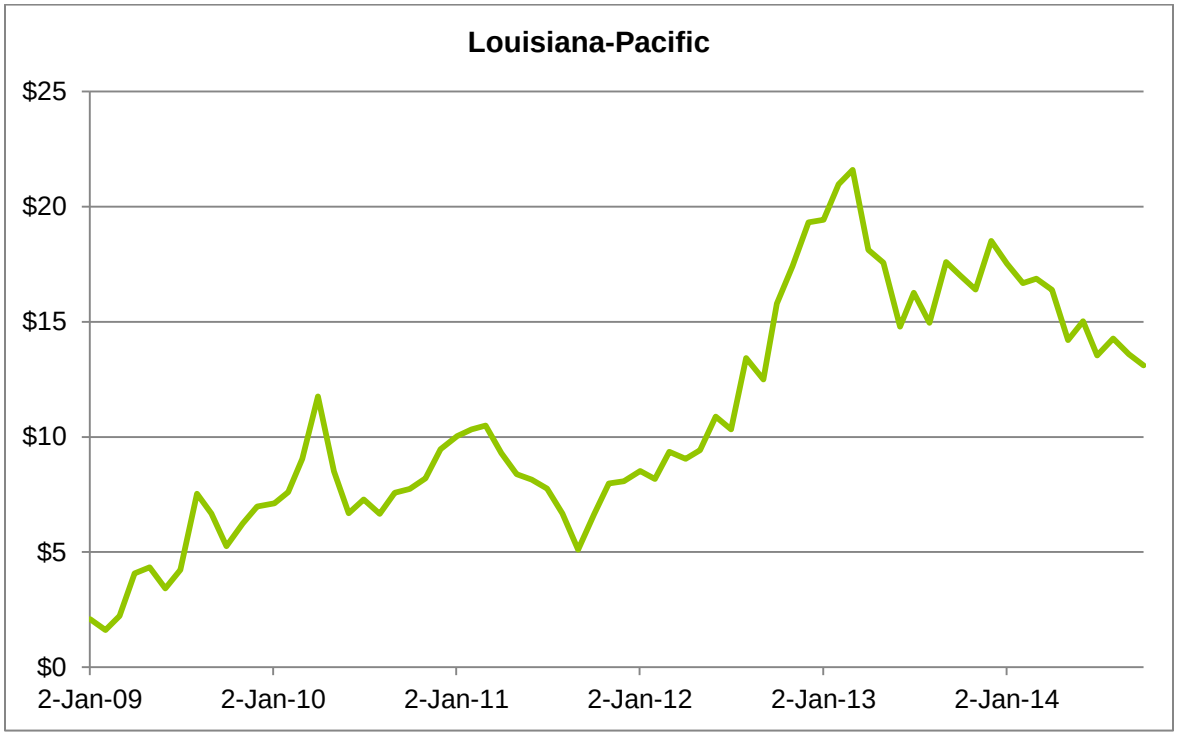

Company: **Louisiana- Pacific**

Ticker: LPX

Exchange: NYSE

Market Cap: $2.46B

Industry: Building Materials

Description: Louisiana-Pacific Corp. is engaged in the manufacture of building products. It operates in four segments: North America Oriented Strand Board (OSB); Siding; Engineered Wood Products (EWP); and South America.

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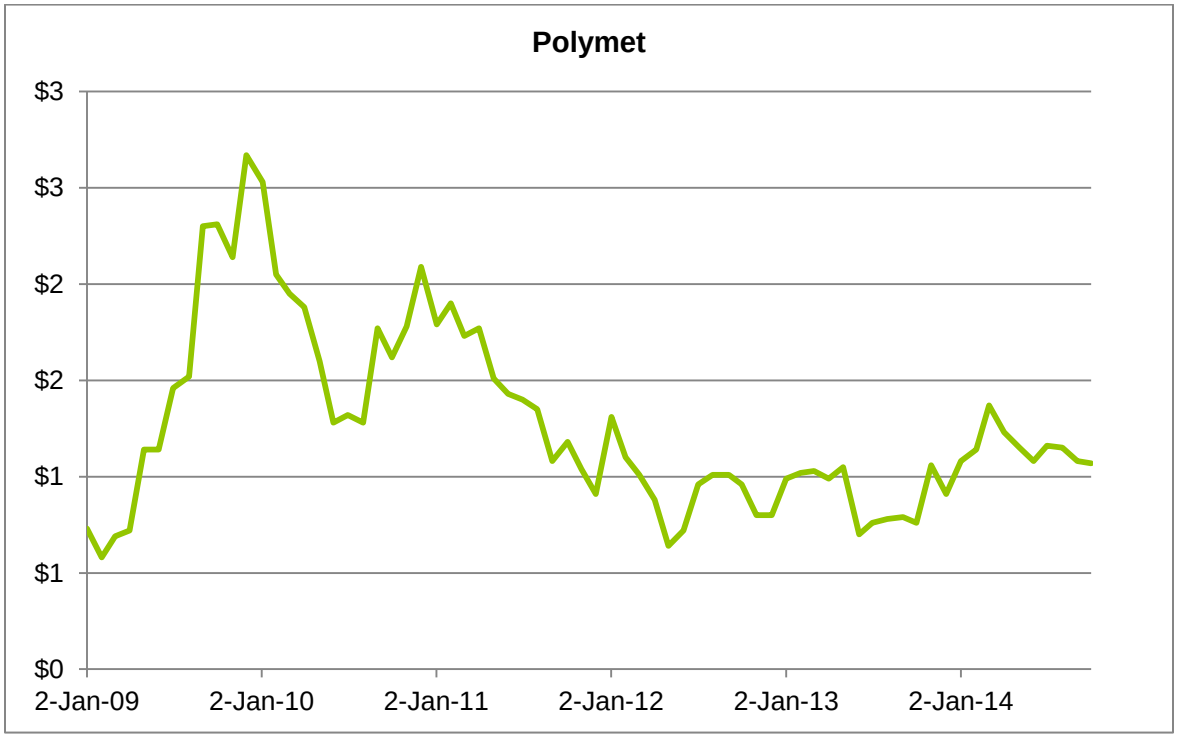

Company: **Polymet**

Ticker: PLM

Exchange: NYSE

Market Cap: $313.46M

Industry: Industrial Metals & Minerals

Description: Canadian mine development company focused on the NorthMet copper-nickel-precious metals project through its wholly owned subsidiary, PolyMet Mining, Inc., a Minnesota corporation.

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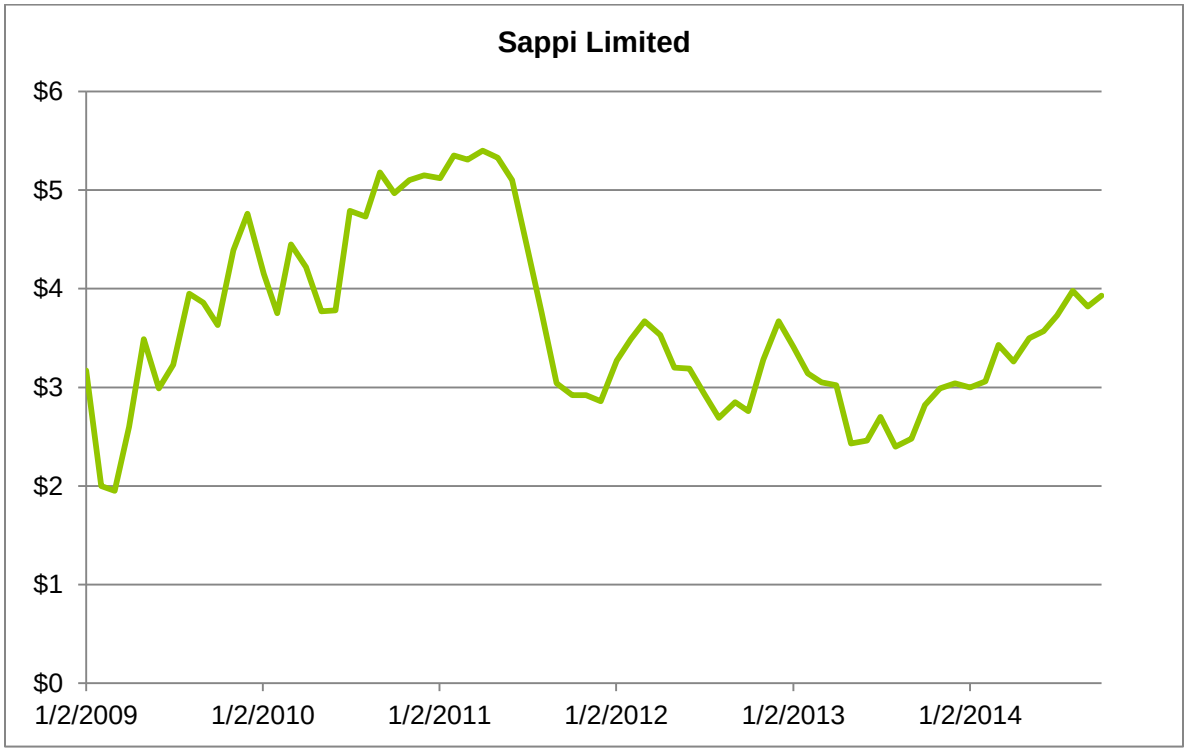

Company: **Sappi Limited**

Ticker: SPPJY

Exchange: OTCPK

Market Cap: $1.6B

Industry: Paper & Paper Products

Description: Sappi, Ltd. is a paper and pulp group. The Company is a producer of coated fine paper used in books, brochures, magazines, catalogues and many other print applications.

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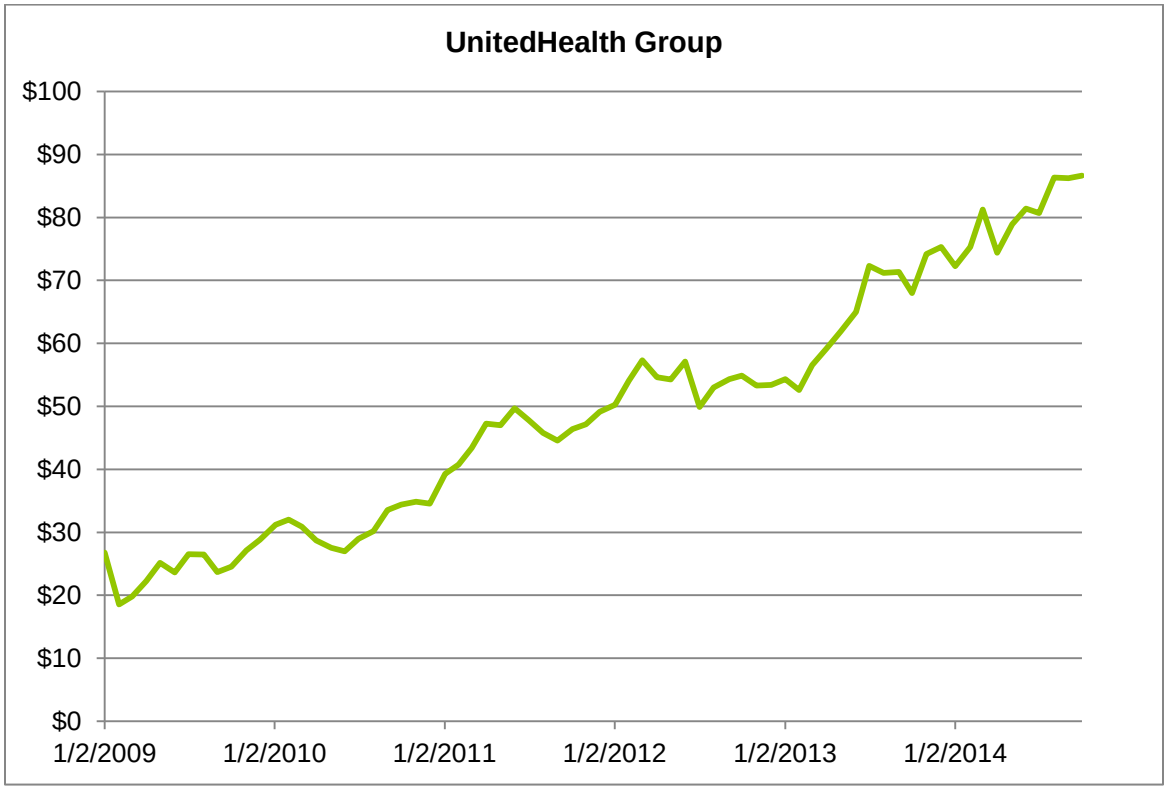

Company: **UnitedHealth Group**

Ticker: UNH

Exchange: NYSE

Market Cap: $74.84B

Industry: Health Care Plans

Description: UnitedHealth Group Inc. designs products, provides services and applies technologies that improve access to health and well-being services, simplify the health care experience and make health care more affordable.

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Company: **US Steel**

Ticker: X

Exchange: NYSE

Market Cap: $3.49B

Industry: Basic Materials- Steel

Description: United States Steel Corporation is an integrated steel producer of flat-rolled and tubular products with major production operations in North America and Europe.

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APPENDIX E: THE NORTHLAND BUSINESS CONFIDENCE SURVEY METHODOLOGY

The Northland Business Confidence Survey was constructed using the following seven questions:

1. What sector is your business in?

2. What is your number of employees?

3. Excluding season changes, evaluate the business indicators [Average Hours Worked, Number of Employees, Selling Prices, Capital Expenditures, Sales Revenue, Profits] relating to the current state of your business relative to the past six months?

4. Excluding normal seasonal changes, evaluate the business indicators [Average Hours Worked, Number of Employees, Selling Prices, Capital Expenditures, Sales Revenue, Profits] relating to your company for the next six months?

5. (2 questions examining general business conditions in previous six months): How has the outlook for your company changed? What is your evaluation of the level of general business activity?

6. (2 questions examining general business conditions in future six months): How will the outlook of your company change? What is your evaluation of the level of general business activity?

7. What factors are limiting your ability to increase business activity? Please check up to three.

The questions were created by the CSS Economic Research Team after reviewing numerous business confidence surveys administered by a wide variety of institutions to determine the basic framework for manufacturing such a survey. It was determined that the indicators selected were the most important and valuable factors that can be used to gauge business activity.

The survey was distributed via email to the following chambers in late September and early October: Hibbing Chamber of Commerce; Chisholm Chamber of Commerce; Hayward Chamber of Commerce; Two Harbors Chamber of Commerce; Cable Chamber of Commerce; Cloquet Chamber of Commerce; Rice Lake Chamber of Commerce; Duluth Chamber of Commerce; and the Superior Chamber of Commerce.

CONSTRUCTION OF INDEX

All questions have five possible answers: significantly decrease, moderately decrease, no change, moderately increase, and significantly increase. Each option is numbered 1-5 from least pessimistic to most optimistic. For example, a 5 would indicate a significant increase and a 2 would indicate a moderate decrease. A mean is determined for every question based on this system. The mean of each question is then added together and divided by the total number of questions to derive the mean of the survey as a whole. This number is then divided by 3 since 3 would indicate no change or complete neutrality. The number derived from this equation is then multiplied by 100 to give us an index reading with 100 equalling complete neutrality.

The survey generated 126 responses. The analysis was conducted on three different levels: (1) a general analysis of how all respondents answered the questions; (2) an analysis of responses by industry; (3) an analysis of responses broken down by size.

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